

SONAE INVESTIMENTOS, SGPS, SA

Head Office: Rua João Mendonça, 529 – 4464-501 Senhora da Hora

Share Capital 1,000,000,000 Euro

Porto Commercial Registry and Fiscal Number 501 532 927

REPORT AND ACCOUNTS

31 March 2014

Management Report

Sonae Investimentos – S.G.P.S., S.A.

In accordance with Portuguese Law and the company's articles of association, we hereby present the management report of Sonae Investimentos - S.G.P.S., S.A. for the first three months of 2014.

Activity evolution for the period

During the course of the first three months of 2014, the consolidated turnover of Sonae Investimentos totalled 1.089 million Euro, which corresponds to an increase of 4% compared to the same period in the previous year.

In the same period, the Company's underlying EBITDA reached 57 million Euro. This represents a decrease of 4% regarding the same period last year. This decrease of underlying EBITDA was driven by Sonae MC, which was negatively affected by the Easter effect and by the highly competitive market environment in food retail. Overall underlying EBITDA margin stood at 5.3% of sales (0.5 pp below the first three months of 2013).

In terms of operating results (EBIT), these amounted to 16 million Euro in the period (equivalent to 1.4% of sales, and 0.7pp above last year's comparable), which compares with a 7 million Euro result for the first three months of 2013.

Sonae Investimentos consolidated net result in the first three months of 2013 totalled -0.9 million Euro, 8.2 million Euro above the amount realised in the same period of 2013.

At the end of March, Sonae Investimentos detained an overall portfolio of 1,166 stores¹, corresponding to a sales area of 1,074 thousand m²¹. During the period, the company continued the consolidation of Sonae SR's own store network in international markets. As at the end of March 2013, Sonae SR's formats had a total of 168 stores outside of Portugal, including 50 under franchising agreements.

In Portugal, the company materialized a selective opening of new retail stores, including 1 Continente Bom Dia, and 11 Meu Super Stores under franchise agreements.

In parallel to the expansion effort, the company carried a Refurbishment Programme in a number of retail units so as to ensure they remain as a reference in their respective catchment areas. Total investment amounted to 28 million Euro during the first three months of the year.

¹ Excludes Geostar

Outlook

Sonae Investimentos strategic guidelines privilege growth and the strengthening of the value proposition based on a continued investment in efficiency and innovation. This positioning, consistently adopted by the Company, has allowed for the combination of strong growth rhythms with strong profitability benchmarks, and once again will be at the basis of the Company's performance during the course of the next months.

Methodological note

The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The financial information regarding quarterly and semiannual figures was not subject to audit procedures.

Maia, 12 of May 2014

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Glossary

turnover (t)

sale of articles + services rendered.

underlying EBITDA

turnover + investment income + other income – negative goodwill – reversal of impairment losses – operational costs - provision for extensions of guarantees

operating results (EBIT)

turnover + other income – operational costs - provision for extensions of guarantees + gains / losses on sales of businesses – amortisations and impairment losses + share of results of joint ventures and associated undertakings

net investment

increase in gross fixed assets (tangible and intangible) + changes in perimeter (as a result of acquisitions and disposals) - disposals in gross fixed assets (tangible and intangible) + increases in goodwill.

net debt

current borrowings + noncurrent borrowings + financial leasing creditors – cash and cash equivalents – other current financial investments

gearing

ratio between net financial debt and shareholders' funds

net capital employed

gross fixed assets (tangible and intangible) + other gross real estate assets (including goodwill) - amortisations and impairment losses + financial investments + working capital

**Condensed consolidated
financial statements**

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT
31 MARCH 2014 AND 2013 AND AT 31 DECEMBER 2013*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

ASSETS	Notes	31 March 2014	31 March 2013	31 December 2013
NON-CURRENT ASSETS:				
Tangible assets	8	1,802,575,435	1,999,323,388	1,820,583,824
Intangible assets	9	165,843,963	153,601,890	163,731,471
Goodwill		498,186,402	499,234,487	498,186,402
Investments in joint ventures and associates	5	50,928,355	56,146,932	51,797,067
Other investments	6	13,534,515	34,605,325	13,401,237
Deferred tax assets	12	122,520,474	131,119,132	117,412,133
Other non-current assets	10	23,312,043	25,372,617	23,103,739
Total Non-Current Assets		2,676,901,187	2,899,403,771	2,688,215,873
CURRENT ASSETS:				
Inventories		565,175,935	498,542,128	588,396,336
Trade accounts receivable and other current assets	11	273,967,155	215,074,313	255,867,053
Investments		149,405	1,395,617	42,105
Cash and cash equivalents	13	54,470,255	181,669,720	71,510,332
Total Current Assets		893,762,750	896,681,778	915,815,826
Assets available for sale		-	720,338	-
TOTAL ASSETS		3,570,663,937	3,796,805,887	3,604,031,699
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	14	1,000,000,000	1,000,000,000	1,000,000,000
Own shares		(320,000,000)	(320,000,000)	(320,000,000)
Reserves and retained earnings		(97,198,420)	30,964,829	26,266,804
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		(1,297,718)	(9,415,029)	(84,265,323)
Equity attributable to the equity holders of the Parent Company		581,503,862	701,549,800	622,001,481
Equity attributable to non-controlling interests	15	84,938,198	86,366,804	84,312,167
TOTAL EQUITY		666,442,060	787,916,604	706,313,648
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	16	914,896,333	951,080,634	768,686,701
Other non-current liabilities	18	446,074,429	432,106,095	444,708,892
Deferred tax liabilities	12	128,762,152	131,510,798	116,937,919
Provisions	21	28,068,174	46,808,398	29,588,227
Total Non-Current Liabilities		1,517,801,088	1,561,505,925	1,359,921,739
CURRENT LIABILITIES:				
Loans	16	171,399,810	340,417,502	72,398,602
Trade creditors and other current liabilities	20	1,212,302,990	1,102,837,526	1,462,679,721
Provisions	21	2,717,989	4,128,330	2,717,989
Total Current Liabilities		1,386,420,789	1,447,383,358	1,537,796,312
TOTAL LIABILITIES		2,904,221,877	3,008,889,283	2,897,718,051
TOTAL EQUITY AND LIABILITIES		3,570,663,937	3,796,805,887	3,604,031,699

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIODS
ENDED 31 MARCH 2014 AND 2013

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

(Amounts expressed in euro)

	Notes	31 March 2014	31 March 2013
Sales		1,077,347,637	1,038,000,376
Services rendered		11,161,075	9,048,208
Investment income		571,555	(13,000)
Financial income		1,607,970	1,622,929
Other income		113,443,916	91,209,609
Cost of goods sold and materials consumed		(861,811,500)	(803,206,438)
Changes in stocks of finished goods and work in progress		104,784	24,013
External supplies and services		(128,822,103)	(128,200,246)
Staff costs		(144,194,340)	(137,249,268)
Depreciation and amortisation	8 and 9	(39,289,632)	(46,545,902)
Provisions and impairment losses		(525,502)	(5,239,724)
Financial expenses		(18,170,328)	(20,085,282)
Other expenses		(10,949,870)	(8,639,328)
Share of results of joint ventures and associated undertakings	5	(1,358,838)	(2,037,301)
Profit/(Loss) before taxation		(885,176)	(11,311,354)
Taxation	24	(86,131)	2,154,252
Profit/(Loss) after taxation		(971,307)	(9,157,102)
Attributable to:			
Equity holders of the Parent Company		(1,297,718)	(9,415,029)
Non-controlling interests	15	326,411	257,927
Profit/(Loss) per share			
Basic	25	(0.001442)	(0.010461)
Diluted	25	(0.001442)	(0.010461)

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS
ENDED 31 MARCH 2014 AND 2013*(Translation of condensed consolidated financial statements originally issued in Portuguese.**In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

	31 March 2014	31 March 2013
Net Profit / (Loss) for the period	(971,307)	(9,157,102)
Items that maybe reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(235,460)	51,833
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 5)	490,125	(2,635,619)
Changes in hedge and fair value reserves	728,589	1,775,263
Deferred tax related to changes in fair value reserves	(220,503)	(510,773)
Other comprehensive income for the period	762,751	(1,319,296)
Total comprehensive income for the period	(208,556)	(10,476,398)
Attributable to:		
Equity holders of Parent Company	(531,607)	(10,765,950)
Non controlling interests	323,051	289,552

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 MARCH 2014 AND 2013

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

	Attributable to Equity Holders of Parent Company											
	Reserves and Retained Earnings							Total	Net Profit/(Loss)	Total	Non-controlling interests (Note 16)	Total equity
Share capital	Own shares	Legal reserve	Currency translation reserve	Hedging reserve	Legal reserves in accordance with article 342º CSC	Other reserves and retained earnings						
Balance as at 1 January 2013	1,000,000,000	(320,000,000)	140,357,809	336,811	1,595,204	320,000,000	(399,348,960)	62,940,864	9,310,582	752,251,446	85,691,823	837,943,269
Total comprehensive income for the period	-	-	-	51,833	1,232,865	-	(2,635,619)	(1,350,921)	(9,415,029)	(10,765,950)	289,552	(10,476,398)
Appropriation of profit of 2012:												
Transfer to legal reserves and retained earnings	-	-	284,660	-	-	-	9,025,922	9,310,582	(9,310,582)	-	-	-
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	-	(40,000,000)
Income Distribution	-	-	-	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	64,304	64,304	-	64,304	385,429	449,733
Balance as at 31 March 2013	1,000,000,000	(320,000,000)	140,642,469	388,644	2,828,069	320,000,000	(432,894,353)	30,964,829	(9,415,029)	701,549,800	86,366,804	787,916,604
Balance as at 1 January 2014	1,000,000,000	(320,000,000)	140,642,469	628,573	(439,433)	320,000,000	(434,564,805)	26,266,804	(84,265,323)	622,001,481	84,312,167	706,313,648
Total comprehensive income for the period	-	-	-	(232,100)	508,086	-	490,125	766,111	(1,297,718)	(531,607)	323,051	(208,556)
Appropriation of profit of 2013:												
Transfer to legal reserves and retained earnings	-	-	595,347	-	-	-	(84,860,670)	(84,265,323)	84,265,323	-	-	-
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	-	(40,000,000)
Others	-	-	-	-	-	-	33,988	33,988	-	33,988	302,980	336,968
Balance as at 31 March 2014	1,000,000,000	(320,000,000)	141,237,816	396,473	68,653	320,000,000	(558,901,362)	(97,198,420)	(1,297,718)	581,503,862	84,938,198	666,442,060

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR
THE PERIODS ENDED 31 MARCH 2014 AND 2013*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

	Notes	31 March 2014	31 March 2013
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		<u>(214,791,140)</u>	<u>(237,006,595)</u>
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments		3,472,544	3,042,812
Tangible and intangible assets		18,692	317,257
Interest and similar income		366,789	590,723
Loans granted		<u>485,800,939</u>	<u>11,902,000</u>
		<u>489,658,964</u>	<u>15,852,792</u>
Cash payments arising from:			
Tangible and intangible assets		(46,833,703)	(52,411,627)
Loans granted		(485,050,939)	(550,000)
Others		(30)	(23)
		<u>(531,884,672)</u>	<u>(52,961,650)</u>
Net cash used in investment activities (2)		<u>(42,225,708)</u>	<u>(37,108,858)</u>
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		<u>453,003,329</u>	<u>1,013,530,126</u>
		<u>453,003,329</u>	<u>1,013,530,126</u>
Cash Payments arising from:			
Loans obtained		(241,802,364)	(731,779,159)
Interest and similar charges		(6,292,673)	(8,263,447)
Others		(638,434)	(550,374)
		<u>(248,733,471)</u>	<u>(740,592,980)</u>
Net cash used in financing activities (3)		<u>204,269,858</u>	<u>272,937,146</u>
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(52,746,990)</u>	<u>(1,178,307)</u>
Effect of foreign exchange rate		<u>(22,890)</u>	<u>(50,358)</u>
Cash and cash equivalents at the beginning of the period	13	<u>71,107,790</u>	<u>148,982,442</u>
Cash and cash equivalents at the end of the period	13	<u>18,383,690</u>	<u>147,854,493</u>

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, S.A.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2014

(Amounts expressed in euro)

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

1 INTRODUCTION

Sonae Investimentos, SGPS, S.A., has its head-office at Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 6 the Sonae Investimentos Group (“Sonae Investimentos”). Sonae Investimentos operations and operating segments are described in the management report and in Note 26.

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the period ended as at 31 December 2013.

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, 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.

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

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the Company and subsidiaries, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for financial instruments 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 and Interpretations, some of which become effective in 2014, have been endorsed by the European Union:

With mandatory application from 1 January 2014: 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

There were no significant impacts 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.

The following standards, interpretations, amendments and revisions were endorsed by the European Union and have mandatory application is mandatory in future financial years:

With mandatory application from 1 January 2014 onwards: Effective Date (for financial years beginning on/after)

IFRS 9 - (Financial instruments – classification and measurement)	At a date to be appointed
IFRS 7 and 9 (Amendment) – (Financial instruments)	At a date to be appointed
IFRS 14 – (Regulatory Deferral Accounts)	01 Jan 2016
IAS 19 (Amendment) – (Employee Benefits)	01 Jul 2014

Improvements of international financial reporting standards (2010-2012 cycle and 2011-2013 cycle)	01 Jul 2014
IFRIC 21 – (Levies)	01 Jan 2014

The Group is to assess the impact of these changes and will apply these standards in the year in which they become effective.

3 CHANGES IN ACCOUNTING POLICIES

During the period it was adopted a set of accounting standards, interpretations, amendments and revisions issued in previous periods and whose implementation became mandatory after 1st January 2014 as disclosed in Note 2 and which didn't have any significant impacts on the financial statements as at 31 March 2014.

4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The subsidiaries included in the consolidated financial statements, its head offices and percentage of capital held as at 31 March 2014 and 31 December 2013 are as follows:

COMPANY	Head Office	Percentage of capital held			
		31 March 2014		31 December 2013	
		Direct	Total*	Direct	Total*
Sonae Investimentos, SGPS, SA	Matosinhos	Holding	Holding	Holding	Holding
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%
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%
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%
1) Fozmassimo - Sociedade Imobiliária, SA	a)	Matosinhos	-	-	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	54.55%	54.55%	54.55%	54.55%
Fundo de Investimento Imobiliário Fechado Imosonae Dois	a)	Maia	99.21%	99.21%	99.48%	99.48%
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%
Infocfield - 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 - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
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%
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%
2) Predilugar - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	-	-
SDSR – Sports Division SR, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
SDSR – Sports Division 2, SA	a)	Matosinhos	100.00%	100.00%	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%
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)	Amesterdam (The 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 MC – Modelo Continente, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonaecenter Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonaegest- Sociedade Gestora de Fundos de Investimento, SA	a)	Maia	60.00%	60.00%	60.00%	60.00%
Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Retalho Espanha - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonvecap, BV	a)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Sport Zone Canarias , SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
Sport Zone Espanha - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sport Zone Sport Malz.Per.Satis lth.Ve Tic Ltd Sti	a)	Istanbul (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%
Tlantic, BV	a)	Amesterdam (The Netherlands)	77,66%	77,66%	77,66%	77,66%

Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	77,66%	77,66%	77,66%	77,66%
Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	77,66%	77,66%	77,66%	77,66%
Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten Canarias , SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
Worten – Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten España Distribución, SL	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
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.lth.Ve Tic Ltd.Sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
ZYEvolution- Investig.e Desenvolvimento, SA	a)	Matosinhos	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.
- 1) Company sold during the period;
- 2) Company created during the period.

These entities are consolidated using the full consolidation method, considering that they are controlled by Sonae Investimentos SGPS, S.A..

5 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 March 2014 and 31 December 2013 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		31 March 2014		31 December 2013		31 March 2014	31 December 2013
		Direct	Total*	Direct	Total*		
Raso SGPS, SA (consolidated)	Lisbon	50.00%	50.00%	50.00%	50.00%	9,924,070	10,150,202
<i>Investments in joint ventures</i>						9,924,070	10,150,202
MDS SGPS, SA (consolidated)	Maia	46.92%	46.92%	46.92%	46.92%	40,157,020	40,746,920
Mundo Vip	Lisbon	-	-	33.34%	33.34%	-	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	847,265	899,945
<i>Investments in associated companies</i>						41,004,286	41,646,865
Total						50,928,355	51,797,067

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

1) Company liquidated during the period.

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

During the periods ended at 31 March 2014 and 2013, movements of Investments in jointly controlled companies and associated companies are made up as follows:

	31 March 2014			31 March 2013		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Joint ventures and associated companies						
Initial balance as at January,1	9,066,357	42,730,710	51,797,067	17,400,725	44,520,464	61,921,189
Equity method:						
Effect in gain or losses in joint controlled and associated companies	(1,358,838)	-	(1,358,838)	(2,037,301)	-	(2,037,301)
Other effects on reserves	490,125	-	490,125	(2,635,619)	-	(2,635,619)
	8,197,645	42,730,710	50,928,355	12,727,805	44,520,464	57,248,269
Accumulated impairment losses (Note 21)	(2,101,337)	2,101,337	-	688,417	(1,789,754)	(1,101,337)
	6,096,308	44,832,047	50,928,355	13,416,222	42,730,710	56,146,932

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

	31 March 2014			31 March 2013		
	Income	Expenses	Profit/ (Loss)	Income	Expenses	Profit/ (Loss)
Traveling	11,207,059	11,662,707	(455,648)	12,581,308	13,386,374	(805,066)
Insurance	9,920,556	11,406,291	(1,485,735)	11,521,675	13,363,927	(1,842,252)
Others	13,114,332	13,375,259	(260,927)	13,238,632	13,611,702	(373,070)
TOTAL	34,241,947	36,444,257	(2,202,310)	37,341,615	40,362,003	(3,020,388)

	31 March 2014			31 December 2013		
	Assets	Liabilities	Equity	Assets	Liabilities	Equity
Traveling	72,610,587	44,361,755	28,248,832	67,413,721	38,709,241	28,704,479
Insurance	105,542,058	79,657,475	25,884,584	100,288,792	73,867,578	26,421,214
Others	11,283,979	10,479,924	804,055	12,140,682	11,125,907	1,014,775
TOTAL	189,436,624	134,499,154	54,937,470	179,843,195	123,702,727	56,140,468

6 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, proportion of capital held and their book value as at 31 March 2014 and 31 December 2013 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		31 March 2014		31 December 2013		31 March 2014	31 December 2013
		Direct	Total*	Direct	Total*		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Other investments						12,776,342	12,643,064
						13,534,515	13,401,237

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

Under the caption other non-current investments there is an amount of 12,512,785 euro (12,512,681 euro as at 31 December 2013) related to amounts on an Escrow Account invested in superior rating funds and guarantees contractual liabilities assumed by Sonae Investimentos in the disposal of Sonae Distribuição Brasil, S.A. and for which provisions were recorded in the applicable situations (Note 21).

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 to whether or not, to retain the Escrow Account for ongoing fiscal procedures that have not yet been decided (Note 21). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers that the reason attends to Sonae Investimentos.

All investments are recorded at acquisition cost less impairment losses, given the fact that these are investments in unlisted shares and whose fair value was not estimated because is not reliable.

7 CHANGES IN CONSOLIDATION PERIMETER

The disposal occurred in the period ended at 31 March 2014, was as follows:

COMPANY	Head Office	Direct	Total
Retail Properties			
Fozmassimo - Sociedade Imobiliária, SA	Matosinhos	100.00%	100.00%

The disposal mentioned above had the following impact on the consolidated financial statements:

	31 December 2013
Net assets	
Tangible and intangible assets (Note 8 and 9)	2,777,380
Other assets	23,820
Cash and cash equivalents	14,771
Deferred tax liabilities	(77,521)
Other liabilities	(62,509)
	<u>2,675,941</u>
Profit in disposal	<u>297,373</u>
Consideration received	<u>2,973,313</u>
	<u>2,973,313</u>
Effective cash payment received	<u>2,973,313</u>
	<u>2,973,313</u>
Net cash-flow arising from disposal	
Effective cash payment received	2,973,313
Cash and cash equivalents disposed	(14,771)
	<u>2,958,542</u>

The impact in the income statement can be summarized as follows:

	31 December 2013
Sales	200,406
Other income	2,329
Other expenses	(109,011)
Net financial expenses	61,418
Profit/(Loss) before taxation	155,142
Profit/(Loss) before taxation	(35,122)
Profit/(Loss) after taxation	120,020

8 TANGIBLE ASSETS

During the three months period ended at 31 March 2014 and 2013, movements in Tangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Tangible assets				
	Land and buildings	Plant and machinery	Others	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2014	1,657,183,620	1,234,317,728	161,976,772	30,494,978	3,083,973,098
Acquisitions	557,310	330,069	106,348	20,405,135	21,398,862
Disposals of subsidiaries (Note 7)	(2,758,249)	(397,643)	(3,492)	-	(3,159,384)
Disposals	(1,615)	(12,239,576)	(1,181,455)	(188,727)	(13,611,373)
Exchange rate effect	-	39,971	25,865	-	65,836
Transfers	2,556,183	13,767,495	3,060,929	(19,961,463)	(576,856)
Closing balance as at 31 March 2014	1,657,537,249	1,235,818,044	163,984,967	30,749,923	3,088,090,183
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2014	409,051,726	725,545,159	128,792,389	-	1,263,389,274
Depreciation of the period	6,324,638	24,992,164	3,217,419	-	34,534,221
Disposals of subsidiaries (Note 7)	(210,643)	(168,610)	(3,492)	-	(382,745)
Disposals	(1,055)	(10,663,200)	(1,109,979)	-	(11,774,234)
Exchange rate effect	-	36,726	15,118	-	51,844
Transfers	-	(101,972)	(201,640)	-	(303,612)
Closing balance as at 31 March 2014	415,164,666	739,640,267	130,709,815	-	1,285,514,748
Carrying amount as at 31 March 2014	1,242,372,583	496,177,777	33,275,152	30,749,923	1,802,575,435
	Tangible assets				
	Land and buildings	Plant and machinery	Others	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2013	1,653,111,333	1,194,405,982	164,829,261	31,807,125	3,044,153,701
Acquisitions	498,800	252,479	43,601	15,654,323	16,449,203
Disposals	(11,255)	(8,085,188)	(1,193,122)	(251,051)	(9,540,616)
Exchange rate effect	-	60,061	43,783	-	103,844
Transfers	(99,812)	15,041,991	2,284,528	(19,275,788)	(2,049,081)
Closing balance as at 31 March 2013	1,653,499,066	1,201,675,325	166,008,051	27,934,609	3,049,117,051
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2013	282,468,140	606,760,985	129,139,719	-	1,018,368,844
Depreciation of the period	6,696,011	31,476,875	3,522,574	-	41,695,460
Disposals	(11,255)	(7,852,339)	(1,176,014)	-	(9,039,608)
Exchange rate effect	-	39,441	22,312	-	61,753
Transfers	(8,469)	(617,060)	(667,257)	-	(1,292,786)
Closing balance as at 31 March 2013	289,144,427	629,807,902	130,841,334	-	1,049,793,663
Carrying amount as at 31 March 2013	1,364,354,639	571,867,423	35,166,717	27,934,609	1,999,323,388

The most significant values included in the caption “Tangible assets in progress” refer to the following projects:

	31 March 2014	31 March 2013
Refurbishment and expansion of stores located in Portugal	17,783,923	18,914,579
Refurbishment and expansion of stores located in Spain	1,178,038	354,685
Projects of stores for which advance payments were made	11,532,400	8,274,617
Others	255,562	390,728
	<u>30,749,923</u>	<u>27,934,609</u>

9 INTANGIBLE ASSETS

During the three months period ended at 31 March 2014 and 2013, movements in Intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Intangible assets			Total intangible assets
	Patents and other similar rights	Others	Intangible assets in progress	
Gross assets				
Opening balance as at 1 January 2014	103,163,864	204,395,830	27,711,325	335,271,019
Acquisitions	741	-	7,092,417	7,093,158
Disposals of subsidiaries (Note 7)	(741)	-	-	(741)
Disposals	(211,336)	(22,970)	(45,815)	(280,121)
Exchange rate effect	(943)	28,453	-	27,510
Transfers	73,034	7,140,412	(7,413,091)	(199,645)
Closing balance as at 31 March 2014	<u>103,024,619</u>	<u>211,541,725</u>	<u>27,344,836</u>	<u>341,911,180</u>
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2014	24,647,476	146,892,072	-	171,539,548
Depreciation and impairment losses of the period	473,418	4,281,993	-	4,755,411
Disposals of subsidiaries (Note 7)	-	-	-	-
Disposals	(210,216)	(20,961)	-	(231,177)
Exchange rate effect	(110)	10,235	-	10,125
Transfers	(137)	(6,553)	-	(6,690)
Closing balance as at 31 March 2014	<u>24,910,431</u>	<u>151,156,786</u>	<u>-</u>	<u>176,067,217</u>
Carrying amount as at 31 March 2014	<u>78,114,188</u>	<u>60,384,939</u>	<u>27,344,836</u>	<u>165,843,963</u>

	Intangible assets			Total intangible assets
	Patents and other similar rights	Others	Intangible assets in progress	
Gross assets				
Opening balance as at 1 January 2013	102,405,406	183,726,252	21,301,926	307,433,584
Acquisitions	26,958	-	4,078,914	4,105,872
Disposals	(18,010)	(2,274)	(215,964)	(236,248)
Exchange rate effect	5,754	27,620	-	33,374
Transfers	76,471	1,728,161	(1,895,879)	(91,247)
Closing balance as at 31 March 2013	102,496,579	185,479,759	23,268,997	311,245,335
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2013	22,254,148	130,556,813	-	152,810,961
Depreciation and impairment losses of the period	701,558	4,148,884	-	4,850,442
Disposals	(18,010)	(2,274)	-	(20,284)
Exchange rate effect	1,946	12,632	-	14,578
Transfers	(9,676)	(2,576)	-	(12,252)
Closing balance as at 31 March 2013	22,929,966	134,713,479	-	157,643,445
Carrying amount as at 31 March 2013	79,566,613	50,766,280	23,268,997	153,601,890

The value of “Intangible assets in progress” relates mainly to IT projects and computer software development.

Additionally, this heading also includes the fair value attributed to a group of brands with indefinite useful lives, among which the "Continente" brand, 75,000,000 euro (the same amount as at 2013).

10 OTHER NON-CURRENT ASSETS

As at 31 March 2014 and 31 December 2013, “Other non-current assets” are detailed as follows:

	31 March 2014	31 December 2013
Loans granted to related parties	8,668,720	8,665,429
Trade accounts receivable and other debtors		
Bails (a)	5,388,802	5,725,333
Legal deposits (b)	847,538	818,011
Recognition of the value to be received Wall Mart (c)	8,184,697	7,858,057
Amount receivable for selling the Modelo Cont.Seguros	2,443,382	2,423,530
	25,533,139	25,490,360
Accumulated impairment losses in other debtors (Note 21)	(2,443,382)	(2,423,530)
	23,089,757	23,066,830
Other non-current assets	22,286	36,909
	23,112,043	23,103,739

“Loans granted to associated companies” refer to MDS SGPS, SA 8,668,720 euro (8,665,429 euro as at 31 December 2013). This loan bears interests at usual market rates and do not have a defined maturity.

Most significant values included in “Trade accounts receivable and other debtors” refers to:

- Amounts related with guarantees of lease contracts in group stores located in Spain, which have not matured until this date;
- Amounts related to legal deposits made by a Brazilian subsidiary, for which are recorded the correspondent liabilities in the caption “Other non-current liabilities” (Note 18), with no defined maturity;

c) As a result of agreements signed in 2005 by former subsidiary - Sonae Distribuição Brasil, SA (sold to Wal-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae Investimentos 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 8.2 million euro) for alleged expenses incurred with the mentioned stores and 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 necessity of carrying out such costs for the licensing process as established on the mentioned agreement.

It is the understanding of the Board of Directors and the Group attorneys that the amount paid will be recovered. The company has already started the legal proceedings against Carrefour Comércio e Indústria, Ltda. to recover the above mentioned amount. It's the Board of Directors and the Group attorneys understanding that the 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 with Brazilian law).

According to Group attorneys, the amount improperly received by Carrefour for which a reimbursement will be requested (25,340,145.80 Brazilian real), will earn interests at the SELIC rate, and it is expected that the legal process will last up to 7 years, since its beginning in 2011.

11 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2014 and 31 December 2013, "Trade accounts receivable and other current assets" are made up as follows:

	31 March 2014	31 December 2013
Trade accounts receivable	39,557,760	46,174,574
Taxes recoverable	65,393,302	63,196,961
Granted loans to related companies	23,409,164	8,802,720
Other debtors		
Trade suppliers - debtor balances	45,143,147	34,253,806
Special regime for settlement of tax and social security debts	22,327,147	22,327,147
Deposit in favour of Cosec	-	11,798,127
VAT recoverable on real estate assets	1,417,717	2,905,723
Accounts receivable from the disposal of tangible fixed assets	149,666	194,142
Other debtors	19,078,930	24,326,595
	<u>88,116,607</u>	<u>95,805,540</u>
Other current assets		
Commercial discounts	39,880,040	30,436,429
Interests to be received	1,766,349	1,585,231
Commissions to be received	2,937,666	2,627,215
Prepayments - Rents	5,467,917	6,019,706
Condominiums management fee's	1,491,403	1,461,240
Insurance premiums paid in advance	6,879,049	5,778,700
Insurance indemnities	5,729,700	2,430,736
Software licenses	2,054,386	1,725,531
Other current assets	8,352,169	6,848,095
	<u>74,558,679</u>	<u>58,912,883</u>
Accumulated impairment losses (Note 21)	<u>(17,068,357)</u>	<u>(17,025,625)</u>
	<u>273,967,155</u>	<u>255,867,053</u>

12 DEFERRED TAX

Deferred tax assets and liabilities as at 31 March 2014 and 31 December 2013 are as follows, taking into consideration its temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Difference between fair value and acquisition cost	5,896,033	5,911,741	21,142,839	21,229,003
Amortisation and depreciation	1,518,036	1,371,758	71,542,457	65,095,329
Provisions and impairment losses not accepted for tax purposes	42,448,952	37,206,940	-	-
Write off of tangible and intangible assets	1,268,801	1,661,602	-	-
Valuation of hedging derivatives	22,741	210,756	91,650	60,252
Amortisation of goodwill for tax purposes	-	-	25,477,058	25,128,058
Revaluation of tangible assets	-	-	1,501,181	1,534,310
Tax losses carried forward	61,543,998	61,353,838	-	-
Reinvested capital gains/(losses)	-	-	1,479,382	1,512,257
Tax Benefits	3,204,661	3,204,661	-	-
Others	6,617,252	6,490,837	7,527,585	2,378,710
	<u>122,520,474</u>	<u>117,412,133</u>	<u>128,762,152</u>	<u>116,937,919</u>

As at 31 March 2014 and 31 December 2013, and in accordance with 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 March 2014			31 December 2013		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2008	1,219,236	280,424	2014	1,219,236	280,424	2014
Generated in 2009	2,739	630	2015	2,739	630	2015
Generated in 2010	99,670	22,924	2014	99,670	22,924	2014
Generated in 2011	271,308	62,401	2015	271,308	62,401	2015
Generated in 2012	87,055	20,023	2017	87,055	20,023	2017
Generated in 2013	-	-	2018	-	-	-
Generated in 2014	-	-	2026	-	-	-
	<u>1,680,008</u>	<u>386,402</u>		<u>1,680,008</u>	<u>386,402</u>	
With a time limit different from the above mentioned (a)	203,858,655	61,157,596		203,224,787	60,967,436	
	<u>205,538,663</u>	<u>61,543,998</u>		<u>204,904,795</u>	<u>61,353,838</u>	

(a) Includes, as at 31 March 2014, approximately 58 million euro (58 million euro as at 31 December 2013) related to deferred tax assets for which the carry forward period count hasn't started.

As at 31 March 2014 and 31 December 2013, deferred tax assets resulting from tax losses were assessed and only recognized to the extent it was probable that sufficient taxable profits will be available in the future against which the deferred tax assets can be used, or when taxable temporary differences are recognized by the same entity and expected to reverse in the same period. This assessment was based on business plans of Sonae Investimentos companies, which are periodically reviewed and updated, and on identified and available tax planning opportunities.

As at 31 March 2014, there were tax losses carried forward, amounting to 182.1 million euro (175.9 million euro as at 31 December 2013) for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarised as follows:

	31 March 2014			31 December 2013		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2008	2,017,121	463,938	2014	2,017,121	463,938	2014
Generated in 2009	4,540,125	1,044,229	2015	4,531,833	1,042,321	2015
Generated in 2010	5,386,907	1,238,989	2014	5,386,907	1,238,989	2014
Generated in 2011	4,292,265	987,221	2015	4,292,265	987,221	2015
Generated in 2012	3,495,558	803,978	2017	3,495,558	803,978	2017
Generated in 2013	98,018	22,544	2018	98,018	22,544	2018
Generated in 2014	791,283	181,995	2026	-	-	
	<u>20,621,277</u>	<u>4,742,894</u>		<u>19,821,702</u>	<u>4,558,991</u>	
Without limited time use	13,896,993	4,724,977		12,858,928	4,372,036	
With a time limit different from the above mentioned a)	147,602,496	44,278,481		143,265,248	42,977,312	
	<u>182,120,766</u>	<u>53,746,352</u>		<u>175,945,878</u>	<u>51,908,339</u>	

13 CASH AND CASH EQUIVALENTS

As at 31 March 2014 and 31 December 2013 “Cash and cash equivalents” can be detailed as follows:

	31 March 2014	31 December 2013
Cash at hand	7,127,442	7,497,968
Bank deposits	47,342,813	64,012,364
Treasury applications	-	-
Cash and cash equivalents on the statement of financial position	<u>54,470,255</u>	<u>71,510,332</u>
Bank overdrafts (Note 16)	<u>(36,086,565)</u>	<u>(402,542)</u>
Cash and cash equivalents on the statement of cash flows	<u>18,383,690</u>	<u>71,107,790</u>

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

14 SHARE CAPITAL

As at 31 March 2014, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares which do not hold right to any fixed income, with a nominal value of 1 Euro each.

As at 31 March 2014, the subscribed share capital was held as follows:

Entity	%
Sonae, SGPS, S.A.	76.856%
Sonae Investments, BV	13.142%
Sonae MC – Modelo Continente, SGPS, S.A.	10.000%
Libra Serviços, Lda	0.002%

As at 31 March 2014, Efanor Investimentos S.G.P.S., S.A. and its subsidiaries held 52.48% of the share capital of Sonae, SGPS, S.A.

15 NON-CONTROLLING INTERESTS

Movements in “Non-controlling interests” during the periods ended as at 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Opening balance as at 1 January	84,312,167	85,691,823
Dividends	(132,874)	(190,744)
Income distribution from investment funds	-	(4,620,415)
Increased shareholding by acquisitions	422,882	1,209,335
Others	9,612	388,607
Profit for the period attributable to non-controlling interests	326,411	1,833,561
Closing balance as at 31 March	84,938,198	84,312,167

16 LOANS

As at 31 March 2014 and 31 December 2013, “Loans” are made up as follows:

	31 March 2014		31 December 2013	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Investimentos, SGPS, S.A. - commercial paper	107,500,000	213,000,000	32,500,000	65,000,000
Subsidiary of Sonae Investimentos 2011/2016	20,000,000	45,000,000	20,000,000	45,000,000
Others	3,942,540	3,180,421	3,936,459	4,979,752
	131,442,540	261,180,421	56,436,459	114,979,752
Bank overdrafts (Note 14)	36,086,565	-	402,542	-
Up-front fees beared with the issuance of loans	(63,040)	(238,566)	(64,637)	(285,174)
Bank loans	167,466,065	260,941,855	56,774,364	114,694,578
Bonds				
Bonds Sonae SGPS / 2007 / 2015	-	200,000,000	-	200,000,000
Bonds Sonae Investimentos / 2007 / 2015	-	155,000,000	-	155,000,000
Bonds Sonae Investimentos/ 2009/ 2014	-	-	10,000,000	-
Bonds Sonae Investimentos/ 2012/ 2017	-	170,000,000	-	170,000,000
Bonds Sonae Investimentos/ 2013/ 2018	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos/ 2013- Eur 75M Floating R.Notes- 2018	-	75,000,000	-	75,000,000
Up-front fees beared with the issuance of loans	-	(3,405,905)	(9,878)	(3,692,137)
Bonds	-	646,594,095	9,990,122	646,307,863
Other loans	24,352	53,936	33,466	53,936
Derivative instruments (Note 18)	794,466	-	1,415,143	-
Other loans	818,818	53,936	1,448,609	53,936
Obligations under finance leases	3,114,927	7,306,447	4,185,507	7,630,324
	171,399,810	914,896,333	72,398,602	768,686,701

At 31 March 2014, Sonae Investimentos has agreed lines of credit and commercial paper amounting to 850 million euro, of which 345 million euro with firm commitments with maturity not exceeding one year and 405 million euro with firm commitments with maturity over 1 year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, the Group has 394 million euro credit facilities available to meet its liquidity requirements.

The average interest rate at 31 March 2014 of bonds and loans was 2.71% (2.83% on 31 December 2013). These bonds and bank loans bear interests at variable interest rates indexed to Euribor.

The derivative instruments are recorded at fair value (Note 17).

The repayment schedule of the nominal value of borrowings (including bank loans and obligations under finance leases) is summarized as follows:

	<u>31 March 2014</u>	<u>31 December 2013</u>
N+1	170,668,384	71,057,974
N+2	416,818,914	418,773,255
N+3	248,115,907	130,598,965
N+4	96,695,047	96,377,254
N+5	155,990,767	125,975,817
After N+5	920,170	938,721
	<u>1,089,209,188</u>	<u>843,721,986</u>

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

17 DERIVATIVES

Exchange rate derivatives

In what concerns financial risk management policy, Sonae Investimentos essentially uses exchange rate derivatives to hedge future cash flows that occur in the next 12 months.

As at 31 March 2014, the fair value of the exchange rate derivatives, calculated taking into consideration the present market value of equivalent financial instruments, is estimated as follows:

	<u>31 March 2014</u>	<u>31 December 2013</u>
Assets	143,282	35,999
Liabilities (Note 16)	<u>(794,466)</u>	<u>(1,415,143)</u>
	<u>(651,184)</u>	<u>(1,379,144)</u>

Gains and losses for the period 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".

Interest rate derivatives

As at 31 March 2014, the Group had no financial instrument derivative on the interest rate.

18 OTHER NON-CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013, the caption “Other non-current liabilities” was made up as follows:

	31 March 2014	31 December 2013
Shareholders loans	404,680,473	404,677,144
Fixed assets suppliers	1,075,000	1,087,500
Other non-current liabilities	2,356,596	2,329,078
Share based payments (Note 19)	1,789,499	4,529,203
Deferred of revenue from the sale of warranties extention	29,530,200	25,679,570
Accruals and deferrals	6,642,662	6,406,397
Other non-current liabilities	446,074,429	444,708,892

The caption “Shareholders loans” includes:

-a subordinate bond loan, with a fixed interest rate, repayable after 10 years issued by Sonae Investimentos, SGPS, SA fully subscribed. This loan was fully subscribed and paid for by Sonae SGPS, SA on 28 December 2010, amounting to 400 million euro corresponding to 8,000 bonds with a nominal value of 50,000 euro each. The fair value of this loan on 31 March 2014 is 42,644 euro (41,495 euro as at 31 December 2013) per obligation having been determined based on discounted cash flows method;

-the amount payable to participating companies refers to a shareholders’ loan granted by a minority shareholder to a subsidiary that bears interest at usual market rate. The fair value of this loan is similar to its book value, with no defined maturity.

As at 31 March 2014, the caption “Other non-current liabilities” includes 689,497 euro (661,980 euro as at 31 December 2013) mainly refers to the estimated amounts to fulfil the legal and tax obligations of a Brazilian subsidiary which were considered appropriate to face up to future losses on lawsuits and for which legal deposits exist, which are recorded under the caption “Other non-current assets” (Note 10).

The caption "Accruals and deferrals", includes an amount of approximately 3.7 million euro (3.4 million euro as at 31 December 2013), associated with the linearization of rents on operating leases of specialized retail stores.

19 SHARE BASED PAYMENT PLANS

In 2014 and in previous years, Sonae Investimentos Group granted deferred performance bonuses to its directors and eligible employees. These are based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee. The purchase can be exercised during the period between the third anniversary of the grant date and the end of that year. The company has the choice to settle its responsibilities in cash instead of shares. The option can only be exercised if the employee still works for Sonae Group on the vesting date.

Liabilities arising from deferred performance bonuses as at 31 March 2014 and 31 December 2013 are made up as follows:

	Grant year	Vesting year	Number of participants	Number of shares		Fair Value	
				31 March 2014	31 December 2013	31 March 2014	31 December 2013
Shares							
	2011	2014	50	3,147,700	3,147,700	3,015,684	3,301,937
	2012	2015	56	5,062,780	5,062,780	6,905,632	5,310,856
	2013	2016	59	2,631,763	2,631,763	3,589,725	2,760,720
	2014	2017	59	2,524,364	-	3,443,232	-
Total				13,366,607	10,842,243	16,954,273	11,373,513

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

	31 March 2014	31 December 2013
Staff costs	2,214,815	5,255,333
Recorded in previous years	7,901,288	2,645,955
	10,116,103	7,901,288
Other non-current liabilities (Note 18)	1,789,499	4,529,203
Other current liabilities (Note 20)	8,326,604	3,372,085
	10,116,103	7,901,288

The share based payment plan costs are recognized during the years between the grant and vesting date as staff costs.

20 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013 the caption "Trade creditors and other current liabilities" can be detailed as follows:

	31 March 2014	31 December 2013
Trade creditors	849,171,195	1,143,639,351
Taxes payable	58,839,330	49,720,914
Other creditors		
Tangible asset suppliers	18,065,329	36,876,535
Related undertakings	44,467,193	84,704
Other debts	55,717,661	53,899,298
	118,250,183	90,860,537
Other current liabilities		
Holiday pay and bonuses	93,521,951	93,231,418
Interest payable	14,921,609	3,645,639
Marketing expenses	10,474,276	16,922,857
Other external supplies and services	38,704,340	44,092,252
Accrued income - rents	4,384,371	4,165,598
Real Estate Municipality tax	3,033,684	2,507,148
Deferred of revenue from the sale of warranties extension	3,234,811	3,532,918
Share based payments (Note 19)	8,326,604	3,372,085
Others	9,440,636	6,989,005
	186,042,282	178,458,919
	1,212,302,990	1,462,679,721

The caption "Other debts" includes:

- 21,982,876 euro (24,881,013 euro as at 31 December 2013), of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";
- 14,590,854 euro (13,229,762 euro as at 31 December 2013) related to means of payments owned by clients as vouchers, gift cards and discount tickets owned by clients; and
- 4,499,832 euro (4,320,249 euro as at 31 December 2013) related to amounts payable to Sonae Distribuição Brasil, SA buyer as a result of responsibilities assumed with that entity.

21 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and impairment losses", for the three months period ended as at 31 March 2014 and 2013, were as follows:

Caption	Balance as at 1 January 2014	Increase	Decrease	Balance as at 31 March 2014
Accumulated impairment losses on investments (Note 5)	2,101,337	-	(2,101,337)	-
Accumulated impairment losses on tangible assets	153,320,202	-	(3,231,833)	150,088,369
Accumulated impairment losses on intangible assets	1,497,119	-	-	1,497,119
Accumulated impairment losses on other non current assets (Note 10)	2,423,530	19,852	-	2,443,382
Accumulated impairment losses on trade accounts receivable (Note 11)	17,025,625	2,001,626	(1,958,894)	17,068,357
Accumulated impairment losses on inventories	32,642,082	-	(5,009,609)	27,632,473
Non current provisions	29,588,227	-	(1,520,053)	28,068,174
Current provisions	2,717,989	-	-	2,717,989
	<u>241,316,111</u>	<u>2,021,478</u>	<u>(13,821,726)</u>	<u>229,515,863</u>

Caption	Balance as at 1 January 2013	Increase	Decrease	Balance as at 31 March 2013
Accumulated impairment losses on investments	1,101,337	-	-	1,101,337
Accumulated impairment losses on intangible assets	1,496,933	-	-	1,496,933
Accumulated impairment losses on other non current assets	3,344,124	19,852	-	3,363,976
Accumulated impairment losses on trade accounts receivable	17,827,303	1,811,338	(1,311,504)	18,327,137
Accumulated impairment losses on inventories	43,160,752	-	(5,575,000)	37,585,752
Non current provisions	46,471,233	1,266,476	(929,311)	46,808,398
Current provisions	2,228,330	2,600,000	(700,000)	4,128,330
	<u>115,630,012</u>	<u>5,697,666</u>	<u>(8,515,815)</u>	<u>112,811,863</u>

The caption non-current provisions includes 14,030,093 euro (13,470,170 euro as at 31 December 2013) 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 its recorded taking into account the

best estimate of costs to be incurred which results from a significant number of civil and labour lawsuits of reduced amount.

The caption non-current 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 13,121,500 euro (15,126,215 euro as at 31 December 2013). These extensions are granted for a period of one to three years after the end of the legal mandatory warranty provided by the manufacturers.

22 CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2014 and 31 December 2013, the major “Contingent liabilities” were guarantees given, which can be detailed as follows:

- Guarantees and sureties given

	31 March 2014	31 December 2013
on tax claims	751,286,937	757,936,484
on judicial claims	140,502	140,502
on municipal claims	6,312,639	6,284,639
for proper agreement fulfillment	15,919,883	15,880,490
other guarantees	5,260,903	5,365,571

a) Tax claims

The main tax claims, for which bank guarantees or sureties were provided, can be detailed as follows:

- Retail operating segment subsidiaries of the Company, Sonae MV and Sonae SR, granted guarantees or sureties in favour of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 376.7 million euro (375 million euro as at 31 December 2013) related to the period from 2004 to 2009, which the Company has presented, or has the intention of presenting, a tax appeal. 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.

- 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.

- 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, 21 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 39.9 million euro (124.9 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 amount of, approximately, 22 million euro (22 million euro as at 31 December 2013), 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) 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 unfavourable 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 as at 31 March 2014. Furthermore, there are other tax assessments totalling 61.3 million euro for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary.

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 Investimentos.

23 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Parent company	280,070	214,144	790,235	633,303
Jointly controlled companies	346,726	295,321	1,399,292	927,779
Associated companies	7,575,202	6,920,883	84,480	36,826
Other related parties ⁽¹⁾	13,687,200	14,641,066	17,389,444	14,120,075
	<u>21,889,198</u>	<u>22,071,414</u>	<u>19,663,451</u>	<u>15,717,983</u>
Transactions	Interest income		Interest expenses	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Parent company	-	-	8,069,062	8,465,313
Jointly controlled companies	110,362	104,402	-	-
Associated companies	122,662	142,651	-	-
Other related parties ⁽¹⁾	-	-	1,093,974	1,093,189
	<u>233,024</u>	<u>247,053</u>	<u>9,163,036</u>	<u>9,558,502</u>

Balances	Accounts receivable		Accounts payable	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Parent company	15,750,271	316,058	46,609,823	3,416,512
Jointly controlled companies	489,224	245,146	632,784	401,443
Associated companies	4,248,945	8,316,882	542,922	440,164
Other related parties ⁽¹⁾	14,270,235	19,270,829	17,953,328	16,666,471
	<u>34,758,675</u>	<u>28,148,915</u>	<u>65,738,857</u>	<u>20,924,590</u>

Balances	Loans			
	Obtained		Granted	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Parent company (Note 18)	400,000,000	400,000,000	-	-
Jointly controlled companies	-	-	7,700,000	8,591,454
Associated companies	-	-	8,868,720	8,868,720
Other related parties ⁽¹⁾	4,616,289	4,700,993	-	-
	<u>404,616,289</u>	<u>404,700,993</u>	<u>16,568,720</u>	<u>17,460,174</u>

⁽¹⁾ Other related parties are considered to be related party affiliates or companies under joint control of Efanor SGPS, SA that are not included in Sonae Investimentos, including companies belonging to the Sonae Group, Sonae Indústria and Sonae Capital and minority shareholders of subsidiaries and affiliates of the Group.

The amounts recorded as loans granted from other relating parties represent borrowings from shareholders of subsidiary companies which bear interests at market rates.

Granted loans to associated companies, refer to values of loans granted to associate MDS, SGPS, SA 8,868,720 euro (8,868,720 euro as at 31 December 2013).

24 INCOME TAX

Income tax for the three months period ended on 31 March 2014 and 2013 is detailed as follows:

	31 March 2014	31 March 2013
Current tax	(5,385,621)	4,966,824
Deferred tax	5,471,752	(7,121,076)
	<u>86,131</u>	<u>(2,154,252)</u>

25 EARNINGS PER SHARE

Earnings per share for the three months period ended on 31 March 2014 and 2013 were calculated taking into consideration the following amounts:

	31 March 2014	31 March 2013
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	(1,297,718)	(9,415,029)
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	(1,297,718)	(9,415,029)
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	900,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	(0.001442)	(0.010461)

On 31 March 2014 and 2013 there is no dilutive effect on the number of shares outstanding.

26 SEGMENT INFORMATION

In retail, the group has three segments:

- Sonae MC is our food retail unit, operating 465 stores and 93 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 517 stores and 61 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), nevertheless the Group decided to include this operating segment in "Others, eliminations and adjustments".

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

The main operating segment information for the periods ended 31 March 2014 and 2013 can be detailed as follows:

Turnover	31 March 2014	Inter-segment income	31 March 2013	Inter-segment income
Sonae MC	787,141,650	(1,380,366)	773,866,993	(880,132)
Sonae SR	291,375,343	(7,821,829)	264,476,899	(7,682,037)
Sonae RP	31,437,015	(27,574,752)	30,524,854	(27,370,579)
Others, eliminations and adjustments	(21,445,296)	-	(21,820,162)	-
Total consolidated	1,088,508,712	(36,776,947)	1,047,048,584	(35,932,748)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Sonae MC	20,672,501	21,445,615	267,415	309,612	13,688,086	19,644,612
Sonae SR	10,507,417	16,276,885	234,138	4,909,815	(17,730,269)	(32,916,611)
Sonae RP	7,250,070	7,661,916	-	-	20,930,672	19,553,080
Others, eliminations and adjustments	859,644	1,161,487	23,949	20,297	(1,211,307)	869,918
Total direct consolidated	39,289,632	46,545,902	525,502	5,239,724	15,677,182	7,150,999

	Investment (CAPEX)		Invested capital	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Sonae MC	17,976,251	16,858,034	652,397,524	409,505,851
Sonae SR	10,224,585	3,699,788	206,653,669	100,910,578
Sonae RP	1,325,592	10,572,652	1,231,711,855	1,253,629,991
Others, eliminations and adjustments	(1,034,712)	170,831	58,461,235	95,243,365
Total consolidated	28,491,716	31,301,305	2,149,224,283	1,859,289,785

The caption "Others, eliminations and adjustments" can be analysed as follows:

	Turnover		EBIT	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Inter-segment income	(36,776,947)	(35,932,748)	-	-
Equity method	-	-	(1,358,838)	(2,037,301)
Others	15,331,651	14,112,586	147,531	2,907,219
Others, eliminations and adjustments	(21,445,296)	(21,820,162)	(1,211,307)	869,918

	Investment (Capex)		Invested capital	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Investments and loans granted	-	-	59,597,075	60,462,496
Others	(1,034,712)	170,831	(1,135,840)	34,780,869
Others, eliminations and adjustments	(1,034,712)	170,831	58,461,235	95,243,365

Glossary:

Net Invested capital = Total net debt + total shareholder funds

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.

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

27 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: (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 component, excluding the indirect contributions.

The reconciliation between consolidated income and direct-indirect income for the periods ended 31 March 2014 and 2013 can be summarised as follows:

	31 March 2014			31 March 2013		
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Indirect income	Direct income
Turnover	1,088,508,712	-	1,088,508,712	1,047,048,584	-	1,047,048,584
Investment income						
Dividends and other adjustments	150,000	-	150,000	-	-	-
Others	421,555	-	421,555	(13,000)	-	(13,000)
Other income	-	-	-	-	-	-
Impairment losses reversal	632,137	-	632,137	1,006,678	-	1,006,678
Others	112,811,779	-	112,811,779	90,202,931	-	90,202,931
Total income	1,202,524,183	-	1,202,524,183	1,138,245,193	-	1,138,245,193
Total expenses	(1,145,673,029)	-	(1,145,673,029)	(1,077,271,267)	-	(1,077,271,267)
Depreciation and amortisation	(39,289,632)	-	(39,289,632)	(46,545,902)	-	(46,545,902)
Losses on tangible and intangible assets	(1,339,176)	-	(1,339,176)	-	-	-
Provisions and impairment	-	-	-	-	-	-
Others	(525,502)	-	(525,502)	(5,239,724)	-	(5,239,724)
Profit before financial results and share of results in associated companies	17,036,020	-	17,036,020	9,188,300	-	9,188,300
Financial profit/(loss)	(16,562,358)	-	(16,562,358)	(18,462,353)	-	(18,462,353)
Share of results in joint ventures and associated undertakings						
MDS	(1,080,025)	-	(1,080,025)	(1,557,538)	-	(1,557,538)
Raso	(226,133)	-	(226,133)	(399,046)	-	(399,046)
Others	(52,680)	-	(52,680)	(80,717)	-	(80,717)
Profit before taxation	(885,176)	-	(885,176)	(11,311,354)	-	(11,311,354)
Income tax	(86,131)	-	(86,131)	2,154,252	-	2,154,252
Profit/(Loss) after taxation	(971,307)	-	(971,307)	(9,157,102)	-	(9,157,102)
Attributable to equity holders of Sonae	(1,297,718)	-	(1,297,718)	(9,415,029)	-	(9,415,029)
Non-controlling interests	326,411	-	326,411	257,927	-	257,927
"Underlying" EBITDA (a)			73,970,551			78,429,601
EBITDA (b)			56,049,355			57,929,947
Direct EBIT (c)			15,677,182			7,150,999

- a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + Share of results in joint ventures and associated undertakings
- b) "Underlying" EBITDA = total direct income - total expenses - reversal of impairment losses;
- c) Direct EBIT = Direct EBT - financial results;
- d) Direct EBT = Direct results before non-controlling interests and taxes;
- e) Direct income = Results excluding contributions to indirect income;
- f) Indirect income = Includes results arising from: (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.

28 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 12 May 2014.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Condensed individual financial statements

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014 E 2013 AND 31 DECEMBER 2013

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

ASSETS	Notes	31.March.2014	31.March.2013	31.December.2013
NON-CURRENT ASSETS:				
Tangible assets		24	47	30
Intangible assets		398	624	455
Investments in affiliated companies	4	2,386,048,106	2,653,628,614	2,388,661,291
Other investments		1,226	7,378,549	6,485
Other non-current assets	5	1,167,028,390	1,101,456,533	1,186,256,030
Total non-current assets		<u>3,553,078,144</u>	<u>3,762,464,367</u>	<u>3,574,924,291</u>
CURRENT ASSETS:				
Trade account receivables and other current assets	6	316,095,589	331,218,931	204,491,865
Cash and cash equivalents	7	23,854	70,263,998	6,623,141
Total current assets		<u>316,119,443</u>	<u>401,482,929</u>	<u>211,115,006</u>
TOTAL ASSETS		<u>3,869,197,587</u>	<u>4,163,947,296</u>	<u>3,786,039,297</u>
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	8	1,000,000,000	1,000,000,000	1,000,000,000
Reserves and retained earnings		1,266,982,965	1,295,076,026	1,295,076,026
Profit for the period		11,363,144	10,224,359	11,906,939
TOTAL EQUITY		<u>2,278,346,109</u>	<u>2,305,300,385</u>	<u>2,306,982,965</u>
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	9	859,594,095	875,747,099	712,974,210
Other non-current liabilities	10	400,000,000	400,000,000	400,000,000
		-	98	-
Total non-current liabilities		<u>1,259,594,095</u>	<u>1,275,747,197</u>	<u>1,112,974,210</u>
CURRENT LIABILITIES:				
Loans	9	146,646,598	302,437,238	45,815,788
Trade creditor and other current liabilities	11	184,610,785	280,462,476	320,266,334
Total current liabilities		<u>331,257,383</u>	<u>582,899,714</u>	<u>366,082,122</u>
TOTAL EQUITY AND LIABILITIES		<u>3,869,197,587</u>	<u>4,163,947,296</u>	<u>3,786,039,297</u>

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL INCOME STATEMENT FOR THE PERIODS ENDED 31 MARCH 2014 AND
2013

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

(Amounts expressed in euro)

	Notes	31. March. 2014	31. March. 2013
Services rendered		181,345	450,000
Gains or losses on investments	14	17,060,008	19,921,111
Financial income	15	11,292,682	5,997,256
Other income		189,619	167,804
External supplies and services		(1,143,659)	(1,018,434)
Staff costs		(5,389)	(11,239)
Depreciation and amortisation		(62)	(607)
Provisions and impairment losses		(19,852)	(19,852)
Financial expense	15	(17,829,500)	(18,111,042)
Other expenses		(11,426)	(222,222)
Profit/(Loss) before taxation		<u>9,713,766</u>	<u>7,152,775</u>
Taxation		<u>1,649,378</u>	<u>3,071,584</u>
Profit/(Loss) after taxation		<u>11,363,144</u>	<u>10,224,359</u>
Profit/(Loss) per share	16	<u>0.0126</u>	<u>0.0114</u>

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SACONDENSED INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 MARCH 2014 AND 2013

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

(Amounts expressed in euro)

	<u>Notes</u>	<u>31.March.2014</u>	<u>31.March.2013</u>
Net Profit / (Loss) for the period		<u>11,363,144</u>	<u>10,224,359</u>
Total comprehensive income for the period		<u>11,363,144</u>	<u>10,224,359</u>

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED AS AT 31 MARCH 2014 AND 2013

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

(Amounts expressed in euro)

	Share capital	Legal reserve	Other reserves	Total reserves and retained earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2013	1,000,000,000	140,357,809	1,189,025,023	1,329,382,832	5,693,194	2,335,076,026
Total comprehensive income for the period	-	-	-	-	10,224,359	10,224,359
Appropriation of profit of 2012:						
Transfer to legal reserves and other reserves	-	284,660	-	284,660	(284,660)	-
Dividends distributed	-	-	(34,591,466)	(34,591,466)	(5,408,534)	(40,000,000)
Balance as at 31 March 2013	<u>1,000,000,000</u>	<u>140,642,469</u>	<u>1,154,433,557</u>	<u>1,295,076,026</u>	<u>10,224,359</u>	<u>2,305,300,385</u>
Balance as at 1 January 2014	1,000,000,000	140,642,469	1,154,433,557	1,295,076,026	11,906,939	2,306,982,965
Total comprehensive income for the period	-	-	-	-	11,363,144	11,363,144
Appropriation of profit of 2013:						
Transfer to legal reserves and other reserves	-	595,347	-	595,347	(595,347)	-
Dividends distributed	-	-	(28,688,408)	(28,688,408)	(11,311,592)	(40,000,000)
Balance as at 31 March 2014	<u>1,000,000,000</u>	<u>141,237,816</u>	<u>1,125,745,149</u>	<u>1,266,982,965</u>	<u>11,363,144</u>	<u>2,278,346,109</u>

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 31 MARCH 2014 AND 2013(Translation of the individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)*(Amounts expressed in euro)*

	Notes	31.March.2014	31.March.2013
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		<u>(1,886,800)</u>	<u>(75,981)</u>
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments		2,973,314	-
Tangible assets		-	21
Interest and similar income		17,620,874	17,934,421
Loans granted		854,404,905	303,267,984
		<u>874,999,093</u>	<u>321,202,426</u>
Cash payments arising from:			
Investments		(50,000)	-
Loans granted		(935,579,966)	(418,374,391)
		<u>(935,629,966)</u>	<u>(418,374,391)</u>
Net cash used in investment activities (2)		<u>(60,630,873)</u>	<u>(97,171,965)</u>
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		903,800,456	1,434,812,976
		<u>903,800,456</u>	<u>1,434,812,976</u>
Cash payments arising from:			
Loans obtained		(878,526,697)	(1,364,584,076)
Interest and similar charges		(5,174,708)	(5,896,774)
		<u>(883,701,405)</u>	<u>(1,370,480,850)</u>
Net cash used in financing activities (3)		<u>20,099,051</u>	<u>64,332,126</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(42,418,622)	(32,915,820)
Cash and cash equivalents at the beginning of the period	7	6,623,141	94,500,637
Cash and cash equivalents at the end of the period	7	<u>(35,795,481)</u>	<u>61,584,817</u>

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2014

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

(Amounts expressed in euro)

1 INTRODUCTION

SONAE INVESTIMENTOS, SGPS, SA, “the Company” or “Sonae Investimentos” it’s a Portuguese Corporation, with head-office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.

The Company’s main activity is the management of shareholdings (Note 4).

2 BASIS OF PREPARATION

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

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those described in the file of the annual financial statements for the year ended 31 December 2013.

4 INVESTMENTS

As at 31 March 2014 and 31 December 2013, the investments caption is made up as follows:

	31.March.2014		31.December.2013	
	% held	Final balance	% held	Final balance
Azulino - Imobiliária, SA	100.00%	498,025	100.00%	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	1,565,000	100.00%	1,565,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	112,000	100.00%	112,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	-	100.00%	-
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	100.00%	477,848
Contimobe - Imobiliária do Castelo de Paiva, SA	100.00%	201,500,000	100.00%	201,500,000
Cumulativa - Sociedade Imobiliária, SA	100.00%	1,445,000	100.00%	1,445,000
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Fozmassimo - Sociedade Imobiliária, SA	-	-	100.00%	2,796,348
Fundo de Investimento Imobiliário Fechado Imosedo	54.55%	64,415,021	54.55%	64,415,021
Fundo de Investimento Imobiliário Imosonaes Dois	74.94%	108,760,470	74.94%	108,760,470
Igimo - Sociedade Imobiliária, SA	100.00%	150,662	100.00%	150,662
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	100.00%	1,359,000
Imoconti - Sociedade Imobiliária, SA	100.00%	380,000	100.00%	380,000
Imoestrutura - Sociedade Imobiliária,SA	100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	923,885	100.00%	923,885
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	100.00%	109,736
Imosistema - Sociedade Imobiliária, SA	100.00%	280,000	100.00%	280,000
MDS, SGPS, SA	46.92%	51,000,000	46.92%	51,000,000
MJLF - Empreendimentos Imobiliários, SA	100.00%	190,000	100.00%	190,000
Modelo - Distribuição de Materiais de Construção, SA	50.00%	21,510,614	50.00%	21,510,614
Modelo Hiper Imobiliária, SA	100.00%	10,012,648	100.00%	10,012,648
Modelo.Com - Vendas por Correspondência, SA	100.00%	12,637,016	100.00%	12,637,016
Mundo Vip - Operadores Turísticos, SA	-	-	33.34%	-
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	100.00%	6,372,293
Predilugar - Sociedade Imobiliária, SA	100.00%	50,000	-	-
Raso, SGPS, SA	50.00%	15,474,000	50.00%	15,474,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	565,000	100.00%	565,000
Sempre à Mão - Sociedade Imobiliária, SA	100.00%	3,732,401	100.00%	3,732,401
Sesagest - Projectos e Gestão Imobiliária, SA	100.00%	36,677,088	100.00%	36,677,088
Socijofra - Sociedade Imobiliária, SA	100.00%	550,000	100.00%	550,000
Sociloures - Sociedade Imobiliária, SA	100.00%	2,350,000	100.00%	2,350,000
Soliférias - Operadores Turísticos, SA	11.12%	133,162	-	-
Soflorin, BV	100.00%	188,729,037	100.00%	188,729,037
Sonae - Specialized Retail, SGPS, SA	100.00%	1,050,000,000	100.00%	1,050,000,000
Sonae Capital Brasil, Ltda	37.00%	1,865,770	37.00%	1,865,770
Sonae Center Serviços II, SA	100.00%	58,032,319	100.00%	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	41.96%	423,698,275	41.96%	423,698,275
Sonaegest - Soc. Gest. de Fundos de Investimentos, SA	40.00%	384,351	40.00%	384,351
Sonaerp - Retail Properties, SA	100.00%	114,495,350	100.00%	114,495,350
Sondis Imobiliária, SA	100.00%	474,940	100.00%	474,940
Sonvecap, BV	100.00%	3,000,000	100.00%	3,000,000
Valor N, SA	100.00%	2,087,315	100.00%	2,087,315
Total		<u>2,386,048,106</u>		<u>2,388,661,291</u>

5 OTHER NON-CURRENT ASSETS

As at 31 March 2014 and 31 December 2013 the non-current assets were as follows:

	31.March.2014	31.December.2013
Loans granted	<u>1,167,028,390</u>	<u>1,186,256,030</u>
	1,167,028,390	1,186,256,030

The loans granted have a long term maturity, bear interests at market rates indexed to Euribor and their fair value is similar to their carrying amount.

6 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2014 and 31 December 2013 the current assets were as follows:

	<u>31.March.2014</u>	<u>31.December.2013</u>
Trade accounts receivable	259,497	394,432
Group companies:		
Short term loans	210,591,243	109,909,849
Interests charged but not received	-	17,840,280
Taxes - Special Regime for taxation of groups of companies	24,899,848	23,264,933
Dividends receivable	16,758,860	-
Special regime for payment of tax and social security debts (DL 248-A, 14 November)	4,373,135	4,373,135
Special regime for payment of tax and social security debts (DL 151-A/2013, 31 October)	2,988,618	2,988,618
Others	7,270,513	7,236,740
Taxes recoverable	34,088,597	34,066,038
Other current assets	<u>14,865,278</u>	<u>4,417,840</u>
	<u>316,095,589</u>	<u>204,491,865</u>

Loans granted to group companies return interest at variable market rates indexed to Euribor and have a maturity less than one year.

The amount disclosed as 'Special regime for payment of tax and social security debts' (DL 248-A/2002, of 14 November and DL 151-A/2013, of 31 October) relates 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 were canceled. No impairment loss was recorded since it is Sonae Investimentos understanding that the decisions over the appeals will be favorable to the Company.

The caption others includes the amount of 6,679,649 euro, related to a payment on behalf of a subsidiary.

The caption other current assets includes mainly receivables relating to interest, from loans granted to group companies.

7 CASH AND CASH EQUIVALENTS

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

	<u>31.March.2014</u>	<u>31.December.2013</u>
Cash in hand	550	550
Bank deposits	<u>23,304</u>	<u>6,622,591</u>
Cash and cash equivalents on the balance sheet	<u>23,854</u>	<u>6,623,141</u>
Bank overdrafts	<u>(35,819,335)</u>	-
Cash and cash equivalents on the cash flow statement	<u>(35,795,481)</u>	<u>6,623,141</u>

Bank overdrafts are disclosed in the statement of financial position under the caption short term bank loans.

8 SHARE CAPITAL

As at 31 March 2014 and 31 December 2013, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares, with a nominal value of 1 euro each.

A subsidiary company Sonae MC – Modelo Continente, SGPS, SA owns 100,000,000 shares of Sonae Investimentos. These shares are considered as treasury shares under the Commercial Companies Code, reason why the underlying rights to these shares are suspended.

As at 31 March 2014 and 31 December 2013, the subscribed share capital was held as follows:

	31.March.2014	31.December.2013
Sonae, SGPS, SA	76.8556%	76.8556%
Sonae Investimentos BV	13.1419%	13.1419%
Sonae MC - Modelo Continente, SGPS, SA	10.0000%	10.0000%
Libra Serviços, Sociedade Unipessoal, Lda	0.0025%	0.0025%

9 BORROWINGS

As at 31 March 2014 and 31 December 2013, this caption included the following loans:

	31.March.2014	31.December.2013
Bonds Sonae Investimentos / agosto 2007/2015	200,000,000	200,000,000
Bonds Sonae Investimentos / setembro 2007/2015	155,000,000	155,000,000
Bonds Sonae Investimentos / 2012/2017	170,000,000	170,000,000
Bonds Sonae Investimentos / junho 2013/2018	50,000,000	50,000,000
Bonds Sonae Investimentos / dezembro 2013/2018	75,000,000	75,000,000
Up-front fees not yet charged to income statement	(3,405,905)	(3,692,137)
Bond loans	646,594,095	646,307,863
Commercial paper	213,000,000	65,000,000
Other bank loans	-	1,666,667
Up-front fees not yet charged to income statement	-	(320)
Bank loans	213,000,000	66,666,347
Non-current loans	859,594,095	712,974,210
	31.March.2014	31.December.2013
Bonds Sonae Investimentos / 2009/2014	-	10,000,000
Up-front fees not yet charged to income statement	-	(9,878)
Bond loans	-	9,990,122
Commercial paper	107,500,000	32,500,000
Other bank loans	3,333,333	3,333,333
Up-front fees not yet charged to income statement	(6,070)	(7,667)
Bank overdrafts	35,819,335	-
Bank loans	146,646,598	35,825,666
Current loans	146,646,598	45,815,788

As at 31 March 2014 Sonae Investimentos has agreed lines of credit and commercial paper programs amounting 847 million euro, out of which 342 million with firm commitments with maturity not exceeding one year and 405 million euro with firm commitments with maturity over one year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, the company had 391 million euro credit facilities available to meet its liquidity requirements.

The interest rate as at 31 March 2014 of the bonds and bank loans was, on average, 2.66% (2.79% as at 31 December 2013).

10 OTHER NON-CURRENTS LIABILITIES

As at 31 March 2014 and 31 December 2013 this caption includes a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions. This loan was fully subscribed and paid for Sonae SGPS, SA on 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each.

At 31 March 2014 the fair value of this bond loan is 42,644 euro (41,495 euro on 31 December 2013) per bond, and was determined based on discounted cash flows method.

11 TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013, this heading is made up as follows:

	<u>31.March.2014</u>	<u>31.December.2013</u>
Trade accounts payable	7,263	34,775
Group companies:		
Short term loans	104,839,014	290,898,588
Taxes - SpecialRegime for taxation	18,541,819	18,534,082
Dividens payable	40,000,000	-
Others	402	403
Taxes and contributions payable	1,894,259	2,579,178
Other current liabilities	<u>19,328,028</u>	<u>8,219,308</u>
	<u>184,610,785</u>	<u>320,266,334</u>

The caption other current liabilities includes mainly accrued interests not yet due relating to loans obtained.

12 CONTINGENT LIABILITIES

As at 31 March 2014 and 31 December 2013 the contingent liabilities were detailed as follows:

	<u>31.March.2014</u>	<u>31.December.2013</u>
Guarantees rendered:		
related to tax claims awaiting outcome		
Guarantees provided by financial institutions	90,476,241	90,476,241
Guarantees provided by parent company	215,016,937	215,016,937
related to local and municipal claims awaiting outcome	28,938	28,938
others	10,633,113	10,633,113
Guarantees given in favour of subsidiaries	(a) 62,961,055	62,961,055

- a) Guarantees given to Tax Authorities in favour of subsidiaries to suspend claims from tax authorities.

The caption Guarantees provided on tax claims includes guarantees granted to Tax Authorities regarding income tax. The most significant amounts relate to an additional tax assessment made by Tax Authorities, relating the taxable period ending 2005, regarding the covering of losses made by the Company in a subsidiary, having Tax Authorities not considered the usage of taxable losses on this operation and subsequent liquidation of the Company's subsidiary, which is not in accordance with previous assessments made by Tax Authorities. The Company has presented an appeal against this tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.

No provision has been recorded for these additional tax assessments, to which some guarantees were provided, as the Board of Directors considers that their outcome will be favorable, therefore with no additional liabilities to the Company.

Within the framework of regularization of tax debts to Tax Authorities (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 248-A and 151-A/2013), the Company made tax payments in the amount of 7,361,753 euro (7,361,753 euro to 31 December 2013), having the respective guarantees been canceled and the related tax appeals continued in courts.

Following the disposal of a Brazilian subsidiary company, the group guaranteed to that subsidiary company buyer all the losses it will have as consequence of tax additional assessments as it is described in the Note of Contingent assets and liabilities in the Consolidated financial statements.

13 RELATED PARTIES

Main balances and transactions with related parties are detailed as follows:

	<u>31.March.2014</u>	<u>31.December.2013</u>
Balance:		
Parent company	1,686,043	137,119
Subsidiaries	59,122,933	49,319,490
Jointly controlled companies	110,120	141,454
Associated companies	370,106	615,673
Other related parties	3,367	-
Accounts receivable	<u>61,292,569</u>	<u>50,213,736</u>
Parent company	41,925,501	2,551,820
Subsidiaries	22,362,463	20,687,545
Jointly controlled companies	123	2,332
Associated companies	-	4
Other related parties	6,940,719	43,403
Accounts payable	<u>71,228,806</u>	<u>23,285,104</u>
Subsidiaries	1,361,050,913	1,279,050,450
Jointly controlled companies	7,700,000	8,450,000
Associated companies	8,868,720	8,665,429
Loans granted	<u>1,377,619,633</u>	<u>1,296,165,879</u>
Parent company	347,400,000	347,400,000
Subsidiaries	104,839,014	290,898,588
Other related parties	52,600,000	52,600,000
Loans obtained	<u>504,839,014</u>	<u>690,898,588</u>

	31.March.2014	31.March.2013
Transactions:		
Subsidiaries	-	249,999
Associated companies	181,345	200,001
Services rendered	<u>181,345</u>	<u>450,000</u>
Parent company	604,735	457,386
Subsidiaries	375	6
Jointly controlled companies	6,794	-
Associated companies	10,020	10,438
Other related parties	35	61
Purchases and services obtained	<u>621,959</u>	<u>467,891</u>
Parent company	32,589	34,425
Subsidiaries	144,401	132,747
Associated companies	348	59
Other income	<u>177,338</u>	<u>167,231</u>
Subsidiaries	11,000,780	5,262,629
Jointly controlled companies	110,362	104,402
Associated companies	122,662	183,203
Interest income	<u>11,233,804</u>	<u>5,550,234</u>
Parent company	8,069,063	8,465,313
Subsidiaries	1,667,182	2,504,397
Other related parties	1,052,000	-
Interest expenses	<u>10,788,245</u>	<u>10,969,710</u>
Subsidiaries	16,758,860	19,921,111
Dividend income	<u>16,758,860</u>	<u>19,921,111</u>

All Sonae, SGPS, S.A. and Efanor Investimentos SGPS, SA subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements.

During 1st quarter 2014 and 2013 did not occurred any transactions including granted loans with the Company's Directors.

14 INVESTMENT INCOME

As at 31 March 2014 and 2013 investment income is as follows:

	31.March.2014	31.March.2013
Dividends received	16,758,860	19,921,111
Income of financial investments	4,349,891	-
Losses on investments	(4,048,743)	-
	<u>17,060,008</u>	<u>19,921,111</u>

15 FINANCIAL INCOME / EXPENSES

As at 31 March 2014 and 2013, net financial expenses are as follows:

	31.March.2014	31.March.2013
Interest receivable		
related to bank deposits	58,878	182,647
related to loans granted	11,213,952	5,530,580
Others	19,852	284,029
Financial income	<u>11,292,682</u>	<u>5,997,256</u>
Interest payable		
related to bank deposits and overdrafts	(596,248)	(1,366,392)
related to non convertible bonds	(4,634,911)	(4,125,353)
related to loans obtained	(10,788,245)	(10,969,711)
Other	-	(59)
Others financial expenses		
Up front fees on the issuance of debt	(1,806,908)	(1,601,458)
Other	(3,188)	(48,069)
Financial expenses	<u>(17,829,500)</u>	<u>(18,111,042)</u>

16 EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2014 and 2013 were calculated taking into consideration the following amounts:

	<u>31.March.2014</u>	<u>31.March.2013</u>
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	11,363,144	10,224,359
Net profit taken into consideration to calculate diluted earnings per share	11,363,144	10,224,359
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	900,000,000
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	<u>0.0126</u>	<u>0.0114</u>

17 SUBSEQUENT EVENTS

The appropriation of the 2013 result has been approved in the Shareholders' General Meeting held on the 29th April 2014. The distribution of dividends amounting to 40,000,000.00 euro have been approved, through the allocation of the 2013 net results amounting to 11,311,592 euro and through the utilization of free reserves amounting to 28,688,408 euro. Shares held by company or by any of its subsidiaries are not entitled to the dividends. The dividends amount has been recorded on these financial statements.

18 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 12 May 2014.

19 INFORMATION REQUIRED BY LAW

Decree-Law n^{er} 318/94 art. 5th n^{er} 4th

During the period ended as at 31 March 2014 shareholders' loan contracts were signed with the following companies:

Soflorin, BV

Sonae Capital Brasil Ltda

During the period ended as at 31 March 2014, treasury application agreements were signed with the following companies:

Bom Momento - Restauração, SA

Canasta - Empreendimentos Imobiliários, SA

Modelo Continente Hipermercados, SA

MJLF – Empreendimentos Imobiliários, SA

Imomuro - Sociedade Imobiliária, SA

Predilugar – Sociedade Imobiliária, SA

Raso, SGPS, SA

Selifa - Sociedade de Empreendimentos Imobiliários, SA

Sonae, SGPS, SA

The amounts due to group companies as at 31 March 2014 related to the mentioned contracts were the following:

Companies	<u>31.March.2014</u>
BB Food Service, SA	2,412,196
Continente Hipermercados, S.A.	1,000
Contibomba - Comércio e Distribuição de Combustíveis, SA	843,196
Chão Verde - Sociedade de Gestão Imobiliária, SA	250,257
Fashion Division, SA	831,196
Imomuro - Sociedade Imobiliária, SA	122,654
Modelo Continente Hipermercados, SA	61,487,608
Modelo Hiper Imobiliária, SA	3,031,258
Modelo.Com - Vendas por Correspondência, SA	9,138,257
Pharmaconcept - Actividades em Saúde, SA	17,196
Sesagest - Projectos e Gestão Imobiliária, SA	7,793,257
Sonvecap, B.V.	18,027,000
Tlantic Portugal - Sistemas de Informação, SA	883,939
	<u>104,839,014</u>

As at 31 March 2014 amounts owed by subsidiaries can be detailed as follows:

Companies	31.March.2014
Azulino - Imobiliária, SA	3,733,917
Bom Momento - Comércio Retalhista, SA	137,804
Bertimóvel - Sociedade Imobiliária, SA	21,751,724
Canasta - Empreendimentos Imobiliários, SA	1,543,607
Citorres - Sociedade Imobiliária, SA	2,449,449
Contimobe - Imobiliária do Castelo de Paiva, SA	25,385,151
Continente Hipermercados, SA	16,856,803
Cumulativa - Sociedade Imobiliária, SA	1,562,732
Farmácia Seleção, SA	909,804
Fozimo – Sociedade Imobiliária, SA	1,428,700
Igímo – Sociedade Imobiliária, SA	7,654,743
Iginha – Sociedade Imobiliária, SA	17,195,331
Imoconti – Sociedade Imobiliária, SA	10,706,123
Imoestrutura - Sociedade Imobiliária, SA	188,449
Imomuro - Sociedade Imobiliária, SA	4,000,000
Imoresultado – Sociedade Imobiliária, SA	490,399
Imosistema - Sociedade Imobiliária, SA	3,688,385
MJLF - Empreendimentos Imobiliários, SA	2,649,585
Modelo - Distribuição de Materiais de Construção, SA	4,616,289
MDS SGPS, SA	8,868,720
Pharmacontinente - Saúde e Higiene, SA	7,535,804
Predicomercial - Promoção Imobiliária, SA	4,457,709
Pedilugar - Sociedade Imobiliária, SA	2,612,000
Raso, SGPS, SA	7,700,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	2,556,374
Sempre à Mão - Sociedade Imobiliária, SA	37,736,466
Socijofra - Sociedade Imobiliária, SA	5,315,851
Sociloures - Sociedade Imobiliária, SA	15,276,641
Soflorin, BV	196,938,759
Sonae Capital Brasil, Ltda	1,004,077
Sonae Center Serviços II, SA	15,510,224
Sonae MC - Modelo Continente, SGPS, SA	670,276,804
Sonae - Specialized Retail, SGPS, SA	84,663,632
Sonaerp - Retail Properties, SA	168,168,986
Sondis Imobiliária, SA	19,037,676
Valor N, SA	3,010,915
	<u>1,377,619,633</u>

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério