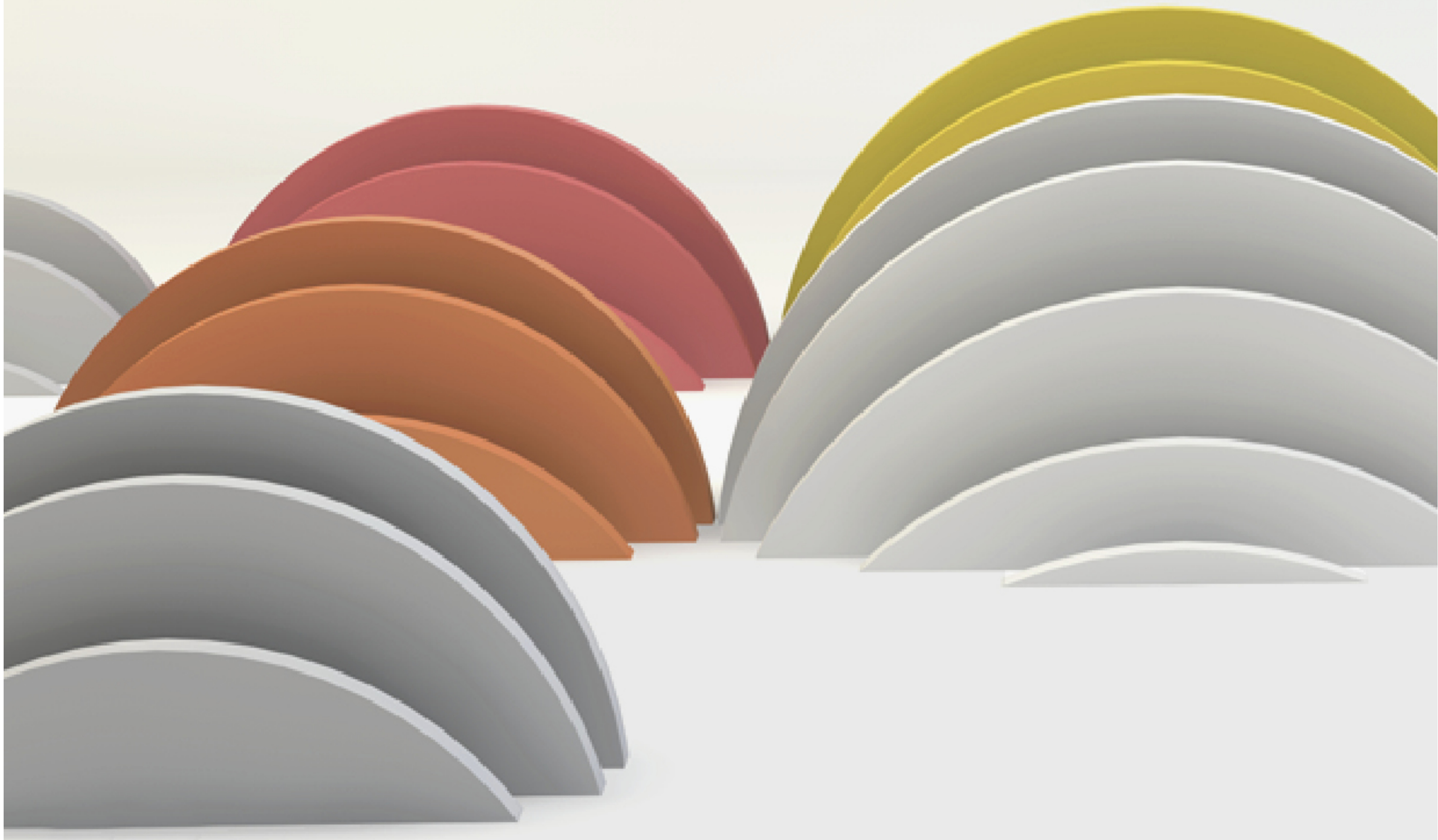
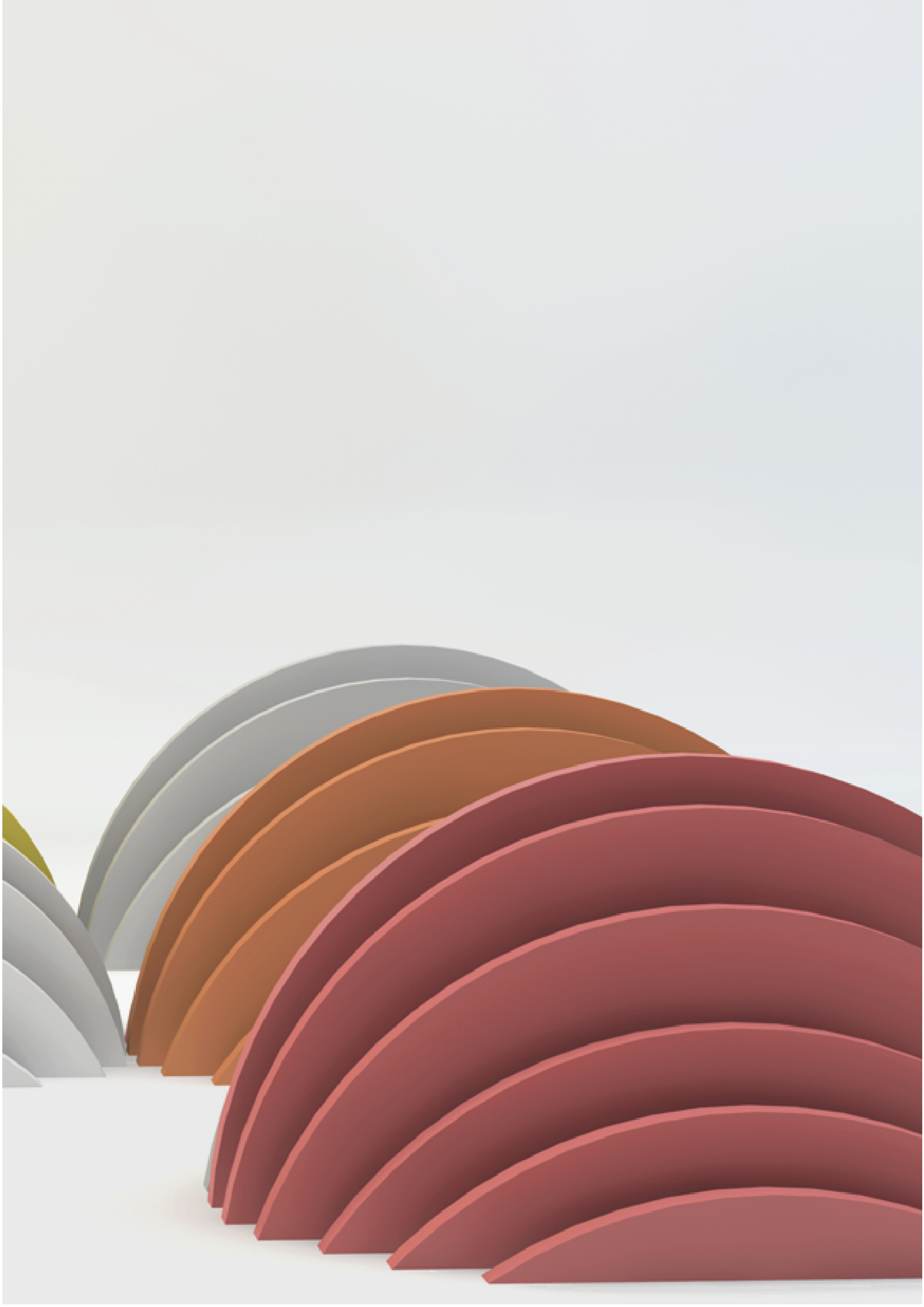
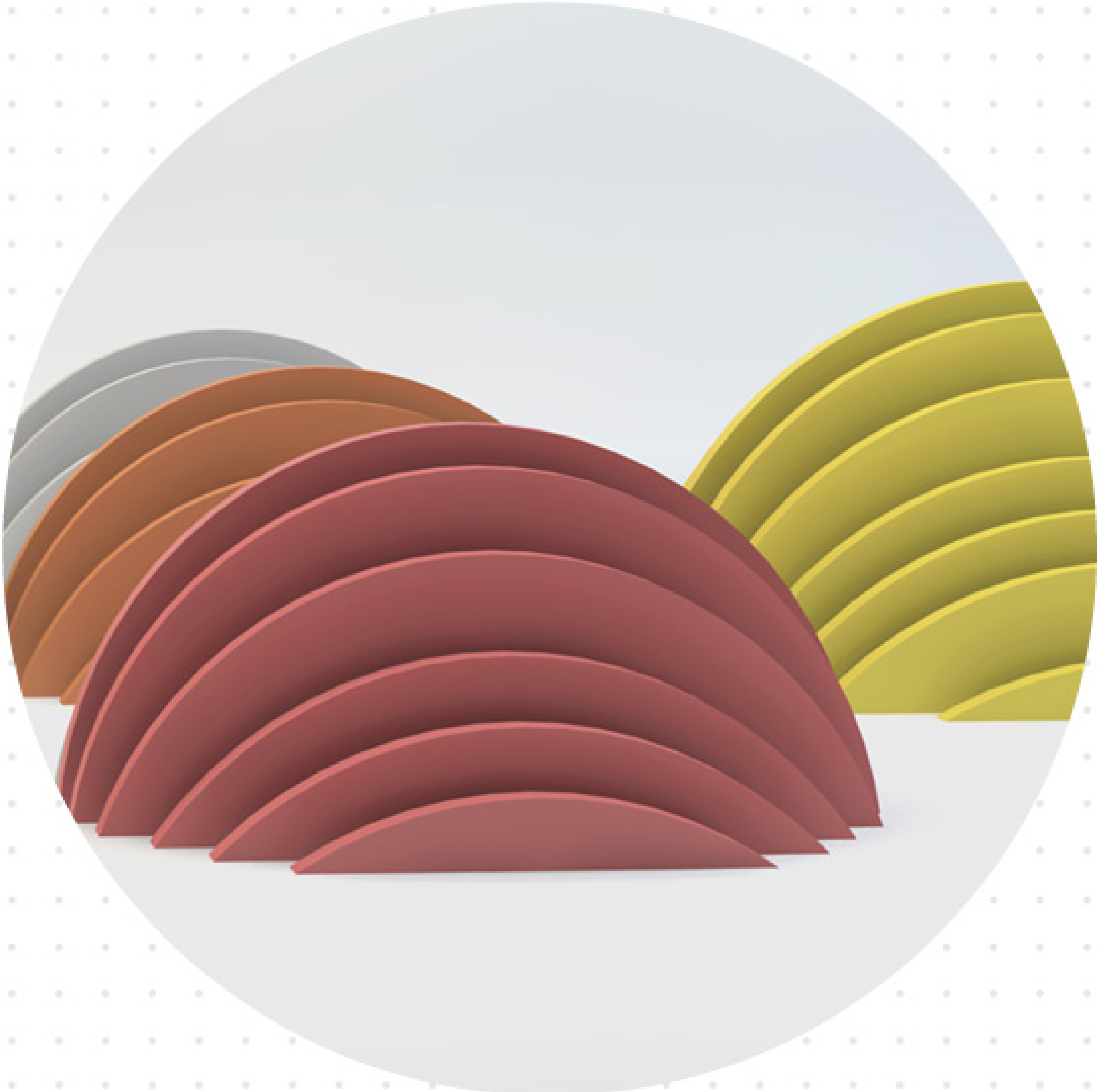
SONAE / FINANCIAL REPORT / 2013

FINANCIAL STATEMENTS





CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2013 AND 2012

(Amounts expressed in euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

ASSETS	Notes	31 Dec 2013	31 Dec 2012
NON-CURRENT ASSETS:			
Tangible assets	10	1,827,164,403	2,603,109,778
Intangible assets	11	202,854,156	562,455,222
Investment properties		1,001,735	386,001
Goodwill	12	610,187,858	658,228,050
Investments in joint ventures and associates	6	1,144,792,015	456,446,288
Other investments	7, 9 and 13	31,991,837	59,877,723
Deferred tax assets	20	123,159,864	224,718,491
Other non-current assets	9 e 14	31,970,613	49,531,315
Total Non-Current Assets		3,973,122,481	4,614,752,868
CURRENT ASSETS:			
Inventories	15	588,949,862	538,486,177
Trade account receivables	9 and 16	78,261,378	171,053,729
Other debtors	9 and 17	123,425,677	117,941,848
Taxes recoverable	18	72,447,501	74,942,868
Other current assets	19	71,537,318	139,910,545
Investments	9 and 13	202,484,454	911,922
Cash and cash equivalents	9 and 21	366,308,918	376,635,163
Total Current Assets		1,503,415,108	1,419,882,252
Assets available for sale		-	720,338
TOTAL ASSETS		5,476,537,589	6,035,355,458
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	22	2,000,000,000	2,000,000,000
Own shares	22	(126,945,388)	(128,149,614)
Legal reserve		188,285,864	187,137,648
Reserves and retained earnings		(816,534,401)	(772,902,493)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		318,979,514	32,572,259
Equity attributable to the equity holders of the Parent Company		1,563,785,589	1,318,657,800
Equity attributable to non-controlling interests	23	344,325,829	349,901,121
TOTAL EQUITY		1,908,111,418	1,668,558,921
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	9 and 24	241,163,840	364,137,659
Bonds	9 and 24	1,113,399,900	1,287,944,455
Obligation under finance leases	9, 24 and 25	7,980,489	27,593,734
Other loans	9 and 24	53,936	7,084,062
Other non-current liabilities	9 and 27	51,247,881	87,958,431
Deferred tax liabilities	20	121,095,969	136,943,600
Provisions	32	50,659,919	114,470,445
Total Non-Current Liabilities		1,585,601,934	2,026,132,386
CURRENT LIABILITIES:			
Loans	9 and 24	65,791,907	65,557,681
Bonds	9 and 24	159,962,358	450,820,688
Obligation under finance leases	9, 24 and 25	4,314,843	7,037,038
Other loans	9 and 24	3,869,633	2,661,283
Trade creditors	9 and 29	1,162,317,682	1,221,772,727
Other creditors	9 and 30	313,313,588	227,781,624
Taxes and contributions payable	18	55,757,125	59,742,218
Other current liabilities	31	214,668,594	302,864,083
Provisions	32	2,828,507	2,426,809
Total Current Liabilities		1,982,824,237	2,340,664,151
TOTAL LIABILITIES		3,568,426,171	4,366,796,537
TOTAL EQUITY AND LIABILITIES		5,476,537,589	6,035,355,458

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 AND 2012

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	Notes	31 Dec 2013	31 Dec 2012 Restated Note 4
Sales	35	4,655,760,619	4,523,123,228
Services rendered	35	165,580,722	146,664,218
Investment income investments recorded at fair value through profit	36	(12,682)	15,995,991
Gains and losses in	13 and 37	46,636,719	-
Financial income	37	15,252,983	8,403,632
Other income	38	445,343,173	433,411,520
Cost of goods sold and materials consumed	15	(3,602,380,328)	(3,518,309,414)
Changes in stocks of finished goods and work in progress		181,680	(666,354)
External supplies and services	39	(615,834,278)	(622,528,126)
Staff costs	40	(611,849,153)	(605,794,773)
Depreciation and amortisation	10 and 11	(187,186,398)	(195,129,682)
Provisions and impairment losses	32	(187,418,749)	(27,686,119)
Financial expense	37	(97,070,769)	(102,584,205)
Other expenses	41	(63,883,293)	(37,297,453)
Share of results of joint ventures and associetad companies	6	2,955,911	(24,382,535)
Profit/(Loss) before taxation		(33,923,843)	(6,780,072)
Taxation	42	(15,909,211)	(22,361,579)
Profit/(Loss) after taxation		(49,833,054)	(29,141,651)
Attributable to:			
Profit/(Loss) from discontinued operations, after taxation	4	513,853,339	100,832,034
Consolidated profit/(Loss) for the period		464,020,285	71,690,383
Attributable to equity holders of the Parent Company:			
Continuing operations		(66,746,036)	(22,863,277)
discontinued operations		385,725,550	55,435,536
		318,979,514	32,572,259
Attributable to non-controlling interests			
Continuing operations		16,912,982	(6,278,374)
discontinued operations		128,127,789	45,396,498
		145,040,771	39,118,124
Profit/(Loss) per share			
From continuing operations			
Basic	44	(0.035555)	(0.012209)
Diluted	44	(0.035353)	(0.012176)
From discontinued operations			
Basic	44	0.205473	0.029602
Diluted	44	0.204305	0.029522

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2013 AND 2012

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	31 Dec 2013	31 Dec 2012
Net Profit / (Loss) for the period	464,020,285	71,690,383
Items that maybe reclassified subsequently to profirt or loss		
Exchange differences arising on translation of foreign operations	(4,546,249)	(4,209,464)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	(27,093,926)	(20,338,090)
Loss of significant influence	-	3,376,172
Changes on fair value of available-for-sale financial assets (Note 7)	(7,386,736)	1,334,793
Changes in hedge and fair value reserves	3,366,365	(34,319)
Deferred taxes related with other components of comprehensive income	68,980	706,717
Others	556,557	(1,122,547)
Other comprehensive income for the period	(35,035,009)	(20,286,737)
Total comprehensive income for the period	428,985,275	51,403,645
Attributable to:		
Equity holders of parent company	290,433,701	16,001,551
Non controlling interests	138,551,574	35,402,094

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

(Amounts expressed in euro)	Share Capital	Own Shares	Legal Reserve	Reserves and Retained Earnings: Currency Translation Reserve	Reserves and Retained Earnings: Investments Fair Value Reserve	Reserves and Retained Earnings: Hedging Reserve	Reserves and Retained Earnings: Other Reserves and Retained Earnings	Reserves and Retained Earnings: Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 23)	Total Equity
	Attributable to Equity Holders of Parent Company											
Balance as at 1 January 2012 - restated	2,000,000,000	(131,895,330)	187,137,648	6,951,543	2,505,654	(3,434,957)	(801,620,771)	(795,598,531)	103,944,076	1,363,587,863	336,803,275	1,700,391,138
Total compreensive income for the period	-	-	-	(2,114,599)	(585,046)	740,563	(14,611,626)	(16,570,708)	32,572,259	16,001,551	35,402,094	51,403,645
Appropriation of profit of 2011:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	103,944,076	103,944,076	(103,944,076)	-	-	-
Dividends distributed	-	-	-	-	-	-	(61,989,385)	(61,989,385)	-	(61,989,385)	(11,481,147)	(73,470,532)
Income distribution	-	-	-	-	-	-	-	-	-	-	(5,986,265)	(5,986,265)
Obligation fulfield by share attribution to employees	-	3,745,716	-	-	-	-	(1,859,506)	(1,859,506)	-	1,886,210	(257,882)	1,628,328
Partial disposal or aquisitions of affiliated companies	-	-	-	-	-	-	(1,132,049)	(1,132,049)	-	(1,132,049)	(20,745,608)	(21,877,657)
Others	-	-	-	-	-	-	303,610	303,610	-	303,610	16,166,654	16,470,264
Balance as at 31 December 2012	2,000,000,000	(128,149,614)	187,137,648	4,836,944	1,920,608	(2,694,394)	(776,965,651)	(772,902,493)	32,572,259	1,318,657,800	349,901,121	1,668,558,921
Balance as at 1 January 2012	2,000,000,000	(128,149,614)	187,137,648	4,836,944	1,920,608	(2,694,394)	(776,965,651)	(772,902,493)	32,572,259	1,318,657,800	349,901,121	1,668,558,921
Total comprehensive income for the period	-	-	-	(2,077,042)	(3,694,107)	3,418,216	(26,192,880)	(28,545,813)	318,979,514	290,433,701	138,551,574	428,985,275
Appropriation of profit of 2012:												
Transfer to legal reserves and retained earnings	-	-	1,148,216	-	-	-	31,424,043	31,424,043	(32,572,259)	-	-	-
Dividends distributed	-	-	-	-	-	-	(62,159,135)	(62,159,135)	-	(62,159,135)	(11,035,037)	(73,194,172)
Income distribution	-	-	-	-	-	-	-	-	-	-	(2,587,351)	(2,587,351)
Obligation fulfield by share attribution to employees	-	-	-	-	-	-	3,493,215	3,493,215	-	3,493,215	2,023,158	5,516,373
Cash Settled Equity Swap early partial termination (Note 22)	-	1,204,226	-	-	-	-	2,278,092	2,278,092	-	3,482,318	-	3,482,318
Partial disposal or aquisitions of affiliated companies	-	-	-	-	-	-	14,890,286	14,890,286	-	14,890,286	(131,471,460)	(116,581,174)
Derecognition of incentive plans on discontinued operations	-	-	-	-	-	-	(4,855,660)	(4,855,660)	-	(4,855,660)	(1,612,922)	(6,468,582)
Others	-	-	-	-	-	-	(156,936)	(156,936)	-	(156,936)	556,746	399,810
Balance as at 31 December 2013	2,000,000,000	(126,945,388)	188,285,864	2,759,902	(1,773,499)	723,822	(818,244,626)	(816,534,401)	318,979,514	1,563,785,589	344,325,829	1,908,111,418

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2013 AND 2012

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	31 Dec 2013	31 Dec 2012
OPERATING ACTIVITIES			
Cash receipts from trade debtors		5,232,159,494	5,347,329,798
Cash paid to trade creditors		(4,092,288,577)	(4,011,203,641)
Cash paid to employees		(650,191,587)	(667,073,692)
Cash flow generated by operations		489,679,330	669,052,465
Income taxes (paid) / received		(22,916,192)	(32,701,612)
Other cash receipts and (payments) relating to operating activities		(25,457,927)	(1,556,520)
Net cash flow from operating activities (1)		441,305,211	634,794,333
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	45	31,412,494	5,863,972
Tangible assets and investment properties		10,448,767	17,748,276
Intangible assets		1,003,289	541,879
Interests and similar income		7,773,592	9,089,453
Loans granted	8 and 43	560,705,466	12,703,189
Dividends		254,847	12,183,294
Others		44,728,550	31,275,257
		656,327,005	89,405,320
Cash Payments arising from:			
Investments	45	(19,352,742)	(39,496,295)
Tangible assets and investment properties		(197,893,756)	(195,931,097)
Intangible assets		(66,007,214)	(139,576,585)
Loans granted		(10,096,722)	(17,433,995)
Others		(11,776,766)	(15,005,500)
		(305,127,200)	(407,443,472)
Net cash used in investment activities (2)		351,199,805	(318,038,152)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		3,269,087,739	5,199,568,253
Capital increases, additional paid in capital and share premiums		254,886	15,882,000
Coverage of losses		399,810	-
Others		-	2,444,713
		3,269,742,435	5,217,894,966
Cash Payments arising from:			
Loans obtained		(3,861,165,231)	(5,395,770,802)
Interests and similar charges		(86,470,211)	(98,801,011)
Dividends		(88,553,383)	(83,878,895)
Purchase of own shares		(515,821)	(2,612,424)
Others		(4,160,800)	(5,308,697)
		(4,040,865,446)	(5,586,371,829)
Net cash used in financing activities (3)		(771,123,011)	(368,476,863)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		21,382,005	(51,720,682)
Effect of foreign exchange rate		617,524	368,525
Effect of discontinued operations	8	(18,262,934)	-
Cash and cash equivalents at the beginning of the period	21	363,367,909	415,457,116
Cash and cash equivalents at the end of the period	21	365,869,456	363,367,909

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2013

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

1 INTRODUCTION

A SONAE, SGPS, SA ("Sonae Holding") has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 5 to 7 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 47 and in the management report.

During the year ended at 31 December 2013, the merger between Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA (note 8) was completed. Accordingly, the telecommunications segment was classified, for disclosure purposes, as a discontinued operation.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying consolidated financial statements are as follows:

2.1 Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union applicable to economic periods beginning on 1 January 2013, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as at the consolidated financial statements issuance date.

The accompanying consolidated financial statements have been prepared from the books and accounting records of the Company, subsidiaries and joint ventures, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments and investment properties, which are stated at fair value.

New accounting standards and their impact on the consolidated financial statements:

Up to the financial statements approval date, the following standards interpretations, amendments and revisions some of which become mandatory during the year 2013, have been endorsed by the European Union:

With mandatory application on 1 January 2013:	Da Effective Date(for financial years beginning on/after)
IFRS 13 - (Fair Value Measurement)	01 Jan 2013
IAS 19 - Amendments (Employee Benefits)	01 Jan 2013
IAS 1 - Amendments (Presentation of Items of Other Comprehensive Income)	01 Jan 2013
IFRS 7 - Admendments (Disclosures of Financial Instruments)	01 Jul 2012
IFRIC 20 - Interpretation (Stripping Costs in the Production Phase of a Surface Mine)	01 Jan 2013
IFRS 1 - Amendments (Government Loans)	01 Jan 2013
	01 Jan 2013

The application of these standards and interpretations had no material effect on the financial statements of the Group.

The following standards, interpretations, amendments and revisions have been at the date of approval of these financial statements, approved (endorsed) by the European Union, whose application is mandatory in future financial years:

With mandatory application after 2013:	Effective Date(for financial years beginning on/after)
IFRS 10 - (Consolidated Financial Statements) (*)	01 Jan 2014
IFRS 11 - (Joint arrangements) (*)	01 Jan 2014
IFRS 12 - (Disclosures of Interests in Other Entities) (*)	01 Jan 2014
IAS 27 - (Separate Financial Statements – revised in 2011) (*)	01 Jan 2014
IAS 28 - (Investments in Associates and Joint Ventures) (*)	01 Jan 2014
Amendments to IFRS 10, IFRS 12 and IAS 27 (Investments Entities)	01 Jan 2014
IAS 32 - Amendments (Offsetting Financial Assets and Financial Liabilities)	01 Jan 2014
Amendments to IAS 36 (Recoverable amount disclosures for Non-Financial Assets)	01 Jan 2014
Amendments to IAS 39 (Reformulation of Derivatives and continuation of Hedge Accounting)	01 Jan 2014

(*) In accordance with the EU Regulation which approved the adoption of IFRS 10, 11 and 12 and the amendments to IAS 27 and IAS 28, an entity shall use these standards no later than periods beginning on or after 1 January 2014. The early adoption is however permitted;

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the year ended on the 31 December 2013, since their application is not yet mandatory. No significant impacts are expected in the financial statements resulting from the adoption of these standards, namely because the

Group has amended the measurement of investments in jointly controlled entities by applying the equity method.

2.2 Consolidation Principles

The consolidation methods adopted by Sonae are as follows:

a) Investments in Sonae companies (subsidiaries)

Investments in companies in which Sonae owns, directly or indirectly, more than 50% of the voting rights at Shareholders' General Meetings or is able to establish financial and operational policies so as to benefit from its activities (definition of control normally used by Sonae), are included in the consolidated financial statements using the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption Non-controlling interests, in the consolidated statement of financial position and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Note 5.

The comprehensive income of an associated is attributable to the Sonae Group Owners and non-controlling interests, even if the situation results in a deficit balance at the level of non-controlling interests.

Assets and liabilities of each Sonae subsidiary are measured at their fair value at the acquisition date or control assumption, such measurement can be completed within twelve months after the date of acquisition. The excess of the consideration transferred plus the fair value of any previously held interests and non-controlling interests over the fair value of the identifiable net assets acquired is recognized as goodwill (Note 2.2.c)). Any excess of fair value of identifiable assets over consideration transferred, previously held interest and non-controlling interests recognized as income in profit or loss for the period of acquisition in the caption "Other income", after reassessment of the estimated fair value attributed to the net assets acquired. The Sonae Group will choose on transaction-by-transaction basis, the fair measurement of non-controlling interests, (i) according to the non-controlling interests share assets, liabilities and contingent liabilities of the acquired, or (ii) according to their fair value.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of gain of control or up to the effective date of loss of control, as appropriate.

Adjustments to the financial statements of Sonae companies are performed, whenever necessary, in order to adapt accounting policies to those used by Sonae. All intra-group transactions, balances, income and expenses and distributed dividends are eliminated on the consolidation process.

Whenever Sonae has, in substance, control over other entities created for a specific purpose, even if no share capital interest is directly held in those entities, these are consolidated by the full consolidation method. Such entities, when applicable, are disclosed in Note 5.

b) Investments in jointly controlled companies and associated companies

Investments in jointly controlled entities are recorded using the equity method. Investments in jointly controlled companies are classified as such based on shareholders' agreements that establish joint control.

Investments in associated companies (companies where Sonae exercises significant influence but does not establish financial and operational policies – usually corresponding to holdings between 20% and 50% in a company's share capital) are also accounted in accordance with the equity method.

Under the equity method, investments are recorded at cost, adjusted by the amount corresponding to Sonae in comprehensive income (including net profit for the period) of jointly controlled entities and associates, against the Group's comprehensive income or gains or losses for the year as applicable, and dividends received.

Any excess of the cost of acquisition over Sonae's share in the fair value of the identifiable net assets acquired is recognized as goodwill (Note 2.2.c)), which is included in the caption Investment in jointly controlled and associated companies. Any excess of Sonae's share in the fair value of the identifiable net assets acquired over cost are recognized as income in the profit or loss for the period of acquisition, after reassessment of the estimated fair value of the net assets acquired under the caption "Share of results of joint ventures and associated undertakings.

An assessment of investments in jointly controlled and associated companies is performed when there is an indication that the asset might be impaired being any impairment loss recorded in the income statement. Impairment losses recorded in prior years that are no longer justifiable are reversed.

When Sonae's share of losses exceeds the carrying amount of the investment, the investment is reported at null value and recognition of losses is discontinued, unless Sonae is committed beyond the value of its investment. In these situations impairment is recorded for that amount.

Sonae's share in unrealised gains arising from transactions with jointly controlled and associated companies is eliminated in proportion to Sonae's interest in the above mentioned entities against the investment on the same entity. Unrealised losses are as well eliminated, but only to the extent that there is no evidence of impairment of the asset transferred.

Investments in jointly controlled and associated companies are disclosed in Note 6.

c) Goodwill

The excess of consideration transferred in the acquisition of investments in subsidiaries, jointly controlled and associated companies plus the amount of any non-controlling interests (in the case of affiliated companies) over Sonae's share in the fair value of the identifiable assets, liabilities and contingent liabilities of those companies at the date of acquisition, when positive, is shown as goodwill (Note 12) or as Investments in jointly controlled and associated entities (Note 6). The excess of the consideration transferred in the acquisition of investments in foreign companies the amounts of any non-controlling interests (in the case of affiliated companies) over the fair value of their identifiable assets, liabilities and contingent liabilities at the date of acquisition is calculated using the functional currency of each of those companies. Translation to the Sonae's functional currency (Euro) is made using the closing exchange rate. Exchange rate differences arising from this translation are recorded and disclosed in "Currency translation reserves".

Future contingent consideration is recognised as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the 'Goodwill', but only as long as they occur during the 'measurement period' (until 12 months after the acquisition-date) and as long as they relate to facts and circumstances prior to that existed at the acquisition date, otherwise these changes must be recognised in profit or loss on the income statement.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the shareholders funds captions, and without giving rise to any additional 'Goodwill' and without any gain or loss recognised.

The moment a sales transaction generates a loss of control, assets and liabilities of the entity are derecognised, any interest retained in the entity sold is be remeasured at fair value and any gain or loss calculated on the sale is recorded in results.

O Goodwill is not amortised, but it is subject to impairment tests on an annual basis or whenever there are indications of impairment to check for impairment losses to be recognized. Net recoverable amount is determined based on business plans used by Sonae management or on valuation reports issued by independent entities namely for real estate assets. Impairment losses recognized in the period are recorded in the income statement under the caption "Provisions and impairment losses".

Impairment losses related with goodwill will not be reversed.

The goodwill, if negative is recognized as income in the profit or loss for the period, at the date of acquisition, after reassessment of the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

d) Translation of financial statements of foreign companies

Assets and liabilities denominated in foreign currencies in the financial statements of foreign companies are translated to euro using exchange rates at date of the statement of financial position. Profit and loss and cash flows are converted to euro using the average exchange rate for the period. Exchange rate differences originated after 1 January 2004 are recorded as equity under Translation reserves in "Other Reserves and retained earnings". Exchange rate differences that were originated prior to 1 January 2004 (date of transition to IFRS) were written-off through "Retained earnings".

Goodwill and fair value adjustments arising from the acquisition of foreign companies are recorded as assets and liabilities of those companies and translated to euro using exchange rates at the statement of financial position date.

Whenever a foreign company is sold (totally or partially), accumulated exchange rate differences are recorded in the income statement as a gain or loss on the disposal, in the caption Investment income, when there is a control loss; in the case where there is no control loss, it is transferred to non-controlling interests.

Exchange rates used on translation of foreign group, jointly controlled and associated companies are listed below:

	31-Dec-13		31-Dec-12	
	End of exercice	Average of exercise	End of exercice	Average of exercise
US Dollar	0.72511	0.75332	0.75792	0.77871
Swiss Franc	0.81460	0.81246	0.82836	0.82971
Pound Sterling	1.19947	1.17795	1.22534	1.23368
Brazilian Real	0.30697	0.35076	0.36988	0.39996
Australian Dollar	0.64838	0.72943	0.78670	0.80630
Chilean Peso	0.00138	0.00152	0.00160	0.00160
Mexican Peso	0.05533	0.05907	0.05820	0.05920
Singapore Dollar	0.57425	0.60211	0.62070	0.62320
Turkish Lira	0.33778	0.39651	0.42461	0.43242
Polish Zloty	0.24071	0.23832	0.24546	0.23910

2.3 Tangible assets

Tangible assets acquired up to 1 January 2004 (transition date to IFRS) are recorded at acquisition or production cost, or revalued acquisition cost, in accordance with generally accepted accounting principles in Portugal until that date, net of depreciation and accumulated impairment losses.

Tangible assets acquired after that date is recorded at acquisition cost, net of depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis, according to the estimated life cycle for each group of goods, starting from the date the asset is available for use in the necessary conditions to operate as intended by the management, and recorded against the income statement caption "Depreciation and amortisation".

Impairment losses identified in the recoverable amounts of tangible assets are recorded in the year in which they arise, by a corresponding charge against, the caption 'Depreciation and amortisation' in the profit and loss statement.

The depreciation rates used correspond to the following estimated useful lives:

	Years
Buildings	10 to 50
Plant and machinery	10 to 20
Vehicles	4 to 5
Tools	4 to 8
Fixture and fittings	3 to 10
Other tangible assets	4 to 8

Maintenance and repair costs relating to tangible assets are recorded directly as expenses in the year they are incurred.

Tangible assets in progress represent fixed assets still under construction-development and are stated at acquisition cost net of impairment losses. These assets are depreciated from the date they are completed or become ready for use.

Gains or losses on sale or disposal of tangible assets are calculated as the difference between the selling price and the carrying amount of the asset at the date of its sale-disposal. These are recorded in the income statement under either “Other income” or “Other expenses”.

2.4 Investment properties

Investment properties consist, mainly, in buildings and other constructions held to earn rentals or capital appreciation or both, rather than for use in the production or supply of goods or services or for administration purposes or for sale in the ordinary course of business.

Investment properties in progress that do not fulfil the conditions to reliably measure their fair value are recorded at acquisition cost or production cost, net of depreciation and possible accumulated impairment losses.

T The investment properties in progress are considered investment property, within the scope of IFRS, when they fulfil the conditions for their fair value, to be reliably measured.

It is considered that an Investment property in progress fulfil the conditions for its fair value to be reliably measured, when a there is a high probability that the project will be concluded in a short period. This probability is high when the following events are simultaneously accomplished:

– land is acquired

– construction license is obtained

– financing contract for the property is signed

– construction works of the property have started

– lease contracts with the main anchors stores or possible lessee are signed

Investment properties are recorded at their fair value based on half-yearly valuations performed by an independent valuer. Changes in fair values of investment properties are accounted for in the period in which they occur, in the income statement.

Assets which qualify as investment properties are recognized as such when they start being used or, in the case of the investment properties in progress, when their development is considered irreversible, as mentioned in the above conditions. Until the moment the asset is qualified as investment property, the same asset is booked at historical or production cost in the same way as a tangible asset (Note 2.3). Since that moment, the investment properties in progress are recorded at their fair value. The difference between cost (of acquisition or production) and the fair value at that date is accounted for in the consolidated income statement.

Expenses incurred with investment properties in use, namely maintenance, repairs, insurance and property taxes are recognised as an expense in the statement of profit and loss for the year to which they relate. The improvements estimated to generate additional economic benefits are capitalised.

The group's investment properties are mainly property held by Sonae Sierra and its subsidiaries which are recorded under the equity method (Note 6).

2.5 Intangibles assets

Intangible assets are stated at acquisition cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognized if it is probable that future economic benefits will flow from them, if they are controlled by Sonae and if their cost can be reasonably measured.

Expenditure on research associated with new technical knowledge is recognized as an expense recorded in the income statement when it is incurred.

Expenditure on development is recognized as an intangible asset if Sonae demonstrates the technical feasibility and its intention to complete the asset, its ability to sell or use it and the probability that the asset will generate future economic benefits. Expenditure on development which does not fulfil these conditions is recorded as an expense in the period in which it is incurred.

Internal costs associated with maintenance and development of software is recorded as an expense in the period in which they are incurred. Only costs directly attributable to projects for which the generation of future economic benefits for Sonae is probable are capitalised as intangible assets.

The expenses incurred with the acquisition of client portfolio's (attributed value relating to the allocation of the purchasing price in business activity concentration) are stated as intangible assets and amortized on straight-line bases, during the average estimated period of portfolio's client retention.

Brands and patents are recorded at their acquisition cost and are amortised on a straight-line basis over their respective estimated useful life. When the estimated useful life is undetermined, they are not depreciated but are subject to annual impairment tests.

Amortisation is calculated on a straight-line basis, as from the date the asset is first used, over the expected useful life which usually is between 3 and 6 years, except for property occupation rights and mobile and cable operator licenses which are amortised over the duration of the contract which establishes these rights. It is recorded in the caption of "Amortizations and depreciations", in the income statement.

2.6 Accounting for leases

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

The analysis of the transfer of risks and rewards of ownership of the asset takes into account several factors, including whether or not ownership is contractually conditioned to assume ownership of the asset, the value of minimum future payments over the contract, nature of the leased asset and the duration of the contract taking into consideration the possibility of renewal.

Whether a lease is classified as finance or an operating lease depends on the substance of the transaction rather than the form of the contract.

a) **Accounting for leases where Sonae is the lessee**

Tangible assets acquired under finance lease contracts and the related liabilities are recorded in accordance with the financial method. Under this method the tangible assets, the corresponding accumulated depreciation and the related liability are recorded in accordance with the contractual financial plan at fair value or, if less, at the present value of payments. In addition, interests included in lease payments and the depreciation of the tangible assets are recognised as expenses in the profit and loss statement for the period to which they relate.

The existing situations where the Group is the lessee are operating leases and as such the lease payments are recognised as an expense on a straight-line basis over the lease term.

b) **Accounting for leases where Sonae is the lessor**

For operating leases where Sonae acts as lessor, the value of allocated goods is kept on Sonae statement of financial position and income is recognized on a straight line basis over the period of the lease.

2.7 Non-current assets held for sale

The non-current assets (or disposal group) are recorded as held for sale if it is expected that the book value will be recovered through the sale and not through the use in the operations. This condition is achieved only if the sale is highly probable and the asset (or disposal group) is available for the immediate sale in the actual conditions. Additionally, there must be in progress actions that should allow concluding the sale within 12 months counting from the classification's date in this caption. The non-current assets (or disposal group) recorded as held for sale are booked at the lower amount of the historical cost or the fair value deducted from costs, not being amortised after being classified as held for sale.

2.8 Government grants

Government grants are recorded at fair value when there is reasonable assurance that they will be received and that Sonae will comply with the conditions attaching to them.

Grants received as compensation for expenses, namely grants for personnel training, are recognized as income in the same period as the relevant expense.

Grants related to depreciable assets are disclosed as “Other non-current liabilities” and are recognized as income on a straight-line basis over the expected useful lives of those underlying assets.

2.9 Impairment of non-current assets, except for goodwill

Assets are assessed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement under Provisions and impairment losses.

The recoverable amount is the higher of an asset's fair value net of costs to sell and its value in use. Fair value net of costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

In situations where the use of the asset will be expectedly discontinued (stores to be closed on the remodelling processes)the Group performs a review of the asset's useful life after considering its impact on the value of use of that asset far terms of impairment analysis, particularly on the net book value of the assets to derecognise.

Reversal of impairment losses recognized in prior exercises is only recorded when it is concluded that the impairment losses recognized for the asset no longer exist or have decreased. This analysis is performed whenever there is an indication that the impairment loss previously recognized has been reversed. The reversal is recorded in the income statement as Operational income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

2.10 Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses on an accruals basis.

Financial expenses related to loans obtained for the acquisition, construction or production of fixed assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended. Any income earned on funds temporarily invested pending their expenditure on the qualifying asset, is deducted from the financial expenses that qualify for capitalisation.

2.11 Inventories

Consumer goods and raw materials are stated at the lower of cost deducted from discounts obtained and net realisable value. Cost is determined on a weighted average basis.

Differences between cost and net realisable value, if negative, are shown as expenses under the caption "Cost of goods sold and materials consumed".

2.12 Provisions

Provisions are recognized when, and only when, Sonae has an obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at the statement of financial position date to reflect the best estimate as of that date.

Restructuring provisions are recorded by Sonae whenever a formal and detailed restructuring plan exists and that plan has been communicated to the parties involved.

2.13 Financial instruments

Sonae classifies the financial instruments in the categories presented and conciliated with the Consolidated Statement of financial position disclosed in Note 9.

a) Investments

Investments are classified into the following categories:

– Held to maturity

– Investments measured at fair value through profit or loss

– Available-for-sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the statement of financial position date. Investments classified as held to maturity have defined maturities and Sonae has the intention and ability to hold them until the maturity date.

The investments measured at the fair value through profit or loss include the investments held for trading that Sonae acquires with the purpose of trading in the short term. They are classified in the consolidated statement of financial position as current investments.

Sonae classifies as available-for-sale investments those that are neither included as investments measured at fair value through profit or loss neither as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognized on the trade date, independently of the settlement date.

Investments are recorded at acquisition value, usually, which is the fair value of the consideration paid for them, including transaction costs apart from investment measured at fair value through results, in which the investments are initially recognized at fair value and transaction costs are recognized in the income statement.

After initial recognition, investments measured at fair value through profit or loss are subsequently revalued at fair value, without any deduction for transaction costs which may be incurred on sale, by reference to their listed market price at the statement of financial position date. Available-for-sale not listed and whose fair value cannot be reliably measured, are recorded at cost less impairment losses.

Gains or losses arising from a change in fair value of available-for-sale investments are recognized directly in equity, under “Investments Fair value reserve”, included in “Reserves and retained earnings” until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is transferred to net profit or loss for the period.

Equity instruments classified as available for sale are considered to be impaired if there is a significant or prolonged decline in its fair value below its acquisition cost.

Changes in the fair value of investments measured at fair value through profit or loss are included in the consolidated income statement for the period under financial expenses or financial income.

Held to maturity investments are carried at amortised cost using the effective interest rate, net of capital reimbursements and interest income received.

b) Loans and non-current accounts receivable

Loans and non-current accounts receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when Sonae provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the statement of financial position date, when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 9.

c) Trade accounts receivable and other accounts receivable

Trade accounts receivables and other accounts receivable are recorded at their nominal value and presented in the consolidated statement of financial position net of eventual impairment losses, recognized under the allowance account Impairment losses on accounts receivable , in order to reflect its net realisable value. These captions, when classified as current, do not include interests because the effect of discounting would be immaterial.

Impairment is recognized if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each Sonae company takes into consideration market information that indicates:

– significant financial difficulty of the issuer or counterparty;

– default or delinquency in interest or principal payments;

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

When it's not feasible to assess the impairment for every single financial asset, the impairment is assessed on a collective basis, namely in the Telecommunications segment. Objective evidence of impairment of a portfolio of receivables could include Sonae's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the discount is considered null as it is immaterial.

d) Classification as equity or liability

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

Equity instruments are contracts that evidence a residual interest in the assets of Sonae after deducting all of its liabilities. Equity instruments issued by Sonae are recorded at the proceeds received, net of direct issue costs.

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.10. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Funding on the form of commercial paper are classified as non-current, when they have guarantees of placing for a period exceeding one year and it is the intention of the group to maintain the use of this form of financing for a period exceeding one year.

f) Trade accounts payable

Accounts payable are stated at their nominal value, as they do not bear interests and the effect of discounting is considered immaterial.

g) Derivatives

Sonae uses derivatives in the management of its financial risks to hedge such risks and-or in order to optimise the funding costs.

Derivatives classified as cash flow hedging instruments are used by the Sonae mainly to hedge interest risks on loans obtained and exchange rate. Conditions established for these cash flow hedging instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The inefficiencies, if any, are accounted under financial expenses or financial income in the consolidated income statement.

Sonae's criteria for classifying a derivative instrument as a cash flow hedge instrument include:

– the hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;

– the effectiveness of the hedge can be reliably measured;

– there is adequate documentation of the hedging relationships at the inception of the hedge;

– the transaction being hedged is highly probable.

Cash flow hedge instruments used by the Sonae to hedge the exposure to changes in interest and exchange rates of its loans are initially accounted for at cost, if any, which corresponds to its fair value, and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption Hedging reserves, and then recognized in the income statement over the same period in which the hedged instrument affects profit or loss.

The accounting of hedging derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption Hedging reserve are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction or stay in equity if there is a high probability that the hedge transaction will occur. Subsequent changes in the revaluations are recorded in the income statement.

Sonae also uses financial instruments with the purpose of cash flow hedging, that essentially refer to exchange rate hedging ("forwards") of loans and commercial operations. If they configure a perfect hedging relation, hedge accounting is used. In certain situations such as loans and other commercial operations, they do not configure perfect hedging relations, and so do not receive hedge accounting treatment , although they allows in a very significant way, the reduction of the loan and receivable-payable exchange volatility, nominated in foreign currency.

Sonae may agree to become part of a derivative transaction in order to hedge cash-flows related to exchange rate risk. In some cases, these derivatives may not fulfil the criteria for hedging accounting under IAS 39, and if so changes in their fair value are recognized in the income statement.

In some derivative transactions Sonae does not apply "hedge accounting", although they intend to hedge cash-flows (currency "forward", interest's rate option or derivatives including similar clauses). They are initially accounted for at value, and subsequently adjusted to the corresponding fair value, determined by specialized software. Changes in fair value of these instruments are recognized in the income statement under "Financial income" and "Financial expenses".

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics of the host contract, and these are not stated at fair value, gains and losses which are not realizable are recorded in the Income Statement.

Sonae may agree to become part of a derivative transaction in order to fair value hedge some interest rate exposure. In these cases, derivatives are recorded at fair value through profit or loss and the effective portion of the hedging relationship is adjusted in the carrying amount of the hedged instrument, if not stated at fair value (namely loans recorded at amortised cost), through profit or loss.

h) Treasury shares

Treasury shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of treasury shares are recorded in Reserves and retained earnings.

i) Cash and cash equivalentes

Cash and cash equivalents include cash on hand, cash at banks, term deposits and other treasury applications which mature in less than three months and are subject to insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents also include bank overdrafts, which are included in the statement of financial position caption Other Loans.

All the amounts included in this caption can be reimbursed at demand as there are no pledges or guarantees over these assets.

2.14 Share-based payments

Share-based payments result from deferred performance bonus plans that are referenced to Sonae share price and/or that of its publicly listed affiliated companies and vest within a period of 3 years after being granted.

When the plans set out by Sonae are settled through the delivery of treasury shares, the value of this responsibility is determined at the time of assignment based on the fair value of shares allotted and recognized during the period of deferment of each plan. The fair value of stock options is determined based on the model of "Black-Scholes". The responsibility is posted in equity, in the caption "Other revenues and retained earnings" against staff costs.

When the settlement is made in cash, the value of these responsibilities are determined on the grant date (usually in April of each year) and subsequently remeasured at the end of each reporting period, based on the number of shares or options granted and the corresponding fair value at the closing date. These obligations are stated as staff costs and other current and non-current liabilities on a straight line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates.

2.15 Contingent assets and liabilities

Contingent assets are not recorded in the consolidated financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are not recorded in the consolidated financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

2.16 Income tax

The tax charge for the year is determined based on the taxable income of companies included on consolidation and considers deferred taxation.

Current income tax is determined based on the taxable income of companies included on consolidation, in accordance with the tax rules in force in the respective country of incorporation.

Deferred taxes are calculated using the statement of financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually remeasured using the tax rates that have been enacted or substantively enacted and therefore are expected to apply when the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period. At each statement of financial position date a review is made of the deferred tax assets recognized, being reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in equity.

2.17 Revenue recognition and accrual basis

Revenue from the sale of goods is recognized in the income statement when the risks and benefits have been transferred to the buyer and the amount of the revenue can be measured reasonably. Sales are recognized net of sales taxes and discounts and other expenses arising from the sale, and are measured as the fair value of the amount received or receivable.

Revenue associated with extended warranties operations, which are granted for a period of 1 to 3 years, after the legally binding warranty of 2 years, by the Retail Segment, is recognized rateably over the warranty lifetime period. The revenue associated with warranties sold but for which the legal binding warranty hasn´t yet expired is accounted under the captions of the Statement of Financial Position "Other non-current liabilities" and “other current liabilities “Note (27).

The expenses and income of the consultancy projects developed in the information systems consultancy segment are recognised in each period, according to the percentage of completion method.

The income related to the commissions generated by the insurance mediation activity is recorded at the moment of the premium payment by the policyholder. No premium is accounted before it has been received. In that moment, Sonae posts a liability related with the obligation to transfer the insurance premium net of commissions, to the respective insurance company.

In cases where the premium is directly paid to the insurance company, Sonae records its commission in the moment in which is informed of the premium payment by the policyholder to the insurance company.

The deferral of revenue related with customer loyalty plans, awarding discounts on future purchases, by retail operating segments, is quantified taking into account the probability of exercising the above mentioned discounts and are deducted from revenue when they are generated. The corresponding liability is presented under the caption Other creditors.

Dividends are recognized as income in the year they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

Other current assets and other current liabilities include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but will only correspond to income or expenses of future years, when they will be recognized in the income statement.

2.18 Balances and transactions expressed in foreign currencies

Transactions in currencies other than the euro, are translated to euro using the exchange rate as at the transaction date.

At each statement of financial position date, all monetary assets and liabilities expressed in foreign currencies are translated to the functional currency of each foreign company at the exchange rates as at that date. All non-monetary assets and liabilities recorded at fair value and stated in foreign currencies are converted to the functional currency of each company, using the exchange rate at the date the fair value was determined.

Exchange gains and losses arising from differences between historical exchange rates and those prevailing at the date of collection, payment or the date of the statement of financial position, are recorded as income or expenses of the period, except for those related to non-monetary assets or liabilities, for which adjustments to fair value are directly recorded under equity.

When Sonae wants to reduce currency exposure, it negotiates hedging currency derivatives (Note 2.13.g)).

2.19 Subsequent Events

Events after the statement of financial position date that provide additional information about conditions that existed at the statement of financial position date (adjusting events), are reflected in the consolidated financial statements. Events after the statement of financial position date that are non-adjusting events are disclosed in the notes when material.

2.20 Judgements and estimates

The most significant accounting estimates reflected in the consolidated income statements include:

a) Useful lives of the tangible and intangible assets;

b) Impairment analysis of goodwill in investments in associated companies and jointly controlled entities and of tangible and intangible assets;

c) Recognition of adjustments on assets, provisions and contingent liabilities;

d) Determining the fair value of investment properties and derivative financial instruments;

e) Recoverability of deferred tax assets;

f) Valuation at fair value of assets, liabilities and contingent liabilities in business combination transactions.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on best knowledge of past and present events. Although future events are neither controlled by Sonae nor foreseeable, some could occur and have impact on the estimates. Changes to estimates that occur after the date of these consolidated financial statements, will be recognized in net income, in accordance with IAS 8, using a prospective methodology.

The main estimates and assumptions in relation to future events included in the preparation of consolidated financial statements are disclosed in the corresponding notes.

2.21 Insurance and reinsurance contracts

In order to optimise insurance costs, Sonae, through a wholly owned subsidiary, enters into reinsurance operations over non-life insurance contracts entered into by subsidiaries and related of the Efanor Group.

The subsidiary of Sonae acts like an intermediate in the assurance operations as a way to optimise insurance coverage and retention levels in accordance with the needs of each business, ensuring effective insurance management worldwide. The retained risk is immaterial in the context of reinsurance carried out.

Premiums written on non-life insurance contracts and associated acquisition costs are recognized as income and cost on a prorate basis over the term of the related risk periods, through changes in the provision for unearned premiums.

The provision for unearned premiums (Note 32) reflects the portion of non-life insurance premiums written attributable to future years, namely the portion corresponding to the period between the statement of financial position date and the end of the period to which the premium refers. It is calculated, for each contract in force.

In Provision for claims (Note 32) is recorded the estimated amounts payable for claims, including claims that have been incurred but not reported and future administrative costs to be incurred on the settlement of claims under management. Provisions for claims recorded by Sonae are not discounted.

Reinsurer's share of technical provisions (Assets – Note 32) are determined by applying the above described criteria for direct insurance, taking into account the percentages ceded, in addition to other clauses existing in the treaties in force.

At each statement of financial position date, Sonae assess the existence of evidence of impairment on assets originated by insurance or reinsurance contracts.

2.22 Segment information

Information regarding operating segments identified is included in Note 47.

2.23 Legal reserves, other reserves and transited results

Legal reserves:

Portuguese commercial legislation requires that at least 5% of annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in the case of liquidation of the Company, but it may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Hedging reserve:

The Hedging reserve reflects the changes in fair value of “cash flow” hedging derivatives that are considered as effective (Note 2.13.g)) and is not distributable or used to cover losses.

Currency translation reserve:

The currency translation reserve corresponds to exchange differences relating to the translation from the functional currencies of the Sonae's foreign subsidiaries and joint ventures into Euro, in accordance with the accounting policy described in Note 2.2.d).

Fair value reserve:

This reserve arises on the revaluation of available-for-sale financial assets as mentioned in Note 2.13.a).

Reserves for the medium-term incentive plan are included in "other reserves".

According to IFRS 2 – 'Share-based Payments', responsibility with the medium-term incentive plans settled through delivery of own shares is recorded, the credit, under the caption Reserves for the medium-term incentive plan, and is not distributable or used to cover losses.

3 FINANCIAL RISK MANAGEMENT

3.1 Introduction

The ultimate purpose of financial risk management is to support Sonae in the achievement of its strategy, reducing unwanted financial risk and volatility and mitigate any negative impacts in the income statement arising from such risks. Sonae's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not enter into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Due to its diversified nature Sonae is exposed to a variety of financial risks, consequently each Sub-holding is responsible for, where applicable, setting its own financial risk management policies, to monitor their own exposure and to implement their approved policies. Therefore for some risks there are not Sonae global risk management policies, but rather, where appropriate, customized risk management policies at Sub-holding level, existing, however, common guiding principles. Financial risk management policies are approved by each Executive Committee and exposures are identified and monitored by each Sub-holding Finance Department. Exposures are also monitored by the Finance Committee as mentioned in the Corporate Governance Report.

The Finance Committee coordinates and reviews, amongst other responsibilities, global financial risk management policies. The Finance Department of Sonae Holding is responsible for consolidating and measuring the Company's financial risk exposure, being also responsible for assisting each Sub-holding in managing their own currency, interest rate, liquidity and refinancing risks trough the Corporate Dealing Desk. Exposures are recorded in a main system (Treasury Management System). Risk control and reporting is carried out both at Sub-holding level, on a daily basis and on a consolidated basis for the monthly Finance Committee meeting.

3.2 Credit Risk

Credit risk is defined as the probability of a counterparty defaulting on its contractual obligations resulting in a financial loss. It is shown in two main ways:

3.2.1) Credit risk arising from Financial Instruments

The credit risk, in what Financial Instruments is concerned, arises mainly from holding cash and cash equivalents instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities or from its lending activities to subsidiaries and associates in order to reduce the probability of counterpart default Sonae transactions (short term investments and derivatives) are only contracted in accordance with the following principles:

- Only carry out transactions (short term investments and derivatives) with counterparties that have a high national and international prestige and based on their respective rating notations taking into consideration the nature, maturity and size of the operations;

- Sonae only enters into eligible and approved financial instruments. The definition of the eligible instruments, for the investment of temporary excess of funds or derivatives, was made in a conservative approach (essentially consisting in short term monetary instruments, in what excess of funds is concerned and instruments that can be split into components and that can be properly fair valued, with a loss cap);

- In relation to excess funds: i) those are preferentially used, whenever possible and when more efficient to repay debt, or invested preferably in instruments issued by existing relationships banks in order to reduce exposure on a net basis, and ii) may only be applied in pre-approved instruments;

- In some cases Sub-holdings can define more strict rules regarding counterparty exposure or more conservative policies;

- Any departure from the above mentioned policies needs to be pre-approved by the respective Executive Committee/Board of Directors.

Regarding to the policies and minimum credit rating, Sonae does not expect any material failure in contractual obligation from its external counterparties nevertheless exposure to each counterparty resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Sub-holding Finance Department and any departure is promptly reported to the respective Executive Committee/Board of Directors and to the Sonae Finance Committee.

3.2.2) Credit risk in operational and commercial activities of each business

In this case due to each business characteristics and consequently of different credit risk typology, each sub-holding determines the most appropriate policy, as described above. However the policies follow the same wide principles of: prudence, conservatism, and the implementation of control mechanisms.

- Retail

Credit risk is very low, considering that most transactions are made in cash. In the remaining, in the relationship with customers is controlled through a system of collecting quantitative and qualitative information, provided by high prestige and liable entities that provide information on risks by obtaining suitable guarantees, aimed at reducing the risk of granting credit. Credit risk arises in the relationship with suppliers as a result of advances or debits for discounts and is mitigated by the expectation to maintain the business relationship.

- Investment management

The Sub-holding exposure to credit risk is mainly associated with the accounts receivable related to current operational activities. The credit risk management purpose is to guarantee that the amounts owed by debtors are effectively collected within the periods negotiated without influencing the financial health of the Sub-holding. Sonaecom uses credit rating agencies and has specific departments responsible for risk control, collections and management of processes in litigation, which all contribute to the mitigation of credit risk.

In the remaining business of investment management the credit risk in the context of the current operating activity is controlled through a system of collecting qualitative and financial information provided by recognized entities that supply information of risks, which allow to evaluate the viability of the of customers in fulfilling their obligations, aimed at reducing the risk of concession credit, fundamentally originated by the rendering of travel agencies services (Geostar business-joint venture).

- Joint venture – (Sonae Sierra)

The credit risk results essentially of the risk of credit of the tenants of the commercial centres managed by Sub-holding and of the other debtors. Shopping Centre storekeepers credit risk monitoring is made by the adequate assessment of risk before the storekeepers are accepted and by the establishment of conservative credit limits for each storekeeper.

- Sonae Holding

Sonae Holding is a company without any relevant commercial or trade activity, other than the normal activities of a portfolio manager. As such, it is only exposed, on a regular basis, to credit risk resulting from its investing activities (holding cash and cash equivalents instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities) in accordance with the principles mentioned in note 3.2.1).

Additionally Sonae Holding may also be exposed to credit risk as a result of its portfolio manager activities (buying or selling investments), but in those exceptional situations risk reducing mechanisms and actions are implemented on a case by case basis under the supervision of the Executive Committee (requesting bank guarantee, escrow accounts, obtaining collaterals, amongst others).

The amount related to customers, other debtors and other assets presented in Financial Statements, which are net of impairment losses represent Sonae exposure to credit risk.

3.3 Liquidity Risk

Sonae has the need, regularly, to raise external funds to finance its activities and investing plans. It holds a long term diversified portfolio, essentially made of, loan's and structured facilities, but which also includes a variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2013, the total gross debt (excluding shareholders loans) was 1,596 million euro (2,213 million euro as at 31 December 2012) excluding the contributions of Shopping Centers, Zon Optimus and Travel operating segments consolidated by the equity method.

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy. Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining with its relationship banks, a combination of short and medium term committed credit facilities, with sufficiently comfortable previous notice cancellation periods with a range that goes up to 360 days;

- Maintenance of commercial paper programs with different periods and terms, that allow, in some cases, to place the debt directly in institutional investors;

- Detailed rolling annual financial planning, with monthly, weekly and daily cash adjustments in order to forecast cash requirements;

- Diversification of financing sources and counterparties;

- Ensuring an adequate average debt maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. At the end of 2013, Sonae's average debt maturity was approximately 1.9 years (2.2 years as at December 2012) excluding the contributions of Shopping Centres activities and Travel operating segments consolidated by the equity method;

- Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination;

- Where possible, by pre financing forecasted liquidity needs, through transactions with an adequate maturity;

- Management procedures of short-term applications, assuring that the maturity of the applications will match with foreseen liquidity needs (or with a liquidity that allows to cover unprogrammed disbursements, concerning investments in assets), including a margin to hedge forecasting deviations. The margin of error needed in the treasury department prediction, will depend on the confidence degree and it will be determined by the business. The reliably of the treasury forecasts is an important variable to determinate the amounts and the periods of the market applications-borrowings.

The maturity of each major class of financial liabilities is presented in Notes 24, 25, 29, and 30, based on the undiscounted cash flows of financial liabilities based on the earliest date on which Sonae can be required to pay ("worst case scenario").

A liquidity reserve in form of credit lines with its relationship banks is maintained by Sonae, to ensure the ability to meet its commitments without having to refinance itself in unfavourable terms. The value of loans maturing in 2014 is of 230 million euro (524 million euro maturing in 2013) and as at 31 December 2013 Sonae had undrawn committed credit facilities of 497 million euro (410 million euro in 2012) cancellable within a previous notice of less than one year and 310 million euro (401 million euro in 2012) cancellable with a previous notice of no less than 360 days.

Additionally, Sonae held, as at 31 December 2013, cash and cash equivalents and current investments amounting to 366 million euro (378 million euro as at 31 December 2012). Consequentially, Sonae expects to meet all its obligations by means of its operating cash flows and its financial assets as well as from drawing existing available credit lines, if needed.

3.4 Interest rate risks

3.4.1) Policies

As each Sub-holding operates in different markets and in different business environments, there is no single policy applicable to Sonae, but rather policies adjusted to each Sub-holding exposure which one described below. As previously mentioned, Sonae exposure is regularly monitored by the Finance Committee, at a group level, and at each Sub-holding level. Although there is no wide risk management interest rate policy in what concerns the derivatives negotiation, there are principles that have to be followed by all the companies and that are referred below:

- A Sonae hedging activities do not constitute a profit-making activity and derivatives are entered into without any speculation purpose;

- For each derivative or financial instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be consistent with the settlement dates of the hedging instruments to avoid any mismatch and hedging inefficiencies;

- For each derivative or financial instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be a perfect match between the base rate: the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility / transaction;

- Since the beginning of the transaction, the maximum cost of the hedging operation is known and limited, even in scenarios of extreme change in market interest rates, so that the resulting interest rates are within the cost of the funds considered in Sonae's business plans (or in extreme scenarios are not worse than the underlying cost of the floating rate);

- The counterparties of hedging instruments are limited to institutions of high prestige, national and international recognition and based on respective credit ratings, as described in 3.2. above. It is Sonae policy that, when contracting such instruments, preference should be given to financial institutions that form part of Sonae's relationships, whilst at the same time obtaining quotes from a sufficient large sample of banks to ensure optimum conditions;

- In determining the fair value of hedging operations Sonae uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates, foreign exchange rates, volatility among others prevailing at the statement of financial position date. Comparative financial institution quotes for specific or similar instruments are used as benchmark for the valuation;

- All transactions have to be documented under ISDA's Agreements (International Swaps and Derivatives Association);

- All transactions which do not follow the rules mentioned above have to be individually approved by the respective Executive Committee/ Board of Directors, and reported to Finance Committee, namely transactions entered into with the purpose of optimizing the cost of debt when deemed appropriate according to prevailing financial market conditions.

- Retail

Sub-holding exposure to interest rates arises mainly from long term loans which bear interests at Euribor plus spread.

Sonae Investimentos purpose is to limit cash-flows volatility and results, considering the profile of its operational activity, by using an appropriate mix of fixed and variable interest rate debt. Sonae Group policy allows the use of interest rate derivatives to decrease the exposure to Euribor fluctuations but does not allow for trading purposes.

- Investment Management

In the Business Multimedia and Information Systems total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group result or on its shareholders' equity is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility of using interest rate hedging derivative instruments, as mentioned below; (iii) possible correlation between the market interest rates levels and economic growth, the latter having a positive effect on other lines of the Sub-holding consolidated results (namely operational), thus partially offsetting the increase of financial costs ("natural hedge"); and (iv) the availability of consolidated liquidity or cash, also bearing interests at variable rates.

Sonaecom only uses derivatives or similar transactions to hedge those interest rate risks considered significant. Sonaecom respects the same principles adopted by Sonae in determining and using instruments to hedge interest rate risks.

As all Sonaecom's borrowings bear interests at variable rates, interest rate swaps and other derivatives are used to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under interest rate swaps, the Company agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

Sonaecom's Board of Directors approves the terms and conditions of the funding with a significant impact on Sonaecom, based on an analysis of the debt structure, the inherent risks and the different options in the market, particularly as regards the type of interest rate (fixed / variable). Under this policy, the Executive Committee is responsible for decisions regarding the contracting of occasional interest rate hedging derivative financial instruments, through monitoring the conditions and alternatives that exist in the market.

In the remaining business of investment management exposure to interest rate arises essentially from short-term bank loans or loans payable to shareholders, which bears interests at Euribor market rates. The impact of this volatility on income or equity is mitigated by the following factors: (i) controlled financial leverage with conservative use of bank lending; (ii) probable correlation between the market interest rate levels and economic growth, the latter having a positive effect on other lines of the operating segment results (namely operational), thus partially offsetting the increased financial costs ("natural hedge").

- Joint venture – (Sonae Sierra)

Sonae Sierra's income and operating cash-flows are substantially independent of changes in market interests rates, as its cash and cash equivalents and its financing granted to other companies of the Group are dependent only of the evolution of the interest rates in Euro, which have had a minimum change.

In relation to long-term borrowings and in order to hedge the volatility of long term interest rates, Sonae Sierra uses, whenever appropriate, cash flow hedge instruments (swaps or zero cost collars), which represent perfect hedges of those long-term borrowings. In certain long-term borrowings Sonae Sierra chose to have a fixed interest rate in the first years of the financing agreement and will study afterwards the possibility to negotiate interest rate swaps or zero cost collars for the remaining period.

- Sonae Holding

Sonae Holding is exposed to cash flow interest rate risk in respect of items in the statement of financial position (Loans and Short Term Investments) and to fair value interest rate risk as a result of interest rate derivatives (swaps and options). A significant part of Sonae Holding debt bears variable interest rates, and interest rate derivatives may be entered into to convert part of the variable rate debt into fixed rate (usually through interest rate swaps), or to limit the maximum rate payable (usually through zero cost collars or purchased caps).

Sonae Holding mitigates interest rate risk by adjusting the proportion of its debt that bears fixed interest to that which bears floating interest although without a fixed goal or percentage to achieve, since hedging interest rate risk usually has an opportunity cost associated. Therefore a more flexible approach is considered preferable to a more strict traditional approach. Part of the risk is also mitigated by the fact that Sonae Holding grants loans to its subsidiaries as part of its normal activities and thus there may be some degree of natural hedging on a company basis, since if interest rates increase the additional interest paid would be partially offset by additional interest received.

Sonae Holding hedging activities do not constitute a profit-making activity and derivatives are deemed to be entered into without any speculation purpose. Strict rules are observed in relation to any derivative transaction entered into.

3.4.2.) Sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest rate financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, these instruments are included in the calculation of income-related sensitivities;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortized cost are not subject to interest rate risk as defined in IFRS 7;

- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;

- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity;

- Changes in the market interest rate of interest rate derivatives that are not part of a hedging relationship as set out in IAS 39 affect other financial income or expense (gain/loss in change of the derivatives fair value) therefore it has taken into consideration in the sensitivity calculations for changes in interest rate;

- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;

- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under these assumptions, if euro interest rate of denominated financial instruments had been 75 basis points higher, the consolidated net profit before tax of Sonae for the period ended as at 31 December 2013 would decrease by approximately 8.5 million euro, (12.9 million euro decrease as at 31 December 2012). The impact in equity (including non-controlling interests and excluding net income), as a consequence of interest rate change effect according to interest rate risk, would be an increase as at 31 December 2013 of, approximately, 2.4 million euro (increase by approximately 5.8 million euro in 2012).

3.5 Exchange rate risks

3.5.1) Policies

Sonae operates at an international level, having subsidiaries that operate in different jurisdictions, and so it is exposed to foreign exchange rate risk. As each Sub-holding operates in different markets and in different business environments, there is no standard policy for Sonae, but rather individual policies for each Sub-holding which are stated below. Sonae's currency exposures are divided into two levels: transaction exposures (foreign exchange exposures relating to contracted cash flows and statement of financial position items where changes in exchange rates will have an impact on earnings and cash flows) and translation exposure (equity in foreign subsidiaries). Although there is not global management exchange rate risk policy in what concerns hiring derivatives to managing exchange interest risk, it also applies to all group companies, with the necessary adaptations, the principles referred at 3.4.1).

- Retail

The impact on the financial statements of changes in exchange rate is immaterial, as the most part of the transactions are denominated in euro. Sonae Investimentos is mainly exposed to exchange rate risk through transactions relating to acquisitions of goods in international markets, which are in US Dollars.

The exchange risk management purpose is to provide a stable decision platform when deciding and negotiating the purchases of inventories establishing fixed exchange rates. The hedging accompanies all the purchase process, since procurement up to the formal agreement of purchase.

The exchange risk exposure is monitored through the purchase of forwards with the goal of minimizing the negative impacts of volatility in exposure level as a consequence of changes of the amounts of imports denominated in other currencies rather than euro.

- Investment management

In the Business Multimedia and Information Systems operates internationally, having subsidiaries that operate in Brazil, United Kingdom, Poland, United States of America, Mexico, Australia, Egypt, Malaysia, Chile, Panama, Singapore among others and so it is exposed to foreign exchange rate risk.

Foreign exchange risk management seeks to minimize the volatility of investments and transactions made in foreign currency and contributes to reduce the sensitivity of Sonaecom results to changes in foreign exchange rates.

Whenever possible, Sonaecom uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such procedure is not possible, Sonaecom adopts derivatives financial hedging instruments.

Sonaecom exposure to exchange rate risk results mainly from the fact that some of its subsidiaries report in currencies other than the Euro, the risk relating to the operations being insignificant.

Insurance brokerage activity is developed in different countries. When transactions are made in a different currency than the one in the country where the entity operates, exposure to exchange rate risk is minimized by hiring hedging derivatives.

For the remaining of this business segment the impact on the financial statements of changes in exchange rate is immaterial, since most part of the transactions are denominated in euro.

- Joint venture – (Sonae Sierra)

The main activity of each company is developed inside its country of origin and consequently the majority of the company transactions are maintained in its functional currency. The policy to hedge this specific risk is to avoid, if possible, the contracting of services in foreign currency.

- Sonae Holding

Due to the nature of holding company, Sonae Holding, has very limited transaction exposure to foreign exchange risk. Normally, when such exposures arise foreign exchange risk management seeks to minimize the volatility of such transactions made in foreign currency and to reduce the impact on the Profit and loss of exchange rate fluctuations. When significant material exposures occur with a high degree of certainty, Sonae Holding hedges such exposures mainly through forward exchange rate contracts. For uncertain exposures, options may be considered, subject to previous approval from the company's Executive Committee.

3.5.2) Exposure and sensivity analysis

As at 31 December 2013 and 2012 the assets and liabilities denominated in a currency different from the subsidiary functional currency where the following (amounts in euro):

	Assets		Liabilities	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Euro	-	-	608,472	4,828,279
Brazilian Real	8,794,246	12,040,467	5,669,959	7,071,362
British Pound	499,963	335,847	40,692	4,106,374
US Dollar	6,473,540	31,247,430	19,367,092	13,351,369
Other Currencies	770,903	585,396	302,274	1,014,312

The amounts presented above, only include assets and liabilities expressed in different currency than the functional currency used by the affiliated or jointly controlled company. Therefore it does not represent any risk of financial statements translation. Due to the short-term character of the majority of monetary assets and liabilities and the magnitude of its net value, the exposure to currency risk is immaterial and therefore a sensitivity analysis to changes in the exchange rate isn't presented.

3.6 Price and capital market risks

Sonae is exposed to equity price risk arising from equity investments, held for strategic rather than for trading purposes as the group does not actively trade these investments, which are disclosed in Note 7.

In 2007, Sonae entered into a Total Return Swap (TRS) with Sonae Holding shares as underlying. As explained in Note 22 the Total Return Swap precluded the derecognition of those treasury shares, and as such a change in the Sonae share price will have an impact on the cash flows by means of TRS cash settlements. If Sonae price had been 1% higher/lower, it would not have additional receiving/payments (as at 31 December 2012 the impact would be 847 thousand euro).

In the investment Zon Optimus, SGPS, SA , a variation of 10% in value of the share price would have an impact on equity of 20.2 million euro.

4 DISCONTINUED OPERATIONS

During the year ended at 31 December 2013, as a result of the incorporation by merger of Optimus SGPS in Zon (Note 8), the telecommunications segment (Optimus SGPS, Optimus SA, Artis Be, Be Towering, Sontária and Permar) was classified, for presentation purposes, as a discontinued operation. As set by IFRS 5, changes were made in the consolidated profit and loss statements for the years ended at 31 December 2013 and 2012, in order to disclose a single caption ('Net income/(loss) for the year of discontinued operations') related to net income/(loss) of discontinued operations.

The detail of discontinued operations in the income statement can be analyzed as follows:

	31-Dec-12			27-Aug-13
(Amounts expressed in euro)	Published	Discontinued operations	Restated	Discontinued operations
Sales	4,552,547,876	(29,424,648)	4,523,123,228	17,839,599
Services rendered	825,974,638	(679,310,420)	146,664,218	434,877,950
Investment income	15,995,991	-	15,995,991	-
Financial income	12,511,831	(4,108,199)	8,403,632	2,697,675
Other income	441,222,195	(7,810,675)	433,411,520	5,367,439
Cost of goods sold and materials consumed	(3,561,004,682)	42,695,268	(3,518,309,414)	(21,477,208)
Changes in stocks of finished goods and work in progress	(666,354)	-	(666,354)	-
External supplies and services	(968,190,488)	345,662,362	(622,528,126)	(225,940,029)
Staff costs	(656,383,176)	50,588,403	(605,794,773)	(30,481,543)
Depreciation and amortisation	(333,108,546)	137,978,864	(195,129,682)	(91,871,085)
Provisions and impairment losses	(48,931,954)	21,245,835	(27,686,119)	(9,601,175)
Financial expense	(106,687,966)	4,103,761	(102,584,205)	(2,584,998)
Other expenses	(51,877,587)	14,580,134	(37,297,453)	(10,381,299)
Share of results of joint ventures and associated undertakings	(24,382,535)	-	(24,382,535)	-
Profit/(Loss) from continuing operations, before taxation	97,019,243	(103,799,315)	(6,780,072)	68,445,326
Taxation	(25,328,860)	2,967,281	(22,361,579)	2,802,374
Profit/(Loss) from continuing operations, after taxation	71,690,383	(100,832,034)	(29,141,651)	71,247,700
Profit/(Loss) from discontinuing operations, after taxation	-	100,832,034	100,832,034	-
Investment income relating to the merger process (Note 8)	-	-	-	442,605,639
Consolidated profit/(Loss) for the period	71,690,383	-	71,690,383	513,853,339
Attributable to equity holders of the Parent Company:	32,572,259	-	32,572,259	-
Attributable to non-controlling interests	39,118,124	-	39,118,124	-

The detail of discontinued operations in the cash flows statements can be analysed as follows:

Cash flows for the period from discontinued operations	27-Aug-13
Net cash flow from operating activities	175,235,824
Net cash used in investment activities	(56,261,919)
Net cash used in financing activities	(22,210,092)
Net increase in cash and cash equivalents	96,763,813

5 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 31 December 2013 and 31 December 2012 are as follows:

				Percentage of capital held			
				31-Dec-2013		31- Dec- 2012	
	Company		Head Office	Direct	Total*	Direct	Total*
	Sonae - SGPS, S.A.		Maia	HOLDING	HOLDING	HOLDING	HOLDING
	Retail						
	Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Azulino Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	BB Food Service, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Bom Momento - Restauração, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Canasta - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Carnes do Continente - Indústria e Distribuição Carnes, SA	a)	Santarém	100.00%	100.00%	100.00%	100.00%
	Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Citorres - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Contibomba - Comércio e Distribuição de Combustíveis, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
	Continente Hipermercados, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
	Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Discovery Sports, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Edições Book.it, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Estevão Neves - Hipermercados da Madeira, SA	a)	Madeira	100.00%	100.00%	100.00%	100.00%
	Farmácia Selecção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Fashion Division, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%

	Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Fozmassimo - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
2)	Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	74.15%	74.15%	67.64%	67.64%
	Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia	99.48%	99.48%	99.89%	99.89%
	Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Infofield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
	MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modalloop - Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modelo.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Peixes do Continente - Indústria e Distribuição de Peixes, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Predicomercial - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	SDSR – Sports Division SR, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
3)	SDSR – Sports Division 2, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Socijofra - Sociedade Imobiliária, SA	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
	Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sonae Center Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

	Sonae Investimentos, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia	100.00%	90.00%	100.00%	90.00%
	Sonaerp - Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Sport Zone Canárias, SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
	Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonvecap, BV	a)	Amsterdam (Netherlands))	100.00%	100.00%	100.00%	100.00%
	Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
	Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
3)	Tlantic, BV	a)	Amsterdam (Netherlands)	77.76%	77.76%	-	-
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia	77.76%	77.76%	100.00%	100.00%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	77.76%	77.76%	100.00%	100.00%
1)	Todos os Dias - Com. Ret. Expl. C. Comer., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten - Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Worten Canárias, SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
	Zippy - Comércio e Distribuição, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
	ZYEvolution-Invest.Desenv., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Telecommunications						
4)	Be Artis - Concepção, Construção e Gestão de Redes de Comunicações, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
4)	Be Towering – Gestão de Torres de Telecomunicações, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
4)	Optimus - Comunicações, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
4)	Optimus SGPS, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
4)	Per-Mar - Sociedade de Construções, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
4)	Sontária – Empreendimentos Imobiliários, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
	Investment Management						
	ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Brazil	100.00%	50.00%	100.00%	50.00%
5)	Cape Tecnologies Limited	a)	Dublin (Ireland)	100.00%	75.07%	100.00%	54.57%

5)6)	Connectiv Solutions Inc	a)	Delaware (USA)	100.00%	75.07%	100.00%	54.57%
5)	Digitmarket - Sistemas de Informação, SA	a)	Maia	75.10%	56.37%	75.10%	40.98%
	Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	Herco, Consultoria de Risco, SA	a)	Maia	100.00%	50.01%	100.00%	50.01%
	HighDome PCC Limited	a)	Malta	100.00%	50.01%	100.00%	50.01%
	Larim Corretora de Resseguros Ltda	a)	Brazil	99.99%	50.01%	99.99%	50.01%
	Lazam/mds Correctora Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
5)	Lugares Virtuais, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
5)	Mainroad – Serviços em Tecnologias de Informação, S.A.	a)	Maia	100.00%	75.07%	100.00%	54.57%
	MDS - Corretor de Seguros, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
	MDS Affinity-Sociedade de Mediação Lda	a)	Porto	100.00%	50.01%	100.00%	50.01%
	MDS África, SGPS, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
	MDS Auto - Mediação de Seguros, SA	a)	Porto	50.01%	25.01%	50.00%	25.01%
	Mds Knowledge Centre, Unipessoal, Lda	a)	Lisbon	100.00%	50.01%	100.00%	50.01%
	MDS Malta Holding Limited	a)	Malta	100.00%	50.01%	100.00%	50.01%
	MDS, SGPS, SA	a)	Maia	50.01%	50.01%	50.01%	50.01%
5)	Miauger - Org. Gestão Leilões Electrónicos, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
7)	Miral Administração e Corretagem de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	Modelo - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
5)	PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
5)	Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	75.07%	100.00%	54.57%
5)	Público - Comunicação Social, SA	a)	Porto	100.00%	75.07%	100.00%	54.57%
7)	Quorum Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	RSI Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
3)5)	Saphety – Transacciones Electronicas SAS	a)	Bogota(Colombia)	86.99%	65.30%	-	-
5)8)	Saphety Brasil Transações Electrônicas Lda	a)	São Paulo (Brazil)	86.99%	65.30%	-	-
5)	Saphety Level - Trusted Services, SA	a)	Maia	86.99%	65.30%	86.99%	47.47%
5)	Sonaecom – Serviços Partilhados, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
5)	Sonaecom - Sistemas de Informação, SGPS, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
5)	Sonaecom - Sistemas de Información España, SL	a)	Madrid	100.00%	75.07%	100.00%	54.57%
5)	Sonaecom BV	a)	Amsterdam (Netherlands)	100.00%	75.07%	100.00%	54.57%
5)9)	Sonaecom, SGPS, SA	a)	Maia	75.44%	75.07%	55.10%	54.57%
5)	Sonaetelecom, BV	a)	Amsterdam (Netherlands)	100.00%	75.07%	100.00%	54.57%
5)	Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	74.99%	99.99%	54.41%
5)	We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	74.99%	99.91%	54.52%

5)	We Do Consulting - Sistemas de Informação, SA	a)	Maia	100.00%	75.07%	100.00%	54.57%
5)	We Do Poland Sp.Z.o.o.	a)	Posnan (Poland)	100.00%	75.07%	100.00%	54.57%
5)	We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	75.07%	100.00%	54.57%
5)	We Do Tecnologies Americas, Inc.	a)	Delaware (EUA)	100.00%	75.07%	100.00%	54.57%
5)	We Do Technologies Australia PTY Limited	a)	Sidnei (Australia)	100.00%	75.07%	100.00%	54.57%
5)10)	We Do Technologies Chile, SpA	a)	Santiago (Chile)	100.00%	75.07%	100.00%	54.57%
5)	We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	75.07%	100.00%	54.57%
5)	We Do Technologies Mexico S. de RL	a)	México City	100.00%	75.07%	100.00%	54.57%
5)	We Do Technologies Panamá SA	a)	Panamá City	100.00%	75.07%	100.00%	54.57%
5)	We Do Technologies Singapore PTE. LDT	a)	Singapore	100.00%	75.07%	100.00%	54.57%
5)	We Do Tecnologies BV	a)	Amsterdam (Netherlands)	100.00%	75.07%	100.00%	54.57%
	Others						
	Libra Serviços, Lda	a)	Funchal	100.00%	100.00%	100.00%	100.00%
	Sonae Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae RE, SA	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
	Sonaecenter Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%

* the percentage of ownership total represents the total direct and indirect percentage on the share capital held by the Group.

a) Control held by majority of voting rights;

b) Control held by Management control;

c) Control determined in accordance with SIC 12 - Special purpose entities.

1) Companies merged into Modelo Continente Hipermercados, SA;

2) Sonae Holding acquired in the market 12,392 units of this Fund for the amount of 10 million euro to a related entity (Note 43);

3) Company created during the period;

4) Companies included in the merger between Zon Multimédia– Serviços de Telecomunicações e Multimédia, SGPS, SA and Optimus, SGPS, SA, as at 27 August 2013. The company resulting of this merger is consolidated as a subsidiary of Zopt. In result of an increase in capital, Sonae maintained a 50% share capital of Zopt, starting to incorporate this joint controlled company in its financial statements through the equity method (Note 6);

5) Companies included in 2012 in the Telecommunications segment;

6) Companies merged into We Do Tecnologies Americas, Inc;

7) Companies merged into Lazam/mds Correctora Ltda;

8) Company acquired during the period;

9) During the year ended at 31 December 2013, an agreement was reached with a subsidiary of France Telecom ("FT-Orange") to transfer 20% of the capital of Sonaecom, SGPS, SA for Sonae, SGPS, SA. Sonae proceeded to the registration of this asset as an acquisition with deferred payment, since the shares rights under this agreement are attributed to Sonae (Note 30);

10) Company liquidated during the period.

These entities are consolidated using the full consolidation method.

6 JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

Jointly controlled entities and associated companies included in the consolidated financial statements, their head offices and the percentage of share capital held by Sonae as at 31 December 2013 and 31 December 2012 are as follows:

Jointly controlled entities

			Percentage of share capital held			
			31-Dec-2013		31-Dec-2012	
	Company	Head Office	Direct	Total*	Direct	Total*
	Shopping Centres					
	3shoppings - Holding, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
	8ª avenida Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%
	Adlands BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Aegean Park, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
1)	Airone - Shopping Centre, Srl	Milan (Italy)	100.00%	25.05%	100.00%	25.05%
	ALBCC – Albufeirashopping – Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%
	ALEXA Administration GmbH	Berlin (Germany)	100.00%	25.00%	100.00%	25.00%
	ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Algarveshopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
2)	ARP Alverca Retail Park, SA	Maia	50.00%	50.00%	50.00%	25.00%
	Arrábidashopping - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Avenida M-40, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Beralands BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Campo Limpo Lda	São Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%
3)	Cascaishopping - Centro Comercial, SA	Maia	100.00%	28.62%	50.00%	12.53%
3)	Cascaishopping Holding I, SGPS, SA	Maia	100.00%	28.62%	100.00%	25.05%
	CCCB Caldas da Rainha - Centro Comercial,SA	Maia	100.00%	50.00%	100.00%	50.00%
	Centro Colombo - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Centro Vasco da Gama - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Coimbrashopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%

	Colombo Towers Holding, BV	The Hague (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Craiova Mall BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Estação Viana - Centro Comercial, SA	Viana do Castelo	100.00%	25.05%	100.00%	25.05%
	Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
	Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center (FundII)	São Paulo (Brazil)	50.00%	10.34%	50.00%	10.34%
	Fundo de Investimento Imobiliário Shopping Parque Dom Pedro Shopping	São Paulo (Brazil)	87.61%	15.78%	87.61%	15.78%
	Gaiashopping I - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Gaiashopping II - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Guimarãeshopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	Iberian Assets, SA	Madrid (Spain)	49.78%	12.48%	49.78%	12.48%
	Inparsa - Gestão de Galeria Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Ioannina Development of Shopping Centres, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
	La Farga - Shopping Centre, SL	Madrid (Spain)	100.00%	12.48%	100.00%	12.48%
4)	Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	-	-
	Larissa Development of Shopping Centres, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
	LCC – Leiriashopping – Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%
	Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
	Loop 5 - Shopping Centre Gmbh	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
	Loureshopping – Centro Comercial, SA	Maia	50.00	11.88%	50.00	11.88%
	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Madeirashopping - Centro Comercial, SA	Funchal (Madeira)	50.00%	12.53%	50.00%	12.53%
	Maiashopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Münster Arkaden, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Norteshopping - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Paracentro - Gestão de Galerias Comerciais, SA	Maia	100.00%	50.00%	100.00%	50.00%

	Park Avenue Developement of Shopping Centers, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
5)	Parklake Shopping, Srl	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Azores)	50.00%	12.53%	50.00%	12.53%
	Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
	Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia	100.00%	50.00%	100.00%	50.00%
6)	Parque Principado, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
7)	Pátio Campinas Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	-	-
	Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
8)	Pátio Penha Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Sertório Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Uberlândia Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
9)	Plaza Eboli, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
9)	Plaza Mayor Holding, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, SA	Madrid (Espanha)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	PORTCC – Portimãoshopping – Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%
9)	Project 4, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Project SC 1, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
9)	Project SC 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 11 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 12 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 6, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Project Sierra 8 BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Project Sierra Four Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 2 (two), Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%

	Project Sierra Germany 3 (three), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
9)	Project Sierra Italy 2 - Development of Shopping Centres, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 3, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
9)	Project Sierra Spain 7 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Two Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Rio Sul – Centro Comercial, SA	Lisbon	50.00%	11.88%	50.00%	11.88%
	River Plaza BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	S.C. Microcom Doi Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	SC Aegean, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	SC Mediterranean Cosmos, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Serra Shopping – Centro Comercial, SA	Covilhã	50.00%	11.88%	50.00%	11.88%
	Shopping Centre Colombo Holding, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
4)	Sierra Asia Limited	Hong Kong	100.00%	50.00%	-	-
	Sierra Berlin Holding BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	25.00%	100.00%	25.00%
	Sierra Central, S.A.S.	Santiago de Cali(Colombia)	50.00%	25.00%	50.00%	25.00%
	Sierra Cevital Shopping Center, Spa	Argelia	49.00 %	24.50%	49.00 %	24.50%
	Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
10)	Sierra Enplanta, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (Netherlands)	50.10%	25.05%	50.10%	25.05%
	Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra GP, Limited	Guernesey (U.K.)	100.00%	50.00%	100.00%	50.00%
11)	Sierra Greece, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Sierra Investments (Holland) 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments (Holland) 2, BV	Amsterdam	100.00%	50.00%	100.00%	50.00%

		(Netherlands)				
	Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Italy Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Sierra Management, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Portugal, SA	Lisbon	100.00%	50.00%	100.00%	50.00%
4)	Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	-	-
12)	Sierra Property Management Greece, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
4)	Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	-	-
13)	Sierra Reval Gayrimenkul Yönetim Pazarlama ve Danı manlık A. .	Istambul (Turkey)	50.00%	25.00%	-	-
	Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
14)	Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
4)	Sierra Services Holland 2 BV	Amsterdam (Netherlands)	100.00%	50.00%	-	-
	Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra Spain – Shopping Centers Services, SL	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra Spain 2 Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
15)	Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Solingen Shopping Center GmbH	Frankfurt(Germany)	50.00%	25.00%	50.00%	25.00%
	Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
	Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	25.00%	50.00%	25.00%
	Sonae Sierra, SGPS, SA	Maia	50.00%	50.00%	50.00%	50.00%
	SPF - Sierra Portugal	Luxembourg	100.00%	50.00%	100.00%	50.00%
	SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	47.50%	23.75%	47.50%	23.75%
	Torre Ocidente - Imobiliária, SA	Maia	50.00%	12.50%	50.00%	12.50%
16)	Unishopping Administradora, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	99.98%	16.66%	99.98%	16.66%
1)	Valecenter, Srl	Milan (Italy)	100.00%	25.05%	100.00%	25.05%
	Via Catarina - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Vuelta Omega, S.L.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
	Weiterstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Zubiarte Inversiones Inmobiliarias, SA	Madrid (Spain)	49.83%	12.48%	49.83%	12.48%

	Telecommunications					
17)	ZOPT, SGPS, SA	Porto	50.00%	37.54%	100.00%	54.57%
	Investment Management					
	Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
18)	Infosystems – Sociedade de Sistemas de Informação, S.A.	Luanda (Angola)	50.00%	37.54%	50.00%	27.28%
19)	Marcas do Mundo - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Movimentos Viagens - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Nova Equador Internacional, Agência de Viagens e Turismo, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Raso SGPS, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
	Raso - Viagens e Turismo, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
18)	SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto	45.00%	33.78%	45.00%	24.56%
18)	SSI Angola, S.A.	Luanda (Angola)	100.00%	37.54%	100.00%	27.28%
18)	Unipress - Centro Gráfico, Lda	Vila Nova de Gaia	50.00%	37.54%	50.00%	27.28%
	Viagens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%

* the percentage of ownership total represents the total direct and indirect percentage on the share capital held by the Group.

1) In December 2013 Sierra European Retail Real Estate Assets Holdings, BV ("Sierra BV") sold its 100% held on the share capital of Valecenter, Srl ("Valecenter") (owner of the shopping centre Valecenter and owner of the subsidiary Airone - Shopping Centre, Srl ("Airone") that owns the shopping centre Airone) by the amount of 31 million euro;

2) In August 2013, Sierra Investments Holding, B.V. acquired the remaining 50% of the share capital of the company ARP Alverca Retail Park, S.A. ("Alverca");

3) In May 2013 the subsidiary Cascaishopping Holding I, SGPS, S.A. acquired the remaining 50% of the share capital of the company Cascaishopping-Centro Comercial, S.A. ("Cascaishopping"). On the same date Sierra European Retail Real Estate Assets Holdings B.V. (owner of 100% of the subsidiary Cascaishopping Holding I, SGPS, S.A.) sold 50% of its ownership to Land Retail B.V. by the amount of 32 million euro;

4) Company created during the period;

5) Ex-S.C. Caelum Development Srl ;

6) In October 2013, the joint controlled entities Harvey Dos Iberica, S.L. ("Harvey") and Vuelta Omega, S.L.("Vuelta") each sold its 50% held on the share capital of the joint controlled entity Parque Principado, S.L. ("Principado") by the amount of 33.7 million euro;

7) Company incorporated in October 2013 by the demerger of subsidiary Pátio Boavista Shopping, Ltda;

8) Company merged into subsidiary Pátio Londrina Empreendimentos e Participações, Ltda in 30 October 2013;

9) Company liquidated during 2013;

10) Company merged into subsidiary Pátio Uberlândia Shopping Ltda in 30 October2013;

11) Ex- Sierra Development of Shopping Centres Greece, SA;

12) Company merged into subsidiary Sierra Greece, S.A. with effects since 1 January 2013;

13) In September 2013, Sierra Services Holland B.V. acquired 50% of the share capital of the company Sierra Reval Gayrimenkul Yönetim Pazarlama ve Danı manlık A. . ("Sierra Reval") by the amount of 360 thousand euro;

14) Ex- Sierra Corporate Services Holland, BV;

15) Ex- Sierra Air RetailBV;

16) Company merged into subsidiary Unishopping Consultoria Imobiliária Lda in 30 October 2013;

17) This company was created in 2012 and it´s the company vehicle used to own the financial participation resulting from the merger of Zon-Multimedia, SGPS with Optimus SGPS, SA. This means that is the company that owns the control of Zon Optimus;

18) Companies previously included in the Telecommunications segment;

19) Company merged into subsidiary Raso – Viagens e Turismo, SA.

Associated companies

		Percentage of share capital held			
		31-Dec-2013		31-Dec-2012	
Company	Head Office	Direct	Total*	Direct	Total*
Retail					
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%
Mundo Vip - Operadores Turísticos, SA	Lisbon	33.34%	33.34%	33.34%	33.34%

* the percentage of ownership total represents the total direct and indirect percentage on the share capital held by the Group

Jointly controlled companies and associated companies were included in the consolidated financial statements by the equity method.

The book value of investments in jointly controlled entities and associated companies can be presented as follows:

COMPANY	31-Dec-13	31-Dec-12
Shopping Centres		
Sonae Sierra SGPS, SA (consolidated)	427,254,900	448,355,598
Telecommunications		
ZOPT, SGPS, S.A.	709,606,944	25,000
Investment Management		
Raso SGPS, SA (consolidated)	6,147,367	6,713,236
Unipress - Centro Gráfico, Lda	882,859	453,620
Infosystems – Sociedade de Sistemas de Informação, S.A.	-	1,003
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	-	-
SSI Angola, SA	-	-
Investments in joint ventures	1,143,892,070	455,548,457
Retail		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	899,945	897,831
Mundo Vip - Operadores Turísticos, SA	-	-
Investment in associated companies	899,945	897,831
Total	1,144,792,015	456,446,288

The investment in Mundo Vip amounts to zero, since it includes an impairment loss amounting to 2,101,337 euro.

The aggregated values of main financial indicators of joint controlled companies are as follows:

	31-Dec-13					
Joint ventures	Assets	Liabilities	Equity	Income	Expenses	Net Profit
Investment Management	67,413,721	38,709,241	28,704,480	42,891,148	44,041,371	(1,150,223)
Shopping Centres b)	3,340,574,090	2,051,816,569	1,288,757,521	300,175,654	291,750,981	8,424,673
Telecommunications a)b)	4,413,649,000	1,902,694,000	2,510,955,000	476,848,000	478,797,000	(1,949,000)
TOTAL	7,821,636,811	3,993,219,810	3,828,417,001	819,914,802	814,589,352	5,325,450

	31-Dec-12					
Joint ventures	Assets	Liabilities	Equity	Income	Expenses	Net Profit
Investment Management	65,247,647	35,392,945	29,854,702	42,764,046	48,411,033	(5,646,987)
Shopping Centres	3,608,333,536	2,235,848,486	1,372,485,050	286,912,729	331,581,034	(44,668,305)
Telecommunications a)	-	-	-	-	-	-
TOTAL	3,673,581,183	2,271,241,431	1,402,339,752	329,676,775	379,992,067	(50,315,292)

a) The increase from 2012 to 2013 follows the consolidation of Zopt group by the equity method (Note 8);

b) Disclosed values are relative to the consolidated accounts of Sonae Sierra and Zopt (Note 48).

The aggregated values of main financial indicators of associated companies can be summarized as follows:

	31-Dec-13					
Associated companies	Assets	Liabilities	Equity	Income	Expenses	Net Profit
Retail	12,140,682	11,125,907	1,014,775	59,239,099	59,374,124	(135,025)
Investment Management	5,046,859	4,269,761	777,098	4,201,285	4,209,673	(8,388)
TOTAL	17,187,541	15,395,668	1,791,873	63,440,384	63,583,797	(143,413)

	31-Dec-12					
Associated companies	Assets	Liabilities	Equity	Income	Expenses	Net Profit
Retail	12,966,266	11,959,946	1,006,320	63,465,069	63,608,550	(143,481)
Investment Management	6,162,864	5,089,640	1,073,224	4,214,111	4,151,585	62,526
TOTAL	19,129,130	17,049,586	2,079,544	67,679,180	67,760,135	(80,955)

During the year ended at 31 December 2013 and 2012, movements in investments in joint ventures and associated companies are as follows:

	31-Dec-13			31-Dec-12		
Joinr ventures and associated companies	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Initial balance as at January,1	379,191,284	77,255,004	456,446,288	419,702,609	114,431,480	534,134,089
Acquisitions during the period	-	-	-	31,182	-	31,182
Loss of significant influence	-	-	-	13,174,585	(33,987,738)	(20,813,153)
Change of consolidation method (Note 8)	225,680,194	486,961,750	712,641,944	-	-	-
Equity method	-	-	-	-	-	-
Gains or losses in joint controlled and associated companies	17,199,003	(14,243,092)	2,955,911	(22,841,079)	(1,541,456)	(24,382,535)
Distributed dividends	(158,202)	-	(158,202)	(10,666,052)	-	(10,666,052)
Effect in equity capital and non-controlling interests	(27,093,926)	-	(27,093,926)	(20,898,379)	142,472	(20,755,907)
Other effects in net income	-	-	-	688,418	(1,789,754)	(1,101,336)
	594,818,353	549,973,662	1,144,792,015	379,191,284	77,255,004	456,446,288

During the year ended at 31 December 2013, the caption “Change of consolidation method” is related with the capital increase of Zopt (Note 8) and subsequent conversion of 115 million euro of shareholder loans in supplementary capital subscriptions.

The caption "Loss of significant influence" in 31 December 2012 is related to the loss of significant influence in Cooper Gay Sweet & Crawford Ltd on the disposal of shares representing 11.3% of the company share capital, followed by a capital increase of that company that implied a decrease in the percentage of ownership to 9.72%. The remaining amount was transferred to the statement of financial position under the caption "Other Investments".

Goodwill decrease recorded under the caption "Gains or losses in jointly controlled and associated companies" includes 7,674,367 euro of goodwill relating to shopping centres sold (Valecenter, Airone and Principado) and 6,568,725 euro of impairment losses recorded for goodwill allocated to Sonae Sierra, SGPS, SA Shopping Centres.

The effect on equity in 2012, is mainly the result of currency translation figures of companies with functional currency different from the euro namely Cooper Gay Sweet Crawford, Ltd.

The measurement of the existence or not of impairment in investments in jointly controlled companies is determined as follows:

- Regarding Zopt, taking into consideration various information such as the business plan approved by the Board of Directors and the average of evaluations carried out by external analysts (researches); and

- Regarding Sonae Sierra impairment tests carried out by comparison with the "Net Asset Value", this results from the valuation of investment properties at market value, not including the deduction of deferred taxes on unrealized capital gains.

7 OTHER NON-CURRENT INVESTMENTS

The caption other non-current investments, their head offices, percentage of share capital held and book value as at 31 December 2013 and 2012, are as follows:

		Percentage of share capital held					
		31-Dec-13		31-Dec-12		Statment of financial position	
Company	Head Office	Direct	Total	Direct	Total	31-Dec-13	31-Dec-12
Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	7.14%	7.14%	7.14%	7.14%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Investment Management							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	0.75%	1.38%	0.75%	97,344	197,344
Cooper Gay Swett & Crawford ltd	London	9.72%	4.86%	9.72%	4.86%	15,468,095	22,854,831
Other investments						15,668,225	36,067,375
Total (Note 13)						31,991,837	59,877,723

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

- 12,512,681 euro (33,716,476 euro as at 31 December 2012) related to deposited amounts on an Escrow Account which is invested in investment funds with superior rating and guarantees contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 32 and 33). The decrease in the amount from 2012 to 2013 follows the use of the Escrow Account for payments related to contractual liabilities related with subsidiaries included in the above mentioned business (Note 32).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn't happen as there are some points of disagreement on the use of the Escrow Account, namely as whether or not, to retain the Escrow Account for on-going fiscal procedures that have not yet been decided (Note 33). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers that the reason attends to Sonae.

Financial investment in Cooper Gay Sweet & Crawford Ltd was remeasured to fair value at 31 December 2013. The valuation of this investment was performed on a binding acquisition proposal received from an unrelated entity and knowledgeable entity of the sector in the last quarter of 2013, which was not considered appropriate by the board of directors of the company (Level 3).

As at 31 December 2013, with the exception of Cooper Gay Sweet & Crawford, Ltd and the Escrow Account, these amounts represent financial investments of immaterial value in unlisted companies and in which the Group doesn't hold significant influence. Their cost of acquisition was considered a reasonable approximation to its fair value, adjusted, if applicable, by impairments identified.

The measurement of the existence, or not, of impairments on the financial investments described above is done by comparison with the share of the Group in total equity of the company and with multiples of sales and EBITDA of companies within the same business segment.

8 CHANGES IN CONSOLIDATION PERIMETER

8.1 Zon Optimus Merger

During the year ended at 31 December 2013, as a result of the incorporation by merger of Optimus SGPS in Zon Multimédia – Serviços de Telecomunicações e Multimédia, the telecommunications segment (Optimus SGPS, Optimus SA, Artis Be, Be Towering, Sontária and Permar) was classified, for presentation purposes, as a discontinued operation. As set by IFRS 5, changes were made in the consolidated profit and loss statements for the years ended at 31 December 2013 and 2012, in order to disclose a single caption ('Net income/(loss) for the year of discontinued operations') related to net income/(loss) of discontinued operations.

The discontinued operations as at 31 December 2013 include the following companies:

		Percentage of capital held	
		At operation date	
Company	Head Office	Direct	Total
Telecommunications			
Be Artis - Concepção, Construção e Gestão de Redes de Comunicações, SA	Maia	100.00%	75.07%
Be Towering – Gestão de Torres de Telecomunicações, SA	Maia	100.00%	75.07%
Optimus - Comunicações, SA	Maia	100.00%	75.07%
Optimus, SGPS, SA	Maia	100.00%	75.07%
Per-Mar - Sociedade de Construções, SA	Maia	100.00%	75.07%
Sontária – Empreendimentos Imobiliários, SA	Maia	100.00%	75.07%

Following the announcement made, on 14 December 2012, between Sonaecom, SGPS, S.A., Kento Holding Limited and Jadeium BV (currently named Unitel International Holdings, BV, collectively referred to as 'Kento/Jadeium'), of having reached an agreement to recommend to the Boards of Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA a merger between the two companies, on 11 January 2013, Sonaecom, SGPS, S.A. carried out a capital increase in kind, transferring 81.807% of its financial participation in Optimus SGPS, S.A. to ZOPT,SGPS, S.A. (vehicle used for this purpose), conditional upon completion of the merger.

Thus, following the above mentioned agreement, on 27 August 2013, and after fulfilling all the remedies required to the operation, the merger was closed. Sonaecom considers this to be the date on which Zopt took control of Zon Optimus, having 50.01% of its share capital. Accordingly, in the same day, it was registered the capital increase in kind with the transference of 81.807% Sonaecom's financial participation in Optimus SGPS, S.A. to ZOPT,SGPS, S.A ('Zopt'). As a consequence, Sonaecom held a 50% stake in Zopt, as well as shareholder loans to be received from Zopt amounting to Euro 230 million euro (Note 6), which would later be converted on supplementary capital and reduced to 115 million euro. Additionally, the remaining stake of 18.193% in Optimus SGPS, was converted into a minority stake of 7.28% in Zon Optimus (Note 13).

Resulting from a 'Shareholders Agreement' between the parties involved in the merger, Sonacom and Kento/Jadeium Group agreed not to acquire any shares of Zon Optimus, with the exception of the shares acquired by Sonaecom as a result of the operation. For this reason, the 'Shareholders Agreement' also foresees that after 2 years from the date of the formal closing of the merger, and for a period of three months, the Group Kento / Jadeium may exercise a call option over half of the shares of Zon Optimus that Sonaecom holds at the date of the exercise of call option, at a price equal to the weighted average price of the previous month.

After the share capital increase of Zopt and the completion of the merger between Optimus SGPS and Zon, Sonae derecognised in its consolidated financial statements, assets and liabilities from Optimus SGPS and its subsidiaries amounting to 541 million euro. Sonae has also recorded an investment in Zopt amounting to 598 million euro, loans to be received from Zopt amounting to 230 million euro and an investment recorded at fair value through profit and loss in Zon Optimus shares (the conversion of 20,921,650 Optimus SGPS shares, representing 18.193% of the share capital, to 37,489,324 Zon Optimus shares, representing 7.28% of the share capital), at market price as at 27 August 2013 (date of the closing of the merger), amounting to 156 million euro(Note 13).

The financial investment in Zopt of 598 million euro (598 = ((2.850 X 50.01%)-230)X 50%) results from the valuation of Zon Optimus, amounting to 2,850 million euro. This corresponds to the sum of the valuation of the capital increase in Zopt made by Zon and Optimus in 1,500 million euro and 1,000 million euro, respectivetly (the valuation was made by entities involved in the capital increase and the merger project) and the minimum synergies estimated, disclosed in the merger project in the amount of 350 million euro, deducted from loans amounting to 230 million euro (Level 3 of inputs in the hierarchy of fair value). It was decided that Zon market price at the date of the closing of the merger didn't reflect the fair value of Zon Optimus (the argument for not using the Zon share price at the date of the close of the merger, as above mentioned, is proven by the positive evolution of Zon Optimus share price since the date of the merger until 31 December 2013 (2,782 million euro versus 2,141 million euro, share price as at 27 August 2013, merger date)). For this reason, the market capitalization of Zon was not considered as a reference for valuing the Zopt investment. The valuation of Zon and Optimus was based on internal and analysts' projections, regarding the main economic indicators, including operating results and investment. For this purpose, was used a weighted average cost of capital of 9.5% and growth rate of 3%.

Following the merger, a preliminary assessment of the fair value of assets acquired, assumed liabilities and contingent liabilities through this operation was made on Zopt. The allocation of the acquisition price is still subject to changes within one year from the date of acquisition, in accordance with IFRS 3 - Business Combinations. Nevertheless, the Company does not expect significant changes result from any changes to the allocation made. The detail of Zon and Optimus net assets and Goodwill identified under this transaction are as follows:

Amounts expressed in Euro	Book Value	Fair value adjustments	Fair value
Acquired assets			
Tangible assets	1,168,116	(5,315)	1,162,801
Intangible assets	490,975	216,055	707,030
Investments in group companies	33,646	284,807	318,453
Deferred tax assets	156,948	38,007	194,955
Inventories	37,159	(1,384)	35,775
Accounts receivable and other assets	394,053	1,861	395,914
Cash and cash equivalents	175,901	-	175,901
Total Assets	2,456,798	534,031	2,990,829
Acquired liabilities			
Borrowings	1,269,797	7,634	1,277,431
Provisions	61,172	37,889	99,061
Deferred tax liabilities	8,592	79,588	88,180
Accounts payable and other liabilities	593,700	20,532	614,232
Non-controlling interests	9,662	-	9,662
Liabilities and non-controlling interests	1,942,923	145,643	2,088,566
Total net acquired assets	513,875	388,388	902,263
Goodwill			1,947,737
Acquisition price			2,850,000

The fair value of net assets acquired was determined through various valuation methodologies for each type of asset or liability based on the best information available. The main fair value adjustments made in this process were : (i) valuation of TV Cines and TV Series channels (+99.3 million euro), which will be depreciated in a straight-line basis over a 10 years period, (ii) clients portfolio (94.7 million euro), which will be depreciated in a straight-line basis over a 10 years period which is estimated as the average period for client retention , (iii) financial investments (304 million euro) including 267 million euro in estimated future economic benefits ('goodwill') of subsidiaries , valuations of channels in the amount of 29 million euro, valuation of client portfolios in the amount of 17 million euro, among others, and the inherent deferred taxes , (iv) increase of 57.3 million euro in equipment book value, (v) telecom licenses (+12.7 million euro), which will be depreciated over the estimated useful life; (vi) infrastructure reconstruction and replacement, equipment costs and other adjustments on basic equipment in the amount of 22.7 million euro; (vii) adjustment of 27.7 million euro to carrying amount of the assets falling within the commitments made to the Competition Authority, under the merger operation, in particular, the agreement on an option to acquire the fiber network of Optimus; (viii) changes in the fair value of borrowings in the amount of 7.6 million euro, and (ix) Contingent liabilities relating to present obligations amounting to 46,7 million euro and (x) contractual obligations in the amount of 15.3 million euro related to long-term contracts whose prices are different from market prices.

The methodologies used in the main fair value adjustments were Discounted cash flows (Level 3) with the exception to Rooftops and Towers for which was used its rebuilding costs (Level 2), for Basic Equipment for which were used replacement costs (Level 2) was used and for Contractual obligations for which was used the comparison with today's fees charged (Level 2).

In identifying the fair value of acquired assets and liabilities the Group's management made estimates, assumptions and judgments such as: (i) the average period of retention of Optimus' clients used in the valuation of the client portfolio; (ii) revenue evolution and future results of channels; (iii) the average time of use of existing 2G/3G and LTE technologies and revenue growth as a result of the emergence of other new technologies used in the valuation of the telecom licenses; (iv) evolution of revenue and results of subsidiaries; among others. Although these estimates were based on the best information available at the date of preparation of the consolidated financial statements, current and future results may differ from these estimates.

Several scenarios have been considered in the valuations. The sensitivity analyses performed have not led to significant changes in the allocation of the fair value of assets and liabilities. For the remaining assets and liabilities no significant differences were identified between the fair value and their book value.

As usual on mergers and acquisitions, also in this operation, there was a part of the acquisition price which was not possible to allocate to the fair value of some identified assets and liabilities that was considered as Goodwill and recorded in "Intangible Assets". This Goodwill is related to a number of different elements, which cannot be individually quantified and isolated in a viable way and include, for example, synergies, qualified workforce and technical skills.

Thus, as a result of the derecognition of the investment in Optimus SGPS and its subsidiaries, the recognition of the investments in Zopt and Zon Optimus, and the loans to be received from Zopt, it was registered a capital gain of 443 million euro.

The detail of the values in the statement of financial position derecognised as at August 2013 can be detailed as follows:

Assets	Notes	27-Aug-2013
Non current assets		
Tangible assets	10	556,348,626
Intangible assets	11	353,987,003
Goodwill	12	33,955,548
Deferred tax assets	20	98,625,768
Other non-current assets		960,878
Total non-current assets		1,043,877,823
Current assets		
Inventories		19,124,520
Trade accounts receivable and other current assets		263,722,481
Cash and cash equivalents		18,262,934
Total current assets		301,109,935
Equity and Liabilities		
Other equity instruments		(6,468,582)
Non current liabilities		
Loans		(17,879,657)
Other non-current liabilities		(293,533,174)
Total non-current liabilities		(311,412,831)
Current liabilities		
Loans		(2,451,761)
Trade creditors and other current liabilities		(356,328,712)
Other current liabilities		(127,483,937)
Total current liabilities		(486,264,410)
Total of derecognition assets and liabilities		540,841,936
Gain / (loss) on the operation	4	442,605,639
Compensation received		983,447,575
Compensation received		
Participation in Zopt	6	597,641,944
Loans Zopt		230,000,000
Zon Optimus shares	13	155,805,631
		983,447,575

In the year ended 31 December 2013, from Zon Optimus merger resulted cash receipts arising from loans granted to Optimus in the amount of 427.9 million euro and 115 million euro from loans granted to Zopt paid by the other company with joint control in Zopt.

8.2 Connectiv acquisition

At 30 April 2012, the group acquired the entire share capital of Connectiv Solutions. Following that, the company started from 1 May 2012 to consolidate the financial statements using the full consolidation method. As at 1 January 2013, Connectiv was incorporated, by merger, in WeDo USA.

Connectiv has as main activity the rendering of services in information systems.

Following the acquisition of Connectiv Solutions, the company carried out a preliminary assessment of the fair value of acquired assets and liabilities, which led to the recognition of software and clients portfolio in the amount of 3,383,070 euro.

As usual on mergers and acquisitions, namely in the acquisition of Connectiv, there was a part of the acquisition price which was not possible to be allocated to the fair value of some identified assets and liabilities, that was considered as Goodwill. This Goodwill is related to a number of different elements, which cannot be individually quantified and isolated in a viable way and include, for example, synergies, qualified workforce, technical skills and market power. The total amount of this Goodwill will be considered as fiscal cost in Connectiv accounts, for a period of 15 years, according with the United States of America law.

The acquisition price includes a deferred amount payable of 2 million USD (1 million USD to be paid in 2013 and 1 million USD to be paid in 2014) and a contingent amount to be paid annually, during 4 years, depending on revenues of the company, which were estimated in about 2 million USD (having already been paid for the period ended 31 December 2013, 658 thousand USD).

For the period ended 31 December 2013, the contingent amount payable was adjusted in 547,579 USD (412,703 euro). It was also made an allocation to know-how in the amount of 4,547,579 USD (3,478,653 euro), which is being depreciated over a 28 months period, which resulted in an adjustment to the initial goodwill, as permitted by IFRS 3 Business Combinations, since this adjustment occurred in the period permitted by IFRS 3 for goodwill allocation.

8.3 Business combination through acquisition to Jorge Sá Group

In 2013 a business combination took place involving the acquisition of 8 food retail stores in Madeira (Região Autónoma da Madeira), previously held by Jorge Sá Group.

The impact on the financial statements can be presented as follows:

	At acquisition date
Tangible Assets	6,013,260
Goodwill	3,986,740
Acquisition Value	10,000,000
Cash paid	5,798,180
Amount paid in income	3,298,216
Amount in debt	903,604

9 FINANCIAL INSTRUMENTS BY CLASS

The financial instruments classification according to policies disclosed in Note 2.13 can be detailed as follows:

Financial assets	Notes	Loans and accounts receivable	Assets at fair value through profit	Available for sale	Derivates (Note 26)	Sub-total	Assets not within scope of IFRS 7	Total
As at 31 December 2013								
Non-current assets								
Other investments	7 and 13	13,389,201	-	18,602,636	-	31,991,837	-	31,991,837
Other non-current assets	14	14,681,220	-	-	-	14,681,220	17,289,393	31,970,613
		28,070,421	-	18,602,636	-	46,673,057	17,289,393	63,962,450
Current assets		-	-	-	-	-	-	-
Trade receivables	16	78,261,378	-	-	-	78,261,378	-	78,261,378
Other deditors	17	123,425,677	-	-	-	123,425,677	-	123,425,677
Investments	13	6,105	202,442,350	-	35,999	202,484,454	-	202,484,454
Cash nas cash equivalent	21	366,308,918	-	-	-	366,308,918	-	366,308,918
		568,002,078	202,442,350	-	35,999	770,480,427	-	770,480,427
		596,072,499	202,442,350	18,602,636	35,999	817,153,484	17,289,393	834,442,877
		-	-	-	-	-	-	-
As at 31 December 2012		-	-	-	-	-	-	-
Non-current assets		-	-	-	-	-	-	-
Other investments	7 and 13	33,716,476	-	26,161,247	-	59,877,723	-	59,877,723
Other non-current assets	14	27,312,961	-	-	-	27,312,961	22,218,354	49,531,315
		61,029,437	-	26,161,247	-	87,190,684	22,218,354	109,409,038
Current assets		-	-	-	-	-	-	-
Trade receivables	16	171,053,729	-	-	-	171,053,729	-	171,053,729
Other deditors	17	117,941,848	-	-	-	117,941,848	-	117,941,848
Investments	13	881,581	-	-	30,341	911,922	-	911,922
Cash nas cash equivalent	21	376,635,163	-	-	-	376,635,163	-	376,635,163
		666,512,321	-	-	30,341	666,542,662	-	666,542,663
		727,541,758	-	26,161,247	30,341	753,733,345	22,218,354	775,951,700

Financial liabilities	Notes	Derivates (Note 26)	Financial liabilities recorded at amortised cost	Sub-total	Liabilities not within scope of IFRS 7	Total
As at 31 December 2013						
Non-current liabilities						
Bank loans	24	-	241,163,840	241,163,840	-	241,163,840
Bonds	24	-	1,113,399,900	1,113,399,900	-	1,113,399,900
Obligations under finance	24 and 25	-	7,980,489	7,980,489	-	7,980,489
Other loans	24	-	53,936	53,936	-	53,936
Other non-current liabilities	27	-	18,136,627	18,136,627	33,111,254	51,247,881
		-	1,380,734,792	1,380,734,792	33,111,254	1,413,846,046
Current liabilities						
Bank loans	24	-	65,791,907	65,791,907	-	65,791,907
Bonds	24	-	159,962,358	159,962,358	-	159,962,358
Obligations under finance	24 and 25	-	4,314,843	4,314,843	-	4,314,843
Other loans	24	3,836,167	33,466	3,869,633	-	3,869,633
Trade creditors	29	-	1,162,317,682	1,162,317,682	-	1,162,317,682
Other creditors	30	-	313,313,588	313,313,588	-	313,313,588
		3,836,167	1,705,733,844	1,709,570,011	-	1,709,570,011
		3,836,167	3,086,468,636	3,090,304,803	33,111,254	3,123,416,057
As at 31 December 2012						
Non-current liabilities						
Bank loans	24	-	364,137,659	364,137,659	-	364,137,659
Bonds	24	-	1,287,944,455	1,287,944,455	-	1,287,944,455
Obligations under finance	24 and 25	-	27,593,734	27,593,734	-	27,593,734
Other loans	24	6,993,896	90,166	7,084,062	-	7,084,062
Other non-current liabilities	27	-	54,308,839	54,308,839	33,649,592	87,958,431
		6,993,896	1,734,074,853	1,741,068,749	33,649,592	1,774,718,341
Current liabilities						
Bank loans	24	-	65,557,681	65,557,681	-	65,557,681
Bonds	24	-	450,820,688	450,820,688	-	450,820,688
Obligations under finance	24 and 25	-	7,037,038	7,037,038	-	7,037,038
Other loans	24	2,627,817	33,466	2,661,283	-	2,661,283
Trade creditors	29	-	1,221,772,727	1,221,772,727	-	1,221,772,727
Other creditors	30	-	227,781,624	227,781,624	-	227,781,624
		2,627,817	1,973,003,224	1,975,631,041	-	1,975,631,041
		9,621,713	3,707,078,077	3,716,699,790	33,649,592	3,750,349,382

Financial instruments recognized at fair value

In 2013 the Group applied for the first time IFRS 13 - Fair Value Measurement. This standard requires that the fair value is disclosed in accordance with the following hierarchy:

Level 1: fair value is determined based on active market prices for identical assets and liabilities;

Level 2: the fair value is determined based on other data other than market prices identified in level 1 but they are possible to be observable, and;

Level 3: fair value measurements derived from valuation techniques, whose main inputs are not based on observable market data.

	31-Dec-13			31-Dec-12		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Investments	202,442,350	-	15,468,095	-	22,854,831	-
Derivatives	-	35,999	-	-	30,341	-
	202,442,350	35,999	15,468,095	-	22,885,172	-
Financial liabilities measured at fair value						
Derivatives	-	3,836,167	-	-	9,621,713	-
	-	3,836,167	-	-	9,621,713	-

10 TANGIBLE ASSETS

During the periods ended as at 31 December 2013 and 2012, movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Others	Tangible assets in progress	Total Tangible Assets
Gross costs:							
Opening balance as at 1 January 2012	1,943,600,538	2,189,684,537	21,935,131	316,270,043	45,147,159	64,547,668	4,581,185,076
Investment	3,946,530	8,062,867	89,529	17,113,479	46,127	186,179,820	215,438,352
Acquisitions of subsidiaries	-	103,084	-	1,004,738	-	-	1,107,822
Disposals	(4,224,270)	(89,596,736)	(969,701)	(14,164,383)	(1,354,215)	(2,374,690)	(112,683,995)
Exchange rate effect	(14,782)	(173,673)	(52,162)	(426,686)	16,015	(43,617)	(694,905)
Transfers	942,580	161,205,855	674,169	5,626,851	1,648,853	(195,618,231)	(25,519,924)
Opening balance as at 1 January 2013	1,944,250,596	2,269,285,934	21,676,966	325,424,042	45,503,939	52,690,950	4,658,832,426
Discontinued operations (Note 8)	(292,980,232)	(1,090,887,728)	(85,728)	(216,176,440)	(6,556,008)	(10,277,476)	(1,616,963,612)
Investment	2,993,467	4,899,535	94,357	11,345,149	51,591	143,873,210	163,257,309
Disposals	(7,511,917)	(58,422,007)	(1,282,416)	(10,925,745)	(1,828,187)	(1,208,393)	(81,178,665)
Exchange rate effect	(64,614)	(276,017)	(73,497)	(773,237)	(64)	(26,628)	(1,214,057)
Transfers	12,642,523	124,092,906	1,181,774	6,304,083	2,658,793	(153,202,740)	(6,322,661)
Closing balance as at 31 December 2013	1,659,329,823	1,248,692,623	21,511,456	115,197,852	39,830,064	31,848,923	3,116,410,740
Accumulated depreciation and impairment losses							
Opening balance as at 1 January 2012	414,752,961	1,178,263,851	17,633,868	260,894,953	37,232,547	-	1,908,778,180
Depreciation and impairment losses	35,914,835	170,277,222	1,397,600	30,492,896	3,948,955	-	242,031,508
Acquisitions of subsidiaries	-	90,165	-	441,202	-	-	531,367
Disposals	(2,143,516)	(73,678,088)	(931,824)	(13,701,428)	(1,290,821)	-	(91,745,677)
Exchange rate effect	(11,584)	(110,105)	(37,574)	(251,304)	-	-	(410,567)
Transfers	(142,103)	(662,838)	(345,316)	(2,231,555)	(80,351)	-	(3,462,163)
Opening balance as at 1 January 2013	448,370,593	1,274,180,207	17,716,754	275,644,764	39,810,330	-	2,055,722,648
Discontinued operations (Note 8)	(169,205,712)	(687,662,778)	(83,381)	(197,585,549)	(6,077,566)	-	(1,060,614,986)
Depreciation of the period	31,560,052	154,316,203	1,266,578	23,099,228	2,838,252	-	213,080,313
Impairment losses of the period (Note 32)	100,029,307	53,244,344	32,476	525,201	116,584	-	153,947,912
Disposals	(2,601,959)	(53,077,986)	(1,235,942)	(10,338,541)	(1,793,598)	-	(69,048,026)
Exchange rate effect	(30,505)	(207,676)	(54,925)	(477,694)	(8)	-	(770,808)
Transfers	1,821,809	(2,811,414)	(40,397)	(2,020,832)	(19,882)	-	(3,070,716)
Closing balance as at 31 December 2013	409,943,585	737,980,900	17,601,163	88,846,577	34,874,112	-	1,289,246,337
Carrying amount							
As at 31 December 2012	1,495,880,003	995,105,727	3,960,212	49,779,278	5,693,609	52,690,950	2,603,109,778
As at 31 December 2013	1,249,386,238	510,711,723	3,910,293	26,351,275	4,955,952	31,848,923	1,827,164,403

The investment in 2013 includes:

- approximately 99.6 million euro of assets acquisition primarily associated with the opening and remodeling of stores of Sonae retail operating segments;

- approximately 26.8 million euro (75 million euro in 2012) of assets acquisition associated with the UMTS operation (Universal Mobile Telecommunications Service), HSDPA (Kanguru Express), GSM (Global Standard for Mobile Communications), GPRS (General Packet Radio Service), FTTH (Fibre-to-the-Home) and LTE (Long Term Evolution). As at 27 August 2013, following the merger mentioned in Note 8, the telecommunications business, including the above assets, was derecognized. These amounts are disclosed under the caption "Discontinued operations";

- and 6 million euro related to the business combination detailed in Note 8.3.

As at 31 December 2012 the caption "Tangible assets" included an amount of 25.1 million euro regarding to the net book value of the telecommunications equipment delivered to customers, under free lease agreements with a predefined period, which are being amortized over the duration of their contracts, all of these amounts were derecognised (Note 8).

The caption "impairment losses the period" at 2013 can be detailed as follows:

Impairments	31-Dec-13
Layout change and rebranding of:	
Sonae SR stores	43,746,620
Sonae MC stores	9,988,367
Real estate impairment	100,029,307
Others	183,618
	153,947,912

The impairment losses recorded for real estate assets were based in external valuations made by an independent and specialized entity (Jones Lang LaSalle). These valuations were performed using the income method. For this purpose it was considered yields between 7.40% and 9.50%, For IFRS 13 purposes, this is a "Level 3" fair value measurement.

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

	31-Dec-13	31-Dec-12
Refurbishment and expansion of stores in the retail businesses located in Portugal	17,595,991	22,221,243
Refurbishment and expansion of stores in the retail businesses located in Spain	1,297,219	842,420
Projects "Continente" stores for which advance payments were made	11,532,400	8,274,617
Development of mobile network	-	15,652,408
Development of fixed network	455,656	1,514,961
Others	967,657	4,185,301
	31,848,923	52,690,950

11 INTANGIBLE ASSETS

During the periods ended as at 31 December 2013 and 2012, movements in intangible assets as well as amortization and accumulated impairment losses are made up as follows:

	Patents and other similar rights	Software	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:					
Opening balance as at 1 January 2012	461,394,359	454,752,170	57,492,003	134,955,822	1,108,594,354
Investment	24,156,887	1,772,860	110,563	42,349,366	68,389,676
Acquisitions of subsidiaries	1,608,263	1,686,153	-	-	3,294,416
Disposals	(12,808,851)	(993,025)	(795,628)	(907,764)	(15,505,268)
Disposals of subsidiaries	-	-	-	-	-
Exchange rate effect	(2,983)	(424,996)	(3,589,201)	(14,305)	(4,031,485)
Transfers	100,123,221	42,630,156	(4,521,369)	(132,265,679)	5,966,329
Opening balance as at 1 January 2013	574,470,896	499,423,318	48,696,368	44,117,440	1,166,708,022
Discontinued operations (Note 8)	(478,094,901)	(304,656,517)	-	(21,285,935)	(804,037,353)
Investment	15,529,786	1,291,028	72,391	45,820,721	62,713,926
Disposals	(1,119,545)	(174,469)	-	(243,556)	(1,537,570)
Exchange rate effect	(298,747)	(782,929)	(5,190,168)	(35,427)	(6,307,271)
Transfers	5,170,441	31,096,211	3,850,363	(39,288,276)	828,739
Closing balance as at 31 December 2013	115,657,930	226,196,642	47,428,954	29,084,967	418,368,493
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2012	171,505,301	334,710,780	22,596,484	-	528,812,565
Depreciation of the period	46,596,030	41,167,126	3,313,882	-	91,077,038
Acquisitions of subsidiaries	-	55,004	-	-	55,004
Disposals	(12,425,614)	(860,640)	(795,628)	-	(14,081,882)
Exchange rate effect	(1,849)	(344,377)	(918,268)	-	(1,264,494)
Transfers	303,814	(8,882)	(640,363)	-	(345,431)
Opening balance as at 1 January 2013	205,977,682	374,719,011	23,556,107	-	604,252,800
Discontinued operations (Note 8)	(203,989,969)	(246,060,381)	-	-	(450,050,350)
Depreciation of the period	31,725,939	31,423,062	2,820,238	-	65,969,239
Disposals	(1,118,901)	(172,242)	-	-	(1,291,143)
Exchange rate effect	(127,143)	(578,245)	(1,752,393)	-	(2,457,781)
Transfers	(5,116)	(903,312)	-	-	(908,428)
Closing balance as at 31 December 2013	32,462,492	158,427,893	24,623,952	-	215,514,337
Carrying amount					
As at 31 December de 2012	368,493,214	124,704,307	25,140,261	44,117,440	562,455,222
As at 31 December de 2013	83,195,438	67,768,749	22,805,002	29,084,967	202,854,156

Under the agreed terms resulting from the grant of the UMTS License, Optimus – Comunicações, S.A., committed to contribute to the promotion and development of an ‘Information Society’ in Portugal. The total amount of the obligations assumed arose to 274 million euro which will have to be realized until the end of 2015.

In accordance with the Agreement established on 5 June 2007 with the Ministry of Public Works, Transportation and Communications (MOPTC), part of these commitments, up to 159 million euro, would be realized through own projects eligible as contributions to the ‘Information Society’ which will be incurred under the normal course of Optimus – Comunicações, S.A.’s business (investments in network and technology, if not directly related with the accomplishment of other obligations inherent to the attribution of the UMTS License, and activities of research, development and promotion of services, contents and applications). These own projects must be recognized by the MOPTC and by entities created specifically for this purpose. The total amount was already incurred and validated by the above referred entities, so, at this date, there are no additional responsibilities related to these commitments. These charges were recorded in the attached financial statements at the moment the projects were carried out and the estimated costs became known.

The remaining commitments, up to 116 million euro, has been realized, as agreed between Optimus – Comunicações S.A. and MOPTC, through contributions to the ‘Iniciativas E’ project (modem offers, discounts on tariffs, cash contributions, among others, assigned to the widespread use of broadband internet for students and teachers). These contributions are made through the ‘Fund for the Information Society’, now known as the ‘Fundação para as Comunicações Móveis’ (Foundation for Mobile Communications), established by the three mobile operators with businesses in Portugal. All responsibility was recognized as an additional cost of UMTS license, against an entry in the captions ‘Other non-current liabilities’ and ‘Other current liabilities’. Thus, at 31 December 2013, all the responsibilities with such commitments were derecognized from consolidated financial statements following the merger between Optimus SGPS and Zon following derecognition of assets and liabilities of the telecommunications business (Note 8).

Intangible assets as at 31 December 2012, include an amount of approximately 110 million euro, corresponding to the current value of future payments related with the acquisition of rights of use for frequency (spectrum) bands of 800 MHz, 1800 MHz and 2600 MHz, which will be used to develop 4th generation services (LTE - Long Term Evolution). The payable amount totals 113 million euro. In January 2012, an amount of 83 million euro was already paid as well as an amount of 6 million euro in January 2013. The remaining amount can be paid in four annual instalments of 6 million euro, having the company, at each annual payment, the option to anticipate the payment of the amount in debt. During the year ended 31 December 2012, considering the availability of LTE (Long Term Evolution) technology (although subject to restrictions in some areas of the country) and the subsequent launching the commercial operation, a fraction of the present value of future payments related to the acquisition of rights of use for 4th generation frequencies services was transferred from work in progress (92.9 million euro) and the amortization was started, for an estimated period until 2041. This asset was derecognized, as at 31 December 2013, following the merger between Optimus SGPS and Zon and consequent derecognition of assets and liabilities of the telecommunications segment (Note 8).

At 31 December 2012, the Group kept recorded under the heading 'Intangible assets – brands and contents' the amount of 170,425,449 euro that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) 54,005,186 euro related to the license; (ii) 18,045,113 euro related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) 5,542,199 euro related to a contribution to the 'Fundação para as Comunicações Móveis', established in 2007, under an agreement entered with 'MOPCT' and the three mobile telecommunication operators in Portugal; and (iv) 88,218,718 euro related with the programme 'Initiatives E', these last two associated to the commitments assumed by the Group in relation to the 'Information Society'. These assets were derecognized, as at 31 December 2013, following the merger between Optimus SGPS and Zon and consequent derecognition of assets and liabilities of the telecommunications segment (Note 8).

Additionally the caption "Patents and other similar rights" includes the acquisition cost of a group of brands with indefinite useful lives among which the "Continente" brand, acquired in previous years, amounting to 75,000,000 euro (the same amount as at December 2012).

Sonae performs annual impairment tests on the value of brands, calculating for this purpose the recoverable amount of Sonae MC, which is determined, based on value in use using for this purpose the last business plans which are prepared through projected cash flows for periods of 5 years. The assumptions used are disclosed in Note 12.

The remaining amounts that make up the balance of intangible assets in progress relate mainly to projects and computer software.

12 GOODWILL

Goodwill is allocated to each one of the operating segments and within to each one of the homogeneous groups of cash generating units as follows:

- Retail Units - Goodwill is allocated to each operating segment, Food based retail (Sonae MC) and Specialized retail (Sonae SR), being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment, and each of the properties in case of Retail real estate operating segment (Sonae RP);

- Investment Management - This segment's Goodwill is mainly related to: (i) Information Systems and Multimedia business, previously included in the Telecommunications segment; (ii) insurance clients portfolio, which was acquired previously to the adoption of IFRS, therefore explaining the non-recognition as an Intangible asset; and (iii) assets acquired in subsequent years, namely Lazam/MDS;

At 31 December 2013 and 2012, the caption "Goodwill" was as follows:

	31-Dec-13	31-Dec-12
Sonae MC	476,919,251	472,932,511
Sonae SR	85,168,152	87,653,701
Sonae RP	3,315,934	3,671,352
Investment management	44,784,521	45,140,508
Telecommunications	-	48,829,978
	610,187,858	658,228,050

During the years ended 31 December 2013 and 2012, movements in Goodwill as well as in the corresponding impairment losses, are as follows:

	31-Dec-13	31-Dec-12
Gross value:		
Opening balance	664,502,705	664,766,628
Acquisition of Connectiv and Goodwill adjustment (Note 8.2)	(3,383,070)	5,167,775
Discontinued operations (Note 8.1)	(33,955,548)	-
Goodwill generated in the period (Note 8.3)	3,986,740	-
Other variations	(1,942,716)	(1,604,413)
Currency translation	(4,667,471)	(3,827,285)
Closing balance	624,540,640	664,502,705
Accumulated impairment		
Opening balance	6,274,655	4,953,135
Increases (Note 32)	8,078,127	1,321,520
Closing balance	14,352,782	6,274,655
Carrying amount:	610,187,858	658,228,050

Sonae does annual impairment tests of Goodwill and whenever there are indications of goodwill impairment. During the periods ended at 31 December 2013 and 2012, Sonae tested for goodwill impairment, having as a result of that analysis, recorded impairment losses as follows:

	31-Dec-13	31-Dec-12
Sonae SR	2,485,549	-
Sonae RP	355,418	540,273
Investment management	5,237,160	781,247
	8,078,127	1,321,520

The impairment of goodwill of Sonae SR results mainly of goodwill allocated to stores that closed.

The impairment losses recorded on goodwill in Investment Management follows the outcome of impairment testing of a Retail insignia included in Investment Management segment, which led to the impairment of the entire goodwill allocated to this insignia in the amount of approximately 4,150,000 euro.

The main assumptions used in the above mentioned business plans are detailed as follows for each of Sonae operating segments.

Retail

For this purpose the Food Retail (Sonae MC) and Specialized Retail (Sonae SR) operating segments in Portugal use internal valuation of its business concepts, using annual planning methodologies, supported in business plans that consider cash flow projections for each unit which depend on detailed and properly supported assumptions. These plans take into consideration the impact of the main actions that will be carried out by each business concept as well as a study of the resources allocation of the company.

The recoverable value of cash generating units is determined based on its value in use, which is calculated taking into consideration the last approved business plans which are prepared using cash flow projections for periods of 5 years.

The case scenarios are elaborated with an average cost of capital and with a growth rate of cash-flows in perpetuity that can be detailed as follows:

	31-Dec-13			31-Dec-12		
	Average capital cost	Growth rate in perpetuity	Compound growth rate sales	Average capital cost	Growth rate in perpetuity	Compound growth rate sales
Sonae MC	9% to 10%	≤ 1%	4%	9% to 10%	≤ 1%	3%
Sonae SR - Portugal	9% to 11%	≤ 1%	6%	9% to 11%	≤ 1%	4%
Investment management (excluding Information Systems, Multimedia and Insurance)	8% to 10%	<= 1,5%	6%	8% to 10%	<= 1,5%	5%

The recoverable value of cash generating units on the specialized retail formats in Spain, is determined based on its value in use, which is calculated taking into consideration the approved business plans for periods of 10 years. Assuming this is the most realistic and appropriate deadline for the implementation of the strategy of internationalization of Sonae in specialized retail segment, taking into consideration not only the nature of the products in question (more discretionary character) but also the current macroeconomic conditions and restrictions on access to new financing, which limit an internationalization accelerated process. The analysis described above aims to demonstrate the recovery of non-current assets and deferred tax assets of Sonae SR in Spain, since it does not have any value of goodwill allocated.

Investment management

The main assumptions used in segment of Investment management are:

Information Systems and Multimedia

In the information systems sector, the assumptions used are based on essentially the various businesses of the group and the growth of various geographic areas where the Group operates. The discount rates used were based on the estimated weighted average cost of capital, which depends of the operating segment of each subsidiary, as indicated in the table below. In perpetuity, the Group considered a growth rate of around 3% in segment of Information Systems and 0% in segment of Multimedia. In situations where the measurement of the existence or otherwise of impairment is made based on the net selling price, values and other similar transactions performed proposals are used.

	31-Dec-13		
	Basis of recoverable amount	Discount rates	Growth rate in perpetuaty
Information Systems	value in use	13%	3%
Multimedia	value in use	12%	0%

Insurance

Goodwill was exclusively allocated to business insurance client portfolio, as consequence, the impairment analysis is made using the estimated profitability of the mentioned portfolio, being the main assumptions as follows:

	31-Dec-13		31-Dec-12	
	Portugal	Brazil	Portugal	Brazil
Sales increase rate during the projected period	3% to 8,93%	7,8% to 13%	2% to 6%	8% to 12,3%
Perpetuity growth rate	2%	4.5%	2%	4.5%
Discount rate used	8,9% to 10,7%	13.9%	8,9% a 10,7%	13.9%

13 OTHER INVESTMENTS

As at 31 December 2013 and 2012, this caption is made up as follows:

	31-Dec-13		31-Dec-12	
	Non current	Current	Non current	Current
Other investments:				
Fair value (net of impairment losses) as at 1 January	59,877,723	881,581	40,940,837	3,064,147
Acquisitions in the period	891,408	155,805,631	580,805	177,247
Disposals in the period	(21,213,170)	(875,476)	(4,498,750)	(2,359,813)
Increase/(Decrease) in fair value	(7,564,124)	46,636,719	3,840,447	-
Transfers (Note 6)	-	-	19,014,384	-
Fair value (net of impairment losses) as at 31 December	31,991,837	202,448,455	59,877,723	881,581
			-	
Derivative financial instruments (Note 26)				
Fair value as at 1 January	-	30,341	-	2,797,071
Acquisitions in the period	-	26,398	-	-
Increase/(Decrease) in fair value	-	(20,740)	-	(2,766,730)
Fair value as at 31 December	-	35,999	-	30,341
	31,991,837	202,484,454	59,877,723	911,922

The amount of increase/(decrease) in fair value and transfers in the caption "Other non-current investments" is related to the measurement at fair value of the investment in Cooper Gay Sweet & Crawford 7,386,736 euro at 31 December 2013 (Note 7).

Under the caption other non-current financial investments an amount of 12,512,681 euro (33,716,476 euro in 31 December 2012) is recorded related to deposited amounts on an Escrow Account (Note 7). The amount of decrease in this caption in 2013 results from the use of the Escrow Account for payments relating to civil and labor litigations mentioned in Note 32. The amount of decrease in the caption "Other non-current investments" in 2012 is associated primarily to the disposal of Sonae Capital SGPS, SA shares (Note 7).

The amounts of increase (155,805,631 euro) and increase in fair value (46,636,719 euro) under the caption "Other current assets" follow the recording of the financial investment in Zon Optimus at fair value (Note 8). As stated in the shareholder agreement these shares do not confer any right to vote or further interfere in the situation of shared control in Zon Optimus. The fair value of the investment is determined based on the price of Zon Optimus shares and the respective changes are recorded in the consolidated income statement.

The Other non-current Investments are recorded at acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate can be made as there is no market data available for these investments. The heading of “Other non-current Investments” includes 3,134,574 euro (3,306,383 euro in 31 December 2012) of investments recorded at acquisition cost net of impairment losses for the same reasons.

The Other non-current Investments are net of impairment losses (Note 32) amounting to 257,055 euro (85,778 euro in 31 December 2012).

14 OTHER NON-CURRENT ASSETS

As at 31 December 2013 and 2012, Other non-current assets are detailed as follows:

	31-Dec-13			31-Dec-12		
	Gross Value	Accumulated impairment losses (Note 32)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 32)	Carrying Amount
Loans granted to related parties	3,570	-	3,570	10,001,942	(1,000,000)	9,001,942
Trade accounts receivable and other debtors						
Legal deposits	818,011	-	818,011	973,963	-	973,963
Recognition of the value to be received from Wall Mart	7,858,057	-	7,858,057	9,468,476	-	9,468,476
Cautions	5,725,333	-	5,725,333	5,919,711	-	5,919,711
Others	276,249	-	276,249	1,948,869	-	1,948,869
	14,677,650	-	14,677,650	18,311,019	-	18,311,019
Total financial instruments (Note 9)	14,681,220	-	14,681,220	28,312,961	(1,000,000)	27,312,961
Reinsurer's' share of technical provisions	16,789,943	-	16,789,943	22,126,693	-	22,126,693
Other non-current assets	499,450	-	499,450	91,661	-	91,661
	31,970,613	-	31,970,613	50,531,315	(1,000,000)	49,531,315

Loans granted to related parties bear interests at market rates and do not have a defined maturity. The fair value of these loans is estimated to be similar to its carrying amount.

As a result of the agreements signed in 2005 by the former subsidiary - Sonae Distribuição Brasil, SA (sold to Wall-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae assumed the responsibility to compensate Carrefour for the expenses that would arise from the 10 stores licensing process, in the Brazilian state of São Paulo, that were sold to that entity. During 2010, Carrefour triggered a bank warranty "on first demand" amounting to 25,340,145.80 Brazilian real (approximately 7.9 million euro) for alleged expenses incurred with the mentioned stores that, allegedly arose from the need to remedy deficiencies cited by competent authorities for the licensing process. However no evidence of those expenses was presented to Sonae, or proof of the necessity of carrying out such costs for the licensing process as established on the mentioned agreements. The variation in the period is explained by the evolution of the exchange rate of the real against the euro.

It is the understanding of the Board of Directors and the Group attorneys that the amount paid will be recovered. The company already established legal proceedings against Carrefour Comércio e Indústria, Ltda., through society Wms - Supermarkets in Brazil, SA (formerly Sonae Distribution Brazil, SA, sold to Wal-Mart Group, as mentioned above) to recover the above mentioned amount (for Sonae, by right of claim on the Wms). It's the Board of Directors and the Group attorneys understanding that the above mentioned amount is recoverable, since Carrefour has never proved the existence of the costs that it claims and which validate the usage of the above mentioned warranty, or through the warranty expiration date (according the Brazilian law).

According to the Group attorneys, the amount improperly received by Carrefour for which a reimbursement will be requested (25,340,145.80 Brazilian real), will bear interests at the SELIC rate. It is expected that the legal proceeding will exist for a period up to 7 years, since it's beginning in 2011.

The Reinsurer's' share of technical provisions refer to non-life insurance ceded to reinsurance companies by a captive subsidiary. The provision can be detailed as follows: Provision for unearned premiums 5,045,333 euro (7,448,667 euro as at December 2012) and Provisions for outstanding claims 11,744,610 euro (14,678,026 euro as at December 2012) (Note 32).

15 INVENTORIES

As at 31 December 2013 and 2012, inventories are as follows:

	31-Dec-13	31-Dec-12
Raw materials and consumables	1,125,967	1,447,061
Goods for resale	619,774,885	584,072,124
Finished and intermediate goods	478,877	318,157
Work in progress	237,215	187,376
	621,616,944	586,024,718
Accumulated impairment losses on Inventories (Note 32)	(32,667,082)	(47,538,541)
	588,949,862	538,486,177

Cost of goods sold as at 31 December 2013 and 2012 amounted to 3,602,380,328 euro and 3,518,309,414 euro, respectively, and may be detailed as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Opening balance (a)	568,156,694	696,316,589
Purchases	3,675,441,541	3,409,388,097
Adjustments (a)	(9,766,771)	(28,457,790)
Closing balance	620,900,851	568,156,694
	3,612,930,613	3,509,090,202
Impairment losses (Note 32)	(10,550,285)	9,219,212
	3,602,380,328	3,518,309,414

(a) At 31 December 2012, under "Opening balance" and "Adjustments" are included 18,858,417 euro relating to discontinued operations

As at 31 December 2013 the caption “adjustments” relates primarily to adjustments regarding donations to social welfare institutions conducted by the Retail operating segment.

16 TRADE ACCOUNTS RECEIVABLE

As at 31 December 2013 and 2012, trade accounts receivable are detailed as follows:

	31-Dec-13			31-Dec-12		
Trade accounts receivable and doubtful accounts	Gross Value	Accumulated impairment losses (Note 32)	Carrying Amount	Gross Value	Accumulated impairment losses	Carrying Amount
Sonae MC	30,899,444	(2,639,880)	28,259,564	25,511,894	(2,797,278)	22,714,616
Sonae SR	13,290,302	(393,922)	12,896,380	6,791,166	(519,778)	6,271,388
Sonae RP	164,896	(47,024)	117,872	851,799	(47,024)	804,775
Telecommunications	-	-	-	221,226,998	(82,069,573)	139,157,425
Investment management	40,514,254	(3,944,314)	36,569,940	1,789,017	(60,266)	1,728,751
Sonae Holding	417,622	-	417,622	376,774	-	376,774
	85,286,518	(7,025,140)	78,261,378	256,547,648	(85,493,919)	171,053,729

The decrease under the caption “Trade accounts receivable”' includes the effect of derecognition of the subsidiaries relating to the telecommunications business and the reclassification to the investment management segment of the SSI and multimedia companies as a result of the merger between Optimus SGPS and Zon (Note 8).

Sonae’s exposure to credit risk is mainly related to accounts receivable arising from its operational activity. The amounts presented on the statement of financial position are net of impairment losses that were estimated based on Sonae’s past experience and on the assessment of current economic conditions. It’s Sonae understanding that the book value of the accounts receivable does not differ significantly from its fair value.

As at 31 December 2013 there is no indication that the debtors of trade accounts receivable not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

As at 31 December 2013 and 2012, the ageing of the trade receivables are as follows:

	Trade Receivables			
31-Dec-13	Retail	Investment Management	Sonae Holding	Total
Not due	17,265,111	14,449,721	417,622	32,132,454
Due but not impaired				
0 - 30 days	1,768,227	8,280,583	-	10,048,810
30 - 90 days	21,621,642	5,160,438	-	26,782,080
+ 90 days	2,177,627	5,373,110	-	7,550,737
Total	25,567,496	18,814,131	-	44,381,627
Due and impaired				
0 - 90 days	10,777	961,541	-	972,318
90 - 180 days	44,900	859,287	-	904,187
180 - 360 days	100,610	1,182,051	-	1,282,661
+ 360 days	1,365,747	4,247,524	-	5,613,271
Total	1,522,034	7,250,403	-	8,772,437
	44,354,641	40,514,255	417,622	85,286,518

	Trade Receivables				
31-Dec-12	Retail	Telecommunications	Investment Management	Sonae Holding	Total
Not due	10,640,201	51,700,564	312,850	376,480	63,030,095
Due but not impaired					
0 - 30 days	2,413,702	18,008,982	856,513	-	21,279,197
30 - 90 days	14,638,258	16,684,529	138,293	-	31,461,080
+ 90 days	1,615,641	24,279,347	421,095	294	26,316,377
Total	18,667,601	58,972,858	1,415,901	294	79,056,654
Due and impaired					
0 - 90 days	502,766	3,957,205	1,741	-	4,461,712
90 - 180 days	11,949	2,829,240	1,741	-	2,842,930
180 - 360 days	78,851	6,284,434	9,071	-	6,372,356
+ 360 days	3,253,491	97,482,697	47,713	-	100,783,901
Total	3,847,057	110,553,576	60,266	-	114,460,899
	33,154,859	221,226,998	1,789,017	376,774	256,547,648

In determining the recoverability of trade receivables, Sonae considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the large number of customers. Accordingly, it is considered that the risk of not recovering the trade receivables is not higher than the allowance for doubtful debts.

Additionally, Sonae considers that the maximum exposure to the credit risk is the amount presented in the consolidated statement of financial position.

17 OTHER DEBTORS

As at 31 December 2013 and 2012, other debtors are as follows:

	31-Dec-13	31-Dec-12
Granted loans to related companies	8,599,429	7,947,797
Other debtors		
Trade creditors - debtor balances	34,270,501	30,250,465
Special regime for payment of tax and social security debts	28,354,934	12,047,569
Deposit in favor of Cosec [a)]	11,798,127	-
Dividends to be received of jointly controlled companies	10,567,050	10,567,050
Interests and accounts receivable from discontinued activities	10,936,329	-
Disposal of financial investments	-	20,535,907
Vouchers and gift cards	3,289,808	2,231,940
VAT recoverable on real estate assets	2,905,724	1,143,779
Reinsurance operations	2,102,625	6,638,468
TRS related to own shares (Note 22)	410,944	12,693,574
Project "Iniciativas E"	-	10,918,467
Advances to agents	-	1,479,606
Advances to suppliers	665,532	1,406,353
Other current assets	23,985,624	15,792,142
	129,287,198	125,705,320
Accumulated impairment losses in receivables (Note 32)	(14,460,950)	(15,711,269)
Total of Financial Instruments (Note 9)	123,425,677	117,941,848

a) Deposit in favor of COSEC received in January 2014;

Granted loans to related companies bear interests at market rates and do not have defined maturity but are deemed to be received within twelve months.

The amounts disclosed as 'Trade creditors - debtor balances' relate with commercial discounts billed to suppliers, to be net settled with future purchases - mainly in the retail segment.

The amount disclosed as 'Special regime for payment of tax and social security debts' corresponds to taxes paid which were previously disputed and subject to reimbursement claims. The tax litigations are still in progress, although following the payment the guarantees previously given where canceled. No impairment loss was recorded since it's the Board of Directors understanding that the decisions over the appeals will be in favour of Sonae. Since 31 December 2012, the caption "Other debtors" increased, following the Group decision to benefit from the newly approved Special regime for payment of tax and social security debts, and the payment of approximately 17 million euro (Note 33).

At 31 December 2012, the net position of telecommunications segment with the 'Fundação para as Comunicações Móveis', under the 'Iniciativas E' programme, amounts to a receivable of Euro 10,918,467. At 31 December 2013 these amounts were desrecognized following the merger between Optimus SGPS and Zon and the consequent desrecognition of the assets and liabilities of the telecommunications sector (Note 8).

At as 31 December 2013 and 2012, the ageing of other debtors is as follows:

	Other Debtors	
	31-Dec-13	31-Dec-12
Not due	52,522,869	61,107,297
Due but not impaired		
0 - 30 days	13,190,190	5,717,263
30 - 90 days	37,869,908	20,561,119
+ 90 days	11,243,281	22,608,372
Total	62,303,379	48,886,754
Due and impaired		
0 - 90 days	205,875	854,012
90 - 180 days	224,684	753,583
180 - 360 days	759,187	872,727
+ 360 days	13,271,204	13,230,947
Total	14,460,950	15,711,269
	129,287,198	125,705,320

As at 31 December 2013 there is no indication that the debtors not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

The carrying amount of "other debtors" is estimated to be approximately its fair value.

18 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2013 and 2012, Taxes recoverable and taxes and contributions payable are made up as follows:

	31-Dec-13	31-Dec-12
Tax recoverable		
Income taxation	44,093,654	41,227,464
VAT	26,880,720	31,316,124
Other taxes	1,473,127	2,399,280
	72,447,501	74,942,868
Taxes and contributions payable		
Income taxation	13,259,922	8,075,614
VAT	25,201,787	33,082,297
Staff income taxes withheld	5,531,471	5,760,480
Social security contributions	11,365,579	12,007,806
Other taxes	398,366	816,021
	55,757,125	59,742,218

19 OTHER CURRENT ASSETS

As at 31 December 2013 and 2012, Taxes recoverable and taxes and contributions payable are made up as follows:

	31-Dec-13	31-Dec-12
Invoices to be issued	6,251,905	54,632,025
Commercial discounts	30,455,235	30,687,590
Prepayments of external supplies and services	12,077,662	24,864,876
Prepayments - Rents	6,210,168	6,459,176
Commissions to be received	2,627,215	1,926,548
Insurance indemnities	2,430,736	7,423,141
Other current assets	11,484,397	13,917,189
	71,537,318	139,910,545

The caption "Invoices to be issued" at 31 December 2012 was essentially related to the Telecommunications business and with invoices to be issued to customers and other telecommunications operators. At 31

December 2013 these liabilities were derecognized following the merger between Optimus SGPS and Zon and the consequent derecognition of the assets and liabilities of those subsidiaries (Note 8).

The caption "Commercial discounts" refers to promotional campaigns carried out in the retail operating segment stores and reimbursed by Sonae suppliers (Note 38).

The caption "Insurance indemnities" reflects the best estimate of Sonae, of the amount to be recovered from insurance institutions regarding a fire at one of "Continente" stores in Portimão. The decrease since 2012 is related with the partial payment of the above mentioned indemnity by the insurance institution.

20 DEFERRED TAX

Deferred tax assets and liabilities as at 31 December 2013 and 2012 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Difference between fair value and acquisition cost	5,911,741	3,914,608	27,533,300	38,686,766
Amortisation and Depreciation	1,371,758	6,690,907	62,855,081	68,450,708
Provisions and impairment losses not accepted for tax purposes	38,828,805	50,059,893	-	-
Write off of tangible and intangible assets	3,663,000	34,731,470	-	-
Write off of deferred costs	-	13,516,992	-	1,159,359
Valuation of hedging derivatives	210,756	107,198	60,252	48,946
Temporary differences arising from the securitization of receivable operatic	-	3,220,000	-	-
Amortisation of Goodwill for tax purposes	-	-	25,128,058	23,732,055
Deferred costs related with loyalty contracts	-	-	-	995,025
Revaluation of tangible assets	-	-	1,543,774	1,737,802
Tax losses carried forward	62,456,417	100,082,810	-	-
Reinvested capital gains/(losses)	-	-	1,512,257	1,000,609
Tax Benefits	4,464,928	9,709,216	-	-
Others	6,252,459	2,685,397	2,463,247	1,132,330
	123,159,864	224,718,491	121,095,969	136,943,600

During the periods ended 31 December 2013 and 2012, movements in Deferred tax assets and liabilities are as follows:

	Deferred tax assets		Deferred tax liabilities	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Opening balance	224,718,491	221,875,249	136,943,600	134,191,549
Effects in net income:				
Difference between fair value and acquisition cost	2,293,557	511,651	(8,154,588)	(1,818,029)
Amortisation and Depreciation of harmonisation adjustments	1,247,614	(348,110)	(884,981)	5,445,911
Provisions and impairment losses not accepted for tax purposes	24,305,747	11,606,575	463,067	93,775
Write-off of tangible and intangible assets	(3,863,953)	(9,227,386)	-	-
Write-off of deferred accrued costs	-	(6,685,729)	(1,159,359)	1,146,785
Revaluation of tangible assets	-	-	(142,627)	(143,299)
Tax losses carried forward	(33,645,656)	3,239,385	-	-
Temporary differences arising from the securitization of receivable	(2,146,667)	(3,220,000)	-	-
Amortization of Goodwill for tax purposes	-	-	1,333,298	1,396,003
Reinvested capital gains/(losses)	-	-	581,432	(205,410)
Changes in tax rates	(3,917,249)	734,663	(6,863,639)	3,640,629
Tax Benefits	12,253,877	6,189,691	-	-
Discontinued operations	(3,559,820)	-	(740,174)	-
Others	568,886	(54,201)	1,732,237	(4,852,839)
	(6,463,664)	2,746,539	(13,835,334)	4,703,526
Effects in equity:				
Valuation of hedging derivatives	90,963	130,612	5,156	(574,230)
Others	(119,978)	(33,909)	(3,017,379)	(1,377,245)
	(29,015)	96,703	(3,012,223)	(1,951,475)
Discontinued operations (Note 8)	(95,065,948)	-	999,926	-
Closing balance	123,159,864	224,718,491	121,095,969	136,943,600

The caption "Tax Losses" includes the reversal of deferred tax assets related to tax losses that have been recorded in previous periods in Worten and Sport Zone Spain amounting 32.5 million euro, considering the existent risk in the recovery of those tax credits within a relevant time horizon. The deferred tax assets in question could only be recovered in the individual sphere of each company. Following the revision of these insignias business plans, as well as its rebranding and the change in expectations of the group for the development of these business's in Spain, the group decided on their annulment.

The reduction in deferred taxes includes the derecognition of discontinued operations and can be analysed as follows:

	31-Dec-13		31-Dec-12	
	Deferred tax assets		Deferred tax liabilities	
	Movements in year	Discontinued operations	Movements in year	Discontinued operations
Tax losses	(1,126,584)	4,501,586	-	-
Tax provisions not accepted and other temporary differences	4,694,863	39,434,788	-	-
Tax benefits (SIFIDE and RFAI)	4,559,485	12,524,383	-	-
Write off of tangible and intangible assets	603,240	30,866,513	-	-
Write off of deferred costs	(3,024,517)	10,225,164	-	-
Temporary differences arising from the securitization of receivable operation	(2,146,667)	1,073,334	-	-
Others	-	-	740,174	259,752
	3,559,820	98,625,768	740,174	259,752

The rate used at 31 December 2013, in Portuguese companies, to calculate the deferred tax assets relating to tax losses carried forward was 23%, as a consequence of the IRC rate change from 25% to 23% from 2014 onwards. The rate used to calculate deferred taxes in temporary differences in Portuguese companies is 24.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, were used rates applicable in each jurisdiction.

As at 31 December 2013 and 2012, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	31-Dec-13			31-Dec-12		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2007	-	-	2013	1,223,112	305,778	2013
Generated in 2008	1,296,239	298,135	2014	1,399,902	349,975	2014
Generated in 2009 (a)	145,240	33,405	2015	22,658,706	5,664,676	2015
Generated in 2010	99,670	22,924	2014	99,670	24,918	2014
Generated in 2011	1,199,591	294,472	2015	1,214,539	303,635	2015
Generated in 2012	87,055	20,023	2017	87,055	21,764	2017
Generated in 2013	-	-	2018	-	-	
	2,827,795	668,959		26,682,984	6,670,746	
Without limited time use	-	-		1,076,048	134,506	
With a time limit different from the above mentioned (b)	205,722,563	61,787,458		310,915,439	93,277,558	
	208,550,358	62,456,417		338,674,471	100,082,810	

(a) Reduction from 2012 to 2013 results from the derecognition of discontinued operations;

(b) Includes, as at 31 December 2013, 58 million euro (76 million euro as at 31 December 2012) related to deferred tax assets for which the carry forward period count hasn't started. The decrease compared to the year ended 31 December 2012, is associated with the reversal of deferred tax assets in retail operations, in Spain.

As at 31 December 2013 and 2012, deferred tax assets resulting from tax losses carried forward were assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which might be offset against available tax losses or against deductible temporary differences.

As at 31 December 2013 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 57.9 million euro (57.7 million euro as at 31 December 2012). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 31 December 2013 and 2012, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies. It is the understanding of The Board of Directors, based on existing business plans, that the mentioned deferred tax assets are fully recoverable.

The recoverability of the deferred tax assets mentioned above, regarding Sonae operations in Spain, is conditioned by the fulfilment of the 10 year business plans, approved by the Board of Directors, for those markets and businesses that are part of the fiscal perimeter in Spain. These business plans were also used in the impairment analysis of other non-current assets.

Additionally Spanish law allows the annual deduction, for tax purposes, of 5% of goodwill recognized on the acquisition of foreign based companies before 21 December 2007, however in 2012 and 2013 this rate was reduced to 1%. Sonae has accounted deferred tax liabilities relating to goodwill depreciation performed for tax purposes, generated with the acquisition of Continente Hipermercados (ex-Carrefour Portugal).

In 2010 and 2011, Spanish Tax authorities notified Modelo Continente S.A. Spanish Branch of a decrease in 2008 and 2009 tax losses incurred, amounting to approximately 23.3 million euro, challenging the deduction of Goodwill depreciation, generated on the acquisition of Continente Hipermercados for each of the mentioned years. That branch appealed to the proper Spanish Authorities (Tribunal Económico - Administrativo Central de Madrid) in 2010 and 2011 respectively, and it is the Board of Directors understanding that the decision will be favourable to the Group, thus maintaining the recognition of deferred tax assets and deferred tax liabilities related with Goodwill. In 2012 the Company interposed an appeal to the National Court in Spain ("Audiência Nacional Espanha"), due to a decision opposite to the claims and estimates of the Company, by the Economic and Administrative Central Court of Madrid, for the notification for fiscal year of 2008. As at 31 December 2013, tax losses arising from the depreciation of Goodwill, including 2008, amount to 83.7 million euro (79.1 million euro as at 31 December 2012). The company maintains recorded, related to this subject, deferred tax assets and deferred tax liabilities amounting to 25.1 million euro (23.7 million euro in December 2012).

As at 31 December 2013, there were tax losses carried forward, amounting to 356.6 million euro (322.6 million euro in 2012) for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarised as follows:

	31-Dec-13			31-Dec-12		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use (b)						
Generated in 2007	-	-	2013	55,856,584	13,964,147	2013
Generated in 2008	8,723,778	2,120,486	2014	9,842,086	2,460,522	2014
Generated in 2009	10,226,350	2,404,541	2015	18,025,218	4,506,304	2015
Generated in 2010	11,187,572	2,624,821	2014	15,161,998	3,790,499	2014
Generated in 2011	7,520,472	1,784,165	2015	7,520,471	1,880,118	2015
Generated in 2012	11,599,479	2,756,301	2017	11,693,227	2,923,307	2017
Generated in 2013	17,313,620	4,036,044	2018	-	-	
	66,571,271	15,726,358		118,099,584	29,524,897	
Without limited time use	36,681,986	7,303,523		36,048,907	9,941,860	
With a time limit different from the above mentioned (a)	253,301,226	70,394,923		168,461,162	43,067,009	
	356,554,483	93,424,804		322,609,653	82,533,766	

(a) The increase over the prior period is primarily associated with the reverse of deferred tax assets in the retail operations in Spain.

(b) The decrease of 2012 to 2013 as a result from derecognition of discontinued activities

21 CASH AND CASH EQUIVALENTS

As at 31 December 2013 and 2012, Cash and cash equivalents are as follows:

	31-Dec-13	31-Dec-12
Cash at hand	7,547,903	7,117,200
Bank deposits	197,242,711	290,568,494
Treasury applications	161,518,304	78,949,469
Cash and cash equivalents on the statement of financial position	366,308,918	376,635,163
Bank overdrafts (Note 24)	(439,462)	(13,267,254)
Cash and cash equivalents on the statement of cash flows	365,869,456	363,367,909

Bank overdrafts are disclosed in the statement of financial position under Current bank loans.

22 SHARE CAPITAL

As at 31 December 2013, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

On 15 November 2007, Sonae Holding sold 132,856,072 Sonae Holding shares directly owned by the Company. The shares were sold in a market operation at the unit price of 2.06 euro per share and resulted on a cash inflow (net of brokerage commissions) of 273,398,877 euro.

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132.800.000 Sonae Holding shares, representative of 6,64% of its capital.

This transaction has strictly financial liquidation, without any duty or right for the Company or any of its associated companies in the purchase of these shares. This transaction allows Sonae Investments BV to totally maintain the economic exposure to the sold shares.

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer. Sonae Holding did not derecognize their own shares, recording a liability in the caption "Other current liabilities" (Note 30). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

Consequently, Sonae maintains the deduction from Equity amounting to the acquisition cost of the 132,800,000 shares (138,568,275 euro), and has accounted for the consideration received for the above mentioned sale of own shares in the caption Other non-current liabilities (273,568,000 euro).

Due to the detach, in 4 January 2008, of Sonae Capital SGPS. SA demerger rights attributable to the 132,800,000 Sonae Holding shares subject to the above mentioned agreement, the Group recognized an asset measured at its' fair value. This asset as not been derecognized as the Group also entered into a Cash Settled Equity Swap over the Sonae Capital SGPS, SA shares, and therefore a liability was recognized.

In the period from 2009 to 2013 Sonae Investments BV requested a partial cancellation of the Cash Settled Equity Swap for 10,719,496 Sonae Holding shares. Thereafter, the derivative financial instrument focused on 122,080,504 Sonae Holding shares.

On 19 October 2010 Sonae Investments BV came to an agreement with the above mentioned financial institution to extend the maturity date of the Cash Settled Equity Swap over Sonae Holding shares. The renewal of the maturity date was made for 3 additional years, until November 2013, keeping the settlement mechanism as strictly financial. The Cash Settled Equity Swap, over Sonae Capital SGPS, SA shares, at maturity date, was not renewed, as so Sonae acquired 16,600,000 Sonae Capital SGPS, SA shares at fair value, which corresponded to the amount of the liability recorded at the settlement date, representative of 6.6% of its capital. During the year ended 31 December 2012 Sonae Capital shares were disposed. In November 2013 was carried further renewal for a further period of one year, keeping the other conditions unchanged.

Considering the operations mentioned above, the amount of the liability recorded amounts to 103,289,056 euro(Note 30) (84,664,905 euro as at 31 December 2012) reflecting the market value of Sonae Holding shares.

These liabilities are adjusted at the end of each month by the effect in Sonae Holding share price, as applicable, being recognized an asset/liability in order to present the right/obligation related to the cash settlement of the operation that resets monthly (Note 17). As at 31 December 2013, the receivable amount 410,944 euro (12,693,574 euro in 31 December 2012), results from the change in Sonae Holding shares price.

Additionally, the costs related to the "floating amount" based on Euribor 1 month are recognised in the income statement.

The value to get established on the basis of dividends distributed by Sonae is credited in equity to offset the charge of the distribution. The amount of dividends on Sonae SGPS, SA during the year ending 31 December 2013 amounted to 4,040,865 euro (4,079,197 euro in 2012), that was credited to equity.

The number of shares taken into consideration to calculate earnings per share includes the shares referred to above as a deduction to the shares issued by the Company (Note 44).

As at 31 December 2013, the following entities held more than 20% of the subscribed share capital:

Entity	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.48

The capital structure is analysed in the Management Report section titled "Business Performance".

23 NON-CONTROLING INTEREST

Movements in non-controlling interests during the periods ended as at 31 December 2013 and 2012 are as follows:

	31-Dec-13	31-Dec-12
Opening balance as at 1 January	349,901,121	336,803,275
Dividends	(11,035,037)	(11,481,147)
Income Distribution on investment funds	(2,587,351)	(5,986,265)
Increased shareholding by acquisitions	(131,471,460)	(20,745,608)
Change in currency translation reserve	(2,469,207)	(2,094,864)
Obligation fulfilled by share attribution to employees	2,023,158	(257,882)
Change in the fair value of investments available for sale (Note 13)	(3,692,629)	1,919,839
Derecognition of incentive plans of discontinued operations (Note 8)	(1,612,922)	-
Changes in hedge and fair value reserves	17,059	(68,165)
Increase of capital and premium on subsidiaries	-	1,166,629
Addicional paid in capital	-	15,000,000
Loss of significant influence (Cooper Gay Swett & Crawford)	-	1,775,180
Others	212,326	(5,247,995)
Profit for the period attributable to non-controlling interests	145,040,771	39,118,124
Closing balance as at 31 December	344,325,829	349,901,121

The caption "Changes in percentage by share acquisition" in 2013 is mainly due associated with the acquisition of 20% equity Sonaecom SGPS, SA held by Sonae SGPS, SA during 2013 (Note 5).

24 LOANS

As at 31 December 2013 and 2012, Loans are made up as follows:

	31-Dec-13		31-Dec-12	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae, SGPS, SA / 2012	1,961,683	-	1,961,683	-
Sonae, SGPS, SA / 2012/2015	-	75,000,000	-	75,000,000
Sonae, SGPS, SA - commercial paper	-	20,000,000	-	-
Sonae Investimentos, SGPS,SA - commercial paper	32,500,000	65,000,000	28,500,000	147,500,000
Sonae Investimentos affiliated /2011/2026	20,000,000	45,000,000	10,000,000	65,000,000
Sonaecom SGPS, SA - commercial paper	-	-	-	30,000,000
MDS, SGPS, SA - commercial paper	2,500,000	15,700,000	1,250,000	17,400,000
MDS SGPS, SA affiliated / 2011/2016	3,530,206	12,125,491	-	18,863,880
Others	4,925,194	9,429,115	10,614,896	12,016,722
	65,417,083	242,254,606	52,326,579	365,780,602
Bank overdrafts (Note 21)	439,462	-	13,267,254	-
Up-front fees beard with the issuance of borrowings	(64,638)	(1,090,766)	(36,152)	(1,642,943)
Bank loans	65,791,907	241,163,840	65,557,681	364,137,659
Bonds				
Bonds Sonae SGPS / 2005/2013	-	-	100,000,000	-
Bonds Sonae SGPS / 2007/2014	150,000,000	-	-	150,000,000
Bonds Sonae SGPS / 2007/2015	-	250,000,000	-	250,000,000
Bonds Continente -7% /2012/2015	-	200,000,000	-	200,000,000
Bonds Sonae Investimentos SGPS / 2007/2015	-	200,000,000	-	200,000,000
Bonds Sonae Investimentos SGPS / 2007/2015	-	155,000,000	155,000,000	155,000,000
Bonds Sonae Investimentos SGPS / 2009/2014	10,000,000	-	16,000,000	10,000,000
Bonds Sonae Investimentos SGPS/ 2012/2017	-	170,000,000	-	170,000,000
Bonds Sonae Investimentos SGPS/ 2013/2018	-	50,000,000	-	-
Sonae Investimentos SGPS/2013-EUR 75 M.Floating R.Notes-2018	-	75,000,000	-	-
Bonds Sonaecom SGPS/ 2005/2013	-	-	150,000,000	-
Bonds Sonaecom SGPS/ 2010/2013	-	-	30,000,000	-
Bonds Sonaecom SGPS/ 2010/2015 (a)	-	-	-	40,000,000
Bonds Sonaecom SGPS/ 2011/2015 (a)	-	-	-	100,000,000
Bonds Sonaecom SGPS/ 2012/2015 (b)	-	-	-	20,000,000
Bonds Sonaecom SGPS/ 2013/2016	-	20,000,000	-	-
Up-front fees beard with the issuance of borrowings	(37,642)	(6,600,100)	(179,312)	(7,055,545)
Bonds	159,962,358	1,113,399,900	450,820,688	1,287,944,455
Other loans	33,466	53,936	33,466	90,166
Derivative instruments (Note 26)	3,836,167	-	2,627,817	6,993,896
Other loans	3,869,633	53,936	2,661,283	7,084,062
Obligations under finance leases (Note 25)	4,314,843	7,980,489	7,037,038	27,593,734
	233,938,741	1,362,598,165	526,076,690	1,686,759,911

(a) During the year ended at 31 December 2013, following the merger of Zon Optimus (Note 8), the Bond Loans of 100 million and 40 million euro was transferred to Zon Optimus;

(b) During the year ended at 31 December 2013, following the merger of Zon Optimus (Note 8), the Bond Loan of Euro 20 million was fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility in the form of commercial paper by the same amount.

The average interest rate at 31 December 2013 of bonds and loans was of 3.19% (2.83% 31 December 2012). Most bonds and bank loans bear interests at variable interest rates indexed to Euribor.

The above mentioned loans estimated fair value does not differ significantly from its carrying amount. Loans fair value was determined by discounting estimated future cash flows, except for Continente 7% bond loan, which fair value was determined based on its market price at the statement of financial position date.

The derivative instruments are recorded at fair value (Note 26).

The loans face value, maturities and interests are as follows (including obligations under financial leases):

	31-Dec-13		31-Dec-12	
	Capital	Interests	Capital	Interests
N+1 [a)]	230,204,854	52,121,234	523,664,337	58,827,139
N+2	953,858,993	46,076,262	218,237,298	53,350,955
N+3	159,231,129	17,989,775	1,147,031,249	41,879,085
N+4	99,897,102	8,909,862	202,327,938	11,888,422
N+5	149,488,617	4,761,426	101,814,617	3,438,725
After N+5	7,813,190	225,694	19,053,401	644,212
	1,600,493,885	130,084,253	2,212,128,840	170,028,538

a) Includes amounts drawn under commercial paper programs when classified as current.

The maturities above were estimated in accordance with the contractual terms of the loans, and taking into account Sonae's best estimated regarding their reimbursement date.

As at 31 December 2013 in the retail units operating segment, there are financial covenants included in borrowing agreements at market conditions. As at 31 December 2013 none of the mentioned covenants has been breached and it is the Board of Directors expectation that such covenants will not be breached.

As at 31 December 2013 and 2012, the available credit facilities are as follows:

	31-Dec-13		31-Dec-12	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities				
Retail	324,760,000	310,000,000	185,763,449	400,000,000
Telecommunications	-	-	69,000,000	-
Investment management	19,550,000	-	3,000,000	1,350,000
Sonae Holding	152,695,242	-	152,695,242	-
	497,005,242	310,000,000	410,458,691	401,350,000
Agreed credit facilities				
Retail	357,260,000	375,000,000	227,260,000	547,500,000
Telecommunications	-	-	69,000,000	30,000,000
Investment management	21,500,000	16,250,000	4,250,000	18,750,000
Sonae Holding	152,695,242	20,000,000	152,695,242	-
	531,455,242	411,250,000	453,205,242	596,250,000

25 OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2013 and 2012, Obligations under finance leases are as follows:

Obligations under finance leases	Minimum finance lease payments		Present value of minimum finance lease payments	
Amounts under finance leases:	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
N+1	4,826,404	8,854,409	4,314,843	7,037,038
N+2	2,853,682	5,889,151	2,735,741	4,743,290
N+3	2,781,887	6,215,015	2,714,799	5,249,632
N+4	860,712	5,230,293	829,697	4,504,835
N+5	586,948	2,743,611	561,704	2,201,459
After N+5	1,156,046	12,317,802	1,138,548	10,894,518
	13,065,679	41,250,281	12,295,332	34,630,772
Interests	(770,347)	(6,619,509)		
	12,295,332	34,630,772		
Current obligations under finance leases			4,314,843	7,037,038
Non-current obligations under finance leases			7,980,489	27,593,734

The variation occurred between both years includes the effect of the derecognition of the amounts of the telecommunications (Note 8).

Finance leases contracts are agreed at market interest rates, have defined periods and include an option for the acquisition of the related assets at the end of the period of the agreement.

As at 31 December 2013 and 2012, the fair value of finance leases is close to its carrying amount.

Obligations under finance leases are guaranteed by related assets.

As at 31 December 2013 and 2012, accounting net value of assets acquired under finance leases can be detailed as follows:

	31-Dec-13	31-Dec-12
Lands and buildings	17,435,119	17,740,946
Plant and machinery	867,727	19,627,978
Vehicles	-	18,775
Fixture and Fittings	2,669,769	6,766,188
Total tangible assets	20,972,615	44,153,887
Software	-	856,718
Total intangible assets	-	856,718
	20,972,615	45,010,605

As at 31 December 2013, the acquisition cost of tangible and intangible assets amounted to 34,429,748 euro (73,081,529 euro as at 31 December 2012).

26 DERIVATIVES

Exchange rate derivatives

Sonae uses exchange rate derivatives, essentially to hedge future cash flows that occur in the next 12 months.

Sonae entered into several exchange rate forwards in order to manage its exchange rate exposure.

As at 31 December 2013 there are no exchange rate derivatives which haven't been considered hedging instruments. The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 1,415,143 euro as liabilities (953,531 euro as at 31 December 2012) and 35,999 euro as assets (30,341 euro as at 31 December 2012).

The computation of the fair value of these financial instruments was made taking into consideration the present value at statement of financial position date of the forward settlement amount in the maturity date of the contract. The settlement amount considered in the valuation, is equal to the currency notional amount (foreign currency) multiplied by the difference between the contracted forward exchange rate and the forward exchange market rate at that date as at the valuation date.

Losses in the period arising from changes in the fair value of instruments that do not qualify for hedging accounting treatment were recorded directly in the income statement in the captions “Financial income” or “Financial expenses”.

Gains and losses for the year associated with the change in market value of derivative instruments are recorded under the caption "Hedging reserve" when considered cash flow hedging and when considered as fair value hedging are recorded under the caption “Financial income” or “ Financial expenses”.

The change in fair value of derivative instruments when considered speculation is recorded in the income statement under "Other Costs".

Exchange rate derivatives

As at 31 December 2013, derivatives used by Sonae refer essentially to swaps and interest rate options ("cash flow hedges"). These were negotiated to hedge the interest rate risk of loans amounting to 150,000,000 euro (250,000,000 euro as at 31 December 2012). The net fair value of these derivatives amounts to -2,421,024 euro (-8,668,182 euro as at 31 December 2012), and was recorded as liabilities.

The derivatives were valuated considering the estimated future cash flows, assuming that the cancellation options by the counterparties would be exercised when the forward interest rates are higher than the established fixed interest rate. Sonae intends to keep these derivatives until their maturity date, therefore, this valuation is considered to be the most appropriate to estimate the future cash flows off these instruments.

At 31 December 2013 and 2012 the derivatives had the following estimated cash flows:

	31-Dec-13	31-Dec-12
N+1	(2,423,065)	(6,297,744)
N+2	-	(2,393,076)
N+3	-	-
N+4	-	-
N+5	-	-

These interest rate derivatives are valued at fair value, at the statement of financial position date, based on valuations performed by Sonae using specific software and on external valuations when this software does not deal with specific instruments. The fair value of swaps was computed, as at the statement of financial position date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg. The calculation of the fair value or options was based on the "Black-Scholes" and similar models. The estimation of future cash flows is made on the basis of quotations forward market curve are implicit in, and the respective discount to the present, is accomplished using the higher interest rate curve is representative of the market, based on information from credible sources provided by Bloomberg, amongst others. Comparative quotes from financial institutions for specific instruments or similar, are used as a benchmark for evaluation. This analysis assumes that all other variables remain constant.

Interest rate and exchange rate derivatives

As at 31 December 2013 no contracts existed related to interest rate and exchange rate derivatives at the same time.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
Hedging derivatives	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Exchange rate	35,999	30,341	1,415,143	953,531
Interest rate	-	-	2,421,024	8,668,182
	35,999	30,341	3,836,167	9,621,713

27 OTHER NON-CURRENT LIABILITIES

As at 31 December 2013 and 2012 Other non-current liabilities are made up as follows:

	31-Dec-13	31-Dec-12
Shareholders loans	13,298,924	22,678,988
Fixed assets suppliers	1,626,708	1,676,708
Spectrum for 4th generation	-	21,602,124
Other non-current liabilities	3,210,995	8,351,019
Financial instruments (Note 9)	18,136,627	54,308,839
"E-Initiatives" Program	-	13,944,247
Deferral of the disposal of the extended warranties (Note 2.17)	25,679,570	14,550,263
Accruals and deferrals	7,431,684	5,155,082
Other non-current liabilities	51,247,881	87,958,431

The caption "Shareholder loans" relates to loans in affiliated undertakings in the Retail, and Investment Management operating segments. These liabilities do not have a defined vesting date and bear interests at variable market rates.

The caption "Spectrum for 4th Generation" as at 31 December 2012 refers to the current value of the amount to be paid in future years resulting from the allocation, to the subsidiary Optimus, of the frequency of services necessary for the development of 4th Generation. This liabilities concerning ' Information Society ' were derecognized, in the period ended December 31, 2013, following the merger between Optimus SGPS and Zon and the consequent derecognition of the assets and liabilities of the telecommunications sector (Note 8).

The carrying amount of "Other non-current liabilities" is estimated to be approximately its fair value.

28 SHARE-BASED PAYMENTS

In 2013 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

As at 31 December 2013, all Sonae Holding share plans responsibilities are accounted in the statement of financial position under "other reserves" and in the Profit and Loss statement under caption "staff costs". They are recognized at the shares fair value on the grant date, concerning the 2013, 2012 and 31 December 2011. Share-based payments costs are recognized on a straight line basis between the grant and the settlement date.

As at 31 December 2013 and 2012, the number of attributed shares related to the assumed responsibilities arising from share based payments, which have not yet vested, can be detailed as follows:

						Number of shares			
		Number of participants		Share price on date of assignment		31-Dec-13		31-Dec-12	
Grant year	Vesting year	Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom
2010	2013					-	-	1,557,748	250,987
2011	2014	55	44	0.811	1.399	3,984,562	477,778	4,112,348	2,944,458
2012	2015	61	45	0.401	1.256	6,648,312	540,805	6,959,217	3,057,697
2013	2016	65	46	0.701	1.505	3,471,375	406,903		
			Total		Total	14,104,249	1,425,486	12,629,313	6,253,142

During the period ending 31 December 2013 the movements on the above mentioned share based plans were the following:

	Sonae Shares		Sonaecom Shares	
	Aggregate number of participants	Number of shares	Aggregate number of participants	Number of shares
Opening balance as at 01 January 2013	141	12,629,313	731	6,253,142
Grant	71	3,739,546	346	2,335,126
Vesting	(9)	(1,557,748)	(4)	(247,423)
Excluded from the perimeter of consolidation	(12)	(410,509)	(946)	(6,898,655)
Canceled /extinct / corrected / transferred (1)	(10)	(296,353)	8	(16,704)
Closing balance as at 31 December 2013	181	14,104,249	135	1,425,486

(1) Corrections are made on the basis of the dividend paid and the changes of share capital and other equity adjustments.

As at 31 December 2013 and 2012, the fair value of total liabilities on the date of allocation arising from share-based payments, which have not yet vested, may be summarized as follows:

		Fair value *			
		31-Dec-13		31-Dec-12	
Grant year	Vesting year	Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom
2010	2013	-	-	980,992	340,736
2011	2014	3,831,488	212,649	1,648,023	2,543,766
2012	2015	3,487,040	269,234	1,195,246	1,132,112
2013	2016	606,912	47,778	-	-
	Total	7,925,440	529,661	3,824,261	4,016,614

* Share market value as of 31December 2013 and 2012.

As at 31 December 2013 and 2012 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 has not yet vested:

	31-Dec-13	31-Dec-12
Recorded in staff costs	3,547,677	2,514,124
Recorded in previous years	2,928,998	3,839,894
	6,476,675	6,354,018
Recorded in other liabilities	592,658	475,223
Recorded value in Other reserves	5,884,017	5,878,795
	6,476,675	6,354,018

29 TRADE CREDITORS

As at 31 December 2013 and 2012 Trade creditors are as follows:

		Payable to	
	31-Dec-13	up to 90 days	more than 90 days
Trade creditors - current account			
Sonae MC	647,057,352	646,970,033	87,319
Sonae SR	358,020,378	358,002,581	17,797
Sonae RP	1,138,132	1,096,603	41,529
Investment Management	27,805,482	27,776,798	28,684
Sonae Holding	87,460	87,460	-
	1,034,108,804	1,033,933,475	175,329
Trade creditors - Invoice Accruals	128,208,878	128,208,878	-
	1,162,317,682	1,162,142,353	175,329

		Payable to	
	31-Dec-12	up to 90 days	more than 90 days
Trade creditors - current account			
Sonae MC	648,181,889	648,125,089	56,800
Sonae SR	329,929,456	329,911,245	18,211
Sonae RP	1,865,266	1,837,169	28,097
Telecommunications	131,179,782	101,266,174	29,913,608
Investment Management	9,989,163	9,896,898	92,265
Sonae Holding	183,564	183,564	-
	1,121,329,120	1,091,220,139	30,108,981
Trade creditors - Invoice Accruals	100,443,607	100,443,607	-
	1,221,772,727	1,191,663,746	30,108,981

As at 31 December 2013 and 2012 this account includes amounts payable to suppliers resulting from Sonae operating activity. The Board of Directors believes that the fair value of these balances does not differ significantly from its book value and the effect of discounting these amounts is not material.

Since the year 2010, a "confirming" program payments system was made available to a very limited number of suppliers of Sonae MC and Sonae SR Segments enabling suppliers to discount these payments in an early date. As at 31 December 2013 the "confirming" amounts to 79,077,211 euro (71,680,001 euro as at 31 December 2012).

30 OTHER CREDITORS

As at 31 December 2013 and 2012, Other creditors are as follows:

		Payable to		
	31-Dec-13	up to 90 days	90 to 180 days	more than 180 days
Fixed assets suppliers	140,215,384	36,796,692	265,659	103,153,033
Other debts	173,098,204	67,215,132	1,520,445	104,362,627
	313,313,588	104,011,824	1,786,104	207,515,660
Related undertakings	-			
	313,313,588			

		Payable to		
	31-Dec-12	up to 90 days	90 to 180 days	more than 180 days
Fixed assets suppliers	82,777,613	80,559,285	770,919	1,447,409
Other debts	144,551,555	41,610,534	7,354,070	95,586,951
	227,329,168	122,169,819	8,124,989	97,034,360
Related undertakings	452,456			
	227,781,624			

The Caption "Fixed assets suppliers" includes the amount of 102,095,077 euro relating to an agreement with a subsidiary of France Telecom ("FT - Orange") on the transfer of 20% of equity of Sonaecom SGPS, SA to Sonae SGPS, SA. Taking into consideration that under this agreement, the rights related with these shares were transferred to Sonae, the Company recorded this asset acquisition through a deferred payment. The value by which this asset was accounted for, corresponds to the agreed price in the case of the existence of a consolidation operation in the telecommunications sector in Portugal (a fact which was confirmed later) discounted to the time of the acquisition. This account payable is accounted for at its discounted amount (to be paid on August 2014).

The caption Other debts includes:

- 103,449,607 euro (84,664,905 euro as at 31 December 2012) relating to the fair value of the shares covered by Sonae Holding financial derivative referred to in Note 22;

- 24.881.013 euro (22,632,350 euro as at 31 December 2012) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";

- 13,229,762 euro (8,690,788 euro as at 31 December 2012) related to vouchers, gift cards and discount tickets not yet redeemed;

- 4,320,249 (5,208,150 euro as at 31 December 2012) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 33);

- 3,838,573 euro (2,262,387 euro as at 31 December 2012) relating to amounts payable to insurance companies, insurance buyers and insurance agents; and

- 5,541,899 euro (7,309,099 euro as at 31 December 2012) relating to amounts payable related to reinsurance operations;

As at 31 December 2013 and 2012, this caption includes payable amounts to other creditors and fixed assets suppliers that do not bear interest. The Board of Directors understands that the fair value of these payables is similar to its book value and the result of discounting these amounts is immaterial.

31 OTHER CURRENT LIABILITIES

As at 31 December 2013 and 2012, Other current liabilities are made up as follows:

	31-Dec-13	31-Dec-12
Holiday pay and bonuses	106,440,174	115,799,220
Other external supplies and services	41,371,260	49,041,584
Interest payable	15,321,429	16,796,482
Marketing expenses	14,853,351	17,812,013
Advance receipts from Trade Receivables	10,813,245	24,547,723
Expenses on purchases	5,090,656	7,345,148
Rentals	4,207,271	5,064,320
Deferred Revenue of warranty extension (Note 2.17)	3,532,918	-
Insurance payable	2,252,529	1,222,338
Invoices to be issued a)	-	30,053,910
Fixed assets accrued costs a)	-	10,940,733
Commissions	45,287	2,858,892
Others	10,740,474	21,381,720
	214,668,594	302,864,083

a) These liabilities were derecognized, in the period ended December 31, 2013, following the merger between Optimus SGPS and Zon and the consequent derecognition of the assets and liabilities of the telecommunications sector (Note 8).

32 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 31 December 2013 and 2012 are as follows:

Caption	Balance as at 31 Dec 2012	Increase	Decrease	Discontinued operations	Balance as at 31 Dec 2013
Accumulated impairment losses on investments (Note 6 and 13)	1,187,115	1,171,277	-	-	2,358,392
Impairment losses on fixed tangible assets (Note 10)	-	153,947,912	(1,064,302)	-	152,883,610
Impairment losses on intangible assets	17,803,982	186	-	(16,307,049)	1,497,119
Accumulated impairment losses on other non current assets (Note 14)	1,000,000	-	(1,000,000)	-	-
Accumulated impairment losses on trade account receivables (Note 16)	85,493,919	19,440,260	(25,395,513)	(72,513,526)	7,025,140
Accumulated impairment losses on other current debtors (Note 17)	15,711,269	5,182,972	(5,784,217)	(649,074)	14,460,950
Accumulated impairment losses on inventories (Note 15)	47,538,541	-	(12,567,829)	(2,303,630)	32,667,082
Non current provisions	114,470,445	15,705,225	(44,291,514)	(35,224,237)	50,659,919
Current provisions	2,426,809	1,236,000	(834,302)	-	2,828,507
	285,632,080	196,683,832	(90,937,677)	(126,997,516)	264,380,719

Caption	Balance as at 31 Dec 2011	Increase	Decrease	Balance as at 31 Dec 2012
Accumulated impairment losses on investments (Note 6 and 13)	94,406	1,101,337	(8,628)	1,187,115
Accumulated impairment losses on other non current assets (Note 14)	-	1,000,000	-	1,000,000
Accumulated impairment losses on intangible assets (Note 11)	17,803,982	-	-	17,803,982
Accumulated impairment losses on trade account receivables (Note 16)	82,155,922	20,784,764	(17,446,767)	85,493,919
Accumulated impairment losses on other debtors (Note 17)	21,061,746	8,231,857	(13,582,334)	15,711,269
Accumulated impairment losses on inventories	48,303,523	764,982	-	47,538,541
Non current provisions	91,036,377	36,324,755	(12,890,687)	114,470,445
Current provisions	2,266,767	235,726	(75,684)	2,426,809
	262,722,723	68,443,421	(44,004,100)	285,632,080

As at 31 December 2013 and 2012 increases in Provisions and impairment losses are as follows:

	31-Dec-13	31-Dec-12
Provisions and impairment losses	187,418,749	27,686,119
Discontinued operations	20,307,476	21,053,397
Goodwill (Note 12)	(8,078,127)	(1,321,520)
Provisions for financial investments (Note 14) (a)	1,100,000	1,101,337
Recorded in cost of goods sold (Note 15)	-	9,219,212
Reclass. "Other current liabilities"	-	1,658,066
Technical provisions on reinsurance	-	17,225,851
Others	(4,064,266)	(8,179,041)
	196,683,832	68,443,421

(a) Transfer of impairment losses of "Other non-current assets".

As at 31 December 2013 and 2012 the value of decreases in provisions and impairment losses can be detailed as follows:

	31-Dec-13	31-Dec-12
Provisions and impairment losses reversal	(12,646,544)	(10,544,117)
Direct use of impairments on accounts receivable	(26,869,439)	(22,390,153)
Direct use of Brazil provisions	(19,183,612)	-
Direct use and reversals recorded in inventories	(10,550,285)	-
Direct use of technical provisions on reinsurance	(6,668,766)	-
Direct use and reversals recorded in fixed assets tangible	(1,312,302)	(8,964,477)
Discountinued operations	(11,454,683)	-
Provisions for financial investments (Note 14) (a)	(1,100,000)	-
Ohers responsibilities (d)	(1,152,046)	(2,105,353)
	(90,937,677)	(44,004,100)

As at 31 December 2013 and 2012, the provisions detail is as follows:

	31-Dec-13	31-Dec-12
Technical provisions on reinsurance (a)	18,116,091	24,410,745
Future liabilities relating to retail subsidiaries in Brazil sold (b)	13,470,170	24,423,571
Dismantling of telecommunication sites	-	13,983,949
Clients Guarantees (c)	13,890,215	19,316,820
Judicial claims	2,592,579	6,933,018
Others responsibilities (d)	5,419,371	27,829,151
	53,488,426	116,897,254

(a) Amounts included in "Technical provisions on reinsurance" relate to a group company that operates in the non-life reinsurance industry. The provision amount can be detailed as follows: 3,586,112 euro (3,212,000 euro as at 31 December 2012) of provisions for non-acquired insurance premiums and 14,529,979 euro (21,198,745 euro as at 31 December 2012) of provisions for outstanding claims. The amount to be recovered from the reinsurance companies is recorded in the caption "Reinsurer's share of technical provisions" (Note 14) and "Other Debtors" (Note 17);

(b) The caption non–current provisions and current provisions includes 13,470,170 euro (24,423,571 euro as at 31 December 2012), relating to non-current contingencies assumed by the Company, when selling its subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred, and it's recorded taking into account the best estimate of costs to be incurred which results from a significant number of civil and labor lawsuits of reduced amount. During the period, Sonae updated its estimate, following the results of the last conference process conducted with the buyer of the former subsidiary in Brazil;

(c) The caption non-current provisions and current provisions and the movement in the period in provisions, also includes the estimated liabilities incurred by the Group on the sale of warranty extension programs on products traded by the Specialized Retail operating segment in the amount of 15,126,215 euro (19,316,820 euro as at 31 December 2012). These extensions are granted for a period of one to three years after the end of the legal mandatory warranty provided by the manufacturers;

(d) The caption "Others" includes approximately 19 million euro related to costs incurred in the current period or past periods, for which it is not possible to estimate reliably the timing of occurrence of the payment, which includes the amount of 6.8 million euro related to the dispute concerning interconnection tariffs of 2001 and the amount of 5.2 million euro related to roaming discounts. This liability was derecognised as a result of the merger of Zon Optimus (Note 8);

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

33 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2013 and 2012, major Contingents liabilities exposed are as follows:

Guarantees and sureties given

	31-Dec-13	31-Dec-12
Guarantees given:		
on tax claims	853,320,334	545,729,951
on judicial claims	211,268	289,988
on municipal claims	6,284,639	6,140,484
contract by proper compliments	19,829,236	24,966,958
ICP - ANACOM related with the 4th generation spectrum	-	30,000,000
others guarantees	3,531,287	12,952,128

a) Tax claims

The main tax claims were bank guarantees given or sureties as follows:

- Some retail operating segment subsidiaries of the Company granted guarantees or securities in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 375 million euro (193.9 million euro as at 31 December 2012) related to the period from 2004 to 2009, which the Company has presented, or has the intention of presenting, a tax appeal. The increase in the value of guarantees and securities provided in relation to the previous year, mainly result from additional tax assessments over 2008 and 2009. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the discounts correspond to services rendered by the company. Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients.

- The caption guarantees given on tax claims include guarantees granted, in the amount of 71.4 million euro, in favor of Tax authorities regarding 2007, 2008 and 2009. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.

- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for that period as Tax authorities did not accept the recognition of tax losses incurred after the liquidation of a subsidiary of Sonae Investimentos, since it considered that the cover of losses in that subsidiary should not be part of its acquisition cost, which is not in accordance with previous assessments of Tax Authorities. Tax Authorities,

- Sureties in the amount of, approximately 50 million euro, following a tax appeal presented by the Company concerning additional tax assessments made by Tax authorities, relating to 31 December 2002, which refer to the non-acceptance by Tax authorities of tax losses arising on the sale and liquidation of a subsidiary of the Group.

- Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 22.4 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 37.5 million euro (122 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

b) Contingent liabilities related to tax claims paid under regularization programs of tax debts.

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 151-A/2013 e Decree of Law 248-A), the Group made tax payments in the amout of, approximately, 28 million euro (12 million euro to 31 December 2012), having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts.

c) Other contingent liabilities

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

In addition to the previously disclosed guarantees, as a consequence of the sale of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavorable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2013, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.3 million euro) related to programmes for the Brazilian State of tax recovery, amount to near 37.8 million euro (39.3 million euro at 31 December 2012).

Furthermore, there are other tax assessments totaling 61.3 million euro (61.3 million euro at 31 December 2012) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary.

Contingent liabilities related to joint ventures are disclosed in Note 48.

No provision has been recorded to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for Sonae.

34 OPERATIONAL LEASE

Minimum lease payments (fixed income) arising from operational leases, in which the Group acts as a lessor, recognized as income during the period ended 31 December 2013 and 2012 amounted to 7,318,963 euro and 6,054,795 euro, respectively.

Additionally, as at 31 December 2013 and 2012, Sonae had operational lease contracts, as a lessor, whose minimum lease payments (fixed income) had the following payment schedule:

	31-Dec-13	31-Dec-12
Due in:		
N+1 automatically renewal	3,674,722	2,565,216
N+1	3,136,169	3,555,872
N+2	2,524,155	2,973,480
N+3	2,178,600	2,126,479
N+4	1,649,953	1,600,837
N+5	2,214,665	1,218,532
After N+5	3,178,231	1,075,010
	18,556,495	15,115,426

Rents arising from operational leases, in which Sonae acts as a lessee, during the period ended 31 December 2013, amounted to 102,969,532 euro (135,810,961 euro as at 31 December 2012).

Additionally, as at 31 December 2013 and 2012, Sonae had operational lease contracts, as a lessee, whose minimum lease payments had the following payment schedule:

	31-Dec-13	31-Dec-12
Due in:		
N+1 automatically renewal	10,440,169	15,717,772
N+1	90,382,777	122,376,391
N+2	80,466,716	113,367,351
N+3	72,492,231	99,247,492
N+4	64,103,323	87,757,974
N+5	58,414,669	77,393,161
After N+5	501,862,182	537,084,095
	878,162,067	1,052,944,236

The decrease of 2012 to 2013 results from the derecognition of discontinued operations (Note 8)

35 TURNOVER

As at 31 December 2013 and 2012, Turnover is made up as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Sale of goods	4,645,087,783	4,510,669,049
Sale of products	10,672,836	12,454,179
	4,655,760,619	4,523,123,228
Services rendered	165,580,722	146,664,218
Turnover	4,821,341,341	4,669,787,446

36 GAINS OR LOSSES ON INVESTMENTS

As at 31 December 2013 and 2012, Gain or losses Investment is made up as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Dividends	96,645	216,683
Cooper Gay Swett & Crawford disposal	-	11,756,086
Others	15,687	60,317
Gains / (losses) on the sale of investments in subsidiaries	15,687	11,816,403
Gains / (losses) on the sale of investments on available for sale (Note 6)	-	1,592,654
Others	(23,005)	3,471,588
Impairment losses on investments in subsidiaries	-	-
Impairment losses on investments in associated companies (Note 6)	-	(1,101,337)
Impairment losses on investments in available for sale assets	(102,009)	-
Impairment reversal/(losses) on investments	(102,009)	(1,101,337)
	(12,682)	15,995,991

"Others" includes in 2012 the amount of 3,464,657 euro related to the fair value of the investment retained on Cooper Gay Sweet & Crawford (Note 7).

37 NET FINANCIAL EXPENSES

As at 31 December 2013 and 2012, Net financial expenses are as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Expenses:		
Interest payable		
related with bank loans and overdrafts	(19,213,293)	(19,857,769)
related with non convertible bonds	(43,461,456)	(50,075,846)
related with financial leases	(357,649)	(260,229)
related with hedge derivatives	(6,138,158)	(5,928,650)
others	(9,231,445)	(5,156,518)
	(78,402,001)	(81,279,012)
Exchange losses	(3,675,916)	(5,190,408)
Up front fees and commissions related to loans	(10,458,794)	(9,165,094)
Others	(4,534,058)	(6,949,690)
	(97,070,769)	(102,584,204)
Income		
Interest receivable		
related with bank deposits	808,703	1,788,318
others	8,015,296	1,697,241
	8,823,999	3,485,559
Exchange gains	3,835,202	4,369,916
Payments discounts received	14,222	62,372
Fair value adjustment of investments registered at fair value on the income statement (Note 13)	46,636,719	-
Other financial income	2,579,560	485,785
	61,889,702	8,403,632
Net financial expenses	(35,181,067)	(94,180,572)

The caption of financial income includes approximately the amount of 5.7 million euro charged to interests Zon Optimus, jointly controlled company.

38 OTHER INCOME

As at 31 December 2013 and 2012, Other income is made up as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Supplementary income	379,393,595	368,583,842
Prompt payment discounts obtained	26,356,062	26,107,864
Foreign currency exchange gains	14,976,163	9,129,377
Own work capitalised	5,884,457	9,701,657
Gains on sales of assets	1,051,920	2,494,384
Impairment losses reversals	12,646,544	10,544,117
Subsidies	419,044	287,866
Taxes refunded	758,261	574,246
Outros	3,857,127	5,988,167
	445,343,173	433,411,520

The caption "Supplementary income" relates mainly to promotional campaigns carried out in the stores of retail segment, reimbursed by the suppliers of Sonae.

The caption "Gains on disposals of assets" includes about 2.5 million euro in 2012, related with the estimated indemnity by the insurance company for the fire on a "Continente" store in Portimão (Note 19).

39 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2013 and 2013, External supplies and services are as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Rents	138,590,499	141,940,954
Publicity	105,131,610	111,113,840
Electricity	54,284,751	59,585,231
Transports	52,644,415	50,340,411
Services	51,154,872	48,983,308
Subcontracts	27,175,169	27,806,926
Maintenance	23,312,451	22,999,080
Costs with automatic payment terminals	22,904,474	23,647,388
Security	20,606,729	22,790,932
Cleaning up services	19,826,527	20,900,548
Consumables	16,435,275	15,672,331
Travel expenses	14,371,088	12,049,980
Commissions	8,254,359	8,828,162
Insurances	7,314,724	5,900,462
Communications	6,969,308	4,855,696
Home delivery	5,395,933	5,749,667
Others	41,462,094	39,363,210
	615,834,278	622,528,126

40 STAFF COSTS

As at 31 December 2013 and 2012, Staff costs are as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Salaries	488,189,641	485,593,140
Social security contributions	100,111,274	97,345,814
Insurance	10,123,390	9,142,790
Welfare	3,989,530	3,399,708
Other staff costs	9,435,318	10,313,321
	611,849,153	605,794,773

41 OTHER EXPENSES

As at 31 December 2013 and 2012, Other expenses are as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Exchange differences	14,805,576	9,173,380
Other taxes	9,334,866	8,375,995
Losses on the sale and write-off of assets	4,427,435	1,278,351
Municipal Property tax	2,268,245	2,690,816
Donations	7,792,030	8,576,518
Doubtful debts written-off	184,649	1,045,964
Others	25,070,492	6,156,429
	63,883,293	37,297,453

42 INCOME TAX

As at 31 December 2013 and 2012, Income tax is made up as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Current tax	23,278,422	19,926,899
Deferred tax (Note 20)	(7,369,211)	2,434,680
	15,909,211	22,361,579

The reconciliation between the profit before Income tax and the tax charge for the years ended 31 December 2013 and 2012 is as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Profit before income tax	(33,923,844)	(6,780,072)
Difference between capital (losses)/gains for accounting and tax purposes	(672,581)	(7,386,692)
Gains or losses in jointly controlled and associated companies (Note 6)	(2,955,910)	24,382,535
Impairment of goodwill (Note 12)	8,078,127	1,321,520
Provisions and impairment losses not accepted for tax purposes	21,859,110	17,101,337
Taxable Profit	(7,615,098)	28,638,628
Use of tax losses that have not originated deferred tax assets	(8,749,020)	-
Recognition of tax losses that have not originated deferred tax assets	35,022,382	36,291,601
	18,658,264	64,930,229
Income tax rate in Portugal	25.00%	25.00%
	4,664,566	16,232,557
Effect of different income tax rates in other countries	(13,038,729)	(7,498,355)
Effect of the write-off of deferred taxes (Note 20)	32,850,671	-
Effect of increases or decreases in deferred taxes	-	(1,681,293)
Effect of change in tax income rate in the calculation of deferred taxes	(2,946,390)	-
Use of tax benefits	(8,773,664)	(2,903,245)
Under/(over) Income tax estimates	(1,350,607)	1,792,900
Autonomous taxes and tax benefits	1,908,366	1,586,008
Municipality surcharge	3,947,485	11,639,237
Others	(1,352,487)	3,193,770
Income tax	15,909,211	22,361,579

43 RELATED PARTIES

Balances and transactions with related parties during the periods ended 31 December 2013 and 2012 are as follows:

	Sales and services rendered		Purchases and services obtained	
Transactions	31-Dec-13	31-Dec-2012 Restated Note 4	31-Dec-13	31-Dec-2012 Restated Note 4
Parent Company	156,318	155,727	639,261	302,932
Jointly controlled companies	13,203,632	11,179,046	34,092,856	34,891,902
Associated companies	31,036,728	32,228,711	1,435,622	1,672,794
Other related parties	65,591,154	63,147,544	20,062,619	21,214,926
	109,987,832	106,711,028	56,230,358	58,082,554

Transactions	Interest income 31-Dec-13	Interest income 31-Dec-2012 Restated Note 4	Interest expenses 31-Dec-13	Interest expenses 31-Dec-2012 Restated Note 4
Parent Company	-	-	31,438	607,674
Jointly controlled companies	6,236,669	357,634	-	-
Associated companies	10,772	104,152	-	-
Other related parties	640	-	568,103	1,812,391
	6,248,081	461,786	599,541	2,420,065

Balances	Accounts receivable 31-Dec-13	Accounts receivable 31-Dec-12	Accounts payable 31-Dec-13	Accounts payable 31-Dec-12
Parent Company	51,445	18,901	767,433	912,998
Jointly controlled companies	32,554,816	15,620,816	17,795,118	5,269,818
Associated companies	6,612,647	5,374,847	364,066	378,425
Other related parties	14,510,202	15,436,493	7,475,633	13,221,879
	53,729,110	36,451,057	26,402,250	19,783,120

	Loans			
	Obtained		Granted	
Balances	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Parent Company	-	-	-	-
Jointly controlled companies	-	-	8,599,429	7,939,822
Associated companies	-	-	-	8,317,566
Other related parties	13,383,628	22,209,147	3,570	-
	13,383,628	22,209,147	8,602,999	16,257,388

The caption other related parties includes Sonae Sierra SGPS, SA, Zopt SGPS, SA, Raso SGPS, SA, Sonae Indústria, SGPS, SA and Sonae Capital, SGPS, SA affiliated, associated and jointly controlled companies, and also other shareholders of affiliated companies or jointly controlled companies of Sonae, as well as other affiliated companies of the parent company Efanor Investimentos, SGPS, SA.

As at 31 December 2013, from the Zon Optimus merger disclosed in note 8, resulted cash receipts amounting to to 427,850,000 euro from loans granted to Optimus.

During 2013, the Group increased the percentage held in Fundo de Investimento Imobiliário Fechado do Imosede, through the acquisition of 6.5% of its share capital, to a related party for the amount of 10 million euro (in 2012 there was a 13% increase of the percentage of share capital held for an amount of 20 million euro).

Members of the Board of Directors and Strategic Direction were attributed the following remuneration in 2013 and 2012:

	31-Dec-13		31-Dec-12	
	Board of Directors	Strategic direction (a)	Board of Directors	Strategic direction (a)
Short-term employee benefits	2,573,205	8,882,066	2,973,905	8,778,605
Share-based payments	844,200	2,976,700	652,000	2,376,524
	3,417,405	11,858,766	3,625,905	11,155,129

(a) Includes personnel responsible for the strategic management of the companies of Sonae (excluding members of the Board of Directors of Sonae Holding);

(b) Includes personnel of Sonae Sierra and Zopt.

44 EARNING PER SHARE

Earnings per share for the periods ended 31 December 2013 and 2012 were calculated taking into consideration the following amounts:

	31-Dec-13		31-Dec-2012 Restated Note 4	
	Continuing operations	Discontinuing operations	Continuing operations	Discontinuing operations
Net profit				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	(66,746,036)	385,725,550	(22,863,277)	55,435,536
Effect of dilutive potential shares	-	-	-	-
Interest related to convertible bonds (net of tax)	-	-	-	-
Net profit taken into consideration to calculate diluted earnings per share	(66,746,036)	385,725,550	(22,863,277)	55,435,536
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,877,258,913	1,877,258,913	1,872,720,391	1,872,720,391
Effect of dilutive potential ordinary shares from convertible bonds	-	-	-	-
Outstanding shares related with share based payments	14,104,249	14,104,249	12,629,313	12,629,313
Shares related to performance bonus that can be bought at market price	(3,376,626)	(3,376,626)	(7,553,334)	(7,553,334)
Weighted average number of shares used to calculate diluted earnings per share	1,887,986,536	1,887,986,536	1,877,796,370	1,877,796,370
Earnings per share				
Basic	(0.035555)	0.205473	(0.012209)	0.029602
Diluted	(0.035353)	0.204305	(0.012176)	0.029522

The 2013 average number of shares considered 122,080,504 Sonae Holding shares (123,238,581 in 31 December 2012) as treasury shares (Note 22).

45 CASH RECEIPTS AND CASH PAYMENTS RELATED TO INVESTMENTS

As at 31 December 2013 and 2012, cash receipts and cash payments related to investments can be detailed as follows:

Receipts	31-Dec-13	31-Dec-2012 Restated Note 4
Cooper Gay Sweett Crawford disposal	20,381,439	-
Magna Nº1 securitisation Notes	9,320,000	-
Funding application in Bradesco and Citybank (Note 13)	887,022	2,182,230
Disposal of Imosonae II fund units	809,759	-
Disposal of 16,600,000 Sonae Capital SGPS shares	-	3,569,000
Others	14,274	112,742
	31,412,494	5,863,972

Payments	31-Dec-13	31-Dec-2012 Restated Note 4
Acquisition of Imosede's fund units	10,000,541	20,000,000
Acquisition of Sonaecom's shares	2,500,042	6,646,428
Cooper Gay Sweett & Crawford loans	3,739,461	-
Lazam debt relating the acquisition of ADD and Miral	-	5,583,606
Connectiv acquisition	1,213,536	5,970,672
Acquisition of Polinsur and Serenitas	-	695,178
Others	1,899,162	600,411
	19,352,742	39,496,295

46 DIVIDENDS

In the Shareholders Annual General Meeting held on 30 April 2013, the payment of a gross dividend of 0.0331 euro per share (0.0331 euro per share in 2012) corresponding to a total of 66,200,000 euro (66,200,000 euro at 2012) was approved.

For 2013, the Board of Directors will propose a gross dividend of 0.0348 euro per share corresponding to a total of 69,600,000 euro. This dividend is subject to approval by shareholders in the Shareholders Annual Meeting.

47 SEGMENT INFORMATION

Sonae is mostly a retail company with two major partnerships in the areas of Shopping Centres (Sierra) and Telecommunications (Zon Optimus). The following operating segments were identified:

In retail, the group has three segments:

- Sonae MC is our food retail unit, operating 465 stores and 83 stores operated under franchise and joint venture agreements under Continente, Continente Modelo, Continente Bom Dia, Meu Super business concepts and even some adjacent business concepts Bom Bocado, Book.it and Wells.

- Sonae SR is our specialised retail unit, with a presence in the electronics, sports and fashion market operating 521 stores and 51 stores operated under franchise agreements under the Worten, Sport Zone, MO and Zippy business concepts.

- Sonae RP is our retail real estate unit which actively manages retail real estate properties of Sonae, composed principally of stores operating under the brand Continente and under other brands of Sonae SR.

The Investment Management operating segment includes a company that operates in the retail DIY products, building and garden (Maxmat), a travel agency (Geostar), insurance brokers (MDS) as well as Wedo Technologies, Saphety, Mainroad , Bizdirect and Público.

In addition to the operating segments above mentioned Sonae still has two major partnerships Sonae Sierra and and Zopt (includes Zon Optimus) whose relevant information is disclosed in Notes 48 and 49 respectively.

These operating segments have been identified taking into consideration that each of these segments have separate identifiable revenues and costs, separate financial information is produced, and its operating results are reviewed by management on which it makes decisions.

We are present in 67 countries, including operations, services rendered to third parties, offices, franchising and partnerships.

The main operating segment information for the periods ended 31 December 2013 and 2012 can be detailed as follows:

Turnover	31-Dec-13	Inter-segment income	31-Dec-2012 Restated Note 4	Inter-segment income
Sonae MC	3,415,473,893	(4,566,804)	3,281,052,311	(3,296,830)
Sonae SR	1,210,380,000	(29,775,266)	1,209,409,361	(29,172,960)
Sonae RP	123,971,896	(109,508,732)	119,889,493	(108,478,175)
Investment management	222,738,698	(10,771,743)	209,146,793	(12,277,352)
Other, eliminations and adjustments	(151,223,146)	(160,000)	(149,710,512)	-
Total consolidated	4,821,341,341	(154,782,545)	4,669,787,446	(153,225,317)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	31-Dec-13	31-Dec-2012 Restated Note 4	31-Dec-13	31-Dec-2012 Restated Note 4	31-Dec-13	31-Dec-2012 Restated Note 4
Sonae MC	84,247,677	85,667,321	1,913,099	5,815,517	174,072,149	160,701,736
Sonae SR	58,035,246	63,353,286	3,875,180	2,836,009	(70,078,091)	(106,822,684)
Sonae RP	29,978,301	31,152,308	338,359	35,070	84,631,674	75,988,596
Investment management	13,957,855	14,701,435	3,687,267	2,358,935	(752,589)	(5,784,480)
Other, eliminations and adjustments (1)	967,319	255,332	4,044,861	1,640,588	98,506,556	136,173,896
Total direct consolidated	187,186,398	195,129,682	13,858,766	12,686,119	286,379,699	260,257,064

	Net financial expenses (2)		Income tax (2)	
	31-Dec-13	31-Dec-2012 Restated Note 4	31-Dec-13	31-Dec-2012 Restated Note 4
Retail businesses	(33,090,850)	(42,500,942)	11,366,210	23,778,119
Investment management	(7,081,035)	(17,614,829)	3,639,412	(36,734)
Holding (1)	(41,645,901)	(34,064,802)	903,589	(1,379,806)
Total consolidated	(81,817,786)	(94,180,573)	15,909,211	22,361,579

	Investment (CAPEX)		Invested capital	
	31-Dec-13	31-Dec-2012 Restated Note 4	31-Dec-13	31-Dec-2012 Restated Note 4
Sonae MC	103,121,235	77,516,635	476,722,790	395,111,744
Sonae SR	32,386,892	33,558,073	100,910,578	258,068,203
Sonae RP	28,582,717	15,507,647	1,253,629,991	1,334,747,641
Discontinued operations	-	143,208,000	-	955,991,451
Investment management	76,793,359	2,275,508	350,547,503	152,294,468
Other, eliminations and adjustments (1)	108,081,504	19,932,218	945,565,097	388,792,687
Total consolidated	348,965,707	291,998,081	3,127,375,959	3,485,006,194

	Total net debt (2) (3)	
	31-Dec-13	31-Dec-2012 Restated Note 4
Retail businesses	749,628,495	784,342,592
Discontinued operations	-	360,560,000
Investment management	56,363,559	70,926,455
Holding (1)	413,272,470	600,618,233
Total consolidated	1,219,264,524	1,816,447,280

1) I Includes Sonae Individual accounts;

2) These captions are accompanied by management in a more aggregated form, and not allocated to individual operating segments identified above;

3) Includes shareholder loans and excluding inter-segment securitized debt.

The caption "Eliminations Adjustments and Others" can be analysed as follows:

	Turnover		EBIT	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Inter-segment income	(154,782,545)	(153,225,317)	-	-
Discontinued operations	-	-	71,247,700	100,832,034
Equity method	-	-	27,333,571	30,757,308
Others	3,559,399	3,514,805	(74,715)	4,584,554
Other, eliminations and adjustments	(151,223,146)	(149,710,512)	98,506,556	136,173,896

	Investment		Invested capital	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Inter-segment balances	-	366,360	14,233,065	18,299,053
Investments	106,130,365	20,000,000	1,144,792,015	455,548,457
Cash settled equity swap (4)	-	-	(103,289,056)	(84,664,905)
Debt to France Télécom-Orange (Note 30)	-	-	(102,095,077)	-
Others eliminations and adjustments	1,951,139	(434,142)	(8,075,850)	(389,918)
Other, eliminations and adjustments	108,081,504	19,932,218	945,565,097	388,792,687

4) Financial Instrument reported in Note 22.

All performance measures are reconciled to the financial statements in note 50.

Glossary:

Net Invested capital = Total net debt + total shareholder funds

Net debt = Bonds + bank loans + other loans + shareholder loans + financial leases - cash, bank deposits, current investments, excluding the participation of 7.28% in ZON OPTIMUS, and other long term financial applications.

Other eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, ie are included in addition to Sonae SGPS companies identified as "Other" in Note 5.

Investments (CAPEX) = Investments in tangible and intangible assets and investments in acquisitions;

Non-current assets and turnover by geographic market can be detailed as follows:

	31-Dec-13		31-Dec-12	
Destination market	Non-current assets	Sales and services rendered	Non-current assets	Sales and services rendered
Portugal	3,685,831,585	4,451,873,035	4,189,860,980	4,287,683,375
Spain	95,686,012	316,058,660	188,912,500	327,728,784
United Kingdom	-	2,428,677	-	3,493,835
Brazil	62,953,173	34,915,340	100,573,321	35,363,447
Other European countries	119,318,003	6,176,619	124,289,502	5,996,893
Rest of the world	9,333,708	9,889,007	11,116,565	9,521,112
	3,973,122,481	4,821,341,338	4,614,752,868	4,669,787,446

48 INFORMATION RELATING TO JOINT-VENTURES

The amounts of assets, liabilities and profit and losses related to joint ventures are disclosed in Note 6. Taking into account Sonae Sierra and Zopt financial statements relevance and considering that Sonae Sierra and Zopt are consolidated by the equity method, the most relevant facts are detailed as follows (amounts disclosed correspond to Sierra and Zopt figures – 100%)

Group Sonae Sierra

a) Investment Properties

Investment properties consist of investments in buildings and other constructions in shopping centres to earn rentals or capital appreciation or both, rather than for use in the production or supply of goods or services or for administration purposes or for sale in the ordinary course of business and are owned by Sonae Sierra and its subsidiaries which are consolidated by the equity method (Note 6).

The investment properties in development, which do not fulfil the conditions to reliably measure their fair value are recorded at their historical or production cost, net from impairment losses.

The investment property in progress are considered investment property, within the scope of IFRS, when they fulfil the conditions to reliably measure their fair value.

It is considered that an Investment property in progress fulfil the conditions for its fair value to be reliably measured, when there is a high probability that the project will be concluded in a short period. This probability is high when the following events are simultaneously accomplished:

- land is acquired
- construction license is obtained
- financing contract for the property is signed
- construction works of the property have started
- lease contracts with the main anchors stores or possible lessee are signed

Investment properties are recorded at their fair value based on half-yearly valuations performed by an independent valuer. Changes in fair values of investment properties are accounted for in the period in which they occur, in the income statement.

Sonae Sierra assets which qualify as investment properties are recognized as such when they start being used or, in the case of the investment properties in progress, when their development is considered irreversible, as mentioned in the above conditions. Until the moment the asset is qualified as investment property, the same asset is booked at historical or production cost in the same way as a tangible asset (Note 2.3). Since that moment, the investment properties in progress are recorded at their fair value. The difference between cost (of acquisition or production) and the fair value at that date is accounted for in the consolidated income statement.

Costs incurred with investment properties in use, such as maintenance, repairs, insurance and property taxes, are recognized in the income statement for the period to which they refer. Costs incurred with refurbishments-improvement which will generate estimated additional future economic benefits are capitalized.

The movement in investment properties, during the years ended 31 December 2013 and 2012 was as follows:

Investment Properties			in progress			
	In Operation	Fit Out	at cost	at fair value	Advances	Total
Opening balance as at 1 January 2012	3,100,957,500	3,811,499	134,237,120	120,574,104	1,725,000	3,361,305,223
-	12,216,007	42,500	89,736,186	14,317,315	-	116,312,007
Reimbursements	15,236,513	-	-	-	-	15,236,513
Write-offs and impairment losses	(12,494,000)	-	(19,926,287)	-	-	(32,420,287)
Disposals	(208,763,193)	-	(8,609,386)	-	-	(217,372,579)
Reimbursements of Fit - Out	-	(400,617)	-	-	-	(400,617)
Transfers	-	(15,089)	(1,222,037)	(143,114)	-	(1,380,240)
Transfers from investment properties in progress:						
Construction and other costs	105,064,307	15,089	25,873,322	(130,952,718)	-	-
Adjustment to fair value	4,388,899	-	(11,765,623)	(1,301,522)	-	(8,678,246)
Change in fair value of investment properties between periods:						
- Gains	53,731,346	43,789	-	-	-	53,775,136
- Losses	(177,116,239)	(714,267)	-	-	-	(177,830,506)
Additions by concentrations of business activities	-	-	24,144,733	-	-	24,144,733
Exchange rate effect	(57,536,342)	-	(9,470,851)	(2,494,065)	-	(69,501,257)
Opening balance as at 1 January 2013	2,835,684,798	2,782,905	222,997,177	-	1,725,000	3,063,189,880
Increases	26,293,899	-	94,748,671	-	-	121,042,570
Reimbursements	-	85,298	-	-	-	85,298
Write-offs and impairment losses	-	-	(4,754,800)	-	-	(4,754,800)
Disposals	-	-	(5,245,601)	-	-	(5,245,601)
Reimbursements of Fit - Out	-	(307,797)	-	-	-	(307,797)
Transfers	(1,107,067)	-	(2,942,804)	-	-	(4,049,871)
Transfers from investment properties in progress:						
Construction and other costs	204,048,939	-	(204,048,947)	-	-	(8)
Adjustment to fair value	(1,258,406)	-	-	-	-	(1,258,406)
Change in fair value of investment properties between periods:						
- Gains	70,074,271	123,407	-	-	-	70,197,678
- Losses	(151,242,005)	(54,314)	-	-	-	(151,296,319)
Additions by concentrations of business activities	140,495,000	-	6,171,398	-	-	146,666,398
Disposal of subsidiaries	(215,250,000)	-	-	-	-	(215,250,000)
Exchange rate effect	(111,702,956)	-	(6,061,087)	-	-	(117,764,043)
Closing balance as at 31 December 2013	2,796,036,473	2,629,499	100,864,008	-	1,725,000	2,901,254,979

The amount of 4.8 million euro recorded in "Impairments and write-off" refers mainly to impairment losses relating to some of the properties currently under development, for which there are some uncertainties over their future value.

The amount of 5.2 million euro under the caption "Sales" relates to the sale of 11.36% interest in Boulevard Londrina Shopping located in Brazil.

The increases by transfer from investment properties under development relate to the opening in 2013 of Hofgarten Solingen in Germany and Boulevard Londrina Shopping and Passeio das Águas Shopping in Brazil.

The amount of 146.7 million euro under caption "Increases through business combination" refers to: (i) the acquisition of 50% of Cascaishopping-Centro Comercial, S.A. (140.5 million euro) (owner of the shopping centre Cascaishopping located in Portugal) and (ii) the acquisition of 50% of ARP Alverca Retail Park, S.A (6.2 million euro).

The amount of 215.3 million euro under caption "Sales of companies" refers to: (i) the sale of 50% of Parque Principado, S.L. (70.8 million euro) (owner of the shopping centre Parque Principado located in Spain) and (ii) the sale of 100% of Valecenter, Srl (144.5 million euro) (owner of the shopping centre Valecenter and owner of the subsidiary Airone - Shopping Centre, Srl that owns the shopping centre Airone located in Italy).

At 31 December 2013 and 2012 investment properties in operation and the information about the fair value assessment can be detailed as follows:

	31-Dec-13			31-Dec-12		
	10 years "discount rate"	Yields	million of euros	10 years "discount rate"	Yields	million of euros
Portugal and Spain	8,85% and 14,05%	6,85% and 12,05%	1,740,739	9,10% and 13,65%	6,85% and 11,15%	1,795,978
Other European Countries	6,25% and 15,00%	6,00% and 12,00%	455,553	6,75% and 14,50%	6,25% and 11,50%	533,874
Brazil	12,25% and 14,00%	7,75% e 9,50%	599,745	8,65% and 14,00%	8,45% and 9,50%	505,833
			2,796,037			2,835,685

The fair value of each investment property was determined by means of a valuation as of the reporting date made by independent specialized entities (Cushman & Wakefield and CBRE).

The valuation of these investment properties was made in accordance with the Practice Statements of the RICS Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors ("Red Book"), located in England.

The methodology used to compute the market value of the investment properties consists in preparing 10 years projections of income and expenses of each shopping center added to the residual value, corresponding to a projected net income at year 11 and a return market rate ("Exit yield" or "cap rate"). These projections are then discounted to the valuation date using a discount market rate. Projections are intended to reflect the actual best estimate of the value regarding future revenues and costs of each shopping centre. Both the return rate and discount rate are defined in accordance to the local real estate and institutional market conditions, being the reasonableness of the market value obtained in accordance to the methodology referred above, tested also in terms of initial return using the estimated net income for the first year of projections..

In the valuation of investment properties, some assumptions, that in accordance with the Red Book are considered to be special, were in addition considered, namely in the case of recently inaugurated shopping centres, in which the possible costs still to be incurred were not considered, as the accompanying financial statements already include a provision for them.

In 2013 the Group adopted for the first time IFRS 13 - Fair value measurement. This standard provides a single source of fair value measurement and disclosure requirements for use across IFRSs.

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable.; and
- Level 3 - inputs that are not based on observable market data (that is, unobservable inputs).

Considering the above hierarchy investments properties of the Group are all within Level 3.

The relationship of unobservable inputs to fair value can be described as follows:

- a decrease in the estimated annual rent will decrease the fair value;
- an increase in the discount rates and the capitalization rates will decrease the fair value.

As mentioned in the valuation reports of the investment properties prepared by independent specialized entities, the assessment of their fair value took into account the definition of fair value in IFRS 13, which is consistent with the definition of market value defined by the investment properties valuation international standards.

Market uncertainty

According to the valuers, whenever uncertainty could have a material effect on the opinion of value, the Red Book requires the valuer needs to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported.

It is opinion of the valuers that the ongoing lack of availability of finance continues to impact on the market, particularly for secondary or vacant properties, which has experienced unusually low transaction volumes. As a consequence, there has been a significant reduction in market evidence upon which to base the valuation and requiring the valuer to exercise a greater degree of judgement than usual. The valuers have considered both current and historic market evidence available and endeavoured to reflect current market sentiment, although the signals are mixed.

It has been held that valuers may properly conclude within a range of values. This range is likely to be greater in an illiquid market where inherent uncertainty exists and a greater degree of judgment must therefore be applied.

Although some companies are facing financial difficulties, it is not appropriate to conclude all recent market activity represents forced transactions. An imbalance between supply and demand (for example, fewer buyers than sellers) is not always evidence of a forced transaction. A seller might be under financial pressure to sell, but it is still able to sell at a market price if there is more than one potential buyer in the market and a reasonable amount of time is available for marketing. Similarly, transactions initiated during bankruptcy should not automatically be assumed to be forced.

The valuers strongly recommend that the company keep the valuation of the properties under review. The Group should also anticipate a longer marketing period than would previously have been expected in the event that any property is offered for sale.

b) Goodwill

The goodwill valuation in the shopping centres segment is a located to the subsidiaries with investment proprieties, the impairment tests of goodwill are based on the Net Asset Value (“NAV”) of the shares held, at each reporting date.

The “NAV” corresponds to evaluation at fair value, at each reporting date, of the net assets of the subsidiary excluding deferred tax liabilities relating to unrealized gains on investment properties, at the market value (Open Market Value).

c) Other non-current assets

The amount of 7.8 million euro, accounted under the caption “Other non-current assets”, due by the Municipal Council of Lisbon, relates to works developed by the jointly controlled company Centro Colombo – Centro Comercial, S.A.. These works were developed on behalf of the Municipal Council of Lisbon (“CML”) in accordance with protocols signed between the technical services of CML and Colombo at the end of 2001. On the other hand, the caption "Other non-current liabilities", as of 31 December 2013 and 2012, includes the amount of 3.2 million euro relating to works developed by CML on behalf of Colombo and licenses. A legal action against CML was presented in 2001 reclaiming the totality of the improvements made by Colombo on behalf of CML and corresponding interests and other expenses incurred by Colombo under the above mentioned protocols. The Colombo Board of Directors believes, based on advice from its legal counsel, that the legal action will be favorable to Colombo and consequently did not record any impairment loss to cover eventual losses on this account receivable.

d) Contingent Liabilities

As at 31 December 2013 and 2012, the main contingent liabilities relate to the following situations:

a) In December 2013 Gli Orsi received a tax notification, whereby it is asked to pay the amount of 19, 5 million euro, related with real estate transfer tax in the amount of 9,5 million euro and 10 million euro related with penalties and interests, plus court agent fees amounting to 0.9 million euro. Based on the opinion of the tax expert there are valid reasons to consider the claim ungrounded, and so the Group has appealed to the Supreme Court. In the specific case of the penalties requested by the tax authorities, the tax expert understands that no penalty is due.

b) During 2010 the subsidiary Sierra Investments SGPS granted a guarantee to the Portuguese tax administration of 5.6 million euro to deal with the complaint submitted by Sonae Sierra in relation to a notification received relating to income tax. No provision was made by Sonae Sierra as the risk of this contingency crystalizing is regardless unlikely.

c) On March 2011, the Group won an arbitration procedure against Olympic Properties SA (now called ETA and owner of the land for a project in Greece) allowing the Group to suspend the payment of rents until the building permit for the project is issued. At the same date, the Group committed itself before ETA to fulfil their obligations in the Lease Agreement. On July 2013, the company concluded an amicable agreement with ETA for the termination of the concession agreement regarding ex-Olympic facilities. Associated with the termination of the concession agreement the Parties waived any claim (past, pending or future) they might have against each other.

d) During 2009, the participated company Larissa (owned 50% by the Group) was notified by the municipality of Larissa to the payment of a fine amounting to 11.3 million euro (5.7 million euro for the Group) for buildings adjacent to the mall that were not expressly permitted in the license. The Group complained about this notification and the Court decided in 2010 to its favour. The municipality of Larissa, however, objected to the decision. Meanwhile, in 2011, a new law was published in Greece by which entities would legalize the construction by paying a special tax. As so, Larissa has submitted an administrative return by which it would pay an amount of 0.8 million euro (accrued on the company’s financial statements), however it has been accepted that the payment of such additional fee reduces the amount of the fine imposed by the municipality.

At 31 December 2013 and 31 December 2012 the bank guarantees granted to third parties were as following:

	31-Dec-13	31-Dec-12
Guarantees provided (thousands of Euro):		
on tax claims	3,785	3,501
on judicial claims	325	105
to complete the construction of several projects	2,158	3,569
to secure claims of the buyer of the Münster	19,000	19,000
on behalf of bank loans obtained	-	11,500
others guarantees	3,228	1,817

No provision has been made for liabilities arise from the construction/development of projects committed above mentioned, as the Board of Directors believes that there is no risk.

Group ZOPT

The consolidated financial statements of Zopt and its affiliate Zon Optimus as at 31 December 2013 and 2012, incorporated in the financial statements of Sonae through ZOPT by the equity method (Note 8) can be detailed as follows:

Consolidated Statement of financial position

Amounts in thousands of Euros	31-Dec-2013		31-Dec-2012 Restated Note 4	
	Zopt	Zon Optimus	Zopt	Zon Optimus
Assets				
Tangible assets	1,153,257	1,096,823	-	618,238
Intangible assets	694,518	1,111,107	-	323,621
Goodwill	1,597,737	-	-	-
Deferred tax assets	172,453	165,416	-	52,193
Other non-current assets	340,833	61,143	-	80,438
Non-current assets	3,958,798	2,434,489	-	1,074,490
Trade account receivables	276,630	276,630	-	119,147
Cash and cash equivalents	74,390	74,380	50	273,179
Other current assets	103,831	103,831	-	83,768
Current assets	454,851	454,841	50	476,094
Total assets	4,413,649	2,889,330	50	1,550,584
Liabilities	-	-	-	-
Borrowings	932,770	928,239	-	711,994
Provisions	95,698	92,429	-	29,951
Other non-current liabilities	108,471	46,221	-	14,924
Non-current liabilities	1,136,939	1,066,889	-	756,869
Borrowings	215,791	213,431	-	295,328
Trade creditors	296,915	296,823	-	158,133
Other current liabilities	253,049	251,974	-	120,846
Total current liabilities	765,755	762,228	-	574,307
Total liabilities	1,902,694	1,829,117	-	1,331,176
Shareholders' funds excluding non-controlling interests	1,250,729	1,050,598	50	210,013
Non-controlling interests	1,260,226	9,615	-	9,395
Total shareholders' funds	2,510,955	1,060,213	50	219,408
Total shareholders' funds and liabilities	4,413,649	2,889,330	50	1,550,584

Consolidated income statment

Amounts in thousands of Euros	31-Dec-2013		31-Dec-2012 Restated Note 4	
	Zopt	Zon Optimus	Zopt	Zon Optimus
Total revenue	476,848	990,259	-	787,133
Costs and losses	-	-	-	-
Direct costs and External supplies and services	(204,528)	(413,817)	-	(325,822)
Depreciation and amortisation	(116,718)	(243,070)	-	(204,119)
Other operating costs	(134,793)	(258,744)	-	(156,481)
	(456,039)	(915,631)	-	(686,422)
Financial results	(16,663)	(46,936)	-	(41,044)
Income taxation	(6,095)	(16,433)	-	(19,303)
Consolidated net income/(loss) for the year	(1,949)	11,259	-	40,364
Attributed to non-controlling interests	(852)	449	-	869
Attributed to shareholders'of parent company	(1,097)	10,810	-	39,494

The value of Zopt income statement results from Zon Optimus 4 month's net income, the net result of Zopt, the impact on income of the fair value allocation to the assets and liabilities acquired by Zopt and less the effect of non-controlling interests.

Contingent liabilities can be analyzed as follows:

During the course of the 2003 to 2013 financial years, certain companies of the ZON Optimus Group were the subject of tax inspections for the 2001 to 2011 financial years. Following these inspections, ZON Optimus, as the controlling company of the Tax Group, and companies not covered by Tax Group, were notified of the corrections made to the Group's tax losses, to VAT and stamp tax and to make the payments related to the corrections made to the above exercises. The total amount of the notifications is about 30.7 million euro. Note that the Group considered that the corrections were unfounded, and contested the amounts mentioned. The Group provided the bank guarantees demanded by the Tax Authorities in connection with these proceedings;

At 31 December 2013, accounts receivable and accounts payable include 37,139,253 euros and 29,913,608 euros, respectively, resulting from a dispute between the subsidiary Optimus – Comunicações, S.A. and, essentially, the operator TMN – Telecomunicações Móveis, S.A., in relation to the indefinition of interconnection tariffs, recorded in the year ended at 31 December 2001. In the lower court, the decision was favorable to Optimus. The 'Tribunal da Relação' (Court of Appeal), on appeal, rejected the intentions of TMN. However, TMN again appealed to the 'Supremo Tribunal de Justiça' (Supreme Court), for final and permanent decision, who upheld the decision of the 'Tribunal da Relação' (Court of Appeal), thus concluding that the interconnection prices for 2001 were not defined. The settlement of outstanding amounts will depend on the price that will be established.

49 COMMITMENTS TO THE DISPOSAL OF SUBSIDIARY SUBJECT TO REVISION OF PRICE

Following the sale of 49.9% of Sierra European Retail Real Estate Assets Holdings BV's ("Sierra BV") share capital to a group of Investors, in 2003, Sonae Sierra has agreed to revise the sale price of such shares in the event of a sale, to third parties, of some of the shopping centres owned by subsidiaries of Sierra BV (subject to some conditions).

The price revision can occur both with a sale of the asset (investment property in the case) or with a sale of the shares of the company that is, directly or indirectly, the owner of such asset.

The price revision will be made by Sonae Sierra to the Investors in Sierra Fund or to Sierra BV if, in a relevant sale, discounts related to deferred taxes on capital gains have been made.

The price revision will be dependent on the percentage ownership in the company that owns the asset, the Investors' ownership percentage in Sierra BV (and in case of a sale of shares adjusted by a 50% discount) and is limited to:

(i) In the case of the asset sale, a maximum amount of 118.3 million euro;

(ii) In the case of a sale of shares of the company that directly or indirectly owns the asset, a maximum amount of 59.1 million euro;

(iii) In the case of a sale of shares of the company that directly or indirectly owns the asset, the price revision plus the selling price, cannot result in a revised price that is greater than the proportion of the Net Asset Value.

Similar commitments were granted by Sonae Sierra in relation to the companies transferred to Sierra BV after 2003 and to CBRE companies regarding the sale of 50% of Vasco da Gama.

These commitments are valid while the current agreements with the other stakeholders of Sierra BV are maintained.

Furthermore, Sonae Sierra has the right to make a proposal for the acquisition of the asset or the shares at stake before they are offered for sale to a third party.

Additionally, the Group has a similar commitment with DDR (revision of the sales price) if the gain realized on the sale of some investment properties in Brazil is taxed by the Brazilian tax authorities.

In accordance with the agreements made between the shareholders of Sierra BV at the time of its incorporation in 2003, it was agreed that Sierra BV should exist for an initial period of 10 years (that ends in October 2013), that could be extended by two additional periods of one year starting in 2013. On September 2013 all the shareholders of Sierra BV approved an amendment agreement relating to the continuation of the operations of the Fund with a long-stop date until October 2018. The Group continues to study several alternatives to dispose of the properties held by Sierra BV, but there are no intentions to proceed with forced asset sales.

In accordance with the agreements made between the shareholders of SPF at the time of its incorporation in 2008, it was agreed that SPF should exist for a period of 10 years (that will end in 2018), having the non Sonae Sierra shareholders the option to redeem its shares, provided that some conditions are met. The Group is not aware of any intention by any of those shareholders to redeem its shares.

The Group believes that the direct sale of the asset is a less attractive solution as it is subject to certain liabilities that are not crystalized in the event of a sale of the shares.

50 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA and underlying EBITDA the consolidated income statement is divided between Direct Income and Indirect Income.

The Indirect Income includes the contribution of Sonae Sierra, net of taxes that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses relating to non-current assets (including goodwill) and (iv) provisions for assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decreases in goodwill, (iii) provisions (net of tax) for possible future liabilities, and impairments related to non-core investments, businesses and discontinued assets (or to be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues. The value of EBITDA is only calculated in the direct income compnent, excluding the indirect contributions.

The reconciliation between consolidated income and direct-indirect income for the periods ended 31 December 2013 and 2012 can be summarised as follows:

	31-Dec-13			31-Dec-2012 Restated Note 4		
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Indirect income	Direct income
Turnover	4,821,341,341	-	4,821,341,341	4,669,787,446	-	4,669,787,446
Investment income						
Dividends	96,645	96,645	-	216,683	216,683	-
Impairment losses	(102,009)	-	(102,009)	(1,101,337)	(1,101,337)	-
Others	(7,318)	-	(7,318)	16,880,645	(1,000,000)	17,880,645
Other income						
Negative goodwill	-	-	-	-	-	-
Impairment losses reversal	12,733,171	-	12,733,171	12,438,110	-	12,438,110
Others	432,610,002	(2,640,758)	435,250,760	420,973,410	-	420,973,410
Total income	5,266,671,832	(2,544,113)	5,269,215,945	5,119,194,957	(1,884,654)	5,121,079,611
Total expenses	(4,893,765,372)	(10,770,564)	(4,882,994,808)	(4,770,786,370)	-	(4,770,786,370)
Depreciation and amortisation	(187,186,398)	-	(187,186,398)	(195,129,682)	-	(195,129,682)
Non-recurring impairment losses over inventories	-	-	-	(13,809,750)	-	(13,809,750)
Provisions and impairment						
Provisions for warranty extensions	-	-	-	(75,245)	-	(75,245)
Goodwill impairment	(8,078,127)	(7,722,709)	(355,418)	-	-	-
Unusals provisions and impairments	(155,025,977)	(155,025,977)	-	(906,000)	-	(906,000)
Others	(24,314,645)	(10,811,297)	(13,503,348)	(26,704,874)	(15,000,000)	(11,704,874)
Profit before financial results and share of results in associated companies	(1,698,687)	(186,874,660)	185,175,973	111,783,036	(16,884,654)	128,667,690
Gains and losses on investments recorded at fair value through results	46,636,719	46,636,719	-	-	-	-
Financial profit/(loss)	(81,817,786)	(64,645)	(81,753,141)	(94,180,573)	(216,683)	(93,963,890)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	3,917,521	(27,000,115)	30,917,636	(23,847,555)	(55,139,875)	31,292,320
ZOPT	(523,500)	-	(523,500)	-	-	-
Others	(438,110)	-	(438,110)	(534,980)	-	(534,980)
Profit before income tax	(33,923,843)	(167,302,701)	133,378,858	(6,780,072)	(72,241,212)	65,461,140
Income tax	(15,909,211)	13,653,705	(29,562,916)	(22,361,579)	-	(22,361,579)
Profit/(Loss) from continuing operations	(49,833,054)	(153,648,996)	103,815,942	(29,141,651)	(72,241,212)	43,099,561
Profit/(Loss) from discontinued operations	513,853,339	442,605,639	71,247,700	100,832,034	-	100,832,034
Net profit for the period	464,020,285	288,956,643	175,063,642	71,690,383	(72,241,212)	143,931,595
Attributable to equity holders of Sonae	318,979,514	168,404,372	150,575,142	32,572,259	(72,241,212)	104,813,471
Non-controlling interests	145,040,771	120,552,271	24,488,500	39,118,124	-	39,118,124
"Underlying" EBITDA (a)	-	-	377,564,113	-	-	330,435,265
EBITDA (b)	-	-	474,793,701	-	-	469,444,505
	-	-	-	-	-	-
	-	-	286,379,699	-	-	260,257,064

(a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + Share of results in joint ventures and associated undertakings (Sonae Sierra direct results, and Zon Optimus and Geostar) + the impact of discontinued operations of Optimus.

(b) "Underlying" EBITDA = total direct income - total expenses - reversal of impairment losses (see reconciliation).

(c) Direct EBIT = Direct EBT - financial results + discontinued operations of Optimus

(d) Direct EBT = Direct results before non-controlling interests and taxes

(e) Direct income = Results excluding contributions to indirect income

(f) Indirect income = Includes Sonae Sierra's results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for non-current assets (including goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

Indirect income could be analysed as follows:

Indirect income	31-Dec-13	31-Dec-2012 Restated Note 4
Discontinued operations (Note 4)	442,605,639	-
Indirect income of Sonae Sierra	(27,000,115)	(55,139,875)
Provision for contingencies in Brazil (Note 32)	(11,414,278)	(15,000,000)
Change of "layout" and "rebranding" (Note 10):		
Specialized retail stores	(43,746,620)	-
Food based retail stores	(9,988,367)	-
Impairment of Real Estate (Note 10)	(100,029,307)	-
Impairment of goodwill	(7,722,709)	-
Measurement of 7.28% of Zon Optimus at fair value	46,636,719	-
Impairment of financial investments and loans granted to associates (Note 6 and 32)	-	(2,101,337)
Others	(384,319)	-
Total	288,956,643	(72,241,212)

"Underlying EBITDA" could be analysed as follows:

	31-Dec-13	31-Dec-2012 Restated Note 4
Direct EBITDA	474,793,701	469,444,505
Share of results of joint ventures and associated undertakings	(29,956,026)	(30,757,340)
Consolidated net income/(loss) from discontinued operations	(71,247,700)	(100,832,034)
Capital gain from the disposal of Cooper Gay Sweet & Crawford (Note 6)	-	(15,227,674)
Non-recurring expenses of Sonae RE for claims	-	5,000,000
Indemnities	-	2,800,000
Other expenses considered non-recurring	3,974,138	7,808
Underlying EBITDA	377,564,113	330,435,265

51 OTHERS

On 29 October 2013, Sonaecom has announced to make a voluntary tender offer for the acquisition of a maximum of 88,479,803 shares representing 24.16% of its own share capital. This transaction takes place after the merger of Optimus SGPS, S.A. and Zon Multimédia, SGPS, S.A., of which resulted Zon Optimus SGPS, S.A., in which Sonaecom, as a previous Optimus shareholder, became thereinafter the direct holder of 37,489,324 shares representing 7.28% of the share capital and voting rights of Zon Optimus and the indirect joint holder of 50.01% of the share capital and voting rights in Zon Optimus, through the 50% equity holding in Zopt, SGPS, S.A..

Sonaecom has the intention to accordingly give the option to its shareholders to sell, in equal standing conditions, their Sonaecom shares for consideration of the directly held 37,489,324 Zon Optimus shares, which are not necessary to the pursuit of Sonaecom's business purposes, thereby enabling direct exposure of Sonaecom shareholders to Zon Optimus, the reference asset of Sonaecom portfolio.

Sonaecom offers an overall price equivalent to 2.45 euro per Sonaecom share, to be composed of Zon Optimus shares and, where applicable, a remaining cash amount, which represents a premium, per Sonaecom share, of approximately 10% over Sonaecom share closing price at 28 October 2013 and over the average weighted closing price of the last 30 days; 24% by reference to the last 90 days average weighted closing price of Sonaecom share; and 17% in relation to Sonaecom share average target price of 2.10 euro. For determining the Sonaecom/Zon Optimus share trade ratio, it was taken into consideration Zon Optimus share average weighed closing price of the last 5 trading days, which was that of 5.08 euro per Zon Optimus share.

52 SUBSEQUENT EVENTS

On 23 and 24 January 2014, under terms previously authorized by the Portuguese Securities Market Commission, CMVM, Sonae – SGPS, S.A. (Sonae) acquired over the counter 1,454,134 Sonaecom shares from Sonaecom directors and related parties.

The consideration of this acquisition was determined and settled on 20 February 2014, the date of calculation of the results of the tender offer, by the same amount paid to the shareholders who accepted the offer. Following this transaction, Sonae became the direct holder of 78,133,508 shares and the indirect holder of 194,063,119 shares, giving Sonae a total participation of 272,196,627 Sonaecom shares.

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February 2014 and ending on 19 February 2014.

On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. During 2014 Sonaecom will reduce its capital at about 136 million euros. Euronext announced Sonaecom exclusion from the PSI-20 on 24 February 2014.

The physical and financial settlement of the offer occurred on 25 February 2014, being the consideration of the offer composed by 26,476,792 ZON OPTIMUS shares and 19,631 euro in cash.

Following the offer, Sonaecom became the holder of 11,012,532 ZON OPTIMUS shares, corresponding to 2.14% of the company's share capital.

On 10 March 2014, Sonae announced that it has completed, directly and through its subsidiaries, a number of financing transactions with maturities between 5 and 7 years for the total amount of 240 million euro, with several financial institutions. These operations enabled Sonae to anticipate under favorable conditions a significant part of the refinancing programme of its medium and long-term credit facilities maturing up to the end of 2015.

53 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 18 March 2014 nevertheless they are still subject to approval at the Shareholders Annual General Meeting.

The Board of Directors

Belmiro Mendes de Azevedo; Presidente do Conselho de Administração

Álvaro Carmona e Costa Portela; membro do Conselho de Administração

Álvaro Cuervo Garcia; membro do Conselho de Administração

Bernd Bothe; membro do Conselho de Administração

Christine Cross; membro do Conselho de Administração

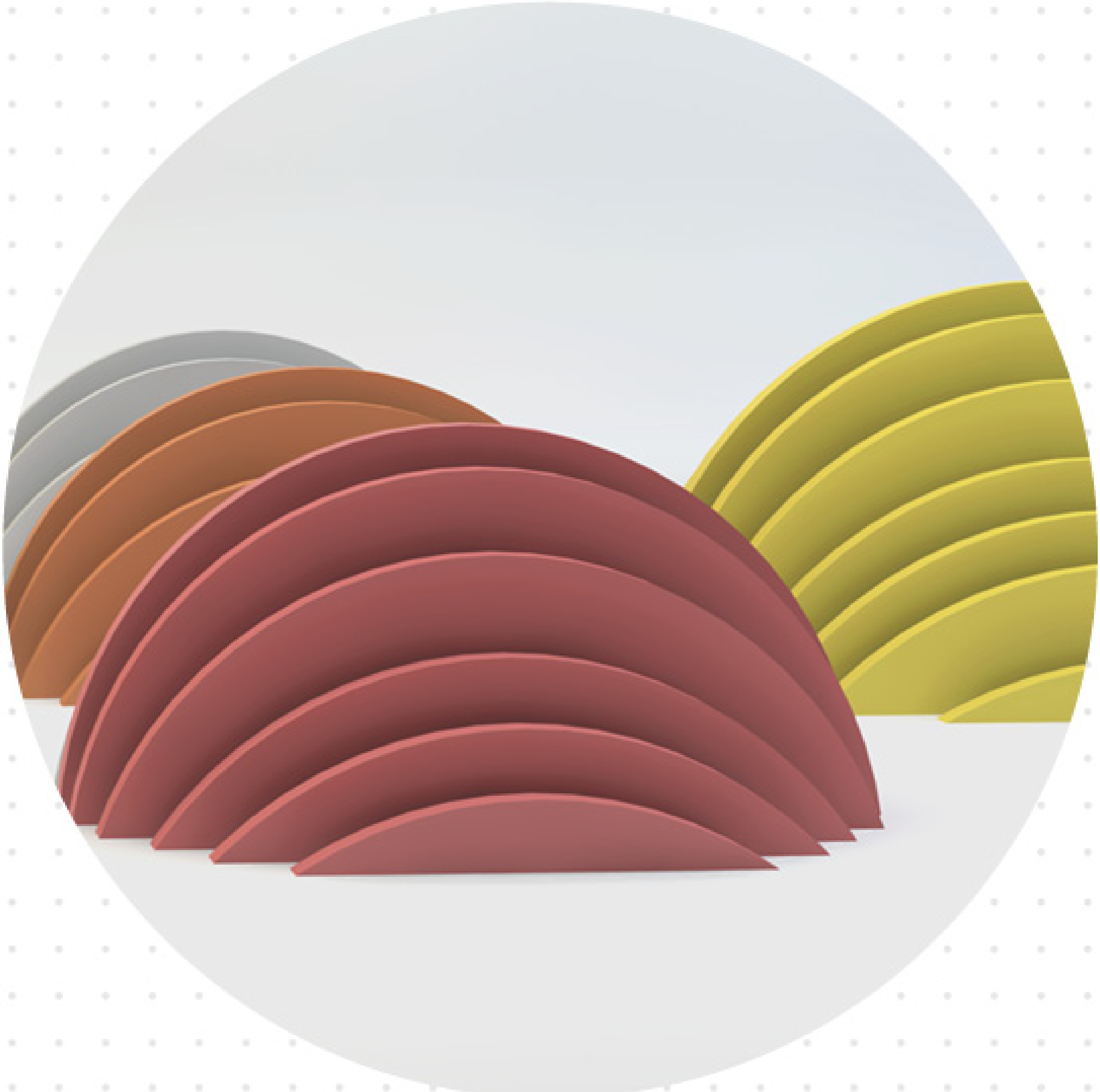
Michel Marie Bon; membro do Conselho de Administração

José Neves Adelino; membro do Conselho de Administração

Duarte Paulo Teixeira de Azevedo; CEO

Ângelo Gabriel Ribeirinho dos Santos Paupério; membro da Comissão Executiva

INDIVIDUAL FINANCIAL STATEMENTS



INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 AND 2012

(Translation of individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	31 Dec 2013	31 Dec 2012
ASSETS			
NON-CURRENT ASSETS:			
Tangible assets	6	144,778	178,042
Intangible assets	7	13,245	28,770
Investments in affiliated companies	4, 8	3,638,337,796	3,503,796,314
Other investments	4, 9	29,367,435	38,628,607
Other non-current assets	4, 10	472,066,551	352,823,000
Total non-current assets		4,139,929,805	3,895,454,733
CURRENT ASSETS:			
Trade account receivables	4, 11	468,059	467,461
Other debtors	4, 12	11,194,379	11,287,813
Taxes recoverable	13	2,589,020	1,270,260
Other current assets	4, 14	3,302,072	2,057,079
Cash and cash equivalents	4, 15	96,239,237	158,667,623
Total current assets		113,792,767	173,750,236
TOTAL ASSETS		4,253,722,572	4,069,204,969
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	2,000,000,000	2,000,000,000
Legal reserves	17	188,285,864	187,137,648
Hedging reserve, fair value reserve and other reserves	18	1,082,932,419	1,119,192,176
Retained earnings		-	(63,194,492)
Profit for the year		159,490,511	22,964,317
TOTAL EQUITY		3,430,708,794	3,266,099,649
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bonds	4, 20	447,088,540	595,047,114
Bank loans	4, 20	94,420,250	74,024,250
Other non-current liabilities		1,127,105	3,992,080
Other loans	4, 20	-	6,993,896
Total non-current liabilities		542,635,895	680,057,340
CURRENT LIABILITIES:			
Bonds	4, 20	149,972,236	99,919,906
Bank loans	4, 20	1,961,683	1,961,683
Other loans	4, 20	2,421,024	1,674,286
Trade accounts payable	4	189,969	443,191
Other creditors	4, 21	114,842,829	7,680,960
Taxes and contributions payable	13	454,452	214,619
Other current liabilities	4, 22	10,535,690	11,153,335
Total current liabilities		280,377,883	123,047,980
TOTAL EQUITY AND LIABILITIES		4,253,722,572	4,069,204,969

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Translation of individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	31 Dec 2013	31 Dec 2012
Services rendered	26	477,612	476,701
Gains or losses on investments	27	171,972,960	26,836,460
Financial income	28	34,142,610	33,388,218
Other income		3,151,542	2,458,028
External supplies and services	29	(3,799,164)	(2,995,820)
Staff costs	30	(2,400,652)	(2,450,853)
Depreciation and amortisation	6, 7	(64,008)	(108,546)
Financial expense	28	(43,443,818)	(33,079,256)
Other expenses		(537,227)	(1,551,201)
Profit/(Loss) before taxation		159,499,855	22,973,731
Taxation	31	(9,344)	(9,414)
Profit/(Loss) after taxation		159,490,511	22,964,317
Profit/(Loss) per share			
Basic	32	0.079745	0.011485
Diluted	32	0.079690	0.011480

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Translation of the individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	31 Dec 2013	31 Dec 2012
Net Profit / (Loss) for the year	159,490,511	22,964,317
Items that may be reclassified subsequently to profit or loss:		
Changes on fair value of available-for-sale financial assets	67,926,242	(61,201,255)
Transfer of fair value of available-for-sale financial assets to the income statement	-	50,271
Changes in hedge and fair value reserves	3,546,546	2,646,872
Other comprehensive income for the year	71,472,788	(58,504,112)
Total comprehensive income for the year	230,963,299	(35,539,795)

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED AS AT 31 DECEMBER 2013 AND 2012

(Translation of the individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

					Reserves and retained earnings							
(Amounts expressed in euro)	Notes	Share capital	Treasury shares	Legal reserve	Fair value reserve	Hedging reserve	Share based payments reserve	Free reserves	Retained earnings	Total reserves and retained earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2012		2,000,000,000	-	187,137,648	573,554,460	(5,030,164)	825,953	674,376,391	322,737	1,244,049,377	(63,517,229)	3,367,669,796
Total comprehensive income for the year		-	-	-	(61,150,984)	2,646,872	-	-	-	(58,504,112)	22,964,317	(35,539,795)
Appropriation of profit of 2011:												
Transfer to other reserves	17	-	-	-	-	-	-	-	(63,517,229)	(63,517,229)	63,517,229	-
Dividends distributed	34	-	-	-	-	-	-	(66,187,813)	-	(66,187,813)	-	(66,187,813)
Purchase of treasury shares		-	(2,612,424)	-	-	-	-	-	-	-	-	(2,612,424)
Alienação de ações próprias		-	2,346,376	-	-	-	-	98,337	-	98,337	-	2,444,713
Share based payments	19	-	266,048	-	-	-	(170,952)	230,076	-	59,124	-	325,172
Balance as at 31 December 2012		2,000,000,000	-	187,137,648	512,403,476	(2,383,292)	655,001	608,516,991	(63,194,492)	1,055,997,684	22,964,317	3,266,099,649
Balance as at 1 January 2013		2,000,000,000	-	187,137,648	512,403,476	(2,383,292)	655,001	608,516,991	(63,194,492)	1,055,997,684	22,964,317	3,266,099,649
Total comprehensive income for the year		-	-	-	67,926,242	3,546,546	-	-	-	71,472,788	159,490,511	230,963,299
Appropriation of profit of 2012:												
Transfer to legal reserves and other reserves	17	-	-	1,148,216	-	-	-	(41,378,391)	63,194,492	21,816,101	(22,964,317)	-
Dividends distributed	34	-	-	-	-	-	-	(66,200,000)	-	(66,200,000)	-	(66,200,000)
Obligation fulfilled by a third party		-	(515,821)	-	-	-	-	-	-	-	-	(515,821)
Share based payments	19	-	515,821	-	-	-	48,467	(202,621)	-	(154,154)	-	361,667
Balance as at 31 December 2013		2,000,000,000	-	188,285,864	580,329,718	1,163,254	703,468	500,735,979	-	1,082,932,419	159,490,511	3,430,708,794

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Translation of the individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	31 Dec 2013	31 Dec 2012
OPERATING ACTIVITIES			
Cash receipts from trade debtors		476,761	512,727
Cash paid to trade creditors		(3,610,452)	(2,876,547)
Cash paid to employees		(2,477,481)	(2,085,266)
Cash flow generated by operations		(5,611,172)	(4,449,086)
Income taxes (paid) / received		(1,329,687)	(610,903)
Other cash receipts and (payments) relating to operating activities		1,419,123	512,413
Net cash flow from operating activities (1)		(5,521,736)	(4,547,576)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	33	18,640,000	22,689,000
Tangible assets		-	170
Interest and similar income		31,651,988	33,671,828
Dividends	27	202,565,008	29,071,221
Others		2,283,251	3,291,839
Loans granted		994,656,172	668,825,307
		1,249,796,419	757,549,365
Cash payments arising from:			
Investments	33	(10,000,541)	(23,263,454)
Tangible assets		(4,280)	(20,201)
Intangible assets		(10,845)	(9,188)
Others		(4,444,000)	-
Loans granted		(1,113,899,723)	(627,783,241)
		(1,128,359,389)	(651,076,084)
Net cash used in investment activities (2)		121,437,030	106,473,281
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		761,351,683	1,722,262,341
Sale of treasury shares		255,144	2,189,569
		761,606,827	1,724,451,910
Cash payments arising from:			
Loans obtained		(836,267,049)	(1,568,619,259)
Interest and similar charges		(37,484,854)	(30,367,342)
Dividends		(66,198,604)	(66,186,556)
Purchase of treasury shares		-	(2,612,424)
		(939,950,507)	(1,667,785,581)
Net cash used in financing activities (3)		(178,343,680)	56,666,329
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(62,428,386)	158,592,034
Cash and cash equivalents at the beginning of the year	15	158,667,623	75,589
Cash and cash equivalents at the end of the year	15	96,239,237	158,667,623

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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

In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

1 INTRODUCTION

SONAE, SGPS, SA ("the Company" or "Sonae"), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

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

Consolidated financial statements are also presented in accordance with applicable legislation.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying individual financial statements are as follows:

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union effective as at 1 January 2009. This standards were issued by the International Accounting Standards Board ("IASB") and interpretations issued by International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), that have been adopted by the European Union.

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

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

New accounting standards and their impact in the financial statements

Up to the approval date of these financial statements, the European Union endorsed standards, interpretations, amendments and revisions, some of which have become effective during the year 2013. These changes are presented in Note 2 of the notes to the consolidated financial statements. The adoption, during 2013, of the mentioned standards did not produce impacts on the Company financial statements, since they aren't applicable to the Individual financial statements of the Company.

Additionally, there are standards that have been approved for adoption in the periods started on or after 1 January 2014. The company did not early adopt the mentioned standards as the adoption is not mandatory and no significant impacts in the individual financial statements of the company are expected to arise from the application of those standards. The description of these standards is presented in Note 2 of the notes to the consolidated financial statements.

2.2 Tangible assets

Tangible assets acquired up to 1 January 2004 (transition date to IFRS) are recorded at acquisition cost, or revalued acquisition cost in accordance with generally accepted accounting principles in Portugal until that date, net of depreciation and accumulated impairment losses.

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption Depreciation and amortisation.

The impairment losses in the realisable value of tangible assets are recorded in the year they arise in the caption of the income statement - impairment losses.

2.3 Intangible assets

Intangible assets are stated at acquisition cost, net of amortisation and accumulated impairment losses. Intangible assets are only recognised if it is probable that future economic benefits will flow from them, if they are controlled by the Company and if their cost can be reliably measured.

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption depreciation and amortization.

2.4 Borrowing costs

Borrowing costs are usually recognised as an expense in the period in which they are incurred on an accruals basis in accordance with effective interest rate method.

2.5 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the sale must be highly probable and the asset or disposal group is available for immediate sale in its present condition. In addition, the sale should be expected to occur within 12 months from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. These assets are not depreciated.

2.6 Financial instruments

The Company classifies the financial instruments in the categories presented and conciliated with the statement of financial position disclosed in Note 4.

a) Investments

Investments are classified into the following categories:

Held to maturity

Investments measured at fair value through profit or loss

Available for sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the statement of financial position date. Investments classified as held to maturity have defined maturities and the Group has the intention and ability to hold them until the maturity date. Investments measured at fair value through profit or losses are classified as current assets. Available for sale investments are classified as non-current assets.

Equity investments in subsidiaries, associates and jointly controlled companies are classified as available for sale.

The investments measured at fair value through profit or loss include the investments held for trading that the company acquires for sale in a short period of time, and are classified in the statement of financial position as current assets.

The Company classifies as available for sale those investments that are neither included as investments measured at fair value through profit or loss nor as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognized on the trade date, independently of the settlement date.

Investments are initially measured at fair value, which is considered to be the fair value of the consideration paid for them, including transaction costs, in the case of available for sale investments.

Available for sale investments and investments measured at fair value through profit or loss are subsequently measured at fair value, without any deduction for transaction costs which may be incurred on sale, by reference to their quoted market price or independent valuation at the statement of financial position date. Available for sale investments that do not have a quoted market price and whose fair value cannot be reliably measured are stated at cost or last reliable fair value measurement, less impairment losses.

Gains or losses arising from a change in fair value of available for sale investments are recognised directly in equity, under fair value reserve, until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is transferred to net profit or loss.

Gains or losses arising from a change in fair value of investments measured at fair value through profit or loss are recorded in the Income statement captions financial expenses or financial income.

Held to maturity investments are carried at amortised cost using the effective interest rate, net of capital reimbursements and interest income received.

b) Loans and accounts receivable

Loans and accounts receivable are recorded at amortised cost using the effective rate method net of accumulated impairment losses, in order to reflect its realisable value.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when the Company provides money or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the statement of financial position date, situations when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 4.

c) Trade accounts receivable

Receivables are stated at net realisable value corresponding to their nominal value less impairment losses (recorded under the caption impairment losses in accounts receivable).

Impairment is recognised if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the discount is considered null as it is immaterial.

d) Classification as equity or liability

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments which corresponds to their fair value at transaction date.

Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.8. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

f) Trade accounts payable

Trade accounts payable are stated at their nominal value, since it relates to short term debt, and its discount effect is estimated to be immaterial.

g) Derivatives

The Company uses derivatives in the management of its financial risks to hedge such risks and/or in order to optimise funding costs, in accordance with Management interest rate risk policy described in point 3.4.1.

Derivatives classified as cash flow hedge instruments are used by the Company mainly to hedge interest rate risks on loans obtained. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The gain or loss relating to the ineffective portion of the hedge, if any, is recorded in the Income Statement under financial income or expenses.

The Company's criteria for classifying a derivative instrument as a cash flow hedge instrument include:

- the hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;

- the effectiveness of the hedge can be reliably measured;

- there is adequate documentation of the hedging relationships at the inception of the hedge;

- the transaction being hedged is highly probable.

Cash flows hedge instruments used by the Company to hedge the exposure to changes in interest of its loans are initially accounted for at cost, if any which corresponds to its fair value, and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption Hedging reserves, and then recognised in the income statement over the same period in which the hedged instrument affects profit or loss.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption Hedging reserve are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

Derivatives entered into in accordance with interest rate risk management policy described in point 3.4.1 and not eligible for hedge accounting (mainly interest rate option), are initially recorded at cost, which corresponds to fair value at inception, and then, remeasured at fair value through profit and loss under financial income or expenses captions.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host instruments, and this is not stated at fair value through profit or loss.

h) Treasury shares

Treasury shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of treasury shares are recorded in other reserves.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, term deposits and other treasury applications which mature in less than three months and are subject to insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents also include bank overdrafts, which are included in the statement of financial position caption of current bank loans.

j) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period.

k) Impairment

Financial assets, other than investments measured at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Equity instruments classified as available for sale are considered to be impaired if there is a significant or prolonged decline in its fair value below its acquisition cost.

For non listed equity instruments determining whether the investment is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the entity and a suitable discount rate in order to calculate present value.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For investments of non listed subsidiaries, which are measured at acquisition cost less impairment (equity investments and loans granted) the impairment analysis is based on the fair value estimate of its net assets, mainly equity investments in other Company's subsidiaries, less the subsidiaries liabilities measured at fair value.

The above mentioned estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models.

It is the Board of Directors understanding that the use of the above mentioned methodology is adequate to conclude on the eventual existence of financial investments impairment as it incorporates the best available information as at the date of the financial statements.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of equity available for sale securities, impairment losses previously recognised through profit or loss are not reversed. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

2.7 Contingent assets and liabilities

Contingent assets are not recorded in the financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are not recorded in the financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

2.8 Revenue recognition and accrual basis

Revenue from services rendered is recognised in the income statement in the period they are performed.

Dividends are recognised as income in the year they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

Other current assets and other current liabilities include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but that correspond to income or expenses of future years, when they will be recognized in the income statement.

2.9 Subsequent events

Events after the statement of financial position date that provide additional information about conditions that existed at the statement of financial position date (adjusting events), are reflected in the financial statements. Events after the statement of financial position date that are non-adjusting events are disclosed in the notes when material.

2.10 Judgements and estimates

The most significant accounting estimates reflected in the financial statements are as follows:

a) Record of adjustments to the value of assets and provisions;

b) Impairment analysis of financial investments and loans granted to affiliated and associated companies;

Estimates used are based on the best information available during the preparation of these financial statements and are based on the best knowledge of past and present events. Although future events are not controlled by the Company and are not foreseeable, some could occur and have impact on the estimates. Therefore and due to this uncertainty the outcome of the transactions being estimated may differ from the initial estimate. Changes to the estimates used by management that occur after the approval date of these consolidated financial statements, will be recognised in net income prospectively, in accordance with IAS 8.

The main estimates and assumptions in relation to future events included in the preparation of these financial statements are disclosed in the correspondent notes, if applicable.

2.11 Share-based payments

Deferred performance bonus plans are indexed to Sonae share price and are classified as share-based payments. These bonus plans vest within a period of 3 years after being granted.

Share-based payments are measured at fair value on the date they are granted (usually in March of each year).

When the plans are equity settled, by the delivery of Sonae shares, the value of each plan is determined as at the grant date based on fair value of shares granted and recognized rateably during the period of each plan. The fair value of the plan is recognized as staff costs against equity.

When settlement is made in cash the value of such liabilities shall be determined at the grant date and subsequently updated at the end of each reporting period based on the number of shares and the corresponding fair value at the closing date. These obligations are recognized as staff costs and other current liabilities, and are recorded on a straight-line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates.

2.12 Income tax

Current income tax is determined in accordance with tax rules in force in Portugal, considering the taxable profit for the period.

Deferred taxes are calculated using the statement of financial position liability method. Deferred tax assets are recognised only when its use is probable.

3 FINANCIAL RISK MANAGEMENT

3.1 Introduction

The ultimate purpose of financial risk management is to support the Company in the achievement of its strategy by reducing unwanted financial risk and volatility and mitigate any negative impacts in the profit or loss statement arising from such risks.

The Group's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not enter into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Financial risk management policies are approved by the Sonae Executive Committee. Exposures are identified and monitored by the Finance Department. Exposures are also monitored by the Finance Committee as noted in the Corporate Governance Report.

3.2 Credit risk

Credit risk is defined as the probability of a counterparty defaulting on its payment contractual obligations resulting in a financial loss. Sonae is a Holding company without any relevant commercial or trade activity, other than the normal activities of a portfolio manager. As such, it is only exposed, on a regular basis, to credit risk resulting from its investing activities (holding cash and cash equivalent instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities) or from its lending activities to subsidiaries.

Additionally, Sonae may sometimes also be exposed to credit risk as a result of its portfolio management activities (buying or selling investments), but in those exceptional situations risk reducing mechanisms and actions are implemented on a case by case basis (bank guarantees, escrow accounts, collaterals, among others) under the supervision of the Executive Committee.

In order to reduce the probability of counterparties default Sonae transactions (short term investments and derivatives) are only concluded in accordance with the following principles:

- Only carry out transactions (short term investments and derivatives) with counterparties that have been selected based on its high national and international reputation, and taking, into account its rating notations and the nature, maturity and extension of the operations;

- Sonae should only invest in previously authorized financial instruments. The definition of the eligible instruments, for the investment of temporary excess of funds or derivatives, was made with a conservative approach (essentially consisting in short term monetary instruments, in what excess of funds is concerned and instruments that can be split into components and that can be properly fair valued, with a loss cap);

- In relation to excess funds: i) those are preferentially used, whenever possible and when more efficient to repay debt, or invested preferably in instruments issued by relationship banks in order to reduce exposure on a net basis, and ii) may only be applied on pre approved instruments;

- Any departure from the above mentioned policies needs to be pre-approved by the Executive Committee.

Given the above mentioned policies and the credit ratings restrictions imposed management does not expect any material failure in contractual obligations from its external counterparties. Nevertheless, exposure to individual counterparties resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Financial Department and any departure is promptly reported to the Executive Committee and Finance Committee.

Settlement risk is also a risk faced by Sonae, which is managed through the rigorous selection of its brokers which must be highly rated counterparties.

In relation to credit risk resulting from loans granted to subsidiaries, there is no specific risk management policy as the financing of its subsidiaries is part of the main operations of a holding company.

3.3 Liquidity risk

Sonae needs to raise external funds to finance its activities and investing plans. It holds a diversified loan portfolio, essentially made up of long term bond financing, but which also includes a variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2013 the total gross debt was 696 million euro (780 million euro as at 31 December 2012) (Note 20).

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy.

Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining, with its relationship banks, a combination of short and medium term committed credit facilities, commercial paper programme with sufficiently comfortable previous notice cancellation periods within a range between 30 and 360 days;

- Maintenance of commercial paper with different periods, that allow, in some cases, to place the debt directly in institutional investors;

- Detailed rolling annual financial planning, with monthly, weekly and daily cash adjustments in order to forecast cash requirements;

- Diversification of financing sources and counterparties;

- Ensuring an adequate debt average maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. As at 31 December 2013 Sonae debt average life maturity was 1.3 years (1.9 years as at 31 December 2012);

- Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination;

- Where possible, by prefinancing forecasted liquidity needs;

- Management procedures of short term applications, assuring that the maturity of the applications will match with foreseen liquidity needs, including a margin to hedge forecasting deviations. The reliability of the treasury forecasts is an important variable to determine the amounts and the periods of the market applications/borrowings.

Sonae maintains a liquidity reserve in the form of credit lines with its relationship banks, to ensure the ability to meet its commitments without having to refinance itself on unfavourable terms. Sonae has a total of 201.5 million euro committed credit facilities, of which only 28% are cancellable with a notice period of 6 months and the remainder with no less than a 360 days' notice period. Considering the credit lines used at 31 December 2013 181.5 million euro are available (as at 31 December 2012 Sonae had credit facilities committed amounting to 181.5 million euro). Sonae expects to meet all its obligations by means of its investments cash flows and from its financial assets as well as from drawing existing available credit lines, if needed. Furthermore, Sonae maintains a liquidity reserve that includes cash and cash equivalents and current investments amounting to 96 million euro as at 31 December 2013 (159 million euro as at 31 December 2012).

3.4 Interest rate risk

3.4.1 Policy

Sonae is exposed to cash flow interest rate risk in respect of items in the statement of financial position (Loans and Short Term Investments) and to fair value interest rate risk as a result of interest rate derivatives (swaps, FRA's and options). Most of Sonae debt bears variable interest rates, and interest rate derivatives may be entered into to convert part of the variable rate debt into fixed rate (usually through interest rate swaps or Forward Rate agreements), or to limit the maximum rate payable (usually through zero cost collars or the purchased caps).

Sonae mitigates interest rate risk by adjusting the proportion of its debt that bears fixed interest to that which bears floating interest although without a fixed goal or percentage to achieve since hedging interest rate risk usually has an opportunity cost associated. Therefore a more flexible approach is considered preferable to a more strict traditional approach. Part of the risk is also mitigated by the fact that Sonae grants loans bearing interest at variable interest rates to its subsidiaries as part of its usual activities and thus there may be some degree of natural hedging on a company basis, since if interest rates increase the additional interest paid would be partially offset by additional interest received.

Sonae hedging activities do not constitute a profit-making activity and derivatives are deemed to be entered into without any speculation purpose. Strict rules are observed in relation to any derivative transaction entered into:

- For each derivative or instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be the same as the settlement dates of the hedging instrument to avoid any mismatch and hedging inefficiency;

- Perfect match between the base rates (the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility / transaction);

- The maximum cost of the hedging operation is known and limited, even in scenarios of extreme change in market interest rates, so that the resulting interest rates are within the cost of the funds considered in Sonae's business plans (or in extreme scenarios are not worse than the underlying cost of the floating rate);

- The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, as described in 3.2. above - Credit Risk Management. It is Group policy that, when contracting such instruments, preference should be given to financial institutions that form part of Sonae's existing relationships, whilst at the same time obtaining quotes from a sufficient large sample of banks to ensure optimum conditions;

- Swaps fair value was determined by discounting estimated future cash flows to the statement of financial position date. The cash flows result from the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg. For options, the fair value is calculated according the "Black-Scholes" model and other similar models. The future cash-flow estimates are based on market forward interest rates, discounted to the present using the most representative market rates. The estimate is supported on reliable sources, such as those conveyed by Bloomberg and others. Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the evaluation. This estimate assumes all other variables constant.

- All transactions are documented under ISDA's Agreements;

- All transactions which do not follow the rules above have to be individually approved by the Executive Committee, and reported to the Financial Committee, namely transactions entered into with the purpose of optimising the cost of debt when deemed appropriate according to prevailing financial market conditions.

Sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, they are included in the calculation of income-related sensitivities;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7;

- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;

- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculations;

- Changes in the market interest rate of interest rate derivatives that are not part of a hedging relationship as set out in IAS 39 affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations;

- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;

- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under the previously mentioned assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the company net profit before tax as at 31 December 2013 (individual statements) would decrease by approximately 1.6 million euro (as at 31 December 2012 would decrease 1.5 million euro). Total equity, as at 31 December 2013, (not considering the impact over net profit) would increase by about 568 thousand euro (3.2 million as at 31 December 2012) as a result of the effect of changing interest rate up 75 basis points.

3.5 Foreign exchange risk

Due to its nature of Holding company, Sonae has very limited transaction exposure to foreign exchange risk. Normally, when such exposures arise Foreign exchange risk management seeks to minimise the volatility of such transactions made in foreign currency and to reduce the impact on the income statement of exchange rate fluctuations. When significant material exposures occur with a high degree of certainty, Sonae hedges such exposures mainly through forward exchange rate contracts. For uncertain exposures, options may be considered, subject to pre-approval from the company's Executive Committee.

Sonae does not have any material foreign exchange rate exposure at holding level, since almost all equity and loans to subsidiaries are denominated in euro.

3.6 Price risk and market risk

The Group is exposed to equity price risks arising from equity investments, maintained for strategic rather than for trading purposes as the group does not actively trade these investments. These investments are presented in Notes 8.

For the investment in Sonaecom, SGPS, SA a 10% change in the shares price would have an impact in total equity amounting to 19.7 million euro.

4 FINANCIAL INSTRUMENTS BY CLASS AND FAIR VALUE

The accounting policies disclosed in note 2.6 have been applied to the line items below:

		31 Dec 2013				
Financial Assets	Notes	Loans and accounts receivable	Available for sale	Sub Total	Assets not within scope of IFRS 7	Total
Non-current assets						
Investments in affiliated companies	8	-	3,638,337,796	3,638,337,796	-	3,638,337,796
Other available for sale investments	9	-	29,367,435	29,367,435	-	29,367,435
Other non-current assets	10	472,066,551	-	472,066,551	-	472,066,551
		472,066,551	3,667,705,231	4,139,771,782	-	4,139,771,782
Current assets						
Trade accounts receivables	11	468,059	-	468,059	-	468,059
Other debtors	12	11,194,379	-	11,194,379	-	11,194,379
Other current assets	14	3,184,466	-	3,184,466	117,606	3,302,072
Cash and cash equivalents	15	96,239,237	-	96,239,237	-	96,239,237
		111,086,141	-	111,086,141	117,606	111,203,747
		583,152,692	3,667,705,231	4,250,857,923	117,606	4,250,975,529

		31 Dec 2012				
Financial Assets	Notes	Loans and accounts receivable	Available for sale	Sub Total	Assets not within scope of IFRS 7	Total
Non-current assets						
Investments in affiliated companies	8	-	3,503,796,314	3,503,796,314	-	3,503,796,314
Other available for sale investments	9	-	38,628,607	38,628,607	-	38,628,607
Other non-current assets	10	352,823,000	-	352,823,000	-	352,823,000
		352,823,000	3,542,424,921	3,895,247,921	-	3,895,247,921
Current assets						
Trade accounts receivables	11	467,461	-	467,461	-	467,461
Other debtors	12	11,287,813	-	11,287,813	-	11,287,813
Other current assets	14	1,974,168	-	1,974,168	82,911	2,057,079
Cash and cash equivalents	15	158,667,623	-	158,667,623	-	158,667,623
		172,397,065	-	172,397,065	82,911	172,479,976
		525,220,065	3,542,424,921	4,067,644,986	82,911	4,067,727,897

		31 Dec 2013				
Financial Liabilities	Notes	Derivatives used for cash flow hedging	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities						
Bonds	20	-	447,088,540	447,088,540	-	447,088,540
Bank loans	20	-	94,420,250	94,420,250	-	94,420,250
Other non-current liabilities		1,127,105	-	1,127,105	-	1,127,105
		1,127,105	541,508,790	542,635,895	-	542,635,895
Current liabilities						
Bonds	20	-	149,972,236	149,972,236	-	149,972,236
Bank loans	20	-	1,961,683	1,961,683	-	1,961,683
Other loans	20	2,421,024	-	2,421,024	-	2,421,024
Trade accounts payable		-	189,969	189,969	-	189,969
Other payables accounts	21	-	114,842,829	114,842,829	-	114,842,829
Other current liabilities	22	-	9,133,850	9,133,850	1,401,840	10,535,690
		2,421,024	276,100,567	278,521,591	1,401,840	279,923,431
		3,548,129	817,609,357	821,157,486	1,401,840	822,559,326

Financial Liabilities	Notes	31 Dec 2012 Derivatives used for cash flow hedging	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities						
Bonds	20	-	595,047,114	595,047,114	-	595,047,114
Bank loans	20	-	74,024,250	74,024,250	-	74,024,250
Other non-current liabilities		3,992,080	-	3,992,080	-	3,992,080
Other loans	20	6,993,896	-	6,993,896	-	6,993,896
		10,985,976	669,071,364	680,057,340	-	680,057,340
Current liabilities						
Bonds	20	-	99,919,906	99,919,906	-	99,919,906
Bank loans	20	-	1,961,683	1,961,683	-	1,961,683
Other loans	20	1,674,286	-	1,674,286	-	1,674,286
Trade accounts payable		-	443,191	443,191	-	443,191
Other payables accounts	21	-	7,680,960	7,680,960	-	7,680,960
Other current liabilities	22	-	10,275,049	10,275,049	878,286	11,153,335
		1,674,286	120,280,789	121,955,075	878,286	122,833,361
		12,660,262	789,352,153	802,012,415	878,286	802,890,701

Financial instruments at fair value

The table below details the financial instruments that are measured at fair value after initial recognition, grouped into 3 levels according to the possibility of observing its fair value on the market:

	31 Dec 2013			31.Dec.2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair values						
Investments in affiliated companies	196,989,312	-	500,118,000	5,079,830	-	524,986,000
Other investments	-	-	29,315,009	-	-	19,936,181
	196,989,312	-	529,433,009	5,079,830	-	544,922,181
Financial liabilities at fair value						
Derivatives	1,127,105	2,421,024	-	3,992,080	8,668,182	-
	1,127,105	2,421,024	-	3,992,080	8,668,182	-

Level 1: fair value is determined based on market prices for assets

Level 2: fair value is determined based on valuation techniques. The main inputs of the valuation models are observable in the market;

Level 3: fair value is determined based on valuation models, whose main inputs are not observable in the market.

The investments presented as level 3 correspond to companies/funds operating in the real estate business, which fair value is determinated based on the net asset value of the assets held by those entities. This amount is determinated based on independent valuations of its real estate, mainly based on the income that is expected to be earned by properties, updated by required rates of return, which are observable on the market.

5 CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

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

6 TANGIBLE ASSETS

As at 31 December 2013 and 2012 tangible assets movements are as follows:

	Plant and machinery	Vehicles	Fixtures and fittings	Others	In progress	Total
Gross cost						
Opening balance as at 1 January 2012	121,578	194,768	1,649,144	723	-	1,966,213
Increase	50	-	-	-	20,151	20,201
Decrease	-	-	(2,000)	-	-	(2,000)
Transfers and write-offs	11,114	-	9,037	-	(20,151)	-
Opening balance as at 1 January 2013	132,742	194,768	1,656,181	723	-	1,984,414
Increase	-	-	2,104	-	2,271	4,375
Decrease	-	-	-	-	-	-
Transfers and write-offs	-	-	549	-	(549)	-
Closing balance as at 31 December 2013	132,742	194,768	1,658,834	723	1,722	1,988,789
Accumulated depreciation						
Opening balance as at 1 January 2012	25,438	194,768	1,536,453	723	-	1,757,382
Increase	13,585	-	37,405	-	-	50,990
Decrease	-	-	(2,000)	-	-	(2,000)
Opening balance as at 1 January 2013	39,023	194,768	1,571,858	723	-	1,806,372
Increase	13,271	-	24,368	-	-	37,639
Decrease	-	-	-	-	-	-
Closing balance as at 31 December 2013	52,294	194,768	1,596,226	723	-	1,844,011
Carrying amount						
As at 31 December 2012	93,719	-	84,323	-	-	178,042
As at 31 December 2013	80,448	-	62,608	-	1,722	144,778

7 INTANGIBLE ASSETS

As at 31 December 2013 and 2012 intangible assets movements are as follows:

	Patents and other similar rights	Software	In progress	Total intangible assets
Gross cost				
Opening balance as at 1 January 2012	167,349	2,682	-	170,031
Increase	-	-	9,188	9,188
Transfers and write-offs	9,188	-	(9,188)	-
Opening balance as at 1 January 2013	176,537	2,682	-	179,219
Increase	10,768	-	76	10,844
Transfers and write-offs	-	76	(76)	-
Closing balance as at 31 December 2013	187,305	2,758	-	190,063
Accumulated depreciation				
Opening balance as at 1 January 2012	90,285	2,608	-	92,893
Increase	57,482	74	-	57,556
Opening balance as at 1 January 2013	147,767	2,682	-	150,449
Increase	26,365	4	-	26,369
Closing balance as at 31 December 2013	174,132	2,686	-	176,818
Carrying amount				
As at 31 December 2012	28,770	-	-	28,770
As at 31 December 2013	13,173	72	-	13,245

8 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2013 and 2012, the Company held investments in the following subsidiaries:

	31 Dec 2013					
Companies	% Held	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	76.86%	1,893,219,480	-	-	-	1,893,219,480
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	3,672,059	-	-	-	3,672,059
Sonae Sierra SGPS, SA (b)	50.00%	524,986,000	-	-	(24,868,000)	500,118,000
Sonaecom, SGPS, SA	20.94%	5,079,830	97,289,802	-	94,619,680	196,989,312
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	731,545
Sontel, BV (c)	35.87%	405,641,099	-	-	-	405,641,099
Total		3,669,296,314	97,289,802	-	69,751,680	3,836,337,796
Impairment		165,500,000	32,500,000	-	-	198,000,000
Total		3,503,796,314	64,789,802	-	69,751,680	3,638,337,796

	31 Dec 2012					
Companies	% Held	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	76.86%	1,893,270,729	-	51,249	-	1,893,219,480
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	3,672,059	-	-	-	3,672,059
Sonae Sierra SGPS, SA (b)	50.00%	586,449,500	-	-	(61,463,500)	524,986,000
Sonaecom, SGPS, SA	0.94%	789,750	3,263,451	-	1,026,629	5,079,830
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	731,545
Sontel, BV (c)	42.86%	405,641,099	-	-	-	405,641,099
Total		3,726,520,983	3,263,451	51,249	(60,436,871)	3,669,296,314
Impairment		165,500,000	-	-	-	165,500,000
Total		3,561,020,983	3,263,451	51,249	(60,436,871)	3,503,796,314

(a) The value of this investment is the price paid in the public tender offer for de-listing occurred in 2006. Since that date no change in the value of the investment was recorded.

(b) Market value was determined based on an independent valuation as at 31 December 2013 and 2012 of assets held by this affiliated company, after deduction of associated net debt and of the share attributable to non-controlling interests. The major assumptions used for the purpose of estimating the fair value of the assets are disclosed on the consolidated financial statements.

(c) Between 2012 and 2013, the percentage of share capital held by Sonae SGPS decreased due to the dilution caused by the capital increase not subscribed by Sonae SGPS.

During 2012, Sonae entered into a contract with Sonaecom, SGPS, SA, in which it agrees to handover Sonaecom shares to employees of that subsidiary during 2016. This obligation stands to 2,780,000 shares with an acquisition cost amounting to 3,263,451 euro. A liability amounting to 3,291,520 euro was recorded under the caption "other non-current liabilities". During the 2013 3rd quarter he number of shares of this contract was reduced to 438,733 and the inherent liability was reduced to 492,436 euro. The change in the fair value of the above mentioned shares and liability was recognized in the income statements.

During the 1st half of 2013, Sonae entered into an agreement with a subsidiary of France Telecom ("FT-Orange") to transfer 20% of the capital of Sonaecom, SGPS, SA to Sonae, SGPS, SA. Sonae recorded this asset as an acquisition with deferred payment, since the shares rights under this agreement are attributed to Sonae. The carrying amount corresponded to the agreed price considering the consolidation of the telecommunications sector in Portugal, discounted to the acquisition date (97,289,802 euro).

In previous years, the Company recorded an impairment loss over the financial investment held in Sontel BV as a result of applying the accounting policy mentioned in 2.6 k, and according to a valuation made by the use of discounted cash flow models, in order to estimate the value in use of those investments. The accumulated impairment loss on this subsidiary amounts to 165,500,000 euro (165,500,000 euro as at 31 December 2012). In the current year the Company recorded an impairment loss on the investment held in Sonae Investments BV amounting to 32,500,000 euro, following the results of the above mentioned policy.

The assumptions used are similar to those used on goodwill impairment test and are disclosed in the consolidated financial statements.

9 OTHER INVESTMENTS

As at 31 December 2013 and 2012 other investments available for sale are as follows:

	31 Dec 2013				
Companies	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	19,936,181	10,000,541	-	(621,713)	29,315,009
Magma No. 1 Securitisation Notes	18,640,000	-	18,640,000	-	-
Total	38,628,607	10,000,541	18,640,000	(621,713)	29,367,435

	31 Dec 2012				
Companies	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	-	20,000,003	-	(63,822)	19,936,181
Magma No. 1 Securitisation Notes	37,680,000	-	19,040,000	-	18,640,000
Sonae Capital, SGPS, SA	6,972,000	-	6,972,000	-	-
Total	44,704,426	20,000,003	26,012,000	(63,822)	38,628,607
Impairment	2,490,000	-	2,490,000	-	-
Total	42,214,426	20,000,003	23,522,000	(63,822)	38,628,607

During the 1st half of 2013 Sonae acquired 12,392 shares in Fundo de Investimento Imobiliário Fechado Imosede. The change in fair value recorded was based on the value for the investment fund disclosed by the managing company as at 31 December 2013 and 2012.

In December 2008, the Company has completed the subscription of securitized assets, through a private offering, in the amount of approximately 100 million euro, issued by Tagus - Sociedade de Titularização de Créditos, SA named "Magma Nº 1 Securitisation Notes".

These bonds have a maturity of 5 years (2008/2013), and are amortized in equal quarterly instalments, having as underlying asset the future receivables to be generated under a portfolio of existing corporate customer contracts of Sonaecom - Serviços de Comunicações, SA, with a comfortable over colaterization, which strongly minimize this investment credit risk.

These bonds were fully reimbursed in 2013.

10 OTHER NON-CURRENT ASSETS

As at 31 December 2013 and 2012 other non-current assets are as follows:

	31 Dec 2013	31 Dec 2012
Loans granted to group companies:		
Sonae Investments, BV	124,666,551	5,403,000
Sonae Investimentos, SGPS, SA	347,400,000	347,400,000
Sontel, BV	-	20,000
	472,066,551	352,823,000

The amount recognized under the caption loans granted to Sonae Investimentos, SGPS, SA, refers to a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions in 28 december 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rate with full reimbursement in the end of the period. In December 2011, 1,052 bonds were sold to a subsidiary for 42,080,000 euro.

The fair value of the bonds related to this loan as at 31 December 2013, is 41,495 euro (42,606 euro as at 31 December 2012) per bond, according with a valuation made by the use of discounted cash flow models. There is no evidence of impairment on this loan.

The other loans granted to group companies, bear interest at market rates indexed to Euribor, have a long term maturity and its fair value is similar to its carrying amount.

There are no past due or impaired receivable balances as at 31 December 2013 and 2012. The eventual impairment of loans granted to group companies is assessed in accordance with note 2.6.k).

11 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable amounted to 468,059 euro and 467,461 euro as at 31 December 2013 and 2012 respectively, and include balances arising solely from services rendered to group companies.

As at the statement of financial position dates there are no accounts receivable past due, and no impairment loss was recorded, as there are no indications as of the reporting date that the debtors will not meet their payment obligations.

12 OTHER DEBTORS

As at 31 December 2013 and 2012 other debtors are as follows:

	31 Dec 2013	31 Dec 2012
Group companies - Interest:		
Sonae Investments, BV	388,391	138,928
Sontel, BV	-	1,202
	388,391	140,130
Group companies - Dividends:		
Sonae Sierra SGPS, SA	10,567,050	10,567,050
	10,567,050	10,567,050
Other debtors		
Others	238,938	580,633
	11,194,379	11,287,813

Loans granted to group companies return interest at variable market rates indexed to Euribor and have a maturity less than one year.

There were no assets impaired or past due as at 31 December 2013 and 2012. The fair value of loans granted is similar to its carrying amount.

13 TAXES

As at 31 December 2013 and 2012 taxes balances are as follows:

Assets	31 Dec 2013	31 Dec 2012
Advance payments	26,064	117,872
Taxes withheld	1,332,258	1,110,404
Others	1,230,698	41,984
	2,589,020	1,270,260

Liabilities	31 Dec 2013	31 Dec 2012
Income tax charge for the year	7,768	9,350
Taxes withheld		
Staff	38,891	42,534
Capital	227,628	52,769
Value added tax	168,802	97,420
Social security contributions	11,363	12,426
Stamp duty	-	120
	454,452	214,619

The amount recorded under the caption “Others” relates to income tax receivables, still unreimbursed.

14 OTHER CURRENT ASSETS

As at 31 December 2013 and 2012 other current assets are as follows:

	31 Dec 2013	31 Dec 2012
Accrued income	3,184,466	1,974,168
Prepayments	117,606	82,911
	3,302,072	2,057,079

The amount recorded under the caption “Accrued income” relates essentially to the interests to be received for loans granted and commissions from guarantees given to subsidiaries.

15 CASH AND CASH EQUIVALENTS

As at 31 December 2013 and 31 December 2012 cash and cash equivalents are as follows:

	31 Dec 2013	31 Dec 2012
Cash in hand	89	89
Bank deposits	96,239,148	158,667,534
Cash and cash equivalents on the balance sheet	96,239,237	158,667,623
Cash and cash equivalents on the cash flow statement	96,239,237	158,667,623

As at 31 December 2013 the company held bank deposits amounting to 44,000,000 euro, which had less than a three month maturity period and where redeemed in early 2014, the remaining bank deposits are readily convertible.

16 SHARE CAPITAL

As at 31 December 2013 and 2012 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

As at 31 December 2013 and 2012 Efanor Investimentos, SGPS, SA and affiliated companies held 52.48% of Sonae's share capital.

17 LEGAL RESERVE

The company has set up legal reserves in accordance with Commercial Companies Code. In 2013, 1,148,216 euro was transferred from profit for the year to legal reserves.

18 HEDGING RESERVE, FAIR VALUE RESERVE AND OTHER RESERVES

As at 31 December 2013 and 2012 other reserves are detailed as follows:

	31 Dec 2013	31 Dec 2012
Free reserves	500,735,979	608,516,991
Hedging reserve	1,163,254	(2,383,292)
Fair value reserve:		
Sonae Investimentos, SGPS, SA	477,128,820	477,128,820
Sonae Sierra, SGPS, SA	10,004,660	34,872,661
Sonaecom, SGPS, SA	93,881,772	465,819
Fundo de Investimento Imobiliário Fechado Imosede	(685,534)	(63,824)
Share-based payments reserve (Note 19)	703,468	655,001
	1,082,932,419	1,119,192,176

Movements occurred in 2013 and 2012 in these reserves are detailed in the Company Statement of changes in equity and in the statement of comprehensive income.

Hedging reserves corresponds to the effective portion of changes in fair value of derivatives that qualify for cash flow hedge accounting.

Fair value reserves correspond to changes in the fair value of the financial instruments classified as available for sale

The share-based payments reserve relates to equity-share based payments under the deferred performance bonuses.

19 SHARE-BASED PAYMENTS

In 2013 and in previous years, according to the remuneration policy disclosed in its Corporate Governance Report, Sonae granted deferred performance bonuses to its directors. These are based on shares to be acquired at nil cost, three years after being attributed to the director. These shares are only granted if the employee still works for Sonae on the vesting date.

As at 31 December 2013 and 2012, the outstanding plans were as follows:

	Vesting period		31 Dec 2013		31 Dec 2012	
	Year of grant	Vesting year	Number of participants	Number of shares	Number of participants	Number of shares
Plan 2009	2010	2013	-	-	1	485,707
Plan 2010	2011	2014	1	502,379	1	481,878
Plan 2011	2012	2015	1	947,551	1	908,883
Plan 2012	2013	2016	2	601,730	-	-

The fair values of the attributed shares for the outstanding plans can be detailed as follows:

	Year of grant	Vesting year	Grant date	31 Dec 2013	31 Dec 2012
Plan 2009	2010	2013	313,200	-	333,681
Plan 2010	2011	2014	345,000	526,995	331,050
Plan 2011	2012	2015	335,400	993,981	624,403
Plan 2012	2013	2016	404,600	631,215	-

During the year the movements occurred can be detailed as follows:

Number of shares	31 Dec 2013	31 Dec 2012
Opening balance	1,876,468	1,509,756
Changes during the year:		
Attributed	660,899	986,038
Vested	(485,707)	(619,326)
Closing balance	2,051,660	1,876,468

Amount	31 Dec 2013	31 Dec 2012
Recorded as staff cost in the year	361,668	325,172
Recorded as staff cost in previous year	341,800	329,829
	703,468	655,001

20 BORROWINGS

As at 31 December 2013 and 2012 this caption included the following loans:

	31 Dec 2013	31 Dec 2012
Bonds Sonae, SGPS 2007/2014	-	150,000,000
Bonds Sonae, SGPS 2010/2015	250,000,000	250,000,000
Bonds Continente - 7% - 2012/2015	200,000,000	200,000,000
Up-front fees not yet charged to income statement	(2,911,460)	(4,952,886)
Bonds	447,088,540	595,047,114
Bank loan 2012/2015	75,000,000	75,000,000
Commercial paper	20,000,000	-
Up-front fees not yet charged to income statement	(579,750)	(975,750)
Bank loans	94,420,250	74,024,250
Derivatives	-	6,993,896
Non-current loans	541,508,790	676,065,260
Bonds Sonae, SGPS 2005/2013	-	100,000,000
Bonds Sonae, SGPS 2007/2014	150,000,000	-
Up-front fees not yet charged to income statement	(27,764)	(80,094)
Bonds	149,972,236	99,919,906
Derivatives	2,421,024	1,674,286
Bank loan 2012	1,961,683	1,961,683
Current loans	154,354,943	103,555,875

As at 31 December 2013 and 2012, all the loans bear interests at variable interest rates, except for "Bonds Continente – 7%". The above mentioned loans estimated fair value is considered to be near its carrying amount. Loans fair value was determined by discounting estimated future cash flows, except for

"Continente 7%" bond loan, which fair value was determined based on market price at the statement of financial position date.

Maturity of Borrowings

As at 31 December 2013 and 2012 the analysis of the maturity of loans excluding derivatives is as follows:

	31 Dec 2013		31 Dec 2012	
	Nominal value	Interests	Nominal value	Interests
N+1	151,961,683	24,500,964	101,961,683	25,514,464
N+2	525,000,000	20,534,139	150,000,000	23,820,144
N+3	-	766,770	525,000,000	19,817,448
N+4	-	764,675	-	-
N+5	20,000,000	693,445	-	-

The interest amount was calculated considering the applicable interest rates for each loan at 31 December.

The amount of credit facilities aimed to cover cash shortages as at 31 December 2013 and 2012 are as follows:

	31 Dec 2013		31 Dec 2012	
	Commitments of less than one	Commitments of more than one	Commitments of less than one	Commitments of more than one
Agreed credit facilities amounts	181,500,000	20,000,000	146,500,000	35,000,000
Available credit facilities amounts	181,500,000	-	146,500,000	35,000,000

Interest rate as at 31 December 2013 of the bonds and bank loan was, in average, 3.58% (3.37% as at 31 December 2012).

Interest rate derivatives

The financial instruments considered to be hedging instruments are, mainly variable to fixed interest rates swaps entered into with the purposes of hedging interest rate risk of borrowings amounting to 150 million euro, 100% of the loans were hedge, (250 million euro as at 31 December 2012) which fair value amounted to -2,421,024 euro (-8,668,182 euro as at 31 December 2012).

These interest rate derivatives are valued at fair value, at the statement of financial position date, based on valuations performed by the Group using specific software. The fair value of swaps was calculated, as at the statement of financial position date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg of the derivative, estimated at rate setting dates based on yield curves from Bloomberg.

As at 31 December 2013 and 2012, derivatives have the following estimated cash flows:

	31 Dec 2013	31 Dec 2012
N+1	(2,423,065)	(6,297,744)
N+2	-	(2,393,076)

21 OTHER CREDITORS

As at 31 December 2013 and 2012 other creditors are as follows:

	31 Dec 2013	31 Dec 2012
Group companies - Short term loans:		
Sonae Investments, BV	12,426,000	-
Sontel, BV	-	7,296,265
Sonaecenter Serviços, SA	104,000	145,135
	12,530,000	7,441,400
Shareholders	71,746	70,350
Others	102,241,083	169,210
	114,842,829	7,680,960

The amount recorded under the caption "other creditors" includes 102.095.077 euro (discounted to 31 December 2013 which will be paid in August 2014) relating the acquisition of 20% share capital of Sonaecom, SGPS, SA (note 8).

22 OTHER CURRENT LIABILITIES

As at 31 December 2013 and 2012 other current liabilities are as follows:

	31 Dec 2013	31 Dec 2012
Accruals:		
Salaries	605,802	525,658
Interest	9,133,850	10,275,049
Others	796,038	352,628
	10,535,690	11,153,335

23 CONTINGENT LIABILITIES

As at 31 December 2013 and 2012, contingent liabilities were guarantees given are as follows

	31 Dec 2013	31 Dec 2012
Guarantees given:		
on tax claims	71,421,912	48,093,333
on judicial claims	70,766	70,766
Guarantees given in the name of subsidiaries (a)	272,612,454	230,569,501

a) Guarantees given to Tax Authorities in favour of subsidiaries to defer tax claims.

The caption guarantees given on tax claims includes guarantees in favor of Tax authorities regarding 2007, 2008 and 2009 income tax. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007 as well as to the disregarded of reinvestment concerning capital gains in shares disposal and the fact that demerger operations shall be considered neutral for income tax proposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.

No provision has been recorded to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for the Company.

24 OPERATIONAL LEASES

As at 31 December 2013 and 2012, the company had operational lease contracts, as a lessee, whose minimum lease payments had the following schedule:

	31 Dec 2013	31 Dec 2012
Due in		
N+1 automatically renewable	257,846	255,319
N+1	22,276	25,242
N+2	7,445	22,276
N+3	7,445	7,445
N+4	3,102	7,445
N+5	-	3,102
	298,114	320,829

In 2013 Sonae recognized costs on operational leases amounting 278,714 euro (278,773 euro as at 31 December 2012).

25 RELATED PARTIES

As at 31 December 2013 and 2012 balances and transactions with related parties are as follows:

Balances	31 Dec 2013	31 Dec 2012
Group companies	3,836,846	2,576,963
Jointly controlled companies	10,780,435	10,779,542
Other partners in group companies	98,005	98,000
Accounts receivable	14,715,286	13,454,505
Parent company	767,423	912,998
Group companies	1,462,346	3,738,595
Jointly controlled companies	2,098	39,654
Other partners in group companies	4,712	4,533
Accounts payable	2,236,579	4,695,780
Group companies	472,066,551	352,823,000
Loans granted	472,066,551	352,823,000
Group companies	12,530,000	7,441,400
Loans obtained	12,530,000	7,441,400
Transactions	**31 Dec 2013**	**31 Dec 2012**
Group companies	3,291,362	2,602,884
Jointly controlled companies	217,612	217,467
Other partners in group companies	100,169	100,000
Services rendered	3,609,143	2,920,351
Parent company	639,260	305,324
Group companies	1,305,465	1,130,900
Jointly controlled companies	64,095	65,660
Other partners in group companies	10,649	29,675
Purchases and services obtained	2,019,469	1,531,559
Group companies	31,330,427	31,731,142
Interest income	31,330,427	31,731,142
Parent company	-	607,674
Group companies	2,824,595	1,202,304
Interest expenses	2,824,595	1,809,978
Group companies	202,565,008	17,203,611
Jointly controlled companies	-	10,567,050
Dividend income (Note 27)	202,565,008	27,770,661
Group companies	-	80,000
Other partners in group companies	-	3,569,000
Disposal of investments (Note 33)	-	3,649,000
Other partners in group companies	10,000,541	20,000,003
Acquisition of investments (Note 33)	10,000,541	20,000,003
Group companies	-	2,061,797
Jointly controlled companies	-	382,914
Sale of treasury shares	-	2,444,711

All Sonae, SGPS, S.A. subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements. All Efanor Investimentos, SGPS, SA (parent company), subsidiaries, including the ones of Sonae Indústria, SGPS, SA and of Sonae Capital, SGPS, SA (other partners in group companies) are also considered related parties.

The remuneration of the Board of Directors for the years ended 31 December 2013 and 2012 is detailed as follows:

	31 Dec 2013	31 Dec 2012
Variable - short term	1,969,861	1,958,940
Share based payments	541,400	404,600
	2,511,261	2,363,540

In 2013 and 2012 no loans were granted to the Company's Directors.

As at 31 December 2013 and 2012 no balances existed with the Company's Directors.

26 SERVICES RENDERED

Services rendered amounted to 477,612 euro and 476,701 euro, in 31 December 2013 and 2012, respectively. Services rendered include management fees over subsidiaries in accordance with Holding companies law.

27 GAINS OR LOSSES RELATED TO INVESTMENTS

As at 31 December 2013 and 2012 investment income are as follows:

	31 Dec 2013	31 Dec 2012
Dividends received (Note 25)	202,565,008	27,770,661
Gains/(Losses) on sale of investments	2,283,250	(934,201)
Impairment losses (Note 8)	(32,500,000)	-
Gains / (losses) on sale investments	(375,298)	-
	171,972,960	26,836,460

Dividends were received from Sonae Investimentos, SGPS, SA (34,158,036 euro), Sonaegest, SA (95,372 euro), Sonaecom, SGPS, SA (411,600 euro) and Sonae Investments BV (167,900,000 euro).

28 FINANCIAL INCOME / EXPENSES

As at 31 December 2013 and 2012 net financial expenses are as follows:

	31 Dec 2013	31 Dec 2012
Interest arising from:		
Bank loans	(3,426,035)	(3,230,432)
Bonds	(21,740,049)	(18,639,880)
Other	(13,768,272)	(7,738,627)
Up front fees on the issuance of debt	(4,180,342)	(3,372,947)
Other financial expenses	(329,120)	(97,370)
Financial expenses	(43,443,818)	(33,079,256)
Interest income	31,787,534	33,388,218
Changes in fair value	2,355,076	-
Finacial income	34,142,610	33,388,218

29 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2013 and 2012 external supplies and services are as follows:

	31 Dec 2013	31 Dec 2012
Operational rents	379,532	376,868
Services obtained	2,361,571	1,941,798
Others	1,058,061	677,154
	3,799,164	2,995,820

30 STAFF COSTS

As at 31 December 2013 and 2012 staff costs are as follows:

	31 Dec 2013	31 Dec 2012
Salaries	2,256,820	2,285,376
Social costs	92,186	88,518
Other staff costs	51,646	76,959
	2,400,652	2,450,853

31 INCOME TAX

Income tax charge for the year amounted to 9,344 euro and 9,414 euro, in 31 December 2013 and 2012, respectively.

31.1 Reconciliation of effective tax rate

The reconciliation between the profit before taxation and the tax charge for the years ended 31 December 2013 and 2012 are summarized as follows:

	31 Dec 2013	31 Dec 2012
Profit before taxes	159,499,855	22,973,731
Dividends	(202,565,008)	(27,770,661)
Impairment losses	32,500,000	-
(Decrease) / Increase to net income for tax purposes	(3,351,364)	1,438,057
Taxable income	(13,916,517)	(3,358,873)
Use of carried forward tax losses	-	-
Tax losses for wich no deferred tax assets were recognized	13,916,517	3,358,873
Net taxable income	-	-
Tax charge @ 25%	-	-
Change in income tax estimate from previous years	1,576	64
Autonomous taxation	7,768	9,350
Municipal surcharge	-	-
Tax charge	9,344	9,414
Effective average tax rate	0.006%	0.041%

31.2 Carried forward tax losses

	31 Dec 2013		31 Dec 2012	
	Carried forward tax loss	Limit for use	Carried forward tax loss	Limit for use
Generated in 2009	3,070,501	2,015	3,070,501	2,015
Generated in 2010	2,812,551	2,014	2,812,551	2,014
Generated in 2011	-	-	-	-
Generated in 2012	3,352,342	2,017	3,358,873	2,017
Generated in 2013	13,916,517	2,018	-	-
	23,151,911		9,241,925	

32 EARNINGS PER SHARE

Earnings per share for the period ended 31 December 2013 and 2012 were calculated taking into consideration the following amounts:

	31 Dec 2013	31 Dec 2012
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	159,490,511	22,964,317
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	159,490,511	22,964,317
Number of shares		
Weighted average number of shares used to calculated basic earnings	2,000,000,000	1,999,432,845
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outsanding shares related with deferred performance bonus	1,838,985	1,673,374
Number of shares that could be acquired at average market price	(459,005)	(700,550)
Weighted average number of shares used to calculated diluted earnings per share	2,001,379,980	2,000,405,669
Profit/(Loss) per share		
Basic	0.079745	0.011485
Diluted	0.079690	0.011480

33 RECEIPTS / PAYMENTS OF INVESTMENTS

During 2013 and 2012, the following receipts and payments occurred:

	31 Dec 2013		
Companies	Total	Amount received	Amount paid
Magma Nº 1 Securitisation Notes	18,640,000	18,640,000	-
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	10,000,541	-	10,000,541
Sonaecom, SGPS, SA	97,289,802	-	-
	125,930,343	18,640,000	10,000,541

	31 Dec 2012		
Companies	Total	Amount received	Amount paid
Magma Nº 1 Securitisation Notes	19,040,000	19,040,000	-
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	20,000,003	-	20,000,003
Sonaecom, SGPS, SA	3,263,451	-	3,263,451
Sonae Investmentos, SGPS, SA	80,000	80,000	-
Sonae Capital, SGPS, SA	3,569,000	3,569,000	-
	45,952,454	22,689,000	23,263,454

34 DIVIDENDS

The Shareholders Annual Meeting held on 30 April 2013, approved the payment of a gross dividend of 0.0331 euro (0.0331 euro 2012) per share was approved, corresponding to a total of 66,200,000 euro (66,200,000 euro in 2012).

For 2013, the Board of Directors proposed a gross dividend of 0.0348 euro per share, totalling 69,600,000 euro. This dividend is subject to approval by shareholders in the Shareholders Annual Meeting.

35 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors on 18 March 2014. These financial statements will be presented to the Shareholders' General Meeting for final approval.

36 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the twelve months period ended 31 December 2013 shareholders' loan contracts were entered into with the following companies:

Sonae Investments, BV

In 2013 short-term loan contracts were entered into with the following companies:

Chão Verde – Sociedade de Gestão Imobiliária, SA

Igimo Sociedade Imobiliária, SA

Imomuro Sociedade Imobiliária, SA

Fozmassimo – Sociedade Imobiliária, SA

Modelo Hiper Imobiliária, SA

Modelo.com – Vendas por Correspondência, SA

Sesagest Projectos e Gestão Imobiliária, SA

Sonae Center Serviços II, SA

Sonae Investments, BV

Sonae Investimentos, SGPS, SA

Sonaecenter, Serviços, SA

Sonaecom, SGPS, SA

As at 31 December 2013, amounts owed by subsidiaries can be detailed as follows:

	Closing Balance
Sonae Investments, BV	124,666,551
Total	124,666,551

As at 31 December 2013 amounts owed to subsidiaries can be detailed as follows:

	Closing Balance
Sonae Investments, BV	12,426,000
Sonaecenter Serviços, SA	104,000
Total	12,530,000

Article 66 A of the Commercial Companies Code

As at 31 December 2013, fees Statutory Auditor amounted to 28,868 euro fully related with audit fees.

The Board of Directors

Belmiro de Azevedo, Chairman

Álvaro Carmona e Costa Portela, member of the Board of Directors

Álvaro Cuervo Garcia, member of the Board of Directors

Bernd Bothe, member of the Board of Directors

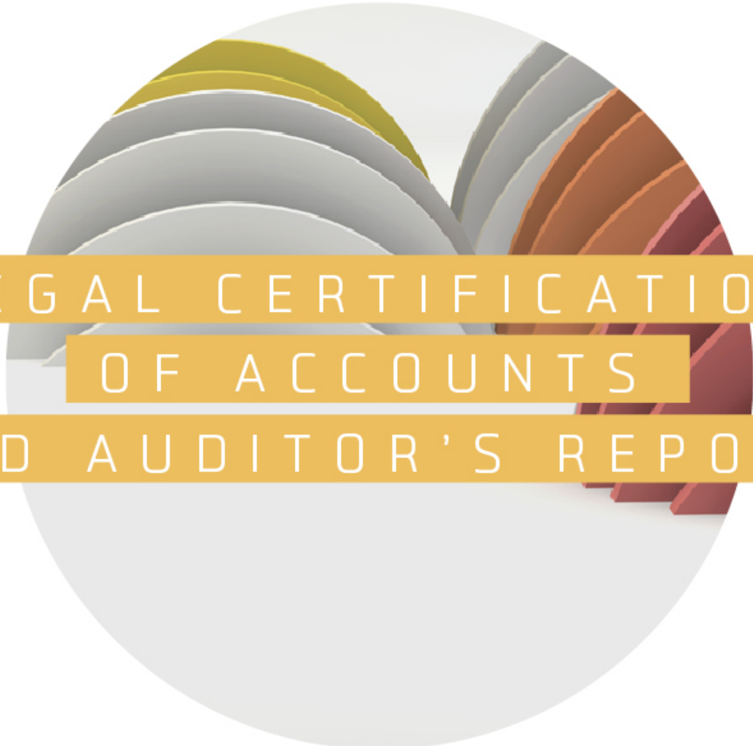
Christine Cross, member of the Board of Directors

Michel Marie Bon, member of the Board of Directors

José Neves Adelino, member of the Board of Directors

Duarte Paulo Teixeira de Azevedo, CEO

Ângelo Gabriel Ribeirinho dos Santos Paupério, member of the Executive Committee



LEGAL CERTIFICATION OF ACCOUNTS AND AUDITOR'S REPORT

STATUTORY AUDIT AND AUDITOR'S REPORT

(Translation of a report originally issued in Portuguese.
In the event of discrepancies, the Portuguese language version prevails.)

Introduction

1. In accordance with the applicable legislation, we present the Statutory Audit Report and the Auditors' Report on the financial information contained in the Report of the Board of Directors and the individual and consolidated financial statements for the year ended 31 December 2013 of Sonae, S.G.P.S., S.A. ("Company") (which comprise the Consolidated and Individual Statements of Financial Position as at 31 December 2013 that presents total consolidated and individual assets of 5,476,537,589 Euro and of 4,253,722,572 Euro respectively, and consolidated and individual equity of 1,908,111,418 Euro and of 3,430,708,794 Euro respectively, including consolidated net profit attributable to the Company's Equity Holders of 318,979,514 Euro and an individual net profit of 159,490,511 Euro), the Consolidated and Individual Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and individual financial information that present a true and fair view of the financial position of the companies included in the consolidation and the Company, the consolidated and individual results and comprehensive income of their operations, the consolidated and individual changes in equity and the consolidated and individual cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate internal control system; and (iv) informing any significant facts that have influenced its operations or the operations of the companies included in the consolidation, its consolidated or individual financial position, its consolidated or individual results and comprehensive income.

3. Our responsibility is to review the financial information contained in the above mentioned account documents, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our examination.

Scope

4. Our examination was performed in accordance with the auditing standards issued by the Portuguese Institute of Statutory Auditors, which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used, the application of the equity method, and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the consolidated and individual financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our examination also comprises verifying that the consolidated and individual financial information contained in the Report of the Board of Directors is in accordance with the other consolidated and individual documents of account, as well as verifying the required in the numbers 4 and 5 of article 451º of Commercial Companies Code. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and individual financial position of Sonae, S.G.P.S., S.A., as at 31 December 2013, the consolidated and individual results and comprehensive income of its operations, the consolidated and individual changes in equity and the consolidated and individual cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union, and the information contained on those is, in accordance with the standards mentioned in the paragraph 4 above, complete, true, timely, clear, objective and licit.

Emphasis

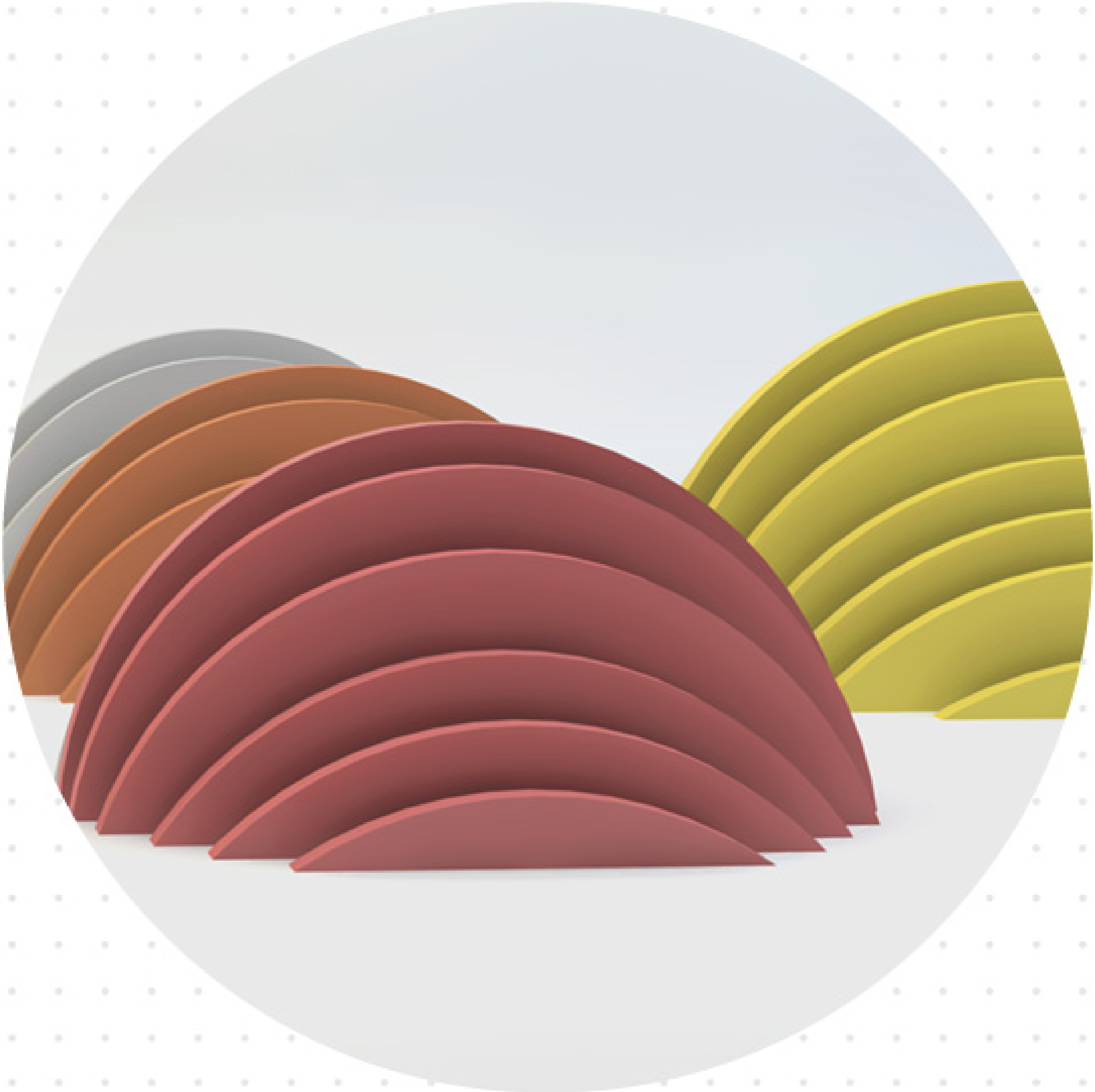
6. As referred in the Report of the Board of Director and in Notes 4 and 8.1. to the consolidated financial statements, on 27 August 2013, Optimus, S.G.P.S., S.A. was merged into Zon Optimus, S.G.P.S., S.A., which became a subsidiary of the jointly controlled entity ZOPT, S.G.P.S., S.A.. As result of loss of control over Optimus, S.G.P.S., S.A. and its subsidiaries, the most part of the telecommunications segment was considered, for presentation purposes, as a discontinued operation and a gain amounting to 442,605,639 Euro was recognized in the caption “Profit from discontinued operations”. As at 31 December 2013, the shareholding interest in ZOPT, S.G.P.S., S.A. is recognized in accordance with the equity method.

Reporting over other legal requirements

7. It is also our opinion that the financial information contained in the Report of the Board of Directors is in accordance with the consolidated and individual financial statements of the year and the reporting of the corporate governance practices includes the elements required to the Company in accordance with article 245º-A of the Securities Market Code.

Porto, 18 March 2014

Deloitte & Associados, SROC S.A.
Represented by António Marques Dias



REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

REPORT AND OPINION OF SONAE SGPS STATUTORY AUDIT BOARD

(Translation of a Report and Opinion originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

To the Shareholders

1 – Report

1.1 - Introduction

In compliance with the applicable legislation and in accordance with the terms of our mandate, the Statutory Audit Board presents its report over the supervision performed and its Report and Opinion on the Report of the Board of Directors and the remaining individual and consolidated documents of accounts for the year ended 31 December 2013, which are the responsibility of the Board of Directors.

1.2 – Supervision

During the year under analysis, the Statutory Audit Board accompanied the management of the Company and its affiliated companies, and has oversaw, with the required scope, the evolution of the operations, the adequacy of the accounting records, the quality and appropriateness regarding the process of preparation and disclosure of financial information, corresponding accounting policies, valuation criteria used as well as the compliance with legal and regulatory requirements.

For that purpose, the Board met quarterly during the year with the presence of Directors and the officers in charge of Planning and Control department, Administrative and Accounting department, Treasury and Finance department, Tax department, Internal Audit department, Risk Management department, the Statutory Auditor and External Auditor and Sonae's ombudsman. Additionally, the Statutory Audit Board participated in the Board of Directors meeting were the Report of the Board of Directors and the financial statements for the year were approved.

The Statutory Audit Board verified the effectiveness of the risk management and internal control, analysed the planning and the reports of activity of the external and internal auditors, oversaw the reports issued by Sonae's ombudsman. The Statutory Audit Board has also assessed the group internal control and risk management system in relation with the process of preparing the individual and consolidated statements and has pronounced itself in favour of the rendering of non-audit services by the Statutory Auditor and External Auditor, having exercised its mandate in what concerns the evaluation of the competence and independence of external auditors.

During the year the Statutory Audit Board accompanied, with special care, the accounting treatment of transactions that had had material impact on the evolution of operations reflected in the financial statements under analysis, and highlights the strategic significance of the completion of the merger process involving Optimus, S.G.P.S., S.A. and Zon Multimédia – Serviços de Telecomunicações e Multimédia, S.G.P.S., S.A..

In compliance with CMVM's Recommendation V.2., the Statutory Audit Board took in consideration the criteria for description of businesses with significant relevance between the company and shareholders of qualifying holdings or related entities in accordance with article 20 of the Portuguese Securities Market Code not having identified relevant transactions that complied with that criteria.

The Statutory Audit Board reviewed the Corporate Governance Report, enclosed to the Report of the Board of Directors in accordance with nr. 5 of article 420º of Commercial Companies Code, having verified that it includes the elements referred to in article 245º-A of the Portuguese Securities Market Code.

Still, in the fulfilment of its duties the Statutory Audit Board reviewed the Report of the Board of Directors, including the Corporate Governance Report, and remaining individual and consolidated documents of accounts prepared by the Board of Directors, concluding that these information was prepared in accordance with the applicable legislation and that it is appropriate to the understanding of the financial position and results of the Company and the consolidation perimeter and has reviewed the Statutory Audit and Auditors' Report issued by the Statutory Auditor and agreed with its content.

2 - Opinion

Considering the above, in the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

a) the Report of the Board of Directors, the consolidated and individual statements of financial position, profit and loss, comprehensive income, changes in equity and of cash flows and related notes for the year ended 31 December 2013.

b) the proposal of net profit appropriation presented by the Board of Directors

3 – Responsibility Statement

In accordance with paragraph a), number 1 of article 8º of the Regulation of CMVM nr. 5/2008 and with the terms defined in paragraph c) nº 1 of the article 245º of the Portuguese Securities Market Code, the members of the Statutory Audit Board declare that, to their knowledge, the information contained individual and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of the Sonae, S.G.P.S., S.A. and companies included in the consolidation. Also it is their understanding that the Management Report faithfully describes the business evolution, performance and financial position of Sonae, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face. It is also declared that the Corporate Governance Report complies with article 245º A of the Portuguese Securities Market Code.

Maia, 27 March 2014

The Statutory Audit Board

Daniel Bessa Fernandes Coelho

Arlindo Dias Duarte Silva

Jorge Manuel Felizes Morgado