

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 DECEMBER 2014

Management Report

SONAE INVESTIMENTOS, SGPS, SA

MANAGEMENT REPORT 2014

Sonae Investimentos, SGPS, SA is the company within the Sonae Group which aggregates the core activity of the group, retail.

1 MAIN HIGHLIGHTS

During the course of 2014, Sonae Investimentos, SGPS, SA delivered a consolidated turnover of 4,820 million Euro - which represents a 3.2% increase when compared to the previous year. In this same period, the Company's consolidated operating cash-flow (EBITDA) reached 343 million Euro. This figure represents a ratio over total net sales of 7.1%, 0.5 p.p. less than the previous year.

Focusing on the evolution of the Company's activity, we highlight the following aspects:

The **food based businesses** 3,461 M€, growing 1.3% and 45 M€ y.o.y.. The turnover increase was driven by the sales area expansion in which we would like to highlight the opening of 3 Continente Modelo and 5 Continente Bom Dia stores.

During this year, Sonae MC strengthened its leading market share in the Portuguese food retail sector supported by:

- An important investment on prices for the benefit of our customers, continuing to guarantee the lowest prices in the Portuguese market;
- Continuous improvements in the quality of the products offered. In 2014, Continente was voted for the 12th consecutive year as a Brand of Trust by Reader's Digest, proving consumers continuous recognition of Sonae's high quality products;
- Largest variety of private label references and other supplier brands, giving us the ability to rapidly respond to changes in consumer habits (Continente's private label portfolio continued to represent approximately 30% of the turnover of FMCG categories in 2014);
- Selective opening of stores and the positive contribution of franchising opportunities;
- 10% growth of online sales, supported by the renewed e-commerce platform; and,
- A very good performance of the Well's format.

Sonae MC underlying EBITDA totalled 241 M€ in 2014, corresponding to an underlying EBITDA margin of 7.0%. When compared to 2013, the lower underlying EBITDA was impacted by the highly competitive environment experienced for another year in Portugal, with a strong promotional effort leading to an internal deflation of 1.9%.

Nevertheless, Sonae MC was able to maintain the benchmark profitability, as a result of logistical and operational efficiencies, as well as the targeted promotional activity supported by the Continente Loyalty Card (which represented more than 90% of sales in 2014).

With regards to the **specialised retail** formats, turnover reached 1,290 M€, increasing 6.6% (6.1% in Portugal and 7.8% internationally), notwithstanding the strategy of rightsizing of the store network, including area reduction in various stores (decreasing almost 14 thousand sqm between 2013 and 2014).

During the year, we continued the key lines of our strategy, that include: development and roll-out of new store concepts for the four businesses, rightsizing of the store network, reinforcement of international businesses under a capital light approach, strongly supported by franchising, and improvement of omni-channel experience, already in place at Worten.

Concerning the main achievements in 2014, we would like to highlight the following:

- Worten reinforced its position in the consumer electronics market, gaining market share in Iberia;
- Zippy continued to expand its international presence, ending 2014 with 47 franchised stores across 17 different countries;
- Consolidated online sales grew 78% when compared to 2013, supported by the new Worten, Sport Zone and Zippy e-commerce platforms;
- Already in 2015, MO launched its e-commerce platform, a project that was developed throughout 2014.

As in 2013, Sonae SR reached a positive underlying EBITDA of 15 M€, supported by the evolution of Portuguese and International businesses. This was backed by the improved top line performance, combined with the measures implemented.

In Portugal, EBITDA grew 25.4%, to 48 M€. Internationally, although still negative, EBITDA improved by 4 M€.

The **retail properties** profitability particularly reflects internal rents, defined in accordance with the returns on the underlying investments, which are broadly in line with market capitalisation rates. In 2014 Sonae RP turnover amounted to 126 M€, 1.9% above 2013. The underlying EBITDA increased 1.6%, reaching 116 M€ in 2014, which translates into an underlying EBITDA margin of 92.2%.

During the course of the year in question, Sonae Investimentos, SGPS, SA consolidated direct profit totalled 74 million Euro. This includes the evolution of Financial results, which remained stable at -67 million Euro, when compared to 2013.

Indirect results were broadly null amounting to -1M€. Last year these included other non-cash movements, namely those impairments related to revaluations of retail properties registered in

3Q13, as well as identification of new concepts in the specialised retail formats that required strong investments and accelerated depreciations.

Consolidated Net Result for the period, attributable to Shareholders of the Holding Company, amounted to 71 million Euro, compared to -84 million Euro in the previous year.

2 INVESTMENT

During the course of 2014, Sonae Investimentos carried out an overall investment of 192 million Euro. This figure was mainly directed towards maintenance and refurbishment of store networks and the execution of the Company's expansion plan, allowing it to end the year with a portfolio of 1,030 stores and a sales area of 1,029 thousand m² (-1% on 2013 year end portfolio).

- The investment in the **food based retail** businesses reached 103 million Euro. The amount invested was directed towards the 3 Continente Modelo and 5 Continente Bom Dia stores as well as refurbishing works at selected retail units in order to keep them as references in their catchment areas.
- The investment in **specialised retail** reached 63 million Euro, including the consolidation of Sonae SR's store network in international markets. At the end of 2014, Sonae SR's formats had a total of 179 stores outside of Portugal, including 61 under franchising agreements.
- The amount invested by the **retail properties** segment reached 22 million Euro, 3 million Euro above the figure for 2013, as the capital light strategy continues on track (operational leasing instead of tenure) for new retail sales area.

3 OUTLOOK

The global economy is expected to accelerate moderately over the next year (3.6%), benefiting from the accelerated growth in developed countries and the fall in the oil price. However, the divergences between the major economies are expected to increase and there is a risk that once again growth will be disappointing.

The scenario is particularly auspicious for the US, whose growth rate may be above 3%, with domestic demand benefiting from cheap oil, the moderation of fiscal adjustment and the accommodative monetary policy. In the euro area, the perspective is of a limited expansion of activity (1.2%), which should also benefit from the crude oil price decline, coupled with the expansionary monetary policy of the ECB, a more neutral fiscal policy and the euro devaluation. However, inflation remains low and investment prospects are grim, reflecting the uncertainty and the impact of the emerging economies' slowdown in European exports.

In the emerging economies, growth is expected to remain unchanged (4.3%), penalised by the slowdown of China, by the entry into recession of Russia and by the downward revision of the outlook for commodity-exporting countries, particularly for those most dependent on oil.

In Portugal, the next year should consolidate the growth trend, albeit at a moderate pace (1.6%), in a context where internal vulnerabilities remain such as the high level of public and private debt and in which the European economy remains apathetic. In this context, private consumption will continue to be the main engine of the economy (1.8%), benefiting from the increase in household disposable

income, by means of some tax relief, increased income for pensioners and wage increases, whilst the fall in unemployment will become more restrained.

In Spain, we forecast an acceleration of economic growth of (2.3%), supported by domestic demand. Private consumption (2.7%) continues to benefit from the momentum in job creation and moderate wage growth, positive signals are also expected from the investment side, driven by the domestic and external demand dynamics and the improvement of financing conditions.

In short, the outlook for the Iberian economies is more favourable for the coming year, particularly for Spain, which will continue to grow well above the euro area average. However, relevant challenges and uncertainties remain, in a year marked by elections in both countries, while externally, the still uncertain impact of the monetary policy measures of the ECB and the course of events in Greece will be the most relevant factors conditioning the evolution of activity in the euro area.

4 FINANCIAL RISK MANAGEMENT

The general financial risk management principles of the Company are found in detail in Note 3 of the Appendix to the Income Statement.

5 REMUNERATION OF CORPORATE BODIES

Remuneration of the Board of Directors

Remuneration paid and attributed

The members of the Board are not remunerated by the Company or by Group companies.

Remuneration of Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is composed of a set annual amount, based on the Company's financial situation and market practices. The set annual amount for the members of this committee were as follows:

Member of Statutory Audit Board	2013	2014
Manuel Heleno Sismeiro	-	7,733
Armando Luis Vieira de Magalhães	-	6,400
António Augusto Almeida Trabulo	-	6,400
UHY & Associados represented by António Francisco Barbosa dos Santos	8,000	-
Óscar José Alçada da Quinta	7,010	2,000
Arlindo Dias Duarte da Silva	7,010	2,000
Total	22,020	24,533

Statutory External Auditor Fees

Sonae Investimentos Statutory Auditor and audit firm is Deloitte. The figures invoiced to Sonae Investimentos in 2013 and 2014, including subsidiaries, are as follows:

Statutory External Auditor	2013		2014	
Audit and Statutory Audit	291,570	57%	314,549	56%
Tax consultancy	44,748	9%	77,662	14%
Other services	178,409	34%	167,750	30%
Total	514,727	100%	559,961	100%

The fees relative to auditing services and other compliance and assurance services increased by 4pp in 2014 representing 70% of total fees. The other services represented 30% of total fees and were assessed by the Statutory Audit Board.

In 2014, the fees for other services included: consulting services provided to several subsidiaries of Sonae Investimentos.

In 2014, fees paid by Sonae Investimentos, in Portugal, to companies within the Deloitte network, represented less than 1% of Deloitte's annual turnover in Portugal.

The External Auditor quality system controls and monitors the potential risks of loss of independence or possible conflict of interests with Sonae.

Under the terms of article 62º-B of Law Decree nº 487/99 dated 16th November (altered by Decree Law nº 224/2008, 20th November), on an annual basis, the Statutory Audit Board receives a declaration of independence from the auditor, where services rendered by them and other entities within the same network are described, in addition to respective remuneration paid, eventual threats to independence and measures to safeguard against them.

Remuneration of the Board of Shareholder's General Meeting

The remuneration of the Board of Shareholder's General Meeting is constituted by a set figure, as detailed below:

Board of Shareholder's General Meeting	2013	2014
President	3,750	3,750
Secretary	1,500	1,500
Total	5,250	5,250

6 OWN SHARES

As of December 31st 2014 Sonae Investimentos, SGPS, SA, held, through Sonae MC – Modelo Continente, SGPS, SA, 100.000.000 shares representative of its share capital.

7 PROPOSAL FOR PROFIT DISTRIBUTION FOR THE COMPANY SONAE INVESTIMENTOS, SGPS, SA

Sonae Investimentos, SGPS, S.A. net profit for the year, as a standalone company, totalled 594,048,820.21 Euro, for which the Board of Directors propose the following distribution:

Legal Reserve	29,702,450.00 Euro
Dividends	40,000,000.00 Euro
Free Reserves	524,346,370.21 Euro
Total	594,048,820.21 Euro

The dividend distribution excludes the shares that, at the date of the distribution are held by the company or any other companies under its control.

8 ACKNOWLEDGEMENTS

We thank all of our customers, suppliers, financial institutions and shareholders for their support and preferences demonstrated. To the external auditors and statutory auditors we also owe our gratitude for their cooperation throughout the year. Finally, a special word of thanks to all of Sonae Investimentos employees for their enthusiasm, dedication and competence demonstrated once again.

Maia, 9th March 2015

The Board of Directors

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Glossary

Turnover (t)

Sale of articles + services rendered;

EBITDA

total direct income - total direct expenses - reversal of direct impairment losses + Share of results in joint ventures and associated undertakings;

“Underlying” EBITDA

total direct income - total expenses - reversal of impairment losses;

Direct EBIT

Direct EBT - financial results;

Direct EBT

Direct results before non-controlling interests and taxes;

Direct income

Results excluding contributions to indirect income;

Indirect income

Includes 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.

Investments (CAPEX)

Investments in tangible and intangible assets and investments in acquisitions;

Working Capital

customer debts (receivables derived from the normal course of the Group's activities) – suppliers (amount payable resulting from purchases derived from the normal course of the Group's activities) + inventories (goods booked at acquisition cost, less quantity discounts and impairment losses) + other assets and liabilities (State and other public entities + associated companies + accruals and prepayments + deferred taxes + provisions for risks and charges + fixed asset suppliers + sundry debtors and creditors)

Net Invested capital

Total net debt + total shareholder funds

APPENDIX

Statement under the terms of Article 245 paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements, the legal certification of the Statements and other accounting documents required by law or regulation were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, giving a truthful and appropriate image of the assets and liabilities, the financial situation and the results of the issuer and the companies included in the consolidation perimeter and that the Management Report faithfully describes the evolution of the businesses, the performance and position of the issuer and companies included in the consolidation perimeter and contains a description of the main risks and uncertainties with which they are faced.

Matosinhos, 9th March 2015

The Board of Directors

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Article 447 of the Portuguese Companies Act

Disclosure of the number of held shares and bonds issued by the Company or by companies in a group or control relationship with the latter, and of the transactions executed over such securities, during the financial year in analysis, by the members the statutory governing and auditing bodies and by their respective related parties pursuant to article 447 of the Portuguese Companies Act:

	Date	Additions		Reductions		Balance as of
		Quantity	Aver. Price €	Quantity	Aver. Price €	31.12.2014
Ángelo Gabriel Ribeirinho dos Santos Paupério (*) (**)						
Sonae, SGPS, SA (3)						770,426 (a)
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Sale	02-05-2014	507,276	0.068			
	31-12-2014			500,000	1.033	
Enxomil - SGPS, SA (13)						10,000 (b)
Continente Bonds - 7% -2015						150,000 (c)
Duarte Paulo Teixeira de Azevedo (*) (**) (***) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Migracom, SGPS, SA (11)						1,999,996
Sonae, SGPS, SA (3)						928,184 (d)
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive	28-04-2014	262,087	0.068			
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive	03-07-2014	177,567	0.061			
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Balance as of
						31.12.2014
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA (3)						200,100,000
Pareuro, BV (2)						5,583,100
(2) Pareuro, BV						
Sonae, SGPS, SA (3)						849,533,095
(3) Sonae, SGPS, SA						
Sonae, SGPS, SA (treasury shares)						5,560,746
Purchase	24-03-2014	1,885,000	1.325			
Purchase	14-04-2014	630,000	1.305			
Purchase	15-04-2014	465,000	1.296			
Purchase	16-04-2014	530,000	1.315			
Purchase	17-04-2014	450,000	1.333			
Sale	28-04-2014			3,585,251	1.358	
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive	28-04-2014			262,087	0.068	
Sale	05-05-2014			62,198	1.358	
Purchase	15-05-2014	755,000	1.213			
Purchase	16-05-2014	1,532,973	1.211			
Purchase	19-05-2014	970,000	1.222			
Sale	19-05-2014			11,509	1.238	
Purchase	20-05-2014	710,000	1.226			
Purchase	21-05-2014	750,000	1.247			
Purchase	22-05-2014	809,700	1.261			
Purchase	23-05-2014	535,393	1.274			
Sale	03-07-2014			121,342	1.220	
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive	03-07-2014			177,567	0.061	
Sale	24-07-2014			236,434	1.169	
Sale	07-10-2014			5,932	1.101	
Sonae Investimentos, BV (8)						2,894,000
Sonae Investimentos, SGPS, SA (4)						250,286,683
Sale	22-12-2014			518,269,127	3.504	
Sonaecenter, Serviços, SA (5)						10,000
(4) Sonae Investimentos, SGPS, SA						
Sonae MC - Modelo Continente, SGPS, SA (10)						362,937,063
Sonae - Specialized Retail, SGPS, SA (7)						0
Sale	22-12-2014			210,000,000	6.774	
Sonae Center, Serviços II, SA (6)						4,430,000

	Date	Additions		Reductions		Balance as of
		Quantity	Aver. Price €	Quantity	Aver. Price €	31.12.2014
						Quantity
(5) Sonaecenter, Serviços, SA						
Sonae Investimentos, SGPS, SA (4)						518,269,127
Purchase	22-12-2014	518,269,127	3.504			
(6) Sonae Center, Serviços II, SA						
Sonae - Specialized Retail, SGPS, SA (7)						210,000,000
Purchase	22-12-2014	210,000,000	6.774			
(7) Sonae - Specialized Retail, SGPS, SA						
Sonae MC - Modelo Continente, SGPS, SA (10)						502,062,937
(8) Sonae Investments BV						
Sonae Investimentos, SGPS, SA (4)						131,419,190
Libra Serviços, Sociedade Unipessoal, Lda (9)						5,000
(9) Libra Serviços, Sociedade Unipessoal, Lda						
Sonae Investimentos, SGPS, SA (4)						25,000
(10) Sonae MC - Modelo Continente, SGPS, SA						
Sonae Investimentos, SGPS, SA (4)						100,000,000
(11) Migracom, SGPS, SA						
Sonae, SGPS, SA (3)						1,536,683
Sale	13-06-2014			435,000	1.278	
Sale	17-06-2014			500,000	1.257	
Sale	18-06-2014			465,000	1.264	
Imparfin, SGPS, SA (12)						150,000
(12) Imparfin, SGPS, SA						
Sonae, SGPS, SA (3)						4,105,280
Continente Bonds - 7% -2015						100,000
Purchase	28-01-2014	222,000	1.050			
Purchase	09-04-2014	411,000	1.050			
Sale	26-05-2014			48,000	1.050	
Sale	29-07-2014			30,000	1.047	
Sale	30-09-2014			25,000	1.048	
Sale	19-11-2014			300,000	1.033	
Sale	27-11-2014			135,000	1.034	
(13) Enxomil - SGPS, SA						
Sonae, SGPS, SA (3)						500,000
Purchase	31-12-2014	500,000	1.033			
Continente Bonds - 7% -2015						400,000

(*) Member of the Board of Directors of Sonae Investimentos, SGPS, SA

(*) Member of the Board of Directors of Sonae, SGPS, SA (directly and indirectly dominant company) (3)

(**) Member of the Board of Directors of Efanor Investimentos SGPS, SA (1)

(****) Member of the Board of Directors of Imparfin, SGPS, SA (12)

(a) of which 125,000 shares held by spouse

(b) directly and indirectly held

(c) held by spouse

(d) of which 530 shares held by descendants under his charge

Article 448 of the Portuguese Companies Act

Number of shares held by shareholders owning more than 10%, 33% and 50% of the Sonae Investimentos, SGPS, SA share capital:

Number of shares held as of 31.December.2014

Sonae, SGPS, SA	250,286,683
Sonae Investments, BV	131,419,190
Libra Serviços, Sociedade Unipessoal, Lda	25,000
Sonaecenter, Serviços, SA	518,269,127
Sonae MC - Modelo Continente, SGPS, SA	100,000,000

Qualified holdings

Shares held and voting rights attributable to shareholders owning more than 2% of the share capital of the Sonae Investimentos, SGPS, SA, as required by article 8, nr.1, b) of the Portuguese Securities Market Commission (CMVM) Regulation nr.05/2008:

Shareholder	Nr. of shares	% share capital	% of voting rights
Efanor Investimentos, SGPS, SA (i)			
By Sonae, SGPS, SA	250,286,683	25.0287%	27.8096%
By Sonae Investments, BV	131,419,190	13.1419%	14.6021%
By Libra Serviços, Sociedade Unipessoal, Lda	25,000	0.0025%	0.0028%
By Sonaecenter Serviços, SA	518,269,127	51.8269%	57.5855%
By MC - Modelo Continente, SGPS, SA (ii)	100,000,000	10.0000%	-
Total attributable to Efanor Investimentos, SGPS, SA	1,000,000,000	100.0000%	100.0000%

Source: communications received by the Company regarding qualified shareholdings up to 31th December 2014.

Calculation based on the Company's share capital, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code.

(i) Belmiro Mendes de Azevedo is, according to subparagraph b) of paragraph 1 of article 20 and paragraph 1 of article 21, both of the Portuguese Securities Code, the "ultimate beneficial owner", as it holds circa 99% of the share capital and voting rights in Efanor Investimentos, SGPS, SA and the latter wholly owns Pareuro BV.

(ii) Considered treasury shares in accordance with Commercial Companies Code as Sonae MC - Modelo Continente, SGPS, SA is directly and indirectly owned by Sonae Investimentos, SGPS, SA.

SONAE INVESTIMENTOS, SGPS, SA

Corporate Governance

Sonae Investimentos, SGPS, S.A. Corporate Governance practices annual report, pursuant to the terms of regulation number 4 of article 245 A of the Portuguese Securities Code and pursuant to the terms of article 2 and article 3 of the Law 28/2009 of 19th of June.

Chapter 1 – Qualified Shareholdings – article 245-A, number 1, section c) of the Portuguese Securities Code

Shareholder	Nr. of shares	% share capital	% of voting rights
Efanor Investimentos, SGPS, SA (i)			
By Sonae, SGPS, SA	250,286,683	25.0287%	27.8096%
By Sonae Investments, BV	131,419,190	13.1419%	14.6021%
By Libra Serviços, Sociedade Unipessoal, Lda	25,000	0.0025%	0.0028%
By Sonaecenter Serviços, SA	518,269,127	51.8269%	57.5855%
By MC - Modelo Continente, SGPS, SA (ii)	100,000,000	10.0000%	-
Total attributable to Efanor Investimentos, SGPS, SA	1,000,000,000	100.0000%	100.0000%

Source: communications received by the Company regarding qualified shareholdings up to 31th December 2014.

Calculation based on the Company's share capital, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code.

(i) Belmiro Mendes de Azevedo is, according to subparagraph b) of paragraph 1 of article 20 and paragraph 1 of article 21, both of the Portuguese Securities Code, the "ultimate beneficial owner", as it holds circa 99% of the share capital and voting rights in Efanor Investimentos, SGPS, SA and the latter wholly owns Pareuro BV.

(ii) Considered treasury shares in accordance with Commercial Companies Code as Sonae MC - Modelo Continente, SGPS, SA is directly and indirectly owned by Sonae Investimentos, SGPS, SA.

Chapter 2 – Identification of shareholders that hold special rights and description of those rights - article 245-A, number 1, section d) of the Portuguese Securities Code

There are no shareholders who hold special rights.

Chapter 3 – Restrictions on voting rights - article 245-A, number 1, section f) of the Portuguese Securities Code

As set in the company's Articles of Association (if nothing is stated, the guidelines shall be those of the governing law):

The Shareholders General Meeting is made up of shareholders with voting rights, holders of shares or securities for subscription, that until 5 business days prior to the Assembly taking place, present prove of their shareholding, under the terms established by Law. The presence of shareholders who have preferential shares without voting rights in the Shareholders General Meeting, and their taking part in the discussion of matters regarding order of the day, depends on the General Assembly Authorisation.

One share corresponds to one vote.

Shareholders who are private individuals can be represented at the Shareholders' General Meetings by sending a letter to the Chairman of the Board of the Shareholders General Meeting, stating the name and address of the representative and date of the meeting. Legal entities may be represented by a person designated by them in writing, whose designation authenticity will be verified by the Chairman of the Board of the Shareholders General Meeting.

If the Company is listed as a publicly quoted company, shareholders can vote by mail, but only in relation to changes to the Articles of Association and Company Governing Bodies election.

Postal votes will only be considered when received at the Company's registered office by registered mail, receipt delivery, addressed to the Chairman of the Board of the Shareholders' General Meeting at least 3 days prior to the date of the General Meeting, notwithstanding the requirement of proof of shareholding.

The voting declaration must be signed by the shareholder or by his/hers legal representative. In the case of a private individual, it should be accompanied by a certified copy of his/her identity card. In case of a legal entity, the signature should be notarised and should specify that the signatory is authorised and mandated for that purpose.

Voting declarations will only be considered valid when they clearly and unequivocally set out:

- a) The item or items of the agenda they refer to;
- b) The specific proposal to which they relate to with an indication of the respective proposer or proposers;
- c) The precise and unconditional voting intention on each proposal.

Notwithstanding, what is set in section b) herein above, a shareholder is allowed to include in a written voting declaration, regarding an identified proposal, the intention to vote against all alternative proposals, in relation to the same item on the agenda, without further specification.

The shareholders who send their voting declaration by mail shall be deemed to have abstained from voting on any proposals that are not specifically included in their written voting declarations.

Postal votes count as negative votes regarding resolution proposals presented after the date on which the same votes were issued.

It is the Chairman of the Board of the Shareholders' General Meeting responsibility, or the person replacing him, to verify voting declarations sent by mail, disregarding any votes relating to declarations that have not been accepted.

It is the Company's responsibility to guarantee the confidentiality of votes sent by mail, until voting takes place.

The Shareholders General Meeting may deliberate at first call so long as there are present or represented shareholders whom represent more than 50% of the issued share capital.

Chapter 4 – Rules applicable to the nomination and replacement of the Statutory Governing Bodies members and changes to the Company's Articles of Association - article 245-A, number 1, section h) of the Portuguese Securities Code

The Board of Directors is made up of an even or odd number of members. A minimum of 2 and maximum of 11, elected at the Shareholders General Meeting.

In case of death, resignation or temporary or permanent incapacity of any member, the Board of Directors will provide a substitute.

In the case of the company being a publicly quoted company, concessionaire of the State or equivalent entity, the definitive lack of a Director elected under the provision of article 392 of the Portuguese Companies Act (special election rules apply), results in new elections.

Notwithstanding, governing law does not prevent that the substitution may be decided by the Shareholders General Meeting.

As set forth in governing law, changes to the Articles of Association depend on the Shareholders General Meeting Resolution.

Required quorum for amendment to the Articles of Association:

- a) The Articles of Association state that at first call to deliberate on any matter, shareholders whom represent more than 50% of the share capital must be present or represented;
- b) In accordance with chapter 3, article 383 of the Portuguese Companies Act, the Assembly, on a second call, can deliberate regardless of the number of shareholders present, represented or the share capital by them represented.

Under the terms of chapter 3 article 386 of the Portuguese Companies Act, the resolution regarding a change to the articles of association, must be approved by 2/3 of votes, regardless of the Assembly meeting during a first or a second call.

Chapter 5 – Powers of the Board of Directors, namely with regards to share capital increase resolutions - article 245-A, number 1, section i) of the Portuguese Securities Code

Article 5, chapter 2 of the Articles of Association states that the Company's share capital can be increased, through new entries in cash, of up to five thousand million Euro, in one or more stages, by resolution of the Boards of Directors, which will determine, in accordance with the law, the conditions of subscription and the categories of shares to be issued, based on those already existing at the time".

This authorisation was renewed by the Shareholders General Meeting which took place on 27th of April 2012 and remains valid for a period of 5 years under the terms of chapter 2 b) of article 456 of the Portuguese Companies Act.

Chapter 6 – Main elements of internal control systems and risk management implemented in the company regarding the process of disclosing financial information - article 245-A, number 1, section m) of the Portuguese Securities Code

The existence of an effective internal control environment, particularly in the process of financial reporting, is a commitment Sonae Investimentos Board of Directors has. It aims to identify and improve most relevant process in terms of preparation and disclosure of financial information, with the aims of transparency, consistency, simplicity, reliability and relevance. The objective of the internal control system is to ensure a reasonable guarantee in relation to the preparation of financial statements in accordance with the accounting principles adopted, and quality of financial reporting.

The reliability of the financial information is guaranteed not only by the clear separation between who prepares it and the users, but also by the implementation of various control procedures during the process of preparation and disclosure of financial information.

The internal control system regarding accounting, preparation and disclosure of financial information, includes the following key controls:

- The process of disclosing financial information is formalised, the risks and associated controls are identified. The criteria for preparation and disclosure are duly established and approved and are reviewed periodically;
- There are three main kinds of control: high level controls (control at the entity level), information system controls and processing controls. These controls include a number of procedures related to the execution, supervision, monitoring and process improvement, with the aim of preparing the financial statement of the company;
- The use of accounting principles which are explained in the notes to financial statements (see Consolidated Financial Statements chapter 2), constitute one of the fundamental pillars of the control system;
- The plans, procedures and registers of the Group's companies enable a reasonable guarantee that the transactions are only executed with the general or specific management authorisation, and that these transactions are registered to permit that the financial statements comply with the main accounting principles widely accepted. It also ensures that the companies maintain an up-to-date registers of their assets and that the register of the assets is always checked against existing assets. Appropriate measures are always adopted whenever differences occur;
- The financial information is systematically and regularly checked by business unit management and by those responsible for the results departments, guaranteeing a constant monitoring and respective budget control;
- During the process of preparing and checking the financial information, a timetable is previously established and shared with the different departments involved, and all of the documents are reviewed in detail. This includes the revision of the principles used, checking the precision of information produced and the consistency with the principles and policies defined and used in previous periods;
- In terms of individual companies, the accounting registry's and preparation of financial statements are assured by the different roles within the administrative and accounting services, who guarantee the control of registering the transactions of business processes and the balance of the assets, liabilities and own shares. The financial statements are prepared by External Auditors for each one of the companies and examined by the management control and fiscal departments;
- The consolidated financial statements are prepared on a quarterly basis by the department of accounts consolidation of the administrative services within Sonae Investimentos Corporate Centre. This process constitutes an additional level of control and accuracy of financial information, namely guaranteeing the application of the accounting principles across the board, of the cutting operations procedures and the control of balances and transactions between companies of the Sonae Investimentos Group and remaining companies within the Sonae Group;
- The Management Report and the Corporate Governance Report are prepared with contributes from multidisciplinary teams;
- The various documents which constitute the annual report are reviewed and approved by Sonae Investimentos Board of Directors. After the approval, the documents are sent to the External Auditor, who provides the Legal Accounts Certification and External Auditing Report;

- The process of preparing individual and consolidated financial information and the Management Report is supervised by the Fiscal Committee. On a quarterly basis, this committee gathers and reviews the individual and consolidated statements and the Management Report. Every year, the Statutory Auditor presents, directly to the Fiscal Committee, a summary of the main conclusions reached having examined the financial information;
- All of those involved in the Company's financial analysis process compose the list of people with access to privileged information, and are informed about the content of their obligations and about their penalties resulting from the undue use of the referred information;
- The internal rules applicable to the disclosure of financial information aim to guarantee its timing and avoid leaking information to the market.

Amongst the risk causes which may materially affect the accounting and financial reporting, we note the following:

- Accounting estimates – The most significant accounting estimates are described in the appendix to the Consolidated Financial Statements chapter 2.18, and in other chapters. The estimates were based on the best information available during the preparation of the financial statements, and best knowledge and experience of past and/or present events;
- Balances and transactions with related parties – The most significant balances and transactions with related parties are detailed in the annexes to financial statements. These are particularly associated with operating activities of the Group, as well as to the concession and attainment of loans, carried out at market value.

More specific information on how these, and other risk causes were mitigated, can be consulted during the course of notes to the financial statements.

Sonae Investments adopts various actions related to the continuous improvement of the Financial Risk Control System, including:

- Improvement in control documentation – Following work carried out in the past, during 2014 Sonae Investimentos continued to improve the documentation and systemisation of risks and the internal control system related to the concern for financial information. These actions include the identification of the causes of risks (inherent risk), the identification of processes with greater materiality, the control of documentation and the final analysis (residual risk) after the implementation of potential improvements in controls;
- Fulfilment Review – The Legal team in cooperation with the Administrative, Internal Auditing and Risk Management departments, and in accordance with other necessary departments, coordinates a periodic review of the compliance with legal and regulatory requirements regarding the processes of underlying government and corresponding financial information, which are disclosed in the Management Report and Corporate Governance Report.

Chapter 7 – Governing Bodies Remuneration Policy - article 2, of the Law 28/2009 of 19th of June

The statutory Governing Bodies Remuneration Policy was approved at the Annual General Meeting held on 29th April 2014 based on the following principles:

A. Principles of the Remuneration and Performance Bonus Policy:

The Remuneration and Performance Bonus Policy applicable to the statutory Governing Bodies and Officers, adheres to the basic outline and main principles of the Remuneration and Performance Bonus Policy approved by Sonae, SGPS, S.A. competent bodies. It is based upon the premise that initiative, competence and commitment are essential factors to perform well, and this should be in line with the medium and long-term interests of our society, with a view to its sustainability.

The Remuneration Policy is determined by carrying out a comparative study between market references as supplied by the various studies made available in Portugal and other European Markets.

The remuneration packages are defined based upon market studies carried out on Top Executives in Portugal and Europe, and fall in-line with market average in terms of fixed remuneration, and in-line with the third quartile in terms of total remuneration on a comparable basis.

The lower and upper limits of fixed remuneration are aligned with market standards which are in turn measured by the equivalent practices in comparable societies.

The Performance Bonus component which is determined on a case-by-case basis and is non-binding to corporate entities, is subject to maximum percentage limits and follows pre-established and measurable performance criteria – performance indicators – agreed upon with each potential beneficiary every fiscal year.

B. In achieving the formulated principles, remuneration and compensation for the statutory Governing Bodies and Officers at Sonae Investimentos and respective controlled companies will follow the rules defined below, and will be applied on an individual basis considering the governance structure of each company:

Executive Directors

The individual reward schemes are defined in accordance with each ED's responsibility levels and are reviewed on an annual basis. Each ED is attributed a classification which internally is referred to as Functional Group. The ED's are classified into functional groups "Senior Executive Group" (G1) and "Senior Executive" (G2). The structure of the functional classifications are based upon Hay's International Model of classifying corporate functions, with the objective of facilitating market comparisons and promoting internal equality.

More specifically the policy is composed of (i) a fixed remuneration paid in monthly instalments covering a calendar year period and (ii) short and medium-term Performance Bonus the award of which does not constitute an obligation on part of the controlled companies and must follow the following rules:

The Short-Term Performance Bonus aims to compensate the achievement of objectives defined on an annual basis which are associated with Key Performance Indicators of Business Activity (Business KPIs) and Personal Key Performance Indicators (Individual KPIs). The Business KPIs represent 70% and are determined by the business, economic and financial KPIs. They encompass unambiguous indicators which are divided into Group Business and departmental KPIs. The Group Business KPIs are based on economic and financial indicators which are defined in accordance with the budget, the performance of each business unit as well as Sonae's overall consolidated performance. The remaining 30% are derived from Individual KPIs which combine ambiguous and unambiguous indicators. The final figures are a result of the actual performance (business results/individual contributions) and may vary between 0% and 140% of the previously defined compensation package. This Performance Bonus will be determined in accordance with the performance during the year immediately preceding it, and will be paid in full during the first quarter of the calendar year in which it is assigned. This payment will be carried out in strict compliance with the legal and regulatory arrangements that best correspond to each entity, namely via profit sharing when deliberated at the General Meeting.

The Medium-Term Variable Performance Bonus aims to strengthen the ED's relationship with the performance of the respective companies, aligning their interests with that of the shareholders and increasing awareness regarding the importance of their performance for the overall success of the organisation. The amount pertaining to the Medium-Term Performance Bonus is defined on an annual basis. For the ED's, this figure represents the equivalent of 100% of the Short-Term Performance Bonus. The value paid in Euros shall be divided by the quoted share price for the determination of the number of shares it corresponds to. The value converted into shares will be adjusted to include any variations occurring in the share capital or dividends (Total Share Returns) during a deferring period of three years. At the vesting date, the shares shall be delivered without cost, and the Company will keep the alternative option of delivering the corresponding amount in cash. The Medium-Term Performance Bonus will be determined until April of the year following that in which the performance evaluation is applicable, and will be paid in full three years following the date on which it is attributed in the form of free disposal or discount on acquiring allocated shares. In the event of the latter, the principle of neutrality pertaining to impacts on society and for the beneficiary of the plan in accordance with the Share Allocation Plan and respective Regulation in effect for the group of companies denominated Sonae SGPS, S.A. shall be respected.

Non-Executive Directors

No variable remuneration or Performance Bonus of any kind are paid to Non-Executive Directors.

Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is based exclusively on fixed annual amounts, which includes an Annual Responsibility Allowance established in accordance with comparable market practices.

Statutory External Auditor

The Statutory External Auditor is remunerated in accordance with the applicable Standard Fee Table as per market practice under the supervision of our Statutory Audit Board.

Officers

The same principles as per that of the Executive Directors Remuneration and Performance Bonus apply to Officers where applicable and with the respective adjustments.

C. Moreover pertaining to Sonae Investimentos it has been deliberated that:

- i) Sonae Investimentos Non-Executive Directors shall not be attributed any fixed remuneration or incentives.
- ii) The remuneration for the members of the Board of the General Meeting of this society is composed of a fixed amount that was determined based on the characteristics of this society and market practices.

Matosinhos, 9th March 2015

The Board of Directors

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Consolidated Financial Statements

SONAE INVESTIMENTOS, SGPS, SA

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

ASSETS	Notes	31 December 2014	31 December 2013
NON-CURRENT ASSETS:			
Tangible assets	9	1,798,574,339	1,820,583,824
Intangible assets	10	185,442,788	163,731,471
Goodwill	11	498,166,236	498,186,402
Investments in joint ventures and associates	5 and 12	40,703,708	51,797,067
Other investments	6 and 8	11,572,032	13,401,237
Deferred tax assets	19	81,753,780	117,412,133
Other non-current assets	8 and 13	45,288,277	23,103,739
Total Non-Current Assets		2,661,501,160	2,688,215,873
CURRENT ASSETS:			
Inventories	14	601,898,771	588,396,336
Trade account receivables	8 and 15	40,207,957	43,070,196
Other debtors	8 and 16	87,395,933	90,687,013
Taxes recoverable	17	39,712,092	63,196,961
Other current assets	18	88,519,537	58,912,883
Investments	8 and 12	4,001,344	42,105
Cash and cash equivalents	8 and 20	101,826,265	71,510,332
Total Current Assets		963,561,899	915,815,826
TOTAL ASSETS		3,625,063,059	3,604,031,699
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	21	1,000,000,000	1,000,000,000
Own shares	21	(320,000,000)	(320,000,000)
Legal reserve		141,237,816	140,642,469
Reserves and retained earnings		(236,863,760)	(114,375,665)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		70,697,244	(84,265,323)
Equity attributable to the equity holders of the Parent Company		655,071,300	622,001,481
Equity attributable to non-controlling interests	22	80,234,962	84,312,167
TOTAL EQUITY		735,306,262	706,313,648
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	8 and 23	67,250,948	114,694,578
Bonds	8 and 23	317,220,715	646,307,863
Obligation under finance leases	8, 23 and 24	4,236,417	7,630,324
Other loans	8 and 23	17,707	53,936
Other non-current liabilities	8 and 26	437,747,822	444,708,892
Deferred tax liabilities	19	91,057,069	116,937,919
Provisions	31	22,396,928	29,588,227
Total Non-Current Liabilities		939,927,606	1,359,921,739
CURRENT LIABILITIES:			
Loans	8 and 23	22,457,132	56,774,364
Bonds	8 and 23	379,724,734	9,990,122
Obligation under finance leases	8, 23 and 24	4,406,849	4,185,507
Other loans	8 and 23	616,335	1,448,609
Trade creditors	8 and 28	1,131,212,718	1,143,639,351
Other creditors	8 and 29	128,100,485	90,860,537
Taxes and contributions payable	17	73,715,530	49,720,914
Other current liabilities	30	206,157,151	178,458,919
Provisions	31	3,438,257	2,717,989
Total Current Liabilities		1,949,829,191	1,537,796,312
TOTAL LIABILITIES		2,889,756,797	2,897,718,051
TOTAL EQUITY AND LIABILITIES		3,625,063,059	3,604,031,699

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 31 DECEMBER 2014 AND 2013
*(Translation of consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)*

(Amounts expressed in euro)

	Notes	31 December 2014	31 December 2013
Sales	34	4,768,352,819	4,627,967,634
Services rendered	34	52,135,116	42,578,232
Investment income	35	(9,458,055)	83,036
Financial income	36	6,392,741	5,865,448
Other income	37	519,043,204	442,428,755
Cost of goods sold and materials consumed	14	(3,761,067,233)	(3,583,196,593)
Changes in stocks of finished goods and work in progress		(98,002)	181,680
External supplies and services	38	(581,950,752)	(559,554,581)
Staff costs	39	(585,808,648)	(552,778,429)
Depreciation and amortisation	9 and 10	(159,046,910)	(176,833,990)
Provisions and impairment losses	31	(8,057,402)	(182,585,781)
Financial expenses	36	(73,090,412)	(73,240,790)
Other expenses	40	(64,131,121)	(59,610,246)
Share of results of joint ventures and associated undertakings	5	(2,071,468)	(2,894,152)
Profit/(Loss) before taxation		101,143,877	(71,589,777)
Taxation	41	(28,180,333)	(10,841,985)
Profit/(Loss) after taxation		72,963,544	(82,431,762)
Attributable to:			
Equity holders of the Parent Company		70,697,244	(84,265,323)
Non-controlling interests	22	2,266,300	1,833,561
Profit/(Loss) per share			
Basic	43	0.078552	(0.093628)
Diluted	43	0.078552	(0.093628)

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS
ENDED 31 DECEMBER 2014 AND 2013

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

(Amounts expressed in euro)

	31 December 2014	31 December 2013
Net Profit / (Loss) for the period	72,963,544	(82,431,762)
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	(186,970)	392,504
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 5.3)	725,964	(6,114,301)
Changes in hedge and fair value reserves	2,490,366	(185,434)
Deferred taxes related with other components of comprehensive income	(643,225)	74,162
Other comprehensive income for the period	2,386,135	(5,833,069)
Total comprehensive income for the period	75,349,679	(88,264,831)
Attributable to:		
Equity holders of Parent Company	73,036,978	(90,090,326)
Non controlling interests	2,312,701	1,825,495

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 31 DECEMBER 2014 AND 2013

*(Translation of 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										Non-controlling interests (Note 22)	Total Equity
	Share Capital	Own Shares	Legal Reserve	Reserves and Retained Earnings				Net Profit/(Loss)	Total	Total		
Currency Translation Reserve				Hedging Reserve	Legal reserves in accordance with article 324º CSC	Other Reserves and Retained Earnings	Total					
Balance as at 1 January 2013	1,000,000,000	(320,000,000)	140,357,809	210,944	(311,102)	320,000,000	(397,316,787)	(77,416,945)	9,310,582	752,251,446	85,691,823	837,943,269
Total comprehensive income for the period	-	-	-	417,629	(128,331)	-	(6,114,301)	(5,825,003)	(84,265,323)	(90,090,326)	1,825,495	(88,264,831)
Appropriation of profit of 2012:												
Transfer to legal reserves and retained earnings	-	-	284,660	-	-	-	9,025,922	9,025,922	(9,310,582)	-	-	-
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	(190,744)	(40,190,744)
Income distribution	-	-	-	-	-	-	-	-	-	-	(4,620,415)	(4,620,415)
Othes	-	-	-	-	-	-	(159,639)	(159,639)	-	(159,639)	1,606,008	1,446,369
Balance as at 31 December 2013	1,000,000,000	(320,000,000)	140,642,469	628,573	(439,433)	320,000,000	(434,564,805)	(114,375,665)	(84,265,323)	622,001,481	84,312,167	706,313,648
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)	(114,375,665)	(84,265,323)	622,001,481	84,312,167	706,313,648
Total comprehensive income for the period	-	-	-	(192,528)	1,806,298	-	725,964	2,339,734	70,697,244	73,036,978	2,312,701	75,349,679
Appropriation of profit of 2013:												
Transfer to legal reserves and retained earnings	-	-	595,347	-	-	-	(84,860,670)	(84,860,670)	84,265,323	-	-	-
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	(132,874)	(40,132,874)
Income distribution	-	-	-	-	-	-	-	-	-	-	(3,164,816)	(3,164,816)
Variation in percentage of subsidiaries	-	-	-	-	-	-	18,959	18,959	-	18,959	(3,092,216)	(3,073,257)
Others	-	-	-	-	-	-	13,882	13,882	-	13,882	-	13,882
Balance as at 31 December 2014	1,000,000,000	(320,000,000)	141,237,816	436,045	1,366,865	320,000,000	(558,666,670)	(236,863,760)	70,697,244	655,071,300	80,234,962	735,306,262

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

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

	Notes	31 December 2014	31 December 2013
OPERATING ACTIVITIES			
Cash receipts from trade debtors		4,828,641,380	4,648,133,068
Cash paid to trade creditors		(3,955,893,178)	(3,748,317,814)
Cash paid to employees		(576,759,408)	(544,956,191)
Cash flow generated by operations		<u>295,988,794</u>	<u>354,859,063</u>
Income taxes (paid) / received		10,351,301	(18,078,144)
Other cash receipts and (payments) relating to operating activities		25,978,463	(21,243,312)
Net cash flow from operating activities (1)		<u>332,318,558</u>	<u>315,537,607</u>
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	44	4,787,741	1,695,498
Tangible assets		25,833,582	9,234,977
Intangible assets		3,330	625
Interests and similar income		1,567,359	2,631,213
Loans granted		12,578,370	19,448,722
Dividends		168,325	110,867
		<u>44,938,707</u>	<u>33,121,902</u>
Cash Payments arising from:			
Investments	44	(5,850,351)	(14,938)
Tangible assets		(136,340,034)	(127,609,002)
Intangible assets		(35,625,225)	(36,252,775)
Loans granted		(12,763,370)	(10,096,722)
		<u>(190,578,980)</u>	<u>(173,973,437)</u>
Net cash flow used in investment activities (2)		<u>(145,640,273)</u>	<u>(140,851,535)</u>
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		3,786,324,614	3,703,291,238
Capital increases, shareholder's loans and share premiums		-	254,886
Coverage of losses		-	399,810
Others		-	127,782
		<u>3,786,324,614</u>	<u>3,704,073,716</u>
Cash Payments arising from:			
Loans obtained		(3,829,935,692)	(3,838,865,755)
Interests and similar charges		(67,297,606)	(71,284,854)
Dividends		(43,200,091)	(44,800,915)
Others		(1,879,017)	(1,543,204)
		<u>(3,942,312,406)</u>	<u>(3,956,494,728)</u>
Net cash flow used in financing activities (3)		<u>(155,987,792)</u>	<u>(252,421,012)</u>
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		<u>30,690,493</u>	<u>(77,734,940)</u>
Effect of foreign exchange rate		100,191	139,712
Cash and cash equivalents at the beginning of the period	20	<u>71,107,790</u>	<u>148,982,442</u>
Cash and cash equivalents at the end of the period	20	<u>101,698,092</u>	<u>71,107,790</u>

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2014

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

(Amounts expressed in euro)

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 45.

2 PRINCIPAL ACCOUNTING POLICIES

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

2.1 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 applicable to economic period beginning on 1 January 2014, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRS - IC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as at the consolidated financial statements issuance date.

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

Additionally, for financial reporting purposes, fair value measurement is categorized in levels 1, 2 and 3, according to the level in which the used assumptions are observable and its significance, in what concerns fair value valuation, used in the measurement of assets/liabilities or its disclosure.

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

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

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

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

Up to the financial statements approval date, the following standards interpretations, amendments and revisions some of which become mandatory during the year 2014, have been endorsed by the European Union.

With mandatory application on 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

These standards were first applied by the Group in 2014. The application of these standards and interpretations had no material effect on the financial statements of the Group as at 31 December 2014 namely because the Group had already amended the measurement of investments in joint ventures by applying the equity method.

The following standards, interpretations, amendments and revisions were endorsed by the European Union and are mandatory in future financial years.

With mandatory application after 2014:	Effective Date(for financial years beginning on/after)
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)	17 Jun 2014

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the year ended on the 31 December 2014, since their application is not yet mandatory. No significant impacts are expected in the financial statements resulting from the adoption of these standards.

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

With mandatory application after 2014:	Effective Date(for financial years beginning on/after)
IFRS 9 - (Financial instruments – classification and measurement)	01 Jan 2018
IFRS 11 (Amendment) – (Accounting for Acquisitions of Interests in Joint Operations)	01 Jan 2016
IAS 16 and IAS 38 (Amendment) – (Clarification of Acceptable Methods of Depreciation and Amortisation)	01 Jan 2016
IFRS 10 and IAS 28 (Amendment) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 Jan 2016
IAS 27 (Amendment) - Equity Method in Separate Financial Statements	01 Jan 2016
IFRS 14 – (Regulatory Deferral Accounts)	01 Jan 2016
IFRS 15 – (Revenues from Contracts with Customers)	01 Jan 2017
Improvements of international financial reporting standards (2012-2014 cycle)	01 Jul 2014

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the year ended on the 31 December 2014, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group, and with the exception of IFRS 9 and IFRS 15, important impacts are not to be expected.

2.2 Consolidation principles

The main accounting policies adopted by Sonae Investimentos are as follows:

a) Investments in Sonae Investimentos companies

Investments in companies in which Sonae Investimentos owns, directly or indirectly, controls are included in the consolidated financial statements using the full consolidation method.

Sonae Investimentos has control of the subsidiary when the company cumulatively fulfils the following conditions: i) has power over the subsidiary; ii) is exposed to, or has rights over, variable results from its involvement with the subsidiary; and iii) the ability to use its power to affect its returns.

Sonae Investimentos reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the conditions of control listed above.

Equity and net profit attributable to minority shareholders are shown separately, under the caption non-controlling interests, in the consolidated statement of financial position and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Note 4.

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

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

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

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

b) Investments in jointly controlled companies and associated companies

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement instead of rights to the assets and obligations for the liabilities of the joint arrangement. Joint control is obtained by contractual provision and exists only when the associated decisions have to be taken unanimously by the parties who share control.

In situations where the investment or financial interest and the contract concluded between the parties allows the entity holds joint control directly on the active or detention rights obligations inherent liabilities related to this agreement, it is considered that such joint agreement does not correspond to a joint venture but rather a jointly controlled operation. In 31 December 2014 and 2013 the Group not held jointly controlled operations.

Financial investments in associated companies are investments where Sonae Investimentos has significant influence. Significant influence (presumed when contributions are above 20%) is the power to participate in the financial and operating decisions of the entity, without, however, holding control or joint control over those decisions.

Investments in joint ventures and associates are recorded under the equity method.

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

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

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

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

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

When the not performed gains or losses on transactions correspond to business activities, and taking into consideration the inconsistency existing between currently the requirements of IFRS 10 and IAS 28, Sonae Investimentos, taking into account the defined in amendment to IFRS 10 and IAS 28 proceeds to full gain/loss recognition in situations where there is loss of control of that business activity as a result of a transaction with a joint venture.

Investments in jointly controlled and associated companies are disclosed in Note 5.

c) Goodwill

The excess of consideration transferred in the acquisition of investments in subsidiaries, jointly controlled and associated companies plus the amount of any non-controlling interests (in the case of affiliated companies) over Sonae Investimentos share in the fair value of the identifiable assets, liabilities and contingent liabilities of those companies at the date of acquisition, when positive, is shown as goodwill (Note 11) or as Investments in jointly controlled and associated entities (Note 5). The excess of the consideration transferred in the acquisition of investments in foreign companies the amounts of any non-controlling interests (in the case of affiliated companies) over the fair value of their identifiable assets, liabilities and contingent liabilities at the date of acquisition is calculated using the functional currency of each of those companies. Translation to Sonae Investimentos functional currency (Euro) is made using the closing exchange rate. Exchange rate differences arising from this translation are recorded and disclosed in "Currency translation reserves".

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

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

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

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

Impairment losses related with goodwill will not be reversed.

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

d) Translation of financial statements of foreign companies

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

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

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

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

	31 December 2014		31 December 2013	
	End of period	Average of period	End of period	Average of period
Brazilian Real	0.31049	0.32063	0.30697	0.35076
Turkish Lira	0.35311	0.3443	0.33778	0.39651

2.3 Tangible assets

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

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

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

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

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

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

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

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

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

2.4 Intangible assets

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

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

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

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

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

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

Amortisation is calculated on a straight-line basis, as from the date the asset is first used, over the expected useful life which usually is between 3 and 7 years. It is recorded in the caption of "Amortizations and depreciations", in the income statement.

2.5 Accounting for leases

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

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

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

a) Accounting for leases where Sonae Investimentos is the lessee

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

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

b) Accounting for leases where Sonae Investimentos is the lessor

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

2.6 Government grants

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

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

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

2.7 Impairment of non-current assets, except for Goodwill

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

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

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

In situations where the use of the asset will be expectedly discontinued (stores to be closed on the remodelling processes) the Group performs a review of the asset's useful life after considering its impact

on the value of use of that asset far terms of impairment analysis, particularly on the net book value of the assets to derecognise.

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

2.8 Financial expenses relating to loans obtained

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

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

2.9 Inventories

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

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

2.10 Provisions

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

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

2.11 Financial Instruments

Sonae Investimentos classifies the financial instruments in the categories presented and conciliated with the Consolidated Statement of financial position disclosed in Note 8.

a) Investments

Investments are classified into the following categories:

- Held to maturity;
- Investments measured at fair value through profit or loss;
- Available for sale.

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

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

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

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

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

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

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

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

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

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

b) Loans and non-current accounts receivable

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

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

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

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the statement of financial position date, when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 8.

c) Trade accounts receivable and other accounts receivable

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

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

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

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

d) Classification as Equity or Liability

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

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

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.8. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

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

f) Trade accounts payable

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

g) Derivatives

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

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

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

- the hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;
- the effectiveness of the hedge can be reliably measured;
- there is adequate documentation of the hedging relationships at the inception of the hedge;
- the transaction being hedged is highly probable.

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

The accounting of hedging derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption "Hedging reserve" are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction or stay in

equity if there is a high probability that the hedge transaction will occur. Subsequent changes in the revaluations are recorded in the income statement.

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

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

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

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

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

h) Treasury shares

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

i) Cash and cash equivalents

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

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

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

2.12 Share-based payments

Share-based payments result from Deferred Performance Bonus Plans which were attributed by Sonae Investimentos, and are indexed to the evolution of Sonae SGPS, S.A. shares' price (Parent Company of Sonae Investimentos, SGPS, S.A.) and vest within a period of 3 years after being granted.

Share based payment liabilities are measured at fair value on the date they are granted (usually in April of each year) and are subsequently re-measured at the end of each reporting period based on the number of shares granted and the corresponding fair value at the closing date. These obligations are stated as staff costs and other current and non-current liabilities, and are recorded on a straight line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates when referring to shares as call options which can be net settled through down payment. In the case of equity-settled share-based payment transactions, these obligations are recognized as staff costs and stated in Reserves and are recorded on a straight line basis between the date the shares are granted and their vesting date.

2.13 Contingent assets and liabilities

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

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

2.14 Income tax

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

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

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

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

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

The value of taxes recognised in the financial statements correspond to the understanding of Sonae Investimentos on the tax treatment of specific transactions being recognised liabilities relating to income taxes or other taxes based on interpretation that is performed and what is meant to be the most appropriate.

Situations, in which tax interpretations made by the Group can be questioned by Tax Authorities, due to interpretations that may be different from Sonae Investimentos, are reanalysed by the Group. If this reanalysis reconfirms the Group's positioning, concluding that the probability of loss on the tax claim is lower than 50%, Sonae Investimentos treats this situation as a contingent liability, i.e. it is not acknowledged any tax asset, as it is more likely that no tax payment will be made by the Group. In

situations in which the probability of loss is above 50%, it is recognized a Provision, or, in case the payment has been made, it is recognized the related cost.

In situations in which payments have been made, namely under special regimes for settlement of tax debts, and that cumulatively are being kept legal proceedings by the Company to recover those amounts paid, being assessed the probability of success of those legal proceedings as higher than 50%, such payments are acknowledged as assets, as these amounts qualify as resources that will be reimbursed to the entity (usually bearing interests) or that will be used to settle other payments to tax authorities, situation in which the obligation is determined as present obligation.

2.15 Revenue recognition and accrual basis

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

Revenue associated with extended warranties operations, which are granted for a period of 1 to 3 years, after the legally binding warranty of 2 years, by the Retail Segment, is recognized rateably over the warranty lifetime period. The revenue associated with warranties sold but for which the legal binding warranty hasn't yet expired is accounted under the captions of the Statement of Financial Position "Other non-current liabilities" and "other current liabilities" (Notes 26 and 30).

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

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

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

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

2.16 Balances and transactions expressed in foreign currencies

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

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

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

When Sonae wants to reduce currency exposure, it negotiates hedging currency derivatives (Note 2.11.g)).

2.17 Subsequent Events

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

2.18 Judgements and estimates

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

- a) Useful lives of the tangible and intangible assets;
- b) Impairment analysis of goodwill in investments in associated companies and jointly controlled entities and of tangible and intangible assets;
- c) Recognition of adjustments on assets, provisions and contingent liabilities;
- d) Determining the fair value of investment properties and derivative financial instruments;
- e) Recoverability of deferred tax assets;
- f) Valuation at fair value of assets, liabilities and contingent liabilities in business combination transactions.

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

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

2.19 Segment information

Information regarding operating segments identified is included in Note 45.

2.20 Legal reserves, other reserves and transited results

Legal reserves:

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

Hedging Reserves:

The Hedging reserve reflects the changes in fair value of "cash flow" hedging derivatives that are considered as effective (Note 2.11.g)) and is not distributable or used to cover losses.

Currency translation reserve:

The currency translation reserve corresponds to exchange differences relating to the translation from the functional currencies of Sonae Investimentos foreign subsidiaries and joint ventures into euro, in accordance with the accounting policy described in Note 2.17.

Legal reserve in accordance with article 324 of CSC:

The reserves constituted according to Art. 324 of ("CSC"), reflect the value of treasury shares acquired in the period and comply with commercial legislation relating with legal reserves.

According to Portuguese commercial legislation the amount of distributable reserves is computed considering the Company's individual financial statements presented in accordance with International Financial Reporting Standards as adopted by the European Union.

3 FINANCIAL RISK MANAGEMENT

Risk management general principles are approved by the Board of Directors, and its implementation is supervised by the Sonae Investimentos's finance department.

3.1 Market risk

The interest and exchange rate risk have a decisive importance in what concerns market risk management.

Derivatives are used to hedge certain exposures related to Sonae Investimentos market risk and, Sonae Investimentos does not enter into derivatives or other financial instruments for trading or speculative purposes.

3.1.1 Interest rate risk

Sonae Investimentos exposure to interest rates arises mainly from long term loans which bear interests at Euribor plus spread.

Sensitivity analysis:

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

- Changes in market interest rates affect the interest income or expense of variable interest rate financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, these instruments are included in the calculation of income-related sensitivities;
- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortized cost are not subject to interest rate risk as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity;
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;
- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under these assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the consolidated net profit before tax for the period ended as at 31 December 2014 would decrease by approximately 6.7 million euro (6.8 million euro as at 31 December 2013), considering the contractual fixing dates and excluding other effects arising from the company operations.

3.1.2 Exchange rate risks

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

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

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

As at 31 December 2014 and 2013 the assets and liabilities denominated in a currency different from the subsidiary functional currency where the following:

	Assets		Liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Euro	314,927	574,420	649,129	168,821
Brazilian Real	9,183,930	8,792,907	7,186,149	5,628,270
British Pound	-	-	186,386	13,478
US Dollar	4,072,426	1,455,138	19,027,895	17,608,887
Other Currencies	89,181	1,197	63,441	-

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

3.2 Liquidity risk

The purpose of liquidity risk management is to ensure, at all times, that the group has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy, through the management of the trade-off cost and maturity of debt.

Sonae Investimentos follows an active policy of re-financing its debts by maintaining a high level of unused and available on demand resources to face short term needs and by increasing or maintaining an adequate debt maturity, according to the estimated cash-flows, and to the capability of leveraging its statement of financial position. At the end of 2014, Sonae Investimentos's average debt maturity was approximately 1.8 years (2.4 years as at December 2013).

Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination is also considered as an important mean of managing liquidity risk. The group also assures, in its relationship with financial institutions, a high level of diversification of financing sources and counterparties, in order to ease the ability of entering new loan agreements and to minimize the effects of any relationship discontinuance.

A liquidity reserve in form of credit lines with its relationship banks is maintained by Sonae Investimentos, to ensure the ability to meet its commitments without having to refinance itself in unfavourable terms. The value of loans maturing in 2015 is of 407 million euro (71 million euro maturing in 2014) and as at 31 December 2014 Sonae Investimentos had undrawn committed credit facilities of 176 million euro (328 million euro in 2013) cancellable within a previous notice of less than one year and 453 million euro (310 million euro in 2013) cancellable with a previous notice of no less than one year. Additionally, Sonae held, as at 31 December 2014, cash and cash equivalents and current investments amounting to 102 million euro (72 million euro as at 31 December 2013). Consequentially, Sonae Investimentos expects to meet all

its obligations by means of its operating cash flows and its financial assets as well as from drawing existing available credit lines, if needed.

The liquidity analysis of each class of financial liabilities is presented in the corresponding notes.

3.3 Credit Risk

Sonae Investimentos is exposed to the credit risk in its current operational activity. The credit risk in the scope of its current operational activity is managed through a system of gathering financial and qualitative information from independent entities that supply risk information, in order to allow the assessment of credit risk from debtors. The credit risk from suppliers arises from advances made to or discounts billed to suppliers and are mitigated by the expectation of maintaining the commercial relationship. The amounts presented in the statement of financial position are net of impairment losses, thus reflect its fair value.

Sonae Investimentos is also exposed to the credit risk in its relationship with financial institutions, in result of bank deposits, debt instruments available facilities, derivatives, among others.

The credit risk is limited to financial institutions, by risk concentration management and by a selection of counterparties, which have a high national and international prestige and based on their respective rating notations taking into account the nature, maturity and size of the operations.

3.4 Capital Risk

The capital structure of Sonae Investimentos, determined by the proportion of equity and net debt is managed in order to ensure continuity and development of its operations, maximize the return on shareholders and optimize financing costs.

Sonae Investimentos periodically monitors its capital structure, identifying risks, opportunities and the necessary adjustment measures for the achievement of these objectives.

4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae Investimentos as at 31 December 2014 and 31 December 2013 are as follows:

Percentage of capital held

Company	Head Office	31 December 2014		31 December 2013	
		Direct*	Total*	Direct*	Total*
Sonae Investimentos- SGPS, S.A.	Matosinhos	HOLDING	HOLDING	HOLDING	HOLDING
Food Retail Business					
BB Food Service, SA	a) Maia	100.00%	100.00%	100.00%	100.00%

Bom Momento - Restauração, 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%
Continente Hipermercados, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
Farmácia Seleção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Atividades em Saúde, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae MC – Modelo Continente, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Specialized Retail						
Discovery Sports, 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%
2) HighDome PCC Limited (Cell Europe)	a)	La Valletta (Malta)	100.00%	100.00%	-	-
Infocfield - Informática, 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.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
SDSR – Sports Division SR, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
2) Sonae SR Malta Holding Limited	a)	La Valletta (Malta)	100.00%	100.00%	-	-
3) Sonae SR – Serviços e Logística, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	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 España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

Sport Zone Sport Maiz.Per.Satis Ith.Ve tic Ltd Sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
Worten Canarias, S.L.	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, S.L.	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 Maiz.Dag.Satis Ith.Ve Tic Ltd Sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
ZYEvolution – Investig.e Desenvolvimento, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Real Estate Retail						
Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos	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%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia	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	57.82%	57.82%	54.55%	54.55%
Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia	98.55%	98.55%	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%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2) Ponto de Chegada – Sociedade Imobiliária, SA	a)	Maia	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%	-	-
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%
Sesaggest - 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%
Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Others						
Marcas MC, zRT	a)	Budapest (Hungry)	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%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100,00%	100,00%
2) Sonae Financial Services, SA	a)	Maia	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%

Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Tlantic BV	a)	Amsterdam (Netherlands)	77.66%	77.66%	77.66%	77.66%
Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	77.76%	77.76%	100.00%	100.00%
Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	77.66%	77.66%	100.00%	100.00%

* the percentage of ownership total represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) subsidiary which owns the stake in question holds the share capital of this company.

- a) Control held by majority of voting rights;
- b) Control held by Management control;
- 1) Company disposal during the period;
- 2) Company created during the period;
- 3) Ex SDRS – Sports Division 2, SA

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

5 JOINT VENTURES AND ASSOCIATED COMPANIES

5.1 Detail of book value of Investment in joint ventures and associates

Joint ventures and associated companies included in the consolidated financial statements, their head offices and the percentage of share capital held as at 31 December 2014 and 31 December 2013 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		31 December 2014		31 December 2013		31 December 2014	31 December 2013
		Direct*	Total*	Direct*	Total*		
Raso SGPS, SA (consolidated)	Lisbon	50.00%	50.00%	50.00%	50.00%	-	10,150,202
Investments in joint ventures						-	10,150,202
MDS SGPS, SA (consolidated)	Maia	46.92%	46.92%	46.92%	46.92%	39,105,848	40,746,920
¹⁾ Mundo VIP	Lisbon	-	-	33.34%	33.34%	-	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,180,061	899,945
APOR- Agência para a Modernização do Porto, SA	Porto	23.00%	23.00%	-	-	417,799	-
Investments in associated companies						40,703,708	41,646,865
Total						40,703,708	51,797,067

* the percentage of ownership total represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) subsidiary which owns the stake in question holds the share capital of this company.

- 1) Associated company liquidated in the period.

Joint ventures and associated companies were included in the consolidated financial statements by the equity method.

5.2 Financial indicators of participations

5.2.1 Joint Ventures

As at 31 December 2014 and 2013, summary financial information of joint ventures of the group can be analysed as follows:

	Raso SGPS, SA (consolidated)	
Joint Ventures	31 December 2014	31 December 2013
Assets		
Tangible assets	1,884,239	2,397,178
Intangible assets	354,896	554,714
Goodwill	44,061,369	44,061,368
Other non-current assets	1,022,681	864,791
Non-current assets	47,323,185	47,878,051
Cash and cash equivalents	272,015	211,978
Other current assets	19,038,019	19,323,693
Current assets	19,310,034	19,535,671
Total assets	66,633,219	67,413,722
Liabilities		
Other non-current liabilities	431,466	487,159
Non-current liabilities	431,466	487,159
Borrowings	3,560,801	3,673,683
Other current liabilities	34,169,436	34,548,398
Total current liabilities	37,730,237	38,222,081
Total liabilities	38,161,703	38,709,240
Shareholders' funds excluding non-controlling interests	28,508,963	28,746,552
Non-controlling interests	(37,447)	(42,070)
Total shareholders' funds	28,471,516	28,704,482
Total shareholders' funds and liabilities	66,633,219	67,413,722
	Raso SGPS, SA (consolidated)	
Joint Ventures	31 December 2014	31 December 2013
Total revenue	36,755,779	40,371,507
Other income	2,342,339	2,513,164
	39,098,118	42,884,671
External supplies and services	(27,037,181)	(31,050,978)
Depreciation and amortisation	(825,828)	(690,589)
Other operating costs	(10,598,642)	(11,347,568)
	(38,461,651)	(43,089,135)
Financial results	(953,349)	(1,029,388)
Income taxation	83,919	83,631
Consolidated net income/(loss) for the year	(232,963)	(1,150,221)
Attributable to:		
Equity holders of the Parent Company	(237,586)	(1,131,734)
Non-controlling interests	4,623	(18,487)
	(232,963)	(1,150,221)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(232,963)	(1,150,221)

5.2.2 Associates

During the year ended at 31 December 2014 and 2013, the aggregated values of main financial indicators of associated companies are as follows:

Associated Companies	31 December 2014			31 December 2013		
	MDS SGPS, SA (Consolidated)*	Sempre a Postos	Others	MDS SGPS, SA (Consolidated)	Sempre a Postos	Others
Non-current assets	79,408,394	2,407,921	9,394	79,808,895	2,784,141	495,321
Current assets	20,903,270	9,551,507	1,911,071	20,479,897	7,452,126	1,409,094
Non-current liabilities	47,199,037	17,263	-	53,913,574	55,933	29,028
Total current liabilities	28,667,592	7,221,923	83,985	19,954,005	6,580,555	4,460,390
Shareholders' funds excluding non-controlling interests	24,445,035	4,720,242	1,836,480	26,421,213	3,599,779	(2,585,003)

* Financial statements not yet approved.

Associated Companies	31 December 2014			31 December 2013		
	MDS SGPS, SA (Consolidated)*	Sempre a Postos	Others	MDS SGPS, SA (Consolidated)	Sempre a Postos	Others
Turnover	46,392,083	49,085,266	126,952	45,759,871	49,226,565	3,581,209
Other operational income	1,047,522	4,690,148	-	898,125	5,008,197	1,416,376
Operational expenses	(48,994,761)	(52,194,919)	(266,560)	(47,781,106)	(54,110,609)	(5,021,202)
Net financial expense	(3,101,722)	(4,955)	53,079	(3,380,214)	(10,636)	(106,966)
Taxation	1,400,902	(389,294)	(42)	190,718	(47,735)	(70,225)
Consolidated net income/(loss) for the year	(3,255,976)	1,186,246	(86,571)	(4,312,606)	65,782	(200,808)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	(3,255,976)	1,186,246	(86,571)	(4,312,606)	65,782	(200,808)

* Financial statements not yet approved.

5.3 Movements occurred in the period

During the periods ended as at 31 December 2014 and 2013 movements of Investments in joint ventures and associated companies are made up as follows:

	31 December 2014			31 December 2013		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Joint ventures						
Initial balance as at January,1	1,629,998	8,520,204	10,150,202	2,195,866	8,520,204	10,716,070
Equity method:						
Effect in gain or losses in joint controlled and associated companies	(118,793)	-	(118,793)	(565,868)	-	(565,868)
Accumulated impairment losses (Note 31)	(1,511,205)	(8,520,204)	(10,031,409)	-	-	-
	-	-	-	1,629,998	8,520,204	10,150,202
Associated companies						
Initial balance as at January,1	7,436,359	34,210,506	41,646,865	15,204,859	36,000,260	51,205,119
Acquisitions during the period	300,000	-	300,000	1,000,000	-	1,000,000
Equity method:						
Effect in gain or losses in joint controlled and associated companies	(1,952,675)	-	(1,952,675)	(2,328,284)	-	(2,328,284)
Distributed dividends	(16,446)	-	(16,446)	(14,332)	-	(14,332)
Other effects on reserves	725,964	-	725,964	(6,114,301)	-	(6,114,301)
Accumulated impairment losses	-	-	-	(311,583)	(1,789,754)	(2,101,337)
	6,493,202	34,210,506	40,703,708	7,436,359	34,210,506	41,646,865
Total	6,493,202	34,210,506	40,703,708	9,066,357	42,730,710	51,797,067

During the year ended at 31 December 2014 the caption "Impairment in associates companies" refers to the effect of impairment losses created in the period for the associates Raso SGPS, SA.

The effect in “Variation in the reserves of the group” is mainly a result of the currency translation effect of companies with functional currency different of the euro and the record of fair value in Cooper Gay Sweet & Crawford, who is included in associated company MDS, SGPS,SA. The financial investment in Cooper Gay Sweet & Crawford Ltd was remeasured to its fair value at 31 December 2014 taking into consideration the EBITDA from other companies with the same activity, deducted from its debt amount. The valuation of this participation in 2013 was based on a binding acquisition offer received from an unrelated entity, knowledgeable of the sector, in the last quarter of 2013, which was not considered appropriate by the board of directors of the company. Both valuations correspond to a Level 3 Fair value measure.

The impairment analysis of these financial investments is based on the fair value estimate, based on discounted cash flows or based on its net asset value as applicable. Such estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models, whenever there is an indication that the asset might be impaired, namely from the distribution of dividends by the mentioned entities.

6 OTHER NON-CURRENT INVESTMENTS

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

Company	Head Office	Percentage of capital held				Statement of financial position	
		31 December 2014		31 December 2013		31 December 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%	898,197	748,197
Solferias- Operadores Turísticos, SA	Lisbon	11.11%	11.11%	-	-	133,162	-
MOVVO, SA	Porto	9.09%	9.09%	-	-	400,000	-
Other investments						10,130,697	12,643,064
						<u>11,572,032</u>	<u>13,401,237</u>

Under the caption other non-current investments there is an amount of 10,000,046 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 31 and 32). The decrease in the amount of “Other Investments” from 2013 to 2014 is related to the use of the Escrow Account for payments related to contractual liabilities related with subsidiaries included in the above mentioned business (Note 31).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn’t happen as there are some points of disagreement on the use of the Escrow Account, namely as whether or not, to retain the Escrow Account for on-going fiscal procedures that have not yet been decided (Note 32). 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.

Other investments include investments in non-listed companies which fair values cannot be reliably measured. As so, these investments are recorded at cost net of any impairment losses.

7 CHANGES IN CONSOLIDATION PERIMETER

On January 2014, the Group sold its subsidiary Fozmassimo – Sociedade Imobiliária, SA to an external entity. The impact on the consolidated financial statements can be analysed as follows:

	On the date of disposal	31 December 2013
Net assets		
Tangible and intangible assets (Note 9 and 10)	2,777,380	2,777,380
Other assets	23,820	23,820
Cash and cash equivalents	14,771	14,771
Deferred tax liabilities (Note 19)	(77,521)	(77,521)
Other liabilities	(62,510)	(62,510)
	<u>2,675,940</u>	<u>2,675,940</u>
Profit in disposal (Note 35)	297,373	
Consideration received	<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 (Note 44)		
Effective cash payment received	2,973,313	
Cash and cash equivalents disposed	(14,771)	
	<u>2,958,542</u>	

	On the date of disposal	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	-	<u>120,020</u>

8 FINANCIAL INSTRUMENTS

The financial instruments classification according to the policies disclosed in Note 2.11 is as follows:

Financial assets	Notes	Loans and accounts receivable	Available for sale	Hedging derivatives (Note 25)	Sub-total	Assets not within the scope of IFRS 7	Total
As at 31 December 2014							
Non-current assets							
Other investments	6	10,000,046	1,571,986	-	11,572,032	-	11,572,032
Other non-current assets	13	45,285,437	-	-	45,285,437	2,840	45,288,277
		<u>55,285,483</u>	<u>1,571,986</u>	<u>-</u>	<u>56,857,469</u>	<u>2,840</u>	<u>56,860,309</u>
Current assets							
Trade receivables	15	40,207,957	-	-	40,207,957	-	40,207,957
Other debtors	16	87,395,933	-	-	87,395,933	-	87,395,933
Other investments	12 and 25	6,123	-	3,995,221	4,001,344	-	4,001,344
Cash and cash equivalents	20	101,826,265	-	-	101,826,265	-	101,826,265
		<u>229,436,278</u>	<u>-</u>	<u>3,995,221</u>	<u>233,431,499</u>	<u>-</u>	<u>233,431,499</u>
		<u>284,721,761</u>	<u>1,571,986</u>	<u>3,995,221</u>	<u>290,288,968</u>	<u>2,840</u>	<u>290,291,807</u>
As at 31 December 2013							
Non-current assets							
Other investments	6	12,512,681	888,556	-	13,401,237	-	13,401,237
Other non-current assets	13	23,066,830	-	-	23,066,830	36,909	23,103,739
		<u>35,579,511</u>	<u>888,556</u>	<u>-</u>	<u>36,468,067</u>	<u>36,909</u>	<u>36,504,976</u>
Current assets							
Trade receivables	15	43,070,196	-	-	43,070,196	-	43,070,196
Other debtors	16	90,687,013	-	-	90,687,013	-	90,687,013
Other investments	12 and 25	6,106	-	35,999	42,105	-	42,105
Cash and cash equivalents	20	71,510,332	-	-	71,510,332	-	71,510,332
		<u>205,273,647</u>	<u>-</u>	<u>35,999</u>	<u>205,309,646</u>	<u>-</u>	<u>205,309,646</u>
		<u>240,853,158</u>	<u>888,556</u>	<u>35,999</u>	<u>241,777,713</u>	<u>36,909</u>	<u>241,814,622</u>

Financial liabilities	Notes	Financial liabilities recorded at amortised cost	Hedging derivatives (Note 25)	Sub-total	Liabilities not within the scope of IFRS 7	Total
As at 31 December 2014						
Non-current liabilities						
Loans	23	67,250,948	-	67,250,948	-	67,250,948
Bonds	23	317,220,715	-	317,220,715	-	317,220,715
Obligations under finance leases	23 and 24	4,236,417	-	4,236,417	-	4,236,417
Other loans	23	17,707	-	17,707	-	17,707
Other non-current liabilities	26	405,340,763	-	405,340,763	32,407,059	437,747,822
		<u>794,066,550</u>	<u>-</u>	<u>794,066,550</u>	<u>32,407,059</u>	<u>826,473,609</u>
Current liabilities						
Loans	23	22,457,132	-	22,457,132	-	22,457,132
Bonds	23	379,724,734	-	379,724,734	-	379,724,734
Obligations under finance leases	23 and 24	4,406,849	-	4,406,849	-	4,406,849
Other loans	23 and 25	33,466	582,869	616,335	-	616,335
Trade creditors	28	1,131,212,718	-	1,131,212,718	-	1,131,212,718
Other creditors	29	128,100,485	-	128,100,485	-	128,100,485
		<u>1,665,935,384</u>	<u>582,869</u>	<u>1,666,518,253</u>	<u>-</u>	<u>1,666,518,253</u>
		<u>2,460,001,934</u>	<u>582,869</u>	<u>2,460,584,803</u>	<u>32,407,059</u>	<u>2,492,991,862</u>
As at 31 December 2013						
Non-current liabilities						
Loans	23	114,694,578	-	114,694,578	-	114,694,578
Bonds	23	646,307,863	-	646,307,863	-	646,307,863
Obligations under finance leases	23 and 24	7,630,324	-	7,630,324	-	7,630,324
Other loans	23	53,936	-	53,936	-	53,936
Other non-current liabilities	26	408,093,722	-	408,093,722	36,615,170	444,708,892
		<u>1,176,780,423</u>	<u>-</u>	<u>1,176,780,423</u>	<u>36,615,170</u>	<u>1,213,395,593</u>
Current liabilities						
Loans	23	56,774,364	-	56,774,364	-	56,774,364
Bonds	23	9,990,122	-	9,990,122	-	9,990,122
Obligations under finance leases	23 and 24	4,185,507	-	4,185,507	-	4,185,507
Other loans	23 and 25	33,466	1,415,143	1,448,609	-	1,448,609
Trade creditors	28	1,143,639,351	-	1,143,639,351	-	1,143,639,351
Other creditors	29	90,860,537	-	90,860,537	-	90,860,537
		<u>1,305,483,347</u>	<u>1,415,143</u>	<u>1,306,898,490</u>	<u>-</u>	<u>1,306,898,490</u>
		<u>2,482,263,770</u>	<u>1,415,143</u>	<u>2,483,678,913</u>	<u>36,615,170</u>	<u>2,520,294,083</u>

Financial instruments recognized at fair value

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

	31 December 2014			31 December 2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Derivatives (Note 25)	-	3,995,221	-	-	35,999	-
	-	<u>3,995,221</u>	-	-	<u>35,999</u>	-
Financial liabilities measured at fair value						
Derivatives (Note 25)	-	582,869	-	-	1,415,143	-
	-	<u>582,869</u>	-	-	<u>1,415,143</u>	-

9 TANGIBLE ASSETS

During the periods ended as at 31 December 2014 and 2013 movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Tangible assets						Tangible Assets
	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Other Tangible Assets	Tangible assets in progress	
Gross assets:							
Opening balance as at 1 January 2013	1,653,111,333	1,194,405,982	20,724,742	105,372,241	38,732,278	31,807,125	3,044,153,701
Capital Expenditure	2,974,773	1,577,629	59,666	161,116	50,404	115,008,893	119,832,481
Disposals	(7,179,448)	(55,174,279)	(1,161,950)	(10,471,441)	(1,827,394)	(778,607)	(76,593,119)
Exchange rate effect	-	(197,046)	(7,334)	(218,736)	-	-	(423,116)
Transfers	8,276,962	93,705,442	1,181,774	6,814,306	2,567,100	(115,542,433)	(2,996,849)
Opening balance as at 1 January 2014	1,657,183,620	1,234,317,728	20,796,898	101,657,486	39,522,388	30,494,978	3,083,973,098
Capital Expenditure	6,083,220	1,981,530	149,878	137,471	99,288	139,620,108	148,071,495
Disposals (Note 7)	(10,972,617)	(67,945,846)	(394,807)	(4,323,339)	(2,296,721)	(4,610,486)	(90,543,816)
Disposals of subsidiaries	(2,758,249)	(397,643)	(3,492)	-	-	-	(3,159,384)
Exchange rate effect	(31,156)	42,790	(3,897)	24,302	-	-	32,039
Transfers	19,902,754	105,733,697	1,240,813	8,992,951	2,519,340	(138,293,391)	96,164
Closing balance as at 31 December 2014	1,669,407,572	1,273,732,256	21,785,393	106,488,871	39,844,295	27,211,209	3,138,469,596
Accumulated depreciation and impairment losses							
Opening balance as at 1 January 2013	282,468,140	606,760,985	16,882,272	78,607,493	33,649,954	-	1,018,368,844
Depreciation and impairment losses	26,439,759	117,295,490	1,217,849	10,073,745	2,657,388	-	157,684,231
Impairment losses	100,465,106	53,244,344	32,556	525,201	117,297	-	154,384,504
Disposals	(136,883)	(50,654,616)	(1,126,655)	(9,992,770)	(1,793,518)	-	(63,704,442)
Exchange rate effect	-	(163,239)	(1,402)	(106,247)	-	-	(270,888)
Transfers	(184,396)	(937,805)	(40,397)	(1,883,043)	(27,334)	-	(3,072,975)
Opening balance as at 1 January 2014	409,051,726	725,545,159	16,964,223	77,224,379	34,603,787	-	1,263,389,274
Depreciation	25,265,977	101,958,371	1,169,373	9,461,000	2,425,956	-	140,280,677
Impairment losses (Note 31)	-	1,479,167	-	-	-	-	1,479,167
Disposals	(1,634,094)	(54,584,932)	(377,121)	(3,908,312)	(2,250,040)	-	(62,754,499)
Disposals of subsidiaries (Note7)	(210,643)	(168,610)	(3,492)	-	-	-	(382,745)
Exchange rate effect	(29,544)	38,896	(714)	7,821	-	-	16,459
Transfers	1,187,695	(2,308,356)	(4,620)	(896,302)	(111,493)	-	(2,133,076)
Closing balance as at 31 December 2014	433,631,117	771,959,695	17,747,649	81,888,586	34,668,210	-	1,339,895,257
Carrying amount							
As at 31 December 2013	1,248,131,894	508,772,569	3,832,675	24,433,107	4,918,601	30,494,978	1,820,583,824
As at 31 December 2014	1,235,776,455	501,772,561	4,037,744	24,600,285	5,176,085	27,211,209	1,798,574,339

Investment in 2014 includes approximately 148 million euro (99.6 million euro in 2013) of assets acquisition primarily associated with the opening and remodelling of stores.

The caption "Impairment losses" as at 31 December 2014 and 2013 can be detailed as follows:

Impairments	31 December 2014	31 December 2013
Layout change and rebranding of:		
Sonae SR stores	1,479,167	43,746,620
Sonae MC stores	-	9,988,367
Real estate impairment	-	100,029,307
Others	-	620,210
	<u>1,479,167</u>	<u>154,384,504</u>

The real estate assets in the periods ended as at 31 December 2014 and 2013 were based in external valuations made by an independent and specialized entity (Jones Lang LaSalle). These valuations were performed using the income method. For this purpose it was considered yields between 7.25% and 9.25% (7.40% and 9.50% in 2013), for IFRS 13 purposes, this is a "Level 3" fair value measurement. These evaluations support the assets amounts in 31 December 2014 and has not been recorded any impairment in the period (100,029,307 euros in 2013).

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

	31 December 2014	31 December 2013
Refurbishment and expansion of stores in Portugal	16,674,838	17,595,991
Refurbishment and expansion of stores in Spain	1,166,105	1,297,219
Projects "Modelo" and "Continente" stores for which advance payments were made	8,879,900	11,532,400
Others	490,366	69,368
	<u>27,211,209</u>	<u>30,494,978</u>

10 INTANGIBLE ASSETS

During the periods ended as at 31 December 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
	Industrial property	Software	Premium paid for property occupation	Others intangible assets	Intangible assets in progress	
Gross cost:						
Opening balance as at 1 January 2013	102,405,406	168,943,232	14,033,325	749,695	21,301,926	307,433,584
Capital expenditure	171,850	327,244	-	-	29,228,159	29,727,253
Disposals	(140,436)	(171,600)	-	-	(243,556)	(555,592)
Exchange rate effect	(68,840)	(124,299)	-	(30,611)	-	(223,750)
Transfers	795,884	20,668,844	-	-	(22,575,204)	(1,110,476)
Opening balance as at 1 January 2014	103,163,864	189,643,421	14,033,325	719,084	27,711,325	335,271,019
Capital expenditure	107,175	282,057	-	-	41,068,475	41,457,707
Disposals	(436,689)	(791,321)	-	-	(349,820)	(1,577,830)
Disposals of subsidiaries (Note 7)	(741)	-	-	-	-	(741)
Exchange rate effect	16,217	7,991	-	5,405	-	29,613
Transfers	613,742	30,815,683	-	-	(32,077,337)	(647,912)
Closing balance as at 31 December 2014	103,463,568	219,957,831	14,033,325	724,489	36,352,643	374,531,856
		-				
Accumulated depreciation and impairment losses						
Opening balance as at 1 January 2013	22,254,148	116,832,169	13,628,981	95,663	-	152,810,961
Depreciation of the period	2,581,436	16,510,365	-	57,958	-	19,149,759
Impairment losses (Note 31)	-	186	-	-	-	186
Disposals	(139,194)	(171,600)	-	-	-	(310,794)
Exchange rate effect	(34,884)	(45,084)	-	(13,990)	-	(93,958)
Transfers	(14,030)	(2,576)	-	-	-	(16,606)
Opening balance as at 1 January 2014	24,647,476	133,123,460	13,628,981	139,631	-	171,539,548
Depreciation of the period	1,711,208	17,000,749	-	54,276	-	18,766,233
Disposals	(433,657)	(789,001)	-	-	-	(1,222,658)
Exchange rate effect	8,988	334	-	3,440	-	12,762
Transfers	(244)	(6,573)	-	-	-	(6,817)
Closing balance as at 31 December 2014	25,933,771	149,328,969	13,628,981	197,347	-	189,089,068
Carrying amount						
As at 31 December 2013	78,516,388	56,519,961	404,344	579,453	27,711,325	163,731,471
As at 31 December 2014	77,529,797	70,628,862	404,344	527,142	36,352,643	185,442,788

The amount of intangible assets in progress were mainly related with software and software development projects.

Additionally the caption "Patents and other similar rights" includes the acquisition cost of a group of brands with indefinite useful lives among which the "Continente" brand, acquired in previous years, amounting to 75,000,000 euro (the same amount as at December 2013).

Sonae performs annual impairment tests on the value of brands, calculating for this purpose the recoverable amount of Sonae MC, which is determined, based on value in use, using for this purpose the

latest business plans which are prepared through projected cash flows for periods of 5 years. The assumptions used are disclosed in Note 11.

11 GOODWILL

Goodwill is allocated to each of the operating segments and within to each homogeneous group of cash generating units.

Goodwill is allocated to each operating segment, Food based retail (Sonae MC) and Specialized retail in Portugal (Sonae SR), being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment, and each of the properties in case of Retail real estate operating segment (Sonae RP). The cash generating units that have allocated goodwill are all located in Portugal.

At 31 December 2014 and 2013, the caption “Goodwill” can be detailed as follows:

Portugal	31 December 2014	31 December 2013
Food based retail	433,813,034	433,813,034
Specialised retail		
electronics	53,422,018	53,422,018
fashion	1,539,982	1,560,148
sports	5,722,036	5,722,036
Retail property	3,669,166	3,669,166
	498,166,236	498,186,402

During the years ended 31 December 2014 and 2013, movements in the caption Goodwill as well as in the corresponding impairment losses, are as follows:

	31 December 2014	31 December 2013
Gross value:		
Opening balance	505,807,904	501,821,164
Goodwill generated in the period	-	3,986,740
Closing balance	505,807,904	505,807,904
Accumulated impairment losses:		
Opening balance	7,621,502	2,586,677
Increases	20,166	5,034,825
Closing balance	7,641,668	7,621,502
Carrying amount	498,166,236	498,186,402

The evaluation of the existence, or not, of impairment losses in Goodwill is made by taking into account the cash-generating units, based on the most recent business plans duly approved by the Group’s Board of Directors, which are made on an annual basis unless there is evidence of impairment and prepared according to cash flow projections for periods of five years.

During the periods ended at 31 December 2014 and 2013, Sonae tested for goodwill impairment, having as a result of that analysis, recorded impairment losses as follows:

	31 December 2014	31 December 2013
Specialised retail	20,166	1,326,150
Retail Real Estate	-	612,601
Investment management	-	3,096,074
	<u>20,166</u>	<u>5,034,825</u>

At 31 December 2014 and 2013, the impairment of Goodwill of Sonae SR results mainly of goodwill allocated to stores that closed.

In 2013, the impairment losses recorded on goodwill in Investment Management follows the outcome of impairment testing of a Retail insignia included in Investment Management segment, which led to the impairment of the entire goodwill allocated to this insignia in the amount of approximately 3 million euro.

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

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

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

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

	31 December 2014			31 December 2013		
	Weighted average capital cost	Growth rate in perpetuity	Compound growth rate sales	Weighted average capital cost	Growth rate in perpetuity	Compound growth rate sales
Food based retail	9% to 10%	<= 1%	3.8%	9% to 10%	<= 1%	4.0%
Specialised retail						
electronics	9% to 11%	<= 1%	5.1%	9% to 11%	<= 1%	5.0%
fashion	9% to 11%	<= 1%	7.3%	9% to 11%	<= 1%	6.8%
sports	9% to 11%	<= 1%	6.4%	9% to 11%	<= 1%	4.0%

The analyses of the impairment indices and the review of the impairment projections and tests of Sonae Investimentos have lead to clearance losses, during the year ended on 31 December 2014. For the sensitivity analyses made, required by IAS 36 - Impairment of Assets has not led to material changes in the recoverability of those assets as such any material additional impairments would arise.

12 OTHER INVESTMENTS

As at 31 December 2014 and 2013 this caption is made up as follows:

	31 December 2014		31 December 2013	
	Non Current	Current	Non Current	Current
Other investments:				
Opening balance as at 1 January	13,401,237	6,106	34,613,973	862,387
Increases in the period	550,200	17	6,000	157
Decreases in the period	(2,512,567)	-	(21,218,736)	(856,438)
Transfers	133,162	-	-	-
Closing balance as at 31 December	11,572,032	6,123	13,401,237	6,106
Accumulated impairment losses	-	-	-	-
Closing balance as at 31 December	11,572,032	6,123	13,401,237	6,106
Derivative financial instruments				
Fair value as at 1 January	-	35,999	-	30,341
Acquisitions in the period	-	3,761,187	-	26,398
Increase/(Decrease) in fair value	-	198,035	-	(20,740)
Fair value as at 31 December (Note 25)	-	3,995,221	-	35,999
Total of Other Investments (Note 8)	11,572,032	4,001,344	13,401,237	42,105

In other financial investments non-current, are recorded 10,000,046 euro (12,512,681 euro as at 31 December 2013), related to deposited amounts on an Escrow Account (Note 6). The decrease in the amount of this investment from 2013 to 2014 follows the use of the Escrow Account for payments related to contractual liabilities related with subsidiaries included in the Note 31.

13 OTHER NON-CURRENT ASSETS

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

	31 December 2014	31 December 2013
Loans granted to related parties	9,014,061	8,665,429
Trade accounts receivable and other debtors		
Bails (a)	5,173,020	5,725,333
Legal deposits (b)	823,044	818,011
Recognition of the value to be received Wall Mart (c)	7,948,165	7,858,057
Special regime for payment of tax and social security debts (d)	22,327,147	-
Amount receivable for selling the Modelo Cont.Seguros	2,450,000	2,423,530
	47,735,437	25,490,360
Accumulated impairment losses in other debtors (Note 31)	(2,450,000)	(2,423,530)
Total financial instruments (Note 8)	45,285,437	23,066,830
Other non-current assets	2,840	36,909
	45,288,277	23,103,739

“Loans granted to related parties” mainly refer to MDS SGPS, SA 9,014,061 euro (8,665,429 euro as at 31 December 2013). These loans bear interests at market rates and do not have a defined maturity. The fair value of these loans is estimated to be similar to its carrying amount.

Most significant values included in non-current “Trade accounts receivable and other debtors” refer to:

- a) Amounts related with guarantees of lease contracts in group stores located in Spain, which aren't due at this date;

- b) 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 26), with no defined maturity;
- c) As a result of the agreements signed in 2005 by the former subsidiary - Sonae Distribuicao Brasil, SA (sold to Wall-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae assumed the responsibility to compensate Carrefour for the expenses that would arise from the 10 stores licensing process, in the Brazilian state of Sao Paulo, that were sold to that entity. During 2010, Carrefour triggered a bank warranty "on first demand" amounting to 25,340,145.80 Brazilian real (approximately 7.9 million euro) for alleged expenses incurred with the mentioned stores that, allegedly arose from the need to remedy deficiencies cited by competent authorities for the licensing process. However no evidence of those expenses was presented to Sonae Investimentos, or proof of the necessity of carrying out such costs for the licensing process as established on the mentioned agreements. The variation in the period is explained by the evolution of the exchange rate of the real against the euro.

During 2014 Carrefour made a proposition to pay the above mentioned amount having the agreement already been signed in February 2015, for an amount of 35 million Brazilian reais.

- d) The amount disclosed as 'Special regime for payment of tax and social security debts' corresponds to taxes voluntarily paid which were previously disputed and subject to reimbursement claims. The tax litigations are still in progress, although following the payment of guarantees previously given where canceled. No impairment loss was recorded since it's the Board of Directors understanding that the decisions over the appeals will be in favour of Sonae Investimentos. During 2014, Sonae Investimentos has chosen to transfer this amount to "Other non-current assets", (Note 16) taking into consideration the estimated term of this proceedings.

14 INVENTORIES

As at 31 December 2014 and 2013, Inventories are as follows:

	31 December 2014	31 December 2013
Raw materials and consumables	664,904	698,111
Goods for sale	631,676,977	619,624,215
Finished and intermediate goods	413,127	478,877
Work in progress	205,855	237,215
	<u>632,960,863</u>	<u>621,038,418</u>
Accumulated impairment losses on Inventories (Note 31)	<u>(31,062,092)</u>	<u>(32,642,082)</u>
	<u>601,898,771</u>	<u>588,396,336</u>

Cost of goods sold as at 31 December 2014 and 2013 may be detailed as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Opening balance	620,322,326	567,339,246
Exchange rate effect	20,713	(94,251)
Purchases	3,782,450,336	3,656,218,555
Adjustments	(7,800,892)	(9,394,346)
Closing balance	<u>632,341,881</u>	<u>620,322,326</u>
	3,762,650,602	3,593,746,878
Impairment losses	<u>(1,583,369)</u>	<u>(10,550,285)</u>
	<u>3,761,067,233</u>	<u>3,583,196,593</u>

The amounts recorded under the caption "Adjustments" for the years ended 31 December 2014 and 2013 relate mainly to donations to social welfare institutions.

15 TRADE ACCOUNTS RECEIVABLE

As at 31 December 2014 and 2013, trade accounts receivable are detailed as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Trade accounts receivable	39,871,948	43,121,487
Doubtful receivables	<u>4,141,647</u>	<u>3,053,087</u>
	44,013,595	46,174,574
Accumulated impairment losses on Trade accounts receivable (Note 31)	<u>(3,805,638)</u>	<u>(3,104,378)</u>
	<u>40,207,957</u>	<u>43,070,196</u>

Current trade accounts receivable caption includes 10,200,172 euro (14,606,205 euro as at 31 December 2013), related to gross sales to related companies.

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

As at 31 December 2014 there is no indication that the debtors of trade accounts receivable not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

As at 31 December 2014 and 2013, the ageing of the trade receivables is as follows:

	Trade Receivables	
	31 December 2014	31 December 2013
Not due	17,824,747	17,558,563
Due but not impaired		
0 - 90 days	19,049,766	23,537,170
+ 90 days	3,333,444	1,974,464
Total	22,383,210	25,511,634
Due and impaired		
0 - 90 days	23,088	10,777
90 - 180 days	40,139	47,502
180 - 360 days	96,086	102,871
+ 360 days	3,646,325	2,943,228
Total	3,805,638	3,104,378
	44,013,595	46,174,574

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

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

16 OTHER DEBTORS

As at 31 December 2014 and 2013, "Other debtors" are as follows:

	31 December 2014	31 December 2013
Granted loans to related companies	30,199,099	8,802,720
Other debtors		
Trade creditors - debtor balances	48,134,288	34,253,806
VAT recoverable on real estate assets	3,313,110	2,905,723
Accounts receivable from the disposal of tangible fixed assets	460,902	194,142
Vouchers and gift cards	2,222,783	3,101,634
Special regime for settlement of tax and social security debts (Note 13)	-	22,327,147
Deposit in favor of Cosec (a)	-	11,798,127
Other current assets	17,606,735	21,224,961
	71,737,818	95,805,540
Accumulated impairment losses in receivables (Note 31)	(14,540,984)	(13,921,247)
Total of Financial Instruments (Note 8)	87,395,933	90,687,013

a) Deposit in favour of COSEC during 2013, received in January 2014

Granted loans to related companies (mainly refers to the loan granted to Raso, SGPS, SA for 8,768,402 euro, 8,450,000 euro as at 31 December 2013) bear interests at market rates, do not have defined maturity but are deemed to be received within twelve months.

In other accounts receivable from related companies are included about 21,300,000 million euro of amount receivable from the Sonae SGPS, SA result of the inclusion companies in Special Regime of Taxing Groups of Companies.

As at 31 December 2014, the amounts disclosed as "Trade creditors - debtor balances" relates to commercial discounts billed to suppliers to be net settled with future purchases.

As at 31 December 2014 and 2013, the "Other debtors" ageing is as follows:

	Other Debtors	
	31 December 2014	31 December 2013
Not due	45,502,313	47,965,374
Due but not impaired		
0 - 90 days	39,976,876	40,522,421
+ 90 days	1,916,704	2,199,218
Total	41,893,580	42,721,639
Due and impaired		
0 - 180 days	1,678,611	434,163
180 - 360 days	598,851	751,445
+ 360 days	12,263,562	12,735,639
Total	14,541,024	13,921,247
	101,936,917	104,608,260

There is no indication that the debtors not due will not fulfil their obligations. The carrying amount of "Other debtors" is estimated to be approximately its fair value.

17 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2014 and 2013, Taxes recoverable and taxes and contributions payable are made up as follows:

	31 December 2014	31 December 2013
Tax recoverable		
Income taxation	11,532,236	35,097,105
VAT	26,667,536	26,691,231
Other taxes	1,512,320	1,408,625
	39,712,092	63,196,961
Taxes and contributions payable		
Income taxation	9,810,252	11,006,318
VAT	48,489,676	23,694,870
Staff income taxes withheld	4,343,806	4,516,646
Social security contributions	10,793,040	10,408,718
Other taxes	278,756	94,362
	73,715,530	49,720,914

18 OTHER CURRENT ASSETS

As at 31 December 2014 and 2013, "Other current assets" are made up as follows:

	31 December 2014	31 December 2013
Commercial discounts	59,032,254	30,436,429
Interests to be received	1,122,067	1,585,231
Commissions to be received	2,485,123	2,627,215
Rents	6,201,118	6,019,706
Condominium management fee's	729,311	1,461,240
Insurance premiums paid in advance	7,536,483	5,778,700
Insurance indemnities	16,462	2,430,736
Software licenses	2,080,744	1,725,531
Other current assets	9,315,975	6,848,095
	88,519,537	58,912,883

The caption "Commercial discounts" refers to promotional campaigns carried out in the Group stores and reimbursed by Sonae Investimentos partner's suppliers.

19 DEFERRED TAX

Deferred tax assets and liabilities as at 31 December 2014 and 2013 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Difference between fair value and acquisition cost	6,216,291	5,911,741	20,787,861	21,229,003
Amortisation and depreciation	1,816,225	1,371,758	46,765,062	65,095,329
Provisions and impairment losses not accepted for tax purposes	10,280,290	37,206,940	-	-
Write off of tangible and intangible assets	73,395	1,661,602	-	-
Valuation of hedging derivatives	73,443	210,756	574,288	60,252
Amortisation of goodwill for tax purposes	-	-	18,613,423	25,128,058
Revaluation of tangible assets	-	-	1,285,047	1,534,310
Tax losses carried forward	60,687,594	61,353,838	-	-
Reinvested capital gains/(losses)	-	-	1,256,610	1,512,257
Tax Benefits	1,478,439	3,204,661	-	-
Others	1,128,103	6,490,837	1,774,778	2,378,710
	<u>81,753,780</u>	<u>117,412,133</u>	<u>91,057,069</u>	<u>116,937,919</u>

During the periods ended 31 December 2014 and 2013, movements in "Deferred tax assets and liabilities" are as follows:

	Deferred tax assets		Deferred tax liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Opening balance	117,412,133	123,115,350	116,937,919	130,113,975
Effects in net income (Note 41):				
Difference between fair value and acquisition cost	475,587	2,293,557	(227,369)	(8,097,209)
Amortisation and depreciation	478,864	1,247,614	5,738,158	(878,387)
Provisions and impairment losses not accepted for tax purposes	(5,970,740)	19,373,016	-	463,067
Provisions and impairment losses transfer	(17,445,738)	-	(17,445,738)	-
Write-off of tangible and intangible assets	(1,571,066)	(1,605,719)	-	-
Write-off of deferred costs	-	-	-	(1,159,359)
Revaluation of tangible assets	-	-	(132,502)	(143,045)
Tax losses carried forward	8,434,783	(32,206,209)	-	-
Amortisation of goodwill for tax purposes	-	-	(2,791,950)	1,333,298
Reinvested capital gains/(losses)	-	-	(131,501)	581,432
Changes in tax rates	(16,556,392)	(3,198,398)	(11,961,857)	(6,786,085)
Tax Benefits	(1,049,555)	3,204,661	-	-
Others	(1,462,341)	5,084,705	655,167	1,490,902
	<u>(34,666,598)</u>	<u>(5,806,774)</u>	<u>(26,297,592)</u>	<u>(13,195,386)</u>
Effects in equity:				
Valuation of hedging derivatives	(96,171)	104,962	492,250	28,341
Exchange rate effect	(9,395)	-	2,013	(10,065)
Change in tax rate	(152,336)	-	-	-
Others	(733,853)	(1,404)	-	1,053
	<u>(991,755)</u>	<u>103,558</u>	<u>494,263</u>	<u>19,329</u>
Disposals of subsidiaries (Note 7)	-	-	(77,521)	-
Closing balance	<u>81,753,780</u>	<u>117,412,133</u>	<u>91,057,069</u>	<u>116,937,919</u>

In 2013, the caption "Tax losses carried forward" includes the reversal of deferred tax assets related to tax losses that have been recorded in previous periods in Worten Spain and Sport Zone Spain amounting 32.5 million euro, considering the existent risk in the recovery of those tax credits within a relevant time horizon. The deferred tax assets in question could only be recovered in the individual sphere of each company. Following the revision of these insignias business plans, as well as its rebranding and the change in expectations of the group for the development of these business's in Spain, the group decided on their annulment.

The 2015 State Budget of Portugal and Spain approved a reduction of tax rates of 23% to 21% and 30% to 28% in 2015 and to 25% in 2016, respectively. As a result, Sonae Investimentos changed, on 31 December 2014 the tax rate to be used for the calculation of deferred tax assets on tax losses to 21% for the Portuguese companies and to 25% for the Spanish companies. The rate used to calculate deferred taxes in temporary differences in Portuguese companies is 22.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, rates applicable in each jurisdiction were used.

As at 31 December 2014 and 2013, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	31 December 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	-	-	2014	1,219,236	280,424	2014
Generated in 2009	-	-	2015	2,739	630	2015
Generated in 2010	-	-	2014	99,670	22,924	2014
Generated in 2011	65,786	13,815	2015	271,308	62,401	2015
Generated in 2012	-	-	2017	87,055	20,023	2017
Generated in 2013	-	-	2018	-	-	2018
Generated in 2014	1,194,236	250,790	2026	-	-	-
	<u>1,260,022</u>	<u>264,605</u>		<u>1,680,008</u>	<u>386,402</u>	
With a time limit different from the above mentioned (a)	241,691,949	60,422,989		203,224,787	60,967,436	
	<u>242,951,971</u>	<u>60,687,594</u>		<u>204,904,795</u>	<u>61,353,838</u>	

(a) Includes, as at 31 December 2014, approximately 60 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 December 2014 and 2013, deferred tax assets resulting from tax losses carried forward were assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which might be offset against available tax losses or against deductible temporary differences.

As at 31 December 2014 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 54.3 million euro (57.9 million euro as at 31 December 2013). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 31 December 2014 and 2013, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies.

Additionally Spanish law allows the annual deduction, for tax purposes, of 5% of goodwill recognized on the acquisition of foreign based companies before 21 December 2007, however in 2011 to 2014 this rate was reduced to 1% and keep it unchanged in period of 2015. Sonae has accounted deferred tax liabilities relating to goodwill depreciation performed for tax purposes, generated with the acquisition of Continente Hipermercados (ex-Carrefour Portugal).

During the period of 2010 and 2011, Spanish Tax authorities notified Modelo Continente S.A. Spanish Branch of a decrease in 2008 and 2009 tax losses incurred, amounting to approximately 23.3 million euro, challenging the deduction of Goodwill depreciation, generated on the acquisition of Continente

Hipermercados for each of the mentioned years. That branch appealed to the proper Spanish Authorities (Tribunal Economico Administrativo Central de Madrid) in 2010 and 2011 respectively, and it is the Board of Directors understanding that the decision will be favorable to the Group, thus maintaining the recognition of deferred tax assets and deferred tax liabilities related with Goodwill. In 2013 the Company interposed an appeal to the National Court in Spain ("Audiencia Nacional Espanha"), due to a decision opposite to the claims and estimates of the Company, by the Economic and Administrative Central Court of Madrid, for the notification for fiscal year of 2008. During 2014, the same proceeding was adapted for 2009 tax assessment.

In 2014 following an additional inspection for fiscal years 2008 to 2011, Spanish Tax authorities corrected tax losses carried forward regarding goodwill depreciation and financial expenses that resulted from the acquisition of Continente Hipermercados S.A.. Although in complete disagreement, Sonae Investimentos carried out the tax returns correction until 2012 and appealed, in 2015, to the proper Spanish Authorities (Tribunal Económico-Administrativ Central em Espanha). Tax returns for 2013 were corrected, being disregarded the amounts related with goodwill amortization and financial expenses related with the acquisition of Continente Hipermercados, S.A. and the same procedure will be followed for 2014, and in subsequent periods, until a decision on the pending litigations is made by the proper authorities.

Sonae Investimentos considering the appeal made, and the belief that the decision will be favourable, and with the confirmation of their tax advisors regarding the high probability of success, kept the deferred tax assets from 2008 to 2011 recorded amounting to 38.4 million euro, and the deferred tax liabilities amounting to 18.6 million euro.

Although in disagreement, considering that the tax returns were corrected and that no appeal was made Sonae reversed deferred tax assets from 2012 to 2014, since it considered that there was no support in IFRS to keep such amounts recorded. Deferred tax assets for tax losses carried forward amounting to 5.9 million and deferred tax liabilities for Goodwill depreciation amounting to 3.5 million were reversed.

As at 31 December 2014, tax losses arising from the depreciation of Goodwill and financial expenses, including those from 2008, amount respectively to 88.4 million euro (83.7 million euro as at 31 December 2013) and 104 million euro (88 million euro as at 31 December 2013). Sonae Investimentos kept recorded deferred tax assets and deferred tax liabilities arising from Goodwill depreciation amounting to 18.6 million euro (25.1 million euro as at 31 December 2013) and deferred tax assets arising from financial expenses amounting to 20.9 million euro (23.3 million euro as at 31 December 2013).

The recoverability of the previously mentioned deferred tax assets, regarding Sonae operations in Spain is supported in the analysis of the recoverable amount of the cash-generating units for the specialized retail formats in Spain based on their value in use, obtained from business plans with a 10-year projection period, assuming it is the most realistic and appropriate deadline for the implementation of the strategy of internationalization of Sonae in the specialized retail segment, taking into consideration not only the nature of the products in question (more discretionary character) but also the current macro-economic conditions and restrictions on access to new financing, which limits a faster internationalization process.

Main assumptions used in the business plans are a compound growth rate of 12% over a 10 year period (10.5% in 2013) and a growth rate in perpetuity less than or equal to 1%. The discount rates used are based on the weighted average cost of capital which falls between 9% and 11%.

It is the Board of Directors understanding, considering the existing business plans for each of the companies, that such deferred tax assets are fully recoverable.

As at 31 December 2014, there was tax losses carried forward, amounting to 188 million euro (175.9 million euro in 2013) for which no deferred tax assets were recognized due to uncertainties of their future use.

	31 December 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	-	-	2014	2,017,121	463,938	2014
Generated in 2009	4,852,429	1,019,010	2015	4,531,833	1,042,321	2015
Generated in 2010	-	-	2014	5,386,907	1,238,989	2014
Generated in 2011	4,292,265	901,376	2015	4,292,265	987,221	2015
Generated in 2012	3,495,558	734,067	2017	3,495,558	803,978	2017
Generated in 2013	809,338	169,961	2018	98,018	22,544	2018
Generated in 2014	-	-	2026	-	-	
	<u>13,449,590</u>	<u>2,824,414</u>		<u>19,821,702</u>	<u>4,558,991</u>	
Without limited time use	14,134,893	4,805,864		12,858,928	4,372,036	
With a time limit different from the above mentioned	160,508,588	40,125,966		143,265,248	42,977,312	
	<u>188,093,071</u>	<u>47,756,244</u>		<u>175,945,878</u>	<u>51,908,339</u>	

20 CASH AND CASH EQUIVALENTS

As at 31 December 2014 and 2013, cash and cash equivalents are as follows:

	31 December 2014	31 December 2013
Cash at hand	7,728,910	7,497,968
Bank deposits	94,097,355	64,012,364
Cash and cash equivalents on the statement of financial position (Note 8)	101,826,265	71,510,332
Bank overdrafts (Note 23)	(128,173)	(402,542)
Cash and cash equivalents on the statement of cash flows	<u>101,698,092</u>	<u>71,107,790</u>

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

21 CAPITAL

As at 31 December 2014, the share capital, which is fully subscribed and paid for, is made up of 1,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

As at 31 December 2014 and 2013, the company's subscribed share capital are held as follows:

Company	31 December 2014	31 December 2013
Sonae, SGPS, S.A.	25.029%	76.856%
Sonaecenter Serviços, SA	51.827%	-
Sonae Investments, BV	13.142%	13.142%
Sonae MC-Modelo Continente, SGPS, SA	10.000%	10.000%
Libra Serviços, Lda	0.002%	0.002%

As at 31 December 2014, Efanor Investimentos, SGPS, S.A. and its subsidiaries held 52.48% of the share capital of Sonae, SGPS, S.A., which holds directly and indirectly 100% of the others entities who hold the company's share capital.

As at 31 December 2014, Sonae Investimentos holds 10% of treasury shares. Following the mentioned acquisition free reserves amounting to the cost of the above mentioned shares were made unavailable, in accordance with commercial legislation (Art. 324 of "CSC"). The distribution of this reserve depends on the termination or disposal of the treasury shares.

22 NON-CONTROLLING INTERESTS

As at 31 December 2014 and 2013, Non-controlling interest are detailed as follows:

	31 December 2014				
	Equity	Net Profit/ (Loss)	Statment of financial position	Proportion in income	Dividends/ Income received
Investments Funds	295,586,722	16,053,883	60,859,308	2,394,929	-
Others	41,150,631	81,619	19,375,654	(128,629)	-
Total	336,737,353	16,135,502	80,234,962	2,266,300	-
	31 December 2013				
	Equity	Net Profit/ (Loss)	Statment of financial position	Proportion in income	Dividends/ Income received
Investments Funds	300,261,515	12,622,328	64,854,284	2,427,967	4,811,159
Others	40,962,451	(433,073)	19,457,883	(594,406)	-
Total	341,223,966	12,189,255	84,312,167	1,833,561	4,811,159

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

31 December 2014			
	Investments Funds	Others	Total
Balance as at 1 January	64,854,284	19,457,883	84,312,167
Dividends distributed	(132,874)	-	(132,874)
Income distribution from investment funds	(3,164,816)	-	(3,164,816)
Changes in shareholding interests	(3,092,216)	-	(3,092,216)
Exchange rate effect	-	5,558	5,558
Changes in hedge and fair value reserves	-	40,843	40,843
Profit for the period attributable to non-controlling interests	2,394,930	(128,630)	2,266,300
Balance as at 31 December	60,859,308	19,375,654	80,234,962

31 December 2013			
	Investments Funds	Others	Total
Balance as at 1 January	66,537,322	19,154,501	85,691,823
Dividends distributed	(190,744)	-	(190,744)
Income distribution from investment funds	(4,620,415)	-	(4,620,415)
Additional paid in capital	700,154	509,180	1,209,334
Exchange rate effect	-	(25,124)	(25,124)
Changes in hedge and fair value reserves	-	17,059	17,059
Others	-	388,608	388,608
Profit for the period attributable to non-controlling interests	2,427,967	(594,406)	1,833,561
Balance as at 31 December	64,854,284	19,457,883	84,312,167

During the exercise were still acquired units of real estate investment fund “Imosede” the amount of 5,000,134 euro.

The acquisitions mentioned above had the following impacts at the level of the financial statements:

Additional acquisitions	Imosede
Additional percentage acquired	3.28%
Share of the acquired equity	4,575,768
Aquisition cost (Note 44)	(5,000,134)
Impact on equity	(424,366)

As at 31 December 2014 and 2013, aggregate financial information of subsidiaries with Interests without control is as follows:

31 December 2014		
	Investments Funds	Others
Total Non-Current Assets	304,708,758	47,267,665
Total Current Assets	6,461,506	47,240,841
Total Non-Current Liabilities	3,473,011	20,894,637
Total Current Liabilities	12,110,531	32,463,238
Equity	295,586,722	41,150,631

31 December 2013

	Investments Funds	Others
Total Non-Current Assets	307,981,028	48,265,080
Total Current Assets	8,064,233	47,979,921
Total Non-Current Liabilities	3,743,847	25,384,793
Total Current Liabilities	12,039,899	29,897,757
Equity	300,261,515	40,962,451

31 December 2014

	Investments Funds	Others
Turnover	33,223,773	124,849,016
Other operating income	(181,806)	3,142,524
Operational expenses	(9,897,331)	(126,220,814)
Net financial expenses	159,963	(1,190,661)
Taxation	(7,250,716)	(498,447)
Profit/(Loss) after taxation	16,053,883	81,619
Other comprehensive income for the period	-	46,401
Total comprehensive income for the period	16,053,883	128,020

31 December 2013

	Investments Funds	Others
Turnover	32,391,021	112,333,580
Other operating income	24,901	2,832,337
Operational expenses	(13,310,322)	(114,958,992)
Net financial expenses	304,996	(1,011,830)
Taxation	(6,788,268)	371,832
Profit/(Loss) after taxation	12,622,328	(433,073)
Other comprehensive income for the period	-	(7,995)
Total comprehensive income for the period	12,622,328	(441,068)

23 LOANS

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

	31 December 2014		31 December 2013	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Investimentos, SGPS, S.A. - commercial paper	-	30,000,000	32,500,000	65,000,000
Subsidiary of Sonae Investimentos 2011/2016	20,000,000	35,000,000	20,000,000	45,000,000
Others	2,386,888	2,609,290	3,936,459	4,979,752
	<u>22,386,888</u>	<u>67,609,290</u>	<u>56,436,459</u>	<u>114,979,752</u>
Bank overdrafts (Note 20)	128,173	-	402,542	-
Up-front fees beared with the issuance of loans	(57,929)	(358,342)	(64,637)	(285,174)
Bank loans	<u>22,457,132</u>	<u>67,250,948</u>	<u>56,774,364</u>	<u>114,694,578</u>
Bonds				
Bonds Sonae SGPS /August 2007 / 2015	200,000,000	-	-	200,000,000
Bonds Sonae Investimentos / September 2007 / 2015	155,000,000	-	-	155,000,000
Bonds Sonae Investimentos/ 2009/ 2014	-	-	10,000,000	-
Bonds Sonae Investimentos/ 2012/ 2017	25,000,000	145,000,000	-	170,000,000
Bonds Sonae Investimentos /June 2013/ 2018	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos/ December 2013 / 2018	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos SGPS/ 2014/2018	-	50,000,000	-	-
Up-front fees beared with the issuance of loans	(275,266)	(2,779,285)	(9,878)	(3,692,137)
Bonds	<u>379,724,734</u>	<u>317,220,715</u>	<u>9,990,122</u>	<u>646,307,863</u>
Other loans				
Other loans	33,466	17,707	33,466	53,936
Derivative instruments (Note 25)	582,869	-	1,415,143	-
Other loans	<u>616,335</u>	<u>17,707</u>	<u>1,448,609</u>	<u>53,936</u>
Obligations under finance leases (Note 24)	4,406,849	4,236,417	4,185,507	7,630,324
	<u>407,205,050</u>	<u>388,725,787</u>	<u>72,398,602</u>	<u>768,686,701</u>

The interest rate as at 31 December 2014 of bonds and loans was on average 2.64% (2.83% as at 31 December 2013). These bonds and bank loans bear interests at variable interest rates indexed to Euribor.

It's estimated that the carrying amount of the above mentioned loans does not differ significantly from its fair value. The loans fair value was determined by discounting estimated future cash flows.

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

	31 December 2014		31 December 2013	
	Capital	Interests	Capital	Interests
N+1	406,955,376	21,080,438	71,057,974	23,774,491
N+2	88,677,930	15,122,374	418,773,255	21,761,877
N+3	96,345,254	9,200,084	130,598,965	14,990,797
N+4	175,955,135	5,322,311	96,377,254	7,773,445
N+5	30,374,513	74,653	125,975,817	3,775,753
After N+5	510,582	2,905	938,721	12,980
	<u>798,818,790</u>	<u>50,802,765</u>	<u>843,721,986</u>	<u>72,089,343</u>

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

As at 31 December 2014 in the retail units operating segment, there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 31 December 2014 and 2013, Sonae Investimentos has, as detailed in note cash and cash equivalents, the value of 101,698,092 euros (71,107,790 euros in 2013) and available credit lines as follows:

	31 December 2014		31 December 2013	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	176,260,000	452,500,000	327,760,000	310,000,000
Agreed credit facilities	176,260,000	482,500,000	360,260,000	375,000,000

24 OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2014 and 2013, Obligations under finance leases are as follows:

Obligations under finance leases	Minimum finance lease payments		Present value of minimum finance lease payments	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Amounts under finance leases:				
N+1	4,627,823	4,693,546	4,406,849	4,185,507
N+2	1,983,855	2,759,092	1,879,445	2,649,286
N+3	829,578	2,702,487	793,402	2,641,513
N+4	562,934	829,578	540,951	793,402
N+5	429,194	562,935	414,926	540,951
After N+5	614,977	1,025,969	607,693	1,005,172
	9,048,361	12,573,607	8,643,266	11,815,831
Interests	(405,095)	(757,776)		
	8,643,266	11,815,831		
Current obligations under finance leases			4,406,849	4,185,507
Non-current obligations under finance leases			4,236,417	7,630,324

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

As at 31 December 2014 and 2013, the fair value of financial obligations under financial lease contracts is similar to its book value.

Obligations under finance leases are guaranteed by related assets.

As at 31 December 2014 and 2013, the book value of assets acquired under finance leases can be detailed as follows:

	31 December 2014	31 December 2013
Assets acquired under finance leases		
Lands and buildings	11,018,213	11,220,584
Plant and Machinery	598,805	776,317
Fixture and Fittings	655,247	2,660,688
Total tangible assets	12,272,265	14,657,589

As at 31 December 2014 the acquisition cost of these tangible assets amounted to 31,170,919 euro (32,750,187 euro as at 31 December 2013).

25 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.

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

As at 31 December 2014 there are no exchange rate derivatives which haven't been considered hedging instruments. The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 582,869 euro as liabilities (1.415,143 euro as at 31 December 2013) and 3,995,221 euro as assets (35,999 euro as at 31 December 2013).

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

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

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

Interest rate derivatives

As at 31 December 2014, the Group had no interest rate derivatives.

26 OTHER NON-CURRENT LIABILITIES

As at 31 December 2014 and 2013 "Other non-current liabilities" are made up as follows:

	31 December 2014	31 December 2013
Shareholders loans	402,372,328	404,677,144
Fixed assets suppliers	1,037,500	1,087,500
Other non-current liabilities	1,930,935	2,329,078
Total of financial instruments (Note 8)	405,340,763	408,093,722
Share based payments (Note 27)	3,877,007	4,529,203
Deferred of revenue from the sale of warranties extension (2.16)	25,905,981	25,679,570
Accruals and deferrals	2,624,071	6,406,397
Other non-current liabilities	437,747,822	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 at market conditions on 28 December 2010 amounting to 400,000,000 euro corresponding to 8,000 bonds with a nominal value of 50,000 euro each, with a flat rate of 7% and repayment at the end of the loan period. The fair value of this loan on 31 December 2014 is 42,358 euro (41,495 euro as at 31 December 2013) per obligation having been determined based on discounted cash flows method;
- 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 December 2014, the caption "Other non-current liabilities" includes 669,571 euro (661,980 euro as at 31 December 2013) relating 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 13), with no defined maturity.

In December 2013, the caption "Accruals and deferrals", includes an amount of approximately 3.4 million euro, associated with the linearization of rents on operating leases of specialized retail stores.

27 SHARE BASED PAYMENTS

In 2014 and in previous years, in accordance with the remuneration policy described in the corporate governance report, Sonae Investimentos granted deferred performance bonuses to its directors and eligible employees based on Sonae SGPS, SA shares to be acquired at null cost or discounted, three years after they were attributed to the employee. The acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. Sonae Investimentos has the right to deliver, instead of shares, the equivalent in cash. These rights only exist if the employee is employed by a company of Sonae Group at maturity date.

As at 31 December 2014 and 2013, the number of attributed shares and their fair value may be summarised as follows:

	Grant year	Vesting year	Number of participants	Number of shares		Fair Value	
				31 December 2014	31 December 2013	31 December 2014	31 December 2013
Shares							
	2011	2014	-	-	3,147,700	-	3,301,937
	2012	2015	69	5,735,577	5,062,780	6,783,117	5,310,856
	2013	2016	73	3,848,897	2,631,763	4,291,364	2,760,720
	2014	2017	63	2,333,654	-	2,517,631	-
Total				11,918,128	10,842,243	13,592,112	11,373,513

As at 31 December 2014 and 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:

	31 December 2014	31 December 2013
Staff costs	5,342,316	5,255,333
Recorded in previous years	5,541,540	2,645,955
	<u>10,883,856</u>	<u>7,901,288</u>
Other non-current liabilities (Note 26)	3,877,007	4,529,203
Other current liabilities (Note 30)	7,006,849	3,372,085
	<u>10,883,856</u>	<u>7,901,288</u>

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

28 TRADE CREDITORS

As at 31 December 2014 and 2013, Trade creditors are as follows:

	31 December 2014	Payable to	
		Up to 90 days	More than 90 days
Trade creditors - current account	1,031,798,969	1,031,357,188	441,782
Trade creditors - invoice accruals	99,413,749	99,413,748	-
	<u>1,131,212,718</u>	<u>1,130,770,936</u>	<u>441,782</u>
	31 December 2013	Payable to	
		Up to 90 days	More than 90 days
Trade creditors - current account	1,018,758,065	1,018,611,420	146,645
Trade creditors - invoice accruals	124,881,286	124,881,286	-
	<u>1,143,639,351</u>	<u>1,143,492,706</u>	<u>146,645</u>

As at 31 December 2014 and 2013 this account includes amounts payable to suppliers resulting from Sonae Investimentos operating activity. Sonae Investimentos believes that the fair value of these balances does not differ significantly from its book value and the effect of discounting these amounts is not material.

Since the year 2010, a "confirming" program payments system was made available to a very limited number of suppliers of Sonae MC and Sonae SR Segments enabling suppliers to discount these payments in an early date.

29 OTHER CREDITORS

As at 31 December 2014 and 2013, "Other creditors" are as follows:

	31 December 2014	Payable to		
		Up to 90 days	90 to 180 days	More than 180 days
Fixed asset suppliers	52,005,243	49,258,396	1,987,676	759,171
Other debtors	47,675,331	46,403,813	735,989	535,529
	99,680,574	95,662,209	2,723,665	1,294,700
Related undertakings	28,419,911			
	<u>128,100,485</u>			

	31 December 2013	Payable to		
		Up to 90 days	90 to 180 days	More than 180 days
Fixed asset suppliers	36,876,535	35,553,010	265,659	1,057,866
Other debtors	53,899,298	48,806,541	3,305	5,089,452
	90,775,833	84,359,551	268,964	6,147,318
Related undertakings	84,704			
	90,860,537			

The caption "Other debtors" includes:

- 22,150,238 euro (24,881,013 euro as at 31 December 2013) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";
- 14,150,325 euro (13,229,762 euro as at 31 December 2013) related to vouchers, gift cards and discount tickets not yet redeemed;
- 4,253,041 (4,320,249 euro as at 31 December 2013) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 31);

As at 31 December 2014, in the caption "subsidiaries and participants" includes about 28.2 million euro, the amount payable to Sonae SGPS, SA result of the inclusion companies in Special Regime of Taxing Groups of Companies.

As at 31 December 2014 and 2013, this caption includes payable amounts to other creditors and fixed assets suppliers that do not bear interests. The Board of Directors believes that the fair value of these payables is similar to its book value and the result of discounting these amounts is immaterial.

30 OTHER CURRENT LIABILITIES

As at 31 December 2014 and 2013, "Other current liabilities" are made up as follows:

	31 December 2014	31 December 2013
Staff costs	100,364,020	93,231,418
Interests payable	3,673,989	3,645,639
Marketing expenses	12,814,640	16,922,857
Other external supplies and services	46,456,469	44,092,252
Accrued income - rents	9,087,161	4,165,598
Real estate municipality tax	2,587,623	2,507,148
Deferred of revenue from the sale of warranties extension (Note 2.16)	17,120,641	3,532,918
Share based payments (Note 27)	7,006,849	3,372,085
Others	7,045,759	6,989,005
	206,157,151	178,458,919

31 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 31 December 2014 and 2013 are as follows:

Caption	Balance as at 1 January 2014	Increase	Decrease	Balance as at 31 December 2014
Accumulated impairment losses on investments (Note 5)	2,101,337	10,031,409	(2,101,337)	10,031,409
Accumulated impairment losses on tangible assets (Note 9)	153,320,202	1,479,167	(10,739,409)	144,059,960
Accumulated impairment losses on intangible assets	1,497,119	-	(18)	1,497,101
Accumulated impairment losses on other non current assets (Note 13)	2,423,530	26,470	-	2,450,000
Accumulated impairment losses on trade accounts receivable (Note 15)	3,104,378	1,145,207	(443,947)	3,805,638
Accumulated impairment losses on other debtors (Note 16)	13,921,247	1,961,804	(1,342,067)	14,540,984
Non current provisions	29,588,227	2,394,348	(9,585,647)	22,396,928
Current provisions	2,717,989	726,942	(6,674)	3,438,257
	<u>208,674,029</u>	<u>17,765,347</u>	<u>(24,219,099)</u>	<u>202,220,277</u>

Caption	Balance as at 1 January 2013	Increase	Decrease	Balance as at 31 December 2013
Accumulated impairment losses on investments (Note 5)	1,101,337	1,000,000	-	2,101,337
Accumulated impairment losses on tangible assets (Note 9)	-	154,384,504	(1,064,302)	153,320,202
Accumulated impairment losses on intangible assets (Note 10)	1,496,933	186	-	1,497,119
Accumulated impairment losses on other non current assets (Note 13)	3,344,124	79,406	(1,000,000)	2,423,530
Accumulated impairment losses on trade accounts receivable (Note 15)	3,393,348	610,185	(899,155)	3,104,378
Accumulated impairment losses on other debtors (Note 16)	14,433,955	5,211,385	(5,724,093)	13,921,247
Non current provisions	46,471,233	11,414,278	(28,297,284)	29,588,227
Current provisions	2,228,330	1,236,000	(746,341)	2,717,989
	<u>72,469,260</u>	<u>173,935,944</u>	<u>(37,731,175)</u>	<u>208,674,029</u>

As at 31 December 2014 and 2013 increases in provisions and impairment losses are as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Provisions and impairment losses	8,057,402	182,585,781
Impairment in joint ventures (Note 5)	10,031,409	1,000,000
Goodwill (Note 11)	(20,166)	(5,034,825)
Others	<u>(303,298)</u>	<u>(4,615,012)</u>
	<u>17,765,347</u>	<u>173,935,944</u>

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

As at 31 December 2014 and 2013 the value of decreases in provisions and impairment losses can be detailed as follows:

	31 December 2014	31 December 2013
Provisions and impairment losses reversal (Note 37)	(9,319,695)	(11,359,391)
Direct use of impairments to accounts receivable	(14,012)	(1,157,319)
Direct use of Brazil provisions	(2,433,450)	(19,183,612)
Provisions for financial investments	-	(1,000,000)
Impairment reversal in financial investments	(2,101,337)	-
Direct use and reversals recorded in fixed assets tangible	(10,739,409)	(1,064,302)
Other responsibilities	388,803	(3,966,551)
	<u>(24,219,099)</u>	<u>(37,731,175)</u>

The caption “Non-current Provisions” and “Current Provisions” include:

- 12,584,983 euro (13,470,170 euro as at 31 December 2013) relating to non-current contingencies assumed by the company, when selling the subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred, and it is 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. During the period Sonae Investimentos updated its estimate, following the results of the last conference process conducted with the buyer of the former subsidiary in Brazil; and
- The caption non-current provisions and the movement in the period in this caption, 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 8,773,796 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.

32 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2014 and 2013, contingent liabilities to which Sonae Investimentos is exposed can be detailed as follows:

- Guarantees and sureties given

	31 December 2014	31 December 2013
Guarantees and securities given:		
on tax claims	867,059,310	757,936,484
on judicial claims	285,654	140,502
on municipal claims	6,383,942	6,284,639
for proper agreement fulfillment	15,044,279	15,880,490
other guarantees	4,994,628	5,365,571

a) Tax claims

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

- Some retail operating segment subsidiaries of the Company granted guarantees or securities in favour of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 466.1 million euro (375 million euro as at 31 December 2013) related to the period from 2004 to 2011, which the Company has presented, or has the intention of presenting, a tax appeal. The increase in the value of guarantees and securities provided in relation to the previous year, mainly result from additional

tax assessments over 2010 and 2011. 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, 20.4 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 41.9 million euro (135 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 to 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, having recorded as an asset the amount paid under those plans, in accordance with the policy adopted by the Group.

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 39.8 million euro (37.8 million euro at 31 December 2013). Furthermore, there are other tax assessments totalling 86.37 million euro (61.3 million euro at 31 December 2013) 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.

33 OPERATIONAL LEASES

As at 31 December 2014 an amount of 98,138,253 euro (96,087,877 euro as at 31 December 2013) was recorded as cost for the period concerning rents due to operational lease contacts, mainly referring to leased real estate. These values do not include contingent rents, as considered immaterial.

Additionally, as at 31 December 2014, Sonae Investimentos had operational lease contracts, as lessee, whose minimum lease payments had the following payment schedule:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Due in:		
N+1 automatically renewal	8,892,583	8,896,084
N+1	85,325,461	85,576,411
N+2	76,299,034	76,320,112
N+3	69,116,558	69,037,970
N+4	63,242,760	62,317,838
N+5	56,640,778	57,119,616
After N+5	<u>452,315,226</u>	<u>501,777,848</u>
	<u>811,832,400</u>	<u>861,045,879</u>

During 2014, it was recognized as profit the amount of 8,260,548 euro (7,669,678 euro as at 31 December 2013) related to rents received from operational leases, mainly related with commercial galleries explored by others in stores property of Sonae Investimentos.

Additionally, as at 31 December 2014, Sonae Investimentos had operational lease contracts, as lessor, who's minimum lease payments had the following payment schedule:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Due in:		
N+1 automatically renewal	2,932,393	3,465,641
N+1	3,588,918	3,674,722
N+2	2,990,918	3,136,169
N+3	2,651,038	2,524,155
N+4	2,162,392	2,178,600
N+5	1,126,289	1,649,953
After N+5	<u>1,965,342</u>	<u>2,214,665</u>
	<u>17,417,290</u>	<u>18,843,905</u>

34 TURNOVER

As at 31 December 2014 and 2013, turnover is made up as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Sale of goods	4,768,352,819	4,627,967,634
Services rendered	<u>52,135,116</u>	<u>42,578,232</u>
	<u>4,820,487,935</u>	<u>4,670,545,866</u>

35 GAINS AND LOSSES ON FINANCIAL INVESTMENTS

As at 31 December 2014 and 2013, gains and losses on financial investments are made up as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Dividends	151,880	96,536
Sale of Fozmassimo (Note 7)	297,373	-
Others	124,101	(13,500)
Gains / (losses) on the sale of investments in subsidiaries	<u>421,474</u>	<u>(13,500)</u>
Impairment losses on investments in associated companies (Note 5)	(10,031,409)	-
Impairment of reversal/(losses) on investments	<u>(10,031,409)</u>	<u>-</u>
	<u>(9,458,055)</u>	<u>83,036</u>

36 NET FINANCIAL EXPENSES

As at 31 December 2014 and 2013, Net financial expenses are as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Expenses		
Interests payable		
related with bank loans and overdrafts	(4,810,476)	(9,044,515)
related with non convertible bonds	(18,461,374)	(16,535,181)
related with other loans	(32,426,215)	(32,444,444)
related with financial leases	(260,358)	(345,473)
others	(4,515,145)	(2,675,636)
	<u>(60,473,568)</u>	<u>(61,045,249)</u>
Exchange losses	(3,341,738)	(2,489,988)
Up front fees and commissions related to loans	(6,502,102)	(6,200,119)
Others	(2,773,003)	(3,505,434)
	<u>(73,090,412)</u>	<u>(73,240,790)</u>
Income		
Interests receivable		
related with bank deposits	317,300	694,486
others	872,829	1,866,270
	<u>1,190,129</u>	<u>2,560,756</u>
Exchange gains	4,670,287	3,085,587
Other financial income	532,325	219,105
	<u>6,392,741</u>	<u>5,865,448</u>
Net financial expenses	<u>(66,697,671)</u>	<u>(67,375,342)</u>

37 OTHER OPERATIONAL INCOME

As at 31 December 2014 and 2013, "Other operational income" is as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Supplementary income	451,014,930	380,781,217
Prompt payment discounts received	21,773,860	26,352,964
Exchange differences	14,360,836	14,969,078
Own work capitalised	7,815,146	4,856,027
Insurance claims	6,230,514	104,973
Gains on sales of assets	2,341,947	1,036,150
Impairment losses and provisions reversals (Note 31)	9,319,695	11,359,391
Subsidies	657,494	419,044
Others	5,528,782	2,549,909
	<u>519,043,204</u>	<u>442,428,755</u>

"Supplementary income" relates mainly to promotional campaigns carried out in Sonae Investimentos stores reimbursed by its partners.

The caption "Own work capitalized" includes 7,815,146 euro (4,856,027 euro as at 31 December 2013), relating to software development conducted by a Brazilian subsidiary.

38 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2014 and 2013, External supplies and services are as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Advertising expenses	101,774,536	102,321,626
Rents	130,160,607	130,485,134
Transports	53,869,039	52,597,162
Electricity	55,398,176	53,032,476
Services	55,751,998	40,138,050
Maintenance	21,611,559	22,939,926
Costs with automatic payment terminals	20,152,608	22,901,030
Subcontracts	4,373,469	5,019,217
Security	20,179,701	20,538,218
Cleaning up services	20,218,521	19,615,624
Communications	8,780,154	9,507,847
Travel expenses	9,546,004	8,147,496
Insurances	4,912,203	6,871,198
Consumables	17,985,738	16,430,752
Home delivery	5,696,255	5,395,933
Others	51,540,184	43,612,891
	<u>581,950,752</u>	<u>559,554,581</u>

39 STAFF COSTS

As at 31 December 2014 and 2013, Staff costs are as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Salaries	459,844,359	438,114,311
Social security contributions	97,540,363	90,504,839
Insurance	8,943,471	8,629,118
Welfare	3,838,117	3,933,479
Other staff costs	<u>15,642,338</u>	<u>11,596,682</u>
	<u>585,808,648</u>	<u>552,778,429</u>

40 OTHER OPERATIONAL EXPENSES

As at 31 December 2014 and 2013, "Other operational expenses" are as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Exchange differences	13,803,615	14,760,438
Donations	7,231,123	7,690,640
Losses on the disposal of assets	13,211,658	4,423,142
Municipal property tax	2,434,201	2,262,676
Other taxes	6,026,046	7,992,050
Doubtful debts written-off	26,858	168,938
Others	<u>21,397,620</u>	<u>22,312,362</u>
	<u>64,131,121</u>	<u>59,610,246</u>

The caption "Others", for the year ended as at 31 December 2014, includes approximately 13.7 million (12 million euro as at 31 December 2013) relating Sonae Investimentos participation in Galp/Cartão Continente promotional program.

41 INCOME TAX

As at 31 December 2014 and 2013, Income tax is as follows:

	<u>31 December 2014</u>	<u>31 December 2013</u>
Current tax	19,811,327	18,230,597
Deferred tax (Note 19)	<u>8,369,006</u>	<u>(7,388,612)</u>
	<u>28,180,333</u>	<u>10,841,985</u>

The reconciliation between the profit before income tax and the tax charge for the years ended 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Profit before income tax	101,143,877	(71,589,777)
Difference between capital (losses)/gains for accounting and tax purposes	306,172	(286,478)
Gains or losses in jointly controlled and associated companies (Note 5)	2,071,468	2,894,152
Donations unforeseen or beyond the legal limits	1,617,773	1,750,209
Impairment of goodwill	20,166	5,034,825
Provisions and impairment losses not accepted for tax purposes	11,391,257	21,947,499
Taxable Profit	<u>116,550,713</u>	<u>(40,249,570)</u>
Recognition of tax losses that have not originated deferred tax assets	22,761,179	26,001,210
	<u>139,311,892</u>	<u>(14,248,360)</u>
Income tax rate in Portugal	23.00%	25.00%
	<u>32,041,735</u>	<u>(3,562,090)</u>
Effect of different income tax rates in other countries	(14,690,127)	(13,035,729)
Effect of the write-off of deferred taxes (Note 19)	2,432,266	32,850,671
Use of tax benefits	(4,040,129)	(7,694,392)
Under/(over) Income tax estimates	(1,344,887)	(2,708,169)
Effect of change in tax income rate in the calculation of deferred taxes	4,594,535	(3,587,687)
Autonomous taxes and tax benefits	2,437,923	1,771,029
Municipality surcharge	5,932,565	3,925,743
Others	816,452	2,882,609
Income tax	<u>28,180,333</u>	<u>10,841,985</u>

42 RELATED PARTIES

Balances and transactions with related parties during the periods ended 31 December 2014 and 2013 are as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Parent company	1,158,744	1,158,871	3,240,175	3,018,919
Jointly controlled companies	1,545,469	1,448,942	6,078,019	5,119,483
Associated companies	36,476,390	33,867,669	401,568	375,137
Other related parties ⁽¹⁾	67,953,432	64,181,251	73,059,918	61,971,666
	<u>107,134,035</u>	<u>100,656,733</u>	<u>82,779,680</u>	<u>70,485,205</u>
Transactions	Interest income		Interest expenses	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Parent company	8,269	6,862	32,459,985	30,523,295
Jointly controlled companies	406,238	420,342	-	-
Associated companies	313,343	509,156	-	-
Other related parties ⁽¹⁾	-	640	4,479,524	4,465,421
	<u>727,850</u>	<u>937,000</u>	<u>36,939,509</u>	<u>34,988,716</u>

Balances	Accounts receivable		Accounts payable	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Parent company	21,582,787	316,058	31,745,702	3,416,512
Jointly controlled companies	617,990	245,146	697,077	401,443
Associated companies	5,128,639	8,316,882	1,090,674	440,164
Other related parties ⁽¹⁾	21,144,252	19,270,829	26,057,886	16,666,471
	<u>48,473,668</u>	<u>28,148,915</u>	<u>59,591,339</u>	<u>20,924,590</u>

Balances	Loans			
	Obtained		Granted	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Parent company (Note 25)	400,000,000	400,000,000	-	-
Jointly controlled companies	-	-	8,768,402	8,591,454
Associated companies	-	-	9,155,593	8,868,720
Other related parties ⁽¹⁾	2,541,268	4,700,993	-	-
	<u>402,541,268</u>	<u>404,700,993</u>	<u>17,923,995</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 of the Group.

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

Granted loans to associated companies, refer to loans granted to associate MDS, SGPS, SA (9,014,061 euro as at 31 December 2014, 8,665,429 euro as at 31 December 2013).

In the period ended 31 December 2014, the Group increased the percentage held in Fundo de Investimento Imobiliário Fechado do Imosede, through the acquisition of 3.28% of its share capital, to a related party for an amount of 5 million euro (in 2013 there was a 6.5% increase of the percentage of share capital held for an amount of 10 million euro).

It was not assigned any remuneration to the Members of the Board of Directors for the years ended at 31 December 2014 and 31 December 2013.

Members of the Board of Directors and strategic direction remuneration, in all companies within Sonae Investimentos perimeter, in the years ended 31 December 2014 and 2013, can be detailed as follows:

	Strategic direction ^(a)	
	31 December 2014	31 December 2013
Short-term employee benefits	4,794,396	5,218,453
Share-based payments	1,306,300	1,676,100
	<u>6,100,696</u>	<u>6,894,553</u>

(a) Includes personnel responsible for the strategic management of Sonae Investimentos main companies (excluding members of the Board of Directors of Sonae Investimentos).

43 EARNINGS PER SHARE

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

	31 December 2014	31 December 2013
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	70,697,244	(84,265,323)
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	70,697,244	(84,265,323)
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)	0.078552	(0.093628)

As at 31 December 2014 and 2013 there are no dilutive effects on the number of outstanding shares.

44 CASH RECEIPTS RELATED TO INVESTMENTS

As at 31 December 2014 and 2013, cash receipts related to investments are as follows:

	31 December 2014	31 December 2013
Receipts		
Funding application in Bradesco and Citybank	-	887,022
Disposal of Imosonae II fund units	1,829,199	808,476
Disposal of Fozmassimo (Note7)	2,958,542	-
	<u>4,787,741</u>	<u>1,695,498</u>
Payments		
Acquisition of Fundo Imosedo (Note 22)	(5,000,134)	-
Others	(850,217)	14,938
	<u>(5,850,351)</u>	<u>14,938</u>

45 SEGMENT INFORMATION

Sonae Investimentos is a group of retail and has three segments:

- Sonae MC is our food retail unit, operating 478 stores and 162 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, Note.it and Wells.

- Sonae SR is our specialised retail unit, with a presence in the electronics, sports and fashion market operating 522 stores and 73 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 December 2014 and 2013 can be detailed as follows:

Turnover	31 December 2014	Inter-segment income	31 December 2013	Inter-segment income
Sonae MC	3,460,812,214	(2,081,079)	3,415,473,893	(4,566,804)
Sonae SR	1,289,721,730	(34,601,862)	1,210,380,000	(29,775,266)
Sonae RP	126,341,851	(118,077,443)	123,971,896	(109,508,732)
Others, eliminations and adjustments	(56,387,860)	-	(79,279,923)	-
Total consolidated	4,820,487,935	(154,760,384)	4,670,545,866	(143,850,802)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Sonae MC	84,088,262	84,247,677	1,611,558	1,913,099	151,068,014	174,072,149
Sonae SR	43,078,974	58,035,246	4,104,936	3,875,180	(51,238,382)	(70,078,091)
Sonae RP	29,079,082	29,978,301	52,107	338,359	88,619,925	84,631,674
Others, eliminations and adjustments	2,800,592	4,572,766	928,954	5,587,044	(19,248,161)	(8,519,562)
Total direct consolidated	159,046,910	176,833,990	6,697,554	11,713,682	169,201,396	180,106,170

	Investment (CAPEX)		Invested capital	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Sonae MC	104,726,899	103,121,235	418,842,475	409,505,851
Sonae SR	62,623,328	32,386,892	115,932,567	100,910,578
Sonae RP	21,548,234	18,582,717	1,212,504,100	1,253,629,991
Others, eliminations and adjustments	3,380,300	(708,647)	53,558,752	95,243,365
Total consolidated	192,278,761	153,382,198	1,800,837,894	1,859,289,785

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

	Turnover		EBIT	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Inter-segment income	(154,760,384)	(143,850,802)	-	-
Equity method	-	-	(2,071,468)	(2,894,152)
Contribution from companies not included in the segments	98,372,523	64,570,879	-	-
Others	-	-	(17,176,693)	(5,625,410)
Others, eliminations and adjustments	(56,387,860)	(79,279,923)	(19,248,161)	(8,519,562)

	Investment (Capex)		Invested capital	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Investments and loans granted	-	-	49,717,769	60,462,496
Others	3,380,300	(708,647)	3,840,983	34,780,869
Others, eliminations and adjustments	3,380,300	(708,647)	53,558,752	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;

46 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 December 2014 and 2013 can be summarised as follows:

	31 December 2014			31 December 2013		
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Indirect income	Direct income
Turnover	4,820,487,935	-	4,820,487,935	4,670,545,866	-	4,670,545,866
Investment income						
Dividends and other adjustments	151,880	-	151,880	96,536	96,536	-
Impairment losses	-	-	-	-	-	-
Others	(9,609,935)	-	(9,609,935)	(13,500)	-	(13,500)
Other income						
Impairment losses reversal	2,300,161	-	2,300,161	11,446,018	-	11,446,018
Others	516,743,043	-	516,743,043	430,982,737	(2,296,855)	433,279,592
Total income	5,330,073,084	-	5,330,073,084	5,113,057,657	(2,200,319)	5,115,257,976
Total expenses	(4,963,413,413)	-	(4,963,413,413)	(4,754,958,169)	(11,248,187)	(4,743,709,982)
Depreciation and amortisation	(159,046,910)	-	(159,046,910)	(176,833,990)	-	(176,833,990)
Losses on tangible and intangible assets	(10,872,008)	-	(10,872,008)	-	-	-
Provisions and impairment						
Provisions for warranty extensions	(726,942)	-	(726,942)	-	-	-
Goodwill impairment	-	-	-	(5,034,825)	(5,034,825)	-
Unusual provisions and impairments	(1,359,848)	(1,359,848)	-	(155,025,977)	(155,025,977)	-
Others	(5,970,612)	-	(5,970,612)	(22,524,979)	(10,811,297)	(11,713,682)
Profit before financial results and share of results in associated companies	188,683,351	(1,359,848)	190,043,199	(1,320,283)	(184,320,605)	183,000,322
Non recurrent items	(18,770,335)	-	(18,770,335)	-	-	-
Financial profit/(loss)	(66,697,671)	-	(66,697,671)	(67,375,342)	(96,536)	(67,278,806)
Share of results in joint ventures and associated undertakings						
MDS	(2,367,036)	-	(2,367,036)	(2,344,730)	-	(2,344,730)
Raso	(118,793)	-	(118,793)	(565,868)	-	(565,868)
Others	414,361	-	414,361	16,446	-	16,446
Profit before taxation	101,143,877	(1,359,848)	102,503,725	(71,589,777)	(184,417,141)	112,827,364
Income tax	(28,180,333)	-	(28,180,333)	(10,841,985)	13,653,705	(24,495,690)
Profit/(Loss) after taxation	72,963,544	(1,359,848)	74,323,392	(82,431,762)	(170,763,436)	88,331,674
Attributable to equity holders of Sonae	70,697,244	(1,359,848)	72,057,092	(84,265,323)	(170,763,436)	86,498,113
Non-controlling interests	2,266,300	-	2,266,300	1,833,561	-	1,833,561
"Underlying" EBITDA (b)			363,480,688			361,911,327
EBITDA (a)			342,638,885			357,221,324
Direct EBIT (c)			169,201,396			180,106,170

(a) Direct EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + Share of results in joint ventures and associated undertakings+ unusual results.

(b) "Underlying" EBITDA = Direct EBITDA – effect of share result in joint ventures and associated undertakings –non-recurrent results.

(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.

Indirect income can be analysed as follows:

Indirect income	31 December 2014	31 December 2013
Provision for contingencies in Brazil (Note 31)	(1,359,848)	(11,414,278)
Change of "layout" and "rebranding" :	-	-
Specialized retail stores	-	(43,746,620)
Food based retail stores	-	(9,988,367)
Impairment of Real Estate	-	(100,465,106)
Impairment of goodwill	-	(5,034,825)
Others	-	(114,240)
Total	<u>(1,359,848)</u>	<u>(170,763,436)</u>

"Underlying Direct EBITDA" could be analysed as follows:

	31 December 2014	31 December 2013
Direct EBITDA	342,638,885	357,221,324
Share of results in joint ventures and associated undertakings	2,071,468	2,894,152
Non recurrent items	18,770,335	1,795,851
"Underlying" Direct EBITDA	<u>363,480,688</u>	<u>361,911,327</u>

47 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 9 March 2015 nevertheless they are still subject to approval at the Shareholders Annual General Meeting.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo (Presidente)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Individual financial statements

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 AND 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.December.2014	31.December.2013
NON-CURRENT ASSETS:			
Tangible assets	6	8	30
Intangible assets	6	228	455
Investments in affiliated companies	5	760,698,747	2,388,661,291
Other investments		-	6,485
Other non-current assets	4, 7	699,808,123	1,186,256,030
Total non-current assets		1,460,507,106	3,574,924,291
CURRENT ASSETS:			
Trade account receivables	4, 8	-	394,432
Other debtors	4, 9	2,964,880,840	165,613,555
Taxes recoverable	10	10,506,101	34,066,038
Other current assets	4, 11	5,030,036	4,417,840
Cash and cash equivalents	4, 12	40,614,996	6,623,141
Total current assets		3,021,031,973	211,115,006
TOTAL ASSETS		4,481,539,079	3,786,039,297
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	13	1,000,000,000	1,000,000,000
Legal reserves	14	141,237,816	140,642,469
Hedging reserve, fair value reserve and other reserves	15	1,125,745,149	1,154,433,557
Profit for the year		594,048,820	11,906,939
TOTAL EQUITY		2,861,031,785	2,306,982,965
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bonds	4, 16	317,220,715	646,307,863
Bank loans	4, 16	30,000,000	66,666,347
Other non-current liabilities	4, 17	400,000,000	400,000,000
Total non-current liabilities		747,220,715	1,112,974,210
CURRENT LIABILITIES:			
Bonds	4, 16	379,724,734	9,990,122
Bank loans	4, 16	1,670,930	35,825,666
Trade accounts payable	4, 18	37,010	34,775
Other creditors	4, 19	481,058,354	309,433,073
Taxes and contributions payable	10	2,161,371	2,579,178
Other current liabilities	4, 20	8,634,180	8,219,308
Total current liabilities		873,286,579	366,082,122
TOTAL EQUITY AND LIABILITIES		4,481,539,079	3,786,039,297

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 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.December.2014	31.December.2013
Services rendered	24	64,595	870,539
Gains or losses on investments	25	618,628,591	43,924,710
Financial income	26	49,055,664	45,939,541
Other income	27	1,045,967	762,164
External supplies and services	28	(4,350,327)	(4,187,083)
Staff costs		(39,105)	(33,190)
Depreciation and amortisation	6	(249)	(793)
Provisions and impairment losses	21	(26,470)	(88,387)
Financial expense	26	(70,730,165)	(78,912,820)
Other expenses	29	(108,830)	(340,039)
Profit/(Loss) before taxation		<u>593,539,671</u>	<u>7,934,642</u>
Taxation	30	<u>509,149</u>	<u>3,972,297</u>
Profit/(Loss) after taxation		<u>594,048,820</u>	<u>11,906,939</u>
Profit/(Loss) per share	31	<u>0.6601</u>	<u>0.0132</u>

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SAINDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 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>31.December.2014</u>	<u>31.December.2013</u>
Net Profit / (Loss) for the year	<u>594,048,820</u>	<u>11,906,939</u>
Total comprehensive income for the year	<u>594,048,820</u>	<u>11,906,939</u>

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED AS AT 31 DECEMBER 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	Share capital	Legal reserve	Reserves and retained earnings			Net Profit/(Loss)	Total
			Legal reserves in accordance with article 324 of Commercial Companies Code	Other reserves	Total reserves and retained earnings		
Balance as at 1 January 2013	1,000,000,000	140,357,809	320,000,000	869,025,023	1,189,025,023	5,693,194	2,335,076,026
Total comprehensive income for the year	-	-	-	-	-	11,906,939	11,906,939
Appropriation of profit of 2012:							
Transfer to legal reserves and other reserves	14	284,660	-	-	-	(284,660)	-
Dividends distributed		-	-	(34,591,466)	(34,591,466)	(5,408,534)	(40,000,000)
Balance as at 31 December 2013	<u>1,000,000,000</u>	<u>140,642,469</u>	<u>320,000,000</u>	<u>834,433,557</u>	<u>1,154,433,557</u>	<u>11,906,939</u>	<u>2,306,982,965</u>
Balance as at 1 January 2014	1,000,000,000	140,642,469	320,000,000	834,433,557	1,154,433,557	11,906,939	2,306,982,965
Total comprehensive income for the year	-	-	-	-	-	594,048,820	594,048,820
Appropriation of profit of 2013:							
Transfer to legal reserves and other reserves	14	595,347	-	-	-	(595,347)	-
Dividends distributed		-	-	(28,688,408)	(28,688,408)	(11,311,592)	(40,000,000)
Balance as at 31 December 2014	<u>1,000,000,000</u>	<u>141,237,816</u>	<u>320,000,000</u>	<u>805,745,149</u>	<u>1,125,745,149</u>	<u>594,048,820</u>	<u>2,861,031,785</u>

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 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.December.2014	31.December.2013
OPERATING ACTIVITIES			
Cash receipts from trade debtors		534,585	2,088,593
Cash paid to trade creditors		(4,121,416)	(3,043,718)
Cash paid to employees		(39,335)	(341,006)
Cash flow generated by operations		(3,626,166)	(1,296,131)
Income taxes (paid) / received		24,205,522	3,199,888
Other cash receipts and (payments) relating to operating activities		8,778,769	(9,966,044)
Net cash flow from operating activities (1)		29,358,125	(8,062,287)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	32	784,234,901	191,445,350
Tangible assets		-	20
Interest and similar income		43,184,200	44,709,903
Dividends	25	16,758,860	125,286,679
Others	25	15,998,689	17,368,661
Loans granted		2,582,910,674	2,403,140,710
		3,443,087,324	2,781,951,323
Cash payments arising from:			
Investments	32	(6,150,135)	(25,208,658)
Loans granted		(3,460,041,537)	(2,476,871,261)
		(3,466,191,672)	(2,502,079,919)
Net cash used in investment activities (2)		(23,104,348)	279,871,404
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		6,570,932,781	6,393,115,811
		6,570,932,781	6,393,115,811
Cash payments arising from:			
Loans obtained		(6,433,263,084)	(6,632,599,171)
Interest and similar charges		(69,936,841)	(80,203,253)
Dividends		(40,000,000)	(40,000,000)
		(6,543,199,925)	(6,752,802,424)
Net cash used in financing activities (3)		27,732,856	(359,686,613)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		33,986,633	(87,877,496)
Cash and cash equivalents at the beginning of the year	12	6,623,141	94,500,637
Cash and cash equivalents at the end of the year	12	40,609,774	6,623,141

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 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 5).

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of presentation

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. This standards were issued by the International Accounting Standards Board (“IASB”) and interpretations issued by International Financial Reporting Interpretations Committee (“IFRS-IC”) or by the previous Standing Interpretations Committee (“SIC”), that have been adopted by the European Union.

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

New accounting standards and their impact in the financial statements

Up to the approval date of these financial statements, the European Union endorsed standards, interpretations, amendments and revisions, some of which have become effective during the year 2014. These changes are presented in note 2 of the notes to the consolidated financial statements. The adoption, during 2014 of the mentioned standards did not produce impacts on the Company financial statements, since they aren't applicable to the Individual financial statements of the Company.

Additionally there are standards that have been approved for adoption in the periods started at or after 1 January 2015, which were not adopted by the Company in advance. No material impacts in the individual financial statements of the company will arise from the adoption of these standards.

2.2 Investments in subsidiaries and associates

Equity investments in subsidiaries and associates are accounted for accordingly with IAS 27, at acquisition cost net of impairment losses.

2.3 Tangible assets

Tangible assets are recorded at acquisition cost net of depreciation and accumulated impairment losses.

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

The impairment losses in the realisable value of tangible assets are recorded in the year they arise in the caption of the Income Statement - "Provisions and impairment losses".

2.4 Intangible assets

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

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

2.5 Borrowing costs

Borrowing costs are usually recognized as an expense in the period in which they are incurred on an accruals basis in accordance with effective interest rate method.

2.6 Financial instruments

The Company classifies the financial instruments in the categories presented and conciliated with the statement of financial position disclosed in note 4.

a) Investments

Investments are classified into the following categories:

- Held to maturity
- Investments measured at fair value through profit or loss
- Available for sale

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

The investments measured at fair value through profit or loss include the investments held for trading that the company acquires for sale in a short period of time, and are classified in the statement of financial position as current assets.

The Company classifies as available for sale those investments that are neither included as investments measured at fair value through profit or loss nor as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

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

Investments are initially recorded at acquisition cost, which is the fair value of the consideration paid for them. In the case of Investments held to maturity or available for sale investments, transaction costs are included in the acquisition costs.

After its initial recording, investments measured at fair value through profit or loss and available for sale investments are subsequently carried at fair values, by reference to their quoted market value at statement of financial position date, without any deduction for transaction costs which may be incurred on sale. Investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are stated at cost, less impairment losses.

Gains or losses arising from a change in fair value of available for sale investments are recognized directly in equity, under Fair value reserve, in the caption Other reserves, until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is transferred to net profit or loss.

Gains or losses arising from a change in fair value of investments measured at fair value through profit or loss are recorded in the Income statement captions financial expenses or financial income.

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

b) Loans and accounts receivable

Loans and accounts receivable are recorded at amortized cost using the effective rate method net of accumulated impairment losses, in order to reflect its realisable value.

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

These financial instruments emerge when the Company provides money or services to its subsidiaries and associates with no intention of trading those assets.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the statement of financial position date, situations when they are classified as non-current assets. Loans and receivables are included in the captions presented in note 4.

c) Trade accounts receivable

Receivables are stated at net realisable value corresponding to their nominal value less impairment losses, recorded under the caption Provisions and impairment losses in accounts receivable.

Impairment is recognized if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received.

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

d) Classification as equity or liability

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

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in note 2.8. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

f) Trade accounts payable

Trade accounts payable are stated at their nominal value. There is no discount, as it is immaterial.

g) Derivatives

The Company uses derivatives in the management of its financial risks to hedge such risks. Derivatives are not used for trading purposes.

Derivatives classified as cash flow hedge instruments are used by the Company mainly to hedge interest rate risks on loans obtained. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting

dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The gain or loss relating to the ineffective portion of the hedge, if any, is recorded in the Income Statement under Financial Income or Financial Expenses.

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

- The hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;
- The effectiveness of the hedge can be reliably measured;
- There is adequate documentation of the hedging relationships at the inception of the hedge;
- The transaction being hedged is highly probable.

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

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption Hedging reserve included in the caption Reserves and retained earnings, are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

The fair value of these instruments is estimated by the Company using specific software based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg, through the use of interest rate curves taken from Bloomberg.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host instruments, and this is not stated at fair value through profit or loss.

In specific situations, the Company hires exchange rate derivatives. In these circumstances, and although these derivatives are hired to hedge the risk associated with the variation of future cash flows, these derivatives are usually measured at fair value through the income statement.

h) Treasury shares

Treasury shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of treasury shares are directly recorded in other reserves.

i) Cash and cash equivalents

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

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

j) Effective interest rate method

The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense until the maturity of the financial instrument.

k) Impairment

Financial assets, other than Investments measured at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For non-quoted equity instruments determining whether the investment is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the entity and a suitable discount rate in order to calculate present value.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For investments in subsidiaries (equity investments and loans granted to subsidiaries, jointly controlled companies and associated companies) the impairment analysis is based on the fair value estimate, based on discounted cash flows or based on its net asset value as applicable.

The above mentioned estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models, whenever there is an indication that the asset might be impaired, namely from the distribution of dividends by the mentioned entities.

It is the Board of Directors understanding that the use of the above mentioned methodology is adequate to conclude on the eventual existence of financial investments impairment as it incorporates the best available information as at the date of the financial statements.

If, in a subsequent period, the amount of the impairment loss decreases and that decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of equity investments classified as available for sale, impairment losses previously recognized through profit or loss are not reversed. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

2.7 Contingent assets and liabilities

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

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

2.8 Revenue recognition and accrual basis

Revenue from services rendered is recognized in the income statement in the period they are performed.

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

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

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

2.9 Subsequent events

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

2.10 Judgements and estimates

The most significant accounting estimates reflected in the financial statements are as follows:

- a) Record of adjustments to the value of assets and provisions;
- b) Impairment analysis of financial investments and loans granted to affiliated, jointly controlled companies and associated companies;

Estimates used are based on the best information available during the preparation of these financial statements and are based on the best knowledge of past and present events. Although future events, are not controlled by the Company are not foreseeable, some could occur and have impact on the estimates. Therefore and due to this uncertainty the outcome of the transactions being estimated may differ from the initial estimate. Changes to the estimates used by management that occur after the approval date of these consolidated financial statements, will be recognized in net income prospectively, in accordance with IAS 8.

The main estimates and assumptions in relation to future events included in the preparation of these financial statements are disclosed in the correspondent notes, if applicable.

2.11 Share-based payments

Share-based payments result from deferred performance bonus plans that are referenced to the evolution of the Sonae, SGPS, SA shares' price (parent company of Sonae Investimentos, SGPS, SA).

The value of these responsibilities is determined at the time of assignment (usually in March of each year) and subsequently updated at the end of each reporting period depending on the number of shares allotted and the fair value of the reporting date. The responsibility is recorded on staff costs and other current liabilities, linearly between the attribution date and the vesting date, in proportion to the time between those dates.

2.12 Income tax

Sonae Investimentos is included in the group of companies dominated by Sonae, SGPS, SA, and taxed in accordance with the Special Regime of Taxing Groups of Companies since 1 January 2014, so, consequently, the income tax is included in the balance sheet caption Group companies.

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

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

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

2.13 Transactions with related parties

Transactions with related parties are performed at arm's length conditions, and the gains or losses arising on those transactions are recognized and disclosed in note 23.

3 FINANCIAL RISK MANAGEMENT

Risk management general principles are approved by the Board of Directors, and its implementation is supervised by the Group's finance department.

3.1 Market risk

The interest and exchange rate risk have a decisive importance in what concerns market risk management.

3.1.1 Interest rate risk

Sonae Investimentos exposure to the interest rate risk arises mainly from the long term loans which bear interests indexed to Euribor.

Sensitivity analysis:

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

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, they are included in the calculation of income-related sensitivities;
- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculation with impact in equity (other reserves);
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;
- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under these assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the net profit before tax for the period ended as at 31 December 2014 would increase by approximately 3.3 million euro (1.4 million euro as at 31 December 2013), considering the contractual fixing dates and excluding other effects arising from the company operations.

3.1.2 Exchange rate risk

The impact on the financial statements of changes in exchange rate is immaterial, as the most part of the assets and liabilities are denominated in euro.

3.1.3 Liquidity risk

The purpose of liquidity risk management is to ensure, at all times, that the Company and its subsidiaries, have the necessary financial resources to fulfil its commitments with third parties and carry on with their strategy, through proper management of financing costs and maturity.

The Company follows an active policy of refinancing, guided by the maintenance of a high level of free financial resources, immediately available to deal with short-term needs, and by increasing or maintenance of the maturity of debt, in accordance with the expected cash flows and the ability to leverage its financial position. As at 31 December 2014 Sonae Investimentos debt average maturity was of 1.9 years (2.4 years as at 31 December 2013).

Other important response instruments to liquidity risk are the limitation for contractual clauses capable of triggering the prepayment of loans, before its termination. The Company also guarantees,

a high level of diversification in its relationships with financial institutions, which makes it easier to hire new loans and limits the negative impact of any discontinuation on relationship.

The Company maintains a liquidity reserve in the form of credit lines with its relationship banks, to ensure the ability to meet its commitments without having to refinance itself on unfavorable terms. As at 31 December 2014, the amount of loans with maturity in 2015 is of 382 million euros (46 million with maturity in 2014) and as at 31 December 2014, the Company had a total of 158 million euros committed credit facilities for a period of one year (306 million euros as at 31 December 2013), and 453 million euros (310 million euros as at 31 December 2013) committed for periods over than one year. Furthermore, Sonae Investimentos maintains a liquidity reserve that includes cash and cash equivalents and current investments amounting to 41 million euro as at 31 December 2014 (7 million euro as at 31 December 2013). Sonae Investimentos expects to meet all its obligations by means of its investments cash flows and from its financial assets as well as from drawing existing available credit lines, if needed.

The liquidity analysis' for financial instruments is disclosed next to the respective note to each financial liabilities class.

3.2 Credit risk

Sonae Investimentos is primarily exposed to credit risk in its dealings with financing companies in which it participates.

Sonae Investimentos is also exposed to the credit risk in its relationship with financial institutions, in result of bank deposits, debt instruments available facilities, derivatives, among others.

The credit risk is limited to financial institutions, by risk concentration management and by a selection of counterparties, which have a high national and international prestige and based on their respective rating notations taking into account the nature, maturity and size of the operations.

4 FINANCIAL INSTRUMENTS BY CLASS AND FAIR VALUE

The accounting policies disclosed in note 2.6 as at 31 December 2014, have been applied to the line items below:

Financial Assets		31.December.2014			
		Notes	Loans and accounts receivable	Sub Total	Assets not within scope of IFRS 7
Non-current assets					
Other non-current assets	7	699,808,123	699,808,123	-	699,808,123
		<u>699,808,123</u>	<u>699,808,123</u>	<u>-</u>	<u>699,808,123</u>
Current assets					
Other debtors	9	2,964,880,840	2,964,880,840	-	2,964,880,840
Other current assets	11	3,508,597	3,508,597	1,521,439	5,030,036
Cash and cash equivalents	12	40,614,996	40,614,996	-	40,614,996
		<u>3,009,004,433</u>	<u>3,009,004,433</u>	<u>1,521,439</u>	<u>3,010,525,872</u>
		<u>3,708,812,556</u>	<u>3,708,812,556</u>	<u>1,521,439</u>	<u>3,710,333,995</u>

Financial Liabilities		31.December.2014			
		Notes	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7
Non-current liabilities					
Bonds	16	317,220,715	317,220,715	-	317,220,715
Bank loans	16	30,000,000	30,000,000	-	30,000,000
Other non-current liabilities	17	400,000,000	400,000,000	-	400,000,000
		<u>747,220,715</u>	<u>747,220,715</u>	<u>-</u>	<u>747,220,715</u>
Current liabilities					
Bonds	16	379,724,734	379,724,734	-	379,724,734
Bank loans	16	1,670,930	1,670,930	-	1,670,930
Trade accounts payable	18	37,010	37,010	-	37,010
Other payables accounts	19	481,058,354	481,058,354	-	481,058,354
Other current liabilities	20	8,634,180	8,634,180	-	8,634,180
		<u>871,125,208</u>	<u>871,125,208</u>	<u>-</u>	<u>871,125,208</u>
		<u>1,618,345,923</u>	<u>1,618,345,923</u>	<u>-</u>	<u>1,618,345,923</u>

The accounting policies disclosed in note 2.6 as at 31 December 2013, have been applied to the items below classified as follows:

Financial Assets		31.December.2013			
		Notes	Loans and accounts receivable	Sub Total	Assets not within scope of IFRS 7
Non-current assets					
Other non-current assets	7	1,186,256,030	1,186,256,030	-	1,186,256,030
		<u>1,186,256,030</u>	<u>1,186,256,030</u>	<u>-</u>	<u>1,186,256,030</u>
Current assets					
Trade accounts receivables	9	394,432	394,432	-	394,432
Other debtors	9	165,613,555	165,613,555	-	165,613,555
Other current assets	11	2,353,427	2,353,427	2,064,413	4,417,840
Cash and cash equivalents	12	6,623,141	6,623,141	-	6,623,141
		<u>174,984,555</u>	<u>174,984,555</u>	<u>2,064,413</u>	<u>177,048,968</u>
		<u>1,361,240,585</u>	<u>1,361,240,585</u>	<u>2,064,413</u>	<u>1,363,304,998</u>

Financial Liabilities		31.December.2013			
		Notes	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7
Non-current liabilities					
Bonds	16	646,307,863	646,307,863	-	646,307,863
Bank loans	16	66,666,347	66,666,347	-	66,666,347
Other non-current liabilities	17	400,000,000	400,000,000	-	400,000,000
		<u>1,112,974,210</u>	<u>1,112,974,210</u>	<u>-</u>	<u>1,112,974,210</u>
Current liabilities					
Bonds	16	9,990,122	9,990,122	-	9,990,122
Bank loans	16	35,825,666	35,825,666	-	35,825,666
Trade accounts payable	18	34,775	34,775	-	34,775
Other payables accounts	19	309,433,073	309,433,073	-	309,433,073
Other current liabilities	20	8,219,308	8,219,308	-	8,219,308
		<u>363,502,944</u>	<u>363,502,944</u>	<u>-</u>	<u>363,502,944</u>
		<u>1,476,477,154</u>	<u>1,476,477,154</u>	<u>-</u>	<u>1,476,477,154</u>

5 INVESTMENTS

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

Companies	% held	31.December.2014				Accumulated impairment	Amount of statement of financial position
		Acquisition cost			Final balance		
		Opening balance	Increases	Decreases			
Apor - Agência para a Modernização do Porto, SA	22.75%	-	300,000 (1)	-	300,000	-	300,000
Azulino - Imobiliária, SA	100.00%	498,025	-	-	498,025	-	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	2,265,000	-	-	2,265,000	700,000	1,565,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	1,669,375	-	-	1,669,375	1,557,375	112,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	2,394,591	-	-	2,394,591	2,394,591	-
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	-	-	477,848	-	477,848
Contimobe - Imobiliária do Castelo de Paiva, SA	-	231,318,722	-	231,318,722 (4)	-	-	-
Cumulativa - Sociedade Imobiliária, SA	100.00%	2,390,191	-	-	2,390,191	945,191	1,445,000
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	-	-	24,940	-	24,940
Fozmassimo - Sociedade Imobiliária, SA	0.00%	5,044,902	-	5,044,902 (5)	-	-	-
Fundo de Investimento Imobiliário Fechado Imosedo	57.82%	64,415,021	5,000,134 (1)	-	69,415,155	-	69,415,155
Fundo de Investimento Imobiliário Imosonaes Dois	74.94%	108,760,470	-	-	108,760,470	-	108,760,470
Igimo - Sociedade Imobiliária, SA	-	220,000	-	220,000 (4)	-	-	-
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	-	-	1,359,000	-	1,359,000
Imoconti - Sociedade Imobiliária, SA	-	380,000	-	380,000 (4)	-	-	-
Imoestrutura - Sociedade Imobiliária, SA	100.00%	24,940	-	-	24,940	-	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	1,429,940	-	-	1,429,940	506,055	923,885
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	-	-	109,736	-	109,736
Imosistema - Sociedade Imobiliária, SA	-	280,000	-	280,000 (4)	-	-	-
MDS, SGPS, SA	46.92%	51,000,000	-	-	51,000,000	-	51,000,000
MJLF - Empreendimentos Imobiliários, SA	100.00%	1,809,397	-	-	1,809,397	1,619,397	190,000
Modelo - Distribuição de Materiais de Construção, SA	50.00%	24,790,614	-	-	24,790,614	3,280,000	21,510,614
Modelo Hiper Imobiliária, SA	100.00%	10,655,164	-	-	10,655,164	642,516	10,012,648
Modelo.Com - Vendas por Correspondência, SA	-	12,637,016	-	12,637,016 (4)	-	-	-
MOVVO, SA	9.09%	-	400,000 (1)	-	400,000	-	400,000
Mundo Vip - Operadores Turísticos, SA	-	2,101,337	-	2,101,337 (3)	-	-	-
Ponto de Chegada - Promoção Imobiliária, SA	100.00%	-	50,000 (2)	-	50,000	-	50,000
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	-	-	6,372,293	-	6,372,293
Predilugar - Sociedade Imobiliária, SA	100.00%	-	50,000 (2)	-	50,000	-	50,000
Raso, SGPS, SA	50.00%	24,500,000	-	-	24,500,000	24,500,000	-
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	1,513,379	-	-	1,513,379	948,379	565,000
Sempre à Mão - Sociedade Imobiliária, SA	-	10,630,558	-	10,630,558 (4)	-	-	-
Sesagest - Projectos e Gestão Imobiliária, SA	-	36,677,088	-	36,677,088 (4)	-	-	-
Socjofra - Sociedade Imobiliária, SA	100.00%	550,000	-	-	550,000	-	550,000
Sociloures - Sociedade Imobiliária, SA	-	12,350,000	-	12,350,000 (4)	-	-	-
Solférias - Operadores turísticos, SA	11.12%	-	133,162 (3)	-	133,162	-	133,162
Soflorin, BV	-	257,309,037	-	257,309,037 (4)	-	-	-
Sonae - Specialized Retail, SGPS, SA	-	1,050,000,000	-	1,050,000,000 (4)	-	-	-
Sonae Capital Brasil, Ltda	37.00%	19,600,307	-	-	19,600,307	19,303,537	296,770
Sonae Center Serviços II, SA	100.00%	58,032,319	-	-	58,032,319	-	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	41.96%	423,698,275	-	-	423,698,275	-	423,698,275
Sonae Financial Services, SA	100.00%	-	350,000 (2)	-	350,000	-	350,000
Sonae SR Malta Holding, Ltd	-	-	1 (2)	-	1	-	1
Sonaegest - Soc. Gest. de Fundos de Investimentos, SA	40.00%	384,351	-	-	384,351	-	384,351
Sonaerp - Retail Properties, SA	-	114,495,350	-	114,495,350 (4)	-	-	-
Sondis Imobiliária, SA	-	474,940	-	474,940 (4)	-	-	-
Sonvecap, BV	-	3,000,000	-	3,000,000 (4)	-	-	-
Valor N, SA	100.00%	2,087,315	-	-	2,087,315	-	2,087,315
Total		2,547,731,440	6,283,297	1,736,918,950	817,095,788	56,397,041	760,698,747

- (1) Acquisition;
- (2) Created in the period;
- (3) Liquidation of Mundo Vip – Operadores Turísticos, SA, with the apportionment of assets and the receivable of an holding interest in Solférias – Operadores Turísticos, SA;
- (4) Disposal to controlled entities;
- (5) Disposal to unrelated entities;

During 2014 the company recorded impairments on investments as described on note 25.

As a result of the disposals made during the period, the Company reversed impairment losses and accounted gains or losses on investments as disclosed in note 25.

Companies	% held	Acquisition cost				Accumulated impairment	Amount of statement of financial position
		Opening balance	Increases	Decreases	Final balance		
Azulino - Imobiliária, SA	100.00%	498,025	-	-	498,025	-	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	2,265,000	-	-	2,265,000	700,000	1,565,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	1,669,375	-	-	1,669,375	1,557,375	112,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	2,394,591	-	-	2,394,591	2,394,591	-
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	-	-	477,848	-	477,848
Contimobe - Imobiliária do Castelo de Paiva, SA	100.00%	231,318,722	-	-	231,318,722	29,818,722	201,500,000
Cumulativa - Sociedade Imobiliária, SA	100.00%	2,390,191	-	-	2,390,191	945,191	1,445,000
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	-	-	24,940	-	24,940
Fozmassimo - Sociedade Imobiliária, SA	100.00%	6,264,902	-	1,220,000 (4)	5,044,902	2,248,554	2,796,348
Fundo de Investimento Imobiliário Fechado Imosede	54.55%	64,415,021	-	-	64,415,021	-	64,415,021
Fundo de Investimento Imobiliário Imosona Dois	74.94%	108,755,437	5,033 (1)	-	108,760,470	-	108,760,470
Igimo - Sociedade Imobiliária, SA	100.00%	220,000	-	-	220,000	69,338	150,662
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	-	-	1,359,000	-	1,359,000
Imoconti - Sociedade Imobiliária, SA	100.00%	380,000	-	-	380,000	-	380,000
Imoestrutura - Sociedade Imobiliária, SA	100.00%	24,940	-	-	24,940	-	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	1,099,940	330,000 (2)	-	1,429,940	506,055	923,885
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	-	-	109,736	-	109,736
Imosistema - Sociedade Imobiliária, SA	100.00%	280,000	-	-	280,000	-	280,000
MDS, SGPS, SA	46.92%	51,000,000	-	-	51,000,000	-	51,000,000
MJLF - Empreendimentos Imobiliários, SA	100.00%	1,809,397	-	-	1,809,397	1,619,397	190,000
Modelo - Distribuição de Materiais de Construção, SA	50.00%	24,790,614	-	-	24,790,614	3,280,000	21,510,614
Modelo Hiper Imobiliária, SA	100.00%	10,655,164	-	-	10,655,164	642,516	10,012,648
Modelo.Com - Vendas por Correspondência, SA	100.00%	12,637,016	-	-	12,637,016	-	12,637,016
Mundo Vip - Operadores Turísticos, SA	33.34%	1,101,337	1,000,000 (2)	-	2,101,337	2,101,337	-
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	-	-	6,372,293	-	6,372,293
Raso, SGPS, SA	50.00%	24,500,000	-	-	24,500,000	9,026,000	15,474,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	1,513,379	-	-	1,513,379	948,379	565,000
Sempre à Mão - Sociedade Imobiliária, SA	100.00%	2,130,558	8,500,000 (2)	-	10,630,558	6,898,157	3,732,401
Sesagest - Projectos e Gestão Imobiliária, SA	100.00%	36,677,088	-	-	36,677,088	-	36,677,088
Socijofra - Sociedade Imobiliária, SA	100.00%	550,000	-	-	550,000	-	550,000
Socioures - Sociedade Imobiliária, SA	100.00%	10,000,000	2,350,000 (2)	-	12,350,000	10,000,000	2,350,000
Soflorin, BV	100.00%	257,309,037	-	-	257,309,037	68,580,000	188,729,037
Sonae - Specialized Retail, SGPS, SA	100.00%	1,050,000,000	-	-	1,050,000,000	-	1,050,000,000
Sonae Capital Brasil, Ltda	37.00%	19,600,307	-	-	19,600,307	17,734,537	1,865,770
Sonae Center Serviços II, SA	100.00%	58,032,319	-	-	58,032,319	-	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	41.96%	600,000,000	13,348,625 (2)	189,650,350 (4)	423,698,275	-	423,698,275
Sonagest - Soc. Gest. de Fundos de Investimentos, SA	40.00%	384,351	-	-	384,351	-	384,351
Sonaerp - Retail Properties, SA	100.00%	114,495,350	-	-	114,495,350	-	114,495,350
Sondis Imobiliária, SA	100.00%	474,940	-	-	474,940	-	474,940
Sonvecap, BV	100.00%	3,000,000	-	-	3,000,000	-	3,000,000
Tiatic Portugal - Sistemas de Informação, SA	-	1,068,316	675,000 (2)	1,743,316 (3) (5)	-	-	-
Valor N, SA	100.00%	2,087,315	-	-	2,087,315	-	2,087,315
Total		2,714,136,448	26,208,658	192,613,666	2,547,731,440	159,070,149	2,388,661,291

- (1) Acquisition;
- (2) Capital contribution in order to cover losses;
- (3) Disposal to related party;
- (4) Capital decrease;
- (5) Refund supplementary capital contribution;

During 2013 the company recorded impairments on investments as described on note 25.

6 TANGIBLE AND INTANGIBLE ASSETS

During the years ended 31 December 2014 and 2013, movements in tangible assets as well as depreciation and accumulated impairment losses, are as follows:

	Vehicles	Fixtures and fittings	Others	Total
Gross cost				
Opening balance as at 1 January 2013	19,062	22,855	679	42,596
Decrease	-	(71)	-	(71)
Opening balance as at 1 January 2014	19,062	22,784	679	42,525
Closing balance as at 31 December 2014	19,062	22,784	679	42,525
Accumulated depreciation				
Opening balance as at 1 January 2013	19,062	22,795	679	42,536
Increase	-	23	-	23
Decrease	-	(64)	-	(64)
Opening balance as at 1 January 2014	19,062	22,754	679	42,495
Increase	-	22	-	22
Closing balance as at 31 December 2014	19,062	22,776	679	42,517
Carrying amount				
As at 31 December 2013	-	30	-	30
As at 31 December 2014	-	8	-	8

During the periods ended 31 December 2014 and 2013, movements in intangible assets as well as depreciation and accumulated impairment losses, are as follows:

	Patents and other similar rights	Total intangible assets
Gross cost		
Opening balance as at 1 January 2013	1,413,704	1,413,704
Opening balance as at 1 January 2014	1,413,704	1,413,704
Closing balance as at 31 December 2014	1,413,704	1,413,704
Accumulated depreciation		
Opening balance as at 1 January 2013	1,412,479	1,412,479
Increase	770	770
Opening balance as at 1 January 2014	1,413,249	1,413,249
Increase	227	227
Closing balance as at 31 December 2014	1,413,476	1,413,476
Carrying amount		
As at 31 December 2013	455	455
As at 31 December 2014	228	228

7 OTHER NON-CURRENT ASSETS

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

	31. December. 2014	31. December. 2013
Loans granted (Note 34)	699,808,123	1,186,256,030
Other debtors	-	-
	699,808,123	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.

The impairment of loans granted to group companies is assessed in accordance with note 2.6.K.

As at 31 December 2014 and 2013 the other loans granted are no past due or impaired.

The caption Other debtors includes a receivable amount related to the sale of a subsidiary, for which an additional impairment amounting to 26,470 euro was recorded (79,406 euro in 2013), the total amounting of the impairment is 2,450,000 euro (2,423,530 euro in 2013) (Nota 21).

8 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable amounted to 394,432 euro as at 31 December 2013, and include balances arising solely from services rendered to group companies.

Up to the statement of financial position date there are no due accounts receivable and there were no impairment losses recorded, as there are no indications that clients will not fulfill their obligations.

9 OTHER DEBTORS

As at 31 December 2014 and 2013, this caption is as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Short term loans (note 34)	1,473,912,654	109,909,849
Interests charged but not received	21,747,999	17,840,280
Taxes - Special Regime for taxation of groups of companies	25,643,546	23,264,933
Additional tax assessments	1,578,116	1,578,116
Special regime for payment of tax and social security debts (DL 248-A/2002, 14 November)	2,795,019	2,795,019
Special regime for payment of tax and social security debts (DL 151-A/2013, 31 October)	2,988,618	2,988,618
Receivables on the sale of investments	1,435,757,800	-
Others	457,088	7,236,740
	<u>2,964,880,840</u>	<u>165,613,555</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 of 25,643,546 euro recorded in the caption Taxes - special regime for taxation of groups of companies, 21,553,930 euro (23,264,933 euro as at 31 December 2013) are related to income tax of previous periods relates to amounts to be received from subsidiaries (included in the above mentioned taxation regime), while the Company was dominant.

The remainder amount of 4,089,616 euro is related to the income tax for the period receivable according Special Regime for taxation of groups of companies, which Sonae, SGPS, SA is dominant from 2014.

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 amount recorded under the caption Receivables on the sale of investments concerns to the amount owed by related companies on the sale of Sonae - Specialized Retail, SGPS, SA and Modelo.Com - Vendas por Correspondência, SA, which will be settled until April 30, 2015.

There were no past due assets thus no impairment loss was recognized as at 31 December 2014 and 2013. The fair value of loans granted is similar to its carrying amount.

10 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2014 and 2013, taxes recoverable and taxes and contributions payable are made up as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Income tax	10,506,101	34,066,038
Assets	<u>10,506,101</u>	<u>34,066,038</u>

	<u>31.December.2014</u>	<u>31.December.2013</u>
Income tax	1,893,202	1,893,202
Value added tax	14,482	16,794
Social security	615	886
Withholding tax	3,072	593,297
Stamp tax	250,000	74,999
Liabilities	<u>2,161,371</u>	<u>2,579,178</u>

The amount recorded under the caption Assets relates to income tax receivables, still not reimbursed.

11 OTHER CURRENT ASSETS

As at 31 December 2014 and 2013, the caption Other current assets can be detailed as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Interests receivable	2,292,438	779,196
Indemnity interests	480,420	765,605
Guarantees	690,738	688,069
Management fees	45,000	120,557
Accrued income	<u>3,508,596</u>	<u>2,353,427</u>
Insurances	173,068	209,874
Costs with credit facilities	1,348,372	1,854,539
Prepayments	<u>1,521,440</u>	<u>2,064,413</u>
	<u>5,030,036</u>	<u>4,417,840</u>

12 CASH AND CASH EQUIVALENTS

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

	<u>31.December.2014</u>	<u>31.December.2013</u>
Cash in hand	550	550
Bank deposits	40,614,446	6,622,591
Cash and cash equivalents on the balance sheet	<u>40,614,996</u>	<u>6,623,141</u>
Bank overdrafts (note 16)	(5,222)	-
Cash and cash equivalents on the cash flow statement	<u>40,609,774</u>	<u>6,623,141</u>

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

13 SHARE CAPITAL

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

As at 31 December 2014 and 2013 a subsidiary company, Sonae MC – Modelo Continente, SGPS, SA, held 100,000,000 Sonae Investimentos shares. These shares are considered as treasury shares under the Commercial Companies Code, reason why the underlying rights to these shares are suspended.

As deliberated in the Shareholders Annual General Meeting held on 29th April 2014, the net income for the year ended 31st December 2013, in the amount of 11,906,939 euro, was transferred to legal reserves (595,347 euro) and the remaining amount paid in dividends (11,311,592 euro). In this General Meeting the distribution of free reserves amounting to 28,688,408 euro was also approved.

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

	<u>31.December.2014</u>	<u>31.December.2013</u>
Sonae, SGPS, SA	25.0287%	76.8556%
Sonae Investments BV	13.1419%	13.1419%
Sonae MC - Modelo Continente, SGPS, SA	10.0000%	10.0000%
SonaeCenter, Serviços, SA	51.8269%	-
Libra Serviços, Sociedade Unipessoal, Lda	0.0025%	0.0025%

As at 31 December 2014 Efanor Investimentos, SGPS, SA and affiliated companies held 52.48% of Sonae's share capital.

14 LEGAL RESERVE

The company has set up legal reserves in accordance with Commercial Companies Code. In 2014 and 2013, respectively, 595,347 euro and 284,660 euro was transferred from profit for the year to legal reserves.

15 HEDGING RESERVES, FAIR VALUE RESERVES AND OTHER RESERVES

As at 31 December 2014 and 2013, the other reserves detail is as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Legal Reserves in accordance with article 324 of Commercial Companies Code	320,000,000	320,000,000
Supplementary capital	372,000,000	372,000,000
Other reserves	433,745,149	462,433,557
	<u>1,125,745,149</u>	<u>1,154,433,557</u>

Following the custody of Sonae Investimentos SGPS, SA shares by a subsidiary company, free reserves amounting to the cost of the above mentioned shares were made unavailable, under article 324 of the Commercial Companies Code. The distribution of this reserve depends on the termination or disposal of the treasury shares.

16 BORROWINGS

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

	31.December.2014	31.December.2013
Bonds Sonae Investimentos / August 2007/2015	-	200,000,000
Bonds Sonae Investimentos / September 2007/2015	-	155,000,000
Bonds Sonae Investimentos / 2012/2017	145,000,000	170,000,000
Bonds Sonae Investimentos / June 2013/2018	50,000,000	50,000,000
Bonds Sonae Investimentos / December 2013/2018	75,000,000	75,000,000
Bonds Sonae Investimentos / 2014/2018	50,000,000	-
Up-front fees not yet charged to income statement	(2,779,285)	(3,692,137)
Bond loans	317,220,715	646,307,863
Commercial paper	30,000,000	65,000,000
Other bank loans	-	1,666,667
Up-front fees not yet charged to income statement	-	(320)
Bank loans	30,000,000	66,666,347
Non-current loans	347,220,715	712,974,210

	31.December.2014	31.December.2013
Bonds Sonae Investimentos / 2009/2014	-	10,000,000
Bonds Sonae Investimentos / August 2007/2015	200,000,000	-
Bonds Sonae Investimentos / September 2007/2015	155,000,000	-
Bonds Sonae Investimentos / 2012/2017	25,000,000	-
Up-front fees not yet charged to income statement	(275,266)	(9,878)
Bond loans	379,724,734	9,990,122
Commercial paper	-	32,500,000
Other bank loans	1,666,667	3,333,333
Up-front fees not yet charged to income statement	(959)	(7,667)
Bank overdrafts (note 12)	5,222	-
Bank loans	1,670,930	35,825,666
Current loans	381,395,664	45,815,788

The carrying value from all the loans does not differ significantly from its fair value. The calculation method used for estimating the fair value of loans is based on the discounted cash flows model. All loans mentioned bear interest at variable rates indexed to market benchmarks.

Loans and interests shall be reimbursed as follows:

	31.December.2014		31.December.2013	
	Capital	Interests	Capital	Interests
2014	-	-	45,833,333	21,343,193
2015	381,671,889	19,225,736	394,166,667	20,131,098
2016	50,000,000	14,009,420	102,500,000	14,152,177
2017	95,000,000	9,123,749	95,000,000	7,703,485
2018	175,000,000	5,294,317	125,000,000	3,745,160
2019	30,000,000	69,175	-	-
	731,671,889	47,722,397	762,500,000	67,075,113

As at 31 December 2014 there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 31 December 2014 and 2013 the amount of the available credit facilities in order to manage liquidity risk, can be summarized as follows:

	31.December.2014		31.December.2013	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Agreed credit facilities amounts	158,000,000	482,500,000	338,000,000	375,000,000
Available credit facilities amounts	158,000,000	452,500,000	305,500,000	310,000,000

The interest rate as at 31 December 2014 of the bonds and bank loans was, on average, 2.62% (2.79% as at 31 December 2013).

17 OTHER NON-CURRENTS LIABILITIES

As at 31 December 2014 and 2013 this caption includes a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions. On 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rates, with full reimbursement in the end of the loan period.

As at 31 December 2014 the fair value of this bond loan is 42,358 euro (41,495 euro as at 31 December 2013) per bond, and was determined based on discounted cash flows method.

As at 31 December 2014 and 2013 Sonae, SGPS, SA and Sonae Investments, BV held 6,948 and 1,052 bonds, respectively.

18 TRADE ACCOUNTS PAYABLE

As at 31 December 2014 and 2013 the trade accounts payable caption presents amounts payable within 90 days, arising on the normal course of activity.

19 OTHER CREDITORS

As at 31 December 2014 and 2013, this caption is as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Short term loans (note 34)	459,401,618	290,898,588
Taxes - SpecialRegime for taxation of groups of companies	21,042,656	18,534,082
Others	614,080	403
	<u>481,058,354</u>	<u>309,433,073</u>

The amount of 21,042,656 euro recorded in the caption "Taxes-special regime for taxation of groups of companies", (18,534,082 euro as at 31 December 2013) relates to the amounts to be paid to subsidiaries, included in the mentioned taxation regime, for the calculated income tax in previous periods, in which the Company was dominant until 2013.

20 OTHER CURRENT LIABILITIES

As at 31 December 2014 and 2013 other current liabilities were made up as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Accrued interests	5,767,985	5,682,153
Guarantees	2,394,721	2,243,020
Others	471,474	294,135
Accruals	<u>8,634,180</u>	<u>8,219,308</u>

21 ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses for the year ended as at 31 December 2014 are as follows:

	<u>Opening balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Closing balance</u>
Investments impairment (notes 5 e 25)	159,070,149	17,043,000	119,716,108	56,397,041
Other non-current assets impairment (note 7)	2,423,530	26,470	-	2,450,000
Other current assets impairment (note 27)	8,981	-	8,981	-

The increase/decreases in the caption Investments impairment was recorded in income statement in the caption Investments income / losses.

22 CONTINGENT ASSETS AND LIABILITIES

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

	<u>31.December.2014</u>	<u>31.December.2013</u>
Guarantees rendered:		
Related to tax claims awaiting outcome		
Guarantees provided by financial institutions	88,025,158	90,476,241
Guarantees provided by parent company	219,575,261	215,016,937
Related to local and municipal claims awaiting outcome	28,938	28,938
Other	10,633,113	10,633,113
Guarantees given in favour of subsidiaries	(a) 62,958,018	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 Decree of Law 248-A and 151-A/2013), the Company made tax payments in the amount of 5,783,637 euro (5,783,637 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.

23 RELATED PARTIES

Main balances and transactions with related parties as at 31 December 2014 and 2013 are detailed as follows:

	31.December.2014	31.December.2013
Balances:		
Parent company	4,219,330	137,119
Subsidiaries	1,482,009,644	49,319,490
Jointly controlled companies	133,402	141,454
Associated companies	230,233	615,673
Accounts receivable	1,486,592,609	50,213,736
Parent company	2,701,597	2,551,820
Subsidiaries	23,586,741	20,687,545
Jointly controlled companies	-	2,332
Associated companies	291,896	4
Other related parties	46,947	43,403
Accounts payable	26,627,181	23,285,104
Subsidiaries	2,153,763,572	1,279,050,450
Jointly controlled companies	8,635,000	8,450,000
Associated companies	11,322,205	8,665,429
Loans granted	2,173,720,777	1,296,165,879
Parent company	347,400,000	347,400,000
Subsidiaries	459,401,618	290,898,588
Other related parties	52,600,000	52,600,000
Loans obtained	859,401,618	690,898,588
	31.December.2014	31.December.2013
Transactions:		
Associated companies	64,595	870,539
Services rendered	64,595	870,539
Parent company	2,486,867	2,289,592
Subsidiaries	375	47
Jointly controlled companies	5,692	2,332
Associated companies	44,522	42,331
Other related parties	151	4,010
Purchases and services obtained	2,537,607	2,338,312
Parent company	132,167	149,604
Subsidiaries	585,625	574,228
Associated companies	708	240
Other income	718,500	724,072
Subsidiaries	48,072,996	44,355,931
Jointly controlled companies	406,238	420,342
Associated companies	480,881	509,156
Interest income	48,960,115	45,285,429
Parent company	32,445,170	30,516,353
Subsidiaries	6,467,953	15,316,713
Other related parties	4,311,986	4,297,883
Interest expenses	43,225,109	50,130,949
Subsidiaries	16,758,860	125,286,679
Dividend income	16,758,860	125,286,679
Subsidiaries	15,998,689	17,368,661
Income from Investment Fund Participation Units	15,998,689	17,368,661
Subsidiaries	2,217,019,468	-
Associated companies	-	300,000
Investments disposal	2,217,019,468	300,000

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

During the year 2014 the Company sold holdings in subsidiaries to wholly-owned companies, having recognized gains in a net amount of 602,612,974 euro (notes 5 and 25).

During the period, the Company obtained loans from Sonae, SGPS, SA amounting to 2,233,391,285 euro (859,966,172 euro as at 31 December 2013) was repaid 2,233,391,285 euro during the year (859,966,172 euro as at 31 December 2013).

In 2014 and 2013 did not occur any transactions including granted loans with the Company's Directors.

During 2014 and 2013 no remuneration was attributed to Board of Directors by the company.

As at 31 December 2014 and 2013 there were no balances with Company's Directors.

24 SERVICES RENDERED

Services rendered amounted to 64,595 euro and 870,539 euro, in 31 December 2014 and 2013, respectively. Services rendered include management fees over subsidiaries in accordance with Holding companies law.

25 INVESTMENT INCOME / LOSSES

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

	<u>31.December.2014</u>	<u>31.December.2013</u>
Dividends:		
Azulino - Imobiliária, SA	-	43,448
Citorres - Sociedade Imobiliária, SA	-	52,353
Contimobe - Imobiliária do Castelo de Paiva, SA	7,204,111	7,449,929
Fozimo - Sociedade Imobiliária, SA	-	25,321
Igíinha - Sociedade Imobiliária, SA	-	520,619
Imoconti - Sociedade Imobiliária, SA	-	464,803
Imoestrutura - Sociedade Imobiliária,SA	-	63,255
Imosistema - Sociedade Imobiliária, SA	-	109,281
Modelo.Com - Vendas por Correspondência, SA	-	975,036
Modelo Hiper Imobiliária, SA	-	664,658
Predicomercial - Promoção Imobiliária, SA	-	554,118
Sesagest - Projectos e Gestão Imobiliária, SA	2,003,332	2,247,787
Socijofra - Sociedade Imobiliária, SA	-	313,017
Sondis Imobiliária, SA	1,069,191	824,807
Soflorin, BV	-	80,000,000
Sonae Center Serviços II, SA	6,349,352	5,612,678
Sonae gest - Soc. Gest. de Fundos de Investimentos, SA	132,874	190,744
Sonae MC - Modelo Continente, SGPS, SA	-	25,174,825
	<u>16,758,860</u>	<u>125,286,679</u>
Income of financial investments:		
Fundo de Investimento Imobiliário Fechado Imosede	4,908,830	6,352,140
Fundo de Investimento Imobiliário Imosonae Dois	11,089,859	11,016,521
	<u>15,998,689</u>	<u>17,368,661</u>

	<u>31.December.2014</u>	<u>31.December.2013</u>
Impairment reverse /(losses)		
Chão Verde - Sociedade de Gestão Imobiliária, SA	-	(1,300,000)
Contimobe - Imobiliária do Castelo de Paiva, SA	29,818,722	-
Fozmassimo - Sociedade Imobiliária, SA	2,248,554	(1,283,652)
Igimo - Sociedade Imobiliária, SA	69,338	(69,338)
Imomuro - Sociedade Imobiliária, SA	-	(66,115)
Modelo - Distribuição de Materiais de Construção, SA	-	(3,280,000)
Modelo Hiper Imobiliária, SA	-	(642,516)
Mundo Vip - Operadores Turísticos, SA	2,101,337	-
Selifa - Sociedade de Empreendimentos Imobiliários, SA	-	-
Sempre à Mão - Sociedade Imobiliária, SA	6,898,157	(6,898,157)
Sociloures - Sociedade Imobiliária, SA	10,000,000	(10,000,000)
Soflorin, BV	68,580,000	(68,580,000)
Sonae Capital Brasil, SA	(1,569,000)	(5,442,537)
Raso, SGPS, SA	(15,474,000)	-
	<u>102,673,108</u>	<u>(97,562,315)</u>
Gains/(losses) on sale of investments		
Contimobe - Imobiliária do Castelo de Paiva, SA	15,638,293	-
Igimo - Sociedade Imobiliária, SA	1,539,212	-
Imoconti - Sociedade Imobiliária, SA	15,083,850	-
Imosistema - Sociedade Imobiliária, SA	8,687,965	-
Fozmassimo - Sociedade Imobiliária, SA	(2,071,668)	-
Modelo.Com - Vendas por Correspondência, SA	495,784	-
Mundo Vip - Operadores Turísticos, SA	(1,977,155)	-
Sempre à Mão - Sociedade Imobiliária, SA	(2,557,882)	-
Sesagest - Projectos e Gestão Imobiliária, SA	29,761,758	-
Sociloures - Sociedade Imobiliária, SA	(5,712,510)	-
Soflorin, BV	(57,308,037)	-
Sonae - Specialized Retail, SGPS, SA	372,625,000	-
Sonaerp - Retail Properties, SA	82,068,215	-
Sondis Imobiliária, SA	26,351,996	-
Sonvecap, BV	573,113	-
Tlantic Portugal - Sistemas de Informação, SA	-	(1,168,315)
	<u>483,197,934</u>	<u>(1,168,315)</u>
	<u>618,628,591</u>	<u>43,924,710</u>

26 FINANCIAL INCOME / EXPENSES

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

	<u>31.December.2014</u>	<u>31.December.2013</u>
Interest receivable		
related to bank deposits	95,549	348,576
related to lans granted	48,933,645	45,206,023
others	26,470	384,942
Financial income	<u>49,055,664</u>	<u>45,939,541</u>
Interest payable		
related to bank deposits and overdrafts	(2,326,516)	(5,750,245)
related to non convertible bonds	(18,443,145)	(16,535,181)
related to loans obtained	(43,225,109)	(50,130,949)
others	-	(59)
Others financial expenses		
up front fees on the issuance of debt	(6,725,565)	(6,473,402)
others	(9,830)	(22,984)
Financial expenses	<u>(70,730,165)</u>	<u>(78,912,820)</u>

27 OTHER INCOME

As at 31 December 2014 and 2013, other income is as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Impairment reverse	8,981	-
Recovery os charges (a)	7,244	23,298
Guarantees	718,500	706,552
Others incomes	<u>311,242</u>	<u>32,314</u>
	<u>1,045,967</u>	<u>762,164</u>

- a) Income related to costs assumed by the Company, which were re-charged to participated companies.

28 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2014 and 2013, external supplies and services are as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Specialized services	318,469	182,726
Advertising	-	19,077
Bank services	1,008,608	929,355
Insurance	511,466	584,065
Legal support	19,859	173,951
Guarantees	2,487,432	2,289,646
Others services	<u>4,493</u>	<u>8,263</u>
	<u>4,350,327</u>	<u>4,187,083</u>

29 OTHER EXPENSES

As at 31 December 2014 and 2013, other expenses are as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Indirect tax	69,103	327,706
Others expenses	<u>39,727</u>	<u>12,333</u>
	<u>108,830</u>	<u>340,039</u>

30 INCOME TAX

Income tax charge for the year ended 31 December 2014 and 2013 is made up as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Current tax	1,554,684	593,415
Deferred tax	<u>(2,063,833)</u>	<u>(4,565,712)</u>
Total	<u>(509,149)</u>	<u>(3,972,297)</u>

The reconciliation between the profit before taxation and the tax charge for the periods ended 31 December 2014 and 2013 is as follows:

	<u>31.December.2014</u>	<u>31.December.2013</u>
Profit before income tax	593,539,671	7,934,642
Income tax rate	<u>23.00%</u>	<u>25.00%</u>
	136,514,124	1,983,661
Impairment losses not accepted for tax purposes	3,919,890	24,662,676
Reversal of impairment losses not accepted for tax purposes	(27,536,770)	(250,000)
Under/(over) taxation estimates	1,554,684	593,415
Difference between capital (losses)/gains for accounting and tax purposes	(111,135,525)	292,079
Effect of non-tributable dividends	(3,854,538)	(31,321,670)
Effect of deferred tax	6,485	21,347
Others	<u>22,501</u>	<u>46,196</u>
Income tax	<u>(509,149)</u>	<u>(3,972,297)</u>

31 EARNINGS PER SHARE

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

	<u>31.December.2014</u>	<u>31.December.2013</u>
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	594,048,820	11,906,939
Net profit taken into consideration to calculate diluted earnings per share	594,048,820	11,906,939
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>0.6601</u>	<u>0.0132</u>

32 CASH RECEIPTS / PAYMENTS ARISING INVESTMENTS

During 2014 and 2013, the following receipts and payments occurred:

Companies	31.December.2014			
	Receipts		Payments	
	Total	Amount received	Total	Amount paid
Apor - Agência para a Modernização do Porto, SA	-	-	300,000	300,000
Fundo de Investimento Imobiliário Fechado Imosede	-	-	5,000,134	5,000,134
MOVVO, SA	-	-	400,000	400,000
Ponto de Chegada - Promoção Imobiliária, SA	-	-	50,000	50,000
Predilugar - Sociedade Imobiliária, SA	-	-	50,000	50,000
Sonae Financial Services, SA	-	-	350,000	350,000
Sonae SR Malta Holding, Ltd	-	-	1	1
Contimobe - Imobiliária do Castelo de Paiva, SA	246,957,015	246,957,015	-	-
Fozmassimo - Sociedade Imobiliária, SA	2,973,233	2,973,233	-	-
Igimo - Sociedade Imobiliária, SA	1,759,212	1,759,212	-	-
Imoconti - Sociedade Imobiliária, SA	15,463,850	15,463,850	-	-
Imosistema - Sociedade Imobiliária, SA	8,967,966	8,967,966	-	-
Modelo.Com - Vendas por Correspondência, SA	13,132,800	-	-	-
Sempre à Mão - Sociedade Imobiliária, SA	8,072,675	8,072,675	-	-
Sesagest - Projectos e Gestão Imobiliária, SA	66,438,846	66,438,846	-	-
Sociloures - Sociedade Imobiliária, SA	6,637,490	6,637,490	-	-
Soflorin, BV	200,001,000	200,001,000	-	-
Sonae - Specialized Retail, SGPS, SA	1,422,625,000	-	-	-
Sonaerp - Retail Properties, SA	196,563,565	196,563,565	-	-
Sondis Imobiliária, SA	26,826,936	26,826,936	-	-
Sonvecap, BV	3,573,113	3,573,113	-	-
	<u>2,219,992,701</u>	<u>784,234,901</u>	<u>6,150,135</u>	<u>6,150,135</u>

Companies	31.December.2013			
	Receipts		Payments	
	Total	Amount received	Total	Amount paid
Fozmassimo - Sociedade Imobiliária, SA	1,220,000	1,220,000	-	-
Fundo de Investimento Imobiliário Imosonae Dois	-	-	5,033	5,033
Imomuro - Sociedade Imobiliária, SA	-	-	330,000	330,000
Sempre à Mão - Sociedade Imobiliária, SA	-	-	8,500,000	8,500,000
Sociloures - Sociedade Imobiliária, SA	-	-	2,350,000	2,350,000
Sonae MC - Modelo Continente, SGPS, SA	189,650,350	189,650,350	13,348,625	13,348,625
Tlantic Portugal - Sistemas de Informação, SA	575,000	575,000	675,000	675,000
	<u>191,445,350</u>	<u>191,445,350</u>	<u>25,208,658</u>	<u>25,208,658</u>

33 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 9 March 2015. These financial statements will be presented to the Shareholders' General Meeting for final approval.

34 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

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

Canasta - Empreendimentos Imobiliários, SA

Chão Verde - Sociedade de Gestão Imobiliária, SA

Citorres - Sociedade Imobiliária, SA

Cumulativa - Sociedade Imobiliária, SA

Fozimo – Sociedade Imobiliária, SA

Igimo – Sociedade Imobiliária, SA

Imoconti – Sociedade Imobiliária, SA

Imomuro - Sociedade Imobiliária, SA

MDS, SGPS, SA

Predilugar - Sociedade Imobiliária, SA

Selifa - Sociedade de Empreendimentos Imobiliários, SA

Sempre à Mão – Sociedade Imobiliária, SA

Socijofra – Sociedade Imobiliária, SA

Sociloures – Sociedade Imobiliária, SA

Sonae Capital Brasil, SA

Sonae Center Serviços II, SA

Sonae Financial Services, SA

Sonaerp - Retail Properties, SA

Sonae - Specialized Retail, SGPS, SA

Sondis - Sociedade Imobiliária, SA

Valor N, SA

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

Azulino Imobiliária, SA

BB Food Service, SA

Bertimóvel – Sociedade Imobiliária, SA

Bom Momento - Restauração, SA

Canasta - Empreendimentos Imobiliários, SA

Chão Verde - Sociedade de Gestão Imobiliária, SA

Citorres – Sociedade Imobiliária, SA

Contibomba - Comércio e Distribuição de Combustíveis, SA

Contimobe – Imobiliária do Castelo de Paiva, SA

Continente Hipermercados, SA

Cumulativa - Sociedade Imobiliária, SA

Discovery Sports, SA

Efanor Investimentos, SGPS, SA

Farmácia Selecção, SA

Fashion Division, SA

Fozimo – Sociedade Imobiliária, SA

Igimo – Sociedade Imobiliária, SA

Iginha – Sociedade Imobiliária, SA

Imoconti – Sociedade Imobiliária, SA

Imomuro - Sociedade Imobiliária, SA

Imoresultado – Sociedade Imobiliária, SA

Imosistema – Sociedade Imobiliária, SA

Infofield - Informática, SA

MJLF – Empreendimentos Imobiliários, SA

Modalfa - Comércio e Serviços, SA

Modalloop - Vestuário e Calçado, SA

Modelo.Com - Vendas por Correspondência, SA

Modelo Continente Hipermercados, SA

Modelo Hiper - Imobiliária, SA

Pharmaconcept Actividades em Saúde, SA

Pharmacontinente – Saúde e Higiene, SA

Ponto de Chegada - Promoção Imobiliária, SA

Predicomercial – Promoção Imobiliária, SA

Predilugar - Sociedade Imobiliária, SA

Raso Viagens e Turismo, SA

Raso, SGPS, SA

Selifa - Sociedade de Empreendimentos Imobiliários, SA

Sempre à Mão – Sociedade Imobiliária, SA

Sesagest – Projectos e Gestão Imobiliária, SA

SDSR - Sports Division SR, SA

Socijofra – Sociedade Imobiliária, SA

Sociloures – Sociedade Imobiliária, SA

Sonae, SGPS, SA

Sonae MC – Modelo Continente, SGPS, SA

Sonaerp - Retail Properties, SA

Sonae - Specialized Retail, SGPS, SA

SonaeSR - Serviços e Logística, SA

Sonae Center Serviços II, SA

Sondis - Sociedade Imobiliária, SA

Têxtil do Marco, SA

Tlantic Portugal - Sistemas de Informação, SA

Valor N, SA

Worten - Equipamentos para o Lar, SA

Zippy - Comércio e Distribuição, SA

Zyevolution Investigação e Desenvolvimento, SA

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

Company	<u>31. December.2014</u>
Azulino - Imobiliária, SA	3,583,969
Bertimóvel - Sociedade Imobiliária, SA	19,868,902
Canasta - Empreendimentos Imobiliários, SA	1,162,401
Chão Verde - Sociedade de Gestão Imobiliária, SA	11,161,795
Citorres - Sociedade Imobiliária, SA	2,078,244
Contimobe - Imobiliária do Castelo de Paiva, SA	822,000
Cumulativa - Sociedade Imobiliária, SA	1,162,526
Discovery Sports, SA	2,232,794
Farmácia Seleção, SA	49,795
Fashion Division, SA	6,037,295
Fozimo – Sociedade Imobiliária, SA	1,268,495
Igimo – Sociedade Imobiliária, SA	1,549,795
Iginha – Sociedade Imobiliária, SA	15,622,509
Imoconti – Sociedade Imobiliária, SA	410,795
Imoestrutura - Sociedade Imobiliária, SA	190,500
Imomuro - Sociedade Imobiliária, SA	10,623,654
Imoresultado – Sociedade Imobiliária, SA	498,451
Imosistema - Sociedade Imobiliária, SA	119,000
Infofield - Informática, SA	445,795
MJLF - Empreendimentos Imobiliários, SA	2,382,380
Modalfa - Comércio e Serviços, SA	2,055,795
Modalloop - Vestuário e Calçado, SA	1,846,795
Modelo - Distribuição de Materiais de Construção, SA	2,308,145
MDS SGPS, SA	9,014,061
Pharmacontinente - Saúde e Higiene, SA	6,232,913
Ponto de Chegada - Promoção Imobiliária, SA	1,708,000
Predicomercial - Promoção Imobiliária, SA	2,718,503
Predilugar - Sociedade Imobiliária, SA	6,380,000
Raso, SGPS, SA	8,635,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	2,207,169
Sempre à Mão - Sociedade Imobiliária, SA	1,138,000
Socijofra - Sociedade Imobiliária, SA	4,548,639
Sociloures - Sociedade Imobiliária, SA	467,212
Sonae Capital Brasil, Ltda	2,019,077
Sonae Center Serviços II, SA	76,519,763
Sonae MC - Modelo Continente, SGPS, SA	1,333,625,754
Sonae Financial Services, SA	1,656,000
Sonae - Specialized Retail, SGPS, SA	119,620,794
Sonaerp - Retail Properties, SA	485,502,000
Sondis Imobiliária, SA	625,978
SDSR - Sports Division SR, SA	18,386,794
Valor N, SA	2,721,702
Zippy - Comércio e Distribuição, SA	2,062,794
Zyevolution Investigação e Desenvolvimento, SA	448,794
	<u>2,173,720,777</u>

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

Company	<u>31.December.2014</u>
BB Food Service, SA	2,823,982
Bom Momento - Comercio Retalhista, SA	323,205
Continente Hipermercados, SA	16,693,848
Contibomba - Comércio e Distribuição de Combustíveis, SA	1,038,205
Modelo Continente Hipermercados, SA	205,834,148
Modelo Hiper Imobiliária, SA	3,603,205
Modelo.Com - Vendas por Correspondência, SA	11,567,205
Pharmaconcept - Actividades em Saúde, SA	205
Sesagest - Projectos e Gestão Imobiliária, SA	8,570,205
Sonae MC - Modelo Continente, SGPS, SA	37,592,000
SonaeSR - Serviços e Logística, SA	705,000
Têxtil do Marco, SA	1,425,205
Tlantic Portugal - Sistemas de Informação, SA	874,000
Worten - Equipamentos para o Lar, SA	168,351,205
	<u>459,401,618</u>

Article 66 A of Commercial Companies Code

The information regarding the Statutory Auditor Fees' is disclosed on the Management Report.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Statutory Audit and Auditors' Report

STATUTORY AUDIT AND AUDITOR'S REPORT

*(Translation of a report originally issued in Portuguese.
In the event of discrepancies, the Portuguese language version prevails.)*

Introduction

1. In accordance with the applicable legislation, we present the Statutory Audit Report and the Auditors' Report on the financial information contained in the Report of the Board of Directors and the individual and consolidated financial statements for the year ended 31 December 2014 of Sonae Investimentos, S.G.P.S., S.A. ("Company") (which comprise the Consolidated and Individual Statements of Financial Position as at 31 December 2014 that presents total consolidated and individual assets of 3,625,063,059 Euro and of 4,481,539,079 Euro respectively, and consolidated and individual equity of 735,306,262 Euro and of 2,861,031,785 Euro respectively, including consolidated net profit attributable to the Company's Equity Holders of 70,697,244 Euro and an individual net profit of 594,048,820 Euro), the Consolidated and Individual Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and individual financial information that present a true and fair view of the financial position of the companies included in the consolidation and the Company, the consolidated and individual results and comprehensive income of their operations, the consolidated and individual changes in equity and the consolidated and individual cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate internal control system; and (iv) informing any significant facts that have influenced its operations or the operations of the companies included in the consolidation, its consolidated or individual financial position, its consolidated or individual results and comprehensive income.
3. Our responsibility is to review the financial information contained in the above mentioned account documents, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our examination.

Scope

4. Our examination was performed in accordance with the auditing standards issued by the Portuguese Institute of Statutory Auditors, which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used, the application of the equity method, and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the consolidated and individual financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our examination also comprises verifying that the consolidated and individual financial information contained in the Report of the Board of Directors is in accordance with the other consolidated and individual documents of account, as well as verifying the required in the numbers 4 and 5 of article 451^o of Commercial Companies Code. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and individual financial position of Sonae Investimentos, S.G.P.S., S.A., as at 31 December 2014, the consolidated and individual results and comprehensive income of its operations, the consolidated and individual changes in equity and the consolidated and individual cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union, and the information contained on those is, in accordance with the standards mentioned in the paragraph 4 above, complete, true, timely, clear, objective and licit.

Emphasis

6. As referred to in Note 23 to the individual financial statements as at 31 December 2014, during the year the Company sold a group of shareholdings to wholly owned subsidiaries recognizing a net capital gain amounting to, approximately, 603,000,000 Euro which significantly affected the individual net income of the year. The referred net gain was eliminated on consolidation; hence not affecting the consolidated financial statements for the year ended 31 December 2014.

Reporting over other legal requirements

7. It is also our opinion that the financial information contained in the Report of the Board of Directors is in accordance with the consolidated and individual financial statements of the year and the reporting of the corporate governance practices includes the elements required to the Company in accordance with article 245^o-A of the Securities Market Code.

Porto, 26 March 2015

Deloitte & Associados, SROC S.A.
Represented by Nuno Miguel dos Santos Figueiredo

Report and Opinion of The Statutory Audit Board

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

*(Translation of a Report and Opinion originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)*

To the Shareholders

Sonae Investimentos, S.G.P.S., S.A.

Introduction

In compliance with the applicable legislation and in accordance with the terms of our mandate, the Statutory Audit Board issues the present its Report and Opinion on the Report of the Board of Directors and the remaining documents of individual and consolidated accounts for the year ended 31 December 2014, which are the responsibility of the Board of Directors.

Supervision

During the year, the Statutory Audit Board accompanied the management of the Company, the evolution of its activity and of its affiliated companies, holding meetings with the frequency and extension considered appropriate. The Board meetings, considering the subject under analysis, had the presence of the persons in charge of the financial departments, namely the Company CFO, the officers in charge of Planning and Control department, Internal Audit and Risk Management. The Statutory Audit Board also met with the Statutory Auditor and External Auditor in order to obtain all the information and clarifications in relation with the scope and conclusions of the audit performed. The Statutory Audit Board always obtained the necessary information from the Administration, the several departments, the consolidated companies and External Auditor in response to the questions raised in order to properly understand and evaluate the business evolution, financial performance and risk management and internal control systems.

The Statutory Audit Board accompanied the preparation and disclosure of financial information, as well as the audit of the accounts that support the individual and consolidated financial statements and received from the External auditor all information and explanations required. In the fulfilment of its duties the Statutory Audit Board examined the individual and consolidated Balance sheets for the year ended 31 December 2014, the Individual and Consolidated Statements of profit and loss by nature, cash flows, comprehensive income and changes in equity and the corresponding notes for the year then ended.

Additionally, the Statutory Audit Board analysed the management report for the year ended 31 December 2014 issued by the Board of Directors and the Statutory Audit and Auditor's Report on the accounts issued by the External Auditor, which received their agreement.

Considering the above, the Statutory Audit Board understands that the information included on the financial statements under analysis was prepared in accordance with the applicable accounting, legal and statutory rules and regulations and that gives a true and fair view of the assets, liabilities, financial position and results of Sonae Investimentos, S.G.P.S., S.A. and of the companies included in the consolidation perimeter. Additionally, concludes that the management report expresses truthfully the

business evolution and financial performance and position of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

The Statutory Audit Board expresses its appreciation to the Board of Directors and other departments for their cooperation.

Opinion

Considering the above, is the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

- a) the Report of the Board of Directors, the consolidated and individual balance sheets as at 31 December 2104 and the consolidated and individual statements of profit and loss by natures, cash flows, comprehensive income and changes in equity for the year then ended and corresponding notes;
- b) the proposal of results appropriation presented by the Board of Directors.

Responsibility Statement

In accordance with the terms defined in paragraph c) nº 1 of the article 245º of the Portuguese Securities Market Code, the members of the Statutory Audit Board declare that, to their knowledge, the information contained in the individual and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of Sonae Investimentos, S.G.P.S., S.A. and companies included in the consolidation.

Also it is their understanding that the Board of Directors Report faithfully describes the business evolution, performance and financial position of Sonae Investimentos, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Matosinhos, 26 March 2015

The Statutory Audit Board

Manuel Heleno Sismeiro

Armando Luís Vieira de Magalhães

António Augusto Almeida Trabulo