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Consolidated Financial Statements

1st Half year 2012

INTRODUCTION

The Consolidated Net Profit of Sonae Sierra reached € 2.9 million at the end of the first half of 2012, which compare with a Net Profit of € 13.2 million in the same period of 2011.

The variation of the Net Profit was due to unfavourable Indirect Results, -€28.7 million in the first half of 2012 compared to -€15.6 million in the same period of 2011, mainly as a consequence of yield expansions in Europe which were only partially compensated by yield compressions in Brazil. Nevertheless, Direct Profits increased 10% leveraged by operational efficiency gains and the improvement of financial results.

The NAV of Sonae Sierra as at 30 June reached the amount of €1.12 billion and corresponds to €34.51 per share.

PROSPECTS

The economic situation of Eurozone, in this first half of 2012, remains vulnerable, and the banking and financial sector remains depressed.

The lack of liquidity in capital markets leads to a reduced activity of transactions, thereby avoiding Sierra Investments in achieving its program of capital recycling, i.e., the sale of interests of its portfolio in Europe. These restrictions drive the company to take other measures, particularly in the reinforcement of services to third parties and the rationalization of costs and capital expenditures in shopping centres in operation.

The strategy of the company is based on (i) the entry in new emerging markets as a service provider, adopting a strategy of capital light, increasing its revenues and know-how in these new markets, (ii) maintain the leverage of their assets at prudent levels (below 50%), allocating the amortizations as late as much as possible, (iii) maintain the role of specialists in shopping centres, to stand out even more of its competitors and (iv) developing innovative concepts.

Sonae Sierra is confident in its ability to execute the defined strategy and, with efficiency, accuracy and determination, overcome the challenges and maintain a leader position in shopping center industry.

OPERATIONAL PERFORMANCE

Two shopping centres inaugurated and other three under construction

Sonae Sierra's growth and expansion strategy continues, although the Company has adjusted its development timings to the evolution of the financial and retail markets.

During the first half of 2012, the Company inaugurated in Portugal the first phase of Shopping Centre of Portimão's refurbishment, an investment of around €3.5 million, which aimed the modernization and the revitalization of the interior.

Sonae Sierra inaugurated two shopping centres, Le Terrazze, in city of La Spezia (Italy), with an investment of €150 million in a total GLA of 38,600 m2 (98% of GLA leased) and Uberlândia Shopping, Estado de Minas Gerais (Brazil), with an investment of €79 million in a total GLA of 45,300 m2 (92% of GLA leased).

Nowadays the Company has 3 projects under development and 6 new projects in pipeline.

In Brazil, Sonae Sierra is developing 2 shopping centres, Passeio das Águas Shopping, in Estado de Goiás, with inauguration expected to 2013, which represents an investment of around €167 million in a total GLA of 78,100 m2 and Boulevard Londrina Shopping, in Estado de Paraná, with inauguration expected to 2013, which represents an investment of around €88 million in a total GLA of 47,800 m2.

In Germany, the Company is developing the Solingen Shopping, in the city of Solingen with inauguration expected to the end of 2013, which represents an investment of around €120 million in a total GLA of 29,000 m2, having already more than 50% of its Gross Lettable Area commercialized, and already confirmed, as the main large dimension shops, the Saturn, the hypermarket of Edeka chain, the dm-drogeriemarkt and Deichmann, the footwear experts.

Capital Recycling

Under the capital recycling strategy adopted by the Company, with the purpose of ensuring its sustainable growth, Sonae Sierra Brasil, subsidiary of Sonae Sierra, placed in the market in the first quarter of 2012 30,000 bonds with a total amount of R$300 million (around €124 million). This occurs after having placed its shares on the São Paulo Stock Exchange in 2011, raising to 30% the free float share capital. With this operation the Company intends to strength its growth strategy in one of the key markets for the Company, Brazil. The funds raised with this operation are intended for the acquisition of land, the increase of the Company's participation in Shopping Centres in operation, the eventual acquisition of new Shopping Centres, the development of new Shopping Centres and the reinforcement of the Company's cash balance.

Sonae Sierra Brasil has also enhanced its stake in 30% in Shopping Plaza Sul in exchange for a minority stake in Shopping Penha. With this operation Sonae Sierra now holds 60% of Shopping Plaza Sul, adding to its portfolio the control of high quality shopping centre, located in São Paulo, maintaining simultaneously a controlling stake in Shopping Penha.

Thus the company can continue to take advantage of the significant growth that the Brazilian economy has had and has allowed Sonae Sierra to achieve some very positive results in this country.

In Europe, the Company continues to pursue a strategy of selling its assets, so that it can leverage the developing of new projects in markets where already operates and in new markets.

On the other hand, the Company continues their strategy of capitalization of its assets through the provision of services, mainly in emerging markets, which includes the services of design, developing, letting and management. This contributes not only to increase revenue, but also to build experiences in these markets, allowing the leveraging of local partnerships in order to be able to implement its own investments in the future.

New property management and leasing activities

Sonae Sierra reinforced its activity as provider of services by signing a contract of letting and management with the company SIVIFEGO, owner of Caniço Shopping, in Madeira.

In early 2012, a new department was created, the EMEA Sierra Services, responsible for the sale and management of services to third parties in new markets in Europe, Middle East and Africa, and also for supporting the services to third parties in countries where the company already operates. The creation of EMEA Sierra Services aims to provide Sonae Sierra's clients a department dedicated to the sale and management of a set of high quality integrated services for shopping centres, covering the entire value chain of the business, from marketing analysis to the investment decision, design, development, marketing, letting to operational management or even third party asset management.

Reinforcement of position in Morocco

Sonae Sierra strengthens its presence in Morocco with the signature of its second contract to provide services in this country.

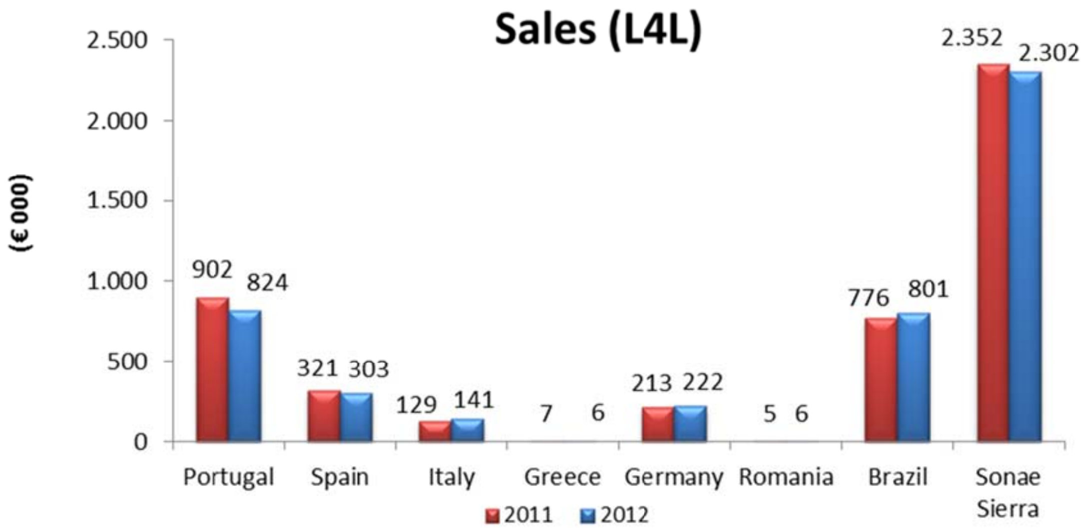
The contract is to provide services for the development of a project in Casablanca, and includes commercial offer analysis, definitions of layout, architectural concept and project management and engineering consulting. The contract was signed with the Moroccan company Marjane and the project is part of the real estate development Ibn Tachfine, which includes offices and a hotel with 100 rooms. The opening is scheduled for 2014 and the shopping centre will have a total GLA of 24,120 m2.

The first contract of the Company in this country was also signed with the Moroccan company Marjane (ONA Group) and another Moroccan company Foncière Chellah (CDG Group – Caisse de Dépot et de Gestion) for the provision of development services for Marina Shopping Casablanca, also located in Casablanca.

Marjane is the largest chain of hypermarkets and supermarkets operating in Morocco and Foncière Chellah is a real estate investment fund present in the real estate lease segment, fully owned by the CDG Group, one of Morocco's main financial institutions.

Sales and occupancy levels sustained

The tenant sales decreased by 2.2% on a like for like basis.



For such performance contributed the growth of 9.5% (15.3% in Reais) in sales of Brazil, 3.3% (11.5% in Reais) on a like for like basis.

The Occupancy Rate of the Brazil portfolio remained high and stable, recording a value of 97.4% at the end of June 2012.

Sonae Sierra presents an Occupancy Rate of their portfolio high and stable, recording a value of 96% at the end of June 2012.

National and International recognition

Sonae sierra is once again international distinguished in the first six months of the year after being distinguished in 2011 with several awards, national and international.

The Campaign "Música por uma Ca(u)sa", a Corporate Responsibility initiative promoted by Sonae Sierra for "Acreditar – Associação de Pais e Amigos de Crianças com Cancro", for the construction of a shelter home in Porto, received an honourable mention at the "ICSC Foundation European Community Support Awards". The Corporate Responsibility initiative by Sonae Sierra was the first impulse to the creation of a campaign that gave visibility to this Association's cause and ensured the viability of the new home, through the raising of new support for the project.

Sonae Sierra received the "ICSC silver Solar Award" in the Digital Marketing category with an innovative Christmas campaign held for the first time in Portugal. Sonae Sierra was the only Portuguese company distinguished in Digital Marketing category. "Merry Norte" is the name of the award-winning project, which involved the use of two different technologies, Face Tracking and Augmented Reality, to promote a distinctive experience during the Christmas campaign of NorteShopping.

FINANCIAL POSITION AND RESULTS

Sonae Sierra consolidated accounts

Profit & Loss accounts

The Consolidated Net Profit of Sonae Sierra in the first half of 2012 was €2.9 million which compares with a Consolidated Net Profit of €13.2 million in the same period of 2011.

This decrease of 78% in the company's result is explained by an unfavourable Indirect Result, consequence of the continuous increase in yields in Europe.

The Direct Result reached €31.6 million, which compare with €28.8 million in the same period of 2011, an increase of 10% mainly due to savings in operational costs as a result of the cost reduction effort.

The Direct Income from Investments is in line with the same period of last year. The increase of discounts and the decrease of Key Money and Turnover Rents in Europe were compensated by the increase in the revenue of Brazil's portfolio and the opening of the new shopping centres Le Terrazze and Uberlândia.

Balance sheet

The Consolidated Balance Sheet continues to show a solid financial position. The total assets amounted to €2,563 million at the end of June 2012, with the increase in Investment Properties explained by the opening of the two shopping centres, Le Terrazze (Italy) and Uberlândia (Brazil), partially compensated by the adverse FX change in the Brazilian portfolio. On the other hand, these two openings lead to a reduction in the Properties under Development, although partially compensated by the on-going investments in Solingen, Londrina and Goiânia.

The Bank Debt increased as a consequence of the new bond loan in Brazil and the debt increase in Solingen. The Loan-to-Value (measured as net indebtedness less cash and equivalents, as a percentage of total properties), despite the increase from 43.7% to 44.6%, remains in a level below the target of 50%.

Ratios	30 Jun 12	31 Dec 11
Loan-to-Value	44.6%	43.7%
Interest Cover	3.04	2.82
Development Ratio	11.1%	12.0%

Net Asset Value

The Company measures its performance, in a first instance, based on changes in Net Asset Value (NAV) plus dividends distributed. The Company calculates its NAV on the basis of the guidelines published in 2007 by INREV (European Association for Investors in Non-listed Real Estate Vehicles), an association of which the Company is a member.

Net Asset Value (NAV) Amounts in € 000	**30 Jun 12**	**31 Dec 11**
NAV as per the financial statements	899,189	941,090
Revaluation to fair value of developments	9,909	10,430
Deferred Tax for properties	231,198	238,686
Goodwill related to deferred tax	-36,073	-36,073
Gross-up of Assets	17,953	18,765
NAV	**1,122,175**	**1,172,899**
NAV per share (€)	**34.51**	**36.07**

Based on this methodology, the NAV of Sonae Sierra, as of the 30th June 2012, amounted €1.12 billion, which corresponds to a NAV per share of €34.51, 4.3% below the amount recorded at the end of 2011.

(unaudited accounts)

Consolidated Profit and Loss Account (€ 000)	**6M12**	**6M11**	**% 12/11**
Direct Income from Investments	103,920	103,242	1%
Direct costs from investments	46,275	47,655	-3%
EBITDA	**57,645**	**55,586**	**4%**
Net financial costs	18,465	18,824	-2%
Other non-recurrent income/cost	(1,119)	(835)	-34%
Direct profit before taxes	**38,061**	**35,927**	**6%**
Corporate tax	**6,507**	**7,172**	**-9%**
Direct net profit	**31,554**	**28,754**	**10%**
Gains realized on sale of investments	114	(4,304)	103%
Impairment & Development funds at risk provision	(1,037)	(3,603)	71%
Value created on investments	(25,962)	(815)	-
Indirect income	**(26,886)**	**(8,722)**	**-208%**
Deferred tax	1,813	6,854	-74%
Indirect net profit	**(28,699)**	**(15,575)**	**-84%**
Net profit	**2,856**	**13,179**	**-78%**

Consolidated Balance Sheet (€ 000)	**30 Jun 12**	**31 Dec 11**	**Var. (12 - 11)**
Investment properties	2,120,300	2,058,594	61,706
Properties under development and others	183,938	255,841	-71,903
Other assets	129,951	135,300	-5,349
Cash & Equivalents	129,098	113,798	15,300
Total assets	**2,563,287**	**2,563,533**	**-245**
Net worth	**899,189**	**941,090**	**-41,901**
Bank loans	1,139,306	1,107,428	31,878
Deferred taxes	282,146	286,956	-4,810
Other liabilities	242,646	228,058	14,588
Total liabilities	**1,664,098**	**1,622,442**	**41,656**
Net worth and liabilities	**2,563,287**	**2,563,533**	**-245**

Sierra Investments

In the first six months of 2012, Sierra Investments contributed negatively to the Consolidated Net Profit with a loss of €12.4 million, which compares with a gain of €4.2 million in the same period of 2011. This variation in the Net Profit was due to an adverse Indirect Result, consequence of the continuous increase of yields in Europe: Portugal, Spain, Greece and Italy.

The Direct Profit presents a decrease of 3% versus the same period of last year due to an increase in provisions and in discounts. However, this variation was in part compensated by the increase in the portfolio, with the opening of Le Terrazze in the first quarter of the year.

(unaudited accounts)

Profit & Loss Account (€ 000)	**6M12**	**6M11**	**% 12/11**
Retail Net Operating Margin	49,962	51,368	-3%
Parking Net Operating Margin	495	665	-26%
Co-generation Net Operating Margin	123	283	-57%
Shopping Centre Net Operating Income	**50,580**	**52,317**	**-3%**
Offices Net Operating Income	0	0	-
Asset Management Net Operating Income	702	1,075	-35%
Net Operating Income (NOI)	**51,281**	**53,392**	**-4%**
Net financial costs	19,860	18,244	9%
Other non-recurrent income/cost	2,269	2,699	-16%
Corporate tax	3,871	6,335	-39%
Direct net profit	**25,281**	**26,113**	**-3%**
Gains realized on sale of investments	0	(4,304)	100%
Value created on investments	(42,221)	(17,749)	-138%
Deferred tax	(4,577)	(99)	-
Indirect net profit	**(37,644)**	**(21,954)**	**-71%**
Net Profit	**(12,364)**	**4,159**	**-397%**

Consolidated Balance Sheet (€ 000)	**30 Jun 12**	**31 Dec 11**	**Var. (12 - 11)**
Investment properties & others	1,769,301	1,747,849	21,451
Other assets	182,597	180,502	2,095
Cash & Equivalents	51,032	45,976	5,056
Total assets	**2,002,929**	**1,974,327**	**28,602**
Net worth	624,585	644,698	-20,113
Bank loans	957,549	947,275	10,275
Deferred taxes	226,352	230,134	-3,782
Other liabilities	194,443	152,220	42,223
Net Worth and liabilities	**2,002,929**	**1,974,327**	**28,602**

Sierra Developments

Sierra Developments contributed negatively to the Consolidated Net Profit with a loss of €12 million which compares with a loss of €16.9 million in 2011.

The Net Profit presents an increase of 29% versus the same period of last year mainly due to an increase of the Financial Result and a decrease in the operational costs.

(unaudited accounts)

Profit & Loss Account (€ 000)	**6M12**	**6M11**	**% 12/11**
Project Development Services Rendered	2,116	2,130	-1%
Value created in projects	(6,933)	(7,438)	7%
Operating Income	**(4,817)**	**(5,308)**	**9%**
Operating costs	**8,938**	**11,487**	**-22%**
Net Operating Income (NOI)	**(13,755)**	**(16,795)**	**18%**
Depreciation and provisions	37	1	-
Net financial costs	(616)	1,991	-131%
Other non-recurrent income/cost	100	397	-75%
Income Tax	(1,238)	(2,320)	47%
Net Profit	**(12,037)**	**(16,864)**	**29%**

Consolidated Balance Sheet (€ 000)	**30 Jun 12**	**31 Dec 11**	**Var. (12 - 11)**
Properties under development	134,673	187,888	-53,215
Other assets	79,581	70,690	8,891
Cash & Equivalents	3,596	7,244	-3,649
Total assets	**217,850**	**265,822**	**-47,972**
Net worth	6,012	19,403	-13,391
Bank loans	17,353	40,570	-23,217
Shareholder loans	82,380	89,955	-7,575
Deferred taxes	153	3,531	-3,378
Other liabilities	111,952	112,363	-411
Net worth and liabilities	**217,850**	**265,822**	**-47,972**

Sierra Management

In the first half of 2012, Sierra Management contributed with €2.3 million to the Consolidated Net Profit of Sonae Sierra, against €2.2 million in the same period of 2011.

This positive variation of 5% versus the same period of last year was due to a decrease in other costs related to personnel.

The Common Charges policy was changed during this first half year. Up to now the personnel costs with the teams in the shopping centres were supported directly by the Centres. From now on, they are paid by the management company, who will then charge a fixed fee. The change of this policy explains the increase in the Management Services, compensated however by the increase in Personnel Costs.

(unaudited accounts)

Profit & Loss Account (€ 000)	**6M12**	**6M11**	**% 12/11**
Total Income from Management Services	17,363	16,713	4%
Operating Costs	14,493	13,768	5%
Net Operating Income (NOI)	**2,870**	**2,945**	-3%
Net financial costs	(413)	(460)	10%
Other non-recurrent income/cost	10	0	-
Income tax	953	1,204	-21%
Net Profit	**2,319**	**2,200**	**5%**

Consolidated Balance Sheet (€ 000)	**30 Jun 12**	**31 Dec 11**	**Var. (12 - 11)**
Other assets	28,305	24,973	3,332
Cash & Equivalents	30,725	38,666	-7,941
Total assets	**59,030**	**63,639**	**-4,609**
Net worth	16,346	14,027	2,319
Other liabilities	42,684	49,613	-6,929
Net Worth and liabilities	**59,030**	**63,639**	**-4,609**

Sonae Sierra Brazil

Sonae Sierra Brazil consolidates the Brazilian companies and the structure in Europe who are the owner of the Brazilian companies.

In the first half of 2012, Sonae Sierra Brazil contributed with €24.9 million to the Consolidated Net Profit of Sonae Sierra, against €23.7 million in the same period of 2011.

This positive variation of 5% is due to a more favourable Indirect Result explained by the yield compression in the main Brazilian assets.

Direct Result decreased 9% versus the same period of last year, mainly explained by the increase of Financial Costs related with the new Bond Loan placed in the market in the first quarter of the year.

(unaudited accounts)

Profit & Loss Account (€ 000)	6M12	6M11	% 12/11
Retail Net Operating Margin	11,499	10,419	**10%**
Parking Net Operating Margin	1,720	1,583	9%
Shopping Centre Net Operating Income	**13,218**	**12,002**	**10%**
Total Income from Services Rendered	2,850	2,717	**5%**
Overheads	4,333	3,659	18%
Net Operating Income (NOI)	**11,734**	**11,059**	**6%**
Net financial costs/(income)	(366)	(952)	-62%
Other non-recurrent income/cost	120	125	-4%
Corporate tax	2,316	1,277	81%
Direct Profit	**9,665**	**10,610**	**-9%**
Value created on investments	22,903	20,927	9%
Deferred tax	7,632	7,828	-2%
Indirect net profit	**15,271**	**13,100**	**17%**
Net Profit	**24,937**	**23,709**	**5%**

Consolidated Balance Sheet (€ 000)	30 Jun 12	31 Dec 11	Var. (12 - 11)
Properties	394,330	372,776	21,554
Other assets	15,416	13,786	1,631
Cash & Equivalents	83,445	54,851	28,594
Total Assets	**493,191**	**441,413**	**51,778**
Net worth	321,849	323,778	-1,930
Bank loans	89,423	45,637	43,786
Deferred taxes	59,005	55,935	3,070
Other liabilities	22,914	16,062	6,852
Net Worth and liabilities	**493,191**	**441,413**	**51,778**

Maia, 24 July 2012.

The Board of Directors

Paulo Azevedo
Chairman (non-executive)

Fernando Guedes Oliveira
President

José Edmundo Figueiredo
Director

Ana Guedes Oliveira
Director

Mark Preston
Director (non-executive)

Ângelo Paupério
Director (non-executive)

Neil Jones
Director (non-executive)

João Correia de Sampaio
Director

Nicholas Scarles
Director (non-executive)

José Baeta Tomás
Director

Pedro Caupers
Director

SONAE SIERRA, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF 30 JUNE 2012 AND 2011 AND 31 DECEMBER 2011

(Translation of the statement of financial position originally issued in Portuguese - Note 14)

(Amounts stated in thousands of Euro)

ASSETS	Notes	30 June 2012	31 December 2011	30 June 2011
NON CURRENT ASSETS:				
Investment properties	5	3,158,392	3,104,769	3,168,759
Investment properties in progress	5	175,870	256,536	216,597
Property, plant and equipment		1,856	2,169	2,496
Goodwill	6	45,723	45,723	45,983
Intangible assets		4,180	4,571	5,479
Investments in associates and companies excluded from consolidation	3	83,724	84,970	88,290
Deferred tax assets		28,133	29,820	19,111
Derivative financial instruments	7	1	-	2,950
State and other public entities		295	311	393
Other non current assets		33,082	33,460	25,518
Total non current assets		3,531,256	3,562,329	3,575,576
CURRENT ASSETS:				
Trade receivables		37,019	30,139	32,902
State and other public entities		31,709	36,924	37,933
Other receivables		32,105	29,234	26,727
Other current assets		15,012	18,106	11,641
Cash and cash equivalents		189,815	150,232	182,697
Total current assets		305,660	264,635	291,900
Total assets		3,836,916	3,826,964	3,867,476
EQUITY, NON-CONTROLLING INTERESTS AND LIABILITIES				
EQUITY:				
Share capital		162,245	162,245	162,245
Reserves		57,329	57,329	57,329
Translation Reserve		(17,791)	5,273	26,081
Hedging Reserve		(24,499)	(23,889)	(12,852)
Retained earnings		718,981	730,499	730,839
Consolidated net profit for the period attributable to the equity holders of Sonae Sierr		2,856	9,748	13,179
Equity attributable to the equity holders of Sonae Sierra		899,121	941,205	976,821
Non-controlling interests	10	541,016	551,062	572,626
Total Equity		1,440,137	1,492,267	1,549,447
LIABILITIES:				
NON CURRENT LIABILITIES:				
Long term debt - net of current portion	7	1,381,650	1,394,898	1,363,867
Debentures loans - net of current portion	7	131,864	74,876	74,818
Derivative financial instruments	7	50,254	48,611	24,599
Other shareholders	9	7,575	8,503	9,870
Trade payables		5,365	543	6,074
Other non current liabilities		22,140	13,544	12,923
Provisions		371	386	319
Deferred tax liabilities		499,032	506,238	515,168
Total non current liabilities		2,098,251	2,047,599	2,007,638
CURRENT LIABILITIES:				
Current portion of long term debt	7	80,726	83,467	111,075
Current portion of long term of debentures loans	7	(120)	(116)	(112)
Short term debt and other borrowings	8	4,962	133	36
Other shareholders	9	10,865	10,791	10,791
Trade payables		26,134	34,047	33,970
State and other public entities		30,480	22,999	26,141
Other payables		49,619	50,050	51,410
Other current liabilities		94,138	83,913	75,223
Provisions		1,724	1,814	1,857
Total current liabilities		298,528	287,098	310,391
Total equity, minority interests and liabilities		3,836,916	3,826,964	3,867,476

The accompanying notes form an integral part of these consolidated statements of financial position.

The Board of Directors

SONAE SIERRA, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

FOR THE PERIODS ENDED 30 JUNE 2012 AND 2011

(Translation of statement of profit and loss originally issued in Portuguese - Note 14)

(Amounts stated in thousands of Euro)

	Notes	2012	2011
Operating revenue:			
Services rendered		191,746	193,454
Variation in fair value of the investment properties	5	(38,369)	8,176
Other operating revenue		6,466	5,724
Total operating revenue		159,843	207,354
Operating expenses:			
External supplies and services		(69,276)	(70,491)
Personnel expenses		(25,611)	(27,237)
Depreciation and amortisation		(1,098)	(1,076)
Provisions and impairment		(6,662)	(3,645)
Write-off and impairment losses		(1,037)	(3,626)
Other operating expenses		(8,773)	(11,951)
Total operating expenses		(112,457)	(118,026)
Net operating profit		47,386	89,328
Financial income		8,292	5,178
Financial expenses		(33,619)	(32,419)
Share of results of associated undertakings	3	(213)	(2,096)
Gains and losses on investments		(112)	(47)
Profit before income tax		21,734	59,944
Income tax		(12,549)	(23,628)
Profit after income tax		9,185	36,316
Net profit after tax from discontinuing operations		-	-
Consolidated net profit for the period		9,185	36,316
Attributable to:			
Equity holders of Sonae Sierra		2,856	13,179
Non-controlling interests	10	6,329	23,137
		9,185	36,316
Consolidated net profit per share:			
Basic	-	0.088	0.405
Diluted	-	0.088	0.405

The accompanying notes form an integral part of these consolidated statements of profit and loss.

The Board of Directors

SONAE SIERRA, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED 30 JUNE 2012 AND 2011

(Translation of the statement of comprehensive income originally issued in Portuguese - Note 14)

(Amounts stated in thousands of Euro)

	Notes	2012	2011
Consolidated net profit for the period		9,185	36,316
Changes in the currency translation differences		(35,210)	(9,660)
Changes in the fair value of hedging instruments		(1,245)	18,020
Income tax related to components of other comprehensive income		179	(3,036)
Costs related to IPO "Brazil"		-	(5,302)
Loss on IPO "Brazil"		-	(313)
Others		(132)	80
Other comprehensive income of the period		(36,408)	(211)
Total comprehensive income for the period		(27,223)	36,105
Attributable to:			
Equity holders of Sonae Sierra		(20,950)	12,368
Non-controlling interests		(6,273)	23,737
		(27,223)	36,105

The accompanying notes form an integral part of these consolidated statements of comprehensive income.

The Board of Directors

SONAE SIERRA S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 JUNE 2012 AND 2011

(Translation of statements of changes in equity originally issued in Portuguese - Note 14)

(Amounts stated in thousands of Euro)

	Attributable to Equity Holders of Sonae Sierra								
		Reserves						Non-controlling Interests	
	Share capital	Legal Reserves	Translation reserve	Hedging reserve	Retained earnings	Net profit	Total		Total
Balance at 31 December 2010	162,245	57,329	44,902	(21,191)	748,452	8,694	1,000,431	432,140	1,432,571
Appropriation of consolidated net profit for 2010:									
Transfer to legal reserves and retained earnings	-	-	-	-	(15,041)	15,041	-	-	-
Dividends distributed	-	-	-	-	-	(23,735)	(23,735)	(2,165)	(25,900)
	-	-	-	-	(15,041)	(8,694)	(23,735)	(2,165)	(25,900)
Currency translation differences	-	-	(6,578)	-	-	-	(6,578)	(3,082)	(9,660)
Transfer to non-controlling interests	-	-	-	-	-	-	-	-	-
Costs incurred with the IPO in Brazil	-	-	-	-	(2,332)	-	(2,332)	(1,167)	(3,499)
Fair value of hedging instruments	-	-	-	11,478	-	-	11,478	6,542	18,020
Deferred tax in fair value of hedging instruments	-	-	-	(3,139)	-	-	(3,139)	(1,700)	(4,839)
Capital increase/decrease							-	34,970	34,970
Acquisitions/sale of subsidiaries effect			(12,243)	-	(313)		(12,556)	83,944	71,388
Consolidated net profit for period ended 30 June 2011	-	-	-	-	-	13,179	13,179	23,137	36,316
Others	-	-	-	-	73	-	73	7	80
Balance at 30 June 2011	162,245	57,329	26,081	(12,852)	730,839	13,179	976,821	572,626	1,549,447
Balance at 31 December 2011	162,245	57,329	5,273	(23,889)	730,499	9,748	941,205	551,062	1,492,267
Appropriation of consolidated net profit for 2011:									
Transfer to legal reserves and retained earnings	-	-	-	-	(11,386)	11,386	-	-	-
Dividends distributed	-	-	-	-	-	(21,134)	(21,134)	(3,773)	(24,907)
	-	-	-	-	(11,386)	(9,748)	(21,134)	(3,773)	(24,907)
Currency translation differences	-	-	(23,064)	-	-	-	(23,064)	(12,146)	(35,210)
Fair value of hedging instruments	-	-	-	(719)	-	-	(719)	(526)	(1,245)
Deferred tax in fair value of hedging instruments	-	-	-	109	-	-	109	70	179
Capital increase/decrease	-	-	-	-	-		-	-	-
Acquisitions/sale of subsidiaries effect	-	-	-	-	-		-	-	-
Changes in ownership of subsidiaries	-	-	-	-	-		-	-	-
Consolidated net profit for period ended 30 June 2012	-	-	-	-	-	2,856	2,856	6,329	9,185
Others	-	-	-	-	(132)	-	(132)	-	(132)
Balance at 30 June 2012	162,245	57,329	(17,791)	(24,499)	718,981	2,856	899,121	541,016	1,440,137

The accompanying notes form an integral part of these consolidated statement of changes in equity.

The Board of Directors

SONAE SIERRA, SGPS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED 30 JUNE 2012 AND 2011

(Translation of statement of cash flow originally issued in Portuguese - Note 14)

(Amounts stated in thousands of Euro)

	2012		2011	
OPERATING ACTIVITIES:				
Received from clients	182,690		195,034	
Paid to suppliers	(72,471)		(68,710)	
Paid to personnel	(27,778)		(30,603)	
Flows from operations	82,441		95,721	
(Payments)/receipts of income tax	(3,223)		(6,610)	
Other (payments)/receipts relating to operating activities	1,767		(4,557)	
Flows from operating activities [1]		80,985		84,554
INVESTING ACTIVITIES:				
Receipts relating to:				
Investments	468		283	
Tangible fixed assets	11,223		120,723	
Interest income	7,424		4,648	
Dividends	624		152	
Other	-	19,739	3,176	128,982
Payments relating to:				
Investments	(650)		(219)	
Tangible fixed assets	(45,544)		(41,615)	
Intangible fixed assets	(409)		(775)	
Other	(1,299)	(47,902)	(3,060)	(45,669)
Variation in Loans granted		(64)		(73)
Flows from investing activities [2]		(28,227)		83,240
FINANCING ACTIVITIES:				
Receipts relating to:				
Capital increase and share premiums	-		96,371	
Bank loans	99,561		33,388	
Other	-	99,561	-	129,759
Payments relating to:				
Interest expenses	(31,437)		(29,547)	
Dividends	(27,510)		(2,167)	
Decrease of share capital - nominal value and discounts and premiums	-		-	
Bank loans	(44,074)		(137,539)	
Other	-	(103,021)	-	(169,253)
Variation in Loans obtained - others		(931)		(1,081)
Flows from financing activities [3]		(4,391)		(40,575)
Variation in cash and cash equivalents [4]=[1]+[2]+[3]		**48,367**		**127,219**
Effect of exchange differences		(8,651)		1,348
Cash and cash equivalents at the beginning of the year		150,099		54,129
Cash and cash equivalents at the end of the year		189,815		182,696

The accompanying notes form an integral part of these consolidated statements of cash flows.

The Board of Directors

SONAE SIERRA, SGPS, S.A. AND SUBSIDIARIES

Notes to the consolidated financial statements

as of 30 June 2012

(Translation of notes originally issued in Portuguese – Note 14)

(Amounts stated in thousands of Euro - kEuro)

1 INTRODUCTION

SONAE SIERRA, S.G.P.S., S.A. ("the Company" or "Sonae Sierra"), which has its head office in Lugar do Espido, Via Norte, Apartado 1197, 4471-909 Maia – Portugal, is the parent company of a group of companies ("the Group").

The Group's operations consist of investment, management and development of shopping centres.

The Group operates in Portugal, Brazil, Spain, Greece, Germany, Italy, Romania, Colombia, Morocco, Algeria and Netherlands.

These financial statements are presented in Euro because that is the currency of the primary economic environment in which the group operates.

2 PRINCIPAL ACCOUNTING POLICIES

The accompanying consolidated interim financial statements have been prepared according to the International Financial Report Standards ("IFRS") and approved by the European Union, applicable to economic years beginning on 1 January 2012. These correspond to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC") and endorsed by the European Union.

The accompanying consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for investment properties and financial instruments which are stated at fair value, from the accounting records of the companies included in the consolidation maintained in accordance with generally accepted accounting principles in the countries of each company adjusted, in the consolidation process, to International Financial Reporting Standards ("IFRS"), as endorsed by the European Union.

The board of Directors understands that the accompanying interim consolidated financial statements and the following disclosures, allow an adequate presentation of interim consolidated financial information under IAS 34 – Interim financial reporting. To obtain additional information on the accounting policies of the Group and other information, please refer to the annual consolidated financial statements as of 31 December 2011.

New accounting standards and their impact in these consolidated financial statements

The following standards and interpretations, with mandatory application in future financial years, were, until the date of approval of these financial statements, endorsed by the European Union:

	Applicable for financial years beginning on / after
Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income	01-Jul-12
Amendments to IAS 19 - Employee Benefits	01-Jan-13

These standards, despite being endorsed by the European Union, were not adopted by the Group in 2012 because their application is not yet mandatory. It is not anticipated that there will be retrospective adjustments in the consolidated financial statements of the Group from the adoption of these standards.

The following standards and interpretations were issued by the IASB and they are not yet endorsed by the European Union:

	Applicable for financial years beginning on / after
IFRS 9 - Financial Instruments	01-Jan-15
IFRS 10 - Consolidated Financial Statements	01-Jan-13
IFRS 11 - Joint Arrangements	01-Jan-13
IFRS 12 - Disclosure of Interests in Other Entities	01-Jan-13
IFRS 13 - Fair Value Measurement	01-Jan-13
IAS 27 (Revised 2011)- Separate Financial Statements	01-Jan-13
IAS 28 (Revised 2011)- Investments in Associates and Joint Ventures	01-Jan-13
Amendments to IAS 12 - Deferred Tax: Recovery of Underlying Assets	01-Jan-12
Amendments to IFRS 1 - Severe Hyperinflaction and Removal of Fixed Dates for Fisrt-time Adopters	01-Jul-11
Liabilities	01-Jan-13
Amendments to IAS 32 - Financial Instruments - Offsetting Financial Assets and Financial Liabilities	01-Jan-14
Amendments to IFRS 1 - Government Loans	01-Jan-13
Improvements to IFRS (2009-2011)	01-Jan-13
Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)	01-Jan-13
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	01-Jan-13

Regarding IFRS 11 – Joint Arrangements, it is estimated a significant impact on the consolidated financial statements, namely derived from the abolition of the proportional method of consolidation regarding the Group's investments in joint ventures. In relation to the remaining standards it is not anticipated any significant impact on the accompanying consolidated financial statements. Any of these standards were adopted by the Group as they were not yet endorsed by the European Union.

3 INVESTMENTS IN ASSOCIATES AND COMPANIES EXCLUDED FROM CONSOLIDATION

The associated companies and other companies excluded from consolidation, their head offices, percentages of their share capital held by the Group and book value as of 30 June 2012 and 31 December 2011, are as follows:

		30 June 2012						
	Head Office	Assets	Liabilities	Equity	Net Profit	% own	Book value	Net profit held
Associated companies:								
Campo Limpo Lda	S. Paulo (Brazil)	71,586	17,484	54,102	4,988	10.00%	5,410	499
Sierra Portugal Real Estate ("SPF") (*)	Luxembourg	384,285	281,685	102,600	(5,773)	47.50%	48,736	(2,742)
Goodwill SPF							13,047	-
Sonaegest - Soc. Gestora de Fundos de Investimento, S	Maia	1,540	195	1,345	328	20.00%	269	65
ALEXA Asset GmbH & Co, KG (**)	Dusseldorf (Germany)	388,971	218,057	170,914	21,836	9.00%	15,382	1,965
Goodwill Alexa							518	-
							83,362	(213)
Other participations:								
Ercasa Cogeneración S.A.	Grancasa (Spain)					5.00%	48	-
Car Parking of Grancasa	Grancasa (Spain)					62.37%	216	-
Sierra Cevital Shopping Center, Spa	Algeria					49.00%	98	-
							362	-
							83,724	(213)

		31 December 2011						
	Head Office	Assets	Liabilities	Equity	Net Profit	% own	Book value	Net profit held
Associated companies:								
Campo Limpo Lda	S. Paulo (Brazil)	72,197	17,253	54,944	16,873	10.00%	5,494	1,687
Sierra Portugal Real Estate ("SPF") (*)	Luxembourg	396,681	289,208	107,473	(27,559)	47.50%	51,051	(13,091)
Goodwill SPF							13,047	(980)
Sonaegest - Soc. Gestora de Fundos de Investimento, S	Maia	1,531	121	1,410	436	20.00%	282	87
ALEXA Asset GmbH & Co, KG (**)	Dusseldorf (Germany)	379,934	222,269	157,665	11,030	9.00%	14,190	497
Goodwill Alexa							518	-
							84,582	(11,800)
Other participations:								
Ercasa Cogeneración S.A.	Grancasa (Spain)					5.00%	48	-
Car Parking of Grancasa	Grancasa (Spain)					62.37%	242	-
Sierra Cevital Shopping Center, Spa	Algeria					49.00%	98	-
							388	-
							84,970	(11,800)

(*) Amounts related to the consolidated accounts of "SPF". This company owns the following investments:

	% own
8ª Avenida Centro Comercial, S..A.	100%
ALBCC Albufeirashopping C.Comercial S.A.	50%
Arrábidashopping- Centro Comercial, S.A.	50%
Gaiashopping I- Centro Comercial, S.A.	50%
Gaiashopping II- Centro Comercial, S.A.	50%
LCC LeiriaShopping Centro Comercial S.A.	100%
Loureshopping- Centro Comercial, S.A.	50%
PORTCC - Portimaoshopping C.Comercial S.A.	50%
Rio Sul- Centro Comercial, S.A.	50%
Serra Shopping- Centro Comercial, S.A.	50%

(**) At the end of 2011 it was acquired an aditional percentage of 4.5% of Alexa KG which had no impact in the Consolidated net profit of 2011; the net profit of the company was integrated at 4.5%.

The associated companies were included in the consolidation by the equity method.

During the first half years ended 30 June 2012 and 2011, the movement occurred in associated companies was as follows:

	30.06.12	30.06.11
Opening balance	84,582	88,917
Capital decrease	(468)	-
Effect of the application of the equity method:		
Hedging reserve	482	1,408
Translation reserve	(365)	(77)
Net profit	(213)	(2,096)
Dividends	(656)	(152)
Impairment losses	-	-
	83,362	88,000

4 ACQUISITION AND SALE OF COMPANIES

During the first half of 2012 didn’t occurred any acquisitions and sales of companies.

The main acquisitions and sales of companies occurred during the first half of 2011 were as follows:

Sale of subsidiaries:

During February and March 2011, the jointly controlled entity Sonae Sierra Brasil SA ("Sonae Sierra Brasil"), a company incorporated under the Brazilian law, carried out an initial public offer of 23,251,043 ordinary shares issued by the Company, all nominative, without par value, free and clear of any liens or charges, at the price of R$ 20.00 per share, for a total of R$ 465,020,860.00. After this operation, the jointly controlled entity "Sonae Sierra Brasil," which holds companies headquartered in Brazil, is now held by the Group at 33.32%. This transaction resulted in a loss of kEuro 12,556 recognised in the equity, which includes the transfer to non-controlling interests of the currency conversion reserve in the amount of KEuro -12,243. At this date were also recognised in equity the costs of the public offering (net of taxes) worth KEuro 2,332.

5 INVESTMENT PROPERTIES

The movement in investment properties during the first half years ended 30 June 2012 and 2011 was as follows:

	30 June 2012					
			Investment properties			
			in progress			
	in operation	"Fit Out"	at cost	at fair value	Advances	Total
Opening balance	3,100,957	3,812	134,237	120,574	1,725	3,361,305
Increases	21,967	999	29,540	14,987	-	67,493
Impairments and write-off	-	-	(1,037)	-	-	(1,037)
Sales	(2,289)	-	(8,594)	-	-	(10,883)
Fit-out receivables	-	(1,061)	-	-	-	(1,061)
Transfers	-	(237)	(76)	(143)	-	(456)
Increases by transfer from investment properties in progress:						
- Production cost	108,425	15	25,828	(134,268)	-	-
- Adjustment to fair value	2,836	-	-	(1,350)	-	1,486
Variation in fair value of the investment properties between years						
- Gains	40,726	51	-	-	-	40,777
- Losses	(80,538)	(94)	-	-	-	(80,632)
Currency translation differences	(37,177)	-	(5,753)	200	-	(42,730)
Closing balance	3,154,907	3,485	174,145	-	1,725	3,334,262

	30 June 2011					
			Investment properties			
			in progress			
	in operation	"Fit Out"	at cost	at fair value	Advances	Total
Opening balance	3,259,697	4,058	123,288	78,528	1,725	3,467,296
Increases	9,689	-	738	31,452	-	41,879
Impairments and write-off	-	-	(3,626)	-	-	(3,626)
Sales	(120,000)	-	-	-	-	(120,000)
Fit-out receivables	-	(216)	-	-	-	(216)
Transfers	-	-	(245)	(24)	-	(269)
Increases by transfer from investment properties in progress:						
- Production cost	8,290	-	1,807	(10,097)	-	-
- Adjustment to fair value	6,263	-	-	(3,670)	-	2,593
Variation in fair value of the investment properties between years						
- Gains	40,842	100	-	-	-	40,942
- Losses	(31,973)	(35)	-	(3,351)	-	(35,359)
Currency translation differences	(7,956)	-	469	(397)	-	(7,884)
Closing balance	3,164,852	3,907	122,431	92,441	1,725	3,385,356

As of 30 June 2012, 31 December 2011 and 30 June 2011 investment properties in operation can be detailed as follows:

	30.06.12					31.12.11					30.06.11				
	10 yr discount rate		Exit Yield			10 yr discount rate		Exit Yield			10 yr discount rate		Exit Yield		
	Floor	Cap	Floor	Cap	Amount	Floor	Cap	Floor	Cap	Amount	Floor	Cap	Floor	Cap	Amount
Portugal/Spain	8.95%	12.75%	6.45%	10.25%	1,873,802	8.15%	12.05%	6.15%	10.05%	1,930,202	0.00%	11.95%	0.00%	9.45%	2,012,969
Other European Countries	6.50%	13.50%	6.00%	10.50%	733,536	0.00%	13.00%	0.00%	10.00%	684,483	0.00%	10.75%	0.00%	8.00%	673,246
Brazil	12.50%	14.00%	8.00%	9.50%	547,569	0.00%	14.00%	0.00%	9.50%	486,272	0.00%	14.00%	0.00%	9.50%	478,637
					3,154,907					3,100,957					3,164,852

The fair value of each investment property was determined by means of a valuation as of the reporting date made by an independent specialised entity (Cushman & Wakefield).

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

The methodology used to compute the market value of the investment properties consists in preparing 10 years projections of income and expenses of each shopping centre added to the residual value, corresponding to a projected net income of year 11 and a return market rate (“Exit yield" or "cap rate"). These projections are then discounted to the valuation date using a discount market rate. Projections are intended to reflect the actual best estimate of the valuer regarding future revenues and costs of each shopping. Both the return rate and discount rate are defined in accordance to the local real estate and institutional market conditions, being the reasonability of the market value obtained in accordance to the methodology above referred, tested also in terms of initial return, and obtained with the estimated net income for the 1st year of projections.

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

The open market value of the investment properties under development as at the reporting date is calculated by subtracting from the open market value at opening, calculated using the methodology described above, the investment necessary to finish the project and weighted by a risk factor defined by the valuer.

The Market

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

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

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

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

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

As of 30 June 2012, 31 December 2011 and 30 June 2011 the fair value of the fit out contracts existing in each investment property was as follows:

	30.06.12					31.12.11					30.06.11				
	10 yr discount rate		Exit Yield			10 yr discount rate		Exit Yield			10 yr discount rate		Exit Yield		
	Floor	Cap	Floor	Cap	Amount	Floor	Cap	Floor	Cap	Amount	Floor	Cap	Floor	Cap	Amount
Portugal/Spain	9.10%	12.10%	6.85%	9.85%	3,485	8.95%	11.75%	6.70%	9.50%	3,812	8.65%	11.40%	6.40%	9.00%	3,907
					3,485					3,812					3,907

The fair value of the fit out contracts was determined by means of a valuation as of the reporting date made by an independent specialised entity (Cushman & Wakefield). The methodology used to compute the fair value of the fit out contracts consisted in determining the discounted estimated cash flows of each one of the fit out contracts, using a discounted marked rate, similar to the one used in determining the fair value of the investment property to which each fit out contract relates.

As of 30 June 2012 and 31 December 2011 the following investment properties had been given in guarantee of bank loans:

Airone	Grancasa	Parque Principado
Algarveshopping	Guimarãeshopping	Pátio Boavista
Alverca	La Farga	Pátio Londrina
Arrabidashopping	Le Terrazze	Pátio Uberlândia
Cascaishopping	Loop 5	Plaza Mayor
Centro Colombo	Luz del Tajo	Plaza Mayor Shopping
Centro Vasco da Gama	Madeirashopping	River Plaza Mall
Coimbrashopping	Maiashopping	Solingen
Dos Mares	Manauara Shopping	Torre Ocidente
Estação Viana	Max Center	Valecenter
Freccia Rossa	Munster Arkaden	Valle Real
Gaiashopping	Norteshopping	Viacatarina
Gli Orsi	Parque Atlântico	Zubiarte

As of 30 June 2012 and 31 December 2011 there were no material contractual obligations to purchase, construct or develop investment properties or for repairs or maintenance, other than those referred to above.

As of 30 June 2012, 31 December 2011 and 30 June 2011 investment properties in progress can be detailed as follows:

	30.06.12	31.12.11	30.06.11
Investment properties at cost:			
Portugal:			
Alverca	6,151	6,147	6,139
Centro Bordalo	3,787	3,785	3,770
Parque de Famalicão	1,257	1,257	1,257
Others	180	30	17
Germany:			
Alexa Tower	12,000	12,000	6,000
Garbsen	1,971	1,967	1,921
Solingen	19,763	14,953	43
Others	14	14	14
Brazil:			
Boulevard Londrina Shopping	33,674	-	-
Goiânia Shopping	27,420	15,707	10,807
Others	81	870	-
Spain:			
Pulianas Shopping	-	117	206
Dos Mares - expansion	430	430	2,810
Greece:			
Aegean Park	10,105	10,062	10,018
Pantheon Plaza	1,778	1,778	1,778
Ioannina	17,396	17,371	17,300
Others	7	-	-
Italy:			
Le Terrazze (Hypermarket)	-	-	9,114
Caldogno	-	7,966	9,958
Others	-	15	-
Romania:			
Craiova Shopping	33,099	33,375	33,131
Ploiesti Shopping	14,065	14,524	14,839
	183,178	142,368	129,122
Impairment for assets at risk	(7,308)	(6,406)	(4,966)
	175,870	135,962	124,156
Investment property at fair value:			
Brazil:			
Uberlândia Shopping	-	42,239	31,517
Boulevard Londrina Shopping	-	31,711	23,942
Italy:			
Le Terrazze	-	46,624	36,982
	-	120,574	92,441
	175,870	256,536	216,597

The amounts of kEuro 7,308, kEuro 6,406 and kEuro 4,966 in 30 June 2012, 31 December 2011 and 30 June 2011, respectively, recorded under caption "Impairment for Assets at Risk" are related to the provision made to anticipate losses due to the non development of some of the actual projects, because of the uncertainty of markets.

The Aegean Park investment property in progress corresponds, at the moment, to the value of a site in Athens, Greece. In accordance with the information received, the local Municipal Authorities intention is to classify part of the site as green area, and the Management is being involved in negotiations with the local Municipal Authorities with the objective of determining which will be the final use of that site. The Board of Directors still believes that there will be no losses in the realisation value of the site; therefore no impairment losses have been recognised.

Investment properties in progress include borrowing expenses incurred during the construction period. As of 30 June 2012 and 31 December 2011, total borrowing expenses capitalised amounted to kEuro 1,939 and kEuro 3,788, respectively.

6 GOODWILL

The movement in goodwill during the years ended 30 June 2012 and 31 December 2011 was as follows:

	2012 (6 months)	2011 (12 months)
Opening balance	45,723	46,406
Impairment losses of the year	-	(683)
Closing balance	45,723	45,723

As of 30 June 2012 and 31 December 2011 goodwill was made up as follows:

	30.06.12		31.12.11
	Year of of aquisition	Carrying Amount	Carrying Amount
Iberian Assets, S.A:			
Grancasa	2002	1,471	1,471
Max Center	2002	4,558	4,558
Valle Real	2002	(558)	(558)
Valle Real	2003	1,000	1,000
		6,471	6,471
La Farga	2005	60	60
	2009	(58)	(58)
		2	2
Parque Principado	2004	997	997
Luz del Tajo	2005	2,919	2,919
Dos Mares	2005	1,298	1,298
Valecenter	2005	28,340	28,340
River Plaza Mall	2007	1,334	1,334
Gli Orsi	2008	1,642	1,642
Le Terrazze	2009	2,720	2,720
		39,250	39,250
		45,723	45,723

The impairment tests made to the goodwill are based on the “Net Asset Value” (“NAV”) at the statement of reporting date of the participations held.

7 BANK LOANS

As of 30 June 2012 and 31 December 2011 bank loans obtained were made up as follows:

			30.06.12			31.12.11				
				Used amount			Used amount			
	Financing Entity		Limit	Current	Non current	Limit	Current	Non current	Due date	Reimbursement plan
Bond Loans:										
Sonae Sierra SGPS	Caixa BI	-	75,000	-	75,000	75,000	-	75,000	Jul/2013	Final
Sonae Sierra Brasil SA	-	-	18,516	-	18,516	-	-	-	Feb/2017	Final
Sonae Sierra Brasil SA	-	-	39,651	-	39,651	-	-	-	Feb/2019	Final
Total Bond Loans			133,167	-	133,167	75,000	-	75,000		
Bank Loans:										
3shoppings - Holding, SGPS, S.A	Eurohypo	(b),(f),(g)	54,468	1,945	52,523	54,468	1,945	52,523	Jul/2019	Annual
3shoppings - Holding, SGPS, S.A	Eurohypo	(b),(c),(f),(g)	8,449	1,785	6,664	8,449	1,785	6,664	Jun/2014	Annual
Airone Shopping Centre, SA	Eurohypo	(b),(c),(f),(g)	-	-	-	8,000	8,000	-	May/2012	Final
Algarveshopping- C.C., S.A.	ING Bank	(b),(c),(f),(g)	22,275	450	21,825	22,500	450	22,050	Nov/2016	Quarterly
Project Sierra 8, BV	ING Bank	(b),(c),(f),(g)	22,275	450	21,825	22,500	450	22,050	Nov/2016	Quarterly
ARP Alverca Retail Park	CGD	(a),(b),(i)	10,500	-	3,999	10,500	-	3,999	Aug/2013	Final
Arrábidashopping - C.C., S.A.	Eurohypo	(a),(b),(c) (f),(g)	13,098	1,339	11,759	13,763	1,330	12,433	Mar/2017	Quarterly
Arrábidashopping - C.C., S.A.	Eurohypo	(a),(b),(f),(g)	8,247	485	7,762	8,247	485	7,762	Mar/2017	Annual
Arrábidashopping - C.C., S.A.	Eurohypo	(a),(b),(c),(f),(g)	10,710	570	10,140	10,980	540	10,440	Mar/2017	Quarterly
Cascaishopping - C.C., S.A.	Eurohypo	(a),(b),(f),(g)	49,142	1,843	47,299	50,985	1,843	49,142	May/2027	Annual
Cascaishopping - C.C., S.A.	Eurohypo	(a),(b),(c),(f),(g)	26,000	-	26,000	26,000	-	26,000	Jan/2016	Final
Centro Colombo - C.C., S.A.	Eurohypo	(a),(b),(c),(f),(h)	112,250	-	112,250	112,250	-	112,250	May/2017	Final
Centro Colombo - C.C., S.A.	Eurohypo, ING	(a),(b),(c),(f),(h)	500	-	500	500	-	500	May/2017	Final
Shopping C. Colombo, BV	Eurohypo, ING	(a),(b),(c),(f),(h)	49,500	-	49,500	49,500	-	49,500	May/2017	Final
Centro Vasco da Gama, S.A.	ING	(a),(b),(c),(f),(h)	51,350	1,950	49,400	52,325	1,950	50,375	Aug/2016	Quarterly
Dos Mares - Shop. Centre S.A.	Aareal Bank	(b),(f),(g)	16,475	16,475	-	16,925	16,925	-	Sep/2012	Quarterly
Estação Viana- C.C., S.A.	BES	(b),(c),(f),(g)	29,316	2,604	26,712	30,576	2,520	28,056	Dec/2015	Haf Year
Freccia Rossa - Shop.C. S.r.l.	Unicredit	(a),(b),(c),(f),(g)	52,105	1,463	50,642	52,479	979	51,500	Dec/2025	Haf Year
Freccia Rossa - Shop.C. S.r.l.	Unicredit	(a),(f),(g)	3,069	2,763	306	6,916	-	6,916	Apr/2013	Haf Year
Gaiashopping I- C.C., S.A.	Eurohypo	(a),(b),(f),(g)	24,613	825	23,788	24,613	825	23,788	Nov/2026	Annual
Gaiashopping I- C.C., S.A.	Eurohypo	(a),(b),(f),(g)	8,875	375	8,500	9,025	325	8,700	Aug/2016	Annual
Gli Orsi - Shopping Centre S.r.l.	Bayern LB	(a),(b),(c),(f),(g)	67,500	2,000	65,500	71,000	9,366	61,634	Jun/2016	Quarterly
Iberian Assets, SA	Eurohypo	(a),(b),(f),(g)	14,725	2,104	12,621	15,777	2,104	13,673	Jun/2019	Haf Year
Iberian Assets, SA	Eurohypo	(a),(b),(f),(g)	22,799	674	22,125	22,800	675	22,125	Jul/2018	Annual
Iberian Assets, SA	Eurohypo	(a),(b),(f),(g)	19,319	1,250	18,069	19,919	1,200	18,719	Nov/2020	Haf Year
Iberian Assets, SA	Eurohypo	(a),(b)	14,725	301	14,424	14,875	301	14,574	Jan/2026	Haf Year
La Farga - Shopping Center, SL	Eurohypo	(a),(b),(f),(g)	12,750	6,477	6,273	13,500	750	12,750	Apr/2014	Annual
Le Terrazze - Shopping Centre 1 Sr	Unicredit	(a),(b) ,(i) ,(j)	27,500	459	27,041	27,500	106	21,048	Dec/2024	Haf Year
Le Terrazze - Shopping Centre 1 Sr	Unicredit	(a),(b),(i),(j)	6,500	-	6,500	6,500	-	4,778	Dec/2015	Final
Loop 5-Shopping Centre, Gmbh	Bayern LB	(a),(b),(f),(h)	90,246	1,528	88,718	90,992	1,505	89,487	Jan/2019	Quarterly
Luz del Tajo C.C. S.A.	Deutsche Pfandbriefbank	(b),(c),(f),(g)	45,700	-	45,700	45,700	-	45,700	Jun/2014	Final
Madeirashopping- C.C., S.A.	ING	(a),(b),(f),(h)	17,550	450	17,100	17,775	450	17,325	Aug/2015	Quarterly
Münster Arkaden, BV	Nord LB	(b),(c),(f),(g)	120,098	2,496	117,602	121,281	2,407	118,874	Dec/2016	Quarterly
Norteshopping - C.C., S.A.	Eurohypo	(a),(b),(f),(g)	35,398	-	35,398	35,398	-	35,398	Dec/2014	Quarterly
Norte Shopping B.V.	Eurohypo	(a),(b),(f),(g)	35,979	4,079	31,900	38,018	4,079	33,939	Dec/2014	Haf Year
Parque Atlântico Shop.- C.C., SA	CGD, BCP	(a),(b),(i)	12,600	1,400	11,200	13,300	1,400	11,900	Dec/2015	Quarterly
Parque Principado S.L.	Calyon	(a),(b),(c),(f),(h)	56,700	-	56,700	56,700	-	56,700	Jul/2013	Final
Pátio Boavista Shopping Ltda	Banco Itaú	(a),(e)	4,204	952	3,252	4,995	1,016	3,979	Nov/2016	Monthly
Pátio Boavista Shopping Ltda	Banco Itaú	(a),(b),(e)	10,208	1,701	8,507	10,897	908	9,989	May/2018	Monthly
Pátio Goiânia Shopping Ltda	Banco Santander	(a),(b),(e)	41,113	-	10,317	-	-	-	Jun/2013	Monthly
Pátio Londrina Empr. e Part. Ltda	Banco Bradesco	(a),(b),(d),(e)	10,543	476	10,067	11,062	71	10,991	Oct/2025	Monthly
Pátio Sertório Shopping Ltda	BASA	(a),(b),(d),(e),(l)	21,774	1,361	20,413	23,242	-	23,242	Dec/2020	Monthly
Pátio Uberlândia Shopping Ltda	Banco Bradesco	(a),(b),(d),(e)	14,959	767	14,192	14,678	188	14,490	Oct/2025	Monthly
Plaza Mayor Shopping, SA	Eurohypo	(b),(f),(g)	33,392	1,387	32,005	34,688	1,295	33,393	Apr/2019	Annual
Plaza Mayor - Parque de Ocio, S.A.	Eurohypo	(b)	22,718	1,803	20,915	24,461	1,743	22,718	Apr/2018	Annual
River Plaza Mall Srl	Société Générale/BRD	(b),(c)	21,789	1,930	19,859	22,113	2,245	19,868	May/2018	Quarterly
Sierra Investimentos Brasil, Ltda.	Banco Itaú	(a),(c),(d),(e)	2,944	862	2,082	3,603	920	2,683	Nov/2015	Monthly
Solingen, GmbH	Deutsche Hypothekenbank	(a),(b),(c),(j)	43,500	-	13,335	43,500	-	9,652	Apr/2017	Quarterly
Torre Ocidente Imobiliária, S.A.	CGD	(a),(b),(i)	12,250	-	9,898	12,250	-	9,898	Sep/2017	Haf Year
Valecenter Srl	Eurohypo	(b),(c),(f),(g)	88,450	3,538	84,912	90,158	3,416	86,742	Jun/2015	Quarterly
Via Catarina- C.C., S.A.	Eurohypo	(a),(b)	17,542	588	16,954	17,836	294	17,542	Feb/2027	Annual
Zubiarte Inversiones Inmobil.,SL.	ING	(a),(b),(f),(g)	21,512	8,254	13,258	21,959	8,127	13,832	Jun/2017	Quarterly
Total Bank Loans			1,540,204	82,159	1,388,231	1,537,978	84,918	1,402,291		
Deferred bank expenses incurred on the issuance of bank debt				(1,553)	(7,884)		(1,567)	(7,517)		
				80,606	1,513,514		83,351	1,469,774		
Fair value of the financial hedging instruments - asset				-	(1)		-	-		
Fair value of the financial hedging instruments - liability				-	50,254		-	48,611		
				80,606	1,563,767		83,351	1,518,385		

(a) These amounts are considered at the control proportion held by the Group
(b) To guarantee the repayment of these loans, the Group pledged the real estate properties owned by these companies
(c) To guarantee the repayment of this loan, the Group pledged the shares of this subsidiary
(d) To guarantee the repayment of this loan, the Group has a bank guarantee.
(e) In this loan the Sonae Sierra Brasil, SA was the guarantor
(f) This loan has a covenant "Loan to Value": Financial liabilities / Fair value of the investment property
(g) This loan has a covenant "Debt Service Cover Ratio": Cash flow / (Paid interests plus capital amortization)
(h) This loan has a covenant "Interest Cover Ratio": Cash flow / Paid interests
(i) This loan has a covenant "Debt to equity cover ratio": Equity / Financial liabilities
(j) Sonae Sierra SGPS provided a guarantee or a comfort letter to the bank in name of its subsidiary.
(k) Sierra Investments SGPS provided a comfort letter to the bank in name of its subsidiary.
(l) In this loan the Sierra Investmentos Brasil, Ltda was the guarantor

Bank loans bear interests at market interest rates and were all contracted in Euro, except for the bank loans of Sierra Investimentos Brasil Ltda, Pátio Boavista Ltda, Pátio Goiânia Shopping, Ltda, Pátio Londrina Empr. e Part. Ltda, Pátio Sertório Ltda, Pátio Uberlândia

Ltda and Sonae Sierra Brasil, SA which were contracted in Brazilian Real and translated to Euro using the exchange rate prevailing at the reporting date.

Bank loans with covenants were analyzed by the Group at the date of statement of financial position and, in situations where there were breaches the corresponding debt was reclassified to short term facility. These situations have occurred in case of loans obtained by Zubiarte, La Farga and River Plaza. Negotiations are currently underway in order to obtain a debt rescheduling with the correspondent banks.

As of 30 June 2012 and 31 December 2011, the loans are repayable as follows:

	30.06.12	31.12.11
N+1	82,159	84,918
N+2	276,486	189,031
N+3	160,709	174,552
N+4	128,143	164,639
N+5	511,221	229,425
N+6 and following years	444,839	719,644
	1,603,557	1,562,209

As of 30 June 2012 and 31 December 2011, the Group's financial instruments related to interest rate swaps, zero cost collars and exchange rate non deliverable forwards were as follows:

	30.06.2012			31.12.11		
		Fair value of the financial instrument			Fair value of the financial instrument	
	Loan	Asset	Liability	Loan	Asset	Liability
Financial hedging instruments:						
"Swaps":						
3 Shoppings / Caixa BI	62,917	-	2,093	62,917	-	1,925
Airone / BBVA	-	-	-	8,000	-	95
	22,275	-	862	22,500	-	618
ArrábidaShopping / BBVA	8,247	-	148	8,247	-	260
Cascaishopping / BES	49,142	-	1,030	50,985	-	859
Cascaishopping / BES	26,000	-	1,927	26,000	-	1,697
Colombo / BBVA	112,750	-	6,521	112,750	-	1,892
Colombo / Santander	-	-	-	-	-	5,581
Shopping Colombo BV/ BBVA	49,500	-	863	49,500	-	831
Shopping Colombo BV/ ING	-	-	-	-	-	333
El Rosal / BES	-	-	-	-	-	-
El Rosal / BES	-	-	-	-	-	-
Estação Viana / BES	-	-	-	-	-	-
Freccia Rossa / Unicredit	36,688	-	525	36,950	-	787
Freccia Rossa / Unicredit	1,934	-	115	4,626	-	178
Gaiashopping / Caixa BI	24,613	-	552	24,613	-	716
Gli Orsi / Bayerische Landesbank	67,500	-	4,402	71,000	-	3,629
Le Terrazze / Unicredit	27,500	-	1,293	27,500	-	986
Münster Arkaden / BPI	120,098	-	15,247	121,281	-	13,956
Norteshopping / Eurohypo / BPI	-	-	-	35,398	-	-
Norteshopping BV / Eurohypo	-	-	-	38,018	-	-
Plaza Éboli / Deustche Pfandbriefbank	-	-	-	-	-	-
Plaza Mayor Shopping / BES	17,344	-	1,520	23,125	-	1,393
	22,275	-	862	22,500	-	618
River Plaza / Société Générale	21,789	-	3,548	22,113	-	3,445
Torre Ocidente / Caixa BI	-	-	-	12,250	-	-
Valecenter / Eurohypo	21,750	-	1,153	22,170	-	1,001
Vasco da Gama / BES	51,350	-	1,171	52,325	-	1,005
Viacatarina / BPI	17,542	-	104	17,836	-	304
		-	43,936		-	42,109
Options:						
Algarve / RBS *	-	-	-	22,500	-	-
Sierra BV / RBS *	-	-	-	22,500	-	-
Arrábidashopping / BES	10,710	-	315	10,980	-	319
Arrábidashopping / BPI	13,098	-	393	13,763	-	396
Cascaishopping / Santander	-	-	-	-	-	-
Dos Mares / BBVA	16,475	-	62	16,925	-	139
Gaiashopping / BBVA	-	-	-	9,025	-	-
Luz del Tajo / Deustche Pfandbriefbank	36,560	-	1,217	36,560	-	1,046
Parque Principado / Calyon*	56,700	(1)	-	56,700	-	-
Valecenter / Eurohypo	-	-	-	-	-	-
		(1)	1,987		-	1,900
Financial hedging instruments ineffective:						
Sonae Sierra SGPS / BES	75,000	-	4,331	75,000	-	4,602
		-	4,331		-	4,602
		(1)	50,254		-	48,611

(*) These hedging instruments are a Cap. For the remaining ones, we have contracted Zero Cost Collars

The fair value of the financial hedging instruments was recorded under Hedging Reserves of the Group (kEuro -27,939 and kEuro -26,552 in 30 June 2012 and 31 December 2011 respectively) and hedging reserves of the non-controlling interests (kEuro -17,983 and kEuro -17,457 in 30 June 2012 and 31 December 2011 respectively).

The interest rate swaps and zero cost collars are stated at their fair value at the reporting date, determined at the end of the year by the bank entities, with which the derivatives were contracted and at the end of each half year, by the valuation made by the corporate treasury department of the Group using a methodology and assumptions used by banks on each year end. The computation of the fair value of these financial instruments was made, taking into consideration to the reporting date, the update of the future cash-flows relating to the difference between the interest rate to be paid by the Company to the bank entity, with which the swap or collar was negotiated, and the variable interest rate to be received by the Company from the bank entity that granted the loan.

The main hedging principles used by the Group when negotiating these hedging financial instruments are as follows:

- Matching between the cash-flows paid and received: there is coincidence between the dates of interest payments of the loans obtained and their date of the derivatives flows with the bank;
- Matching in the index interest rate used: the reference index interest rates used in the derivatives and in the loan are coincident;
- In a scenario of increase or decrease in interest rates, the maximum amount of interest payable is perfectly calculated.

8 OTHER BANK LOANS

As of 30 June 2012 and 31 December 2011 this caption was made up as follows:

	30.06.12		31.12.11	
	Limit	Current	Limit	Current
Short term facilities:				
Cascaishopping - C.C., S.A.	873	-	873	-
Sierra B.V.	10,000	-	10,000	-
Sierra Portugal, SA	249	-	249	-
Sonae Sierra, SGPS, SA	52,970	4,962	52,970	-
	64,092	4,962	64,092	-
Bank overdrafts	-	-	-	133
	64,092	4,962	64,092	133

9 ACCOUNTS PAYABLE TO OTHER SHAREHOLDERS

As of 30 June 2012 and 31 December 2011 this caption was made up as follows:

	30.06.12		31.12.11	
	Current	Non-Current	Current	Non-Current
SIERRA Investments (Luxembourg) 1 Sarl ("Luxco 1"):				
Plaza Mayor Shopping B.V.	-	2,396	-	2,912
SC Mediterranean Cosmos B.V.	41	34	-	34
Sierra European Retail Real Estate Assets Holdings BV	5,995	-	5,995	-
Zubiarte Inversiones Inmob,SA	-	1,779	-	1,779
	6,036	4,209	5,995	4,725
SIERRA Investments (Luxembourg) 2 Sarl ("Luxco 2"):				
Plaza Mayor Shopping B.V.	-	1,917	-	2,329
SC Mediterranean Cosmos B.V.	33	25	-	25
Sierra European Retail Real Estate Assets Holdings BV	4,796	-	4,796	-
Zubiarte Inversiones Inmob,SA	-	1,423	-	1,423
	4,829	3,365	4,796	3,777
Others	-	1	-	1
	-	1	-	1
	10,865	7,575	10,791	8,503

The amounts payable to Luxco 1 and Luxco 2 relate to shareholder loans payable by the subsidiaries and jointly controlled companies of Sierra BV, to the other shareholders of Sierra BV. These loans bear interests at market interest rates and were contracted in Euro. For the amounts classified as non-current the reimbursement is not expected in the short term.

10 NON-CONTROLLING INTERESTS

As of 30 June 2012, 31 December 2011 and 30 June 2011 the movement in non-controlling interests was as follows:

		Balance		P&L		
	%	30.06.12	31.12.11	30.06.12	31.12.11	30.06.11
Sierra BV	49.90%	361,104	370,703	(8,941)	(4,505)	7,685
Others		179,912	180,359	15,270	29,281	15,452
		541,016	551,062	6,329	24,776	23,137

11 SEGMENT INFORMATION

In accordance to the Management Report, the segments used by the Management of the Group are as follows:

- Sierra Investments
- Sierra Developments
- Sierra Management
- Sonae Sierra Brazil

The Sonae Sierra's reportable segment information for the half years ended 30 June 2012 and 2011 regarding the statement of profit and loss can be detailed as follows:

	30.06.12	30.06.11
Net Operating Margin		
Sierra Investments	51,281	53,392
Sierra Developments	(13,755)	(16,795)
Sierra Management	2,870	2,945
Sonae Sierra Brazil	11,734	11,059
Reclassifications and adjustments	5,515	4,985
Consolidated (1)	57,645	55,586
Direct profit before taxes		
Sierra Investments	29,152	32,448
Sierra Developments	(13,275)	(19,184)
Sierra Management	3,273	3,404
Sonae Sierra Brazil	11,981	11,886
Reclassifications and adjustments	6,930	7,373
Consolidated	38,061	35,927
Indirect income before taxes		
Sierra Investments	(42,221)	(22,053)
Sonae Sierra Brazil	22,903	20,927
Reclassifications and adjustments	(7,568)	(7,596)
Consolidated	(26,886)	(8,722)
Corporate tax + Deferred tax		
Sierra Investments	705	(6,236)
Sierra Developments	1,238	2,320
Sierra Management	(953)	(1,204)
Sonae Sierra Brazil	(9,948)	(9,104)
Reclassifications and adjustments	639	198
Consolidated (1)	(8,319)	(14,026)
Net profit before minorities		
Sierra Investments	(12,364)	4,159
Sierra Developments	(12,037)	(16,864)
Sierra Management	2,320	2,200
Sonae Sierra Brazil	24,937	23,708
Reclassifications and adjustments	-	(24)
Consolidated	2,856	13,179

(1) The reconciliation with the statutory accounts is presented on the following tables.

The amounts under the caption “Reclassifications and adjustments” can be analysed as follows:

	Net Operating Margin		Direct profit before taxes		Indirect income before taxes		Corporate tax + Deferred tax		Net profit before minorities	
	30.06.12	30.06.11	30.06.12	30.06.11	30.06.12	30.06.11	30.06.12	30.06.11	30.06.12	30.06.11
Reclassification of the value created in projects in Sierra Developments [1]	6,930	7,397	6,930	7,397	(7,569)	(7,596)	639	198	-	(1)
Intercompany Elimination	(2,096)	(2,457)	-	-	-	-	-	-	-	-
Others	681	45	-	(24)	1	-	-	-	-	(23)
Reclassifications and adjustments	5,515	4,985	6,930	7,373	(7,568)	(7,596)	639	198	-	(24)

(1) By a maximum period of 2 years after the opening date of the shopping or, if occurs sooner, until it's sold to third parties, Sierra Developments recognises in the Net Operating Margin the value created in the assets, that have been sold to the Sierra Investments; in the consolidated accounts these amounts are recognised under the caption "Indirect income before taxes" and "Deferred Taxes".

The Sonae Sierra's reportable segment information for the year ended 30 June 2012 and 31 December 2011, regarding the statement of financial position, can be analysed as follows:

	30.06.12	31.12.11
Investment properties		
Sierra Investments	1,769,301	1,747,849
Sonae Sierra Brazil	394,330	372,776
Investment Properties under development and others (Sierra Investments and Brazil)	(43,331)	(62,031)
Consolidated [1]	2,120,300	2,058,594
Bank loans		
Sierra Investments	957,549	947,275
Sierra Developments	17,353	40,570
Sonae Sierra Brazil	89,423	45,637
Bank loan at Sonae Sierra SGPS	75,000	75,000
Others	(19)	(1,054)
Consolidated [1]	1,139,306	1,107,428
Deferred taxes liabilities		
Sierra Investments	226,352	230,134
Sierra Developments	153	3,531
Sonae Sierra Brazil	59,005	55,935
Others	(3,364)	(2,644)
Consolidated	282,146	286,956

(1) The reconciliation with the statutory accounts is presented on the following tables.

The reportable segment information can be reconciled with the enclosed financial statements as follows:

Statement of profit and loss

	30.06.12	30.06.11
Net Operating Margin - segments	57,645	55,586
Equity method adjustment [1]	(6,125)	(6,249)
Proportional method adjustment [2]	37,651	39,791
Indirect Income:		
Variation in fair value of the investment properties	(38,369)	8,176
Other indirect income / costs	(226)	255
Depreciations, write-off and impairments losses	(2,135)	(4,702)
Letting and Key money on opening [3]	(548)	(235)
Withholding taxes related to Interests and dividends	(160)	(386)
Other taxes	-	(2,581)
Others	(347)	(327)
Net Operating Profit as per Financial Statements	47,386	89,328
Corporate tax + Deferred Tax - segments	(8,319)	(14,026)
Equity method adjustment [1]	(675)	(974)
Proportional method adjustment [2]	(3,575)	(8,643)
Others	20	15
Income tax as per Financial Statements	(12,549)	(23,628)

(1) The associated companies are included in the Statutory consolidated accounts by the equity method and in the management accounts by the proportional method.

(2) The companies owned by the group by less than 100% and more that 50% are included in the management accounts by the proportional method and in the Statutory consolidated accounts are included by the full consolidation method.

(3) The Letting and Key money on opening are considered in the indirect result in the management accounts.

Statement of financial position

	30.06.12	31.12.11
Investment properties - segments	2,120,300	2,058,594
Equity method adjustment (1)	(209,512)	(214,119)
Proportional method adjustment (2)	1,286,919	1,296,923
Goodwill (3)	(39,315)	(36,595)
Others	-	(34)
Investment properties as per Financial Statements	3,158,392	3,104,769
Bank loans - segments	1,139,306	1,107,428
Equity method adjustment (1)	(128,304)	(130,026)
Proportional method adjustment (2)	593,616	584,807
Financing costs	(9,437)	(9,084)
Short term facilities (4)	4,962	133
Others	(1,061)	-
Debt - current and non-current as per Financial Statements	1,599,082	1,553,258

(1) The associated companies are included in the Statutory consolidated accounts by the equity method and in the management accounts by the proportional method.
(2) The companies owned by the group by less than 100% and more that 50% are included in the management accounts by the proportional method and in the Statutory consolidated accounts are included by the full consolidation method.
(3) The Sierra Investment segment consider the Goowdill under the caption "Investment Properties".
(4) The management accounts have the short term facilities recorded under the caption "Cash & Equivalents"

12 SUBSEQUENT EVENTS

During July 2012, the Group agreed with Aareal Bank the rescheduling of the debt of the participated Dos Mares Shopping Centre, S.A., which will be due on April 2017 in one single payment.

13 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorised for issuance on the 24th of July 2012.

14 NOTE ADDED FOR TRANSLATION

This is a translation of financial statements originally issued in Portuguese in accordance with Portuguese Statutory requirements, some of which may not conform to or be required in other countries. In the event of discrepancies, the Portuguese language version prevails.

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

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated results of the issuer and that the Management Report faithfully describes the business evolution and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 24 July 2012

The Board of Directors