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 2012

Management Report

SONAE INVESTIMENTOS, SGPS, SA

MANAGEMENT REPORT 2012

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 2012, Sonae Investimentos, SGPS, SA delivered a consolidated turnover of 4,532 million Euro - which represents a decrease of 3% compared to the previous year. In this same period, the Company´s consolidated operating cash-flow reached 321 million Euro. This figure represents a ratio over total net sales of 7.1%, 0.4 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** decreased turnover (ex-fuel) by 1% to 3,281 million Euro reflecting the negative evolution in sales on an “LfL” basis (-2% in 2012). The market shares gains achieved in the year, with Sonae MC again strengthening its leading position in the Portuguese food retail sector, together with selective expansion of its sales area, allowed for a top line evolution well above market average.

Continente’s private label portfolio continued to increase its relative weight in Sonae MC’s sales, representing in 2012 almost 31% of the turnover on FMCG categories, up by 2 p.p. against 2011. It is also worth highlighting the 16% y.o.y growth in online sales registered by Continente in 2012.

In the business segment under analysis operational cash-flow increased to 247 million Euro, representing a profitability of 7.5% over turnover (+0.6 p.p. compared to 2011), a remarkable outcome in the current context of reductions in consumption. Sonae MC was able to sustain its competitiveness during this period via a combination of focused promotional activities, leveraged on its customer loyalty card (which was involved in approximately 90% of the sales in the period), a rigorous cost control, a strict inventory management policy (with YE stock levels down by 15%) and further productivity gains delivered by the successful implementation of several internal initiatives.

With regards to the **specialised retail** formats, the 4% turnover decline to 1,180 million Euro reflects the negative sales behaviour in more discretionary categories in Iberia, which have further deteriorated in the 4Q12, and a lower level of expansion of sales area (+0.5% in 2012 vs. +15% in

2011). Sonae SR's sales in Portugal decreased by 8%, which was only partially compensated by the 5.8% turnover growth attained in the international markets. In the key consumer electronics segment, Worten increased, once again, the leadership in the Portuguese market. The sales outside Portugal, accounted for more than 28% of total sales in 2012, 3 p.p. above the figure registered in 2011. Sonae SR has further strengthened its international presence during the year, with openings of new Zippy franchised stores in Azerbaijan, Malta, the Dominican Republic and Venezuela.

This business segment witnessed an operating cash flow decrease of 25 million Euro to zero to negative 25 million Euro. The relevant cost savings and gains in efficiency obtained by the businesses during 2012 were not sufficient to compensate the large decreases in sales of discretionary categories in Iberia, which have further deteriorated in the 4Q12.
Additionally, the Sports and Fashion divisions were negatively affected in turnover and margin by the restructurings that had to be implemented in the respective supply model during 2012. These efforts have, nevertheless, already allowed for an improved cash flow generation and significant reduction in stock levels.

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. Operating cash flow reached 107 million Euro.

During the course of the year in question, Sonae Investimentos, SGPS, SA consolidated direct operating income totalled 125 million Euro.
Financial results went from -74 million Euro in 2011 to -76 million Euro, with the lower amount of average debt being more than compensated by the increase in interest costs, solely explained by the increase in credit spreads, as average Euribor rates have actually been lower in 2012 than in 2011.
At the same time, the Consolidated Net Result for the period, attributable to Shareholders of the Holding Company, amounted to 9 million Euro, compared to 64 million Euro in the previous year.

2 INVESTMENT

During the course of 2012, Sonae Investimentos carried out an overall investment of 127 million Euro. This figure was directed towards the execution of the Company´s expansion plan, allowing it to end the year with a portfolio of 1,009 stores and a sales area of 1,029 thousand m2 (+1% on 2011 year end portfolio).

- The investment in the **food based retail** businesses reached 78 million Euro. The amount invested was directed towards the opening of 2 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 34 million Euro, including the consolidation of Sonae SR's store network in international markets. At the end of 2012, Sonae SR's formats had a total of 146 stores outside of Portugal, including 20 under franchising agreements.

- The amount invested by the **retail properties** segment reached 16 million Euro, 75% below the figure for 2011. A clear indicator of the capital light strategy which is being followed (operational leasing instead of tenure) for new retail sales area.

3 OUTLOOK

In 2013, Iberian economies are expected to continue to face the majority of the headwinds presented in 2012, with public consolidation efforts determining material tax increases over personal income and corporations, which will again inevitably lead to a further reduction in disposable income and rising levels of unemployment.
Consequently, a further reduction of internal economic activity is widely expected for both Portugal and Spain.

During 2013, Sonae MC will continue to focus on delivering the best value proposal to consumers in Portugal, thus aiming for sales performance above market average and, consequently, to again reinforce its market share. Exposure to more discretionary categories is expected to determine a further reduction in sales density at Sonae SR. However, cost saving efforts, the expected growth in the franchising area and in online sales, the optimisation of its store portfolio and the benefits of the restructuring of the Sports and Fashion divisions carried out in 2012, should translate into an improved cash flow generation during the current year.

As a Group, we will continue to explore international growth opportunities and leverage our exceptional asset base in Portugal, strengthening our competitive positions and innovating with new projects in adjacent business areas. Despite the investments to be carried out, the continuation of our dividend policy and the impact of the consumption retraction, we will also continue along the deleveraging path, aiming to reach the end of 2013 with a further reduction in consolidated net debt.

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 following remuneration was attributed to the Board of Directors (including fixed remuneration, short term variable remuneration and medium term variable remuneration) by the Company and the Group´s societies:

Administradores	2011 Fixed remuneration	2011 Short Term Variable Remuneration	2011 Medium Term Variable Remuneration	2011 Total	2012 Fixed remuneration	2012 Short Term Variable Remuneration	2012 Medium Term Variable Remuneration	2012 Total
Duarte Paulo Teixeira de Azevedo	-	-	-	-	-	-	-	-
Ângelo Gabriel Rib. Santos Paupério	-	-	-	-	-	-	-	-
Nuno Manuel Moniz Trigoso Jordão	16.025	-	-	16.025	-	-	-	-
Total	16.025	-	-	16.025	-	-	-	-

amounts in Euro

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 the Statutory Audit Board	2011	2012
UHY & Associados, SROC, Lda representada por António Francisco Barbosa dos Santos	8.000	8.000
Óscar José Alçada da Quinta	8.100	7.800
Arlindo Dias Duarte da Silva	8.100	7.800
Total	24.200	15.600

amount in Euro

Statutory External Auditor Fees

Sonae Investimentos Statutory Auditor and audit firm is Deloitte. The figures invoiced to Sonae Investimentos in 2011 and 2012, including subsidiaries, are as follows:

	2011		2012	
Statutory Audit	268.549	54%	294.907	65%
Other Compliance and Assurance Services	129.958	26%	35.216	8%
Other Services	102.955	21%	125.883	28%
Total	501.463		456.006	

amount in Euro

The fees relative to auditing services and other compliance and assurance services decreased by 7pp in 2012, representing 72% of total fees. The other services represented 28% of total fees and were assessed by the Statutory Audit Board.

In 2012, the fees for other services included: consulting services provided to several subsidiaries of Sonae Investimentos.

In 2012, 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	2011	2012
President	3.750	3.750
Secretary	1.500	1.500
Total	5.250	5.250

amount in Euro

6 OWN SHARES

As of December 31st Sonae Investimentos, SGPS, SA, held, through Sonae Specialized Retail, SGPS, SA, 100.000.000 shares representative of its share capital. During 2012 no transaction with own shares took place.

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 5,693,194.28 Euro, for which the Board of Directors propose the following distribution:

Legal Reserve_________________	284,660.00 Euro
Dividends ____________________	5,408,534.28 Euro
Total _______________________	5,693,194.28 Euro

Additionally, the Board of Directors proposes to Sonae Investimentos, SGPS, S.A. Shareholder's General Meeting the distribution of 40.000.000 Euro as dividends, for which effect, 34.591.465,72 Euro of Free Reserves would be allocated. 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.

Matosinhos, 11th March 2013

The Board of Directors,

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

Glossary

Turnover (t)

Sale of articles + services rendered.

Operating cash-flow (EBITDA)

Turnover + Other revenues - negative Goodwill - reversal of impairment losses - operating costs + profit/loss on disposals of subsidiaries - provisions for warranty extensions

Direct Operating results (EBIT)

Turnover + other income + negative goodwill – operating costs - provisions for warranty extensions + profit/loss on disposals of subsidiaries – amortizations and impairment losses [from core businesses]

Direct Income

Results excluding contributions to indirect income

Investment (CAPEX)

Gross investment in fixed assets (tangible and intangible), investment properties and acquisitions of subsidiaries; less amounts generated over assets disposals

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 Capital Employed

gross tangible and intangible assets + other gross fixed assets (including Goodwill) + amortisations and
impairment losses + financial investments + working capital

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, 11th March 2013

The Board of Directors

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

Article 447 of the Portuguese Companies Act and Article 14, paragraph 7 of Portuguese Securities Regulator (CMVM) Regulation nº 05/2008

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (Article 248 B of the Portuguese Securities Code), and disclosure of the respective transactions carried out during the year:

		Additions		Reductions		Balance as of 31.12.2012
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
Ângelo Gabriel Ribeirinho dos Santos Paupério (*) (**)						
Sonae, SGPS, SA (3)						584.562 (a)
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	09.03.2012	229.329	0,000			
Bond Continente - 7% - 2015						700.000 (b)
Subscription	25.07.2012	700.000	1,000			
Duarte Paulo Teixeira de Azevedo (*) (**) (***)(****)						
Efanor Investimentos, SGPS, SA (1)						1
Migracom, SGPS, SA (7)						1.969.996
Sonae, SGPS, SA (3)						3.293 (c)
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	30.03.2012	451.068	0,000			
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	27.04.2012	619.326	0,000			
Sale	27.04.2012			1.068.101	0,405	

		Additions		Reductions		Balance as of 31.12.2012
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA (3)						200.100.000
Purchase	10.05.2012	77.700.000	0,400			
Pareuro, BV (2)						2.000.000
(2) Pareuro, BV						
Sonae, SGPS, SA (3)						849.533.095
Sale	28.03.2012			10.016.905	0,456	
Sale	10.05.2012			77.700.000	0,400	
(3) Sonae, SGPS, SA						
Sonae Investments, BV (4)						2.894.000
Sonae Investimentos, SGPS, SA						768.555.810
Venda	27.12.2012			25.000	3,200	
Sonae, SGPS, SA (treasury shares)						0
Purchase	29.03.2012	395.000	0,442			
Purchase	30.03.2012	639.045	0,446			
Purchase	02.04.2012	354.134	0,441			
Purchase	03.04.2012	100.000	0,445			
Purchase	04.04.2012	812.972	0,440			
Purchase	05.04.2012	100.000	0,438			
Purchase	10.04.2012	150.000	0,431			
Purchase	11.04.2012	386.112	0,435			
Purchase	12.04.2012	550.000	0,436			
Purchase	13.04.2012	499.500	0,429			
Purchase	16.04.2012	539.552	0,426			
Purchase	17.04.2012	400.461	0,436			
Purchase	18.04.2012	255.000	0,424			
Purchase	19.04.2012	537.500	0,428			
Purchase	20.04.2012	280.000	0,425			
Sale	27.04.2012			5.011.777	0,437	
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	27.04.2012			619.326	0,000	
Sale	17.12.2012			368.173	0,693	
(4) Sonae Investments BV						
Sonae Investimentos, SGPS, SA						131.419.190
Libra Serviços, Sociedade Unipessoal, Lda (5)						5.000
(5) Libra Serviços, Sociedade Unipessoal, Lda						
Sonae Investimentos, SGPS, SA						25.000
Purchase	27.12.2012	25.000	3,200			
(6) Sonae - Specialized Retail, SGPS, SA						
Sonae Investimentos, SGPS, SA						100.000.000
(7) Migracom, SGPS, SA						
Sonae, SGPS, SA (3)						2.908.204
Purchase	27.04.2012	1.068.101	0,405			
Imparfin, SGPS, SA (8)						150.000
(5) Imparfin, SGPS, SA						
Sonae, SGPS, SA (3)						4.105.280

(*) 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 (directly and indirectly dominant company) (1)

(****) Member of the Board of Directors of Imparfin, SGPS, SA (8)

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

(b) of which 150,000 bonds are held by spouse and 400,000 are held by company in which this person discharging managerial responsibilities ("dirigente") is the sole director.

(c) of which 1,000 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 company's share capital.

	Number of shares held as of 31.December.2012
Sonae, SGPS, SA	768.555.810
Sonae Investments, BV	131.419.190
Libra Serviços, Sociedade Unipessoal, Lda	25.000

Qualified shareholding

Shares held and voting rights of companies owning more than 2% of the share capital of the company, as required by article 8 nr.1 b) of Securities Market Regulation Board (CMVM) regulation 05/2008:

Shareholder	Nr. of shares	% share capital	% of voting rights
Efanor Investimentos, SGPS, SA			
By Sonae, SGPS, SA	768.555.810	76,8556%	85,3951%
By Sonae Investments, BV	131.419.190	13,1419%	14,6021%
By Libra Serviços, Sociedade Unipessoal, Lda	25.000	0,0025%	0,0028%
By Sonae - Specialized Retail, SGPS, SA	100.000.000	10,0000%	-
Total attributable to Efanor Investimentos, SGPS, SA	1.000.000.000	100,0000%	100,0000%

(i) Belmiro Mendes de Azevedo is, according to article 20, paragraph 1, subparagraph b), and article 21, paragraph 1, 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 - Specialized Retail, SGPS, SA is fully 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

Shareholder	Nr. of shares	% share capital	% of voting rights
Efanor Investimentos, SGPS, SA			
By Sonae, SGPS, SA	768.555.810	76,8556%	85,3951%
By Sonae Investments, BV	131.419.190	13,1419%	14,6021%
By Libra Serviços, Sociedade Unipessoal, Lda	25.000	0,0025%	0,0028%
By Sonae - Specialized Retail, SGPS, SA	100.000.000	10,0000%	-
Total attributable to Efanor Investimentos, SGPS, SA	1.000.000.000	100,0000%	100,0000%

(i) Belmiro Mendes de Azevedo is, according to article 20, paragraph 1, subparagraph b), and article 21, paragraph 1, 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 - Specialized Retail, SGPS, SA is fully owned by Sonae Investimentos, SGPS, SA.

Chapter 2 – Identification of shareholders that hold special rights and description of those rights

There are no shareholders who hold special rights.

Chapter 3 – Restrictions on voting rights

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, 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 shareholder must, at least five days prior to the Shareholders General Meeting, carry out the due and necessary proof of share ownership.

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

The Board of Directors is made up of an even or odd number of members. A minimum of 3 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 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 – Corporate Bodies Remuneration Policy;

This company unanimously approved, at the Annual General Meeting on the 27th of April 2012, the following statutory governing bodies Remuneration Policy, based on the following principles:

A. Principles of the Remuneration policy for members of the statutory governing bodies

The remuneration and bonus policy applicable to statutory governing bodies and persons discharging managerial responsibilities is based on European guidelines, national legislation and recommendations issued by the Portuguese Securities Market Commission, and is based on the premise that initiative, competence and commitment are the essential factors for a good performance, which should be linked and focused on the medium and long-term interests of the Company and should aim sustainability.

Remuneration policy is determined by comparison, with the overall market and the practices of comparable companies. This information is obtained from main remuneration surveys carried out independently for Portugal and the principal European Market. Currently, the market surveys conducted by Mercer and the Hay Group, are used as references.

The companies that make up the pool of comparable companies are those included in the Portuguese stock market index, the PSI-20.

The remuneration package applicable to Executive directors is based on comparisons with the market, using market studies on top managers' remuneration packages in Portugal and across Europe, seeking to ensure that fixed remuneration is equal to the median market value, and the total remuneration is close to the market third quartile.

The fixed annual remunerations and the variable remunerations are approved by the Shareholders' General meeting and aligned with the same principles established by the remuneration Committee of the majority shareholder, Sonae, SGPS, S.A.

The fixed remuneration is aligned with market standards and determined taking into account practices of comparable companies.

The variable remuneration awarded annually to executive directors is subject to percentage limits and follows pre-defined performance assessment criteria and performance indicators, which are linked to each concerned executive director.

The variable remuneration is structured with reference to "Key Performance Indicators of Business Activity" (Business KPIs), which are economic and financial indicators based on budgets for the performance of each business, unit business, and "Personal Key Performance Indicators" (Personal KPI's), which include both objective and subjective indicators. The composition of Group Business KPIs and personal KPIs ensure the alignment of board executive members with their pre-defined strategic goals, and also ensure the compliance with applicable legal rules and regulations in force in the area.

The variable remuneration is determined through an individual performance assessment, carried out according to the principles established by the remuneration Committee of the majority shareholder, Sonae, SGPS, S.A. This assessment takes place after the disclosure of the

The performance of other functions in companies in a control or group relationship is taken into account by the Remuneration Policy.

Under the Remuneration Policy, there are no compensation payments to board directors or members of statutory governing bodies related to the cessation of their duties, whether their resignation occurs according to their original mandate or whether it is anticipated for whatever reason, without prejudice to the obligation of the Company to comply with any relevant legislation in force in this area.

Under the remuneration Policy there is not any system of benefits, in particular relating to retirement, in favour of members of the Board of Directors, auditing bodies and other executives.

In order to ensure the effectiveness and transparency of the objectives of the Remuneration and Compensation Policy, it is verified that executive directors:

- have not signed nor will sign contracts with the Company or with third parties that would have the effect of mitigating the risks inherent in the variable nature of the remuneration that the Company has established for them;

- have not disposed of, during the period of their mandate, nor will dispose of during any new mandate, shares in the Company, to which they have acquired the right through the award of variable remuneration up to a maximum of two and a half times the value of their total annual remuneration, with the exception of those that have to be disposed of to pay any taxes resulting f

B. In Particular, the remuneration for members of the statutory governing bodies and persons discharging managerial responsibilities is based on the following rules:

Executive Directors

The remuneration policy includes control mechanisms, which consider the link between individual and group performance, in such a manner as to avoid behaviour which is likely to involve excessive risk. This goal is also achieved by limiting the maximum value of each Key Performance Indicator (KPI).

The executive directors remuneration and bonus policy is made up of two main parts: (i) a fixed component, which incorporates a Base Remuneration , and an Annual Responsibility Allowance, taking as reference a period of a year; (ii) a variable remuneration awarded in the first quarter following the year to which it relates and linked to performance in the prior year, divided into two parts: (a) a Short term variable Performance Bonus paid immediately after being awarded and (b) a Medium term variable Performance Bonus, paid after a deferral period of 3 years.

(i) Fixed Remuneration is defined in accordance with the responsibility level of each Executive Director and is reviewed annually. Each Executive Director is attributed a classification, internally referred to as a Management Level ("Grupo Funcional"). Executive Directors are classified as either "Group Leader", "Group Senior Executive" or "Group Senior Executive". Management Levels are structured according to Hay's international model for the classification of corporate functions, thereby facilitating market comparisons, as well as helping to promote internal equity.

(ii) The Variable remuneration aims to guide and compensate Executive Directors for achieving predefined goals and it is based on the company's performance indicators, on the performance indicators of the working team under their responsibility and management, and on their personal performance. It is awarded after the accounts of the Company have been prepared and performance evaluations have been completed for the year in question. In view of the fact that it is dependent on the achievement of objectives, its payment is not guaranteed.

(a) Short term Variable Performance Bonus

This Bonus is paid in the following year to which it relates. Of this amount, around 70% is based on business, economic and financial KPIs. These indicators are objectives, which are divided into group and departmental KPIs. Group business KPIs are economic and financial indicators based on budgets for the performance of each business unit, as well on the overall consolidated performance of Sonae. Departmental business KPIs are of a similar nature to Group KPIs in that they are directly influenced by the performance of the executive director concerned. The remaining 30% are determined based on the achievement of personal KPIs, which are subjective indicators.

(b) Medium Term Variable Performance Bonus

This Bonus aims to enhance Executive Director's loyalty, aligning their interests with shareholders, and increasing their awareness of the importance of their performance on the overall success of our organization. The amounts for the Medium Term Performance Bonus represent for Executive Directors, 100% of the attributed Short Term Performance Bonus and 50% of the global variable remuneration. 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 to obtain the Total Shareholder Return during a three years deferring period. At the vesting date, the shares shall be delivered without cost, and the Company will keep the option to alternatively deliver the corresponding amount in cash.

Considering the two parts of the variable remuneration, the pre-defined goal's value varies from 30% and 60% of the annual remuneration (fixed remuneration and objective value of the variable remuneration).

In relation to calculation of results, the value for each bonus has a minimum of 0% and a maximum of 140% of the pre-defined goal.

Non-Executive Directors

The remuneration of Non-Executive Members of the Board of Directors might be based on market comparables, respecting the following principles: (1) a Fixed Remuneration (of which approximately 15% depends on attendance at Board of Directors); (2) an Annual Responsibility Allowance.

No variable remuneration of any kind is paid.

Statutory Audit Board ("Conselho Fiscal")

The remuneration of the members of the Statutory Audit Board is based exclusively on fixed annual amounts, which includes an Annual Responsibility Allowance established according to the Company's features and market comparable practices.

Statutory External Auditor

The Statutory External Auditor of the Company is remunerated in accordance with normal fee levels for similar services, by reference to market information, under the supervision of our Statutory Audit Board.

Board of the Shareholders' General Meeting

The remuneration of the members of the Board at the Shareholders' General Meeting corresponds to a fixed amount, to be determined based on the Company's financial position and market practices.

Persons Discharging Managerial Responsibilities (“Dirigentes”)

Persons Discharging Managerial Responsibilities (“Dirigentes”), under the terms of Article 248-B Paragraph 3 of the Portuguese Securities Code, in addition to the Stautory Governing Bodies mentioned above, include senior managers who have regular access to Privileged Information and are involved in taking management and business strategy decisions at the Company.

The Compensation Policy applicable to individuals who, under the terms of the law, are considered to be Persons Discharging Managerial Responsibilities (“Dirigentes”), shall be equivalent to the one adopted for other senior managers with the same level of functions and responsibilities, without awarding any additional benefit in addition to that which results from their respective Management Level.

C. Compliance with CMVM Recommendation II.1.5.2.

In compliance with CMVM Recommendation II.1.5.2., it is hereby represented that:

(i) The entities which were taken into consideration as comparable elements for the determination of the remuneration are those which are identified in chapter 1 above.

(ii) No payments related to dismissal or cessation of any Directors’ duties were paid.

Chapter 7 – Main elements of internal control systems and risk management implemented in the company regarding the process of disclosing financial information

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 and materiality. 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. They 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 along the course of the 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 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 company maintain an up-to-date register of its 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 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 2.19, and 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 notes to the 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 2013 Sonae Investimentos will continue to improve the documentation and systemisation of risks and the internal control system related to the concern for financial information. This work includes the identification of risk/causes (inherent risk), and identification of process 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.

Matosinhos, 11th of March 2013
The Board of Directors,

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

Consolidated financial statements

SONAE INVESTIMENTOS, SGPS, SA

CONSOLIDATED STATEMENT OF FINANTIAL POSITION AT
31 DECEMBER 2012 AND 2011

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

(Amounts expressed in euro)

ASSETS	Notes	31 December 2012	31 December 2011 Restated (Note 1 and 4)	1 January 2011 Restated (Note 1 and 4)
NON-CURRENT ASSETS:				
Tangible assets	9	2,025,784,857	2,094,098,317	2,130,195,086
Intangible assets	10	154,622,623	156,357,666	152,983,921
Goodwill	11	499,234,487	499,234,487	500,446,937
Investments in associates	6	60,819,852	58,681,026	69,867,554
Other investments	7 and 8	34,605,498	34,613,973	34,556,255
Deferred tax assets	19	123,115,350	117,767,016	97,680,391
Other non-current assets	8 and 13	34,429,814	36,533,370	37,391,624
Total Non-Current Assets		2,932,612,481	2,997,285,855	3,023,121,768
CURRENT ASSETS:				
Inventories	14	524,684,028	643,387,609	664,630,207
Trade account receivables	8 and 15	31,088,175	34,106,278	31,760,219
Other debtors	8 and 16	51,947,177	54,315,389	100,061,406
Taxes recoverable	17	63,826,930	82,059,326	38,206,737
Other current assets	18	64,165,275	52,308,105	40,487,955
Investments	8 and 12	892,728	5,856,269	15,642,909
Cash and cash equivalents	8 and 20	162,194,406	253,481,201	199,666,276
Total Current Assets		898,798,719	1,125,514,177	1,090,455,709
Assets available for sale		720,338	720,338	9,500,686
TOTAL ASSETS		3,832,131,538	4,123,520,370	4,123,078,163
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	21	1,000,000,000	1,000,000,000	1,000,000,000
Own shares	21	(320,000,000)	(320,000,000)	(320,000,000)
Legal reserve		140,357,809	139,614,881	117,087,918
Reserves and retained earnings		(77,416,945)	(121,151,211)	(265,497,668)
Profit/(Loss) for the period attributable to the equity holders of the parent company		9,310,582	63,798,214	168,595,954
Equity attributable to the equity holders of the parent company		752,251,446	762,261,884	700,186,204
Equity attributable to non-controlling interests	22	85,691,823	75,700,031	75,372,692
TOTAL EQUITY		837,943,269	837,961,915	775,558,896
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	8 and 23	218,458,349	366,193,899	303,599,257
Bonds	8 and 23	532,738,392	534,322,595	899,337,511
Obligation under finance leases	8, 23 and 24	9,942,240	12,105,218	7,170,863
Other loans	8 and 23	90,166	126,395	162,624
Other non-current liabilities	8 and 26	429,509,652	428,236,505	425,372,544
Deferred tax liabilities	19	130,113,975	119,911,312	108,129,814
Provisions	31	46,471,233	35,325,262	21,495,563
Total Non-Current Liabilities		1,367,324,007	1,496,221,186	1,765,268,176
CURRENT LIABILITIES:				
Loans	8 and 23	55,175,849	7,979,618	7,724,844
Bonds	8 and 23	170,900,782	365,856,920	89,554,618
Obligation under finance leases	8, 23 and 24	3,383,796	4,453,100	2,730,054
Other loans	8 and 23	986,997	76,210	5,278,846
Trade creditors	8 and 28	1,090,451,413	1,114,978,891	1,104,372,587
Other creditors	8 e 29	92,477,002	84,110,354	153,540,962
Taxes and contributions payable	17	47,866,681	44,281,667	52,588,097
Other current liabilities	30	163,393,412	165,351,179	164,871,746
Provisions	31	2,228,330	2,249,330	1,589,337
Total Current Liabilities		1,626,864,262	1,789,337,269	1,582,251,091
TOTAL LIABILITIES		2,994,188,269	3,285,558,455	3,347,519,267
TOTAL EQUITY AND LIABILITIES		3,832,131,538	4,123,520,370	4,123,078,163

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 2012 AND 2011

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

(Amounts expressed in euro)

	Notes	31 December 2012	31 December 2011 Restated (Note 1 and 4)
Sales	34	4,496,799,850	4,610,706,032
Services rendered	34	34,866,216	45,957,801
Investment income	35	(896,208)	174,101
Financial income	36	6,268,194	9,632,660
Other income	37	428,589,697	457,474,402
Cost of goods sold and materials consumed	14	(3,499,250,155)	(3,550,573,095)
Changes in stocks of finished goods and work in progress		(666,354)	688,948
External supplies and services	38	(568,055,578)	(592,463,961)
Staff costs	39	(539,382,172)	(555,504,167)
Depreciation and amortisation	9 and 10	(183,719,428)	(180,088,244)
Provisions and impairment losses	31	(25,663,160)	(25,134,452)
Financial expenses	36	(82,586,817)	(83,968,204)
Other expenses	40	(34,281,691)	(54,782,318)
Share of results of associated undertakings	6	1,014,532	(7,372,631)
Profit/(Loss) before taxation		33,036,926	74,746,872
Taxation	41	(23,750,914)	(12,590,576)
Profit/(Loss) after taxation		9,286,012	62,156,296
Attributable to:			
Equity holders of the parent company		9,310,582	63,798,214
Non-controlling interests	22	(24,570)	(1,641,918)
Profit/(Loss) per share			
Basic	43	0.010345	0.070887
Diluted	43	0.010345	0.070887

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 2012 AND 2011

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

(Amounts expressed in euro)

	31 December 2012	31 December 2011 Restated (Note 1 and 4)
Net Profit / (Loss) for the period	9,286,012	62,156,296
Exchange differences arising on translation of foreign operations	(125,867)	(65,664)
Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method	2,324,633	(2,833,974)
Changes in hedge and fair value reserves	(2,681,189)	5,106,729
Deferred tax related to changes in fair value reserves	706,717	(1,352,903)
Other comprehensive income for the period	224,294	854,188
Total comprehensive income for the period	9,510,306	63,010,484
Attributable to:		
Equity holders of parent company	9,603,041	64,601,505
Non controlling interests	(92,735)	(1,591,021)

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 2012 AND 2011

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

(Amounts expressed in euro)

	Attributable to Equity Holders of Parent Company											
			Reserves and Retained Earnings									
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Hedging Reserve	Legal reserves in accordance with article	Other Reserves and Retained Earnings	Total	Net Profit/(Loss)	Total	Non-controlling Interests (Note 22)	Total Equity
Balance as at 1 January 2011- Restated	1,000,000,000	(320,000,000)	117,087,918	402,475	(2,107,724)	320,000,000	(583,792,419)	(265,497,668)	168,595,954	700,186,204	75,372,692	775,558,896
Total compreensive income for the period	-	-	-	(65,664)	3,702,929	-	(2,833,974)	803,291	63,798,214	64,601,505	(1,591,021)	63,010,484
Appropriation of profit of 2010:												
Transfer to legal reserves and retained earnings	-	-	22,526,963	-	-	-	146,068,991	146,068,991	(168,595,954)	-	-	-
Acquisitions of shares of affiliated undertakings	-	-	-	-	-	-	193,439	193,439	-	193,439	1,918,360	2,111,799
Other reserves	-	-	-	-	-	-	(2,719,264)	(2,719,264)	-	(2,719,264)	-	(2,719,264)
Balance as at 31 December 2011 - Restated	1,000,000,000	(320,000,000)	139,614,881	336,811	1,595,205	320,000,000	(443,083,227)	(121,151,211)	63,798,214	762,261,884	75,700,031	837,961,915
Balance as at 1 January 2012- Restated	1,000,000,000	(320,000,000)	139,614,881	336,811	1,595,205	320,000,000	(443,083,227)	(121,151,211)	63,798,214	762,261,884	75,700,031	837,961,915
Total compreensive income for the period	-	-	-	(125,867)	(1,906,307)	-	2,324,633	292,459	9,310,582	9,603,041	(92,735)	9,510,306
Appropriation of profit of 2011:												
Transfer to legal reserves and retained earnings	-	-	742,928	-	-	-	63,055,286	63,055,286	(63,798,214)	-	-	-
Dividends distributed	-	-	-	-	-	-	(20,000,000)	(20,000,000)	-	(20,000,000)	(157,074)	(20,157,074)
Income distribution	-	-	-	-	-	-	-	-	-	-	(6,015,675)	(6,015,675)
Others	-	-	-	-	(2)	-	386,523	386,521	-	386,521	16,257,276	16,643,797
Balance as at 31 December 2012	1,000,000,000	(320,000,000)	140,357,809	210,944	(311,102)	320,000,000	(397,316,785)	(77,416,945)	9,310,582	752,251,446	85,691,823	837,943,269

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 2012 AND 2011

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

(Amounts expressed in euro)

	Notes	31 December 2012	31 December 2011 Restated (Note 1 and 4)
OPERATING ACTIVITIES			
Cash receipts from trade debtors		4,534,683,803	4,627,499,606
Cash paid to trade creditors		(3,548,977,855)	(3,709,889,720)
Cash paid to employees		(540,060,743)	(559,536,732)
Cash flow generated by operations		445,645,205	358,073,154
Income taxes (paid) / received		(23,696,065)	(58,453,731)
Other cash receipts and (payments) relating to operating activities		4,304,369	(2,581,750)
Net cash flow from operating activities (1)		426,253,509	297,037,673
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	44	2,294,971	19,138,566
Tangible assets		1,711,291	58,073,159
Intangible assets		43,796	443,621
Interest and similar income		2,801,012	5,305,513
Loans granted		12,703,190	391,953,234
Dividends		304,131	745,871
Others		-	29,955
		19,858,391	475,689,919
Cash Payments arising from:			
Investments		(13,094)	(131,236)
Tangible assets		(92,916,312)	(147,650,707)
Intangible assets		(19,919,041)	(24,721,877)
Loans granted		(16,203,189)	(387,472,598)
Others		-	(12,807)
		(129,051,636)	(559,989,225)
Net cash used in investment activities (2)		(109,193,245)	(84,299,306)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		4,271,692,904	4,190,990,786
Capital increases, shareholder's loans and share premiums		15,882,000	-
Others		-	1,470,000
		4,287,574,904	4,192,460,786
Cash Payments arising from:			
Loans obtained		(4,592,221,541)	(4,268,805,613)
Interest and similar charges		(84,100,080)	(82,314,670)
Dividends		(26,104,565)	-
Others		(2,527,668)	(2,590,695)
		(4,704,953,854)	(4,353,710,978)
Net cash used in financing activities (3)		(417,378,950)	(161,250,192)
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(100,318,686)	51,488,175
Effect of foreign exchange rate		(213,901)	(2,331,953)
Cash and cash equivalents at the beginning of the period	20	249,087,227	195,267,099
Cash and cash equivalents at the end of the period	20	148,982,442	249,087,227

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 2012

(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 5 to 7 the Sonae Investimentos Group ("Sonae Investimentos"). Sonae Investimentos operations are described in the management report and in Note 45.

During the period the Group changed the following accounting policies:

Change in consolidation method for jointly controlled entities from proportionate consolidation method to equity method

IFRS 11 - Joint arrangements, has already been issued by the IASB and endorsed by the European Union with mandatory application for financial years beginning on or after 1 January 2014. The application of this standard was, until 31 December 2011, expected to have a significant impact on the consolidated financial statements, in particular with regard to the extinction of the proportionate consolidation method for jointly controlled entities, which would produce a significant impact on the Group's Travel business ("Raso").

During the year ended 31 December 2012, Sonae Investimentos decided, anticipating the predictable impacts of this standard and to facilitate future comparison of its financial statements, to report all of its jointly controlled entities according to the equity method as from 1 January 2012, currently an option under IAS 31 - joint Ventures, which is an approximation to the established by IFRS 11.

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 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 ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), that have been 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 financial instruments which are stated at fair value.

New accounting standards and their impact on the consolidated financial statement

Up to the financial statements approval date, the following Standards and Interpretations, some of which become effective during the year 2012, have been endorsed by the European Union:

With mandatory application in 2012:	Effective Date(for financial years beginning on/after)
IFRS 7 Financial Instruments : Disclosures Amendments (issued 7 October 2010)	01-07-2011

No significant impacts are expected to arise 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 have mandatory application is mandatory in future financial years:

With mandatory application from 1 January 2013 onwards:	Effective Date (for financial years beginning on/after)
IFRS 10 - (Consolidated Financial Statements) (*)	01-01-2014
IFRS 11 - (Joint arrangements) (*)	01-01-2014
IFRS 12 - (Disclosures of Interests in Other Entities) (*)	01-01-2014
IFRS 13 - (Fair Value Measurement)	01-01-2013
IAS 27 - (Separate Financial Statements) (*)	01-01-2014
IAS 28 - (Investments in Associates and Joint Ventures) (*)	01-01-2014
IAS 12 - Amendments (Deferred tax: Recovery of Underlying Assets) (**)	01-01-2013
IAS 19 - Amendments (Employee Benefits)	01-01-2013

IFRS 1 – Amendments (Hyperinflation)	01-01-2013
IAS 1 - Amendments (Presentation of Items of Other Comprehensive Income)	01-07-2012
IFRS 7 - Amendments (Disclosures of Financial Instruments)	01-01-2013
IAS 32 - Amendments (Offsetting Financial Assets and Financial Liabilities)	01-01-2014
IFRIC 20 - Interpretation (Stripping Costs in the Production Phase of a Surface Mine)	01-01-2013

(*) In accordance with the EU Regulation which approved the adoption of IFRS 10, 11 and 12 and the amendments to IAS 27 and IAS 28, an entity shall use these standards no later than periods beginning on or after 1 January 2014. The early adoption is however permitted;
(**) In accordance with the EU Regulation which approved this amendment to IAS 12, an entity shall apply the standard for periods beginning on or after 1 January 2013. The early adoption is permitted;

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the year ended 31 December 2012. No significant impacts are expected in the financial statements resulting from the adoption of these standards, namely because the Group has amended the measurement of investments in jointly controlled entities by applying the equity method (Note 4).

2.2 Consolidation principles

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

a) Investments in Sonae Investimentos companies (subsidiaries):

Investments in companies in which Sonae Investimentos owns, directly or indirectly, more than 50% of the voting rights at Shareholders' General Meetings or is able to establish financial and operational policies so as to benefit from its activities (definition of control normally used by Sonae Investimentos), were included in the consolidated financial statements using the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption Non-controlling interests, in the consolidated statement of financial position and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Note 4.

The comprehensive income is attributable to the owners of Sonae Investimentos Group 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 subsidiary are measured at their fair value at the acquisition date or gain of control (measurement period of twelve months). 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 the fair value of identifiable assets over consideration transferred, previously held interests 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. Sonae Investimentos will choose on a transaction-by-transaction basis, the measurement of non-controlling interests, (i) according to the non-controlling interests share of assets liabilities and contingent liabilities of the acquiree, 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 their 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 consolidation.

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

b) Investments in jointly controlled companies and associated companies

Investments in jointly controlled entities are recorded using the equity method, currently an alternative to the proportional method as established by IAS 31 - joint Ventures (Notes 1 and 4).

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

Under the equity method, investments are recorded at cost, adjusted by the amount corresponding to Sonae Investimentos' share of changes in equity (including net profit) of associated companies and to dividends received.

Any excess of the cost of acquisition over Sonae Investimentos' 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' share in the fair value of the identifiable net assets acquired over cost is 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 profit of jointly controlled and associated companies.

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

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

The Sonae Investimentos' share in unrealized gains arising from transactions with jointly controlled and associated companies is eliminated. Unrealized losses are eliminated, but only to the extent that there is no evidence of impairment of the asset transferred.

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

c) Goodwill

The excess of consideration transferred in the acquisition of investments in subsidiaries, jointly controlled and associated companies plus the amount of any non-controlling interests (in the case of affiliated companies) over Sonae Investimentos's share in the fair value of the identifiable assets, liabilities and contingent liabilities of those companies at the date of acquisition, when positive, is shown as Goodwill (Note 11) or as Investments in associated companies (Note 6). The excess of the consideration transferred in the acquisition of investments in foreign companies plus the amount of any non-controlling interests (in the case of affiliated companies) over the fair value of their identifiable assets, liabilities and contingent liabilities at the date of acquisition is calculated using the functional currency of each of those companies. Translation to the Sonae Investimentos functional currency (Euro) is made using the closing exchange rate. Exchange rate differences arising from this translation are recorded and disclosed in "Other Reserves and Retained earnings".

Goodwill is not amortized, but it is subject to impairment tests on an annual basis. Net recoverable amount is determined based on business plans used by Sonae Investimentos management or on valuation reports issued by independent entities. 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.

Any excess of Sonae Investimentos's share in the fair value of identifiable assets, liabilities and contingent liabilities, in affiliated companies, associated companies and jointly controlled companies, plus, in affiliated companies, the amount of non-controlling interests, at acquisition date, if negative, is recognized as income in the profit or loss for the period, 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 the statement of financial position date. 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 Reserves and retained earnings. Exchange rate differences that were originated prior to 1 January 2004 (date of transition to IFRS) were written-off through "Other Reserves and 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), but with loss of control, accumulated exchange rate differences are recorded in the income statement as a gain or loss on the disposal, in the caption Investment income.

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

	31 December 2012		31 December 2011 Restated	
	End of period	Average of period	End of period	Average of period
Brazilian Real	0.36988	0.39996	0.41392	0.43061
Turquish Lira	0.42461	0.43242	0.40930	0.42996

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

Depreciations are calculated on a straight line basis, as from the date the asset is first used, over the expected useful life for each class of assets, and recorded against the income statement caption “Depreciation and amortization”.

The impairment losses detected on tangible assets are recorded in the year, in wide the estimation is made, recorded against the consolidate income statement caption "Provisions and impairment losses".

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

	Years
Land and Buildings	50
Plant and machinery	10 to 15
Vehicles	5
Tools	4
Office equipment	10
Other tangible assets	5

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 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 know-how is recognized as an expense recorded in the income statement when it is incurred.

Expenditure on development is recognized as an intangible asset if Sonae 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 fulfill 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 to Sonae Investimentos is probable are capitalized as intangible assets.

Amortizations are calculated on a straight line basis as from the date the asset is first used, over the expected useful life which usually is 5 years. It is recorded in the caption of "Amortizations and depreciations".

Brands and patents with undefined useful lives are not amortized, but are subject to impairment tests on an annual basis.

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.

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

Assets acquired through finance lease contracts as well as the correspondent responsibilities, are posted by the financial method, posting in the statement of financial position the acquired asset and the pending debts according to the contractual financial plan at fair value or, if less, at the present level of payments. Both the finance charge and the depreciation expense for depreciable assets are taken to the income statement in the period in which they are incurred.

Lease payments under operating lease contracts 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 lease agreements where Sonae Investimentos is lessor, assets remain recorded in the Sonae Investimentos' statement of financial position and the revenue is recognized on a straight line basis during the period of the agreement.

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.

Investment grants related to fixed assets are disclosed as "Other current liabilities" and are recognized as income on a straight line basis over the expected useful lives of those underlying assets.

Grants related to incurred costs are recorded as profit in the extent there is a reasonable assurance that these will be received, that the granted costs have already been incurred and that Sonae Investmentos will comply with the conditions necessary for its grant.

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 less costs to sell and its value in use. Fair value less 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.

Reversal of impairment losses recognized in prior years 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 "Other 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 Borrowing Costs

Borrowing costs are usually recognized as an expense in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of tangible and intangible assets, real estate projects classified as inventories or investment properties are capitalized as part of the cost of the qualifying asset. Borrowing costs are capitalized from the beginning of preparation of the activities to construct or develop the asset up to the time the production or construction is complete or when asset development is interrupted. Any income earned on funds temporarily invested pending their expenditure on the qualifying asset, is deducted from the borrowing costs that qualify for capitalization.

2.9 Inventories

Consumer goods are stated at the lower of acquisition cost deducted from discounts obtained and net realizable value, cost is determined on a weighted average basis.

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

2.10 Provisions

Provisions are recognized 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 recognized 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

The Company classifies the financial instruments in the categories presented and conciliated with the 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 the Group 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 Sonae Investimentos acquires with the purpose of trading in the short term. They are disclosed in the consolidated statement of financial position as current investments.

Sonae Investimentos 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 sale of investments are recognized on the trade date, independently of the settlement date.

Investments are initially recorded at cost, which is the fair value of the consideration paid for them including, transaction costs, apart from investments measured at fair value through profit or loss, in which the investments are initially recognized at fair value and transaction costs are recognized in the income statement.

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

Gains or losses arising from a change in fair value of available for sale investments are recognized directly in equity, under "Investments fair value reserve", in the caption "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.

Changes in the fair value of investments measured at fair value through profit or loss are included in consolidated income statement for the period under 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) Trade accounts receivable and other accounts receivables

Trade accounts receivables and other accounts receivable are recorded at their nominal value and presented in the consolidated statement of financial position net of impairment losses, recognized under the caption "Impairment losses on accounts receivable", in order to reflect its net realizable value.

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 this purpose, each Sonae Investimentos subsidiary takes into consideration market information that evidences that the client is not accomplishing its responsibilities as well as historic information about due and not received balances.

Recognized Impairment losses equal the difference between the carrying amount of the receivable and the corresponding present value of the estimated future cash-flows, discounted at the initial effective interest rate. The initial effective interest rate is considered null when the collection is expected within one year.

c) Classification as Equity or Liability

Financial liabilities and equity instruments are classified and accounted for based upon 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 Investimentos are recorded at the proceeds received, net of direct issue costs.

d) 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 2.16. 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 Sonae Investimentos to maintain the use of this form of financing for a period exceeding one year.

e) 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.

f) Derivatives

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

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 Sonae Investimentos to hedge the exposure to changes in interest rates of its loans are initially accounted for at cost value, and subsequently adjusted to the 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 recognized in the income statement over the same period in which the hedged instrument affects profit or loss. The inefficiencies, when they exist, are recorded under "Financial income" and "Financial expenses".

The fair value of these financial instruments is estimated 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.

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 and deferred in equity under the caption "Hedging reserve", included in the caption "Reserves and Retained Earnings", are transferred to profit and loss of the year or in the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

In those cases in which the derivatives, despite being negotiated to hedge financial risks inherent to the business (essentially, currency “forwards” to hedge future imports of inventories), do not fulfill the criteria for hedge accounting under IAS 39, changes in the fair value are recorded directly in the income statement.

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 contract, and these are not stated at fair value gains and losses which are not realizable are recorded in the Income Statement.

Additionally, Sonae Investimentos also negotiates, in specific situations, interest rate derivatives and foreign exchange rate derivatives directed to hedge fair values. In these cases, the derivatives are stated at fair value through the Income statement. When the hedged instrument is not measured at fair value (i.e. loans which are recorded at amortized cost) the book value is adjusted by the amount which is effectively hedged through the profit and loss.

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

g) 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 consolidated statement of cash flows, cash and cash equivalents also include bank overdrafts, which are included in the balance consolidated sheet caption of “current bank loans”.

2.12 Non-current assets held for sale

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

2.13 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 the Sonae SGPS, S.A. shares’ price (Parent Company of Sonae Investimentos, SGPS, S.A.).

Share based payment liabilities are measured at fair value on the date they are granted (usually in March each year) and are subsequently remeasured 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.

2.14 Contingent assets and liabilities

Contingent assets are not recognized in the financial statements but disclosed where an inflow of economic benefits is probable.

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

2.15 Income tax

The tax charge for the year is determined based on the taxable income of each company included in the consolidation perimeter taking into consideration deferred taxes.

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

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

2.16 Revenue recognition and accrual basis

Revenue from the sale of goods is recognized in the consolidated 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 recorded 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, is recognized ratably 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".

With regard to services rendered by travel agencies (done by Raso SGPS, SA and its subsidiaries and currently measured by the equity method), revenue is recognized with the issuance of invoice. At statement of financial position date, adjustments are made in order to accrue for revenue of the services already rendered but whose billing had not occurred yet, as well expenses associated with subcontracts. In transactions in which the Group operates as an agent, revenue relates to the commission. In transactions in which Sonae acts as principal (Package Programmes developed in their own name) revenue is the total amount billed to the client.

Revenue from services rendered is recorded in the consolidated income statement taking into consideration the stage of completion of the transaction at statement of financial position date.

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

The deferral of revenue related with customer loyalty programs, (attribution of awards) are measured taking into account the likelihood of redemption and are deducted to revenue when their award credits are granted. The corresponding liability is recognized in the caption "Other Creditors."

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 in future years, thus being recorded in the income statement of the future period.

2.17 Balances and transactions expressed in foreign currencies

Transactions are recorded in the financial statements of each subsidiary based on the functional currency of that subsidiary using the exchange rates on the date of each transaction.

At each statement of financial position date, all monetary assets and liabilities expressed in foreign currencies are translated to the functional currency of each entity at the foreign exchange rates prevailing as of 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 subsidiary, using the exchange rate at the date the fair value was determined.

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

When exposure to currency risk is aimed to be minimized, Sonae Investimentos negotiates hedging currency derivatives (Note 2.11.f).

2.18 Subsequent events

Post statement of financial position events that provide additional information about conditions that existed at the statement of financial position date (adjusting events), are reflected in the consolidated financial statements. Post statement of financial position events that are not-adjusting events are disclosed in the notes to the consolidated financial statements when considered to be material.

2.19 Judgments and estimates

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

a) Useful lives of tangible and intangible assets;

b) Impairment analysis of goodwill and of tangible and intangible assets;

c) Record of adjustments to the value of assets and provisions, and contingent liabilities analysis;

d) Measurement of responsibilities associated with customers' loyalty programs;

e) Determining the fair value of derivative financial instruments;

f) Recoverability of deferred tax assets;

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 neither controlled by Sonae Investimentos nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by management that occur after the 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 consolidated financial statements are disclosed in the correspondent notes.

2.20 Segment information

Information regarding operating segments identified is included in Note 45.

2.21 Treasury Shares

Treasury Shares are recorded at their acquisition cost as a reduction to equity. Gains or losses arising from sales of own shares are recorded in "Other reserves and retained earnings"

2.22 Legal reserves, hedge reserves, other reserves and Retained earnings

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:

Hedging Reserves reflect the changes in fair value of "cash flow" hedging derivates that are considered as effective (Note 2.11.f), 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 Group'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 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 consolidated net profit before tax for the period ended as at 31 December 2012 would decrease by approximately 7.9 million euro (8.4 million euro as at 31 December 2011), 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 transactions are denominated in euro. Sonae Investimentos is only exposed to foreign exchange risk due to inventories imports made and denominated 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 follows 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 2012 and 2011 the assets and liabilities denominated in a currency different from the subsidiary functional currency where the following:

	Assets		Liabilities	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Brazilian Real	12,040,467	15,631,230	7,032,050	7,813,509
British Pound	-	7,203	152,474	137,918
Turquish Lira	549,490	566,082	218,135	231,926
US Dollar	761,504	7,897,107	9,196,314	8,844,560
Other Currencies	7,407	21,022	2,578	3,436

The amounts presented above, only include assets and liabilities expressed in different currency than the functional currency used by the affiliated company. Therefore it does not represent any risk of financial statements translation. Considering the exposure above, which is considered immaterial, no sensitivity analysis is disclosed.

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 tradeoff 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.

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.

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, derivates, 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 CHANGES IN ACCOUNTING POLICIES

Impact of changes in accounting policies described in Note 1.

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, policy changes were applied retrospectively, so changes were made in the Consolidated Statements of Financial Positions as at 1 January 2011 and 31 December 2011 and in the Consolidated Income Statement and Consolidated Statement of Cash Flows for the year ended 31 December 2011. The effects of these changes can be presented as follows:

Statement of financial position at 1 January 2011

	Before change	Change in consolidation method from PROP to EQM	Restated
Total assets	**4,147,368,037**	**(24,289,874)**	**4,123,078,163**
Non-current assets	**3,028,962,898**	**(5,841,130)**	**3,023,121,768**
Investments	88,444,013	15,979,796	104,423,809
Goodwill	518,235,811	(17,788,874)	500,446,937
Other non-current assets	2,422,283,074	(4,032,052)	2,418,251,022
Current assets	**1,118,405,139**	**(18,448,744)**	**1,099,956,395**
Equity	**775,615,075**	**(56,179)**	**775,558,896**
Attributable to shareholders	700,180,295	5,909	700,186,204
Non-controlling interests	75,434,780	(62,088)	75,372,692
Total liabilities	**3,371,752,962**	**(24,233,695)**	**3,347,519,267**
Non-current liabilities	**1,765,376,569**	**(108,393)**	**1,765,268,176**
Loans	1,210,270,255	-	1,210,270,255
Other liabilities	555,106,314	(108,393)	554,997,921
Current liabilities	**1,606,376,393**	**(24,125,302)**	**1,582,251,091**
Loans	108,475,740	(3,187,378)	105,288,362
Suppliers and other liabilities	1,497,900,653	(20,937,924)	1,476,962,729
Total equity and liabilities	**4,147,368,037**	**(24,289,874)**	**4,123,078,163**

Statement of financial position at 31 December 2011

	Before change	Change in consolidation method from PROP to EQM	Restated
Total assets	**4,134,744,735**	**(11,224,365)**	**4,123,520,370**
Non-current assets	**3,004,769,431**	**(7,483,576)**	**2,997,285,855**
Investments	79,797,769	13,497,230	93,294,999
Goodwill	517,042,098	(17,807,611)	499,234,487
Other non-current assets	2,407,929,564	(3,173,195)	2,404,756,369
Current assets	**1,129,975,304**	**(3,740,789)**	**1,126,234,515**
Equity	**837,996,206**	**(34,291)**	**837,961,915**
Attributable to shareholders	762,255,976	5,908	762,261,884
Non-controlling interests	75,740,230	(40,199)	75,700,031
Total liabilities	**3,296,748,529**	**(11,190,074)**	**3,285,558,455**
Non-current liabilities	**1,496,286,242**	**(65,056)**	**1,496,221,186**
Loans	912,748,107	-	912,748,107
Other liabilities	583,538,135	(65,056)	583,473,079
Current liabilities	**1,800,462,287**	**(11,125,018)**	**1,789,337,269**
Loans	380,944,864	(2,579,016)	378,365,848
Suppliers and other liabilities	1,419,517,423	(8,546,002)	1,410,971,421
Total equity and liabilities	**4,134,744,735**	**(11,224,365)**	**4,123,520,370**

Income statement for the period ended 31 December 2011

	Before change	Change in consolidation method from PROP to EQM	Restated
Turnover	4,679,163,790	(22,499,957)	4,656,663,833
Investment income	174,101	-	174,101
Other income	460,185,514	(2,022,164)	458,163,350
Total income	5,139,523,405	(24,522,121)	5,115,001,284
Total expenses	(4,778,741,234)	25,417,693	(4,753,323,541)
	360,782,171	895,572	361,677,743
Depreciation and amortisation	(180,584,223)	495,979	(180,088,244)
Provisions and impairment losses	(25,330,166)	195,714	(25,134,452)
Profit before financial results and share of results of joint ventures and associated undertrakings	**154,867,782**	**1,587,265**	**156,455,047**
Finantial results	(74,612,598)	277,054	(74,335,544)
Share of results of joint ventures and associated	(4,890,066)	(2,482,565)	(7,372,631)
Profit before taxation	**75,365,118**	**(618,246)**	**74,746,872**
Taxation	(13,229,713)	639,137	(12,590,576)
Profit/(Loss) after taxation	**62,135,405**	**20,891**	**62,156,296**
Attributable to shareholders	**63,798,214**		**63,798,214**
Non-controlling interests	**(1,663,809)**	**21,891**	**(1,641,918)**
Profit/(Loss) per share			
Basic	**0.070887**	**-**	**0.070887**
Diluted	**0.070887**	**-**	**0.070887**

Statement of cash flows for the period ended 31 december 2011

	Before change	Change in consolidation method from PROP to EQM	Restated
Cash flows from operating activities	299,744,019	(2,706,346)	297,037,673
Cash flows from investing activities	(95,361,725)	11,062,419	(84,299,306)
Cash flows from financing activities	(152,471,219)	(8,778,973)	(161,250,192)
Variation of cash and cash equivalents	**51,911,075**	**(422,900)**	**51,488,175**

The impacts on the Statement of comprehensive income for 31 December 2011 are immaterial.

5 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The subsidiaries included in the consolidated financial statements, its head offices and percentage of capital held as at 31 December 2012 and 31 December 2011 are as follows:

			Percentage of capital held			
			31 December 2012		31 December 2011	
COMPANY		Head Office	Direct	Total	Direct	Total
Sonae Investimentos- SGPS, S.A.		Matosinhos	HOLDING	HOLDING	HOLDING	HOLDING
Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
BB Food Service, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Bom Momento - Restauração, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Carnes do Continente - Industria e Distribuição Carnes, SA	a)	Santarém	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%

Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Discovery Sports, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Edições Book.it, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Estevão Neves - Hipermercados da Madeira, SA	a)	Funchal	100.00%	100.00%	100.00%	100.00%
Farmácia Selecção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fozmassimo - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	54.55%	54.55%	54.55%	54.55%
Fundo de Investimento Imobiliário Fechado Imosonae Dois	a)	Maia	99.89%	99.89%	99.94%	99.94%
Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Infofield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalloop – Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modelo.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

	Peixes do Continente - Indústria e Distribuição de Peixes, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Predicomercial - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	SDSR – Sports Division SR, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Socijofra - Sociedade Imobiliária, SA	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
	Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sonae MC- Modelo Continente, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonaecenter Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonaegest- Sociedade Gestora de Fundos de Investimento, SA	a)	Maia	60.00%	60.00%	60.00%	60.00%
	Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonvecap, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sport Zone Canarias, SL,	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
	Sport Zone España- Comércio de Articulos de Deporte, SL	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sport Zone Sport Maiz.Per.Satis Ith.Ve Tic Ltd Sti	a)	Istambul (Turquey)	100.00%	100.00%	100.00%	100.00%
	Textil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
	Tlantic Portugal- Sistemas de Informação, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	100.00%	100.00%	100.00%

Todos os Dias - Com. Ret. Expl. C. Comer., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten Canarias, SL,	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
Worten Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten España Distribución, SL	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Zippy – Comércio e Distribuição, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Zippy Cocuk Maiz.Dag.ITH.Ve Tic Ltd, Sti	a)	Istambul (Turquey)	100.00%	100.00%	100.00%	100.00%
ZYEvolution- Investig.e Desenvolvimento, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

a) Control held by majority of voting rights;

b) Control held by management control.

1) Ex- Sport Zone – Comércio de artigos de Desporto, SA.

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

6 JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

Jointly controlled companies and associated companies, their head offices and the percentage of share capital held as at 31 December 2012 and 2011 are as follows:

			Percentage of capital held				Book value	
			31 December 2012		31 December 2011 Restated			
	Company	Head Office	Direct	Total	Direct	Total	31 December 2012	31 December 2011 Restated
1)	Raso SGPS, SA (consolidated)	Lisbon	50.00%	50.00%	50.00%	50.00%	10,716,070	13,497,230
	Investments in joint ventures						10,716,070	13,497,230
	MDS SGPS, SA (consolidated)	Maia	46.92%	46.92%	46.92%	46.92%	49,205,951	43,099,957
	Mundo VIP	Lisbon	33.34%	33.34%	33.34%	33.34%	-	1,101,337
	Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	897,831	982,502
	Investment in associated companies						50,103,782	45,183,796
	Total						121,639,704	117,362,053

1) Jointly controlled companies included by the proportionate consolidation method in 2011 (Note 4).

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

During the periods ended as at 31 December 2012 and 2011 movements in Investments in jointly controlled companies and associated companies are made up as follows:

	31 December 2012			31 December 2011 Restated		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Investments in associated companies						
Initial balance as at January,1	14,160,562	44,520,464	58,681,026	25,365,827	44,501,727	69,867,554
Change of consolidation method	-	-	-	(466,552)	-	(466,552)
Equity method:	-	-	-	-	-	-
Effect in net income	1,014,532	-	1,014,532	(7,391,368)	18,737	(7,372,631)
Distributed dividends	(99,002)	-	(99,002)	(513,371)	-	(513,371)
Exchange differences arising on translation of	-	-	-	-	-	-
Other effects on reserves	2,324,633	-	2,324,633	(2,833,974)	-	(2,833,974)
	17,400,725	44,520,464	61,921,189	14,160,562	44,520,464	58,681,026
Accumulated impairment losses (Note 31)	688,417	(1,789,754)	(1,101,337)	-	-	-
	18,089,142	42,730,710	60,819,852	14,160,562	44,520,464	58,681,026

The effect on equity is mainly the result of currency translation figures of companies with functional currencies different from euro.

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

	31 December 2012	31 December 2011 Restated
Total Assets	225,287,951	228,210,590
Total Liabilities	150,484,873	161,577,360

	31 December 2012	31 December 2011 Restated
Income	153,531,294	180,988,713
Expenses	164,705,593	196,027,167

7 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 31 December 2012 and 2011 are as follows:

		Percentage of capital held				Book value	
		31 December 2012		31 December 2011 Restated			
Company	Head Office	Direct	Total	Direct	Total	31 December 2012	31 December 2011 Restated
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Other investments						33,847,325	33,855,800
						34,605,498	34,613,973

Under the caption other non-current investments there is an amount of 33,716,476 euro (33,737,856 euro as at 31 December 2011 in the caption “Investments in current assets”), related to deposited amounts on an Escrow Account which are invested in investment funds with superior rating and guarantee contractual liabilities assumed by Sonae Investimentos which may arise from the sale of Sonae Distribuição Brasil,S.A. and for which provisions were recorded when applicable (Note 31 and 32).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn’t happen as there are some points of disagreement on the use of the Escrow Account, namely as to whether or not, to retain the Escrow Account for ongoing 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 reason attends to the Company.

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.

During the periods ended as at 31 December 2012 and 2011 movements in other non-current investments are made up as follows:

	31 December 2012	31 December 2011 Restated
Investments in other companies		
Opening balance as at 1 January	34,613,973	34,496,255
Acquisitions in the period	12,905	112,500
Increase/(Decrease) in fair value	(21,380)	5,218
Closing balance as at 31 December	34,605,498	34,613,973
Accumulated impairment losses	-	-
	34,605,498	34,613,973
Financial investments advances		
Opening balance as at 1 January	-	60,000
Decreases	-	(60,000)
Closing balance as at 31 December	-	-
	34,605,498	34,613,973

8 FINANCIAL INSTRUMENTS BY CLASS

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

Financial assets	Note	Loans and accounts receivable	Available for sale	Sub-total	Sub-total	Assets not within the scope of IFRS 7	Total
As at 31 December 2012							
Non-current assets							
Other investments	7	33,717,673	889,022	-	34,605,498	-	34,605,498
Other non-current assets	13	34,338,152	-	-	34,338,152	91,662	34,429,814
		68,055,825	889,022	-	68,943,650	91,662	69,035,312
Current assets							
Trade receivables	15	31,088,175	-	-	31,088,175	-	31,088,175
Other debtors	16	51,947,177	-	-	51,947,177	-	51,947,177
Investments	12	862,387	-	30,341	892,728	-	892,728
Cash and cash equivalents	20	162,194,406	-	-	162,194,406	-	162,194,406
		246,092,145	-	30,341	246,122,486	-	246,122,486
		314,147,970	889,022	30,341	315,066,136	91,662	315,157,797
As at 31 December 2011 - restated							
Non-current assets							
Other investments	7	33,737,856	876,117	-	34,613,973	-	34,613,973
Other non-current assets	13	36,160,458	-	-	36,160,458	372,912	36,533,370
		69,898,314	876,117	-	70,774,431	372,912	71,147,343
Current assets							
Trade receivables	15	34,106,278	-	-	34,106,278	-	34,106,278
Other debtors	16	54,315,389	-	-	54,315,389	-	54,315,389
Investments	12	3,059,199	-	2,797,070	5,856,269	-	5,856,269
Cash and cash equivalents	20	253,481,201	-	-	253,481,201	-	253,481,201
		344,962,067	-	2,797,070	347,759,137	-	347,759,137
		414,860,380	876,117	2,797,070	418,533,567	372,912	418,906,479

Financial liabilities	Note	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 2012						
Non-current liabilities						
Loans	23	218,458,349	-	218,458,349	-	218,458,349
Bonds	23	532,738,392	-	532,738,392	-	532,738,392
Obligations under finance	23 and 24	9,942,240	-	9,942,240	-	9,942,240
Other loans	23	90,166	-	90,166	-	90,166
Other non-current liabilities	26	408,345,653	-	408,345,653	21,163,999	429,509,652
		1,169,574,800	-	1,169,574,800	21,163,999	1,190,738,799
Current liabilities						
Loans	23	55,175,849	-	55,175,849	-	55,175,849
Bonds	23	170,900,782	-	170,900,782	-	170,900,782
Obligations under finance	23 and 24	3,383,796	-	3,383,796	-	3,383,796
Other loans	23	33,466	953,531	986,997	-	986,997
Trade creditors	28	1,090,451,413	-	1,090,451,413	-	1,090,451,413
Other creditors	29	92,477,002	-	92,477,002	-	92,477,002
		1,412,422,308	953,531	1,413,375,839	-	1,413,375,839
		2,581,997,108	953,531	2,582,950,639	21,163,999	2,604,114,638
As at 31 December 2011- restated						
Non-current liabilities						
Loans	23	366,193,899	-	366,193,899	-	366,193,899
Bonds	23	534,322,595	-	534,322,595	-	534,322,595
Obligations under finance	23 and 24	12,105,218	-	12,105,218	-	12,105,218
Other loans	23	126,395	-	126,395	-	126,395
Other non-current liabilities	26	423,588,753	-	423,588,753	4,647,752	428,236,505
		1,336,336,860	-	1,336,336,860	4,647,752	1,340,984,612
Current liabilities						
Loans	23	7,979,618	-	7,979,618	-	7,979,618
Bonds	23	365,856,920	-	365,856,920	-	365,856,920
Obligations under finance	23 and 24	4,453,100	-	4,453,100	-	4,453,100
Other loans	23	33,466	42,744	76,210	-	76,210
Trade creditors	26	1,114,978,891	-	1,114,978,891	-	1,114,978,891
Other creditors	29	84,110,354	-	84,110,354	-	84,110,354
		1,577,412,349	42,744	1,577,455,093	-	1,577,455,093
		2,913,749,209	42,744	2,913,791,953	4,647,752	2,918,439,705

As at 31 December 2012 and 2011 the financial instruments at fair value through profit/loss are the only derivatives that do not qualify as hedging derivatives.

Financial instruments recognized at fair value

The table below details the financial instruments that are measured subsequent to initials recognition at fair value, grouped into 3 levels base on the degree to which the fair value is observable:

Level 1: fair value measurements are those derived from quoted prices;

Level 2: fair value measurements are determined from valuation techniques. The main inputs of the models are observable on the market;

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

	31 December 2012			31 December 2011 Restated		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Investments	-	30,341	-	-	2,797,070	-
	-	30,341	-	-	2,797,070	-
Financial liabilities measured at fair value		-	-	-	-	-
Derivatives	-	953,531	-	-	42,744	-
	-	953,531	-	-	42,744	-

9 TANGIBLE ASSETS

During the periods ended as at 31 December 2012 and 2011 movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Tangible assets						
	Land and Buildings	Plant and Machinery	Vehicles	Office Equipment	Others	Tangible assets in progress	Tangible Assets
Gross assets:							
Opening balance as at 1 January 2011 - restated	1,674,566,854	1,056,683,747	20,787,658	104,263,748	36,589,035	42,312,641	2,935,203,683
Capital Expenditure	5,593,940	3,488,473	98,894	706,477	332,857	141,989,028	152,209,669
Disposals	(32,973,015)	(36,654,634)	(759,655)	(7,652,685)	(1,443,112)	(894,161)	(80,377,262)
Exchange rate effect	-	(102,947)	(6,027)	(91,838)	(14,311)	-	(215,123)
Transfers	4,096,531	132,704,317	787,247	10,847,998	2,966,282	(155,344,888)	(3,942,513)
Opening balance as at 1 January 2012 - restated	1,651,284,310	1,156,118,956	20,908,117	108,073,700	38,430,751	28,062,620	3,002,878,454
Capital Expenditure	3,411,111	2,456,323	43,208	276,516	35,897	95,767,211	101,990,266
Disposals	(2,886,204)	(41,197,931)	(917,616)	(7,331,067)	(1,329,376)	(2,834,690)	(56,496,884)
Exchange rate effect	-	(134,837)	(5,821)	(67,925)	-	-	(208,583)
Transfers	1,302,116	77,163,471	696,854	4,421,017	1,595,006	(89,188,016)	(4,009,552)
Closing balance as at 31 December 2012	1,653,111,333	1,194,405,982	20,724,742	105,372,241	38,732,278	31,807,125	3,044,153,701
Accumulated depreciation and impairment losses							
Opening balance as at 1 January 2011 - restated	233,006,545	455,016,104	16,241,890	72,211,385	28,532,673	-	805,008,597
Depreciation and impairment losses	28,798,713	111,172,184	1,445,923	12,279,916	4,443,327	-	158,140,063
Disposals	(5,715,566)	(35,263,137)	(751,912)	(7,444,449)	(1,417,573)	-	(50,592,637)
Exchange rate effect	-	(60,609)	(1,265)	(41,066)	-	-	(102,940)
Transfers	(2,832)	(3,007,241)	(141,043)	(426,974)	(94,856)	-	(3,672,946)
Opening balance as at 1 January 2012 - restated	256,086,860	527,857,301	16,793,593	76,578,812	31,463,571	-	908,780,137
Depreciation and impairment losses	27,691,694	118,021,424	1,309,049	11,443,732	3,550,371	-	162,016,270
Disposals	(1,310,414)	(38,370,781)	(895,176)	(7,128,956)	(1,283,639)	-	(48,988,966)
Exchange rate effect	-	(85,103)	(2,563)	(46,388)	-	-	(134,054)
Transfers	-	(661,856)	(322,631)	(2,239,707)	(80,349)	-	(3,304,543)
Closing balance as at 31 December 2012	282,468,140	606,760,985	16,882,272	78,607,493	33,649,954	-	1,018,368,844
Carrying amount							
As at 31 December 2011 - restated	1,395,197,450	628,261,655	4,114,524	31,494,888	6,967,180	28,062,620	2,094,098,317
As at 31 December 2012	1,370,643,193	587,644,997	3,842,470	26,764,748	5,082,324	31,807,125	2,025,784,857

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

	31 December 2012	31 December 2011 Restated
Refurbishment and expansion of stores in the retail businesses located in Portugal	22,221,243	14,395,876
Refurbishment and expansion of stores in the retail businesses located in Spain	842,420	4,028,693
Projects "Modelo" and "Continente" stores for which advance payments were made	8,274,617	9,184,617
Others	468,845	453,434
	31,807,125	28,062,620

At December 2011, the value of disposals in "Tangible assets" includes 25,748,719 euro relating with the sale and leaseback transaction of company stores Continente and Worten located at Vasco da Gama Shopping Centre. The operation was followed by the beginning of an operating lease for an initial period of 20 years, automatically renewable at the option of the lessee, for two consecutive periods of 10 years each.

10 INTANGIBLE ASSETS

During the periods ended as at 31 December 2012 and 2011, movements in intangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Intangible assets					
Gross cost:	Industrial property	Software	Premium paid for property occupation	Others	Intangible assets in progress	Total Intangible Assets
Opening balance as at 1 January 2011 - restated	100,831,268	141,613,835	14,779,372	-	14,382,676	271,607,151
Capital expenditure	504,101	68,904	-	2,904,844	23,424,746	26,902,595
Disposals	(19,269)	(8,692,820)	-	-	(449,563)	(9,161,652)
Exchange rate effect	(5,778)	(46,239)	-	(25,871)	-	(77,888)
Transfers	48,451	21,607,302	-	600,000	(21,857,155)	398,598
Opening balance as at 1 January 2012 - restated	101,358,773	154,550,982	14,779,372	3,478,973	15,500,704	289,668,804
Capital expenditure	247,675	13,633	-	49,581	23,290,911	23,601,800
Disposals	(222,932)	(853,427)	(746,047)	(49,581)	(718,959)	(2,590,946)
Exchange rate effect	(3,083)	(57,944)	-	26,199	-	(34,828)
Transfers	1,024,973	15,289,988	-	(2,755,477)	(16,770,730)	(3,211,246)
Closing balance as at 31 December 2012	102,405,406	168,943,232	14,033,325	749,695	21,301,926	307,433,584
		-				
Accumulated depreciation and impairment losses						
Opening balance as at 1 January 2011 - restated	14,136,103	90,112,099	14,375,028	-	-	118,623,230
Depreciation of the period	3,714,037	17,776,289	-	457,855	-	21,948,181
Impairment losses (Note 31)	1,496,933	-	-	-	-	1,496,933
Disposals	(10,754)	(8,683,081)	-	-	-	(8,693,835)
Exchange rate effect	(160)	(17,213)	-	(2,509)	-	(19,882)
Transfers	(188,103)	144,614	-	-	-	(43,489)
Opening balance as at 1 January 2012 - restated	19,148,056	99,332,708	14,375,028	455,346	-	133,311,138
Depreciation of the period	3,305,394	18,337,274	-	60,490	-	21,703,158
Impairment losses (Note 31)	-	-	-	-	-	-
Disposals	(217,696)	(799,481)	(746,047)	(49,581)	-	(1,812,805)
Exchange rate effect	(2,101)	(25,092)	-	1,922	-	(25,271)
Transfers	20,495	(13,240)	-	(372,514)	-	(365,259)
Closing balance as at 31 December 2012	22,254,148	116,832,169	13,628,981	95,663	-	152,810,961
Carrying amount						
As at 31 December 2011 - restated	82,210,717	55,218,274	404,344	3,023,627	15,500,704	156,357,666
As at 31 de December de 2012	80,151,258	52,111,063	404,344	654,032	21,301,926	154,622,623

Intangible assets in progress were mainly composed of software and software development projects.

Additionally this heading also includes the fair value attributed to a group of brands with indefinite useful lives among which the "Continente" brand amounts to 75,000,000 euro (the same amount as at December 2011).

11 GOODWILL

During the periods ended 31 December 2012 and 2011, movements in goodwill as well as in the corresponding impairment losses, are as follows:

	31 December 2012	31 December 2011 Restated
Gross value:		
Opening balance	501,821,164	501,821,164
Increases	-	-
Closing balance	501,821,164	501,821,164
Accumulated impairment losses:		
Opening balance	2,586,677	1,374,227
Increases	-	1,212,450
Closing balance	2,586,677	2,586,677
Carrying amount:	499,234,487	499,234,487

Goodwill is allocated to each business segment, Food based retail and Specialised retail, being afterwards distributed by each homogenous group of cash generating unit, namely to each insignia within each segment, and each of the properties in case of Retail real estate segment.

Goodwill allocation to real estate is done by each existing real-estate at acquisition date.

Impairment tests on Goodwill are performed on an annual basis and if there is any indication of impairment loss.

For this purpose each retail segment, Specialised and Food, uses the result of the 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 properly supported detailed 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 case scenarios are elaborated with an average cost of capital and with a growth rate of cash-flows in perpetuity that can be detailed as follows:

	31 December 2012			31 December 2011 Restated		
	Average capital cost	Growth rate in perpetuaty	Compound growth rate sales*	Average capital cost	Growth rate in perpetuaty	Compound growth rate sales*
Food based retail	9% to 10%	≤ 1%	3%	9% to 10%	≤ 1%	5%
Specialised retail	9% to 11%	≤ 1%	10%	9% to 11%	≤ 1%	16%
Investment management	8% to 10%	≤ 1,5%	5%	8% to 9%	≤ 1,5%	9%

* Specialized retail operating segment compound sales growth rates considered in case scenarios correspond to compound rates for a period of 5 years in 2011 and for a period of 10 years in 2012.

The recoverable value of cash generating units except on the specialised retail formats, 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 specialised retail formats are based on its value in use, obtained from business plans with projection periods of 10 years. In comparison with 2011, the projection periods suffered an increase of 5 to 10 years, assuming that it is the most realistic and appropriate term for the implementation of the internationalization strategy of Sonae in the specialized retail segment, taking into account not only the nature of the products in this business (more discretionary in character) but also current macro-economic conditions and the limited access to new financing, which limit a faster internationalization process.

At 31 December 2012 and 2011, the caption "Goodwill" can be detailed as follows:

	31 December 2012	31 December 2011 Restated
Food based retail	429,826,294	429,826,294
Specialised retail	62,030,352	62,030,352
Investment management	3,096,074	3,096,074
Retail Real Estate	4,281,767	4,281,767
	499,234,487	499,234,487

12 OTHER INVESTMENTS

As at 31 December 2012 and 2011 this caption is made up as follows:

	31 December 2012	31 December 2011 Restated
Other investments:		
Opening balance as at 1 January	3,059,199	15,185,750
Increases in the period	189	-
Decreases in the period	(2,197,001)	(12,126,551)
Closing balance as at 31 December	862,387	3,059,199
Accumulated impairment losses	-	-
Closing balance as at 31 December	862,387	3,059,199
Derivative financial instruments		
Fair value as at 1 January	2,797,070	457,159
Increase/(Decrease) in fair value	(2,766,729)	2,339,911
Fair value as at 31 December (Note 25)	30,341	2,797,070
Total of Other Investments (Note 8)	892,728	5,856,269

The decreases under "other investments" relates to the reimbursement of a financial investment made by a Brazilian subsidiary (Note 44).

13 OTHER NON-CURRENT ASSETS

As at 31 December 2012 and 2011, "Other non-current assets" are detailed as follows:

	31 December 2012	31 December 2011 Restated
Loans granted to related parties	18,976,002	17,935,689
Accumulated impairment losses in loans granted to related parties (Note 31)	(1,000,000)	-
	17,976,002	17,935,689
Trade accounts receivable and other debtors		
Bails (a)	5,919,711	5,962,373
Legal deposits (b)	973,963	851,831
Recognition of the value to be received Carrefour (c)	9,468,476	10,595,846
Amount receivable for selling the Modelo Cont.Seguros	2,344,124	2,264,719
	36,682,276	37,610,458
Accumulated impairment losses in other debtors (Note 31)	(2,344,124)	(1,450,000)
Total financial instruments (Note 8)	34,338,152	36,160,458
Other non-current assets	91,662	372,912
	34,429,814	36,533,370

Loans granted to related parties mainly refer to MDS SGPS, SA (17,971,001 euro). These loans bear interests at usual 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 “Trade accounts receivable and other debtors” refer to:

a) Amounts related with guarantees of lease contracts in group stores located in Spain, which have not matured until 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 agreements signed in 2005 by former subsidiary - Sonae Distribuição Brazil, SA (sold to Wal-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae Investimentos assumed the responsibility to compensate Carrefour for the expenses that would arise from the 10 stores licensing process in the Brazilian state of São Paulo that were sold to that entity. During 2010, Carrefour triggered a bank warranty "on first demand" amounting to 25,340,145.80 Brazilian real (approximately 9.5 million euro) for alleged expenses incurred with the mentioned stores and that allegedly, arose from the need to remedy deficiencies cited by competent authorities for the licensing process. However no evidence of those expenses was presented to Sonae, or proof of necessity of carrying out such costs for the licensing process as established on the mentioned agreement.

It is the understanding of the Board of Directors and the Group attorneys that the amount paid will be recovered. The company has already started the legal proceedings against Carrefour Comércio e Indústria, Ltda. to recover the above mentioned amount. It’s the Board of Directors and the Group attorneys understanding that the amount is recoverable, since Carrefour has never proved the existence of the costs that it claims and which validate the usage of the above mentioned warranty, or through the warranty expiration date (according with Brazilian law).

According to Group attorneys, the amount improperly received by Carrefour for which a reimbursement will be requested (25,340,145.80 Brazilian real), will earn interests at the SELIC rate, and it is the Board of Directors understanding that the legal proceedings will last up to 7 years.

14 INVENTORIES

As at 31 December 2012 and 2011, Inventories are as follows:

	31 December 2012	31 December 2011 Restated
Raw materials and consumables	831,499	792,692
Goods for sale	566,507,747	675,404,570
Finish and intermediate goods	318,157	707,206
Work in progress	187,377	455,467
	567,844,780	677,359,935
Accumulated impairment losses on Inventories (Note 31)	(43,160,752)	(33,972,326)
	524,684,028	643,387,609

Cost of goods sold as at 31 December 2012 and 2011 may be detailed as follows:

	31 December 2012	31 December 2011 Restated
Opening balance	676,197,262	684,823,337
Exchange rate effect	7,956	(12,045)
Purchases	3,390,646,639	3,538,597,812
Adjustments	(9,441,666)	(9,944,218)
Closing balance	567,339,246	676,197,262
	3,490,070,945	3,537,267,624
Accumulated impairment losses on Inventories (Note 31)	16,459,784	16,821,329
Reversal of impairment losses (Note 31)	(7,280,572)	(3,515,858)
	3,499,250,157	3,550,573,095

The amounts recorded under “Adjustments” for the years ended 31 December 2012 and 2011 correspond mainly to charitable contributions to community.

15 TRADE ACCOUNTS RECEIVABLE

As at 31 December 2012 and 2011, trade accounts receivable are detailed as follows:

	31 December 2012	31 December 2011 Restated
Trade accounts receivable	31,787,666	34,613,139
Doubtful receivables	2,693,857	3,787,894
	34,481,523	38,401,033
Accumulated impairment losses on Trade Debtors (Note 31)	(3,393,348)	(4,294,755)
	31,088,175	34,106,278

Current trade accounts receivable caption includes 13,773,931 euro (13,383,336 euro as at 31 December 2011), related to gross sales to participated companies.

The values presented above mainly refer to debts originated by Sonae Investimentos operational activity. The amounts presented on the face of the statement of financial position are net of impairment losses, do not bear interests and the discount effect is immaterial. As a result, amounts disclosed are considered to reflect their fair value.

As at 31 December 2012 and 2011, the ageing of the trade receivables is as follows:

	Trade Receivables	
	31 December 2012	31 December 2011 Restated
Not due	11,931,338	11,802,120
Due but not impaired		
0 - 90 days	17,055,767	18,293,482
+ 90 days	1,618,094	2,705,434
Total	18,673,861	20,998,916
Due and impaired		
0 - 90 days	504,507	680,415
90 - 180 days	13,690	677,656
180 - 360 days	87,786	187,768
+ 360 days	3,270,341	4,054,158
Total	3,876,324	5,599,997
	34,481,523	38,401,033

The trade accounts receivable not due, do not present any sign of impairment. The amounts disclosed are considered to reflect their fair value.

16 OTHER DEBTORS

As at 31 December 2012 and 2011, "Other debtors" are as follows:

	31 December 2012	31 December 2011 Restated
Granted loans to related companies	8,423,538	4,873,563
Other debtors		
Trade suppliers - debtor balances	30,578,619	43,161,142
Credit sales over third parties	1,389,623	821,441
Special regime for settlement of tax and social security debts	12,047,569	12,047,568
VAT recoverable on real estate assets	1,143,779	444,020
Accounts receivable from the disposal of tangible fixed assets	915,522	884,811
Other current assets	11,882,482	12,123,855
	57,957,594	69,482,837
Accumulated impairment losses (Note 31)	(14,433,955)	(20,041,011)
Total of Financial Instruments (Note 8)	51,947,177	54,315,389

Granted loans to related companies (mainly refers to the loan granted to Raso, SGPS, SA for 7,800,000 euro) bear interests at market rates, do not have defined maturity but are deemed to be received within 12 months.

As at 31 December 2012, the amounts disclosed as 'Trade suppliers - debtor balances' relates to commercial discounts billed to suppliers to be net settled with future purchases.

The amount disclosed as “Special regime for settlement of tax and social security debts” corresponds to taxes which were disputed and subject to reimbursement claims. The Board of Directors is confident of the arguments presented by the Group and expects court decisions to be in favor of the Group. As a result, Sonae Investimentos hasn´t recorded any related impairment losses.

As at 31 December 2012 and 2011, the "Other debtors" ageing, without impairment losses, is as follows:

	Other Debtors	
	31 December 2012	31 December 2011 Restated
Not due	24,551,147	25,209,069
Due but not impaired		
0 - 90 days	24,332,901	25,630,700
+ 90 days	3,400,882	3,009,549
Total	27,733,783	28,640,249
Due and impaired		
90 - 180 days	1,371,983	1,567,390
180 - 360 days	850,540	1,485,274
+ 360 days	11,873,679	17,454,418
Total	14,096,202	20,507,082
	66,381,132	74,356,400

There is no indication that the debtors not due will not fulfill 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 2012 and 2011, Taxes recoverable and taxes and contributions payable are made up as follows:

	31 December 2012	31 December 2011 Restated
Tax recoverable		
Income taxation	31,515,112	28,621,366
VAT	30,716,891	51,658,033
Other taxes	1,594,927	1,779,927
	63,826,930	82,059,326
Taxes and contributions payable		
Income taxation	7,187,745	9,755,684
VAT	25,994,486	19,937,747
Staff income taxes withheld	4,443,734	4,596,973
Social security contributions	10,139,559	9,975,414
Other taxes	101,157	15,849
	47,866,681	44,281,667

18 OTHER CURRENT ASSETS

As at 31 December 2012 and 2011, "Other current assets" are made up as follows:

	31 December 2012	31 December 2011 Restated
Commercial Discounts	30,490,883	29,495,919
Interests to be received	1,141,142	1,231,765
Commissions to be received	1,926,548	1,784,827
Rents	6,687,441	6,728,908
Condominiums management fee's	1,490,358	1,823,876
Insurance premiums paid in advance	5,076,606	3,610,428
Claims	7,423,141	103,175
Software Licenses	1,460,671	1,621,862
Other current assets	8,468,485	5,907,345
	64,165,275	52,308,105

The caption "Commercial discounts" refers to promotional campaigns carried out in the stores and reimbursed by Sonae suppliers. Due to the payment agreements established with them, the amounts involved still haven´t been billed.

The caption "Insurance indemnities" reflects the best estimate, of Sonae investimentos, of the amount to be recovered from insurance institutions regarding a fire at one of "Continente" stores in Portimão in September 2012.

19 DEFERRED TAX

Deferred tax assets and liabilities as at 31 December 2011 and 2010 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Difference between fair value and acquisition cost	3,779,408	3,408,306	30,285,857	30,041,386
Harmonisation adjustments	117,928	82,760	71,619,715	63,532,275
Provisions and impairment losses not accepted for tax purposes	19,872,171	18,390,916	-	-
Write off of tangible and intangible assets	3,340,298	4,917,983	-	-
Valuation of hedging derivatives	107,198	9,426	48,946	582,921
Amortisation of Goodwill for tax purposes	-	-	23,732,055	22,336,051
Revaluation of tangible assets	-	-	1,727,983	1,835,383
Tax losses carried forward	93,593,647	89,372,529	-	-
Reinvested capital gains/(losses)	-	-	1,000,609	1,197,663
Others	2,304,700	1,585,096	1,698,810	385,633
	123,115,350	117,767,016	130,113,975	119,911,312

During the periods ended 31 December 2012 and 2011, movements in "Deferred tax assets and liabilities" are as follows:

	Deferred tax assets		Deferred tax liabilities	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Opening balance	117,767,016	97,680,391	119,911,312	108,129,814
Effects in net income (Note 41):				
Difference between fair value and acquisition cost	376,452	762,990	(747,757)	94,917
Amortisation and Depreciation harmonisation adjustments	14,459	(799)	5,531,889	7,429,840
Provisions and impairment losses not accepted for tax purposes	1,142,804	11,972,446	-	-
Write-off of tangible and intangible assets	(1,610,592)	(1,322,205)	-	-
Write-off of deferred costs	-	-	1,146,785	-
Valuation of hedging derivatives	-	(306)	-	-
Revaluation of tangible assets	-	-	(142,945)	(128,422)
Tax losses carried forward	4,221,118	7,623,167	-	-
Amortisation of Goodwill for tax purposes	-	-	1,396,003	1,396,003
Reinvested capital gains/(losses)	-	-	(205,410)	(141,278)
Changes in tax rates	734,663	939,076	3,640,629	2,294,476
Others	336,943	105,557	166,392	328,499
	5,215,847	20,079,926	10,785,586	11,274,034
Effects in equity:			-	
Valuation of hedging derivatives	130,612	(836,526)	(574,230)	516,377
Exchange rate effect	-	-	(8,693)	(8,913)
Others	1,875	843,225	-	-
	132,487	6,699	(582,923)	507,464
Closing balance	123,115,350	117,767,016	130,113,975	119,911,312

As at 31 December 2012 and 2011, in Portuguese companies, the tax rate used to calculate the deferred tax assets arising from tax losses carried forward was 25%. For deferred tax assets arising from temporary differences, the rate used was 26.5%, increased by approximately 3% for companies in which the tax surplus payment is expected in the periods of the reversal of related associated deferred taxes. For companies or branches located in other countries were used rates applicable in each jurisdiction.

As at 31 December 2012 and 2011, 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 2012			31 December 2011 Restated		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2007	1,223,112	305,778	2013	1,223,112	305,778	2013
Generated in 2008	1,219,236	304,808	2014	1,227,861	306,965	2014
Generated in 2009	3,523	881	2015	1,607,078	401,769	2015
Generated in 2010	99,670	24,918	2014	99,670	24,918	2014
Generated in 2011	286,255	71,564	2015	351,258	87,814	2015
Generated in 2012	87,055	21,764	2017	-	-	
	2,918,851	729,713		4,508,979	1,127,244	
With a time limit different from the above mentioned (a)	309,546,450	92,863,934		294,183,253	88,245,285	
	312,465,301	93,593,647		298,692,232	89,372,529	

(a) Includes, as at 31 December 2012, 76 million euro (72 million euro as at 31 December 2011) related to deferred tax assets for which the carry forward period hasn't started.

As at 31 December 2012 and 2011, 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.

In the year ended 31 December 2008, deferred tax assets were recorded amounting to approximately 18.3 million euro (18.2 million euro as at 31 December 2011), in the Specialised Retail operating segment, relating to tax losses of the subsidiary Worten España, SA, generated during the year and in previous years, of which 11.8 million euro, the same amount in 31 December 2011, are related to tax losses generated prior to the acquisition date, and so affecting the calculation of the negative goodwill computed at that date. In subsequent financial years deferred tax assets were recorded relating to tax losses generated in the amount of 17.6 million euro (27.2 million euro in 2011) in Worten España, SA and 2.4 million euro (4.2 million euro in 2011) in Zippy España, SA recorded in Spanish income tax Group, as mentioned in the next paragraph. Additionally deferred tax assets of 14.2 million euro (14.2 million euro in 2011) were recorded by Sport Zone España, SA. The deferred tax assets are supported by the companies business plans that estimate it's fully recoverability. In Sport Zone España, SA the reporting period of tax losses is 18 years and for the rest of the Spanish companies mentioned above the carry forward period is not yet defined. It's the Board of Directors understanding that such deferred tax assets are fully recoverable.

As at 31 December 2012 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch, amount to 57.7 million euro (54.1 million euro as at 31 December 2011). 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 2012 and 2011, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies. It is the understanding of The Board of Directors, based on existing business plans, for that the mentioned deferred tax assets are recoverable.

The recoverability of the deferred tax assets mentioned above, regarding Sonae operations in Spain, is conditioned by the fulfillment of the 10 year business plans, approved by the Board of Directors for those markets which assume an increase in sales growth after 2016, as well as in the number of stores. These plans were also used in the impairment analysis of goodwill and other non-current assets.

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

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

2008, amount to 79.1 million euro (74.5 million euro as at 31 December 2011). The company maintains recorded, related to this subject, deferred tax assets and deferred tax liabilities amounting to 23.7 million euro (22.3 million euro in December 2011).

As at 31 December 2012, there were tax losses carried forward, amounting to 54.7 euro (30.4 euro as at December 2011), for which no deferred tax asset were recognized for prudential reasons. These may be summarized as follows:

	31 December 2012			31 December 2011 Restated		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2006	-	-	2012	292,997	73,250	2012
Generated in 2007	60,805	15,202	2013	375,767	93,943	2013
Generated in 2008	3,135,429	783,858	2014	3,549,398	887,350	2014
Generated in 2009	5,302,815	1,325,703	2015	5,302,815	1,325,703	2015
Generated in 2010	5,386,907	1,346,727	2014	5,386,907	1,346,727	2014
Generated in 2011	4,292,265	1,073,066	2015	4,022,212	1,005,553	2015
Generated in 2012	3,557,841	889,460	2017	-	-	
	21,736,062	5,434,016		18,930,096	4,732,526	
Without limited time use	11,625,306	3,952,604		11,305,988	3,844,036	
With a time limit different from the above mentioned	21,316,027	6,394,808		190,967	38,193	
	54,677,395	15,781,428		30,427,051	8,614,755	

20 CASH AND CASH EQUIVALENTS

As at 31 December 2012 and 2011, cash and cash equivalents are as follows:

	31 December 2012	31 December 2011 Restated
Cash at hand	6,964,521	6,908,592
Bank deposits	115,130,218	246,560,909
Treasury applications	40,099,667	11,700
Cash and cash equivalents on the balance sheet (Note 8)	162,194,406	253,481,201
Bank overdrafts (Note 23)	(13,211,964)	(4,393,974)
Cash and cash equivalents on the statement of cash flows	148,982,442	249,087,227

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

21 SHARE CAPITAL

As at 31 December 2012, 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 2012 and 2011, the company's subscribed share capital are held as follows:

Entity	31 December 2012	31 December 2011
Sonae, SGPS, S.A.	76.856%	76.858%
Sonae Investments, BV	13.142%	13.142%
Sonae Specialized Retail, SGPS, SA	10.000%	10.000%
Libra Serviços, Lda	0.002%	-

As at 31 December 2012, Efanor Investimentos, SGPS, S.A. and its subsidiaries held 52.48% of the share capital of Sonae, SGPS, S.A.

As at 31 December 2012, 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. The distribution of this reserve depends on the termination or disposal of the treasury shares.

22 NON-CONTROLLING INTERESTS

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

	31 December 2012	31 December 2011 Restated
Opening balance as at 1 January	75,700,031	75,372,692
Dividends	(157,074)	-
Income distribution	(6,015,675)	-
Acquisition/Creation of subsidiaries	-	466,285
Capital increase with decrease of percentage	-	1,276,562
Increase of capital and premium on subsidiaries	1,166,629	-
Disposal of subsidiaries	-	175,515
Optional entries of capital	15,000,000	-
Others	22,482	50,895
Profit for the period attributable to non-controlling interests	(24,570)	(1,641,918)
Closing balance as at 31 December	85,691,823	75,700,031

23 BORROWINGS

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

	31 December 2012		31 December 2011 Restated	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Distribuição, SGPS, S.A. - commercial paper	28,500,000	147,500,000	-	282,000,000
Subsidiary of Sonae Investimentos	10,000,000	65,000,000	-	75,000,000
Others	3,500,038	6,500,345	3,593,311	10,000,385
	42,000,038	219,000,345	3,593,311	367,000,385
Bank overdrafts (Note 20)	13,211,964	-	4,393,974	-
Up-front fees beard with the issuance of loans	(36,153)	(541,996)	(7,667)	(806,486)
Bank loans	55,175,849	218,458,349	7,979,618	366,193,899
Bonds				
Bonds Modelo Continente / 2005 / 2012	-	-	150,000,000	-
Bonds Modelo Continente / 2007 / 2012	-	-	200,000,000	-
Bonds Sonae Distribuição / 2007 / 2015	-	200,000,000	-	200,000,000
Bonds Sonae Distribuição / 2007 / 2015	155,000,000	155,000,000	-	310,000,000
Bonds Sonae Distribuição / 2009 / 2014	16,000,000	10,000,000	16,000,000	26,000,000
Bonds Sonae Distribuição / 2012 / 2017	-	170,000,000	-	-
Up-front fees bearded with the issuance of loans	(99,218)	(2,261,608)	(143,080)	(1,677,405)
Bonds	170,900,782	532,738,392	365,856,920	534,322,595
Other loans	33,466	90,166	33,466	126,395
Derivative instruments (Note 25)	953,531	-	42,744	-
Other loans	986,997	90,166	76,210	126,395
Obligations under finance leases (Note 24)	3,383,796	9,942,240	4,453,100	12,105,218
	230,447,424	761,229,147	378,365,848	912,748,107

The interest rate as at 31 December 2012 of bonds and loans was on average 2.50% (2.51% as at 31 December 2011). The fair value of these loans is estimated to be similar to their book value.

The derivative instruments are recorded at fair value (Note 25).

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

	31 December 2012		31 December 2011 Restated	
	Capital	Interests	Capital	Interests
N+1	229,629,264	23,864,734	378,473,851	24,679,828
N+2	58,633,624	20,402,608	186,845,604	16,061,871
N+3	417,084,216	18,556,579	238,114,232	10,886,427
N+4	190,541,370	11,241,470	379,551,343	9,635,346
N+5	96,149,353	3,045,007	107,985,347	1,261,160
After N+5	1,624,188	36,717	2,735,472	112,764
	993,662,015	77,147,115	1,293,705,849	62,637,396

The maturities above were estimated in accordance with the contractual terms of loans, which do not have any financial covenants.

As at 31 December 2012 there are financial covenants included in borrowing agreements agreed in accordance with market conditions. As at 31 December 2012, none of the above mentioned covenants has been breached and it is the Board of Directors expectation that such covenants will not be breached.

As at 31 December 2012 and 2011, the available credit facilities are as follows:

	31 December 2012		31 December 2011 Restated	
	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	188,763,449	400,000,000	241,249,073	203,000,000
Agreed credit facilities	230,260,000	547,500,000	242,760,000	485,000,000

24 OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2012 and 2011, Obligations under finance leases are as follows:

Obligations under finance leases	Minimum finance lease payments		Present value of minimum finance lease payments	
Amounts under finance leases:	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
N+1	4,086,651	4,861,728	3,383,796	4,453,100
N+2	2,353,514	2,468,617	2,068,705	1,998,236
N+3	2,810,048	2,862,875	2,573,476	2,491,588
N+4	2,811,104	2,833,938	2,684,923	2,573,475
N+5	829,448	2,829,879	793,402	2,684,923
After N+5	1,588,707	2,430,107	1,821,734	2,356,996
	14,479,472	18,287,144	13,326,036	16,558,318
Interests	(1,153,436)	(1,728,833)		
	13,326,036	16,558,311		
Current obligations under finance leases			3,383,796	4,453,100
Non-current obligations under finance leases			9,942,240	12,105,218

Lease agreements bear interests at usual market rates and have defined contracted lines and, generally, the lessee has call options over the leased assets.

As at 31 December 2012 and 2011, 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 2012 and 2011, the net value of assets acquired under finance leases can be detailed as follows:

	31 December 2012	31 December 2011 Restated
Assets acquired under finance leases		
Lands and buildings	17,150,194	17,477,577
Plant and Machinery	937,117	1,096,532
Fixture and Fittings	5,425,716	8,914,453
Total tangible assets	23,513,027	27,488,562

As at 31 December 2012 the acquisition cost of Tangible assets amounted to 36,552,269 euro (38,727,397 euro as at 31 December 2011).

25 DERIVATIVES

Exchange rate derivatives

In what concerns financial risk management policy, Sonae Investimentos uses exchange rate derivatives, essentially to hedge future cash flows.

As at 31 December 2012, the fair value of the exchange rate derivatives, calculated taking into consideration the present market value of equivalent financial instruments, is estimated as follows:

	31 December 2012	31 December 2011 Restated
Assets (Note 12)	30,341	2,797,070
Liabilities (Note 23)	(953,531)	(42,744)
	(923,190)	2,754,326

Gains and losses for the year arising from changes in the fair value of exchange rate derivatives amounting to (923,190) euro (2,754,325 euro as at 2011) were recorded under the caption "Hedging Reserve" of Comprehensive Income, when considered hedging instruments and in income statement under the caption "Other expenses" when not.

Interest rate derivatives

As at 31 December 2012, the Group had no interest rate derivatives.

26 OTHER NON-CURRENT LIABILITIES

As at 31 December 2012 and 2011 "Other non-current liabilities" are made up as follows:

	31 December 2012	31 December 2011 Restated
Shareholders loans	404,631,259	419,530,355
Fixed assets suppliers	1,137,500	1,187,500
Other non-current liabilities	2,576,894	2,870,898
Total of financial instruments (Note 8)	408,345,653	423,588,753
Share based payments (Note 27)	2,655,169	1,378,150
Extended warranties	14,550,263	-
Accruals and deferrals	3,958,567	3,269,602
Other non-current liabilities	429,509,652	428,236,505

The caption "Shareholders loans" includes:

-A subordinate bond loan, with a fixed interest rate, repayable after 10 years issued by Sonae Investimentos fully subscribed. This loan was fully subscribed and paid for by Sonae SGPS, SA on 28 December 2010, amounting to 400 million euro corresponding to 8,000 bonds with a nominal value of 50,000 euro each. The fair value of this loan on 31 December 2012 is 42,606 euro (40,000 euro as at 31 December 2011) per obligation having been determined based on discounted cash flows method;

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

As at 31 December 2012, the caption "Other non-current liabilities" includes 797.645 euro (892,617 euro as at 31 December 2011) mainly refers to the estimated amounts to fulfil the legal and tax obligations of a Brazilian subsidiary which were considered appropriate to face up to future losses on lawsuits and for which legal deposits exist, which are recorded under the caption "Other non-current assets" (Note 13), with no defined maturity.

27 SHARE BASED PAYMENTS

In 2012 and in previous years, Sonae Investimentos granted deferred performance bonuses to its directors and eligible employees based on shares to be acquired at nil 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. The period of rights only occurs if the employee is employed by the company of the Sonae Group at maturity.

As at 31 December 2012 and 2011, the market value of total liabilities and the number of shares, arising from share-based payments may be summarised as follows:

	Grant year	Vesting year	Number of participants	Number of shares: 31 December 2012	Number of shares: 31 December 2011 Restated	Fair Value: 31 December 2012	Fair Value: 31 December 2011 Restated
Shares							
	2009	2012	49	-	4,963,645	-	2,212,536
	2010	2013	51*	729,799	3,158,886	501,372	1,449,929
	2011	2014	52	3,131,398	2,876,872	2,151,270	1,320,484
	2012	2015	52	5,079,345	-	3,489,510	-
Total				8,940,542	10,999,403	6,142,152	4,982,949

* In December 2012, some Group companies paid this plan in advanced;

As at 31 December 2012 and 2011 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan:

	31 December 2012	31 December 2011 Restated
Staff costs	3,417,392	336,832
Recorded in previous years	(260,851)	2,994,884
	3,156,541	3,331,716
Other non-current liabilities (Note 26)	2,655,169	1,378,150
Other current liabilities (Note 30)	501,372	1,953,566
	3,156,541	3,331,716

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 2012 and 2011, Trade creditors are as follows:

		Payable to	
	31 December 2012	up to 90 days	More than 90 days
Trade creditors - current account	992,543,104	991,172,382	1,370,722
Trade creditors - Invoice Accruals	97,908,309	97,908,309	-
	1,090,451,413	1,089,080,691	1,370,722

		Payable to	
	31 December 2011 Restated	up to 90 days	More than 90 days
Trade creditors - current account	1,007,616,544	1,007,057,734	558,810
Trade creditors - Invoice Accruals	107,362,347	107,362,347	-
	1,114,978,891	1,114,420,081	558,810

As at 31 December 2012 and 2011 this caption 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.

Trade creditors' maturity can be detailed as follows:

	31 December 2012	31 December 2011 Restated
Total Trade creditors	1,090,451,413	1,114,978,891
up to 90 days		
Euro	1,089,080,691	1,114,420,081
% over Total	99.9%	99.9%
More than 90 days	1,370,722	558,810

The total amount payable has almost entirely a maturity of less than 90 days.

During the year 2010 was made available to a very limited number of suppliers a "confirming" program payments system, being those trade creditors capable of discounting these payments in an early date. As at 31 December 2012, the debts amount to 71,680,001 euro (59,296,644 euro as at 31 December 2011).

29 OTHER CREDITORS

As at 31 December 2012 and 2011, "Other creditors" are as follows:

		Payable to		
	31 December 2012	up to 90 days	90 to 180 days	More than 180 days
Fixed asset suppliers	49,507,973	48,289,734	770,919	447,319
Other debtors	42,591,281	36,464,908	34,687	6,091,686
	92,099,254	84,754,642	805,606	6,539,005
Related undertakings	377,748			
	92,477,002			

	31 December 2011 Restated	Payable to		
		up to 90 days	90 to 180 days	More than 180 days
Fixed asset suppliers	43,161,637	42,029,154	575,717	556,766
Other debtors	40,476,516	33,691,609	22,441	6,762,466
	83,638,153	75,720,763	598,158	7,319,232
Related undertakings	472,201			
	84,110,354			

The caption "Other debtors" includes:

- 22,632,350 euro (19,209,200 euro as at 31 December 2011) of attributed discounts not yet redeemed related to the loyalty card “Cartão Cliente”;

- 8,844,988 euro (9,201,784 euro as at December 2011 related to, vouchers, gift cards and discount tickets owned by clients;

- 5,208,150 euro (5,828,261 euro as at December 2011) related to payable amounts to Sonae Distribuição Brasil, SA buyer as a result of responsibilities assumed with that entity. (Note 32);

As at 31 December 2012 and 2011, 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 approximately its book value and the actualization effect is not material.

30 OTHER CURRENT LIABILITIES

As at 31 December 2012 and 2011, "Other current liabilities" are made up as follows:

	31 December 2012	31 December 2011 Restated
Staff costs	88,329,450	87,606,182
Interest payable	4,934,351	8,819,359
Marketing expenses	13,825,089	9,544,702
Other external supplies and services	40,786,512	41,105,839
Accrued income - rents	2,643,727	3,725,249
Real Estate Municipality tax	3,276,643	4,247,265
Share based payments (Note 27)	501,372	1,953,566
Others	9,096,268	8,349,017
	163,393,412	165,351,179

The caption “Staff costs” refers mainly to payroll amounts to be paid during the next year as holiday and holiday pay.

31 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 31 December 2012 and 2011 are as follows:

Caption	Balance as at 1 January 2012 Restated	Increase	Decrease	Balance as at 31 December 2012
Accumulated impairment losses on investments (Note 6)	-	1,101,337	-	1,101,337
Accumulated impairment losses on intangible assets (Note 10)	1,496,933	-	-	1,496,933
Accumulated impairment losses on other non current assets (Note 13)	1,450,000	1,894,124	-	3,344,124
Accumulated impairment losses on trade accounts receivable (Note 15)	4,294,755	1,097,614	(1,999,021)	3,393,348
Accumulated impairment losses on other debtors (Note 16)	20,041,011	7,594,587	(13,201,643)	14,433,955
Accumulated impairment losses on inventories (Note 14)	33,972,326	16,459,784	(7,271,358)	43,160,752
Non current provisions	35,325,262	16,295,100	(5,149,129)	46,471,233
Current provisions	2,249,330	-	(21,000)	2,228,330
	98,829,617	44,442,546	(27,642,151)	115,630,012

Caption	Balance as at 1 January 2011 Restated	Increase	Decrease	Balance as at 31 December 2011 Restated
Accumulated impairment losses on intangible assets (Note 10)	-	1,496,933	-	1,496,933
Accumulated impairment losses on other non current assets (Note 13)	-	1,450,000	-	1,450,000
Accumulated impairment losses on trade accounts receivable (Note 15)	4,476,167	684,597	(866,009)	4,294,755
Accumulated impairment losses on other debtors (Note 16)	18,227,209	5,662,773	(3,848,971)	20,041,011
Accumulated impairment losses on inventories (Note 14)	20,666,324	16,821,860	(3,515,858)	33,972,326
Non current provisions	21,495,563	15,061,865	(1,232,166)	35,325,262
Current provisions	1,589,337	700,000	(40,007)	2,249,330
	66,454,600	41,878,028	(9,503,011)	98,829,617

As at 31 December 2012 and 2011 increases in provisions and impairment losses are as follows:

	31 December 2012	31 December 2011 Restated
Provisions and impairment losses	25,663,160	25,134,452
Impairment losses on investments	1,101,337	-
Impairment losses on Goodwill	-	(1,212,449)
Adjustments for inventories impairments recorded in cost of goods sold	16,459,784	16,821,329
Others	1,218,265	1,134,696
	44,442,546	41,878,028

As at 31 December 2012 and 2011 the value of decreases in provisions and impairment losses can be detailed as follows:

	31 December 2012	31 December 2011 Restated
Provisions and impairment losses reversal	(10,455,344)	(3,254,565)
Direct use of impairments to accounts receivable	(7,479,661)	(1,953,786)
Uses and reversals recorded in inventories	(7,280,572)	(3,515,858)
Others	(2,426,574)	(778,802)
	(27,642,151)	(9,503,011)

The caption non-current provisions includes 24,423,571 euro (10,545,595 euro as at 31 December 2011) relating to non-current responsibilities assumed by the company, when selling the subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred, being made on base of current best estimate of costs to such liability and resulting in a significant number of civil lawsuits and labour and of limited value. The Group updated its estimate, following the results of the sixth data room conference process conducted with the buyer of the former subsidiary in Brazil.

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 programmes on products traded by the Specialized Retail operating segment in the amount of 19,316,820 euro (21,089,854 euro as at 31 December 2011). These extensions are granted for a period of one to three years after the legally binding warranty.

32 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2012 and 2011, the major contingent liabilities were guarantees given, which are detailed as follows:

	31 December 2012	31 December 2011 Restated
Guarantees given:		
on tax claims	300,501,734	299,625,260
on municipal claims	7,406,888	6,423,622
others	24,896,359	26,480,085
Sureties provided to subsidiaries (a)	172,973,984	127,221,883

(a) Guarantees granted to the tax authority in favour of subsidiaries for the purpose of suspending tax processes

The amount of guarantees related to tax claims includes: 296.7 million euro (256.9 million euro as at 31 December 2011) related to appeals against additional corporate income tax assessments, as well as guarantees amounting to 166.4 million euro related to VAT proceedings (164.0 million euro as at 31 December 2011).

Food and specialized based retail subsidiaries of the Company, granted guarantees in favour of the Portuguese Tax Administration, associated with tax claims for VAT, amounting to 193.9 million euro (148.6 million euro as at 31 December 2011) related to the period from 2004 to 2008, for which the Company has presented, or has the intention of presenting, a tax appeal. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the discounts correspond to services rendered by the company.

Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients.
In concern to the Guarantees granted the most relevant tax claims refer to: i) 60 million euro as a result of a tax appeal presented by Sonae 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 the cost of acquisition of that investment, which is not in accordance with previous assessments of Tax Authorities; and II) the amount of 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 related to the sale and liquidation of a subsidiary of the Group.

The caption “Guarantees given on tax claims” also includes a granted guarantee on a tax claim of a Retail segment company in Brazil of approximately 27.1 million euro (65.6 million Brazilian real), which is being judged by tax court, and the difference refers to accruals, (65.6 million Brazilian real as at 31 December 2011).

In addition to the Guarantees disclosed above as a consequence of the sale of a subsidiary company in Brazil, Sonae guaranteed the buyer 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 2012, 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 (26 million euro) related to programmes for the Brazilian State of tax recovery amount to near 39.3 million euro (39.3 million euro as at 31 December 2011).

Furthermore, there are other tax lawsuits totalling 61.3 million euro (57.3 million euro as at 31 December 2011) for which the Board of Directors, based on the lawyers' assessment, understands will not imply future losses to the old subsidiary.

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

33 OPERATIONAL LEASES

As at 31 December 2012 an amount of 92,526,430 euro (87,998,620 euro as at 31 December 2011) 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 2012, Sonae Investimentos had operational lease contracts, as lessee, whose minimum lease payments had the following payment schedule:

	31 December 2012	31 December 2011 Restated
Due in:		
N+1 automatically renewal	10,661,090	23,797,700
N+1	87,479,783	80,598,810
N+2	83,108,629	73,783,987
N+3	71,299,599	67,112,611
N+4	63,980,933	54,242,317
N+5	56,466,720	45,987,307
After N+5	507,626,299	466,901,891
	880,623,053	812,424,623

During 2011, it was recognized as profit and loss the amount of 6,439,742 euro (9,504,585 euro as at 31 December 2011) related to rents received from operational leases, mainly related with shopping centres explored by others in Sonae Investimentos property stores.

Additionally, as at 31 December 2012, Sonae Investimentos had operational lease contracts, as lessor, who's minimum lease payments had the following payment schedule:

	31 December 2012	31 December 2011 Restated
Due in:		
N+1 automatically renewal	2,896,976	2,815,305
N+1	3,592,921	4,356,602
N+2	3,006,610	3,857,145
N+3	2,159,609	2,805,669
N+4	1,627,963	1,909,474
N+5	1,226,365	1,068,619
After N+5	1,075,010	532,439
	15,585,454	17,345,252

34 TURNOVER

As at 31 December 2012 and 2011, turnover is made up as follows:

	31 December 2012	31 December 2011 Restated
Sale of goods	4,496,799,850	4,610,706,032
Services rendered	34,866,216	45,957,801
	4,531,666,066	4,656,663,833

35 GAINS AND LOSSES ON FINANCIAL INVESTMENTS

As at 31 December 2012 and 2011, gains and losses on financial investments are made up as follows:

	31 December 2012	31 December 2011 Restated
Dividends	205,129	232,500
Others	-	(58,399)
Gains / (losses) on the sale of investments in subsidiaries	-	(58,399)
Impairment losses on investments in associated companies	(1,101,337)	-
Impairment losses on investments available for sale	-	-
Impairment of reversal/(losses) on investments	(1,101,337)	-
	(896,208)	174,101

36 NET FINANCIAL EXPENSES

As at 31 December 2012 and 2011, Net financial expenses are as follows:

	31 December 2012	31 December 2011 Restated
Expenses		
Interest payable		
related with bank loans and overdrafts	(11,812,611)	(11,528,807)
related with non convertible bonds	(21,134,856)	(21,029,815)
related with financial leases	(32,533,333)	(32,444,445)
related with financial leases	(246,159)	(104,632)
related with hedge derivatives	-	(2,575,517)
others	(3,313,635)	(2,204,772)
	(69,040,594)	(69,887,988)
Exchange losses	(1,815,255)	(1,691,028)
Up front fees and commissions related to loans	(5,710,473)	(4,785,997)
Others	(6,020,495)	(7,603,191)
	(82,586,817)	(83,968,204)
Income		
Interest receivable		
related with bank deposits	1,375,738	1,149,210
others	2,006,981	3,360,771
	3,382,719	4,509,981
Exchange gains	2,388,112	3,391,331
Other financial income	497,363	1,731,348
	6,268,194	9,632,660
Net financial expenses	(76,318,623)	(74,335,544)

37 OTHER OPERATIONAL INCOME

As at 31 December 2012 and 2011, "Other operational income" is as follows:

	31 December 2012	31 December 2011 Restated
Supplementary income	370,860,267	365,335,546
Payments discounts received	26,106,600	32,077,281
Exchange differences	9,114,717	28,130,079
Own work capitalised	4,289,211	5,940,305
Gains on sales of assets	2,652,795	17,364,730
Negative Goodwill	-	1,089,108
Impairment losses reversals	10,455,344	3,177,157
Benefits from contractual penalties	147,015	410,544
Subsidies	271,687	386,776
Others	4,692,060	3,562,875
	428,589,697	457,474,402

Supplementary income relates mainly to additional receipts from the suppliers of Sonae Investimentos, relating to: i) reimbursement of promotional campaigns carried out in the stores, ii) receipts from suppliers regarding product placement in preferred locations, and iii) discounts for prompt payment obtained.

Gains on disposal of assets, in 2011, are explained by the operational sale and leaseback transactions that a subsidiary of the Group led during the period, of its Continente and Worten stores located in the Vasco da Gama Shopping centre to “Imofomento”, a BPI real estate fund, for a total consideration of 42.3million euro. The implied initial yield on this transaction on a triple net basis is 6.1 %, generating a book gain of 16.6 million euro.

The caption “Own work capitalized” includes 4,289,211 euro (5,940,305 euro as at 31 December 2011), relating to software development conducted by a Brazilian subsidiary.

38 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2012 and 2011, External supplies and services are as follows:

	31 December 2012	31 December 2011 Restated
Publicity	109,225,866	117,243,292
Rents	133,040,282	129,335,601
Transports	50,288,673	56,527,380
Electricity	58,799,425	52,054,720
Services	38,364,365	40,362,586
Maintenance	21,998,991	30,262,347
Costs with automatic payment terminals	23,644,296	25,773,390
Subcontracts	5,315,718	8,146,789
Security	22,785,493	24,739,792
Cleaning up services	20,687,014	21,723,448
Communications	9,438,144	10,374,113
Travel expenses	6,657,384	8,380,126
Insurances	5,398,722	5,173,316
Others	62,411,205	62,367,061
	568,055,578	592,463,961

39 STAFF COSTS

As at 31 December 2012 and 2011, Staff costs are as follows:

	31 December 2012	31 December 2011 Restated
Salaries	424,294,919	438,666,057
Social security contributions	87,878,020	88,972,979
Insurance	8,014,640	9,099,007
Welfare	3,354,114	1,714,660
Other staff costs	15,840,479	17,051,464
	539,382,172	555,504,167

40 OTHER OPERATIONAL EXPENSES

As at 31 December 2012 and 2011, "Other operational expenses" are as follows:

	31 December 2012	31 December 2011 Restated
Exchange differences	9,134,218	27,786,573
Donations	8,446,725	8,486,892
Losses on the disposal of assets	1,260,463	2,000,386
Municipal Property tax	2,686,479	3,446,234
Other taxes	6,749,067	4,767,031
Doubtful debts written-off	1,013,780	1,780,352
Others	4,990,959	6,514,589
	34,281,691	54,782,057

41 INCOME TAX

As at 31 December 2012 and 2011, Income tax is as follows:

	31 December 2012	31 December 2011 Restated
Current tax	18,181,176	21,396,468
Deferred tax (Note 19)	5,569,738	(8,805,892)
	23,750,914	12,590,576

The reconciliation between the profit before taxation and the tax charge for the periods ended 31 December 2012 and 2011 is summarized as follows:

	31 December 2012	31 December 2011 Restated
Profit before income tax	33,036,926	74,746,872
Difference between capital (losses)/gains for accounting and tax purposes	(1,195,456)	(11,226,188)
Results of associated undertakings (Note 6)	(1,014,532)	(7,372,631)
Provisions and impairment losses not accepted for tax purposes	17,995,461	12,580,300
Taxable Profit	48,822,399	68,728,353
Recognition of tax losses that have not originated deferred tax assets	28,846,279	(145,020)
	77,668,678	68,583,333
Income tax rate in Portugal	25.00%	25.00%
	19,417,169	17,145,833
Effect of different income tax rates in other countries	(7,553,320)	(3,279,861)
Effect of increases or decreases in deferred taxes	1,529,317	1,629,632
Use of tax benefits	(2,669,211)	(2,793,540)
Changes in previsious years tax estimates	1,717,240	(2,213,117)
Autonomous taxes and tax benefits	1,512,099	1,145,817
Municipality surcharge	7,249,321	3,170,565
Others	2,548,299	(2,214,753)
Income tax	23,750,914	12,590,576

42 RELATED PARTIES

Balances and transactions with related parties during the periods ended 31 December 2012 and 2011 are as follows:

	Sales and services rendered		Purchases and services obtained	
Transactions	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Parent company	1,037,410	1,092,924	1,783,059	1,237,666
Jointly controlled companies	1,405,041	1,249,316	3,757,299	5,382,274
Associated companies	33,596,428	34,714,689	359,998	412,312
Other related parties (1)	60,837,478	64,556,603	71,548,720	70,942,279
	96,876,357	101,613,532	77,449,076	77,974,531

	Interest income		Interest expenses	
Transactions	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Parent company	30,671	410,406	30,608,959	33,045,231
Jointly controlled companies	357,634	148,119	-	-
Associated companies	1,097,928	1,088,044	-	-
Other related parties (1)	78,254	272,219	5,118,327	1,272,335
	1,564,487	1,918,788	35,727,286	34,317,566

	Accounts receivable		Accounts payable	
Balances	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Parent company	404,416	638,149	2,306,676	1,666,572
Jointly controlled companies	315,594	2,218,350	405,529	750,372
Associated companies	6,039,723	5,798,351	412,093	308,671
Other related parties (1)	18,464,066	22,875,938	22,117,155	19,338,628
	25,223,799	31,530,788	25,241,453	22,064,243

	Loans			
	Obtained		Granted	
Balances	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Parent company	400,000,000	400,000,000	-	-
Jointly controlled companies	-	-	7,939,822	4,342,159
Associated companies	-	-	19,451,742	18,459,118
Other related parties (1)	4,616,289	18,777,556	-	-
	404,616,289	418,777,556	27,391,564	22,801,277

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 relating parties represent borrowings from shareholders of subsidiary companies which bear interests at market rates.

Granted loans to associated companies, refer to values of loans granted to associates Mundo VIP (1,000,000 euro at 31 December 2012 and 2011) and MDS, SGPS, SA (18,451,742 euro, 17,459,118 euro as at 31 December 2011).

The remuneration of the members of the Board of Directors and strategic direction, in all companies within Sonae Investimentos perimeter, in the years ended 31 December 2012 and 2011, are as follows:

	31 December 2012		31 December 2011 Restated	
	Board of Directors	Strategic direction (a)	Board of Directors	Strategic direction (a)
Fixed remuneration	-	6,610,085	16,025	5,130,331
Variable remuneration Middle term	-	1,775,224	-	1,393,900
	-	8,385,309	16,025	6,524,231

(a) Includes employers with responsibility for strategic management of the main companies of Sonae Investimentos (excluding members of the Board of Directors of Sonae Investimentos).

43 EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2012 and 2011, were calculated taking into consideration the following amounts:

	31 December 2012	31 December 2011 Restated
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	9,310,582	63,798,214
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	9,310,582	63,798,214
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	900,000,000	900,000,000
Effect of dilutive potential ordinary shares from convertible	-	-
Weighted average number of shares used to calculated diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	0.010345	0.070887

As at 31 December 2012 and 2011 there are no dilutive effects on the number of outstanding shares.

44 CASH RECEIPTS RELATED TO INVESTMENTS

As at 31 December 2012 and 2011, cash receipts related to investments are as follows:

	31 December 2012	31 December 2011 Restated
Receipts		
Receipt of disposal of Sontaria	-	6,120,239
Redemption of funding application	2,182,230	11,913,419
Others	112,741	1,104,908
	2,294,971	19,138,566

45 SEGMENT INFORMATION

The contributions of the main segments identified in the periods of 2012 and 2011 can be analysed as follows:

	Sonae MC	Sonae SR	Sonae RP	Eliminations and Others	Total
31 December 2012					
Turnover	3,281,052,311	1,180,236,237	119,889,493	(49,511,975)	4,531,666,066
Ex-Fuel	3,281,052,311	1,180,236,237	119,889,493	(49,511,975)	4,531,666,066
Amortisation, provisions and impairment losses *	84,304,190	60,314,264	25,925,621	38,838,513	209,382,588
EBIT direct	160,701,736	(106,848,721)	75,988,596	(4,604,386)	125,237,225
Invested capital	325,940,419	258,068,203	1,334,747,641	110,644,711	2,029,400,975
Sales area [000 m^2]	554	415	-	60	1,029

*Excludes provisions for discontinued or non-core assets.

	Sonae MC	Sonae SR	Sonae RP	Eliminations and Others	Total
31 December 2011 Restated					
Turnover	3,347,235,392	1,235,035,320	119,311,667	(44,918,546)	4,656,663,833
Ex-Fuel	3,327,239,402	1,235,035,320	119,311,667	(44,918,546)	4,636,667,843
Fuel	19,995,990	-	-	-	19,995,990
Amortisation, provisions and impairment losses	90,525,273	65,809,920	25,427,648	23,459,855	205,222,696
EBIT direct	134,756,993	(60,644,822)	89,176,715	(8,595,203)	154,693,682
Invested capital	418,183,226	347,470,390	1,360,659,243	124,710,952	2,251,023,811
Sales area [000 m^2]	547	415	-	60	1,022

The reconciliation of Direct EBIT to the total can be analysed as follows:

	31 December 2012	31 December 2011 Restated
Direct operational profit/(loss) (EBIT Direct)	125,237,225	154,693,682
Provision for contingencies in Brazil (Note 31)	(15,000,000)	-
Impairment of financial investments and supplies (Note 6 and 31)	(2,101,337)	-
Others	205,129	1,761,365
EBIT Total	108,341,017	156,455,047

The caption Invested Capital as at 31 December 2011 in "Eliminations, adjustments and Others" includes the financial investment in associated MDS, SGPS, SA and respective value of supplies. This financial investment and supplies are disclosed as at 31 December 2012 under the Investment Management segment.

Sonae MC

Includes the contribution of the Group's activity associated with the insignias of food retail (Continente, Bom Bocado, Well's and Book.it) and fuels (which is operated under the banner Continente).

Sonae SR

Includes the contribution of the Group´s activity associated with the insignia of non-food retail (Worten, Worten Mobile, Worten Gamer, SDSR, Loop, Modalfa and Zippy).

Sonae RP

Includes work of real estate assets owned and managed by Sonae Investimentos, including commercial galleries attached to units Continente and Continente Modelo.

Elimination and adjustments

Include intercompany, consolidation adjustments and contribution of companies not included in the operating segments. In addiction the turnover caption, these values include rents invoiced by the Real Estate Segment to other Segments.

EBIT

Turnover + Other income – Operational costs + profit/losses on disposals of subsidiaries – amortizations, provisions and impairment losses.

Direct EBIT

EBT + financial result + direct result of shopping centres + others results

Capital employed

Gross real estate assets + Other fixed assets (including Goodwill) - Amortizations and impairment losses + Financial investments + Working capital.

46 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors on 11 March 2013; nevertheless they are still subject to approval at the Shareholders Annual General Meeting.

The Board of Directors

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

Individual financial statements

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 AND 2011

*(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.2012	31.December.2011
NON-CURRENT ASSETS:			
Tangible assets	6	60	86
Intangible assets	6	1,225	3,656
Investments in affiliated companies	5	2,653,628,614	2,650,119,951
Deferred tax assets	7	28,070	82,690
Other non-current assets	4 , 8	1,092,008,435	1,590,401,623
Total non-current assets		3,745,666,404	4,240,608,006
CURRENT ASSETS:			
Trade account receivables	4 , 9	1,688,043	525,861
Other debtors	4 , 10	179,156,814	171,595,870
Taxes recoverable	11	30,428,987	27,680,590
Other current assets	4 , 12	3,353,995	3,503,105
Cash and cash equivalents	4 , 13	94,502,364	132,716,621
Total current assets		309,130,203	336,022,047
TOTAL ASSETS		4,054,796,607	4,576,630,053
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	14	1,000,000,000	1,000,000,000
Legal reserves	15	140,357,809	139,614,881
Hedging reserve, fair value reserve and other reserves	16	1,189,025,023	1,194,909,392
Profit for the year		5,693,194	14,858,559
TOTAL EQUITY		2,335,076,026	2,349,382,832
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bonds	4 , 17	532,738,392	534,322,595
Bank loans	4 , 17	152,484,985	290,295,955
Other non-current liabilities	4 , 18	400,000,000	400,126,731
Deferred tax liabilities	7	237	784
Total non-current liabilities		1,085,223,614	1,224,746,065
CURRENT LIABILITIES:			
Bonds	4 , 17	170,900,782	365,856,920
Bank loans	4 , 17	31,827,393	3,883,974
Trade accounts payable	4 , 19	37,634	1,092,558
Other creditors	4 , 20	421,462,150	619,675,007
Taxes and contributions payable	11	2,831,463	1,919,990
Other current liabilities	4 , 21	7,437,545	10,072,707
Total current liabilities		634,496,967	1,002,501,156
TOTAL EQUITY AND LIABILITIES		4,054,796,607	4,576,630,053

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

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

(Amounts expressed in euro)

	Notes	31.December.2012	31.December.2011
Services rendered	26	2,018,202	633,112
Gains or losses on investments	27	39,372,600	35,074,579
Financial income	28	50,252,857	49,444,092
Other income	29	497,634	576,833
External supplies and services	30	(2,759,408)	(2,393,332)
Staff costs		(178,141)	(29,482)
Depreciation and amortisation	6	(2,457)	(2,504)
Provisions and impairment losses	23	(1,894,124)	(1,450,000)
Financial expenses	28	(82,595,663)	(79,738,803)
Other expenses	31	(441,410)	(371,681)
Profit/(Loss) before taxation		4,270,090	1,742,814
Income tax	32	1,423,104	13,115,745
Net profit for the year		5,693,194	14,858,559
Profit/(Loss) per share	33	0.0063	0.0165

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

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

(Amounts expressed in euro)

	31.December.2012	31.December.2011
Net profit for the year	5,693,194	14,858,559
Changes in hedging reserve	-	2,522,882
Deferred tax arising on changes in hedging reserves	-	(668,565)
Other comprehensive income for the year	-	1,854,317
Total comprehensive income for the year	5,693,194	16,712,876

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED AS AT 31 DECEMBER 2012 AND 2011

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

(Amounts expressed in euro)

			Reserves and retained earnings						
	Notes	Share capital	Legal reserve	Hedging reserve	Legal reserves in accordance with article 324 of Commercial Companies Code	Other reserves	Total reserves and retained earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2011		1,000,000,000	117,087,918	(1,854,317)	320,000,000	446,897,093	882,130,694	450,539,262	2,332,669,956
Total comprehensive income for the year		-	-	1,854,317	-	-	1,854,317	14,858,559	16,712,876
Appropriation of profit of 2010:									
Transfer to legal reserves and other reserves	15	-	22,526,963	-	-	428,012,299	450,539,262	(450,539,262)	-
Balance as at 31 December 2011		1,000,000,000	139,614,881	-	320,000,000	874,909,392	1,334,524,273	14,858,559	2,349,382,832
Balance as at 1 January 2012		1,000,000,000	139,614,881	-	320,000,000	874,909,392	1,334,524,273	14,858,559	2,349,382,832
Total comprehensive income for the year		-	-	-	-	-	-	5,693,194	5,693,194
Appropriation of profit of 2011:									
Transfer to legal reserves and other reserves	15	-	742,928	-	-	-	742,928	(742,928)	-
Dividends distributed		-	-	-	-	(5,884,369)	(5,884,369)	(14,115,631)	(20,000,000)
Balance as at 31 December 2012		1,000,000,000	140,357,809	-	320,000,000	869,025,023	1,329,382,832	5,693,194	2,335,076,026

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(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.2012	31.December.2011
OPERATING ACTIVITIES			
Cash receipts from trade debtors		(736,289)	3,563,602
Cash paid to trade creditors		(2,658,154)	(1,505,370)
Cash paid to employees		(325,962)	(286,057)
Cash flow generated by operations		(3,720,405)	1,772,175
Income taxes (paid) / received		2,567,625	(5,789,769)
Other cash receipts and (payments) relating to operating activities		646,653	581,868
Net cash flow from operating activities (1)		(506,127)	(3,435,726)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	34	-	141,365,754
Tangible assets		-	143
Interest and similar income		60,366,445	44,783,006
Dividends		24,646,376	25,053,099
Others	27	26,827,561	29,954
Loans granted		1,937,115,766	1,893,335,757
		2,048,956,148	2,104,567,713
Cash payments arising from:			
Investments	34	(15,610,000)	(1,584,736)
Tangible assets		(492)	-
Intangible assets		-	(218)
Others		-	(12,807)
Loans granted		(1,456,599,516)	(2,072,431,447)
		(1,472,210,008)	(2,074,029,208)
Net cash used in investment activities (2)		576,746,140	30,538,505
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		7,493,285,369	6,890,622,771
		7,493,285,369	6,890,622,771
Cash payments arising from:			
Loans obtained		(8,001,157,977)	(6,828,597,215)
Interest and similar charges		(86,025,081)	(84,391,508)
Dividends		(20,000,000)	(68)
		(8,107,183,058)	(6,912,988,791)
Net cash used in financing activities (3)		(613,897,689)	(22,366,020)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(37,657,676)	4,736,759
Cash and cash equivalents at the beginning of the year	13	132,158,313	127,421,554
Cash and cash equivalents at the end of the year	13	94,500,637	132,158,313

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 2012

(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 ("IFRIC") 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 2012. These changes are presented in Note 2 of the notes to the consolidated financial statements. The adoption, during 2012 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 2013, 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. 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".

2.3. 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.

2.4. 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.

2.5. 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 in subsidiaries and associates

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

b) 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.

c) 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.

d) 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.

e) 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.

f) 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 2.7. 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.

g) Trade accounts payable

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

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

2.6. 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.

2.7. 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.

2.8. 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.

2.9. 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.

2.10. 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.

2.11. Income tax

Sonae Investimentos is taxed in accordance with Special Regime of Taxing Groups of Companies (Parent company). Each company included in this regime records income tax for the year in its individual accounts in the caption "Group companies". When a subsidiary contributes with a tax loss, it reflects, in its individual accounts, the amount of tax corresponding to the loss to be compensated by the profits of the other companies covered by this regime.

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.

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 consolidated net profit before tax for the period ended as at 31 December 2012 would decrease by approximately 1.8 million euro (1.1 million euro as at 31 December 2011), 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 group has the financial capacity to fulfill 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.

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, derivates, 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 2.5 as at 31 December 2012, have been applied to the line items below:

Financial Assets	31.December.2012				
	Notes	Loans and accounts receivable	Sub Total	Assets not within scope of IFRS 7	Total
Non-current assets					
Other non-current assets	8	1,092,008,435	1,092,008,435	-	1,092,008,435
		1,092,008,435	1,092,008,435	-	1,092,008,435
Current assets					
Trade accounts receivables	9	1,688,043	1,688,043	-	1,688,043
Other debtors	10	179,156,814	179,156,814	-	179,156,814
Other current assets	12	1,213,320	1,213,320	2,140,675	3,353,995
Cash and cash equivalents	13	94,502,364	94,502,364	-	94,502,364
		276,560,541	276,560,541	2,140,675	278,701,216
		1,368,568,976	1,368,568,976	2,140,675	1,370,709,651

Financial Liabilities	31.December.2012				
	Notes	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities					
Bonds	17	532,738,392	532,738,392	-	532,738,392
Bank loans	17	152,484,985	152,484,985	-	152,484,985
Other non-current liabilities	18	400,000,000	400,000,000	-	400,000,000
		1,085,223,377	1,085,223,377	-	1,085,223,377
Current liabilities					
Bonds	17	170,900,782	170,900,782	-	170,900,782
Bank loans	17	31,827,393	31,827,393	-	31,827,393
Trade accounts payable	19	37,634	37,634	-	37,634
Other payables accounts	20	421,462,150	421,462,150	-	421,462,150
Other current liabilities	21	7,128,369	7,128,369	309,176	7,437,545
		631,356,328	631,356,328	309,176	631,665,504
		1,716,579,705	1,716,579,705	309,176	1,716,888,881

The accounting policies disclosed in note 2.5 as at 31 December 2011, have been applied to the items below classified as follows:

Financial Assets	31.December.2011				
	Notes	Loans and accounts receivable	Sub Total	Assets not within scope of IFRS 7	Total
Non-current assets					
Other non-current assets	8	1,590,401,623	1,590,401,623	-	1,590,401,623
		1,590,401,623	1,590,401,623	-	1,590,401,623
Current assets					
Trade accounts receivables	9	525,861	525,861	-	525,861
Other debtors	10	171,595,870	171,595,870	-	171,595,870
Other current assets	12	1,087,218	1,087,218	2,415,887	3,503,105
Cash and cash equivalents	13	132,716,621	132,716,621	-	132,716,621
		305,925,570	305,925,570	2,415,887	308,341,457
		1,896,327,193	1,896,327,193	2,415,887	1,898,743,080

Financial Liabilities	31.December.2011				
	Notes	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities					
Bonds	17	534,322,595	534,322,595	-	534,322,595
Bank loans	17	290,295,955	290,295,955	-	290,295,955
Other non-current liabilities	18	400,000,000	400,000,000	126,731	400,126,731
		1,224,618,550	1,224,618,550	126,731	1,224,745,281
Current liabilities					
Bonds	17	365,856,920	365,856,920	-	365,856,920
Bank loans	17	3,883,974	3,883,974	-	3,883,974
Trade accounts payable	19	1,092,558	1,092,558	-	1,092,558
Other payables accounts	20	619,675,007	619,675,007	-	619,675,007
Other current liabilities	21	9,744,185	9,744,185	328,522	10,072,707
		1,000,252,644	1,000,252,644	328,522	1,000,581,166
		2,224,871,194	2,224,871,194	455,253	2,225,326,447

5 INVESTMENTS

As at 31 December 2012 and 2011, the investments caption is made up as follows:

		31.December.2012					
		Acquisition cost				Accumulated impairment	Amount of statement of financial position
Companies	% held	Opening balance	Increases	Decreases	Final balance		
Azulino - Imobiliária, SA	100.00%	498,025	-	-	498,025	-	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	2,115,000	150,000 (1)	-	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%	2,244,591	150,000 (2)	-	2,394,591	1,094,591	1,300,000
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%	2,355,191	35,000 (1)	-	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	-	-	6,264,902	964,902	5,300,000
Fundo de Investimento Imobiliário Fechado Imosede	54.55%	64,415,021	-	-	64,415,021	-	64,415,021
Fundo de Investimento Imobiliário Imosonae Dois	74.94%	108,755,437	-	-	108,755,437	-	108,755,437
Igimo - Sociedade Imobiliária, SA	100.00%	220,000	-	-	220,000	-	220,000
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%	999,940	100,000 (1)	-	1,099,940	439,940	660,000
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%	9,790,614	15,000,000 (2)	-	24,790,614	-	24,790,614
Modelo Hiper Imobiliária, SA	100.00%	10,655,164	-	-	10,655,164	-	10,655,164
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	-	-	1,101,337	1,101,337	-
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 Imobililiários, SA	100.00%	1,513,379	-	-	1,513,379	948,379	565,000
Sempre à Mão - Sociedade Imobiliária, SA	100.00%	2,130,558	-	-	2,130,558	-	2,130,558
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
Sociloures - Sociedade Imobiliária, SA	100.00%	10,000,000	-	-	10,000,000	-	10,000,000
Soflorin, BV	100.00%	257,309,037	-	-	257,309,037	-	257,309,037
Sonae - Specialized Retail, SGPS, SA	100.00%	1,050,000,000	-	-	1,050,000,000	-	1,050,000,000
Sonae Capital Brasil, SA	37.00%	19,600,307	-	-	19,600,307	12,292,000	7,308,307
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	-	-	600,000,000	-	600,000,000
Sonaegest - 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
Tlantic Portugal - Sistemas de Informação, SA	100.00%	893,316	175,000 (1)	-	1,068,316	-	1,068,316
Valor N, SA	100.00%	2,087,315	-	-	2,087,315	-	2,087,315
Total		2,698,526,448	15,610,000	-	2,714,136,448	60,507,834	2,653,628,614

(1) Capital contribution in order to cover losses;
(2) Supplementary capital contribution

In 2012 the company recorded an impairment on investments in subsidiaries Mundo Vip – Operadores Turìsticos, SA amounting to 1,101,337 euro; Raso, SGPS, SA SA amounting to 5,500,000 euro and Sonae Capital Brasil, SA amounting to 5,500,000 euro.

		31.December.2011					
		Acquisition cost					
Companies	% held	Opening balance	Increases	Decreases	Final balance	Accumulated impairment	Amount of statement of financial position
Azulino - Imobiliária, SA	100.00%	498,025	-	-	498,025	-	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	1,845,000	270,000 (1)	-	2,115,000	700,000	1,415,000
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%	2,244,591	-	-	2,244,591	1,094,591	1,150,000
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%	2,315,191	40,000 (1)	-	2,355,191	945,191	1,410,000
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	-	-	24,940	-	24,940
Fozmassimo - Sociedade Imobiliária, SA	100.00%	6,264,902	-	-	6,264,902	964,902	5,300,000
Fundo de Investimento Imobiliário Fechado Imosede	54.55%	64,415,021	-	-	64,415,021	-	64,415,021
Fundo de Investimento Imobiliário Imosonae Dois	74.94%	158,410,389	-	49,654,952 (3)(4)	108,755,437	-	108,755,437
Igimo - Sociedade Imobiliária, SA	100.00%	220,000	-	-	220,000	-	220,000
Iginha - Sociedade Imobiliária, SA	100.00%	1,259,000	100,000 (1)	-	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%	799,940	200,000 (1)	-	999,940	439,940	560,000
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%	9,790,614	-	-	9,790,614	-	9,790,614
Modelo Hiper Imobiliária, SA	100.00%	10,655,164	-	-	10,655,164	-	10,655,164
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	-	-	1,101,337	-	1,101,337
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	3,526,000	20,974,000
Selifa - Sociedade de Empreendimentos Imobililiários, SA	100.00%	1,513,379	-	-	1,513,379	948,379	565,000
Sempre à Mão - Sociedade Imobiliária, SA	100.00%	1,530,558	600,000 (1)	-	2,130,558	-	2,130,558
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
Sociloures - Sociedade Imobiliária, SA	100.00%	10,000,000	-	-	10,000,000	-	10,000,000
Soflorin, BV	100.00%	257,309,037	-	-	257,309,037	-	257,309,037
Sonae - Specialized Retail, SGPS, SA	100.00%	1,050,000,000	-	-	1,050,000,000	-	1,050,000,000
Sonae Capital Brasil, SA	37.00%	23,334,858	-	3,734,551 (4)	19,600,307	6,792,000	12,808,307
Sonae Center Serviços II, SA	100.00%	58,032,319	-	-	58,032,319	-	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	100.00%	600,000,000	-	-	600,000,000	-	600,000,000
Sonaegest - Soc. Gest. de Fundos de Investimentos, SA	40.00%	159,615	224,736 (2)	-	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
Tlantic Portugal - Sistemas de Informação, SA	100.00%	743,316	150,000 (1)	-	893,316	-	893,316
Valor N, SA	100.00%	2,087,315	-	-	2,087,315	-	2,087,315
Total		2,750,331,214	1,584,736	53,389,503	2,698,526,448	48,406,497	2,650,119,951

(1) Capital contribution in order to cover losses;
(2) Acquisition from a related party;
(3) Disposal to a related party;
(4) Capital decrease;

In 2011 the company recorded an impairment on investments in subsidiaries Raso, SGPS, SA and Sonae Capital Brasil, SA amounting to 3,526,000 euro and 6,792,000 euro respectively.

6 TANGIBLE AND INTANGIBLE ASSETS

During the years ended 31 December 2012 and 2011, movements in tangible assets as well as depreciation and accumulated impairment losses, are as follows:

	Plant and machinery	Vehicles	Fixtures and fittings	Others	In progress	Total
Gross cost						
Opening balance as at 1 January 2011	2,464	19,062	24,859	679	-	47,064
Decrease	(2,464)	-	(404)	-	(412)	(3,280)
Transfers and write-offs	-	-	-	-	412	412
Opening balance as at 1 January 2012	-	19,062	24,455	679	-	44,196
Decrease	-	-	(1,600)	-	-	(1,600)
Closing balance as at 31 December 2012	-	19,062	22,855	679	-	42,596
Accumulated depreciation						
Opening balance as at 1 January 2011	1,396	19,062	24,450	679	-	45,587
Increase	-	-	190	-	-	190
Decrease	(1,396)	-	(271)	-	-	(1,667)
Opening balance as at 1 January 2012	-	19,062	24,369	679	-	44,110
Increase	-	-	26	-	-	26
Decrease	-	-	(1,600)	-	-	(1,600)
Closing balance as at 31 December 2012	-	19,062	22,795	679	-	42,536
Carrying amount						
As at 31 December 2011	-	-	86	-	-	86
As at 31 December 2012	-	-	60	-	-	60

During the periods ended 31 December 2012 and 2011, movements in intangible assets as well as depreciation and accumulated impairment losses, are as follows:

	Patents and other similar rights	Software	In progress	Total intangible assets
Gross cost				
Opening balance as at 1 January 2011	1,412,994	479	-	1,413,473
Increase	-	-	710	710
Transfers and write-offs	710	-	(710)	-
Opening balance as at 1 January 2012	1,413,704	479	-	1,414,183
Transfers and write-offs	-	(479)	-	(479)
Closing balance as at 31 December 2012	1,413,704	-	-	1,413,704
Accumulated depreciation				
Opening balance as at 1 January 2011	1,407,734	479	-	1,408,213
Increase	2,314	-	-	2,314
Opening balance as at 1 January 2012	1,410,048	479	-	1,410,527
Increase	2,431	-	-	2,431
Transfers and write-offs	-	(479)	-	(479)
Closing balance as at 31 December 2012	1,412,479	-	-	1,412,479
Carrying amount				
As at 31 December 2011	3,656	-	-	3,656
As at 31 December 2012	1,225	-	-	1,225

7 DEFERRED TAX

Deferred tax assets and liabilities as at 31 December 2012 and 2011 are as follows, split between the different types of temporary differences:

	Assets	
	31.December.2012	31.December.2011
Others	28,070	82,690
	28,070	82,690

	Liabilities	
	31.December.2012	31.December.2011
Differences between amortisations for accounting and tax purposes	237	784
	237	784

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

	Assets		Liabilities	
	31.December.2012	31.December.2011	31.December.2012	31.December.2011
Opening balance	82,690	738,707	784	1,403
Effects on income:				
Others	(54,620)	12,548	(547)	(619)
	(54,620)	12,548	(547)	(619)
Effects on equity:				
Financial instruments valuation	-	(668,565)	-	-
Final balance	28,070	82,690	237	784

8 OTHER NON-CURRENT ASSETS

As at 31 December 2012 and 2011 the non-current assets were as follows:

	31.December.2012	31.December.2011
Loans granted (Note 36)	1,092,008,435	1,589,586,905
Other debtors	-	814,718
	1,092,008,435	1,590,401,623

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 2.5.I.

During 2012 an impairment over the loan granted to the associated Mundo Vip – Operadores Turísticos, SA was recognised amounting to 1,000,000 euro.

As at 31 December 2012 and 2011 the other loans granted are no past due or impaired.

The caption other debtors includes an receivable amount related to the sale of a subsidiary, for which an impairment amounting to 894,124 euro was recorded (1,450,000 euro in 2011) (Note 23).

9 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable amounted to 1,688,043 euro and 525,861 euro as at 31 December 2012 and 2011 respectively, 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.

10 OTHER DEBTORS

As at 31 December 2012 and 2011, this caption is as follows:

	31.December.2012	31.December.2011
Short term loans (Note 36)	129,359,208	111,326,877
Interests charged but not received	18,415,191	30,387,405
Taxes - Special Regime for taxation of groups of companies	26,447,000	24,427,592
Special regime for payment of tax and social securaty debts (DL 248-A)	4,778,747	4,778,747
Others	156,668	675,249
	179,156,814	171,595,870

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 26,447,000 euro (24,427,000 euro as at 31 December 2011) recorded in the caption “Taxes - Special Regime for taxation of groups of companies” relates to amounts to be received from subsidiaries (included in the above mentioned taxation regime), related to income tax for the period.

The amount disclosed as 'Special regime for payment of tax and social security debts' relates to taxes claimed from tax authorities, being an understanding of Sonae Investimentos that the result of such claims will favour the Company. Therefore, there was no impairment losses recognized.

There were no past due assets thus no impairment loss was recognized as at 31 December 2012 and 2011. The fair value of loans granted is similar to its carrying amount.

11 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2012 and 2011, taxes recoverable and taxes and contributions payable are made up as follows:

	31.December.2012	31.December.2011
Income tax	30,428,987	27,680,590
Assets	30,428,987	27,680,590

	31.December.2012	31.December.2011
Income tax	1,893,202	1,893,201
Value added tax	280,567	22,964
Social security	397	397
Withholding tax	588,319	3,428
Others	68,978	-
Liabilities	2,831,463	1,919,990

12 OTHER CURRENT ASSETS

As at 31 December 2012 and 2011, the caption other current assets can be detailed as follows:

	31.December.2012	31.December.2011
Interests receivable	130,719	321,612
Indemnity interests	765,605	765,605
Guarantees	271,996	-
Management fees	45,000	-
Accrued income	1,213,320	1,087,217
Insurances	229,343	238,320
Costs with credit facilities	1,905,427	2,145,674
Others	5,905	31,894
Prepayments	2,140,675	2,415,888
	3,353,995	3,503,105

13 CASH AND CASH EQUIVALENTS

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

	31.December.2012	31.December.2011
Cash in hand	550	550
Bank deposits	54,402,147	132,716,071
Other treasury applications	40,099,667	-
Cash and cash equivalents on the balance sheet	94,502,364	132,716,621
Bank overdrafts (Note 17)	(1,727)	(558,308)
Cash and cash equivalents on the cash flow statement	94,500,637	132,158,313

The amount recorded in other treasury applications as at 31 December 2012 was redeemed in early 2013.

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

14 SHARE CAPITAL

As at 31 December 2012, 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 2011), with a nominal value of 1 euro each.

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

As at 31 December 2012 and 2011, the subscribed share capital was held as follows:

	31.December.2012	31.December.2011
Sonae, SGPS, SA	76.8556%	76.8581%
Sonae Investments BV	13.1419%	13.1419%
Sonae - Specialized Retail, SGPS, SA	10.0000%	10.0000%
Libra Serviços, Sociedade Unipessoal, Lda	0.0025%	-

As at 31 December 2012 Efanor Investimentos, SGPS, SA and affiliated companies held 52.48% of Sonae's share capital.

15 LEGAL RESERVE

The company has set up legal reserves in accordance with Commercial Companies Code. In 2012 and 2011, respectively, 742,928 euro and 22,526,963 euro was transferred from profit for the year to legal reserves.

16 HEDGING RESERVES, FAIR VALUE RESERVES AND OTHER RESERVES

As at 31 December 2012 and 2011, the other reserves detail is as follows:

	31.December.2012	31.December.2011
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	497,025,023	502,909,392
	1,189,025,023	1,194,909,392

Following the acquisition 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.

17 BORROWINGS

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

	31.December.2012	31.December.2011
Bonds Sonae Distribuição 2007/2015	200,000,000	200,000,000
Bonds Sonae Distribuição Setembro 2007/2015	155,000,000	310,000,000
Bonds Sonae Distribuição 2009/2014	10,000,000	26,000,000
Bonds Sonae Investimentos 2012/2017	170,000,000	-
Up-front fees not yet charged to income statement	(2,261,608)	(1,677,405)
Bond loans	532,738,392	534,322,595
Commercial paper	147,500,000	282,000,000
Other bank loans	5,000,000	8,333,334
Up-front fees not yet charged to income statement	(15,015)	(37,379)
Bank loans	152,484,985	290,295,955
Non-current loans	685,223,377	824,618,550

	31.December.2012	31.December.2011
Bonds Modelo Continente 2007/2012	-	200,000,000
Bonds Modelo Continente 2005/2012	-	150,000,000
Bonds Sonae Distribuição 2009/2014	16,000,000	16,000,000
Bonds Sonae Distribuição Setembro 2007/2015	155,000,000	-
Up-front fees not yet charged to income statement	(99,218)	(143,080)
Bond loans	170,900,782	365,856,920
Commercial paper	28,500,000	-
Other bank loans	3,333,333	3,333,333
Up-front fees not yet charged to income statement	(7,667)	(7,667)
Bank overdrafts (note 13)	1,727	558,308
Bank loans	31,827,393	3,883,974
Current loans	202,728,175	369,740,894

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.2012		31.December.2011	
	Capital	Interests	Capital	Interests
2012	-	-	369,891,641	25,464,855
2013	202,835,060	20,550,643	174,333,333	18,015,065
2014	35,833,333	17,210,696	215,333,333	12,650,268
2015	394,166,667	16,417,350	356,666,667	9,056,534
2016	162,500,000	10,158,633	80,000,000	1,719,377
2017	95,000,000	2,999,815	-	-
	890,335,060	67,337,137	1,196,224,974	66,906,099

As at 31 December 2012 and 2011 the amount of the available credit facilities in order to manage liquidity risk, can be summarized as follows:

	31.December.2012		31.December.2011	
	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	202,000,000	547,500,000	242,000,000	485,000,000
Available credit facilities amounts	173,500,000	400,000,000	240,749,051	203,000,000

The interest rate as at 31 December 2012 of the bonds and bank loans was, on average, 2.40% (2.37% as at 31 December 2011).

18 OTHER NON-CURRENTS LIABILITIES

As at 31 December 2012 and 2011 this caption includes a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions. This loan was fully subscribed and paid for Sonae SGPS, SA on 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each.

As at 31 December 2012 the fair value of this bond loan is 42,606 euro (40,000 euro as at 31 December 2011) per bond, and was determined based on discounted cash flows method.

19 TRADE ACCOUNTS PAYABLE

As at 31 December 2012 and 2011 the trade accounts payable caption presents amounts payable within 90 days, arising on the normal course of activity.

20 OTHER CREDITORS

As at 31 December 2012 and 2011, this caption is as follows:

	31.December.2012	31.December.2011
Short term loans (Note 36)	402,548,615	605,087,891
Taxes - SpecialRegime for taxation of groups of companies	18,872,865	13,014,610
Others	40,670	1,572,506
	421,462,150	619,675,007

The amount of 18,872,865 euro (13,014,610 euro as at 31 December 2011) recorded in the caption “Taxes-Special Regime for taxation of groups of companies” relates to the amounts to be paid to subsidiaries, included in the mentioned taxation regime, for the calculated income tax of the period.

21 OTHER CURRENT LIABILITIES

As at 31 December 2012 and 2011 other current liabilities were made up as follows:

	31.December.2012	31.December.2011
Deferred performance bonuses (Note 22)	309,176	328,522
Accrued interests	5,643,276	9,517,957
Others	1,485,093	215,658
Accruals	7,437,545	10,062,137
Others	-	10,570
Deferred income	-	10,570
	7,437,545	10,072,707

22 SHARE-BASED PAYMENTS

In previous years, the Company granted deferred performance bonuses to the Board of Directors and eligible employees. These are based on shares to be acquired at nil cost, three years after they were attributed to the employee. The company has the choice to settle its responsibilities in cash rather than through shares. These rights can only be exercised if the employee still works for Sonae on the vesting date. These responsibilities are measured as described in Note 2.10.

As at 31 December 2012, the outstanding plans were as follows:

	Vesting period			
	Year of grant	Vesting year	Number of participants	Number of shares
Plan 2009	2010	2013	1	450,038

The measurement of the Share-Based Plans referred above is referenced to the evaluation of Sonae, SGPS, SA shares price as at 31 December 2012. The current plans are considered cash settled.

23 ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses for the year ended as at 31 December 2012 are as follows:

	Opening balance	Increases	Closing balance
Investments impairment (Notes 5 e 27)	48,406,497	12,101,337	60,507,834
Other non-current assets impairment (Notes 8)	1,450,000	1,894,124	3,344,124

The increase in the caption other non-currents assets impairment was recorded in income statement in the caption provisions and impairment losses (Note 8).

24 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2012 and 2011 the contingent liabilities were detailed as follows:

		31.December.2012	31.December.2011
Guarantees rendered:			
related to tax claims awaiting outcome	(a)	268,323,385	222,571,285
related to local and municipal claims awaiting outcome		28,938	28,938
others		10,883,112	10,643,765
Guarantees given in favour of subsidiaries	(b)	62,641,328	48,082,127

a) Includes the amount of 263,144,428 euro (217,392,328 euro as at 31 December 2011) referring to corporate income tax claims awaiting outcome and the amount of 5,178,957 euro (5,178,957 euro as at 31 December 2011) relating to stamp duty claims.

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

No provision has been recognized for these tax additional assessments, to which some guarantees were made, as the Board of Directors expects their outcome to be favorable to the Company with no additional liability.

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.

25 RELATED PARTIES

Main balances and transactions with related parties as at 31 December 2012 and 2011 are detailed as follows:

	31.December.2012	31.December.2011
Balance:		
Parent company	72,094	31,894
Subsidiaries	45,931,390	55,144,842
Jointly controlled companies	139,822	42,159
Associated companies	962,875	1,904,719
Other related parties	9,155	-
Accounts receivable	47,115,336	57,123,614
Parent company	1,439,583	1,410,945
Subsidiaries	19,805,085	15,859,308
Other related parties	46,827	17
Accounts payable	21,291,495	17,270,270
Subsidiaries	1,195,591,641	1,678,678,093
Jointly controlled companies	7,800,000	4,300,000
Associated companies	18,976,002	17,935,689
Loans granted	1,222,367,643	1,700,913,782
Parent company	347,400,000	347,400,000
Subsidiaries	402,548,615	605,087,891
Other related parties	52,600,000	52,600,000
Loans obtained	802,548,615	1,005,087,891

	31.December.2012	31.December.2011
Transactions:		
Subsidiaries	1,000,000	(278,768)
Associated companies	1,018,202	911,880
Services rendered	2,018,202	633,112
Parent company	1,162,677	1,052,896
Subsidiaries	54	50
Jointly controlled companies	-	302
Associated companies	37,498	29,736
Other related parties	870	1,512
Purchases and services obtained	1,201,099	1,084,496
Parent company	186,336	1,587
Subsidiaries	300,731	554,556
Associated companies	240	45
Other income	487,307	556,188
Parent company	-	310,791
Subsidiaries	47,929,276	46,454,633
Jointly controlled companies	357,634	148,119
Associated companies	1,097,928	1,088,044
Interest income	49,384,838	48,001,587
Parent company	30,608,475	33,044,788
Subsidiaries	12,416,437	7,093,854
Other related parties	4,278,133	-
Interest expenses	47,303,045	40,138,642
Subsidiaries	24,489,302	25,053,099
Associated companies	157,074	-
Dividend income	24,646,376	25,053,099
Associated companies	-	49,888,452
Other related parties	-	112,025
Investments disposal	-	50,000,477
Other related parties	-	224,736
Investments acquisition	-	224,736
Subsidiaries (Note 27)	26,827,561	-
Income from Investment Fund Participation Units	26,827,561	-

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 period, the Company obtained loans from Sonae, SGPS, SA amounting to 624,453,000 euro (834,769,000 euro as at 31 December 2011) was repaid 624,453,000 euro during the year (781,769,000 euro as at 31 December 2011).

In 2012 and 2011 did not occur any transactions including granted loans with the Company's Directors.

During 2012 and 2011 no remuneration was attributed to Board of Directors by the company.

As at 31 December 2012 and 2011 there were no balances with Company's Directors.

26 SERVICES RENDERED

Services rendered amounted to 2,018,202 euro and 633,112 euro, in 31 December 2012 and 2011, respectively. Services rendered include management fees over subsidiaries in accordance with Holding companies law.

27 INVESTMENT INCOME

As at 31 December 2012 and 2011 investment income is as follows:

	31.December.2012	31.December.2011
Dividends received	24,646,376	25,053,099
Income of financial investments	26,827,561	20,339,480
Impairment losses (Note 23)	(12,101,337)	(10,318,000)
	39,372,600	35,074,579

The dividends received were attributed by subsidiaries Contimobe – Imobiliária de Castelo de Paiva, SA (5,252,433 euro), Sesagest – Projectos e Gestão Imobiliária, SA (14,735,408 euro), Modelo.Com – Vendas por Correspondência, SA (963,357 euro), Sonaegest – Soc. Gest. de Fundos de Investimento, SA (157,074 euro), Modelo Hiper Imobiliária, SA (788,104 euro) e Sonvecap, BV (2,750,000 euro).

The amount recorded in Income of financial investments concerns income received from investments funds participations units held on Fundos de Investimento Imobiliário Fechado Imosede (8,073,496 euro) and Imosonae Dois (18,754,065 euro). These amounts were received in 2012 and are presented on statement of cash flows in the caption others.

28 FINANCIAL INCOME / EXPENSES

As at 31 December 2012 and 2011, net financial expenses are as follows:

	31.December.2012	31.December.2011
Interest receivable		
related to bank deposits	732,906	436,938
related to loans granted	49,305,432	47,101,990
Others	179,073	899,626
Others finacial income	35,446	1,005,538
Financial income	50,252,857	49,444,092
Interest payable		
related to bank deposits and overdrafts	(8,146,413)	(10,784,254)
related to non convertible bonds	(21,134,856)	(21,029,815)
related to hedge derivatives	-	(2,575,517)
related to loans obtained	(47,303,046)	(40,138,642)
Other	-	(92)
Up front fees on the issuance of debt	(5,983,853)	(4,965,846)
Other	(27,495)	(244,637)
Financial expenses	(82,595,663)	(79,738,803)

29 OTHER INCOME

As at 31 December 2012 and 2011, other income is as follows:

	31.December.2012	31.December.2011
Recovery of charges (a)	211,474	18,018
Guarantees	282,565	553,664
Other income	3,595	5,151
	497,634	576,833

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

30 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2012 and 2011, external supplies and services are as follows:

	31.December.2012	31.December.2011
Specialized sercices	262,872	217,931
Advertising	36,838	-
Bank services	613,165	464,597
Insurance	659,440	635,574
Legal support	23,212	19,972
Guarantees	1,162,677	1,052,896
Others services	1,204	2,362
	2,759,408	2,393,332

31 OTHER EXPENSES

As at 31 December 2012 and 2011, other expenses are as follows:

	31.December.2012	31.December.2011
Indirect tax	440,797	369,314
Other expenses	613	2,367
	441,410	371,681

32 INCOME TAX

Income tax charge for the year ended 31 December 2012 and 2011 is made up as follows:

	31.December.2012	31.December.2011
Current tax	(110,377)	13,102,578
Deferred tax	1,533,481	13,167
Total	1,423,104	13,115,745

The reconciliation between the profit before taxation and the tax charge for the periods ended 31 December 2012 and 2011 is as follows:

	31.December.2012	31.December.2011
Profit before income tax	4,270,090	1,742,814
Income tax rate	25.00%	25.00%
	1,067,523	435,704
Impairment losses not accepted for tax purposes	3,498,865	2,942,000
Under/(over) taxation estimates	110,378	(5,296,765)
Effect of non-taxable dividends	(6,161,594)	(6,263,275)
Others	61,724	(4,933,409)
Income tax	(1,423,104)	(13,115,745)

33 EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2012 and 2011 were calculated taking into consideration the following amounts:

	31.December.2012	31.December.2011
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	5,693,194	14,858,559
Net profit taken into consideration to calculate diluted earnings per share	5,693,194	14,858,559
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)	0.0063	0.0165

34 CASH RECEIPTS / PAYMENTS ARISING INVESTMENTS

During 2012 and 2011, the following receipts and payments occurred:

	31.December.2012			
	Receipts		Payments	
Companies	Total	Amount received	Total	Amount paid
Bertimóvel - Sociedade Imobiliária, SA	-	-	150,000	150,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	-	-	150,000	150,000
Cumulativa - Sociedade Imobiliária, SA	-	-	35,000	35,000
Imomuro - Sociedade Imobiliária, SA	-	-	100,000	100,000
Modelo - Distribuição de Materiais de Construção, SA	-	-	15,000,000	15,000,000
Tlantic Portugal - Sistemas de Informação, SA	-	-	175,000	175,000
	-	-	15,610,000	15,610,000

	31.December.2011			
	Receipts		Payments	
Companies	Total	Amount received	Total	Amount paid
Bertimóvel - Sociedade Imobiliária, SA	-	-	270,000	270,000
Cumulativa - Sociedade Imobiliária, SA	-	-	40,000	40,000
Fundo de Investimento Imobiliário Imosonae Dois (1)	69,994,430	69,994,430	-	-
Iginha - Sociedade Imobiliária, SA	-	-	100,000	100,000
Imomuro - Sociedade Imobiliária, SA	-	-	200,000	200,000
Marcas MC, ZRT	-	61,516,534	-	-
Sempre à Mão - Sociedade Imobiliária, SA	-	-	600,000	600,000
Sonae Capital Brasil, SA	3,734,551	3,734,551	-	-
Sonaegest - Soc. Gest. de Fundos de Investimentos, SA	-	-	224,736	224,736
Sontária - Empreendimentos Imobiliários, SA	-	6,120,239	-	-
Tlantic Portugal - Sistemas de Informação, SA	-	-	150,000	150,000
	73,728,981	141,365,754	1,584,736	1,584,736

(1) The amount received includes 19,993,953 euro arising from the capital reimbursement and the amount of 50,000,477 euro related to the disposal of participations with related parties.

35 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 11th march 2013. These financial statements will be presented to the Shareholders' General Meeting for final approval.

36 INFORMATION REQUIRED BY LAW

Decree-Law ner 318/94 art. 5th ner 4th

During the period ended as at 31 December 2012 shareholders' loan contracts were signed with the following companies:

Azulino Imobiliária, SA

Bertimóvel – Sociedade Imobiliária, SA

Canasta - Empreendimentos Imobiliários, SA

Chão Verde - Sociedade de Gestão Imobiliária, SA

Citorres - Sociedade Imobiliária, SA

Contimobe – Imobiliária do Castelo de Paiva, SA

Cumulativa - Sociedade Imobiliária, 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

MJLF – Empreendimentos Imobiliários, SA

Predicomercial – Promoção Imobiliária, SA

Selifa - Sociedade de Empreendimentos Imobiliários, SA

Sociloures – Sociedade Imobiliária, SA

Socijofra – Sociedade Imobiliária, SA

Soflorin, BV

Sonae MC – Modelo Continente, SGPS, SA

Sonae - Specialized Retail, SGPS, SA

Sonae - Retail Properties, SA

Sondis Imobiliária, SA

During the period ended as at 31 December 2012, 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

Carnes do Continente - Indústria e Distribuição de Carnes, 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

Edições Book.it, SA

Estevão Neves – Hipermercados da Madeira, SA

Farmácia Selecção, SA

Fashion Division, SA

Fozimo – Sociedade Imobiliária, SA

Fozmassimo - Sociedade Imobliária, SA

Igimo – Sociedade Imobiliária, SA

Iginha – Sociedade Imobiliária, SA

Imoconti – Sociedade Imobiliária, SA

Imoestrutura – Sociedade Imobiliária, SA

Imomuro - Sociedade Imobiliária, SA

Imoresultado – Sociedade Imobiliária, SA

Imosistema – Sociedade Imobiliária, 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

Peixes do Continente - Indústria e Distribuição de Peixes, SA

Pharmaconcept Actividades em Saúde, SA

Pharmacontinente – Saúde e Higiene, SA

Predicomercial – Promoção 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

Socijofra – Sociedade Imobiliária, SA

Sociloures – Sociedade Imobiliária, SA

Sonae, SGPS, SA

Sonae MC – Modelo Continente, SGPS, SA

Sonae - Retail Properties, SA

Sonae - Specialized Retail, SGPS, SA

Sonae Center Serviços II, SA

Sondis - Sociedade Imobiliária, SA

Têxtil do Marco, SA

Tlantic Portugal - Sistemas de Informação, SA

Valor N, SA

Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA

Worten - Equipamentos para o Lar, SA

Zyevolution Investigação e Desenvolvimento, SA

Zippy - Comércio e Distribuição, SA

The amounts due to group companies as at 31 December 2012 related to the mentioned contracts were the following:

Company	31.December.2012
BB Food Service, SA	1,215,344
Carnes do Continente - Indústria e Distribuição de Carnes, SA	1,913,344
Contibomba - Comércio e Distribuição de Combustíveis, SA	799,344
Fashion Division, SA	3,509,344
Fozmassimo - Sociedade Imobliária, SA	1,005,344
Modelo Continente Hipermercados, SA	350,724,345
Modelo Hiper Imobiliária, SA	2,848,344
Modelo.Com - Vendas por Correspondência, SA	11,861,344
Pharmaconcept - Actividades em Saúde, SA	2,085,344
Peixes do Continente - Indústria e Distribuição de Peixes, SA	1,382,344
Sesagest - Projectos e Gestão Imobiliária, SA	2,969,344
Sonae Center Serviços II, SA	11,909,345
Sonae MC - Modelo Continente, SGPS, SA	8,646,141
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA	1,679,344
	402,548,615

As at 31 December 2012 amounts owed by subsidiaries can be detailed as follows:

Company	31.December.2012
Azulino - Imobiliária, SA	3,847,830
Bom Momento - Comércio Retalhista, SA	334,656
Bertimóvel - Sociedade Imobiliária, SA	23,751,995
Canasta - Empreendimentos Imobiliários, SA	2,102,864
Chão Verde - Sociedade de Gestão Imobiliária, SA	4,989,656
Citorres - Sociedade Imobiliária, SA	2,982,706
Contimobe - Imobiliária do Castelo de Paiva, SA	40,216,225
Continente Hipermercados, SA	10,099,655
Cumulativa - Sociedade Imobiliária, SA	2,158,989
Edições Book.it, SA	1,805,656
Estevão Neves - Hipermercados da Madeira, SA	3,925,656
Farmácia Selecção, SA	3,644,656
Fozimo – Sociedade Imobiliária, SA	1,537,957
Igimo – Sociedade Imobiliária, SA	679,656
Iginha – Sociedade Imobiliária, SA	18,304,456
Imoconti – Sociedade Imobiliária, SA	12,214,380
Imoestrutura - Sociedade Imobiliária, SA	158,706
Imomuro - Sociedade Imobiliária, SA	3,777,603
Imoresultado – Sociedade Imobiliária, SA	457,656
Imosistema - Sociedade Imobiliária, SA	3,773,298
MJLF - Empreendimentos Imobiliários, SA	2,918,843
Modelo - Distribuição de Materiais de Construção, SA	4,168,707
Mundo Vip - Operadores Turísticos, SA	1,000,000
MDS SGPS, SA	17,976,001
Pharmacontinente - Saúde e Higiene, SA	6,413,655
Predicomercial - Promoção Imobiliária, SA	6,187,966
Raso, SGPS, SA	7,800,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	3,007,632
Sempre à Mão - Sociedade Imobiliária, SA	46,797,591
Socijofra - Sociedade Imobiliária, SA	5,897,125
Sociloures - Sociedade Imobiliária, SA	20,487,915
Soflorin, BV	152,203,491
Sonae MC - Modelo Continente, SGPS, SA	5,344,000
Sonae - Specialized Retail, SGPS, SA	590,268,001
Sonaerp - Retail Properties, SA	186,403,709
Sondis Imobiliária, SA	21,141,818
Tlantic Portugal - Sistemas de Informação, SA	277,744
Valor N, SA	3,309,189
	1,222,367,643

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

Nuno Manuel Moniz Trigoso Jordão

Statutory Audit and Auditors' Report

LEGAL CERTIFICATION OF ACCOUNTS AND AUDITORS' 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 2012 of Sonae Investimentos, S.G.P.S., S.A. ("Company") (which comprise the Consolidated and Individual Statements of Financial Position as at 31 December 2012 that presents total consolidated and individual assets of 3,832,131,538 Euro and of 4,054,796,607 Euro respectively, and consolidated and individual equity of 837,943,269 Euro and of 2,335,076,026 Euro respectively, including consolidated net profit attributable to the Company's Equity Holders of 9,310,582 Euro and an individual net profit of 5,693,194 Euro), the Consolidated and Individual Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and individual financial information that present a true and fair view of the financial position of the companies included in the consolidation and the Company, the consolidated and individual results and comprehensive income of their operations, the consolidated and individual changes in equity and the consolidated and individual cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate internal control system; and (iv) informing any significant facts that have influenced its operations or the operations of the companies included in the consolidation, its consolidated or individual financial position, its consolidated or individual results and comprehensive income.

3. Our responsibility is to review the financial information contained in the above mentioned account documents, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our examination.

Scope

4. Our examination was performed in accordance with the auditing standards issued by the Portuguese Institute of Statutory Auditors, which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used, the application of the equity method, and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the consolidated and individual financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our examination also comprises verifying that the consolidated and individual financial information contained in the Report of the Board of Directors is in accordance with the other consolidated and individual documents of account, as well as verifying the required in the numbers 4 and 5 of article 451º of Commercial Companies Code. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and individual financial position of Sonae Investimentos, S.G.P.S., S.A., as at 31 December 2012, the consolidated and individual results and comprehensive income of its operations, the consolidated and individual changes in equity and the consolidated and individual cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union, and the information contained on those is, in accordance with the standards mentioned in the paragraph 4 above, complete, true, timely, clear, objective and licit.

Emphasis

6. As referred in Notes 1 and 4 to the Consolidated Financial Statements, Sonae Investimentos SGPS, S.A. voluntarily changed its accounting policy regarding Interests in Joint Ventures. In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors those changes were applied retrospectively, hence the Consolidated Statements of Financial Position as at 1 January 2011 and 31 December 2011, the Consolidated Statement of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year ended 31 December 2011 were restated.

Reporting over other legal requirements

7. It is also our opinion that the financial information contained in the Report of the Board of Directors is in accordance with the consolidated and individual financial statements of the year and the reporting of the corporate governance practices includes the elements required to the Company in accordance with article 245º-A of the Securities Market Code.

Porto, 11 March 2013

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral

Report and Opinion of The Statutory Audit Board

Report and Opinion of the Statutory Audit Board of Sonae Investimentos, SGPS, S.A.

(Translation of a Report and Opinion originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

To the Shareholders

1 – Report

1.1 - Introduction

In compliance with the applicable legislation and in accordance with the terms of our mandate, the Statutory Audit Board issues the present report over the supervision performed and its Report and Opinion on the Report of the Board of Directors and the individual and consolidated financial statements for the year ended 31 December 2012, which are the responsibility of the Board of Directors.

1.2 – Supervision

During the year under analysis, the Statutory Audit Board accompanied, within the scope of its competencies, the management of the Company and its affiliated companies, the compliance with legal and regulatory requirements, the adequacy of the accounting records, the effectiveness of the risk management and internal control, having met quarterly during the year with the Board of Directors and the officers in charge of Planning and Control department, Administrative and Accounting department, Tax department, and with the Statutory Auditor and External Auditor.

During the year the Statutory Audit Board accompanied, with special care, the accounting treatment of transactions that had had material impact on the evolution of operations reflected in the financial statements under analysis, and in accordance with its duties verified the qualification and independence of the Statutory Auditor and External Auditor.

In the exercise of its competences the Statutory Audit Board examined the consolidated and individual balance sheets, the consolidated and individual statements of profit and loss, the consolidated and individual statements of comprehensive income, the consolidated and individual statements of changes in equity, the consolidated and individual statements of cash flows and related notes for the year ended 31 December 2012.

Additionally, the Statutory Audit Board reviewed the Report of the Board of Directors and remaining individual and consolidated documents of accounts prepared by the Board of Directors, concluding that this information was prepared in accordance with the applicable legislation and that it is appropriate to the understanding of the financial position and results of the Company and the consolidation perimeter and has reviewed the Legal Certification of Accounts and Audit Report issued by the Statutory Auditor and agreed with its content.

2 - Opinion

Considering the above, in the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

a) the Report of the Board of Directors, the consolidated and individual balance sheets, the consolidated and individual statements of profit and loss, the consolidated and individual statements of comprehensive income, the consolidated and individual statements of changes in equity, the consolidated and individual statements of cash flows and related notes for the year ended 31 December 2012

b) the proposal of net profit appropriation presented by the Board of Directors.

3 – Responsibility Statement

In accordance with paragraph c), nº 1 of the article 245º of the Portuguese Securities Market Code, we declare that, to our knowledge, the information contained in the Management Report and the remaining financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of the Sonae Investimentos, S.G.P.S., S.A. and companies included in the consolidation. Also it is their understanding that the Management Report faithfully describes the business evolution, performance and financial position of Sonae 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. We declare that the Corporate Governance Report complies with the defined in article 245º - A of the Portuguese Securities Market Code.

Matosinhos, 26 March 2013

The Statutory Audit Board