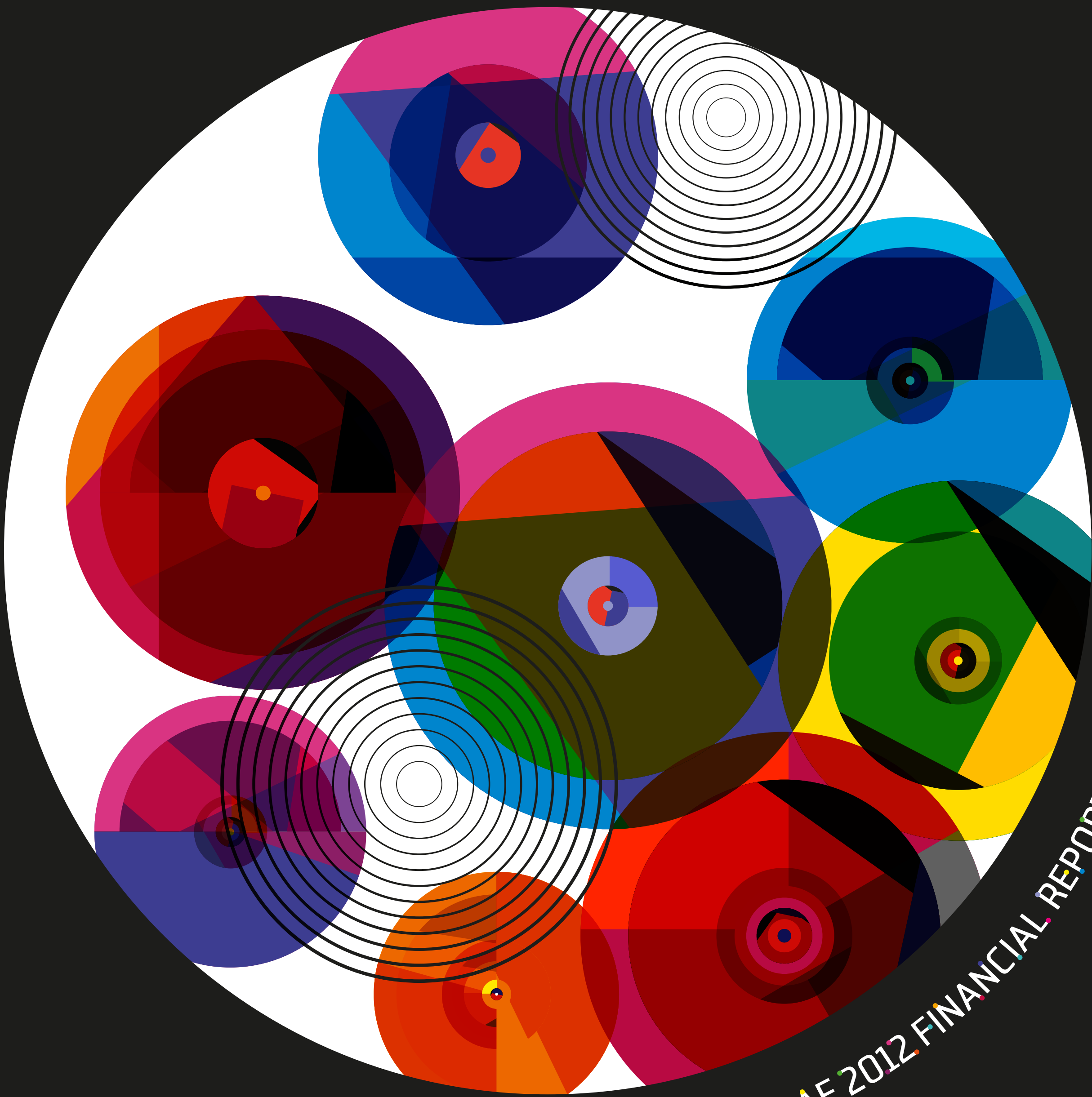


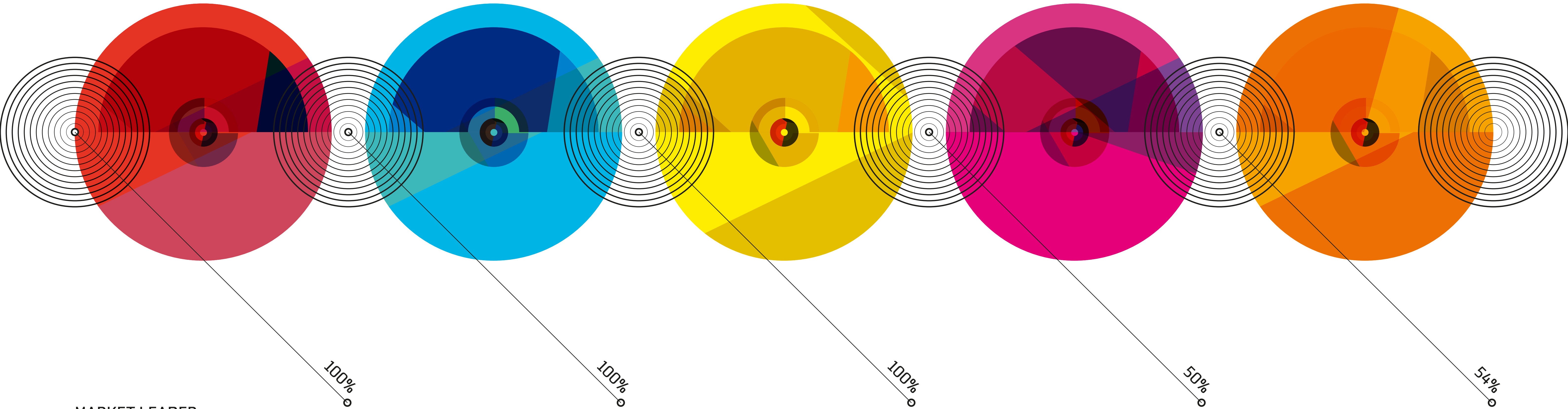
SONAE 2012 FINANCIAL REPORTING

SONAE

IMPROVING LIFE

SONAE 2012 MANAGEMENT REPORT

GROUP STRUCTURE



SONAE MC
Food Retail

SONAE SR
Specialised Retail
Sports goods, fashion and electronics

SONAE RP
Retail Properties
Retail real estate assets

SONAE SIERRA
Shopping Centres
Shopping centre developer owner and manager

SONAECOM
Telco
Integrated telecoms provider

CORE BUSINESSES

RELATED BUSINESSES

CORE PARTNERSHIPS

MARKET LEADER IN PORTUGAL IN FOOD AND SPECIALISED RETAIL

BOARD CONTROL OF A SHOPPING CENTRE AND A TELECOMMUNICATIONS BUSINESS

RETAIL & RELATED BUSINESSES

WE BELIEVE IN CORPORATE RESPONSIBILITY

For the second consecutive year, we were distinguished by Ethisphere Institute as one of the World's Most Ethical Companies. Continente was also awarded for the 10th consecutive year with the "Brand of Confidence" award.

We are very proud of this recognition as they reward values that we believe to be paramount to our success.

1st Portuguese company
to be included on the World's Most Ethical Companies list

10th consecutive year
Continente as a Brand of Confidence

THE ENVIRONMENT IS A PRIORITY

Reducing Sonae's environmental footprint is a standing commitment. Every day we do our best to improve our environmental performance and raise general awareness for environmental causes.

We are recognised as a leading company and we encourage our team to be part of this effort.

Top 10 in Iberia
in the fight against climate change

4,784 tonnes
of old electrical equipment collected

90% of shopping centres
certified with ISO 14001

WE SUPPORT OUR COMMUNITY

At Sonae we are committed to making a positive difference in our community, both by helping and by encouraging our team to volunteer in making someone's life better. We are once again the proud recipients of the Junior Achievement Award and Damião de Góis Award for Social Entrepreneurship for our efforts in entrepreneurship training and social devotion.

10 M€
to social, human and cultural causes

3,229 institutions
supported

10,480 hours
of volunteering for the community

TOMORROW'S LEADERSHIP STARTS TODAY

4 M€ of energy efficiency
savings over the last 3 years as a result of Project "Trevo"

6 innovative projects
distinguished at Sonae's Innovation Forum

Innovation is the key to a sustainable future. Our vision of innovation envisages the development of new products and services, but also the capacity to continuously improve processes. The Kaizen Institute prize recognises the pioneering and innovative work carried out by Sonae of the highest quality. The world is moving online at an incredibly fast pace and we are in the front seat driving innovation.

WE DO NOT COMPROMISE ON QUALITY

3.2 million loyalty cards
425 million euros in savings

235 M€ of purchases
from Continente Producers Club

450 food safety audits
around the world

Sonae's continuous efforts towards quality are part of our devotion to offering our clients the best products and services at a fair price.

For the 8th consecutive year, we were nominated by our clients as a Superbrand and Sonaecom Customer Support Service was elected once again as the best in its category in the Contact Centre World 2012 Awards.

WE VALUE OUR TEAM

1.3 million hours
of specialised training

40 thousand colleagues
sharing a common goal

Our team is one of our strongest assets. We aim to recruit the very best and we continuously search for talent. Our pioneer project "Rede Contacto" has won the international prize in the Digital Communication Awards. The jury rewarded the innovation of the Contacto Network, developed to find new and promising talent for a single economic business group.

KEY CORPORATE EVENTS

2012

JANUARY

Announcement of partnership between EDP and **Sonae MC**, enabling consumers to obtain a 10% discount on electricity expenses, available on Continente's loyalty card

MARCH

Optimus launches its 4G mobile telecommunications services

Sonae Sierra opens new shopping centres in Italy (Le Terrazze) and in Brazil (Uberlândia Shopping)

For the 2nd year, Sonae is recognised as one of the "Most Ethical Companies in the World" by the Ethisphere Institute

APRIL

Sonae MC is distinguished with the Kaizen Lean prize for its initiative in implementing continuous improvement processes in its food retail activities

Sonae's AGM approves the distribution of a gross dividend per share of 0.0331 euros

MAY

Signature by **Sonae SR** of a franchising agreement for Latin America, with a forecasted opening of 25 Zippy stores by 2016

JUNE

Sonae Sierra and MAB Development begin the construction of its new shopping centre in Solingen (Germany)

Launch of "**Obrigações Continente**", a 200 M€ bond issue made available through a public subscription offer to retail investors

JULY

Sonae completes several medium and long-term refinancing transactions for a total amount of 370 M€

AUGUST

Sonae SR signs an agreement for the expansion of its international presence in the Caucasus region

SEPTEMBER

Optimus is elected as the Portuguese consumers' most preferred mobile operator by "Consumer Choice"

OCTOBER

Opening of the first franchised **Zippy** stores in Latin America and Azerbaijan

NOVEMBER

Sonae Sierra reaches an agreement for the sale of its ownership stake in 3 shopping centres in Brazil

DECEMBER

Sonaecom, Kento Holding and Unitel International reach an agreement to recommend, to the Boards of Zon and Optimus, a merger between the two companies

FINANCIAL HIGHLIGHTS

5,379 M€
TURNOVER

292 M€
CAPEX

600 M€
EBITDA

-147 M€
NEBT DEBT (VAR. Y.O.Y)

144 M€
DIRECT RESULTS

66 M€
DIVIDENDS PAID

33 M€
NET INCOME (GROUP SHARE)

+49.7 %
SHARE PRICE PERFORMANCE (YEAR)

RECURRENT EBITDA (% OF TURNOVER)

597 M€ (11.1%)
SONAE

250 M€ (7.6%)
SONAE MC

-25 M€ (-2.1%)
SONAE SR

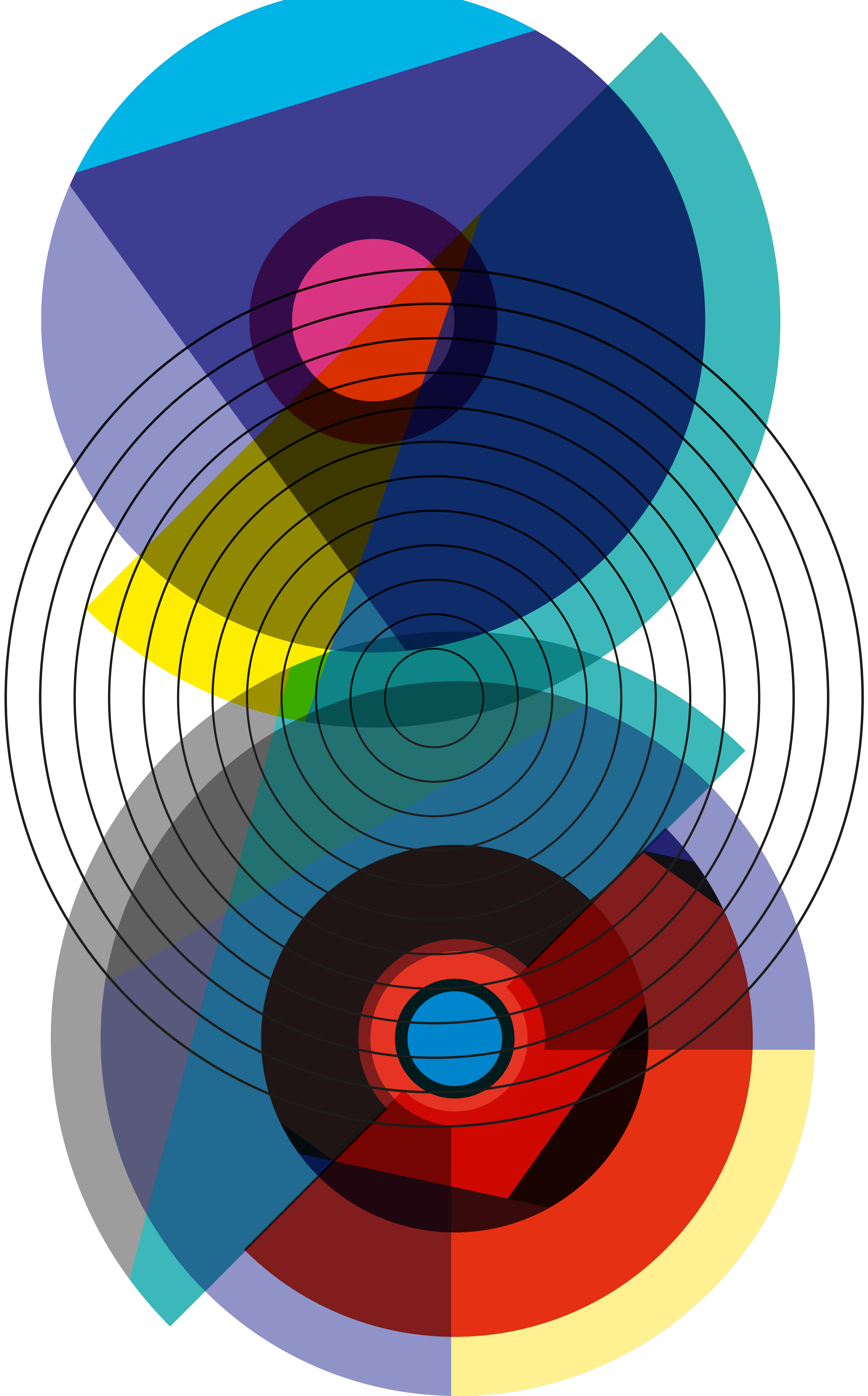
107 M€ (89.4%)
SONAE RP

250 M€ (30.2%)
SONAECOM

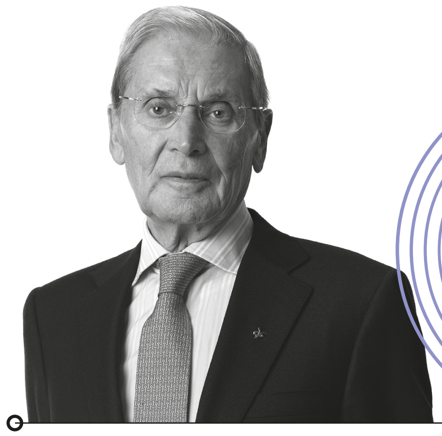
5 M€ (5.2%)
INVESTMENT MANAGEMENT

01

CHAIRMAN'S LETTER



CHAIRMAN'S LETTER



BELMIRO DE AZEVEDO
Chairman Sonae

The current financial crisis has altered the business environment, forcing companies to focus on solid socioeconomic values, as the only way to face the severe economic conditions and guarantee sustainable growth in the long-term. Sonae's corporate culture and values proved once again to be our most valuable asset, allowing us to continue to quickly adapt to the new market conditions and react in a timely manner to changing consumer habits, whilst never losing sight of the importance of laying the grounds for future sustainable growth.

Today, economic growth is only possible through new markets or continuous innovation. We continue our search for new markets through new ventures and solid international expansion, but the current macroeconomic situation brought added difficulties when identifying investment opportunities, reinforcing the critical relevance of innovation within our businesses as a determinant for sustainable growth. As part of our growth ambitions abroad, we are also changing the way we hire and train our people, looking to foster adaptability, cross-sector mobility and international exposure, as key competences for the future.

Innovation is part of our DNA and our long-standing commitment to innovation has played a role of paramount importance in every single one of our successes, allowing us to thrive in a very difficult and competitive market. We innovate in the products and services we offer, never forgetting the increasing relevance of online shopping. We innovate in the internal processes across the whole organisation. We innovate in the way we think about our team. We implement innovative processes in order to respect the environment. We innovate in finding ways to help our community. We innovate in the way we nurture and promote a culture of innovation.

Sonae is a global company with an active presence in 66 countries around the world and in each one of them we want to be regarded as an attractive and robust partner. Our corporate values and our excellent performance throughout the years are a solid reference to our stakeholders. Our experience in the retail sector is renowned worldwide for its excellence and our attractive track record of integrating industry with final consumers and in organising modern and efficient distribution channels are an industry benchmark. We continuously look for ways to improve resource allocation in all stages of our network and we are very determined to share these efficiency gains with our team, our suppliers, our customers, our shareholders and our community. This is part of our understanding of sustainable development.

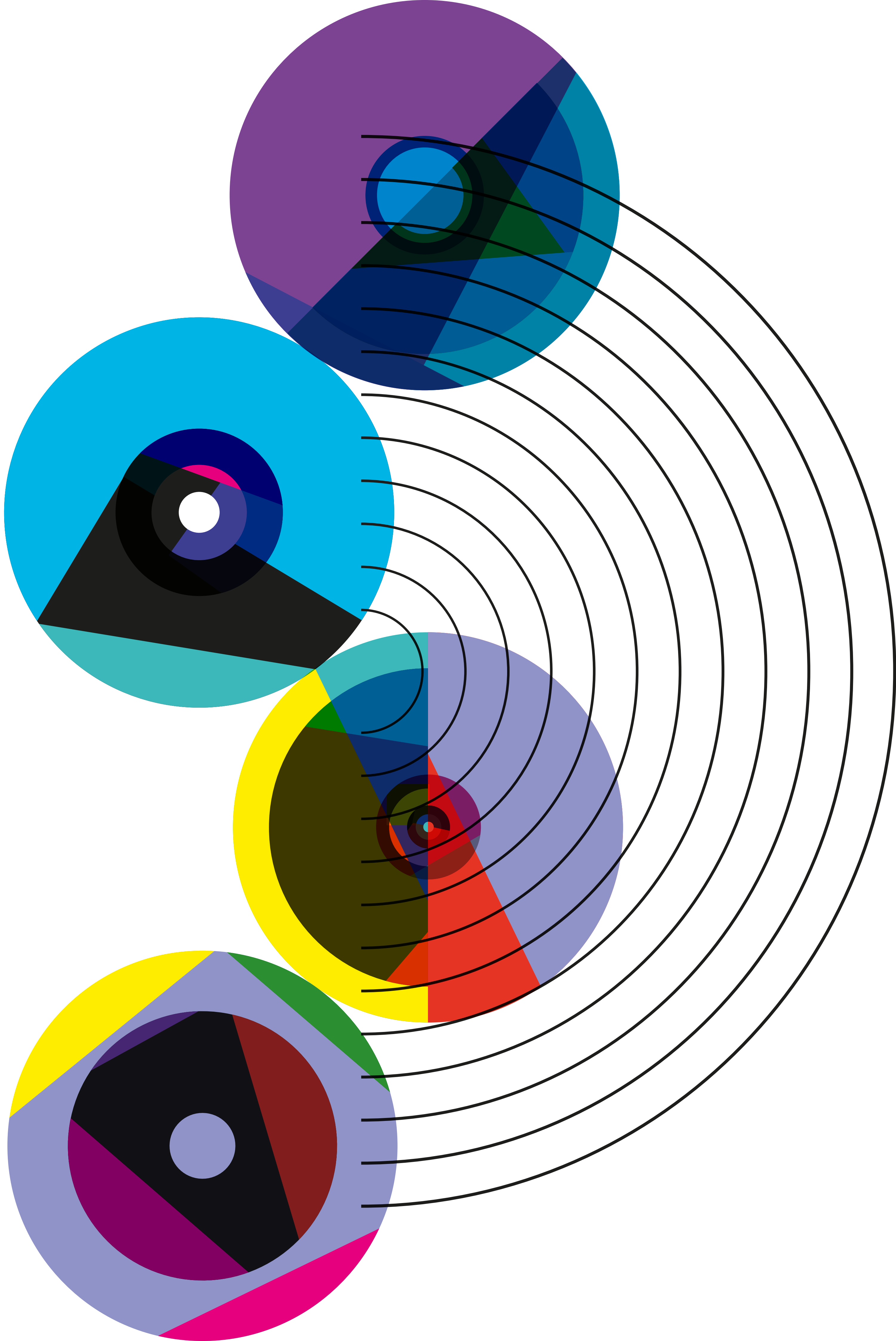
We are aware of our responsibilities and we continuously look towards our community in the search for opportunities to help and to improve the quality of life of those in need. We provided financial, technical and, at times, simply human support to numerous institutions in the markets where we operate. Our team multiplied its efforts and went out of their way to help. For this reason, I am honoured and would like to say a sincere thank you to our team for their invaluable volunteering efforts.

In 2012, despite the economic turmoil, we managed to sustain turnover and increase our recurrent EBITDA margins, which reflects our continuous efforts to achieve higher levels of efficiency across our activities. We have also taken important steps to further reinforce our capital structure and reduce leverage. This is particularly important in the current financial environment, characterised by severe restrictions in access to bank financing and unsustainable costs of debt. Despite some improvements in the European financial environment and the efforts to recapitalise the banking system, access to fairly priced financing to companies and families is yet to be a reality in Portugal. It is well-known that companies cannot compete in a Single European Market with the same currency but with significant disadvantages in the access and cost of funding.

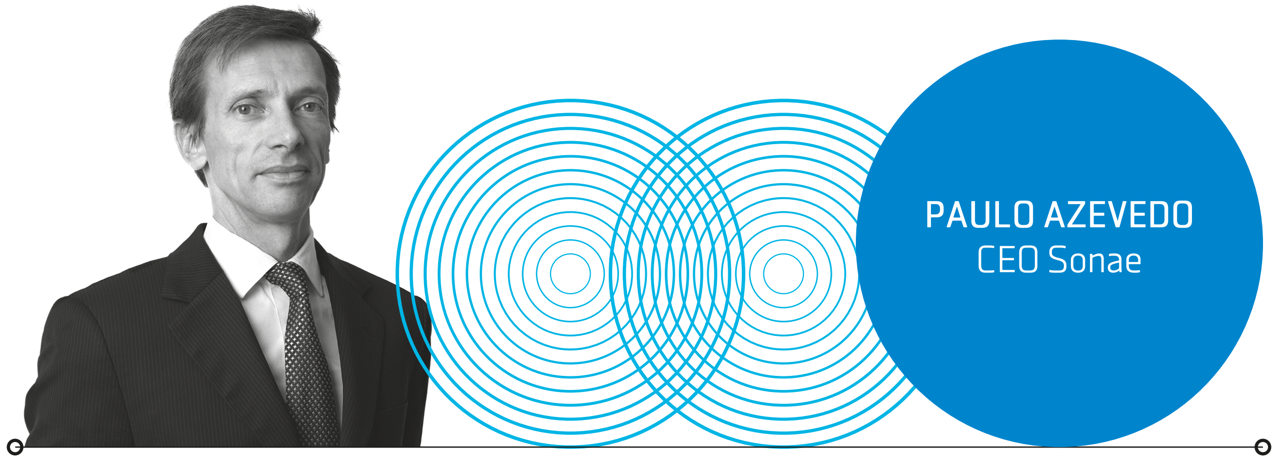
Despite the adverse market conditions, we closed the year with our shares up by 49.7%, an increase well above the market, with our investors recognising the sustainable performance of our businesses and the merits of the measures taken with the aim of streamlining our operations and managing our capital structure, as well as adapting our strategy to the current circumstances.

In the middle of an economic crisis, our vision is as clear as ever allowing us to see ahead into the future. We are more committed than ever to our corporate values as we believe that our strategy, the trust of our customers and the quality of our team stem from our core values. The economic climate will continue to challenge us, but for us this only represents a new world of opportunities, to be explored with the confidence, ambition and positive attitude that are the cornerstone of Sonae's culture.

CEO’S LETTER



CEO'S LETTER



For a number of years, we have faced extremely tough macro-economic conditions in southern Europe, with an overall economic recession, record unemployment levels and rapidly declining private consumption.

A return to growth is expected in most southern European countries in the coming year, but these predictions remain volatile and uncertain. Regarding our home base, Portugal, significant efforts have been undertaken and continue to be developed to reduce government spending, introducing structural reforms and, generally, improving the competitiveness of companies, with some very concrete results, such as the rapid correction of trade imbalances. One key condition that remains to be solved is the financing of growth, as the availability and cost of credit to companies, driven by the withdrawal of international banks and the difficulties of the national banking sector, have become a severe detriment to competitiveness.

Sonae has largely adapted, relying on its traditional agility and the ability of our teams to produce outstanding work when it is most needed. As a result, we have sustained our turnover and operational profitability, we have adapted our strategy and deleveraged at a constant rate throughout the process.

Sustaining turnover was achieved essentially through gains in market shares in our main businesses and maintaining international growth. Operational profitability was achieved with successive rounds of cost cutting, continuous improvement and process innovation. Deleveraging was, initially, a result of real estate sales, followed by tight CAPEX policies and, finally, through important reductions in working capital.

To a large extent Sonae has also transformed its strategy to fit the current context and, although we have chosen to retain the fundamental pillars of our corporate strategy, we are going about them in a very different way. In particular, we have invested in finding "capital light" ways of maintaining our international growth objectives, further exploring the remaining two pillars – diversifying our investment style and leveraging on our core competencies. We have now successfully implemented franchise agreements (e.g. Zippy franchised store sales now represent approximately 20% of total store sales), wholesale agreements (e.g. Sport Zone and Continente) and service contracts (e.g. Sierra in 11 countries) and many new joint-ventures. We have also prepared new e-commerce platforms to enable international sales.

Our challenge will now be to scale up these learnings.

In this environment, innovations and changes have been implemented across every dimension of our business portfolio. The revision of the product offering was taken together with the reengineering of operations, aiming at achieving efficiency gains. Important savings were achieved not only in terms of several operating costs but also, and importantly, in the level of stocks. We translate this into lower prices to consumers, without any compromise of the equitable return on investments to shareholders. Thanks to these efforts, **Sonae MC** has been able to grow its market share during 2012, while retaining a leading position in terms of brand awareness, with Continente consistently considered in the last 10 years the most trusted food retailer in Portugal.

Importantly, a new generation of store formats were developed and implemented in new openings for 2 key store concepts (Continente and Continente Bom Dia). In addition, very significant progress was achieved in relation to the sales density and profitability of our newer businesses (Well's, Book.it and Bom Bocado).

2012 was again a challenging year for our non-food business, with a reduction in consumption levels being particularly felt in the more discretionary categories. Worten, in Portugal, managed to fully counteract the strong market decline, maintaining high levels of operational profitability. The sports and fashion segments underwent, as reported during the year, a fundamental change of supply model, which had a strong negative impact on sales and, particularly, on margins. In the last quarter, the benefits of this model shift were evident in the strong reduction of stocks which, in fact, allowed **Sonae SR** to post a positive FCF for the full year, despite the significant operational losses. We expect the benefits of this transformation to gradually have an impact on the improvement of margins during the coming year. 2013 will also be an important year for Sonae SR in terms of e-commerce initiatives and the restructuring of Spanish operations.

Sonae Sierra continues to be widely recognised as a world-renowned developer and manager of shopping centres. Sierra is now present or renders services in 11 countries globally. During 2012, new shopping centres were inaugurated in Brazil and Germany and 27 new services contracts were signed with other promoters. The company has also continued to seek opportunities to recycle capital from mature projects to new developments but the sovereign crisis has strongly affected transactions in the Iberian real estate markets. This restriction, together with the current high cost of debt in the periphery of Europe, has been restraining the expansion opportunities in Europe, which we have largely compensated with new projects in Brazil. In terms of operating activity, despite the decline in retail sales felt in the Iberian markets, rental revenues from international operations, notably from Brazil, have continued to grow steadily and the company was able to register a 2% increase on its direct income in the year.

2012 was a year marked by some important developments at **Sonaecom**. In a difficult environment, Optimus has been able to meet important strategic goals in areas such as brand image, mobile data, convergence, 4G, innovation and customer experience, while again increasing its profitability levels. The year was also marked by the public announcement, on December 14th, of the agreement between Sonaecom, Kento and Unitel International Holdings to promote the merger of Zon and Optimus. The two companies are close to a perfect match, have almost no overlapping businesses and there are high efficiency gains associated with the proposed transaction. Further, the critical mass gain for the resulting company increases its ability to compete in the local market, as well as to seek growth in other geographic areas.

The decisions we have taken during the year have had a positive impact on our financial performance, and prepared the company for the future. Group sales decreased by only 3% to 5,379 million euros, while recurrent EBITDA margin increased by 0.4 p.p., driven by significant efficiency gains across our activities. Our net income group share was down by 71 million euros solely as a result of higher interest rates and the impacts arising from asset impairments and the fall in valuations of shopping centres in Iberia. Both of these are the result of the macroeconomic situation and the prevailing financial turmoil, however, this did not have an impact on our operating profitability and cash flow generation.

The devaluation of our southern European shopping centre assets during this negative cycle has occurred almost entirely through valuation yields used by external appraisals. The almost complete lack of transactions of shopping centres in Iberia was primarily caused by uncertainty on the future of the Euro. The recent strong decline in risk perception should allow the market to start functioning again and, although we do not expect the first transactions to contribute positively to yield contraction, we do expect this to be the beginning of the return to normalised markets and, within this context, we expect dominant assets to benefit in the medium term.

We ended 2012 with a strengthened capital structure, with our net debt down by 147 million euros year-on-year, whilst maintaining the necessary investment level in all businesses and continuing our dividend policy. For the fourth consecutive year, Sonae has been able to generate sufficient organic cash flow to invest in future growth and finance innovation, whilst continuing to reduce leverage.

Our defined strategy remains as relevant now as it did in the past and we remain committed to driving higher returns for shareholders. Sustainability is at the core of our concerns and we have and will continue to focus on implementing all the right initiatives for the business, for customers, for the communities where we operate, for our team and for our shareholders. We remain committed to our dividend policy. Given the financial results achieved in 2012 and our confidence in the companies' ability to follow this course, we will be proposing to shareholders the payment of a dividend of 3.31 euro cents per share, corresponding to a dividend yield of 4.8% calculated using the 2012 year-end closing share price.

People are at the core when it comes to business and strategy implementation. When we look at the Portuguese economy, we see high unemployment rates, rising taxes and salaries being cut, together with mounting interest rates. Our effort to ensure efficiency gains and growth is also an attempt to maintain employment levels at Sonae, whilst, at the same time, not compromising the goal of delivering value to the remaining stakeholders. We invest in our people and I would like to thank all the committed and devoted employees who have overcome the challenges encountered throughout 2012, and have produced these achievements and results.

We are also extremely grateful to our Board and shareholders for supporting our long-term strategy and in particular for allowing, in times of lower net profitability, the company to maintain its high levels of donations and time devoted to support communities.

03

STRATEGY IN ACTION

STRATEGY IN ACTION

Our mission is to create long-term economic and social value, taking the benefits of progress and innovation to an ever increasing number of people.

At Sonae we believe that our values define who we are and what we stand for. Our values anchor our responsibilities as a corporation and are paramount to the success of our mission.

Our Values

TRUST AND INTEGRITY

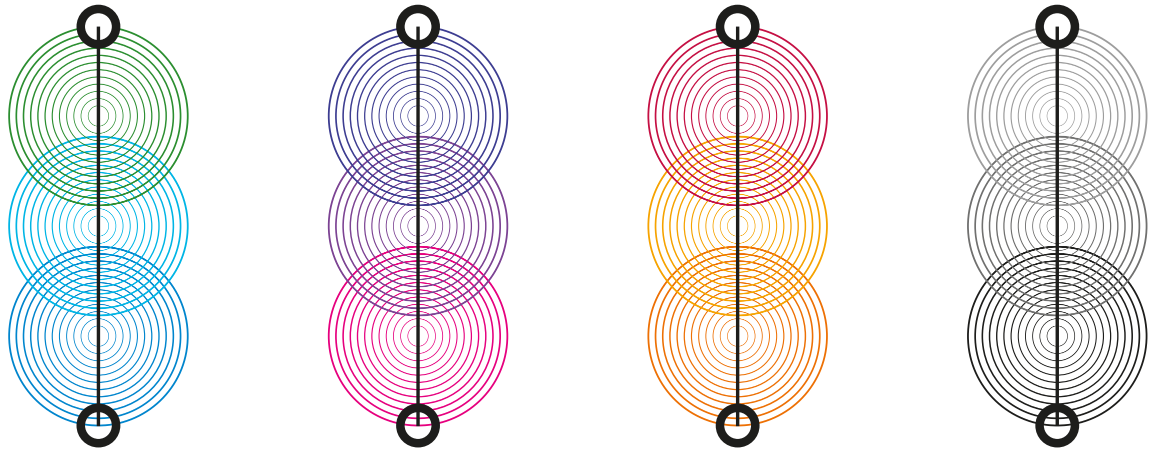
We are committed to creating economic value in the medium and long term, built on relationships founded on integrity and trust.

PEOPLE AT THE CENTRE OF OUR SUCCESS

Setting constant challenges and being open to change are crucial in attracting ambitious people. Our people are a determining factor in the markets where we operate and, for that reason, we invest in developing their capabilities and skills, and thereby further enrich our culture.

AMBITION

Ambition is born from continuously establishing goals which will stretch us to our limits, stimulating our energy and reinforcing our determination. Ambition drives us and keeps us dissatisfied with the status quo, forcing us to go beyond our past successes.



INNOVATION

Innovation is at the heart of our businesses. Innovation involves risks, but we are aware of the importance of identifying and managing these risks, so as to maintain them within reasonable limits. We know that only by innovating can we grow sustainably.

SOCIAL RESPONSIBILITY

We have an active sense of social responsibility, and try to contribute to improving the communities within which we operate. Our behaviour takes into account the most recent environmental concerns and sustainable development policies.

FRUGALITY AND EFFICIENCY

We aim to optimise the use of resources and maximise their return, seeking cost efficiency, and avoiding any waste or extravagance. As a priority, we focus on achieving operating efficiency, promoting healthy competition, and delivering high impact projects.

COOPERATION AND INDEPENDENCE

We are willing and ready to cooperate with central and local governments, in order to improve regulatory, legal and social frameworks, and to ensure the best solutions for the communities within which we operate, but we also take care to maintain our independence in relation to all such entities.

Who we are and what we stand for

We are a trust based organisation with deep routed values and beliefs which are embedded in our history and have stood the test of time – our values and beliefs have remained consistent and have produced our unique culture. We have lived by them and we have constantly grown in scope and value whilst contributing to society beyond the economic wealth created.

Active and entrepreneurial investor

We are an active investment group with an ambitious quest for superior growth and value creation. We continuously plan and optimise our strategy, looking for improved opportunities in our current businesses and analysing new investment options, both in current and in new sectors and geographic areas.

We are constantly searching for new business models and concepts, nurturing our entrepreneurial spirit and accepting considerable risk in the implementation of new ventures. We are rapid and efficient when entering and exiting businesses, whilst always taking strategic decisions with a medium to long-term view on value creation.

Doing it Well

Well's is an example of Sonae's commitment to actively explore new markets, always with the same entrepreneurial spirit that characterises our culture.

Well's, a retail business specialised in health, wellness and optics, was launched in October 2010, recording a sustained growth of 2-digit sales both in 2011 and 2012. In just 2 years, Well's became the market leader in Portugal, with an estimated market share of 53% (source: Mercado das Parafarmácias Jun.2011-Jun.2012), with 150 stores located mostly next to Continente supermarkets.

In addition, to offering the most recognised brands at the best prices and providing professional advice and expertise, Well's customers also benefit from its association with Continente's loyalty card.

Corporate Responsibility

We are committed to developing our business activities based on the principles of sustainable development, with the aim of contributing to society beyond the economic value generated by our business activities. We take into account social, environmental and governance principles and best practices in our decisions and interactions with stakeholders. We are engaged with both financial and human resources in relation to the help we provide to the communities we are part of.

Sonae volunteers

We are proud that our team shares our social values and we encourage their efforts in charitable actions. During 2012, our colleagues volunteered in 300 social causes in the areas of Culture, Education, Environment, Health, Science and Innovation and Social Solidarity.

The number of hours spent on volunteer work by employees of Sonae exceeded 10,480 hours, benefiting 180 institutions such as the Agrupamento de Escolas do Cerco, Acreditar, Fundação Gil, Associação Sol, Cruz Vermelha Portuguesa, AMI, Aldeias SOS, Casa do Caminho, Médicos do Mundo, Associação Lavoisier, Associação Humanidades, Banco Alimentar Contra a Fome, among many others.

Ethical and trust based organisation

We are an ethical and trust based organisation. Our ethical standards are evident through the networks we establish based on principles of honesty, integrity and transparency, with corruption being completely unacceptable. Our trust based organisation is nurtured by developing long-term relationships based on high standards of trust amongst ourselves and with our partners.

Among the World's Most Ethical Companies

2012 WORLD'S MOST ETHICAL COMPANIES WWW.ETHISPHERE.COM

"The winners this year, of which Sonae is one, know that a programme of strong ethical conduct is a key factor for a successful business model, and we thus continue to scrutinise their ethical standards in order for them to raise the bar in a regulatory environment that is constantly evolving and advancing." Alex Brigham, Executive Director of the Ethisphere Institute

Employees are at the centre of our success

It is the talent, expertise, professionalism and dedication of each and every one of us that supports our continued success; these characteristics are at the foundation of our distinctive business knowledge and competences.

We believe and promote meritocracy and do not tolerate any form of discrimination, be it based on gender, religion, race, nationality, social-economic status or any other.

We promote a safe, secure and fruitful work environment which fosters the solid professional and personal development of our employees (through experience, training and mentoring) and appeals to young and talented new professionals. In our group, we all have the opportunity to explore and expand our horizons, in order to deliver an extraordinary performance.

Finov – Chairman's award

The Finov (Sonae's innovation forum) Chairman's Award is awarded every year to an initiative or the successful implementation of a project, recognising the significant contribution made to the business and the notable endeavour made towards Sonae's culture of innovation.

The 2012 award was granted to a group of 4 employees for the development of a biodegradable sports bottle and for "Peugaiter", an innovative sports sock. The two innovations strongly contributed to the notoriety of Sonae's sport brand Berg in its first year of internationalisation. The biodegradable sports bottle is aimed at sportsmen and sportswomen who care about the environment and the "peugaiter" is a specially designed sock that prevents dirt from entering a shoe and, therefore, is intended for those striving for a better performance.

Both products were amongst those selected for the innovation award at Europe's largest outdoor sports fair "Friedrichshafen Outdoor". The biodegradable sports bottle was awarded first prize in the category of "High Ecological and Sustainable Value", further evidencing Berg's commitment towards innovation.

Our corporate values and beliefs are shared by all our business units. They are a fundamental and structural element at the base of many of our distinctive competencies. They bind us together and guarantee our collective strength and common future. We have a set of corporate culture attributes that guide our actions and are a clear statement of **what we stand for**.

Ambition

It was our ambition that transformed a small industrial business into one of the top Portuguese based companies with a growing international footprint. We have also become a leading player in almost all of the sectors in which we are established and our ambition continues to be the driving force of our success.

We always aim to achieve leadership positions in our business areas. We continuously set ambitious goals, which are inspired but not limited by benchmarks or best practices and that test our current competences and demand a bold and entrepreneurial attitude from our managers. We are highly resilient pursuing our ambitious goals and implement most effectively in class risk management practices to balance our bold attitude and guarantee that adverse situations are detected and managed swiftly.

Excellence and innovation

We look to excel in all our activities and our professionalism is above standard.

We continuously question both our business models and industry orthodoxies in order to identify opportunities. Customers are at the centre of our activities. We believe it is necessary to think "out-of-the-box" and develop new ways to compete, always maintaining a "challenging" attitude, by continuously improving our value propositions and experimenting with new business models.

Frugality and efficiency

We eliminate superfluous expenditures and are cost conscious, always looking to improve our operational efficiency and organisational structure. We look to optimise the use of our resources, carefully choosing where and when to use them, maximising their returns. We invest with confidence in all areas and initiatives that improve our ability to create value.

Cooperation and Independence

We establish long-term partnerships with third parties based on the principles of honesty, integrity and transparency. We are fully committed to the success of each established partnership adopting an active role by sharing objectives and risks, bringing valuable contributions, and committing the necessary resources.

We look to cooperate with central or regional governments, by contributing with our expertise and with the aim of improving the regulatory, legislative and social environment. Our commitment and willingness to help society never leads to a loss of independence or to any involvement with political party activities.

Governance

We have put into place procedures which allow a true and clear evaluation of business performance and ensure compliance with our values and principles. Our Directors accept and look for regular evaluation by our stakeholders, in particular from our shareholders (or their representatives), as well as from our customers, employees, market analysts and other external observers.

We are a listed company, in which the majority ownership lies with one shareholder who has shaped our culture and beliefs. We share this culture and beliefs with our sister companies and we are a publicly traded company with a large free-float and a responsibility to over 30 thousand shareholders.

We believe that our founding motives to 'contribute to economic development' and to 'promote overall social well-being' are as valid today as ever.

Strategy

Our mission and our values are inbuilt in our strategy and we always know **where we are going and why**. We are going to significantly increase our arena to new geographic areas and employ new business models that will foster growth and value creation. Beginning with our existing retail, shopping centres, telecom and other nascent businesses and with our distinctive competencies, assets and culture, we will pursue the following three main strategic pillars:

Corporate Strategy

VALUE CREATION THROUGH INTERNATIONAL EXPANSION AND STRENGTHING OF THE CORE BUSINESSES

CORPORATE STRATEGIC PILLARS

INTERNATIONAL EXPANSION

NEW GROWTH AVENUES

PROFIT FROM "WORLD CLASS" COMPETENCES

- Current core business with leader formats in mature markets
- Widen competencies, knowledge and experience pool
- New sources of value creation

DIVERSIFY INVESTMENT STYLE

ADOPT THE MOST APPROPRIATE INVESTMENT STYLE
- FRANCHISING
- PARTNERSHIPS
- MINORITY STAKES

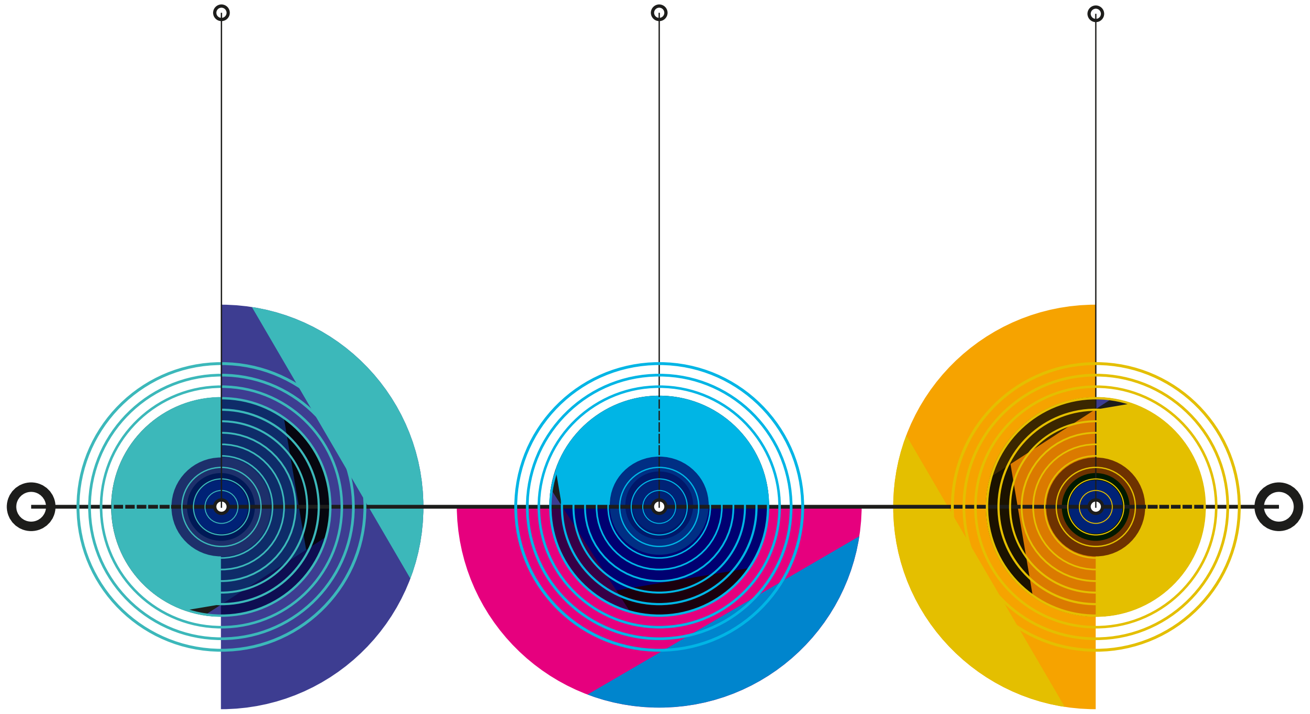
- Use capital light models (renting vs. owning; partnership vs. full control; and franchising)
- Add local knowledge
- Reduce Capital Employee needs

LEVERAGE AND REINFORCE EXCEPTIONAL ASSETS AND COMPETENCIES

INNOVATE

GENERATE NEW BUSINESS
STRENGTHEN COMPETITIVE POSITION

- Capitalise on assets and competencies in base market to launch new projects in adjacent areas
- Reinforce competitive position
- Grow "share-of-wallet"



International expansion

International expansion, focused on our core businesses, including adjacent arenas, will be our key growth driver for many years to come. This is one of our top strategic priorities and we will deploy resources accordingly as we have the opportunity to enlarge our international footprint and transform Sonae into a large multinational corporation.

Our strategy will target opportunities in 'growth geographical areas' that provide sound economic growth, that have developing retail markets and improving governance practices. We are best positioned to explore opportunities in countries where we already operate and 'neighbouring' growth areas. In addition, we will search for growth opportunities in mature markets, based on our distinctive products, competences and strategic assets, in cases in which these give us a clear edge over installed competitors.

We need to improve the international profile and experience of our top managers. Training, recruiting and company culture management should accommodate this strategic intention. In addition, we need to prepare our management organisation to be flexible enough to cope with future growth.

Diversification of investment style

We will look to leverage our resources and the effectiveness of the implementation plans of our strategy, by adopting the most appropriate investment style or mix of styles for each business, including wholly owned businesses and majority stakes, as well as minority stakes with or without special rights.

Majority stakes are considered the appropriate investment style, whenever, on our own or with a small contribution from third parties, we have the resources and competences to lead the business and guarantee the development of sustainable competitive advantages and the creation of superior value.

Minority stakes are considered the appropriate investment style, whenever, either we do not have sufficient resources or would benefit from the contribution of third parties to achieve superior value creation. Minority positions should be used to facilitate consolidation and other Industry restructuring movements, to enter new geographic areas as technical partners and to develop an appropriate high-level business relationship network.

Leverage and reinforce exceptional assets and competencies

We will continue to explore new business opportunities that leverage on our exceptional asset base and competencies as a way to nurture our portfolio of options for future growth. These new ventures should have most of the following characteristics: (i) a clear path to internationalisation; (ii) potentially attractive profitability levels; (iii) profit from global trends; (iv) benefit from and reinforce our competencies and/or strategic assets; and (v) have the potential to become a large business in the medium term.

We will dedicate a part of our capital to these new ventures, according to their ability to deliver growth and create value. We also will look for early signs of success or failure, guaranteeing that scale up, merger or divestment decisions are taken as soon as possible.

Why this strategy?

Our quest for growth and superior value creation reinforces our ambition to expand internationally. We have the competences and technical know-how to successfully explore opportunities not only in 'growth geographical areas', providing sound macroeconomic growth, developing Industry structures and improving governance practices; but also in mature markets, given our distinctive products, competences and strategic assets.

Our base market is not sufficient to deliver all of our ambitious goals as: (i) Portugal is a small market and a difficult territory to defend in a globalised competitive environment; and (ii) our current core businesses in Portugal are reaching maturity and, consequently, have limited growth opportunities.

We have an outstanding management team, expertise and reputation in our core businesses and can use them to create value on a larger scale and in markets that are growing faster and have greater potential.

We will create new and significant career development opportunities for our managers, fostering their professional and personal development, and improving their international profile. Our competence, knowledge and experience pool will grow and become an even more solid base for the future development of the Group through exposure to diverse environments.

Most of our core businesses already have successful international business experience, which demonstrates the immense opportunity we have to explore. Our management teams are robust, highly skilled and have co-ownership over business strategies; internationalisation gives us the chance to leverage this asset on a much larger scale.

To enlarge our international footprint at a faster pace, a more flexible investment style will be crucial, as it will enable us to: (i) leverage our financial and human resources, multiplying our ability to seize different and larger opportunities; (ii) become a company with an enlarged external network; and (iii) improve our access to relevant information, enabling a more proactive management of our legal, regulatory and political environments and increasing our influence. This is critical for successful expansion in foreign countries and for improving our ability to understand the real obstacles of business development and to identify new business opportunities.

Although our internationalisation strategy opens up an immense opportunity for us to grow, we must not relinquish our asset base in Portugal. By leveraging these assets to enter new ventures, we are in turn also nurturing our capacity and ambition to grow in the future, while minimising risk.

In summary, by focusing on internationalisation, diversifying our investment style and leveraging our exceptional asset base in Portugal, we maximise our ability to grow and create value with our financial and human resources.

04

CORPORATE RESPONSIBILITY

04

CORPORATE RESPONSIBILITY

40 THOUSAND COLLEAGUES

10 M€ SUPPORT TO THE COMMUNITY

10,480 HOURS SPENT VOLUNTEERING

10 % REDUCTION IN WATER CONSUMPTION

1,273,384 HOURS OF TRAINING

3,229 INSTITUTIONS SUPPORTED

300 VOLUNTEERING ACTIONS

4,784 TONNES OF ELECTRICAL WASTE EQUIPMENT COLLECTED

At Sonae, we believe that our values are the strongest driver of the success of our mission. Ethics and sustainability are paramount to our strategy and are at the core of our decision-making process.

Facing the current socioeconomic situation, we rise to our responsibilities as one of the largest Portuguese companies, with yet again another year full of innovative and exciting projects that guarantee that we will continue to deliver social and economic growth in a responsible and sustainable manner.

Our efforts continue to be recognised by leading organisations around the world, but most importantly, by our customers that day after day trust in the **quality and integrity** of our products and services. Such a level of success is only possible thanks to the tremendous efforts of **our team**, with each individual knowing that he or she is part of a large organisation that works together with its community. Our efforts towards **innovation** impact across the whole organisation with particular emphasis on the **environment**.

Sonae is recognised for the second year running as one of the most ethical companies in the world

Sonae, the first Portuguese company to be awarded this distinction, has been recognised for the second time running by the Ethisphere Institute as one of the "Most Ethical Companies in the World" for its implementation of transparent business practices and initiatives that benefit the community, raising the bar for ethical standards among all of its stakeholders.

This continued recognition confirms Sonae's commitment to create economic and social value based on principles of ethical behaviour and sustainable development, taking a long-term view and founded on relationships of confidence with all of its stakeholders.

Paulo Azevedo, CEO of Sonae: "Since the company's birth, Sonae's culture has incorporated ethical principles of sustainable development. This distinction gives us encouragement to continue on our path of promoting social well being and helping to build and improve the communities among which we operate, as well as implementing transparent business and governance practices. Ethical conduct and trust are an integral part of Sonae's values, and an important element that unites all the colleagues across the various countries in which we operate".

Luís Filipe Reis, Sonae's Chief Corporate Centre Officer, stated "We need to look towards the future and understand in what way our country and our companies can act to promote economic growth and generate wealth for society. We have a commitment to sustainability as a whole and our mission is to create economic and social value. As the largest private employer in Portugal, we are a "company for people", meaning that the development of the full potential of our people is a key strategic concern. In parallel, we are committed to promoting a culture that foresees an active participation in our society."

Sonae creates Activshare

We are continuously looking for ways to improve efficiency across the whole organisation. For this reason we believe that we can do more and improve our corporate responsibility dimension, so in 2012 we created the Sonae Activshare programme, which consolidates and aggregates Sonae's volunteering and social responsibility actions.

At Sonae people are at the heart of our success. Sonae Activshare promotes the development of volunteering actions.

The Sonae Activshare platform communicates all Social Responsibility actions to employees and volunteers. Through this platform, our team will always be informed of the various ongoing initiatives.

Corporate responsibility is a critical part of our strategy and we continuously revise our goals and monitor their implementation and achievements. We recently completed our commitment cycle for Retail businesses from 2009-2012 and we are now starting a new cycle that will take us to 2015. Our corporate responsibility commitments for Retail businesses during the period 2012 and 2015 are being disseminated across the whole organisation, as we believe that greatness can only be achieved with the involvement of everyone on our team.

Corporate Responsibility Commitments for 2012/2015 – Retail

Better purpose

Promote the adoption of healthier lifestyles by providing customers with all the necessary information for balanced and nutritionally more responsible choices.

Promote the welfare of communities where Sonae is present, contributing to the strengthening of citizenship and social cohesion.

Better people

Promote wellness and invest in the development of the personal skills and competences of our employees, continuously enriching Sonae's culture.

Integrate sustainability into the supply chain and improve the alignment of our suppliers' practices with Sonae's policies.

Better planet

Focus on continuously raising the levels of excellence of our environmental performance, not only as a differentiating factor but also as a pre-requisite for the sustainable development of Sonae's businesses.

1995
- Launch of the Horizon project for increasing environmental management as a differentiation factor and competitive advantage
- Signed up to the World Business Council for Sustainable Development

1996
- Creation of the Environmental Forum to share experiences and the dissemination of good practices

1999
- Launch of the Eco2 XXI programme, with the aim of the effective implementation of actions with a view for increasing eco-efficiency

2000
- Approval of the Environmental Management Policy and the environmental management system of Sonae

2001
- Creation of BCSD Portugal – Business Council for Sustainable Development with Sonae as a founding member
- Publication of Sonae's first Environmental Report

2004
- Signed up to the United Nations Global Compact

2005
- Signed the World Safety Declaration
- Creation of the Sustainability Forum which was developed from the Environmental Forum

2007
- Publication of Sonae's first consolidated Sustainability Report

2008
- Publication of "Sonae, Much more than numbers"
- Subscription to the HIV/AIDS Code of Conduct
- Subscription of the United Nations Declaration of Human Rights

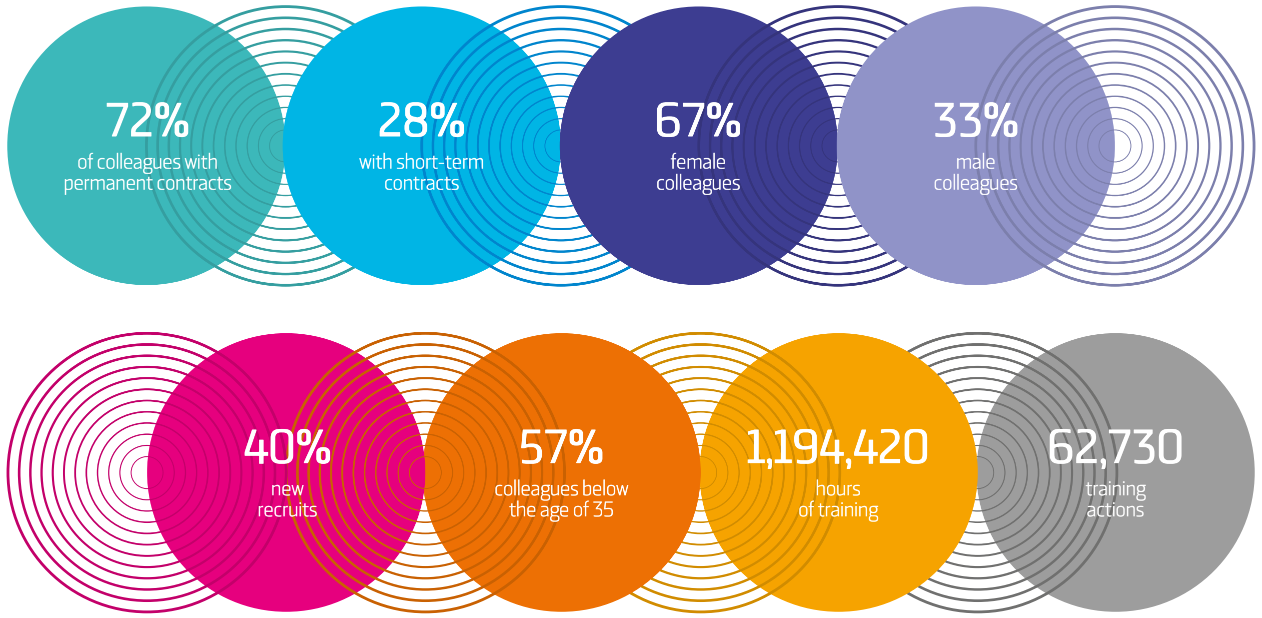
2009
- Publication of a "A commitment 50 years ahead"
- Adoption of the Fishing Sustainability Policy

2010
- Signed up to the Global Business Oath of the World Economic Forum
- Staging of the 1st event of the Sustainability Forum open to the various stakeholders under the theme "Sonae for the Better"

2011
- Integration into GEP – Global Enterprise Project
- Signed up to the Retail Forum for Sustainability

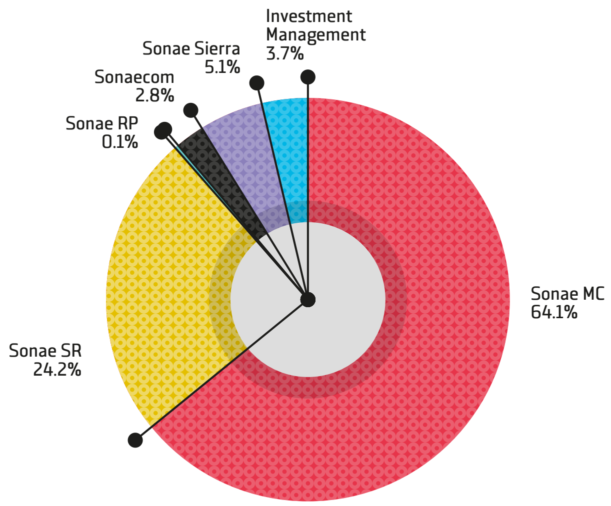
2012
- Sonae creates the Sustainability Award, which recognises internal projects with a strong sustainability content
- Sonae joins European Initiative to reduce the waste produced in the retail business

We Value Our Team – Retail



The success of our team is our success. We believe that an exciting and motivated team is a strong determinant of our clients' satisfaction. Our team is our face and our strongest selling asset. Our teams work their very best every day to bring excellent products and services to our communities at a fair price. We are continuously committed to recruiting the best people and, most importantly, to providing them with the best opportunities for their personal and professional development. Above all, managers should always be aware that they will be seen as role models by others.

Our team per area



Our team is driven by success and a focus on continuous improvement. The learning process is interactive: we provide our team with continuous training but we also want to learn from them. Sonae Retail School is the finest example of our commitment to continuous training. Sonae Retail School continues to focus on making the team more active in the identification of new challenges and improvement areas, rapidly designing programmes to disseminate the best practices across the organisation. Sonae Retail School has proven to be a critical asset in our continuous learning process.

As a process of improving continuous learning, we have developed the tool "Upward Feedback" to promote personal and professional development. The "Upward Feedback" is a "180 degree" appraisal tool whereby employees give feedback to their direct superiors, evaluating their action as team managers in a series of relevant areas: Work Organisation, Motivation and Development and Communication. It serves as an anchor for an ongoing process of change and individual growth.

We believe that the personal and professional development options available within Sonae are the most relevant determinant for the quality of our team. This is complemented by a competitive remuneration package that includes a comprehensive compensation plan and strict adherence to the criteria of merit. Our incentives scheme is based on a combination of Group, departmental and personal key performance indicators. We share our success with our team.

Sonae Retail School

Continuous learning is the path to excellence, a bridge to constant improvement and sustained progress. The personal and professional development of our team is part of our strategic vision and continuous learning is a critical determinant of our sustainable success over the years.

Sonae Retail School exemplifies our approach to the development of skills and is a cornerstone of our success in retail, providing our team with an integrated and comprehensive approach to continuous learning, aligned with our strategy and business objectives.

Sonae Retail School clearly defines our quest to add value to the organisation by generating knowledge.

Sonae Retail School adopts a unique approach that combines the individual professional path and our business strategy, actively identifying new challenges and areas that need improvement and promptly designing programmes that disseminate our best practices throughout the organisation.

All of our training is designed to develop critical skills in cross-functional areas, such as Leadership and Management, as well as in more technical areas such as Foreign Languages, Systems and Project Management.

Finally, we care about our colleagues and we put health and safety above all else. We are active in improving working conditions and we work closely together with the Portuguese Work Conditions Authority, welcoming their contribution as a way to work together towards one of our most relevant objectives – "zero accidents". We conduct a comprehensive accident prevention programme with a number of goals. Firstly, to train our team on how to face hazardous situations. Secondly, to continuously monitor our work environment in order to identify and mitigate risks. Our efforts have awarded us in the past the Safety and Health award from the European Good Practice Awards, namely for the management of preventive and corrective maintenance. We believe we are a very strong contender for this year's award.

Contacto Network "Rede Contacto"

The Contacto Network was launched in June 2010 and it was the first social network in the world set up to attract talent to a single business group. The network enhances interaction between Sonae and its members, facilitating brand communication and reinforcing itself as an open innovation channel. During 2012, the network was remodelled in order to adapt it to the new forms of communication used by younger generations. As a result, a more youthful and fresh interface was implemented, with several new features and with English as the official language. The platform, that currently has more than 19,000 users in 66 countries, reinforced its role as an important factor in Sonae's international growth strategy.

"Contacto Day"

Contacto Day is an annual initiative designed to welcome the top final year students from Portuguese universities, previously selected by Network Contacto (www.contactosonae.com). During this event, young people are given the opportunity to directly contact members of top management, who have in-depth knowledge of Sonae's business, future development plans and strategy. For the 2012 event, we welcomed 60 young people and a number of internships were offered to the very best candidates, leading to the development of personal and professional skills and the possibility of joining Sonae's team.

Call For Solutions Universities

The Call For Solutions is an Open Innovation programme aimed at students from the top Portuguese universities. As part of the programme, Sonae offers an internship to the best graduate students that year and encourages them to contribute with ideas and solutions to challenges raised by the different Sonae business units. This initiative aims to bring value to the organisation through innovation and, at the same time, it allows us to identify young talent by giving them the opportunity to work in a real business environment. In parallel, it allows students to develop valuable skills at the beginning of their professional journey. Over the past 3 years, this programme has involved around 20 management teams and has received 88 students.

Goals for 2012 – Retail

To be a company of reference in terms of

- Strategic medium to long-term HR Planning
- Internationalisation of HR processes and policies
- Making the HR structure more flexible and closer to the needs of the business, aiming for greater efficiency.

Achievements

- In 2012, all actions were initiated as part of an active and ongoing HR management policy.

Respect the environment

At Sonae we adopt an approach towards the environment that goes far beyond the legal requirements and recommendations. We actively think green and we continuously review our environmental guidelines and encourage our team to be proactive towards the implementation of dynamic and aggressive environmental management policies.

Our goal is twofold: firstly, to reduce our environmental footprint to the absolute minimum. As part of our environmental policies, we continuously monitor our environmental impact and adjust our actions to achieve the highest environmental standards.

Continente was the proud recipient of both the "Brand of Confidence" award for the 10th time, a highly coveted award given by Reader's Digest in recognition of our efforts.

Higher levels of efficiency

We have implemented several actions to optimise energy efficiency in our warehouses, resulting in a significant reduction of associated costs. The solutions focused on optimising the existing lighting system and the creation of natural lighting solutions.

As part of our efforts, we have changed the form of illumination on an operational area of 45,000 m², substituting lamps, achieving an immediate saving of 20% and the ability to regulate the flow of energy according to the level of ambient light.

With regard to natural light, the sites in which we have identified poorer lighting were studied and a mixed solution of plates and solar translucent tubes was implemented in the warehouses located in Azambuja, Carregado and Madeira, leading to a reduction in energy consumption of approximately 35%.

Secondly, to increase public awareness of environmental topics. We are extremely active and we promote a better environment not only across the whole organisation, but more importantly, we use our relationship with our community as a unique vehicle to increase public awareness. Our environmental efforts are focused on 7 dimensions: (i) electricity consumption; (ii) electricity produced through renewable energy sources; (iii) total emissions of CO2e; (iv) transport and logistics; (v) refrigerant gases; (vi) water consumption; and (vii) waste. In 2012, we achieved positive results in all of these areas.

Equipa Worten Equipa

"Equipa Worten Equipa" is a project of social and environmental responsibility, through which Worten supports thousands of people who turn to national solidarity institutions for support. Since 2009, the first year of the project, Equipa Worten Equipa has collected more than 18,800 tonnes of electrical and electronic waste equipment and 10,596 pieces of new equipment has been offered to 1,003 institutions. In 2012, Equipa Worten Equipa had another impressive result with a total of 4,784 tonnes of waste equipment collected.

Project Trevo

Sonae's food retail segment implemented an energy efficiency programme within their facilities, which led to savings of up to 4 million euros over the last 3 years. Project "Trevo" aims to ensure a sustained reduction in the cost of electricity, whilst also ensuring the maintenance of thermal comfort levels in stores for customers and employees.

A critical determinant for the success of Project "Trevo" was the implementation across the whole organisation of the "Energy Usage Guide" and the strong promotion and institutional adherence to the idea of the guide, raising the awareness of employees and customers.

We have invested in the processes of energy acquisition and energy production.

José Fortunato, Sonae MC Director, stated that "the implementation of the project allowed Sonae to enhance its energy efficiency and reduce its carbon footprint, while also generating savings, which translates into better prices for customers. During 2013, we will continue to look for efficiencies and promote the generation of energy through renewable sources, fulfilling our mission of sustainable development."

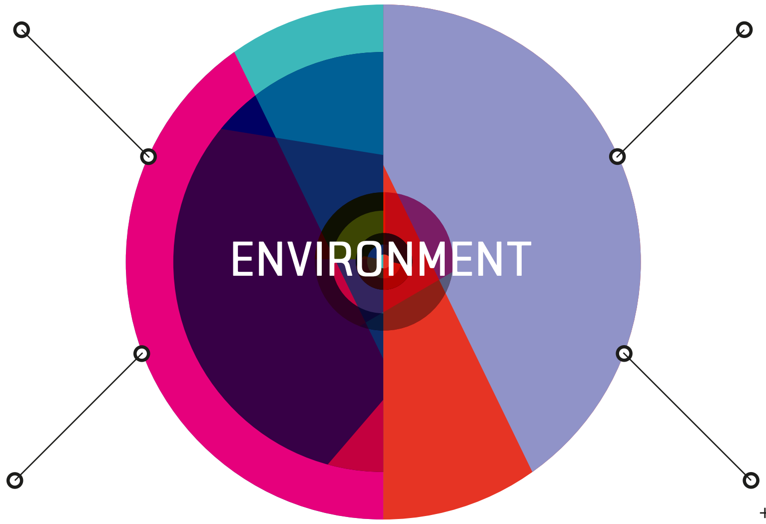
Sonae in the top-10 Iberian companies in the fight against climate change

Sonae was considered one of the leading companies in the Iberian Peninsula in the fight against climate change, according to the Carbon Disclosure Project, a non-profit organisation that aims to raise awareness of climate change and water management, through the dissemination of useful information to decision makers, investors and businesses.

Sonae is the only company in the retail sector in the Iberian Peninsula to join the list of companies classified as leaders in the study "CDP Iberia 125 Report 2012", which examined the 125 largest companies listed in the Iberian Peninsula. The results were analysed with the prospect of potential future investment in mind by 655 investors worldwide, who manage assets valued at 78 trillion dollars.

The result achieved by Sonae reflects the overall commitment to sustainable development of its business and results from the adoption of energy efficiency measures impacting the level of consumption, increasing the production of own energy using renewable sources and promoting best environmental practices throughout the organisation.

Evolution of the main consolidated social and environmental performance indicators



ENERGY

Energy consumption:
913 GJ/million euros
+ 10% compared to 2011

WASTE

Waste production:
20t/million euros
- 1 % compared to 2011
Waste recovery: 74%
+ 9 % compared to 2011

WATER

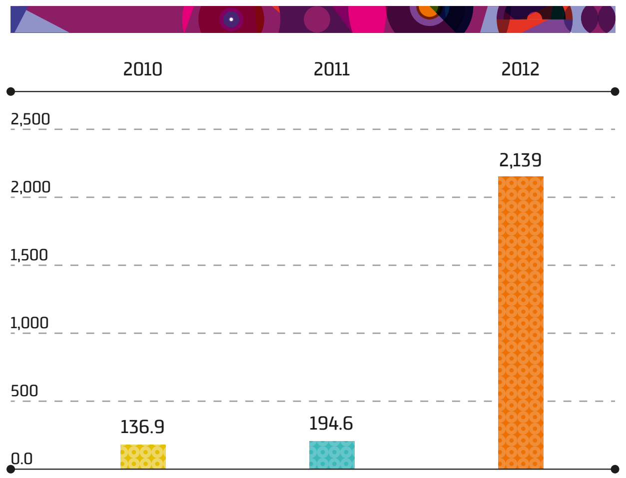
Water consumption:
385 m³/million euros
+ 7 % compared to 2011

CO_2 EMISSIONS

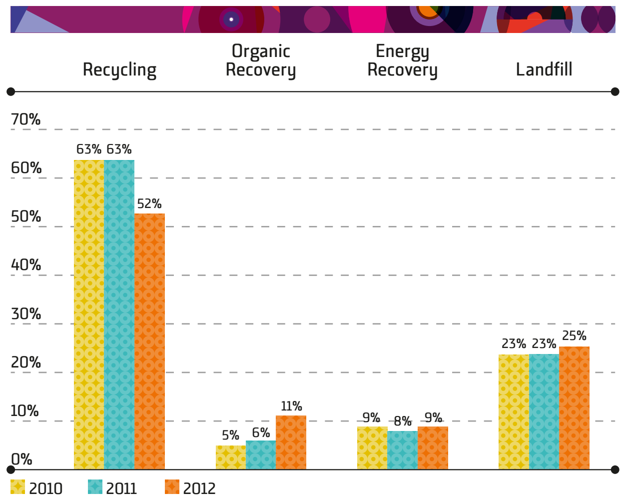
CO_2 emissions: 61t
CO_2e/million euros
+ 20% compared to 2011

Electricity Produced - Retail

(MWh)



Final Destination of Waste - Retail



Goals for 2012 – Retail

Reduction of ecological footprint, complying with environmental policy by:

- Reducing electrical energy consumption by over 1%;
- Maintaining focus on the installation of new autonomous energy production plants based on renewable sources, taking advantage of current investment opportunities and legislation on "Micro and Mini Generation" of energy;
- Ensuring a high level of eco-efficiency of the contracted vehicles used;
- Maintaining the refrigerant gas R22 at refrigeration systems which have not yet been subject to replacement (continuous action);
- Increasing efforts to promote (and offer) the use of reusable bags;
- Surpassing the waste recovery rate achieved in 2011;
- Reducing drinking water consumption by 2%;
- Increasing the number of installations with Environmental Certification in accordance with Standard ISO 14001;
- Publishing an International Environmental Management Guide to support operations outside Portugal.

Achievements:

- In 2012, there was a reduction of 8.3% in electricity consumption;
- We closed the 2008 – 2012 cycle with a cumulative reduction of 14.8% in energy consumption, well above the assumed commitments of 6%;
- In 2012, we installed 42 new photovoltaic systems;
- We now have 100 photovoltaic systems installed, of which 86 are already in production;
- We closed 2012 with 89% of the contracted fleet of vehicles complying with Euro 4 or Euro 5 standards;
- In 2012, we replaced 2 of the last 6 refrigeration systems using R22 and we began using the R290, a refrigerant gas with virtually no effect on the depletion of the ozone layer or greenhouse effect;
- We launched 6 new types of Continente's reusable bags, continuing to extend our offer of these types of bags;
- In 2012, we achieved a reduction of circa 10% of water consumption;
- 4 facilities received an Environmental Certification and we achieved our goal of having all facilities in mainland Portugal certified according to ISO 14001;
- We closed 2012 with 25 units certified;
- We finalised our International Environmental Management Guide.

Sourcing with integrity and quality management

The quality and safety of our products and services are paramount to our success. We strictly control our suppliers' network in a continuous effort towards higher levels of efficiency and quality, bringing to our clients the best products and services at the lowest possible price.

We do not comprise when it comes to safety and excellence and we ask each one of our partners to meet our standards. We continuously and actively monitor our network in order to identify potential problems and disseminate best practices. We particularly focus on the sustainability performance of our partners, with special emphasis on the environmental and social dimensions.

Our partners are critical to the success of our mission and, therefore, it is in our interest to promote alignment with our values and goals. We provide our partners with continuous training programmes. Our partners are aware of our high quality and corporate responsibility standards and they embrace our efforts towards a more sustainable future and sustainable success.

Sonae is the first retail company in the world to implement the Kaizen Continuous Improvement System

Sonae was distinguished with the Kaizen Lean award by the Kaizen Institute for its initiative in implemen-ting continuous improvement processes in the food retail area. The Kaizen Institute prize recognises the pioneering and innovative work carried out by Sonae in applying the Kaizen methodology in the retail sector.

According to the Kaizen Institute, Sonae was outstanding "for its best practices in continuous improvement as a means of generating innovation and competitiveness". Sonae involved all of its employees in the process and thus managed to achieve the goal of creating value, satisfying customers and elimi-nating waste.

João Melo, Sonae MC's Human Resources Manager, stated that "the Kaizen project has revolutionised the working of our units, not just through significant efficiency and productivity gains but also, and more importantly, by the cultural transformation that it produced. Today, Sonae is a company in which innovation is a priority for all employees and where everyone seeks ways of carrying out their jobs more rapidly and efficiently".

Our standards of quality are also reflected in our efforts to promote higher levels of transparency to allow our customers to make better informed decisions. In this regard, we continue to improve our pioneer labelling system on nutritional content and we promote a healthier lifestyle by providing our customers with the best information and advice and by celebrating protocols with specialist organisations in the areas of health and nutrition.

International Certification Quality - Own Brands

The food retail area of Sonae received international certification of its management system for its entire range of own brands, thereby widening the scope of certification which it had already held since 2010. The distinction, awarded by SGS ICS - International Certification Services, recognises the quality of Sonae and Continente in the development of their own brands as well as in the monitoring of suppliers and products.

Continente's private label programme is now widely recognised by customers, representing over 30% of the sales in the categories of fast moving consumer goods. The certification according to ISO 9001:2008, encompasses all Continente's own-brand products and reinforces our values and commitment to quality throughout the product development process, from the selection of suppliers and manufacturing to marketing in stores.

Luís Moutinho, CEO of Sonae MC, stated: "This recognition reinforces our strategy and commitment to the quality of private label products, which are increasingly recognised and valued by our customers. Besides guaranteed best prices, families are assured of high quality standards."

Food Safety Audits

In 2012, we carried out circa 450 food safety audits and we continued with the implementation and consoli-dation of a food safety audit programme on stores, cafeterias, warehouses and manufacturing centres, reporting main conclusions across the company and taking corrective actions. The system is also critical to identify cases of excellence and to disseminate best practices. This audit programme sets out to systematically verify compliance with legal standards and internal rules associated with food safety.

Our audit systems strongly contribute towards increasing customer satisfaction levels, as well as maintaining the image and reputation of the company.

Continente Producers Club

Special mention is needed of the Continente Producers Club. Founded in 1998, Continente Producers Club is a support structure provided to Portuguese livestock and agricultural producers. It originated from Sonae's desire to support Portuguese producers more closely. The strategic objectives of the Producers Club are essentially to promote national products in accordance with high standards of quality and safety in the food retail chains of the Group and, to that end, offer consistent and structured support to its members. At the same time, it guarantees a means to ensure the sale of their production, which because of its renowned good taste and quality, can openly and advantageously compete in the market.

Selecting and promoting particularly fine and sometimes exclusive products, is always a positive exercise, and even more so when the local consumer is at the end of the supply chain. Consumers are normally very much attached to products from their own country.

The Club takes the lead in providing a key link between production and consumption, through its in-depth knowledge of consumer trends and requirements. It has also encouraged continuous investment in training and support of its members, so that the sectors in which it is involved become increasingly competitive against a background of global competition.

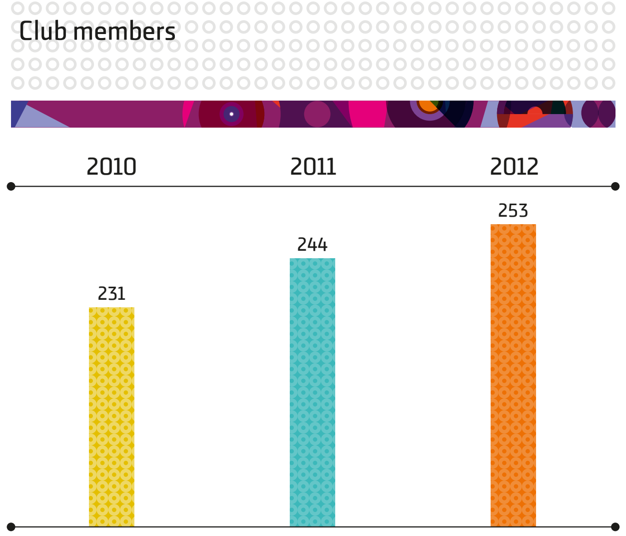
As far as training and technical knowledge is concerned, the Club has supported and organised events such as study visits to production centres both in Portugal and abroad, and has also clearly contributed towards building synergies that facilitate the activity of its members. One example in this area is the protocols agreed with the Government and other state entities that bring significant benefits to producers.

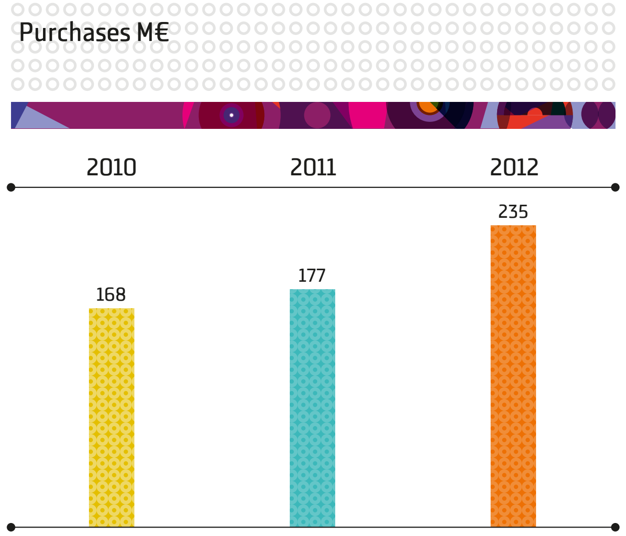
The 3 key guidelines of the Continente Producers Club are the following:

- Sustained growth with regard to the size and value of its production and in terms of market coverage;
- Sharing of a vision and projects between production and distribution;
- Innovation, in products, in new ways of selling and in processes.

In supporting producers, the Producers Club has also, since it was launched, published a newsletter, in which events and relevant issues related to its activities are communicated to members.

In 2012, we significantly increased (+33%) our purchases from the Producers Club. For Sonae, this is a very important aspect, as we continually make a real effort to share our values with our suppliers in order to ensure a more sustainable supply chain.





Goals for 2012 – Retail

Commitment to healthier food habits and products:

- To commit to sensory analysis, with a view to promoting, monitoring and ensuring the superior quality of Continente's products, seeking to adjust them to the needs of each client;
- To continue to promote a healthy lifestyle, providing more and better information and being involved in the community;
- To continue to provide a broad range of products with an optimised nutritional profile and adjusted to different nutritional needs.

Achievements:

- We conducted 922 sensory panel tests internally involving colleagues from the central structures, stores, warehouses and administration;
- Using mobile sensory analysis laboratories (Minilab – Continente Stores and Sensebus – Continente Modelo stores), we promoted sessions to assess the quality of our products and to promote Continente's own brands. These sessions involved nearly 9,100 customers;
- In total, 29,000 reviews of Continente's products were conducted;
- We continued to provide advice to the Portuguese population on how to adopt a healthier lifestyle, taking into account the 8 commitments of our programme "HiperSaudável". Dieticians present in Continente's stores have played an important role in making recommendations to our customers concerning important food decisions. We have provided advice to more than 25,500 customers;
- We continued to optimise the nutritional profile of our products by reducing the fat and sugar content.

Extension of our commitments to quality, the environment and society throughout the value chain. To help suppliers comply with market demands:

- Extension to non-food producers of the certification of the development of Continente private label and monitoring of product and suppliers after the development/launch of products, in accordance with the standard ISO 9001;
- To optimise transport boxes with a view to reducing packaging materials;
- To develop and start the Sonae Suppliers' International Certification process;
- Social, ethical and environmental certification of the majority of textile suppliers (with a target of 80%);
- Maintenance of certification of the Continente Producers Club;
- To maintain the plan to increase the number of suppliers who undergo a qualification and selection audit;
- To contribute to fishing sustainability.

Achievements:

- We started a major social, ethical and environmental certification programme during 2012. However, the economic slowdown has constrained the participation of some partners in the process and progress has been slow;
- Only a small number of suppliers audited in the Far Eastern region have met the objectives of our social, ethical and environmental certification. All non-compliance cases identified are now in the process of implementing corrective measures and will be re-audited in the first half of 2013;
- Monitoring audits of existing suppliers were conducted, in accordance with annual planning;
- We have conducted several actions to raise the awareness of our codfish suppliers, in the interest of obtaining the "Certified Sustainable Seafood" certification;
- The sale of products from aquaculture has increased by 14%, representing 41% of the total volume of fish sold.

A standing commitment to our customers

Ultimately, our efforts towards innovation and efficiency throughout all the supply chain are a testimony of our commitment to bring the best products at the best prices to our customers.

In the quest to improve our customers' lifestyle, we have been strengthening our healthy product categories – "Equilíbrio" (Balance) and "Área Viva" (Living Area) – by broadening the range of products on offer and by improving the nutritional content of some products. We now have 212 products on offer.

Our values are recognised through our products and services and we are proud to see our commitment to integrity and quality being recognised.

We value the loyalty of our customers. In 2012, Continente was recognised for the 8th consecutive year by Superbrands, an independent project that rewards and promotes brands which are distinguished for their status of excellence. This award reinforces the trust and value that consumers place in the Continente brand. The Superbrands 2012 study concluded that, in the retail category, Continente is the brand which Portuguese consumers trust the most, the brand with which they identify the most and the brand that best meets their needs. The study also shows that consumers value the familiarity, competence and responsibility associated with the brand.

Savings of 425 million euros through the loyalty card and coupons

The loyalty discounts offered to Sonae retail customers grew by 29% in 2012, reaching 425 million euros, reflecting our true commitment to household savings and to offering our customers the best products at the best prices.

The initiatives undertaken in the year provided effective savings for the millions of customers of our food and specialised retail brands.

This commitment to families also contributed to the growing success of the Continente Card, used by over 3.2 million Portuguese families in 2012.

Luís Moutinho, CEO of Sonae MC stated that "against the negative economic backdrop, Sonae made a significant effort to facilitate the task of Portuguese families in managing their budgets, providing the best products and the lowest prices, as well as additional information, enabling customers to make a smarter choice. This effort has been recognised by consumers, leading to market share gains for most Sonae retail formats, including Continente, a leading food retailer in Portugal."

ColorAdd – Sonae SR is a pioneer in the implementation of a colour code for people who have colour blindness

Sonae SR will be the first company among textile retailers worldwide to implement a code that allows customers who have colour blindness to correctly identify colours. Zippy and Modalfa's next spring-summer collection will include labels that allow people with colour blindness to identify the colour of the clothes.

The ColorAdd system will facilitate and improve the shopping experience of customers who have colour blindness as well as strengthen their autonomy in day-to-day situations.

The ColorAdd code is monochrome, supported by universal concepts of interpretation and split colours. Miguel Mota Freitas, CEO of Sonae SR, noted that "The pioneering implementation of a code system for people with colour blindness worldwide reflects our commitment to stand alongside the customers in the various markets and countries where we operate, offering innovative products, with quality and design at the best prices."

Optimus was elected the consumers' choice for mobile communications

This choice was based on the "Consumer Choice" survey, carried out by Consumer Choice – Consumer Satisfaction Evaluation Centre. "Consumer Choice" is a market survey project that evaluates and awards prizes to brands and companies in more than 50 categories. As part of the project, more than 200 brands/companies were surveyed, involving more than 17,300 evaluations carried out by consumers using different methodologies, such as the mystery customer, home test and call centre, among others.

This distinction has been earned in addition to the international recognition won by Optimus for the second year running for "Best Customer Service" in Europe, the Middle East and Africa in the Contact Centre World 2012 prizes, the most important category in the competition. Optimus' customer service was also recognised for its excellence for the third year running for Best Customer Service in the APCC Portugal Best Awards 2012 in the Telecommunications category.

Sonae Sierra launches "PromoFans", its shopping centre with discounts

During 2012, Sonae Sierra launched PromoFans, an innovative multichannel promotions platform, the only one of its kind in Portugal. PromoFans' online channel is designed to disseminate promotions and is aimed at improving visitors' shopping experience and adding value to its tenants' businesses, through this relevant proposal to digitally fluent consumers, who are increasingly aware of good shopping opportunities.

For the 4th consecutive year, www.continente.pt was elected as the best e-commerce website in Portugal

Continente.pt was elected at the 2012 edition of the "reader's awards" by PC Guia (a leading electronics magazine in Portugal) as the best e-commerce website in Portugal. This distinction is granted by the readers of the magazine and highlights the extensive work carried out in the development and improvement of Continente's online services. The key objective of the brand is to ensure, at all times, the best and most adapted shopping experience for each customer.

Continente's online store is available in Continental Portugal and its services currently cover circa 70% of the Portuguese population. With a mere "click", more than 20 thousand food and non-food products are available, with a full satisfaction guarantee. Continente Online currently has over 400 thousand registered users and had over 68 million page views during 2012.

Making a positive difference to our community

We do not make any compromises when it comes to making a positive difference to our community. Our actions provide the best testimony of our commitment and the efforts of our team to improve our communities. During 2012, we provided support of a global amount of 10 million euros (4.5 million euros in food items) to 3,229 institutions or projects.

We accept and believe that this responsibility is a critical dimension of our mission and it is our duty to lead the way. Our culture towards our community goes well beyond our stores. We are committed to involving our colleagues and to using our visibility to increase awareness of actions and projects that have intrinsic merit and bring potentially positive benefits to society. Every year we engage in projects that aim to raise the awareness of sustainability issues and in projects that actively promote social, cultural, educational, environmental and scientific activities.

Sonae is also devoted to supporting the initiatives of young people, helping to shape the leaders of the future. We have a commitment to help to educate young people and to develop an enterprising society capable of generating wealth. The promotion of entrepreneurialism is thus one of the priorities we have set in the context of our social corporate responsibility policy and which has led us to encourage our employees to participate in voluntary programmes related to the promotion of innovation, creativity and entrepreneurialism.

It is worth highlighting our team's extensive dedication to social causes. In 2012, our employees dedicated over 10 thousand hours to voluntary actions and were involved in 300 actions in 180 institutions in Portugal. The actions promoted include technical and social support to third sector organisations. Our team's involvement is critical and we encourage them to actively participate in our voluntary causes.

Innovation Challenge

Sonae and Junior Achievement Portugal have launched a business challenge to 100 students from 5 schools in Porto. The goal of the initiative was to stimulate knowledge and entrepreneurship among young people through creative processes and troubleshooting.

Catarina Fernandes, Head of Communication, Brand and Corporate Responsibility of Sonae said: "One of the pillars of corporate responsibility policy is the promotion of education and entrepreneurship among young people looking to foster a spirit of creativity, innovation and responsibility. With this initiative we want to motivate and challenge young people to practice their skills in an active scenario and to develop their creative and entrepreneurial potential."

Participants are students between 15 and 18 years old, attending courses and vocational schools. They are divided into teams, which have to develop and present a solution to the challenge that was launched, with the help of a teacher and a set of Sonae volunteers with skills in areas such as Finance, Marketing, Communication, Sales and Operations.

The winning team then goes on to participate in the "European Innovation Challenge".

Missão Sorriso Record amount raised

On its 10th anniversary, Missão Sorriso, with the support of thousands of Portuguese people, managed to raise around 1.4 million euros, a new record amount for the programme. Since its inception in 2003, this project has raised almost 7 million euros, helping thousands of children and senior citizens.

This year funds will be allocated to the winning projects in the areas of child health, active ageing and fight against hunger.

The 1.4 million euros amount was raised through the generous participation of the Portuguese people, who bought "Leopoldina" products and books related to this cause.

This year's edition was carried out in partnership with the Portuguese Red Cross.

2012 was also a record year in terms of the number of projects in the competition - 176 – and the number of votes cast - 1.5 million.

Company of the year Junior Achievement Portugal

For the third consecutive year, Sonae was honoured as "Company of the Year" by Junior Achievement Portugal for being the partner company with the highest number of volunteers involved in the education and promotion of entrepreneurship to youngsters in schools throughout the country.

Volunteering has the advantage of benefiting the communities in which it takes place, as well as enriching our employees' lives both at a personal and a professional level.

Santa Claus – Teletransformer

Sonae Sierra has launched a Christmas campaign in its shopping centres aiming to collect 7,000 used mobile phones and converting them into 4,000 new toys for children in need.

According to Joana Moura e Castro, Sonae Sierra, "Santa Claus – Teletransformer is an innovative initiative developed to raise the awareness of parents and children to social causes and to the need to help those in need." In addition, the campaign also shows a strong commitment to environmental causes through recycling.

This campaign is a partnership with the association "Banco de Bens Doados", which will be responsible for handing out the new toys.

Goals for 2012 – Retail

To contribute to the education of citizens and social cohesion:

- To continue with projects that have a positive social impact on the community in the fields of health, education, environment, culture, sport and entertainment activities;
- To involve employees in voluntary activities.

Achievements:

- We continued to implement several actions with a positive impact in the community through projects such as "Missão Sorriso", "Equipa Worten Equipa", "Corridas Sport Zone" and "Nós";
- We created the programme "Sonae Activshare", focusing on Corporate Social Responsibility;
- Sonae employees have carried out circa of 10,500 hours of volunteering work.

Innovation is essential for our sustainable success

At Sonae, we believe that innovation is a critical part of our sustainable success. Innovative techniques have made us into a leader and are expected to ensure our future success. Since the opening of the first hypermarket in Portugal, we have been shaping the retail market in Portugal and have become a reference point in retail innovation around the world.

Today, with several retail branches in food, electronics, sports and fashion retail, we continue to invest strongly in the creation of value: with new products and services, new procedures, very distinctive forms of brand activation and social responsibility and by continuously adapting to the reality of the market through organisational changes. This spirit of innovation comes from all employees and becomes a reality through both small and large projects, with a high level of impact on the processes and productivity of the company. The empowerment of each member of our team is a cornerstone of our innovation culture. Based on this culture of innovation and on the creative power of our employees, we continue to do more and more to surprise our customers, day after day.

Sonae MC is the recipient of the "Future IT Award 2012" from Fujitsu for its Self-Checkout system in Continente stores

FUJITSU

The project developed within Sonae comprises a set of solutions and initiatives aiming at facilitating and improving customer's shopping experience. Among the innovations and technologies implemented in this project are devices that allow customers to check out their purchases independently and effectively.

The "IT Future Awards" rewards projects with a strong component of technological innovation or a strong impact on the business, recognising the merit of innovative companies and their economical relevance.

Marcelo Tupan, Director of Information Technology at Sonae, states that "The innovation and adoption of information technology by our retail areas have contributed to the affirmation of Sonae as an international benchmark in the industry, receiving regular visits from operators around the world to learn about the innovative solutions that we provide to our customers."

Nuno Almeida, Director of E-Commerce Sonae MC, notes that "In Sonae, we strive every day to provide the best products, the best prices and the best customer service, providing the best shopping experience. The award recognises our every day work and our commitment to innovation, creativity and quality."

We are aware of the richness coming from the diversity of the backgrounds and profiles of our people, as well as from the diversity of the business sectors and countries in which we operate. We want to continue to encourage this diversity, because it is precisely the cross-fertilisation of these differences that generates dynamism and induces creativity and innovation.

Open Innovation

Internal Sharing Sessions

Knowledge and experience sharing is essential to the constant evolution of working methods and critical to our quest for higher levels of quality.

We strongly promote the internal sharing of knowledge and experiences, mostly through training and information sharing sessions between different business areas, as exemplified by the Experiences, Biz Share or Ignite events.

Experiences

The Experiences events are organised by FINOV and are transversal to the whole organisation, aiming at promoting networking among employees. The main objective is to promote knowledge, ideas and experiences sharing focusing on the dissemination of best practices on Innovation Management and Information Systems. In 2012, the Experiences event focused on the topic of "Productivity in the use of professional electronic tools."

Biz Share

Biz Share sessions aim at sharing working methods between various business segments and, therefore, promoting knowledge transfer and identification of best practices. Under a common theme, we gather employees from different departments and ask them to explain their methodologies, processes and tools used. Given the different nature and maturity levels of each business, these sessions are a constructive learning process.

Ignite

In these sessions, employees have the opportunity to present their innovative ideas to a wide audience including the top management of the company.

Creative Problem Solving

Creative Problem Solving sessions are a major tool used for the internal generation of ideas. These sessions consist of working groups, in which employees contribute with innovative and bold ideas directed at solving a particular problem. All conditions are created so that employees are involved in the creative process of generating ideas.

We believe that creativity can be encouraged, directed and developed. Our innovation management process is led by the Innovation Committee and FINOV. Together, they facilitate an environment favourable to innovation, by promoting information sharing, rewarding ideas with positive outcomes, organising brainstorming sessions focusing on specific problems, putting forward challenges and by giving a positive and active contribution to applied and academic research. The Innovation Management Department is an open-minded department with the sole purpose of bringing out the creativity latent in each one of our team members.

Everybody Innovates

Organisation

FINOV – Innovation Forum

FINOV, Sonae's Innovation Forum, ensures that the theme of innovation and sharing of experiences and knowledge are present across all business units.

FINOV, presided by Luís Filipe Reis, gathers representatives from all companies and defines the policy of innovation and strategy to follow. Various cross-sectoral projects are carried out and enriched by this business heterogeneity.

This forum is also responsible for the organisation of the FINOV event which, besides being a vehicle of information on the tendencies of innovation, recognises the most innovative initiatives of each of Sonae's companies.

Innovation Committee

The Innovation Committee is composed of representatives from all areas of Sonae's retail companies. It is a forum for sharing innovation and activity strategies.

It is the responsibility of this Committee to ensure that the culture of innovation reaches all employees, continually challenging all business areas.

The Innovation Management Team coordinates the Innovation committee and facilitates the processes that support the general innovation objectives.

Goals

Everybody Innovates

Involving all employees is crucial for the creation of a culture of innovation across the board, creating opportunities for the generation of ideas.

Networking

Given that Sonae has many employees situated within a wide geographic area, it is necessary to create mechanisms for knowledge and best practices sharing among its many departments. This act of sharing goes beyond the company's borders, including partners and other external players who benefit from this exchange of knowledge and experience.

Reference

Today, Sonae is a reference point for innovation in Portugal and the world of retail. Many colleagues contributed towards this goal by making dozens of presentations at external events about Sonae's various projects.

The external recognition gained through the award of various prizes from industry is also a source of motivation and pride for all colleagues.

At Sonae, we are open-minded and we believe in the transfer of knowledge within the organisation and with the outside world. Our long-standing attitude towards innovation is known worldwide and every year we receive visits from schools, research institutions and competitors. Our ideas and success have been part of several research case studies and they have received positive feedback in conferences around the world. We believe that higher levels of efficiency can be achieved by sharing ideas and problems.

Sharing knowledge

"Sonae is a very innovative company, combining a tremendous appreciation for the critical success factors in retail with the clever use of technology. It is clear that Continente's operating model is a well-managed combination of people, processes, and technology."

Robert Parket, *Group Vice President, Research IDC Retail Insights*

"The business is clearly led by visionaries that can see opportunities that spin off from multiple formats and services. They have a great service ethic, and this has driven the requirements to facilitate innovative systems to simplify interaction, reduce response times, and allow more time for the store staff to spend with their customers on the [shop] floor and not in the back office looking at systems or reports."

Stasha Battye, *UCS Solutions*

"After (...) our visit to your store at Maia Jardim we have to congratulate you for the excellent organisation and management that we witnessed. Your merit and professionalism make us particularly proud, not only for the partnership between our companies but also because it is visible once more that Sonae, a 100% national company, strengthens its leadership and innovation on a global scale."

Ana Cristina Oliveira, *Itautec Portugal*

"In what concerns Kaizen, Toyota is for manufacturing what Sonae is for retail."

Despar

Corporate governance

Sonae is aware of its impact on society. As such, our values also reflect our vision towards stakeholders and we are committed to the highest standards of corporate governance based on transparency, ethics and responsible behaviour, contributing towards both our financial and social performance.

Sonae is a transparent organisation and we are deeply committed to maintaining good communications with all investors and we devote particular attention to small investors. We advocate the highest levels of information quality and transparency on the market and we comply with all capital market regulations. Our corporate governance structure is designed to protect small investors and to comply strictly with the best corporate governance practices. We have selected people with a strong commitment to sustainability and with a reputable background both as individuals and as professionals. We have a significant proportion of independent members that not only comply with their monitoring duties, but also add significant value and expertise to the organisation.

Our Investor Relations department is permanently available to discuss any issue with our stakeholders and all relevant information is made available both in Sonae and on the Stock Exchange Commission websites. Our reporting policies go beyond the regulatory requirements and we are committed to reporting all relevant information on a voluntary basis.

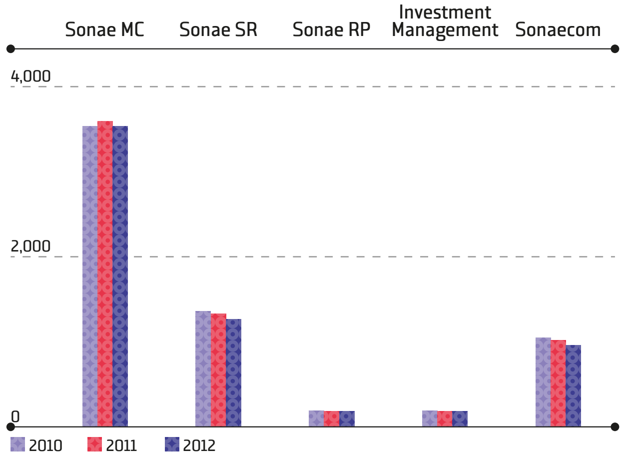
For further information on Corporate Governance related issues, please refer to our Corporate Governance Report.

FINANCIAL REVIEW

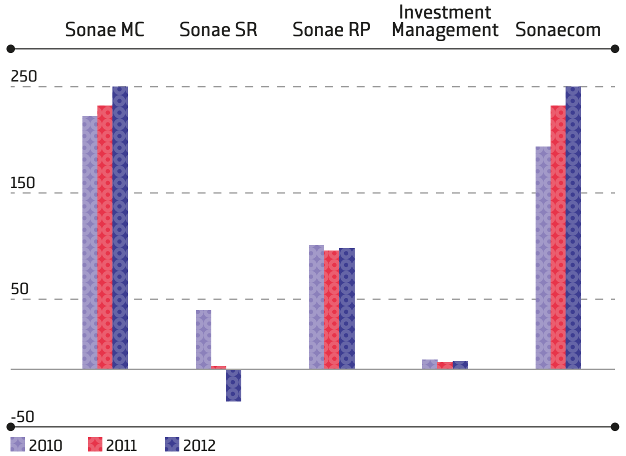
FINANCIAL REVIEW

Key financial performance indicators

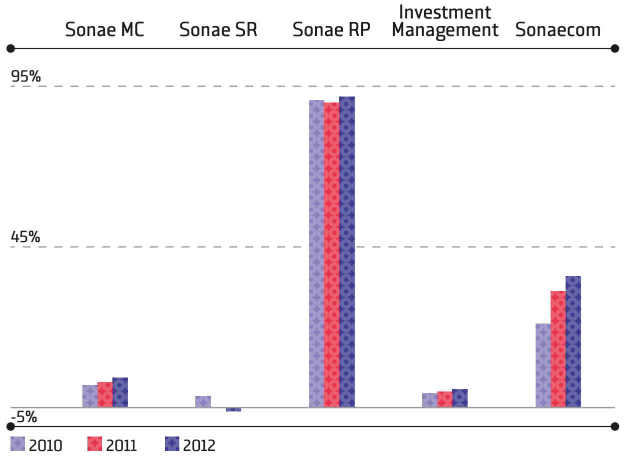
Turnover



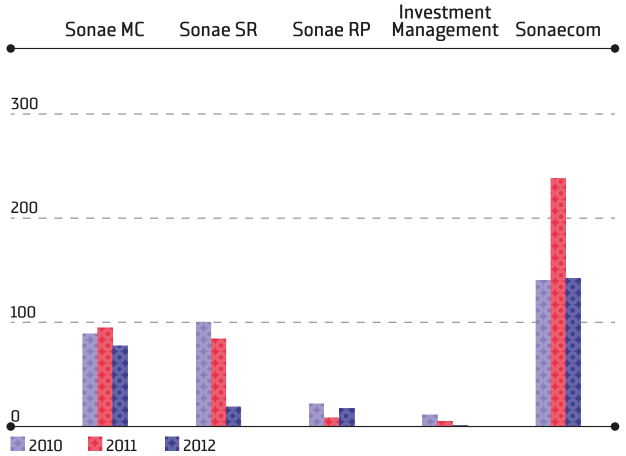
Recurrent EBITDA



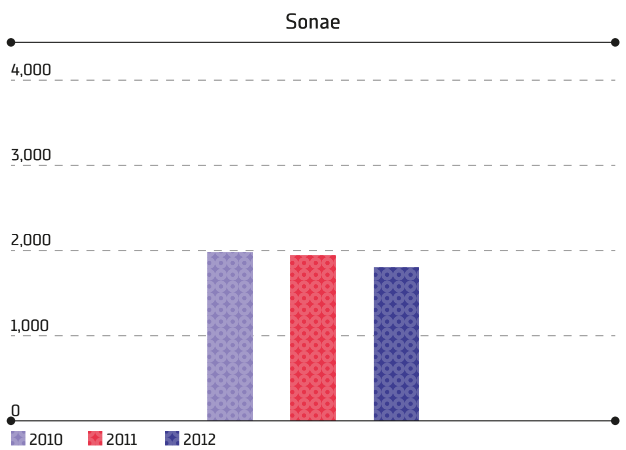
% Recurrent EBITDA/Turnover



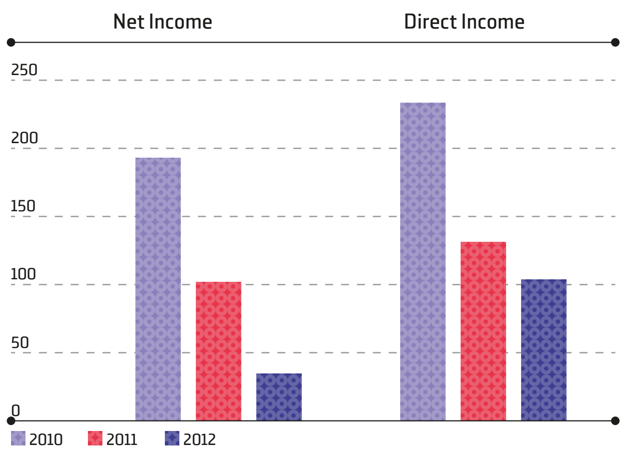
CAPEX



Net debt

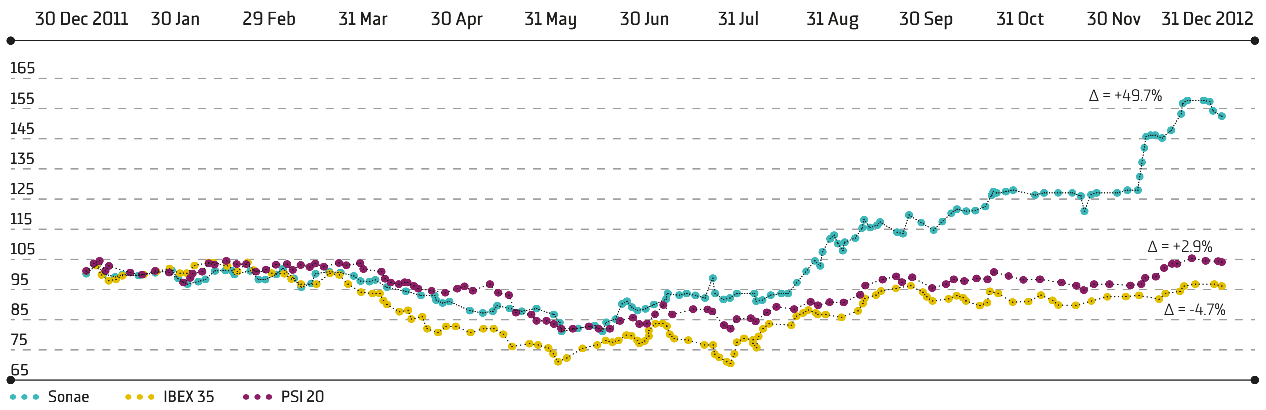


Net Results - Group Share



Sonae Performance vs Country Market Indexes

2012



Macroeconomic context

In 2012, the world economy continued to be driven by persistent high levels of uncertainty, which, although affecting countries differently, led to a further slowdown in economic growth and a postponement of the global economic recovery.

The euro zone went into economic recession, mainly as a result of austerity policies adopted in many of its member states. Significant steps were, nevertheless, taken in the stabilisation and strengthening of the monetary union. In fact, at the end of 2012, a more stable environment in what concerns the sustainability and longevity of the euro zone was in place.

In the United States, although the economy has returned to growth, the post-elections period was affected by uncertainties around the budget and fiscal policies. In particular, it was necessary to find political consensus for the renewal of the expired fiscal stimulus implemented as a measure to combat the financial crisis, as well as to avoid the automatic cuts in public spending if an agreement to increase the public debt was not reached. The lack of a political agreement in the US may push the country, and by extension the world economy, into a new recession.

Despite this climate of global uncertainty and recession in the euro zone, the threat of a sudden slowdown in emerging economies did not take place, with these regions maintaining robust levels of economic growth. This situation contrasts with the onset of the financial crisis in 2008/09 when the recession was felt worldwide.

In Portugal, the year 2012 was marked by the on-going economic adjustment process, as foreseen in the framework of the Programme of Economic and Financial Assistance agreed with international organisations. The reduction in domestic demand deepened as a result of the measures imposed by the adjustment in order to meet fiscal targets. Net external demand remained the only engine of economic growth, despite a slowdown in exports. This slowdown was mainly determined by the fact that several EU countries, the main destination of national exports, were also entering into a recession.

In 2012, Gross Domestic Product fell by 3.2%, after a drop of 1.6% in 2011, reflecting, as indicated, a decrease across all components of domestic demand (-7%), which was only partially offset by a still remarkable performance of exports. In this context, one of the most positive aspects of the adjustment process was the evolution of the balance of goods and services, which has presented an annual surplus, for the first time since 1943.

The worsening economic crisis was inevitably felt by Portuguese families who experienced a further decline in their disposable income. The negative trend in the real income of households reflects, on the one hand, the continuing deterioration of labour market conditions, and, on the other hand, the impact of the fiscal consolidation measures, including the suppression of summer and Christmas bonuses to civil servants and pensioners, an increase in direct and indirect taxes and a new increase in the price of regulated goods and services.

Private consumption recorded a very sharp drop following the decline of disposable income, but also reflecting the increase of precautionary savings in a context of uncertainty and worsening of future expectations. Portuguese household consumption fell by 5.9% in 2012, after a drop of approximately 3.8% in 2011. This decrease was, as expected, particularly strong in the consumer durable categories (-22.9% versus 19.6% in 2011), but there was also a marked decrease in current consumption (-4.2% y.o.y.), especially in the non-food categories. In this context of structural changes in consumption patterns, not even food consumption, a more resilient component, avoided a decline, dropping in volume for the first time since the start of the statistical data collection in 1996 (a reduction of around 0.6%).

Spain started 2012 with an upward revision of 2011's public deficit, forcing the recently appointed government to speed up the implementation of measures to correct the structural economic problems of the country. Consequently, the Spanish economy also went into recession in 2012. This evolution, together with growing concerns over public accounts, in particular with regional governments, and well-founded fears about the resilience of the national banking sector, resulted in a progressive worsening of financing conditions for the Spanish economy. This led to the bailout of the financial sector and to Central Government's rescue of some of the most heavily indebted autonomous communities.

Spanish Gross Domestic Product contracted by 1.4% in 2012, dragged down by the sharp drop in domestic demand, which was only partially offset by the contribution of net exports. In particular, private consumption fell by 1.9% (vs. -1% in 2011) driven by the decrease in real disposable income, strongly affected by the rising unemployment that, month after month, surpassed historic highs, and by the wave of austerity measures, including an increase of the tax burden, a cut in Christmas bonuses to civil servants and other public spending cuts, with direct or indirect impact on household income.

Despite the significant steps taken forward in the adjustment processes by the Iberian economies, uncertainty remains high and challenges are still significant, both internally and externally. On the one hand, doubts persist whether Portugal and Spain have the ability to implement the necessary measures and to meet demanding budget targets in an adverse economic environment. On the other hand, the slowdown of the global economy continues to weigh on the macroeconomic evolution of these countries, as exports currently constitute their sole growth engine. Nevertheless, the resolution of the current crisis in the Iberian Peninsula, and the euro zone in general, will depend, to a great extent, on the European Union's ability to find political solutions that provide a strong and coherent response to the financial crisis and strengthen the economic and monetary union.

2012 Consolidated financial performance

Overall Performance

The operating context in 2012 was influenced by the macroeconomic adjustment process carried out in Iberia, which has led to a significant reduction of private consumption, particularly evident in the most discretionary categories. For example, in the case of Portugal, private consumption is estimated to have decreased by circa 6% in 2012[1]. Against this backdrop, Sonae achieved market shares gains in its main business areas which, in parallel with the growing international activity, allowed for a consolidated **turnover** of 5,379 M€ (3%[2] below 2011).

Recurrent EBITDA margin reached 11.1% in 2012, up by 0.4 p.p. against the previous year. This positive performance was determined by the record EBITDA generation of the food retail and telecommunications businesses, enabling the company to reach a Consolidated Recurrent EBITDA of 597 M€ in 2012. **EBITDA** remained practically stable against 2011, a remarkable result as no capital gains associated with the sale & leaseback of stores were registered in 2012.

During the year, **direct income** totalled 144 M€, 6% below the previous year, mainly as a result of higher financing costs. **Indirect results**[3], mostly as a result of the devaluation of Sonae Sierra's shopping centres in Iberia and Italy, significantly deteriorated in the period, from -27 M€ in 2011 to -72 M€ in 2012. As a result of the evolutions above, but also due to the non-existence of capital gains associated with sale of assets by Sonae RP (vs. 16 M€ registered in 2011), **Net income group share** was down to 33 M€ in 2012.

During 2012, consolidated **Capex** for the group amounted to 292 M€ and was essentially allocated to the remodelling and maintenance of retail assets in Iberia and, in the case of Sonaecom, to the 4G network deployment.

On 31st December, **total net debt** totalled 1,816 M€, which represents a y.o.y. reduction of 147 M€, despite the impact of the LTE spectrum acquisition made by Sonaecom (83 M€) and the payment of dividends to Sonae's shareholders. Sonae thus continued to strengthen its financial structure, with its debt decreasing sustainably y.o.y. over the last 13 quarters and representing, at the end of 2012, 52% of invested capital (2 p.p. lower than at the end of 2011). It is worth noting that the reduction in leverage during 2012 was achieved solely thanks to the improved organic cash flow generation of the businesses.

Consolidated profit & loss account
Million euros

	2011PF(1)	2012	Var
Turnover	5,541	5,379	-3%
Turnover (ex-fuel)	**5,521**	**5,379**	**-3%**
Recurrent EBITDA	**592**	**597**	**1%**
Recurrent EBITDA margin	10.7%	11.1%	0.4 p.p
EBITDA	**602**	**600**	**0%**
EBITDA margin	10.9%	11.2%	0.3 p.p
EBIT	**234**	**232**	**-1%**
Net financial activity	-82	-94	-15%
Other items	-5	0	-
Shopping centres direct results	31	31	2%
EBT	**178**	**169**	**-5%**
Taxes	-24	-25	-5%
Direct results before non-controlling interests	**154**	**144**	**-6%**
Non-controlling interests	-23	-39	-70%
Direct income group share	**131**	**105**	**-20%**
Indirect results group share[2]	**-27**	**-72**	**-**
Net income group share	**104**	**33**	**-69%**

(1) The 2011 results were restated to reflect (i) the change in the consolidation method applicable to Sonae Sierra and Geostar, currently registered according to the Equity Method; and (ii) the change made by Sonaecom in the accounting criteria for costs related to customers' loyalty contracts.
(2) Includes Sonae's Sierra indirect income contribution and other asset provisions for possible future liabilities and impairments related with non-core financial investments and/or discontinued businesses.

[1] Source: INE Monthly Economic Survey – December 2012
[2] The analysis excludes sales related to petrol stations (as Sonae has transferred the management of all of its petrol stations during 2011), and incorporates the change in the consolidation of Sonae Sierra and Geostar to the Equity Method
[3] Includes non-cash assets provisions related with non-core or discontinued businesses

Net invested capital
Million euros

	2011PF	2012
Net invested capital	3,663	3,485
Technical investment[1]	3,253	3,166
Financial investment	541	483
Goodwill	660	658
Working capital	-791	-822
Total shareholders funds	1,700	1,669
Total net debt[2]	1,963	1,816
Net debt / Invested capital	54 %	52%

(1) Includes available for sale assets; (2) Financial net debt + net shareholder loans.

Net Results

In 2012, **consolidated EBITDA** reached 600 M€, only 2 M€ below the previous year. This stabilisation of the EBITDA generation, despite the absence of non-recurrent gains at Sonae RP (vs. 16 M€ registered in 2011), determined by the fact that no retail property sales were completed during 2012, was made possible by the improved operational performance of both Sonae MC and Sonaecom and by the capital gains registered by MDS (insurance brokerage subsidiary, incorporated under the Investment Management area) on the sale of part of its shareholding in Cooper Gay Swett & Crawford[4].

Net financial expenses totalled 94 M€ in 2012, 15% above the figure registered in 2011, 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. As a result, driven by the exposure to variable rates, the average interest rate of outstanding credit facilities at the end of 2012 has not deteriorated significantly when compared to December 2011 and stood at approximately 3%.

Earnings before taxes reached 169 M€, 5% below 2011, with the higher net financial expenses more than offsetting the improved Recurrent EBITDA generation and the 2% growth in the direct contribution from Sonae Sierra.

Indirect Results deteriorated significantly against 2011, mostly reflecting Sonae's share (50%) in Sonae Sierra's non-cash indirect results.

[4] Refer to "Subsequent Information" section of this Report.

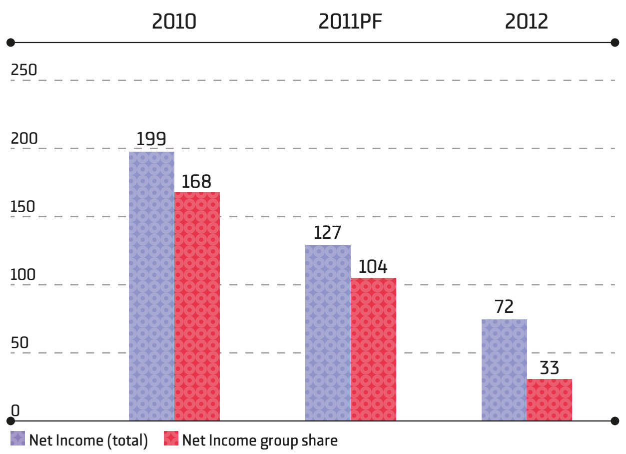
Net income attributable to the Group was down against 2011 by 71 M€, mostly as a consequence of no capital gains being registered in the year (vs. 16 M€ registered in 2011) and the higher negative impact resulting from indirect results (down by 45 M€ y.o.y.).

Consolidated results
Million euros

	2011PF	2012	Var
Recurrent EBITDA	592	597	1%
Recurrent EBITDA margin	10.7%	11.1%	0.4 p.p
EBITDA	602	600	0%
EBITDA margin	10.9%	11.2%	0.3 p.p
Depreciations & amortizations (1)	-368	-368	0%
EBIT	234	232	-1%
Net financial activity	-82	-94	-15%
Other items	-5	0	-
Shopping centres direct results	31	31	2%
EBT	178	169	-5%
Taxes	-24	-25	-5%
Direct results before non-controlling interests	154	144	-6%
Non-controlling interests	-23	-39	-70%
Diret income group share	131	105	-20%
Indirect results group share	-27	-72	-
Net income group share	104	33	-69%

(1) Includes provisions & impairments.

Net income
Million euros



Invested Capital

During the course of 2012, Sonae carried out a **total investment** of 292 M€, 137 M€ below the figure registered during 2011. This reduction is mostly justified by the impact of the LTE licence acquisition at Sonaecom at the end of 2011 (110 M€) and by the lower degree of international expansion carried out by Sonae SR during the current year.

The increasing **cash-flow generation** of Sonae's business continues to be evidenced by the 142 M€ growth at the level (recurrent EBITDA - Capex) registered in 2012, when compared to 2011.

On 31st December 2012, Sonae's overall **net invested capital** was 3,485 M€, of which circa 57% is invested in the retail businesses, corresponding to Sonae RP an overall asset portfolio with a book value of 1,335 M€, mostly comprised of stores operated by Sonae MC and Sonae SR. It is important to note that the level of freehold of food retail stores stands currently at 77%, a value above the average of our European peers. Sonaecom's contribution to the previously mentioned invested capital was 956 M€, 129 M€ above the same period last year, essentially as a result of the investments carried out in the development of its 4G network.

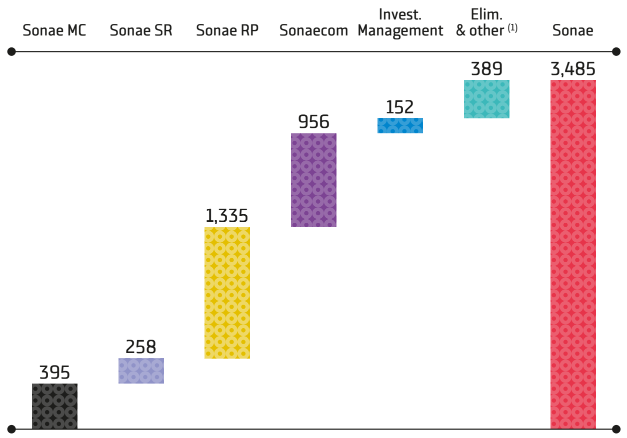
Capex
Million euros

	2011PF	2012	% of Turnover
Sonae	429	292	5%
Sonae MC	92	78	2%
Sonae SR	84	34	3%
Sonae RP	9	16	13%
Sonaecom	238	143	17%
Investment management	6	1	1%
Eliminations & adjustments	0	21	-
Recurrent EBITDA - CAPEX	163	305	-

Net invested capital
Million euros

	2011PF	2012
Invested capital	3,663	3,485
Technical investment	3,253	3,166
Financial investment	541	483
Goodwill	660	658
Working capital	-791	-822

Breakdown invested capital (2012)
Million euros



(1) Includes the value of partnerships accounted as financial investments.

Capital Structure

As at the end of 2012, Sonae's **net financial debt** amounted to 1,802 M€, translating into a reduction of 129 M€ or 7%, over the course of the last 12 months. This was possible despite the impact resulting from the initial payment (83 M€), made in the beginning of 2012, relative to the acquisition of the LTE spectrum by Sonaecom and the continuation of Sonae and Sonaecom's dividend policy. This evolution is all the more significant when considered over the last 3 years (a cumulative reduction of circa 338 M€ on total net debt), which is particularly remarkable when considering the strong investments in international expansion carried out during this period and the total dividends paid.

In relation to the debt profile, it should be noted that the transactions completed during 2012 enabled Sonae to complete the refinancing programme of its medium and long-term credit facilities maturing until the end of 2013, as well as to partially ensure the refinancing of debt maturities in 2014.

At the end of December 2012, consolidated net debt represented 52% of capital employed which compares with 54% at the end of 2011. In terms of allocation per business, the following is worth highlighting:

- The **retail units** net debt totalled 796 M€, 204 M€ below YE11, exclusively as a result of the business' strong capacity to generate cash-flow as no sale & leaseback of retail real estate assets were completed during 2012. This reduction in net debt has more than compensated the lower EBITDA generation, determined by the performance of the non-food businesses, allowing for a significant improvement of the Net Debt to recurrent EBITDA ratio from 2.8x at the end of 2011 to 2.4x at the end of 2012;

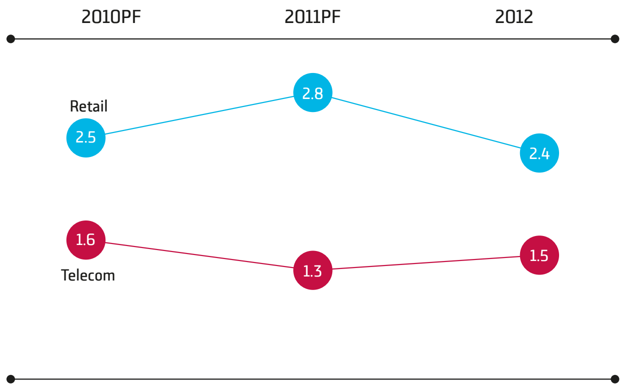
- **Sonaecom**'s net debt increased by 51 M€ to 361 M€, exclusively due to the initial payment foreseen under LTE spectrum acquisition (83 M€) and the circa 25 M€ dividends distribution made during the first half of the year. The Net Debt to recurrent EBITDA ratio increased from 1.3x to 1.5x at the end of 2012, with the previously explained higher net debt level more than offsetting the very positive EBITDA performance;

- The **holding net debt** increased circa 20 M€, to 618 M€, at end of December 2012, mostly driven by the impact of the dividend payment made in 2012 (circa 66 M€). The "loan-to-value" ratio of the holding remains at conservative levels and registered a slight improvement from 18% at YE11 to 17% in December 2012.

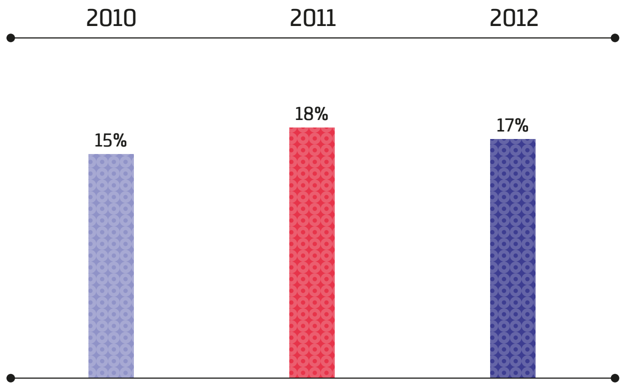
Net debt
Million euros

	2011PF	2012	Var
Net financial debt	1,931	1,802	-129
Retail units	1,001	796	-204
Sonaecom	310	361	51
Investment management	23	27	4
Holding & other	597	618	20
Shareholder loans	32	15	-17
Total net debt	1,963	1,816	-147

Capital Structure
Net debt to EBITDA



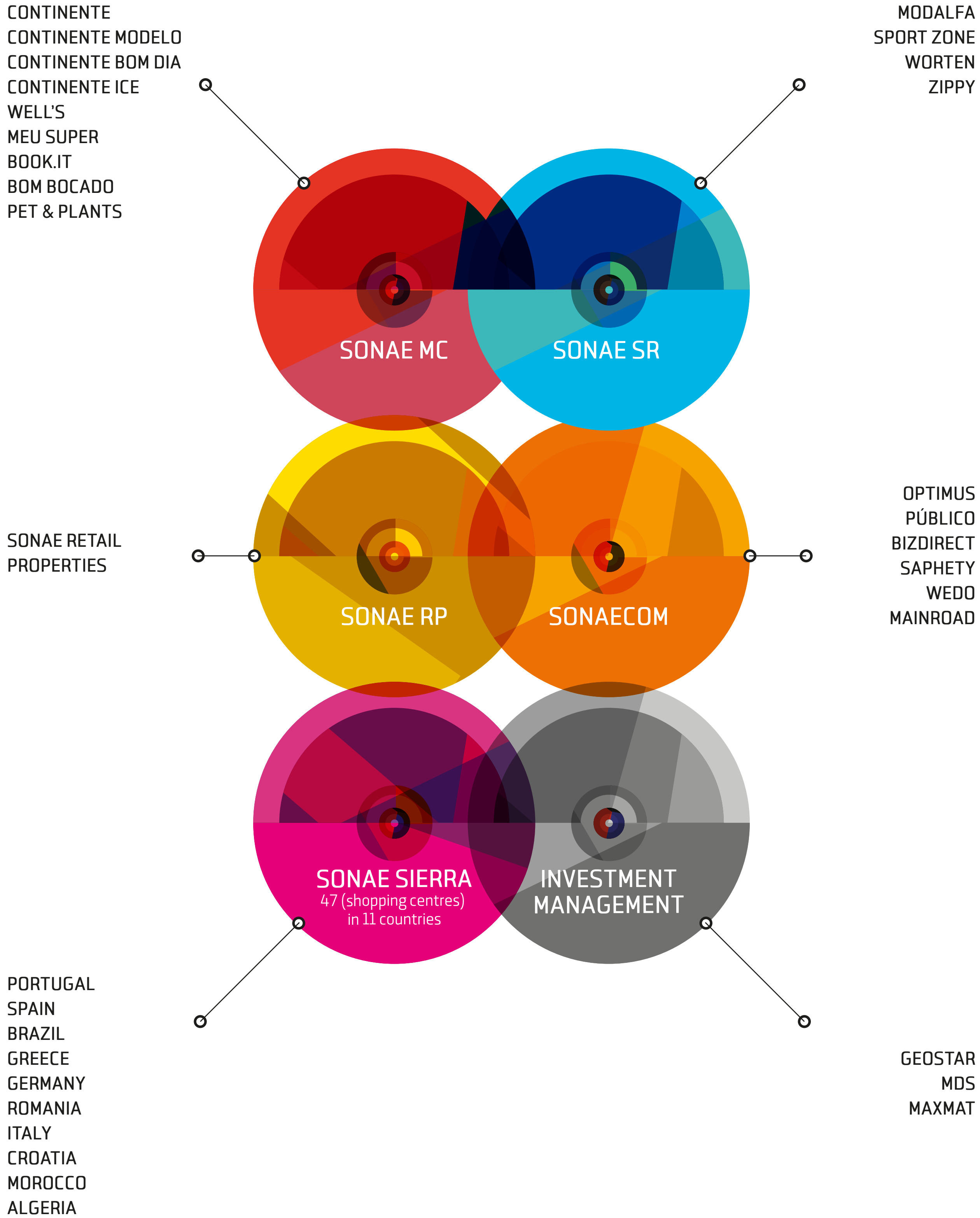
Capital Structure
Loan-to-value (%) - Holding



Business segments

Sonae is a retail company with two major partnerships in the fields of telecommunications, software and information systems (Sonaecom) and shopping centres (Sonae Sierra).

It carries out its activity in a total of 66 countries, including operations, provision of services to third parties, representation offices, franchising and partnerships. In the countries where it operates it is recognised as an organisation with a strong value-based culture which contributes to social and economic development.



Sonae MC

During 2012, Sonae MC, the food retail business, reinforced its market position in Portugal achieving a turnover evolution above market average. As one of the most trusted brands in Portugal, Continente continued enhancing its value proposition by presenting the most diversified range of products at the best price. This achievement stems from our deep knowledge of Portuguese consumer needs, built over decades of activity, and on our distinctive promotional tools, such as our loyalty card, which was involved in circa 90% of sales during the year.

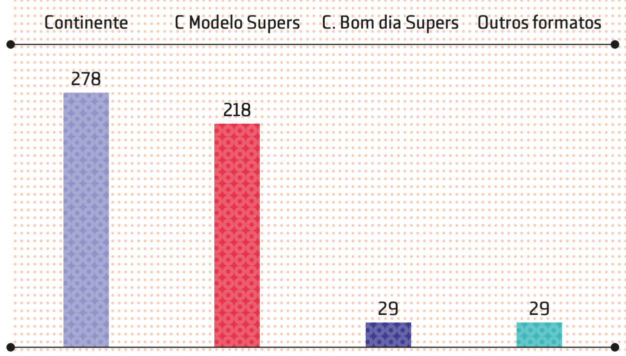
Sonae MC has selectively expanded its footprint in Portugal with the opening of 10.5 thousand m² of new areas, including 2 new Continente Modelo and 5 new Continente Bom dia stores during 2012. Strengthening the portfolio of its food retail business, Sonae MC launched "Meu Super" in 2011. This franchised business, based on a convenience store approach and targeting mainly residential areas, reached 25 stores and a total of approximately 5 thousand m² by the end of 2012.

In an environment adverse to consumption, Sonae MC has been able to enlarge its market share, while delivering remarkable growth at the level of EBITDA and EBITDA margin, with increased productivity across all of its activities and processes, thanks to the successful implementation of several efficiency projects over the last few years. In parallel, Sonae MC was able to increase its cash flow generation as a result of the higher operational efficiency and a significant improvement in terms of working capital management, driven by the level of inventories.

Sonae MC – 440 stores operated by the company and 38 stores under franchise and joint-venture agreements generated a 3,281 million euros turnover in 2012.

Retail Selling Area by segments (2012)

'000 M²
(total - 554 thousand)



Food retail formats

Continente – 38 hypermarkets (centrally located and more than half situated in leading shopping centres) – with an average area of approximately 7 thousand m² and average Stock Keeping Units (SKUs) of 70 thousand. Non-food area (typically light bazaar and textiles) representing less than 15% of total sales.

Continente Modelo – 108 supermarkets, typically located in medium-sized population centres, with an average area of 2 thousand m² and with the number of SKUs well above competitors. These supermarkets are based on location and convenience, with a light bazaar offering representing less than 10% of sales (no textiles offered).

Continente Bom Dia – 31 small, convenience food stores, with an average sales area of around 900 m². Renewed concept based on the quality and variety of fresh products, ideal for more frequent daily shopping.

Meu Super – Franchised local food stores, with areas between 150 and 1 thousand m², located mainly in residential areas within large city centres. Sonae MC offers the franchisees store management support, a guaranteed competitive price and access to Continente's private label offer, as well as other suppliers' products.

Adjacent business opportunities

Bom Bocado – 96 stores, coffee shops and small snack-bars. Variety and quality with a fast service and great price.

Book.it – 17 Book shops, stationery and tobacco.

Well's – 141 stores dedicated to parapharmacy, beauty products, health and well-being care, eye glasses and optical services.

Sonae MC's **turnover** totalled 3,281 million euros, 1.4% below 2011, 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.

Sonae MC registered a **Recurrent EBITDA** of 250 M€ (+7% or 15 M€), representing a profitability of 7.6% over turnover (+0.6 p.p. compared to 2011), a remarkable outcome in the current context of a reduction 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.

The **investment** carried out in 2012 was essentially distributed among the selective opening of new retail stores in Portugal, including 2 Continente Modelo and 5 Continente Bom Dia stores and the programmed remodelling of a number of retail units so as to ensure they remain as a reference in their respective catchment areas, with a particular emphasis in 2012 to the successful remodelling of the Continente stores in Cascais and Évora, under a completely new and innovative layout.

Sonae MC
Million euros

	2010	2011	2012
Turnover	3,275	3,327	3,281
Recurrent EBITDA	231	235	250
Recurrent EBITDA Mg	7.1%	7.0%	7.6%
Capex	88	92	78
Invested Capital	479	484	395

Sonae MC Turnover
Million euros

Sonae MC store portfolio

N.º of stores	30 Jun 2010	31 Dec 2010	30 Jun 2011	31 Dec 2011	30 Jun 2012	31 Dec 2012
Portugal						
Sonae MC	390	415	433	432	431	440
Sonae MC (franchising)	9	9	12	22	29	38
Sales area ('000 m²)						
Portugal						
Sonae MC	531	544	547	547	550	554
Sonae MC (franchising)	15	15	16	17	19	21

Sonae SR

Sonae SR, the non-food retail unit, with businesses in the categories of electronics, sports goods and fashion, had to adapt its operation to the significant reduction of consumption witnessed in the Iberian economies, particularly felt in the discretionary products categories. During 2012, strong emphasis was placed on efficiency and on the redefinition of the supply model of the textile businesses. This has already resulted in a much improved cash-flow generation, mostly driven by lower stock levels, but has impacted the business profitability in the year.

Sonae SR continued consolidating market positions in Iberia, particularly in the key consumer electronics segment (Worten), which has again been able to reinforce its leading position in the Portuguese market and grow its market share in Spain.

In terms of international expansion outside Iberia, several new franchise agreements were signed and newly franchised Zippy stores were opened during 2012 in Azerbaijan, Malta, the Dominican Republican and Venezuela, thus pursuing the defined strategy of exploring franchising and joint venture opportunities as a means to accelerate growth, using a "capital light" approach.

Sonae SR's **turnover** reached 1,180 million euros (-4.0% or -9.3% on an "LfL" basis), reflecting 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). 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 4 countries.

Sonae SR's contribution totalled -25 M€ in the year, significantly worse than the +1 M€ recurrent EBITDA registered in 2011. 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.

Sonae SR
Million euros

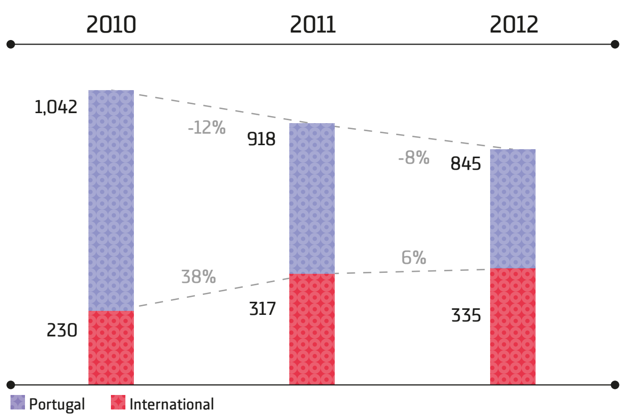
	2010	2011	2012
Turnover	1,272	1,235	1,180
Recurrent EBITDA	45	1	-25
Recurrent EBITDA Mg	3.5%	0.1%	-2.1%
Capex	100	84	34
Invested Capital	337	347	258

Sonae SR revenues breakdown

Business Formats	2012 Revenues (M€)	% of total
Electronics	815	69%
Sports Goods	218	19%
Fashion	147	12%
Total Sonae SR	1,180	

Evolution Per Geographic Area

Sonae SR Turnover
Million euros



The investment carried out in 2012 was essentially distributed among the consolidation of Sonae SR's store network in the international markets. At the end of 2012, Sonae SR had a total of 146 stores outside of Portugal, including 20 under franchising agreements. The lower rate of store openings by Sonae SR is clearly evidenced by the 50 M€ y.o.y. reduction on its CAPEX.

Sonae SR
Million euros

	2010	2011	2012
EBITDA Portugal	72	45	27
EBITDA Margin	7%	5%	3%
EBITDA International	-27	-45	-52
EBITDA Margin	-12%	-14%	-16%
Sonae SR Total			
EBITDA	45	0	-25
EBITDA Margin	4%	0%	-2%

Sonae SR store portfolio

N.º of stores	30 Jun 2010	31 Dec 2010	30 Jun 2011	31 Dec 2011	30 Jun 2012	31 Dec 2012
Portugal						
Sonae SR	414	414	419	418	414	411
Sonae SR (franchising)	10	10	10	11	11	11
International						
Sonae SR	56	84	107	123	123	126
Sonae SR (franchising)	0	0	5	7	13	20
Sales area ('000 m²)						
Portugal						
Sonae SR	250	256	265	265	264	262
Sonae SR (franchising)	4	4	5	4	4	5
International						
Sonae SR	77	106	126	150	151	153
Sonae SR (franchising)	0	0	2	3	4	5

Sonae RP

Sonae RP, the retail real estate business area, was established to actively manage Sonae's retail real estate properties, mostly comprised of stores operated under Continente and several Sonae SR banners. The company's operation is focused on asset management, seeking property development opportunities and planning to release invested capital, through a reduction in the level of freehold ownership of retail sales area, mostly in the food business. Despite some asset sales and sale & leaseback transactions carried out until the end of 2011, Sonae still presented, at the end of 2012, a level of freehold of retail real estate well above other retailers in Europe.

Sonae RP's **turnover** totalled 120 million euros, 1 million euros above the previous year, an increase mainly driven by market inflation as no relevant changes occurred in its asset portfolio between the 2 periods.

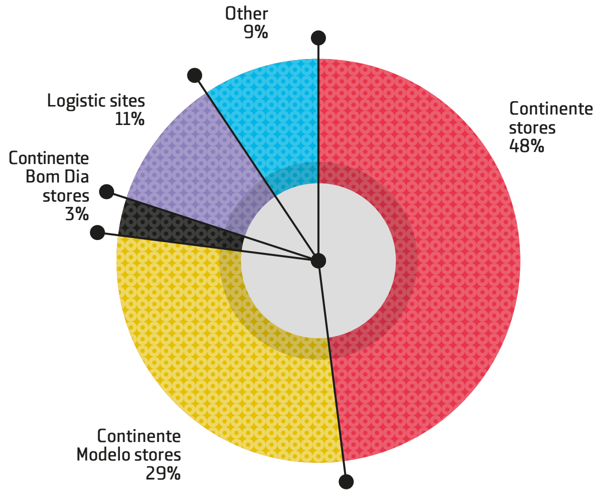
Sonae RP registered a **recurrent EBITDA** of 107 M€, 3 M€ above 2011, translating into a margin of 89.4% over sales, demonstrating the efficient management and continuous enhancement of the retail real estate assets in its portfolio (mainly comprised of stores operated by Sonae MC and Sonae SR). Sonae currently maintains a freehold level of approximately 77% of its food retail selling area and 26% of its non-food retail space (of which, 40% is in Portugal and 5% is in Spain).

The total invested capital at Sonae RP reached circa 1.3 Bn€, and is mostly comprised of stores operated by Sonae MC/ Continente.

Sonae RP
Million euros

	2010	2011	2012
Turnover	126	119	120
Recurrent EBITDA	111	104	107
Recurrent EBITDA Margin	87.7%	87.2%	89.4%
Capex	21	9	16
Invested Capital	1,418	1,361	1,335

Sonae RP Net Book value (YE12): 1,378M€
Assets %



Sonaecom

Sonaecom, the telecommunications and IT/IS business area, 54% controlled by Sonae, performed in line with its ambition of growing the mobile business, leading the mobile data segment and increasing cash-flow generation. Meeting its strategic goals, in areas such as brand image, mobile data, convergence, 4G, innovation and customer experience, enabled the company to exceed expectations, in a context of adverse market conditions, registering a record year in terms of profitability. In 2012 Optimus, the integrated telecommunications operator, achieved a noteworthy record EBITDA margin of 30.2%.

The year was also marked by the public announcement, on 14th December 2012, of the agreement between Sonaecom and Kento Holding to propose a merger between Optimus and Zon, which was followed by the approval of the merger project, on 21st January 2013, by the Optimus' Board of Directors. The board considered this merger to be a logical and essential step towards the development of a common growth platform, which will leverage and maximise the significant potential of both companies. The completion of the transaction is subject to certain conditions, as disclosed in the announced merger project.

Sonaecom **revenues** reached 825 million euros, 4% below 2011. The y.o.y. reduction results from decreases both at the level of product sales (-15.7%) and service revenues (-3.3%), with the latter evolution determined not only by the impact of the austerity measures over the level of telecoms expenditure but also by the lower level of regulated tariffs (mobile termination rates and roaming). It is worth noting the positive performance of the IT/IS division (SSI), with the respective service revenues up by 11% y.o.y. in 2012.

Sonaecom's **recurrent EBITDA contribution** totalled 250M€ in 2012 (+6% or +15 M€), corresponding to a record sales margin of 30.2% (up by 3 p.p. against 2011), with all of its business divisions registering a positive growth in the respective EBITDA generation. It is particularly worth highlighting the growth of the already benchmark EBITDA margin obtained by the Optimus' mobile business (up by 4.8 p.p., to 43.1% in 2012), a performance clearly ahead of its main competitors.

The investment carried out in 2012 was mostly comprised of:

- Strengthening of the coverage and capacity of the Optimus' mobile network. After securing the ideal combination of LTE spectrum bands at the end of 2011, Optimus' 4G/LTE network now covers 80% of the population, exceeding the coverage targets set for 2012;

- The acquisition by WeDo Technologies of Connectiv Solutions Inc, a US software company, an investment of 10 M€ made during the 2Q12, thus reinforcing WeDo's position in the global business assurance telecom market.

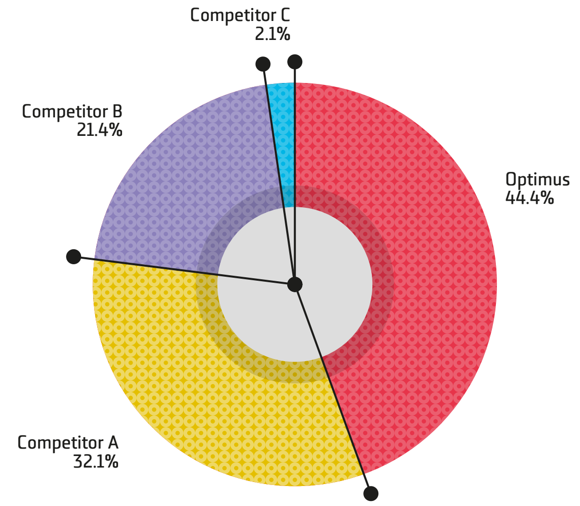
Sonaecom
Million euros

	2011PF	2012	Var
Turnover	864	825	-4.4%
Recurrent EBITDA	235	250	6.8%
Recurrent EBITDA Mg	27.3%	30.2%	3.0 p.p.
Capex	238	143	-37.1%
Invested Capital	827	956	7.6%

Optimus Mobile EBITDA Margin

FY10	34.0%
FY11	38.3%
FY12	43.1%

Mobile Broadband traffic share



Source: ANACOM, Dec-12

Sonae Sierra

Sonae Sierra, the international shopping centre specialist, 50% held by Sonae, has been able to partially offset the strong reduction in consumer activity in southern European countries with its presence in emerging markets, namely in Brazil, and a further expansion of management services to third parties, including the signature of several new agreements in North Africa. The company thus continued to benefit from its high level of expertise as a retail property developer and asset and property manager, currently with 47 shopping centres in operation.

During 2012, Sonae Sierra opened 2 new shopping centres, "Le Terrazze" in Italy and "Uberlândia" in Brazil, and continued with the construction of 2 new projects in Brazil and 1 new centre in Germany. In the same period, Sonae Sierra Brasil, a Sonae Sierra subsidiary listed in the Bovespa stock exchange, has also taken further steps to adjust its portfolio of shopping malls, in line with the objective to allocate capital from mature, non-controlled assets to new projects with greater development potential.

Sonae Sierra ended the year demonstrating the superior quality of its portfolio of assets, with the maintenance of occupation rates at 96% and a consistent revenue performance.

The accounting standard IFRS 11 - Joint Arrangements changes the accounting method of joint-controlled investments, namely eliminating the possibility of proportional consolidation of entities that fall under the concept of joint-ventures, as is the case of Sonae Sierra. Under these terms, Sonae has decided, as it is already possible under the current standards, in anticipation of the requirement for this change to be implemented for annual reporting periods beginning on 1st January 2014 and in order to facilitate a future comparison of its financial reporting, to start reporting Sonae Sierra according to the Equity Method (the only possible method according to this new standard) from 1st January 2012.

In the context of a strong reduction in consumption levels in southern European countries, with inevitable impacts on the retail real estate occupancy rates, Sonae Sierra maintained, at the end of 2012, an **overall occupancy rate** in its portfolio of 96%, a decrease of just 0.8 p.p. when compared to 2011. In the overall portfolio under management, tenant sales decreased by 1.7% mainly influenced by the economic conditions in Portugal and Spain, which drove tenant sales down by 3.7% in the European portfolio. This trend was partly offset by the continued strong operating performance in Brazil, with a circa 8% growth in "LfL" tenant sales, in local currency terms, during 2012.

Sonae Sierra's **turnover**[5] remained stable at 227 M€, with the negative evolution of rental income in Iberia compensated by the effect of the new openings, the growth attained in Brazil and the expansion of development services rendered to third parties.

EBITDA grew to 116 M€ in 2012, 3% above the figure registered in 2011, reflecting the resilient top line performance and the gains in efficiency delivered by the cost control efforts across all areas of the company, which translated into a 51.2% EBITDA margin in the period, 1.5 p.p. above 2011.

Sonae Sierra - Operational Data

	2011PF	2012	Var
Footfall (million visitors)	428	426	-
Europe	325	318	-
Brazil	103	107	-
Ocuppancy rate (%)	97%	96%	-0.8 p.p
Europe	96%	96%	-0.5 p.p
Brazil	99%	97%	-1.7 p.p
Tenant sales (million euros)	5,204	5,114	-1.7%
Europe	3,494	3,365	-3.7%
Brazil	1,709	1,749	2.3%
Nº of shopping centres owned/co-owned (EOP)	49	47	-2
Europe	39	39	0
Brazil	10	8	-2
GLA owned in operating centres ('000 m²)	1,924	1,930	0%
Europe	1,551	1,589	2%
Brazil	373	341	-9%

Sonae Sierra - Financial Indicators

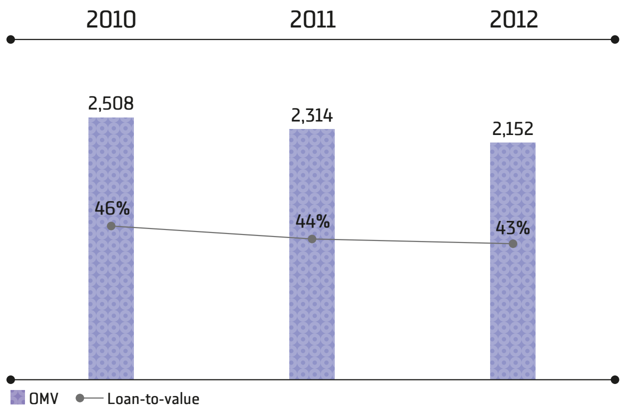
	2011PF	2012	Var
Turnover	227	227	0%
EBITDA	113	116	3%
EBITDA margin	49.7%	51.2%	1.5 p.p
Direct result	61	63	3%
Indirect result	-51	-108	-110%
Net results	10	-46	-
attributable to Sonae	5	-23	-

In the same period, Sonae Sierra registered negative **net results** of 46 M€, of which the share attributable to Sonae was -23 M€. These losses were solely determined by the negative impact of **indirect results**, -108 M€ during 2012, mainly due to average yields expansion in Portugal (+33 bps), Spain (+67 bps) and Italy (+35 bps), only partially compensated by the compression of yields and improved operational performance in Brazil. Importantly, Sierra's direct results increased y.o.y. by 2%, to 63 M€, again demonstrating the quality of its assets and the remarkable resilience of its operating performance.

On 31st December 2012, the company's **OMV** (Open Market Value) was 2.1 Bn€, down against 2011 largely because of the yields expansion referred to above and of the asset sales completed in Brazil and Germany. In terms of portfolio, it is worth highlighting the 2 openings that took place during 2012: "Le Terrazze" in Italy and "Uberlândia" in Brazil. The "Loan-to-value" ratio was reduced from 44% to 43% at the end of December 2012, even after taking into account the development of projects under construction in Brazil and Germany. As a result of the above, Sonae Sierra's **Net Asset Value** was 1.05 Bn€ at the end of 2012.

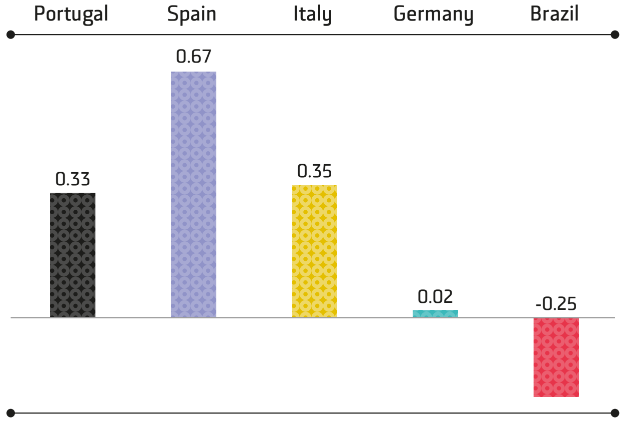
Sonae Sierra

Open Market Value (OMV) and leverage



Sonae Sierra Shopping Centres

2012 Market Yields Evolution



Pipeline of Projects Under Development

Dec 2012

Project	Country	% ownership	GLA m²	Capex (million €)	Expected opening date
Boulevard Londrina Shopping	Brazil	28%	47,800	88	1H13
Passeio das Águas Shopping	Brazil	33%	78,100	167	2H13
Hofgarten Solingen	Germany	50%	30,000	120	4Q13

[5] indicators as published by Sonae Sierra on 8th March 2013 (management accounts). Sonae holds a 50% stake in Sonae Sierra.

Investment Management

The Investment Management area creates value for Sonae by supporting the implementation of corporate and business strategies, maximising shareholder's return on Sonae's portfolio, actively supporting core business M&A planning and execution and reinforcing Sonae's business networking with industry players, M&A advisors and investment banks. At the end of 2012, the Investment Management portfolio included stakes in companies operating in the DIY retail (Maxmat), travel agencies (Geostar) and insurance brokerage (MDS), where M&A is considered to play a key role in value creation.

The accounting standard IFRS 11 – Joint Arrangements changes the accounting method of joint-controlled investments, namely eliminating the possibility of proportional consolidation of entities that fall under the concept of joint-ventures, as is the case of Geostar. Under these terms, Sonae has decided, as it is already possible under the current standards, in anticipation of the requirement for this change to be implemented for annual reporting periods beginning on 1st January 2014 and in order to facilitate a future comparison of its financial reporting, to start reporting Geostar according to the Equity Method (the only possible method according to this new standard) from 1st January 2012.

The **turnover** generated by the Investment Management area reached 105 million euros during 2012, only 1% below the previous year, despite the severe macroeconomic context. This performance was the result of a positive contribution from MDS (insurance brokerage), which registered a 4% increase in its turnover, backed by growth in both the Portuguese and Brazilian markets. This evolution was, nevertheless, more than offset by the negative sales performance of Maxmat (DIY business), determined by the lower levels of new housing developments and consumer spending in Portugal.

The Investment Management area achieved a **recurrent EBITDA** of 5 million euros in 2012. All companies continued to implement measures to control operational costs, streamline operations and improve working capital management leading to a 22% increase on recurrent EBITDA generation, when compared to 2011.

It is also worth noting that, at the end of 2012, MDS sold part of its stake in Cooper Gay Swett & Crawford. As a result of this transaction, MDS had, at the beginning of 2013, a capital inflow of approximately 27.1 million USD. The transaction was accounted for in 2012 and resulted in a capital gain of circa 11.8 M€ in MDS' accounts. In addition, the implementation of this transaction determined a change in the method for accounting MDS' shareholding in Cooper Gay Swett & Crawford Limited, thereby creating an additional capital gain of circa 3.5 M€.

Investment Management
Million euros

	2011PF	2012
Turnover	106	105
Recurrent EBITDA	4	5
Recurrent EBITDA Mg	4.2%	5.2%
Capex	6	1
Invested Capital	134	152

Investment Management store portfolio

N.º of stores	30 Jun 2010	31 Dec 2010	30 Jun 2011	31 Dec 2011	30 Jun 2012	31 Dec 2012
Investment Management	104	101	95	92	87	74
Maxmat	34	33	33	33	32	32
Geostar	70	68	62	59	55	42
Sales area ('000 m^2)						
Investment Management	65	63	63	63	63	62
Maxmat	61	60	60	60	60	60
Geostar	4	4	3	3	3	2

Individual results of Sonae, SGPS, S.A.

Sonae, SGPS, S.A.'s activities, on a stand-alone basis, are basically associated with the management of the shareholdings in its subsidiaries.

In 2012, the individual net income of Sonae, SGPS, S.A. stood at 22.9 million Euros.

Outlook for 2013

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.

In terms of our core partnerships, **Sonae Sierra** will have to face a new drop of private consumption in southern Europe, which is expected to progressively impact on its rental revenues in these markets. The exposure to Brazil and growing services business should at least partially compensate these effects during 2013. The company will also continue to pursue opportunities to recycle capital from mature projects to new developments in geographic areas with growth potential.

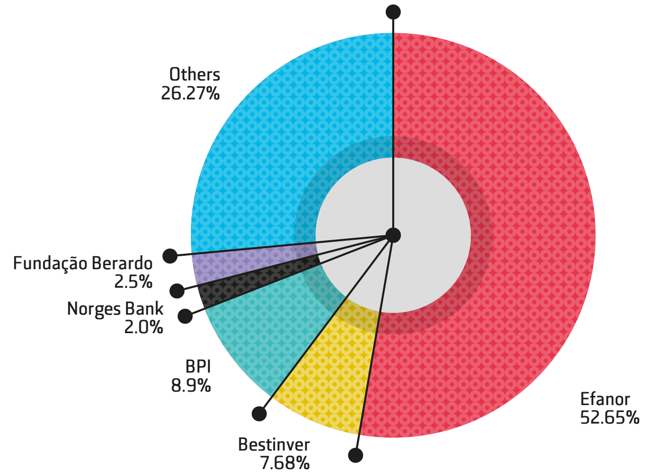
2013 will be an important year for **Sonaecom**, with the expected completion of the merger between Optimus and Zon. The combination of the 2 companies is expected to generate significant synergies over time and open new growth opportunities for the enlarged operation, thus creating value for all stakeholders.

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 reduction in consumption, we will also continue along the deleveraging path, aiming to reach the end of 2013 with a further reduction in consolidated net debt.

Information on shareholdings and share performance

Shareholdings

A STABLE SHAREHOLDER STRUCTURE



FREE FLOAT OF CIRCA 40%

SHARE CAPITAL
2,000 million

AVERAGE DAILY VOLUME (2012)
~ 1.8 million shares

MARKET CAP (AS OF 31.12.12)
~ 1.4 billion euros

BPI STAKE INCLUDES EQUITY SWAP
of circa 123 million Sonae shares (~ 6 of share capital)

Sonae shares are listed on the Portuguese stock exchange, NYSE Euronext Lisbon, and are included in several indices, including the PSI 20, with a weighting of 3.8% and the Next 150, with a weighting of 0.9%, as at the end of December 2012. The table below shows the key indicators of Sonae's share performance:

	2010	2011	2012
ISIN CODE		PTSON0AM0001	
BLOOMERG CODE		SON PL	
REUTERS CODE		SONP.IN	
SHARE CAPITAL	2,000,000,000	2,000,000,000	2,000,000,000
PRICES			
YEAR CLOSE	0.78	0.46	0.69
YEAR HIGH	0.95	0.85	0.72
YEAR LOW	0.68	0.42	0.37
AVERAGE TRADING VOLUME PER DAY (SHARES)	4,525,057	2,258,026	1,811,356
AVERAGE TRADING VOLUME PER DAY (EUROS)	3,751,604	1,533,960	856,822
MARKET CAP. AS AT 31-DEC (MILLION EUROS)	1,560	918	1,374

Sonae's shares ended the year 2012 quoted at 0.687 euro, reflecting a nominal increase of 49.7% during the year, which compares with an increase of just approximately 2.6% of the reference index of the Portuguese Stock Market – the PSI 20. Despite the share price increase, particularly evident in the second half of the year, the volume of shares traded in the stock market was down against 2011, with Sonae's average trading volume being reduced to approximately 1.8 million shares per day.

During 2012, events with a possible impact on Sonae's share price were as follows:

(i) 25th January: announcement of 2011 preliminary retail sales;

(ii) 12th March: disclosure of the 2011 annual results;

(iii) 30th April: information on the Shareholders' Annual General Meeting resolutions, including the approval of a dividend payment of 0.0331 euro (gross amount per share) in relation to 2011 results;

(iv) 2nd May: information on the refinancing operation of medium to long-term debt of a total amount of 500 million euros;

(v) 23rd May: disclosure of the 2012 first quarter results;

(vi) 25th June: information on the issuance of medium-term bonds, placed with retail investors, with a maximum of 200 million euros;

(vii) 23rd August: disclosure of the 2012 first half results;

(viii) 14th November: disclosure of results for the first nine months of 2012;

(ix) 14th December: announcement of an agreement reached between Sonaecom and Kento Holding Limited and Jadeium BV to recommend to the Boards of Zon Multimédia, SGPS, SA and Optimus SGPS, SA a merger between the two companies

Transactions with own shares

During 2012, for the purpose of fulfilling the undertakings, towards Sonae's employees and senior executives, foreseen under the Medium Term Incentive Plan, and in accordance with terms of the proposal to purchase and sell own shares, both as approved at the Shareholders' General Meeting held on 27th April 2011, Sonae purchased between March 29th and April 20th, through the Euronext Lisbon Stock Exchange, a total of 5,999,276 own shares, representing approximately 0.3% of its share capital. The average purchase price of these acquisitions was 0.435 Euros per share.

On 27th April 2012, in compliance with the undertakings under Sonae's employees and senior executives Medium Term Incentive Plan, Sonae transferred, by transactions executed over the counter, 5,631,103 own shares, to subsidiaries at a value of €0.414 per share, corresponding to the market share price on 26th April 2012, out of which 3,943,231 were delivered at no cost to the respective employees and senior executives.

Subsequently, on 18th December 2012, with the same purpose, identified previously, Sonae transferred to subsidiaries, at a value of € 0.693 euros per share, a further 368,173 own shares, by transactions executed over the counter, which were delivered at no cost to the respective employees and senior executives.

Following the above identified transactions, Sonae – SGPS, SA did not hold, as at the end of 2012, any own shares.

Subsequent events

On **January 16th**, Sonae's controlled company, MDS SGPS, SA, obtained all the required approvals towards the partial **sale of its shareholding in Cooper Gay Swett & Crawford Limited**, a transaction which had been agreed in October 2012 and consequently accounted in 2012, with a capital gain of circa 15 M€. With this transaction, MDS had a capital inflow of approximately USD 27.1 M.

On **February 15th** Sonae and France Telecom ("FT-Orange") executed an agreement whereby, respectively, a **call and put option** was granted over the 20% stake in Sonaecom's share capital presently held by a subsidiary of FT-Orange. Sonae's call option may be exercised during an 18-month period and FT-Orange's put option within the subsequent 3-month period. The price for the exercise of both options is of 98.9 M€, which may be increased up to 113.5 M€ in case Sonaecom or Optimus participate in any consolidation process within a 24-month period.

On March 7th, the **Extraordinary Shareholder Meetings** of Optimus SGPS and Zon approved the **merger project** by incorporation between the 2 companies, under the terms that had been approved by the respective Boards on January 21st. The implementation of the merger is now conditional upon the prior fulfilment of the following conditions: (i) the non-opposition from the Competition Authority; (ii) the issuance of a statement waiving the obligation to launch a mandatory takeover bid by the Portuguese Securities and Exchange Commission; and (iii) the fulfilment of the remaining administrative and corporate formalities applicable or necessary for the completion of the merger.

Proposed allocation of the 2012 net income and dividend distribution

In accordance with the applicable legal and statutory terms, the Board of Directors will propose to the Shareholders' Annual General Meeting that the 2012 net results, in the amount of 22,964,316.93 Euros are transferred, in the amount of 1,148,215.85 Euros, to legal reserves, and the remaining amount of 21,816,101.08 Euros to cover retained earnings. In addition, it will be proposed that free reserves in the amount of 41,378,390.93 are transferred to retained earnings.

Taking into account the defined dividend policy, the financial position of the Sonae Group and the availability of distributable reserves well in excess of the requirements of article 32 of the Portuguese Companies Act, the Board of Directors will propose to the Shareholders' Annual General Meeting the distribution of free reserves in the amount of 66,200,000 Euros, equivalent to a gross dividend of 0.0331 Euros per share, an amount equal to the previous year. This dividend corresponds to a dividend yield of 4.8%, based on the closing price as at 31st December 2012, and to a payout ratio of 63% of the consolidated direct income attributable to equity holders of Sonae.

Dividend payments made in the last 3 years

	2010(1)	2011(1)	2012(1)
Gross Dividend Per Share (€)	0.0315	0.0331	0.0331
Dividend Distributed (M€)	63	66	66
Dividend Yield (%)(2)	**3.6%**	**4.2%**	**7.2%**
Payout Ratio (%)(3)	37%	34%	51%

(1) Refers to the year when the dividend was distributed; (2) Dividend yield = Dividend distributed / closing price as at 31st December of the previous year; (3) Payout ratio = Dividend distributed /consolidated direct profits attributable to the equity holders of Sonae.

CLOSING REMARKS AND ACKNOWLEDGEMENTS

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The Board of Directors would like to thank the Statutory Audit Board and the Statutory External Auditor for their valuable advice and assistance during 2012. The Board would also like to express its gratitude to suppliers, banks and other business associates of Sonae for their continuing involvement and for the confidence that they have shown in the organisation.

The Board of Directors also expresses its gratitude to all employees for their effort and dedication throughout the year.

Maia, 12 March 2013

The Board of Directors

Belmiro de Azevedo, Chairman

Álvaro Carmona e Costa Portela, member of the Board of Directors

Álvaro Cuervo Garcia, member of the Board of Directors

Bernd Bothe, member of the Board of Directors

Christine Cross, member of the Board of Directors

Michel Marie Bon, member of the Board of Directors

José Neves Adelino, member of the Board of Directors

Duarte Paulo Teixeira de Azevedo, CEO

Ângelo Gabriel Ribeirinho dos Santos Paupério, member of the Executive Committee

Nuno Manuel Moniz Trigoso Jordão, member of the Executive Committee

Glossary

CAPEX	Investments in tangible and intangible assets and investments in acquisitions; Gross CAPEX, not including cash inflows from the sale of assets
Direct income	Results excluding contributions to indirect income
EBIT	EBT + financial results + shopping centres' direct results + other items
EBITDA	Turnover + other revenues - impairment reversal - negative goodwill - operating costs (based on direct net income) - provisions for warranty extensions + gain/losses from sales of companies + non-recurrent stock impairments
EBITDA margin	EBITDA / Turnover
EBT	Direct results before non-controlling interests and taxes
Eliminations & adjustments	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments
EOP	End of period
Free Cash Flow (FCF)	EBITDA - operating CAPEX - change in working capital - financial investments - financial results - income taxes
Financial net debt	Total net debt excluding shareholders loans
GLAs	Gross Leasable Area: equivalent to the total area available to be rented in the shopping centres
Indirect income	Includes Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and; (iv) provision for assets at risk; and other asset provisions for possible future liabilities and impairments related with non-core financial investments and/or discontinued businesses
Net Invested capital	Total net debt + total shareholder funds
Investment properties	Shopping centres in operation owned by Sonae Sierra
Liquidity	Cash & equivalents + current investments
Like for Like sales ("LfL")	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods
"Loan to value" (LTV) Holding	Holding Net debt/ Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalisation for listed companies
"Loan to value" Shopping Centres	Net debt / (investment properties + properties under development)
LTE	"Long Term Evolution" is a standard for wireless communication of high-speed data for mobile phones and data terminals developed by the Third Generation Partnership Project, an industry trade group. LTE provides significantly increased capacity and speed for wireless broadband, using new modulation techniques.
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities
Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments and other long-term financial applications
Other income	Share of results of associated undertakings + dividends
Other loans	Bonds, leasing and derivatives
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by an independent entity
RoIC (Return on invested capital)	EBIT(12 months) /Net invested capital
ROE (Return on equity)	Total net income $_n$ (equity holders)/Shareholders' Funds $_{n-1}$ (equity holders)
Recurrent EBITDA	EBITDA excluding non-recurrent items, namely gains in sales of investments and other movements that distort comparability
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations

07

APPENDIX

APPENDIX

Article 447 of the Portuguese Companies Act and Article 14, paragraph 7 of Portuguese Securities Comission (CMVM) Regulation nr. 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 during the year involving such shares and other securities:

		Additions		Reductions		Balance as of 31.12.2012
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
Belmiro Mendes de Azevedo (*) (**)						
Efanor Investimentos, SGPS, SA (1)						49,999,996
Sonaecom, SGPS, SA (9)						75,537
Álvaro Carmona e Costa Portela (*)						
Sonae, SGPS, SA (3)						125,934
Sonaecom, SGPS, SA (9)						5,000
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			
Sonaecom, SGPS, SA (9)						440,070
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	09.03.2012	147,984	0.000			
Bond Continente - 7% - 2015						700,000 (b)
Subscription	25.07.2012	700,000	1.00			
Duarte Paulo Teixeira de Azevedo (*) (**) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Migracom, SGPS, SA (4)						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	
Michel Marie Bon (*)						
Sonae, SGPS, SA (3)						293,000
Purchase	14.06.2012	48,000	0.369			
Purchase	21.11.2012	24,000	0.565			
Maria Margarida Carvalhais Teixeira de Azevedo (**) (***)						
Efanor Investimentos, SGPS, SA (1)						1
Sonae, SGPS, SA (3)						14,901
Maria Cláudia Teixeira de Azevedo (**) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Sonae, SGPS, SA (3)						0
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	09.03.2012	48,884	0.000			
Sale	21.05.2012			48,884	0.398	
Linhacom, SGPS, SA (6)						99,996
Sonaecom, SGPS, SA (9)						170 (d)
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	09.03.2012	49,069	0.000			
Sale	21.05.2012			49,069	1.120	
Nuno Teixeira de Azevedo (**) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Sonae, SGPS, SA (3)						10,500 (e)

		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
Sonaecom, SGPS, SA (9)						1,000
(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 (7)						2,894,000
Sontel, BV (8)						32,745
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	
Sonaecom, SGPS, SA (9)						3,430,000
Purchase	28.05.2012	88,500	1.132			
Purchase	29.05.2012	128,156	1.132			
Purchase	30.05.2012	345,787	1.136			
Purchase	31.05.2012	221,562	1.145			
Purchase	01.06.2012	169,757	1.142			
Purchase	04.06.2012	89,743	1.142			
Purchase	05.06.2012	230,740	1.160			
Purchase	06.06.2012	273,039	1.163			
Purchase	07.06.2012	75,000	1.170			
Purchase	08.06.2012	55,368	1.174			
Purchase	11.06.2012	190,000	1.187			
Purchase	12.06.2012	175,546	1.189			
Purchase	13.06.2012	12,600	1.182			
Purchase	14.06.2012	33,199	1.173			
Purchase	15.06.2012	274,564	1.188			
Purchase	18.06.2012	214,086	1.228			
Purchase	19.06.2012	12,800	1.260			
Purchase	20.06.2012	18,545	1.279			
Purchase	21.06.2012	31,000	1.284			
Purchase	22.06.2012	61,000	1.294			
Purchase	25.06.2012	15,000	1.290			
Purchase	26.06.2012	19,500	1.285			
Purchase	27.06.2012	15,008	1.291			
Purchase	28.06.2012	29,500	1.294			

		Additions		Reductions		Balance as of 31.12.2012
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
(4) Migracom, SGPS, SA						
Sonae, SGPS, SA (3)						2,908,204
Purchase	27.04.2012	1,068,101	0.405			
Sonaecom, SGPS, SA (9)						387,342
Imparfin, SGPS, SA (5)						150,000
(5) Imparfin, SGPS, SA						
Sonae, SGPS, SA (3)						4,105,280
(6) Linhacom, SGPS, SA						
Sonae, SGPS, SA (3)						439,314
Purchase	21.05.2012	48,884	0.398			
Sonaecom, SGPS, SA (9)						120,300
Purchase	21.05.2012	49,069	1.120			
Imparfin, SGPS, SA (5)						150,000
(7) Sonae Investments BV						
Sontel BV (8)						43,655
(8) Sontel BV						
Sonaecom, SGPS, SA (9)						194,063,119
(9) Sonaecom SGPS, SA						
Sonaecom, SGPS, SA (treasury shares)						4,321,038
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	09.03.2012			4,686,986	0.000	
Purchase	March-12	722,271	1.223			
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	30.03.2012			59,956	0.000	
Purchase	Apri-12	1,026,829	1.219			
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	17.05.2012			81,292	0.000	
Purchase	May-12	931,725	1.176			
Purchase	01.08.2012	1,750	1.224			
Purchase	02.08.2012	23,750	1.204			
Purchase	03.08.2012	30,000	1.183			
Purchase	06.08.2012	71,901	1.189			
Sale	27.12.2012			257,463	0.000	
Sale	27.12.2012			2,446,691	0.154	

(*) member of the Board of Directors of Sonae, SGPS, SA.
(**) member of the Board of Directors of Efanor Investimentos SGPS, SA (directly and indirectly dominant company) (1).
(***) people closely connected with the President of the Board of Directors of Sonae Holding, Belmiro de Azevedo.
(****) member of the Board of Directors of Imparfin, SGPS, SA (5).
(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.
(d) shares held by spouse.
(e) shares held by descendants under his/her charge.
Note: The independent non-executive member of the Board of Directors, José Manuel Neves Adelino, is a member of the Statutory Audit Board of Banco BPI, SA, which holds 178,039,855 shares representing of 8.902 % of Company's share capital.

Qualified holdings

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 Comission (CMVM) regulation 05/2008:

Shareholder	Nr. of shares	% share capital	% of voting rights
Efanor Investimentos, SGPS, SA			
Directly	200,100,000	10.0050%	10.0050%
By Pareuro, BV (controlled by Efanor)	849,533,095	42.4767%	42.4767%
By Maria Margarida CarvalhaisTeixeira de Azevedo (Director of Efanor)	14,901	0.0007%	0.0007%
By Duarte Paulo Teixeira de Azevedo (Director of Efanor)	3,293	0.0002%	0.0002%
By Nuno Miguel Teixeira de Azevedo (Director of Efanor and held by descendent)	10,500	0.0005%	0.0005%
By Migracom, SGPS, SA (company controlled by Efanor's Director Duarte Paulo Teixeira de Azevedo)	2,908,204	0.1454%	0.1454%
By Linhacom, SGPS, SA (company controlled by Efanor's Director Maria Cláudia Teixeira de Azevedo)	439,314	0.0220%	0.0220%
Total attributable to Efanor Investimentos, SGPS, SA	**1,053,009,307**	**52.6505%**	**52.6505%**
Banco BPI, SA	132,851,868	6.6426%	6.6426%
Banco Português de Investimento, SA	365,199	0.0183%	0.0183%
Fundos de Pensões do Banco BPI	40,071,372	2.0036%	2.0036%
BPI Vida - Companhia de Seguros de Vida, SA	4,751,416	0.2376%	0.2376%
Total attributable to Banco BPI, SA	**178,039,855**	**8.9020%**	**8.9020%**
Fundação Berardo, Instituição Particular de Solidariedade Social	49,849,514	2.4925%	2.4925%
Total attributable to Fundação Berardo, Instituição Particular de Solidariedade Social	**49,849,514**	**2.4925%**	**2.4925%**
Bestinver Gestión, S.A. SGIIC			
Bestinver Bolsa, F.I.M.	39,863,487	1.9932%	1.9932%
Bestinfond, F.I.M.	37,893,221	1.8947%	1.8947%
Bestinver Hedge Value Fund Fil	23,242,186	1.1621%	1.1621%
Bestinver Global, FP	10,969,921	0.5485%	0.5485%
Bestvalue, FI	10,951,648	0.5476%	0.5476%
Soixa Sicav, SA	7,307,022	0.3654%	0.3654%
Bestinver Ahorro, Fondo de Pensiones	6,099,342	0.3050%	0.3050%
Bestinver Mixto, F.I.M.	6,040,310	0.3020%	0.3020%
Bestinver Sicav - Bestifund	3,939,262	0.1970%	0.1970%
Bestinver Sicav - Iberian	2,995,062	0.1498%	0.1498%
Bestinver Renta, F.I.M.	2,423,787	0.1212%	0.1212%
Bestinver Prevision, FP	755,763	0.0378%	0.0378%
Divalsa de Inversiones Simcav	290,408	0.0145%	0.0145%
Bestinver Empleo, FP	285,654	0.0143%	0.0143%
Linker Inversiones, Sicmav	190,583	0.0095%	0.0095%
Bestinver Futuro EPSV	90,870	0.0045%	0.0045%
Bestinver Empleo III, Fonde de Pensiones	87,135	0.0044%	0.0044%
Bestinver Empleo II, F	77,958	0.0039%	0.0039%
Total attributable to Bestinver Gestión, S.A. SGIIC	**153,503,619**	**7.6752%**	**7.6752%**
Norges Bank	40,100,985	2.0050%	2.0050%
Total attributable to Norges Bank	**40,100,985**	**2.0050%**	**2.0050%**

(i) Belmiro Mendes de Azevedo is, according to article 21, 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.

Article 448 of the Portuguese Companies Act

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

	Number of shares held as of 31 December 2012
Efanor Investimentos, SGPS, SA	
Sonae, SGPS, SA	200,100,000
Pareuro, BV	2,000,000
Pareuro, BV	
Sonae, SGPS, SA	849,533,095

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 and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, as adopted by the European Union, giving a fair and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of Sonae, SGPS, S.A., and of the companies included in the consolidation perimeter, and that the Management Report faithfully describes the progress of the business and position of Sonae, SGPS, S.A., and of the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties that they face.

Maia, 12 March 2013

The Board of Directors

Belmiro de Azevedo, Chairman

Álvaro Carmona e Costa Portela, member of the Board of Directors

Álvaro Cuervo Garcia, member of the Board of Directors

Bernd Bothe, member of the Board of Directors

Christine Cross, member of the Board of Directors

Michel Marie Bon, member of the Board of Directors

José Neves Adelino, member of the Board of Directors

Duarte Paulo Teixeira de Azevedo, CEO

Ângelo Gabriel Ribeirinho dos Santos Paupério, member of the Executive Committee

Nuno Manuel Moniz Trigoso Jordão, member of the Executive Committee

SONAE 2012 CORPORATE GOVERNANCE REPORT

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE

0.1. Rules Adopted

The Corporate Governance Report provides a description of the Corporate Governance structure, policies and practices followed by the Company. The Report complies with the terms of Article 245-A of the Portuguese Securities Code and with the disclosure requirements of Regulation no. 1/2010, 1 February, of the Portuguese Securities Market Commission (CMVM). It also describes Company compliance with current CMVM recommendations in force, in the light of the principle of "comply or explain".

The table in Appendix II to this Report compares the text in this Report to the guidelines set out in Appendix I to CMVM Regulation no. 1/2010.

All cross references refer to this Report, unless otherwise stated.

The Report forms an integral part of the Annual Management Report and the Individual and Consolidated Financial Statements for the year ending 31 December 2012.

The requirements for provision of information as per Article 3 of Law no. 28/2009, of 19 June, Articles 447 and 448 of the Portuguese Companies Act and of CMVM Regulation no. 5/2008 have also been fulfilled.

The Company has adopted the CMVM Recommendations on Corporate Governance dated December 2010.

All of the rules and regulations referred to in the Report are publicly available at www.cmvm.pt.

0.2. Fully Adopted or Not Applicable CMVM Recommendations on Corporate Governance

I GENERAL MEETING

I.1 | General Meeting Board

I.1.1 The chairman of the board of the shareholders' general meeting shall be given adequate human and logistical resources, taking the financial position of the company into consideration.

RECOMMENDATION FULLY ADOPTED

Section 5.1.2.

The Chairman of the Board of the Shareholders' General Meeting is given the support of the Company's legal and administrative teams to prepare for each General Meeting. This includes giving notice of the Shareholders' General Meeting, as well as preparing essential documents for the shareholders participating in the General Meeting. The Company also maintains communication between the Chairman and the shareholders in as regards the presentation of information required for attending General Meetings, in the interest of maximizing overall attendance at the meeting.

I.1.2 The remuneration of the chairman of the board of the shareholders' general meeting shall be disclosed in the annual corporate governance report.

RECOMMENDATION FULLY ADOPTED

Section 6.6.

The remuneration of the Chairman of the Board of the Shareholders' General Meeting and that of the Secretary of the same Board is be disclosed in this Report.

I.2 | Participation at the Meeting

I.2.1 The time period required for share deposit or blocking declarations for attendance at the general meeting to be received by the board of the shareholders' general meeting shall not exceed 5 business days.

I.2.2 Should the general meeting be suspended, the company shall not require share blocking during the full period until the meeting is resumed, and the period required for the first session shall be sufficient.

RECOMMENDATIONS FULLY ADOPTED

Section 5.2.1.

Changes were made to the Portuguese Securities Code as set out in Decree Law no. 49/2010, of 19 May, with substantial modifications to the way in which shareholders can take part in shareholders' general meetings of listed companies; one of which is to waive the need to block shares during a period prior to the General Meeting.

I.3 | Voting and Exercising Voting Rights

I.3.1 Companies shall not impose any statutory restriction on vote in writing by post, and whenever adopted or admissible, vote in writing by electronic means.

RECOMMENDATION FULLY ADOPTED

Sections 5.2.4. to 5.2.6.

The Articles of Association allow shareholders to vote by post or by electronic means in relation to any item on the meeting's agenda, in accordance with the amendment to the Articles of Association approved by the Shareholders' General Meeting on 20 April 2009. Electronic voting has been in force since the Extraordinary Shareholders' General Meeting that took place on 9 November 2009.

I.3.2 The statutory advance deadline for receiving written votes may not exceed 3 business days.

RECOMMENDATION FULLY ADOPTED

Section 5.2.4.

A time limit of three business days is clearly stated in the Company's Articles of Association for receipt of votes, submitted by post or by electronic means.

I.3.3 Companies shall ensure that voting rights and shareholder's attendance are proportional, ideally through the statutory provision that obliges the one share-one vote principle. Companies, which: i) hold shares that do not confer voting rights; ii) establish that voting rights will not be taken into account above a certain number, when issued by a single shareholder or by shareholders related to such shareholder, do not comply with the proportionality principle.

RECOMMENDATION FULLY ADOPTED

Section 5.2.2.

Only one class of shareholders exists in the Company, in which one share is equal to one vote.

I.4 | Resolution-Fixing Quorum

I.4.1 Companies shall not set a resolution-fixing quorum that is greater than that required by law.

RECOMMENDATION FULLY ADOPTED

Section 5.1.

The Company's Articles of Association do not set a resolution-fixing quorum that exceeds that set by law.

I.5 | Minutes and Information on Resolutions Adopted

I.5.1 Extracts from the minutes of the general meetings or documents with an equivalent content must be made available to shareholders on the company's website within a five day period after the general meeting has been held, irrespective of the fact that such information may not be classified as inside information. The information disclosed shall include the resolutions passed, the capital represented and the results of voting. This information shall be kept on file on the company's website for no less than a 3 year period.

RECOMMENDATION FULLY ADOPTED

Section 5.1.1.

Information about decisions taken at Shareholders' General Meetings for the last five years, as well as the share capital represented and voting results are publicly available on the Company's website: www.sonae.pt (tab Investors, Shareholders' General Meetings section).

I.6 | Measures Relating to Changes in Company Control

I.6.1 Measures aimed at preventing the success of takeover bids, shall respect the interests of both the company and its shareholders. In accordance with this principle, any company that has articles of association with clauses that restrict or limit the number of votes that may be held or exercised by a single shareholder, either individually or acting in concert with other shareholders, shall also require that, at least once every five years, the continuation of such clauses must be ratified at a shareholders' general meeting, at which the quorum shall not exceed the legal minimum and all votes cast shall count, without applying any restriction.

RECOMMENDATION FULLY ADOPTED

Sections 5.2.2., 9.3. and 9.4.

The Company has not implemented any measures to prevent successful takeover bids, nor is it aware of any such measure having been taken by shareholders. No statutory limitations exist with regard to the number of votes that can be held or exercised by any shareholder. Consequently, this recommendation has been satisfied.

I.6.2 Defensive measures that automatically lead to serious erosion in the value of the company's assets, when there has been a change in control or a change in the composition of the board management, should not be adopted, as these prevent the free transmission of shares and the ability of shareholders to freely assess the performance of those responsible for managing the company.

RECOMMENDATION FULLY ADOPTED

Section 9.6.

No such measures have been adopted or established.

II. MANAGEMENT AND AUDIT BOARDS
II.1. | General
II.1.1. | Structure and Duties

II.1.1.1 The board of directors shall, in its annual Corporate Governance report, assess the model adopted by the company, identifying any restrictions on its operation and proposing actions to be taken that are judged to be appropriate to resolve them.

RECOMMENDATION FULLY ADOPTED

Section 0.5.

The Board of Directors has assessed the impact of the model for corporate governance that the Company has adopted and has not encountered any restrictions likely to affect its overall performance.

II.1.1.2 The companies shall set up internal control and risk management systems to protect its assets and maintain the transparency of its corporate governance, which will allow risks to be identified and managed. These systems should include as a minimum the following: i) establishment of the company's strategic objectives relating to risk taking; ii) identification of the main risks related to its business and events that may be the source of risks; iii) the analysis and measurement of the impact and probability of the occurrence of each of the potential risks; iv) risk management, the goal of which is to align risks incurred with the company's strategic choice of direction in dealing with these risks; v) mechanisms for controlling the execution of the risk management measures taken and their effectiveness; vi) implementing internal mechanisms to provide information about the various components of the system and give warning of risks; vii) periodic assessment of the system implemented and the necessary changes introduced.

RECOMMENDATION FULLY ADOPTED

Section 7.

The Board of Directors has implemented appropriate internal risk control systems.

II.1.1.3 The management body shall ensure the set up and proper functioning of the internal control and risk management systems. The supervisory board shall be responsible for assessing the functioning of said systems and proposing any relevant changes in accordance with the company's requirements.

RECOMMENDATION FULLY ADOPTED

Sections 2.3.1., 3.1., 4.1.1. and 4.2.1.

The Board of Directors proactively ensures the working of the internal control and risk management systems. The Statutory Audit Board evaluates the effectiveness of these systems, proposing measures to optimise their performance as deemed necessary, and giving its opinion on these systems in its annual report and opinion, as attached to the Company's annual management report and accounts. Details are available at www.sonae.pt (tab Investors, Shareholders' General Meetings section).

II.1.1.4 The companies shall, in their annual report on corporate governance: i) identify the main economic, financial and legal risks to which the company is exposed while carrying out its activities; ii) describe the performance and efficiency of the risk management system.

RECOMMENDATION FULLY ADOPTED

Sections 6.3.3. and 7.

The information is disclosed in this Report.

II.1.1.5 The management and audit bodies shall have internal operating regulations which must be disclosed on the company's website.

RECOMMENDATION FULLY ADOPTED

Sections 2.1.6. e 4.1.5.

The Board of Directors and the Statutory Audit Board have approved their respective internal regulations, which are available on the Company's website at www.sonae.pt (tab Investors, Corporate Governance section).

II.1.2 | Incompatibility and Independence

II.1.2.1 The board of directors shall include a sufficient number of non-executive members to ensure that there is effective supervision, auditing and assessment of the activities of the members of the executive board.

RECOMMENDATION FULLY ADOPTED

Sections 0.4., 2.1.1. and 2.1.2.

The Board of Directors has a total number of ten members, seven of which are Non-Executive members.

II.1.2.2 Non-Executive members shall include an adequate number of independent members, taking into account the size of the company and its shareholder structure, but this shall never be less than one quarter of the total number of board members.

RECOMMENDATION FULLY ADOPTED

Sections 0.4., 2.1.2. and 2.3.3.

The Board of Directors has five independent Non-Executive members.

II.1.2.3 The assessment carried out by the board of directors of the independence of non-executive members shall take into account the legal and regulatory rules in force concerning independence requirements and compatibility restrictions applicable to members of other statutory entities, in order to ensure timely and consistent application of independence criteria across the entire company. An independent executive member shall not be considered as such, if, on another statutory entity and because of the rules applying to it, he/she is not considered to be independent.

RECOMMENDATION FULLY ADOPTED

Sections 0.4. and 2.1.2.

The Board of Directors carries out an annual assessment of the independence of its independent Non-Executive members, through the analysis of specific information provided by each member.

II.1.3 | Eligibility Criteria and Appointment

II.1.3.1 Depending on the governance model adopted, the chairman of the statutory audit board, or of the audit committee or of the financial matters committee shall be independent and possess the necessary skills to perform his/her duties.

RECOMMENDATION FULLY ADOPTED

Sections 4.1.2. and Appendix I

The Chairman of the Statutory Audit Board, as well as all the members of this body, are independent under the terms of Article 414, paragraph 5, of the Portuguese Companies Act, and possess the necessary skills and experience to perform their duties.

II.1.3.2 The process for selecting candidates as non-executive members shall be designed to prevent interference by executive members.

RECOMMENDATION FULLY ADOPTED

Sections 2.1.3. and 2.3.2.

Co-opted candidates for Non-Executive positions on the Board, are selected by the Board Nomination and Remuneration Committee, made up entirely of Non-Executive Board members, and supported by international consultants with expertise in selecting and recruiting top executives.

II.1.4 | Policy on Reporting Irregularities (Whistleblowing)

II.1.4.1 The company shall adopt a policy on reporting irregularities that allegedly occurred within the company, which includes the following: i) the means through which such irregularities may be reported internally, including the persons who are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should this be requested by the whistleblower.

RECOMMENDATION FULLY ADOPTED

Section 8.

The Company's whistleblowing policy follows the rules and procedures specified in the Company's Code of Conduct, available at www.sonae.pt (tab Investors, Corporate Governance section). Reports of irregularities concerning employees are sent to Sonae's Ombudsman, while those concerning members of the Company's statutory governing bodies are sent to the Corporate Governance Officer.

II.1.4.2 General guidelines for this policy should be disclosed in the corporate governance report.

RECOMMENDATION FULLY ADOPTED

Section 8.

An outline of the Company's policy on reporting irregularities is included in this Report.

II.1.5 | Remuneration

II.1.5.1 The remuneration of the members of the management body shall be structured so that their interests can be aligned with the long-term interests of the company. Furthermore, the remuneration shall be based on performance assessment and shall discourage excessive risk taking. Remuneration should thus be structured as follows:

(i) The remuneration of the directors carrying out executive duties shall include a variable component which is determined by a performance assessment carried out by the competent bodies of the company, according to pre-established and quantifiable criteria. These criteria shall take into consideration the company's real growth and the actual return generated for shareholders, its long-term sustainability and the risks taken on, as well as compliance with the rules applicable to the company's business.

(ii) The variable component of the remuneration shall be reasonable overall as compared to the fixed remuneration component and maximum limits shall be set for all components.

(iii) A significant part of the variable remuneration shall be deferred for a period of not less than three years and its payment shall depend on the company's continued positive performance during that period.

(iv) Members of the management body shall not enter into contracts with the company or with third parties that will have the effect of mitigating the risk inherent in the variability of the remuneration established by the company.

(v) Until the end of their mandates, executive directors shall hold company shares that have been allotted to them by virtue of variable remuneration schemes up to a maximum value of twice their total annual remuneration, with the exception of those shares that are required to be sold for the payment of taxes arising from the benefit of receiving said shares.

(vi) When the variable remuneration includes stock options, the period for exercising such options shall be deferred for a period of not less than three years.

(vii) The appropriate legal framework shall be established so that in the event of a director's dismissal without due cause, the established compensation shall not be paid out, if the dismissal or termination by agreement is due to his/her unsatisfactory performance.

(viii) The remuneration of non-executive board members shall not include any component the value of which depends on the performance or the value of the company.

RECOMMENDATION FULLY ADOPTED

Section 6.

The compensation policy for the members of the Board of Directors was approved at the Shareholders' Ordinary General Meeting that took place on the 30 of April 2012, as proposed by the Shareholders' Remuneration Committee, and complies with the rules of this recommendation.

II.1.5.2 A statement on the remuneration policy of management and audit bodies referred to in article 2 of Law no. 28/2009, of 19 June, shall contain, in addition to the content therein stated, adequate information on: i) which groups of companies' remuneration policy and practices were taken as a baseline for setting the remuneration; ii) the payments due to directors' dismissal or loss of office by mutual agreement.

RECOMMENDATION FULLY ADOPTED

The statement of the Company's remuneration policy, which was approved at the Shareholders' Annual General Meeting on the 30 of April 2012 (proposal number 4 on the agenda), is available on the Company's website at www.sonae.pt (tab Investors, Shareholders' General Meetings section).

II.1.5.3 The remuneration policy statement referred to in article 2 of Law No. 28/2009 shall also include the remuneration of the persons discharging managerial responsibilities ("dirigentes"), within the meaning of article 248 B, paragraph 3, of the Portuguese Securities Code, which contains a significant variable component. The statement shall be detailed and the policy presented shall, in particular, take into account the long-term performance of the company, compliance with the rules applicable to its business and restraint in taking risks.

RECOMMENDATION FULLY ADOPTED

The statement of the Company's remuneration policy, approved by the Shareholders' Annual General Meeting on the 30 of April 2012 (proposal number 4 on the agenda), is available on the Company's website at www.sonae.pt (tab Investors, Shareholders' General Meetings section).

II.1.5.4 A proposal must be submitted to the shareholders' general meeting to approve plans to grant shares and/or share options or award compensation based on variations in share prices to members of the management and audit boards, as well as to other persons discharging managerial responsibilities ("dirigentes"), as defined in article 248-B, paragraph 3, of the Portuguese Securities Code. The proposal shall include all information necessary for a comprehensive assessment of the plan. The proposal shall be presented together with the rules that govern the plan or, if these have not yet been prepared, the general conditions that will be applied. In the same way, the main features of any retirement benefit plan that benefits the management and audit bodies, as well as other persons discharging managerial responsibilities ("dirigentes"), as defined in article 248-B, paragraph 3 of the Portuguese Securities Code, shall also be approved at the shareholders' general meeting.

RECOMMENDATION FULLY ADOPTED

The medium term performance bonus plan, including its terms of implementation, was approved at the Shareholders' Annual General Meeting held on the 30 of April 2012 (proposal number 4 on the agenda), is available on the Company's website at www.sonae.pt (tab Investors, Shareholders' General Meetings section). No retirement benefits plan has been adopted.

II.1.5.6 At least one representative of the shareholders' remuneration committee must be present at the shareholders' annual general meeting.

RECOMMENDATION FULLY ADOPTED

Section 5.1.3.

A member of the Shareholders' Remuneration Committee was present at the Shareholders' Annual General Meeting on 30 April 2012.

II.2 | Board of Directors

II.2.1 In accordance with the limits established by law for each management and audit board structure, and unless the company is small sized, the board of directors shall delegate the day-to-day running of the company, and the delegated powers and terms of this delegation should be set out in the annual corporate governance report.

RECOMMENDATION FULLY ADOPTED

Section 2.2.

The day-to-day management of the Company is delegated by the Board of Directors to an Executive Committee.

II.2.2 The board of directors shall ensure that the company acts in accordance with its stated objectives, and should not delegate its own responsibilities, namely the: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.

RECOMMENDATION FULLY ADOPTED

Section 2.2.1.

A list of the responsibilities delegated to the Executive Committee is described in this Report and complies with the rules of this recommendation.

II.2.3 Should the chairman of the board of directors have an executive role, the board of directors shall set up efficient procedures to co-ordinate the work of non-executive members, to ensure that they take decisions in an independent and informed manner, and shall also explain these to the shareholders in the corporate governance report.

RECOMMENDATION FULLY ADOPTED

Section 2.1.2.

The Chairman of the Board of Directors does not have an Executive role.

II.2.4 The annual management report shall include a description of the activities carried out by non-executive board members and shall, in particular, report any restrictions that they have encountered in doing so.

RECOMMENDATION FULLY ADOPTED

Section 2.3.3.

Such a description is included in this Report, as an annex to the Annual Management Report.

II.2.5 The company should explain its policy of portfolio rotation on the board of directors, in particular the person responsible for financial matters, and report this in the annual corporate governance report.

RECOMMENDATION FULLY ADOPTED

Section 2.2.1.

The policy for rotating portfolios on the Board of Directors is explained in this Report.

II.3 | Chief Executive Officer (CEO), Executive Committee and Executive Board of Directors

II.3.1 When directors, who carry out executive duties, are requested by the members of other statutory governing bodies to supply information, they shall provide answers in a timely manner with information that adequately responds to the request made.

RECOMMENDATION FULLY ADOPTED

Sections 0.4. and 2.2.3.

Throughout the year, the Executive Committee discloses its decisions to the Board of Directors on a regular basis. The Executive members provide, on their own initiative or in response to the requests of Non-Executive members of the Board, as well as those of members of other statutory governing bodies, the necessary information and further clarification for the exercise of their respective duties.

II.3.2 The chairman of the executive committee shall send notices convening meetings and minutes of the respective meetings to the chairman of the board of the directors and, when applicable, to the chairman of the statutory audit board or of the audit committee.

RECOMMENDATION FULLY ADOPTED

Sections 0.4. and 2.2.3.

The CEO has provided all information regarding the meetings held to the Chairman of the Board of Directors and to the Chairman of the Statutory Audit Board.

II.3.3 The chairman of the executive board of directors shall send the notices convening meetings and minutes of the respective meetings to the chairman of the general and supervisory board and to the chairman of the committee responsible for financial matters.

RECOMMENDATION NOT APPLICABLE

The adopted governance model does not include an Executive Board of Directors.

II.4 | General and Supervisory Board, Financial Matters Committee, Audit Committee and Statutory Audit Board

II.4.1 In addition to fulfilling its audit role, the general and supervisory board shall perform an advisory role, as well as monitor and continually assess the management of the company by the executive board of directors. Among the other matters on which the general and supervisory board should give its opinion, are the following: i) definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.

RECOMMENDATION NOT APPLICABLE

The adopted governance model does not include a General and Supervisory Board.

II.4.2 The annual reports on the activity of the general and supervisory board, the financial matters committee, the audit committee and the statutory audit board shall be disclosed on the company's website together with the financial statements.

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board annual reports are available at www.sonae.pt (tab Investors, Shareholders' General Meetings section), as attached to the Company's annual management report and accounts.

II.4.3 The annual reports on the activity of the general and supervisory board, the financial matters committee, the audit committee and the statutory audit board shall include a description of the supervisory and audit work completed and shall, in particular, report any restrictions that they have encountered.

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board's annual report and opinion, issued for the 2012 financial year is available at www.sonae.pt (tab Investors, Shareholders' General Meetings section), as attached to the Company's annual management report and accounts.

II.4.4 The general and supervisory board, the audit committee and the statutory audit board (depending on the governance model adopted) shall represent the company, for all purposes, when interacting with the external auditor. This shall include proposing who will provide this service, its respective remuneration, ensuring that the company provides adequate conditions to allow it to provide its services, acting as the point of contact with the company and being the first recipient of its reports.

RECOMMENDATION FULLY ADOPTED

Sections 4. and 5.

The Statutory Audit Board is responsible for overseeing the work performed by the Statutory External Auditor and assessing its independence, as set out in its Internal Regulation, available at www.sonae.pt (tab Investors, Corporate Governance section). The Statutory External Auditor was appointed at the Shareholders' Annual General Meeting held on 27 April 2011, as proposed by the Statutory Audit Board.

II.4.5 The general and supervisory board, the audit committee and the statutory audit board (depending on the governance model adopted), shall assess the external auditor on an annual basis and propose to the shareholders' general meeting the discharge of the external auditor, should justifiable grounds exist.

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board's annual report and opinion include an assessment of the work performed by the Statutory External Auditor.

II.4.6 The internal audit services and those that ensure compliance with the rules and standards applicable to the company (compliance services) should functionally report to the audit committee, the general and supervisory board or, in the case of companies adopting the Latin model, to an independent director or to the statutory audit board, regardless of the hierarchical relationship that these services have with the executive management of the company.

RECOMMENDATION FULLY ADOPTED

Sections 0.5., 4.1.1. and 7.3.

The Statutory Audit Board determines a plan of action with the internal audit department, supervises its activities, receives periodic reports on the work performed, assesses the results and conclusions drawn, checks for possible irregularities, and gives guidelines as it deems necessary.

II.5 | Specialised Committees

II.5.1 Other than due to the reduced size of the company, the board of directors and the general and supervisory board, depending on the governance model adopted, shall set up the necessary committees in order to: i) ensure that a robust and independent assessment of the performance of the executive directors is carried out, as well as of its own overall performance, including the performance of all existing committees; ii) consider the governance system adopted and assess its effectiveness and propose, to the respective bodies, measures to be implemented to make improvements; iii) identify in a timely manner potential candidates with the high level profiles necessary to carry out the duties of a board director.

RECOMMENDATION FULLY ADOPTED

Sections 2.3.1. and 2.3.2.

The Board of Directors has set up two specialised committees, made up of Non-Executive Board members, to ensure the effectiveness and the quality of the work performed. The committees currently in existence are the Board Audit and Finance Committee and the Board Nomination and Remuneration Committee.

II.5.3 Any individual or legal entity which provides or has provided over the last three years services to any organisational structure reporting to the board of directors, to the board of directors itself or which has a currently existing relationship with the consultant to the company, shall not be recruited to assist the shareholders' remuneration committee. This recommendation also applies to any individual or legal entity who is connected to the company through an employment contract or as a provider of services..

RECOMMENDATION FULLY ADOPTED

Section 5.1.3.

The Board Nomination and Remuneration Committee, made up of Non-Executive directors, supports the Shareholders' Remuneration Committee to carry out its duties. It relies on internationally recognised consultants, whose independence is assured by the fact that they are not in any way related to the Board of Directors, to the Company or to the Group, and through their broad experience and recognised status in the market place.

II.5.4 All Committees shall draw up minutes of the meetings held.

RECOMMENDATION FULLY ADOPTED

Sections 2.3.1. and 2.3.2.

Minutes are prepared for all committees' meetings, as set out in the Board of Directors' Internal Regulation (available at www.sonae.pt (tab Investors, Corporate Governance section).

III. INFORMATION AND AUDITING

III.1 | General Disclosure Requirements

III.1.1 Companies shall ensure that permanent contact is maintained with the market, upholding the principle of equal treatment for all shareholders and avoiding any asymmetry in the access to information by investors. To achieve this, the company shall set up an investor relations office.

RECOMMENDATION FULLY ADOPTED

Section 9.1.3.

The Company has an active Investor Relations Office that provides shareholders and the financial community at large with regular and comprehensive information.

III.1.2 The following information disclosed on the company's internet website shall be available in English:

a) The company's name, its listed company status, the registered office and the remaining information set out in article 171 of the Portuguese Companies Act; b) Articles of association; c) Identification of the members of the statutory governing bodies and of the representative for relations with the market; d) Investor relations office — its functions and contact details; e) Financial statements; f) Half-yearly calendar of company events; g) Proposals presented to shareholders' general meetings; h) Notices convening shareholders' general meetings.

RECOMMENDATION FULLY ADOPTED

All of the information indicated above is available in English at www.sonae.pt.

III.1.3 Companies shall rotate auditors after two or three mandates of four or three years respectively. If they are to continue beyond this period, the reasoning behind this decision should be written in a specific report prepared by the company's audit board in which it is expressly considered the degree of independence of the auditors and the advantages and costs of replacing them.

RECOMMENDATION FULLY ADOPTED

Sections 4.2.2. and 4.2.3.

The third mandate of the Company's Statutory External Auditor, elected by the Shareholders' General Meeting on recommendation by the Statutory Audit Board, commenced in 2011.

III.1.4 The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the effectiveness and functioning of internal control procedures and report any shortcomings to the company's audit board.

RECOMMENDATION FULLY ADOPTED

Section 4.2.1.

The Statutory External Auditor's 2012 annual audit report, which is subject to approval at the Shareholders' General Meeting, is available at www.sonae.pt (tab Investors, Shareholders' General Meetings section).

III.1.5 The company shall not recruit the external auditor, nor any related entity, through equity holding, or that is part of the same network, for services other than audit services. Where such services are required, the services involved should not be greater than 30% of the total value of services rendered to the company, and the hiring of these services must be approved by the audit board and must be explained in its annual report on the company's corporate governance.

RECOMMENDATION FULLY ADOPTED

Sections 4.1.1. and 6.5.

The services provided by the Company's External Auditor were approved by the Statutory Audit Board, according to the recommended principles.

IV. CONFLICTS OF INTEREST

IV.1 | Shareholders' Relations

IV.1.1 In relation to business conducted between the company and shareholders with qualified shareholdings, or entities with which these are related, in accordance with article 20 of the Securities Code, such business should be conducted on an arm's length basis.

ECOMMENDATION FULLY ADOPTED

Section 9.12.

Sonae endeavours to carry out transactions with related parties based on principles of rigour and transparency, and in strict observance of the rules of market competition. Such transactions are subject to specific internal procedures based on mandatory standards, in particular transfer pricing rules, or on voluntarily adopted internal systems of checks and balances – for example, formal validation or reporting processes, depending on the value of the transaction in question.

IV.1.2 Significant business conducted between the company and shareholders with qualified shareholdings, or entities with which these are related, in accordance with article 20 of the Securities Code, should be subject to prior comment and opinion by the audit board. This entity must establish the necessary criteria to define the relevant level of significance of the business involved and the scope of its involvement.

RECOMMENDATION FULLY ADOPTED

Section 9.12.

Sonae has approved, and has in place, a formal internal procedure that involves obtaining an opinion from the Statutory Audit Board and from the Board Audit and Finance Committee prior to the Executive Committee doing business with qualified shareholders or with entities with which they are related, according to the terms of Article 20 of the Securities Code, in cases where the transaction involved is greater than 100 million Euros. In addition, for all transactions with the above mentioned parties in excess of 10 million Euros, reports are submitted to these two entities every six months.

0.3. CMVM Recommendation adopted in accordance with the justification shown below

II.5.2 Members of the shareholders' remuneration committee or its equivalent shall be independent from the members of the board of directors.

Belmiro Mendes de Azevedo, Chairman and a Non-Executive member of the Company's Board of Directors, is a member of the Shareholders' Remuneration Committee. However, he was elected to the Shareholders' Remuneration Committee by the Company's major shareholder, Efanor Investimentos, SGPS, S.A., and is thereby acting in the interests of this major shareholder and not as Chairman of the Board of Directors. To ensure the independence of the two roles, he does not take part in any discussion or resolution where there is, or may be, a conflict of interest.

0.4. Assessment of Independence of the Non-Executive Members of the Board of Directors

Based on written statements provided by each of the independent members in accordance with CMVM Recommendation II 1.2.3, the Board of Directors has not identified any fact or circumstance that affects or interferes with the independence of its Non-Executive members.

0.5. Declaration of the Board of Directors on its assessment of the governance model adopted (issued for the purpose of CMVM Recommendation II.1.1.1)

This Company has adopted a one-tier corporate governance model, whose management structure is centralised in the Board of Directors. The audit structure includes a Statutory Audit Board and a Statutory External Auditor. Throughout 2012, this governance model enabled the Board of Directors and its specialised committees to function normally, and none of the other statutory governing bodies have reported any constraints to their normal functioning.

The **Statutory Audit Board**, with support from the Board, has exercised its supervisory powers, through information provided on a regular basis by the Board of Directors and the Executive Committee.

The **Statutory External Auditor** has followed the Company's business activity, with free access to all necessary information and has conducted the examinations and verifications deemed, by it and by the Statutory Audit Board, as necessary or useful to ensure strict compliance with the Company's legal obligations and recommendations. In carrying out its role, the Statutory External Auditor has interacted with, been under the supervision of, and provided reports to the Statutory Audit Board to whom it has primarily presented its reports, in compliance with its duties and responsibilities.

In the course of the exercise of their role the statutory audit bodies were fully supported by the **Internal Audit** department, from whom they received timely, professional and impartial information and support, as requested.

Throughout the financial year the **Board of Directors** and the **Executive Committee** reported on their activities to the Statutory Audit Board, in an appropriate, transparent and rigorous manner in compliance with legal requirements and in accordance with the recommendations of the Corporate Governance Code.

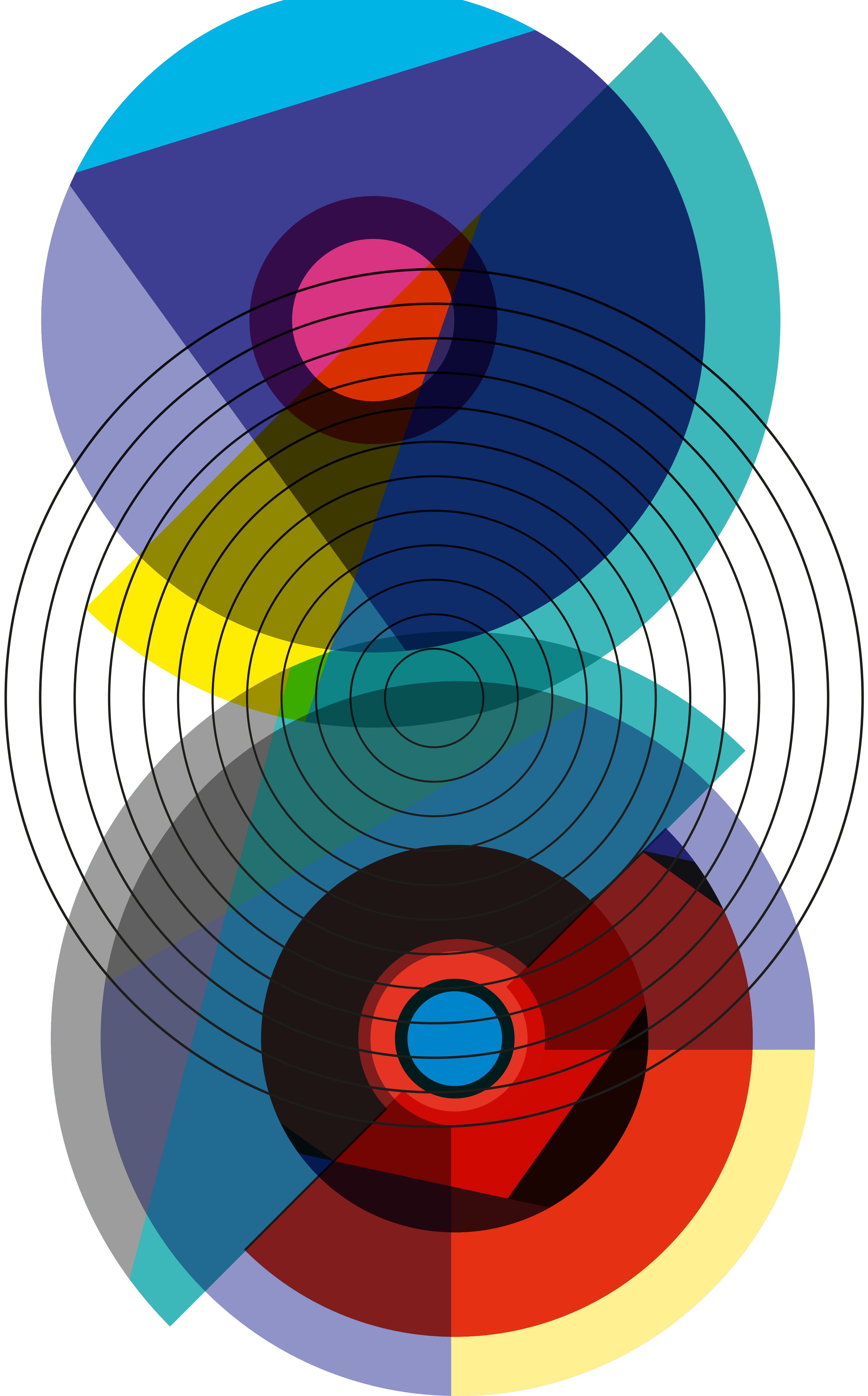
The rules and procedures adopted by the management and audit bodies have been maintained and executed to ensure continuity and to further increase the cumulative experience, in order to:

- Facilitate the carrying out of the duties of the management and audit entities, ensuring a consistent flow of information and meaningful interaction between: on one hand, the Board of Directors (actively supported by the Audit and Finance Committee as the specialised committee of the Board, fully composed of independent Non-Executive board members) and the Executive Committee, as the entities responsible for the Company's management; and, on the other, the Statutory Audit Board, as the Company's audit body;
- Ensure the excellence and effectiveness of internal control and risk management systems, set up by the Board and evaluated by the audit body, with a view to adapting them to the Company's specific requirements;
- Ensure that significant transactions with related parties are reviewed and approved by the audit body prior to execution, under the recommended terms;
- Provide a framework for the process of reviewing and disclosing financial information.

Hence, the Board of Directors perceives the presently adopted corporate governance model as adequate to fulfil its principles of rigor and transparency in the management of this Company, while maintaining a critical stance regarding the need to continually update its rules and processes in alignment with the direction taken by the evolution of the market's best European and other international standards for corporate governance.

01

GOVERNING BODIES



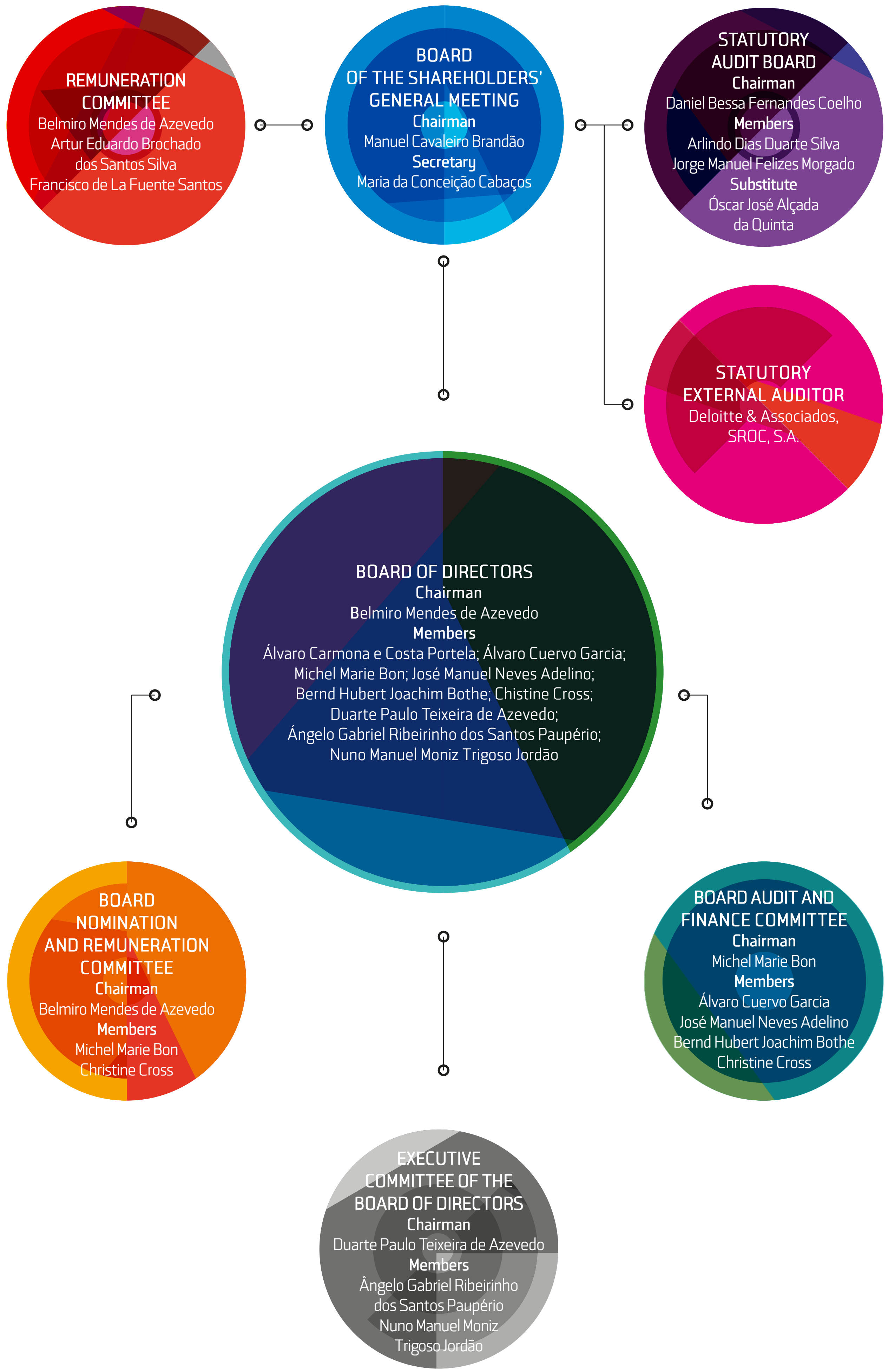
01

GOVERNING BODIES

The Company's governing bodies are the following: the Shareholders' General Meeting, the Board of Directors, the Statutory Audit Board and the Statutory External Auditor. The members of each body are elected by the Shareholders' General Meeting, which also elects its own Board, and the members of the Shareholders' Remuneration Committee.

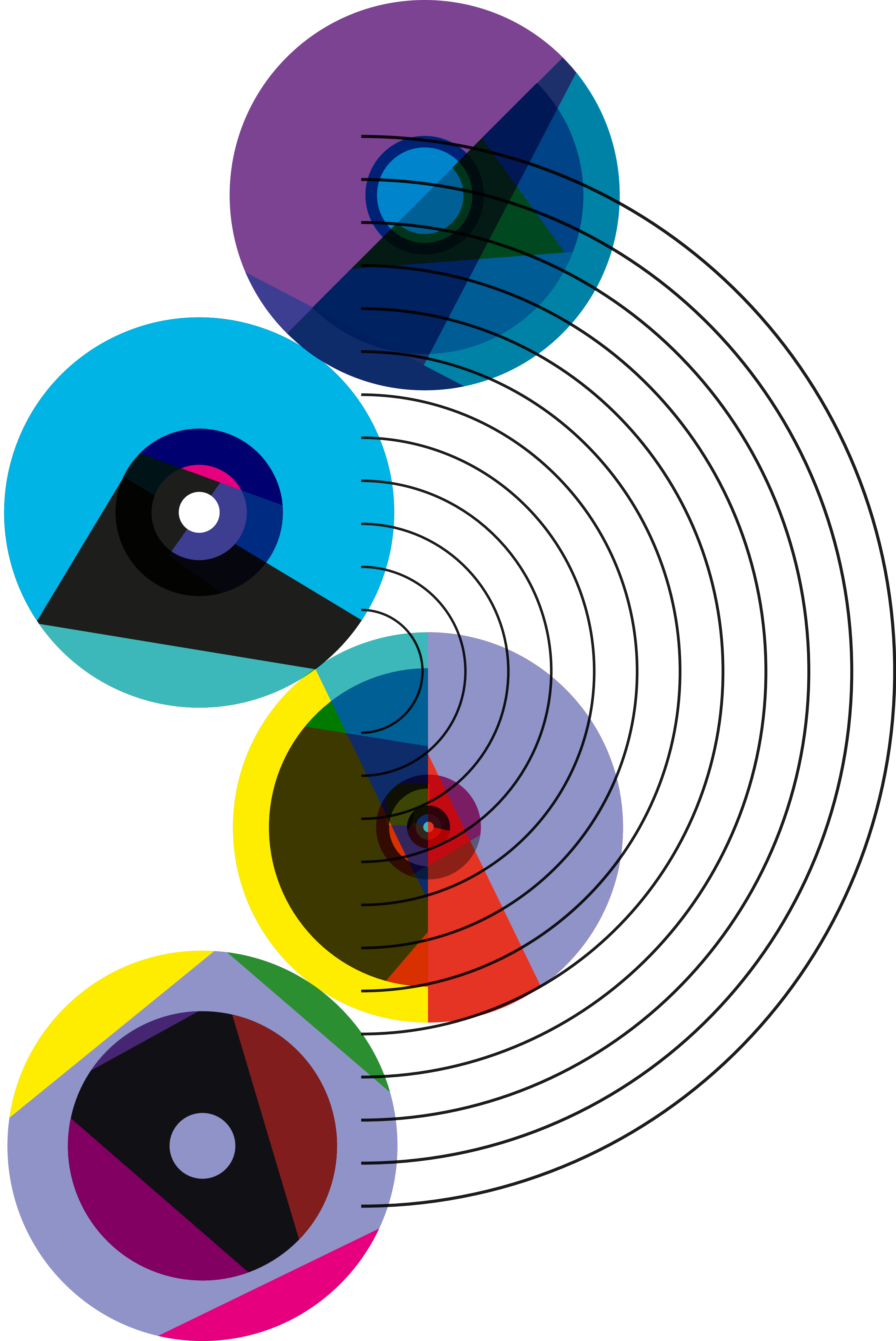
The Board of Directors, under the terms of the Company's Articles of Association, has delegated the day-to-day management of the Company to an Executive Committee.

The members of the Statutory Governing Bodies, of the Board of the Shareholders' General Meeting and of the Shareholders' Remuneration Committee are elected for a four-year mandate, and can be re-elected.



02

MANAGEMENT



MANAGEMENT

Michel Marie Bon, Bernd Bothe, Nuno Jordão, José Manuel Neves Adelino, Paulo Azevedo, Álvaro Cuervo Garcia, Belmiro de Azevedo, Álvaro Portela, Christine Cross and Ângelo Paupério

2.1. Board of Directors

2.1.1. Role

The Board of Directors is responsible for the management of the Company's business, by exercising all management acts pertaining to its corporate purpose, setting strategic guidelines and appointing and generally supervising the activity of the Executive Committee and of its specialised committees.

2.1.2. Composition

For the current mandate, which began in 2011 and ends in 2014, the composition of the Board of Directors is as follows:

Board of Directors

Belmiro Mendes de Azevedo	Chairman – Non-Executive
Álvaro Carmona e Costa Portela	Non-Executive
Álvaro Cuervo Garcia	Independent Non-Executive
Michel Marie Bon	Independent Non-Executive
José Manuel Neves Adelino	Independent Non-Executive
Bernd Hubert Joachim Bothe	Independent Non-Executive
Christine Cross	Independent Non-Executive
Duarte Paulo Teixeira de Azevedo	Executive - CEO
Ângelo Gabriel Ribeirinho dos Santos Paupério	Executive
Nuno Manuel Moniz Trigoso Jordão	Executive

The members of the Board of Directors were appointed for the first time as follows:

Appointment to the Board of Directors

	First Appointment	End of Mandate
Belmiro Mendes de Azevedo	1989	2014
Álvaro Carmona e Costa Portela	1999	2014
Álvaro Cuervo Garcia	2004	2014
Michel Marie Bon	2004	2014
José Manuel Neves Adelino	2007	2014
Bernd Hubert Joachim Bothe	2009	2014
Christine Cross	2009	2014
Duarte Paulo Teixeira de Azevedo	2000	2014
Ângelo Gabriel Ribeirinho dos Santos Paupério	2000	2014
Nuno Manuel Moniz Trigoso Jordão	1999	2014

A balance is maintained on the Board of Directors, between the number of Executive directors and the number of Non-Executive directors. Out of the current seven Non-Executive directors, five are considered to be independent, as per the independence criteria set out in Article 414, paragraph 5, of the Portuguese Companies Act. The five independent Non-Executive directors also meet the requirements of Article 414-A, paragraph 1 (compatibility assessment), of the Portuguese Companies Act, as the carrying out of management or audit duties in more than five companies does not, in the opinion of the Board of Directors, affect the independence of the directors concerned.

The qualifications, experience and responsibilities of the members of the Board of Directors are disclosed in Appendix I of this Report.

The number of shares in the Company, and/or in companies in a control or group relationship with the Company, directly or indirectly, through connected persons, held by the Directors of the Company is disclosed in the appendices to the Annual Management Report, as required by Article 447 of the Portuguese Companies Act and paragraph 6 of Article 14 of CMVM Regulation no. 5/2008.

2.1.3. Rules for nominating and replacing Board Members

Under the terms of the Company's Articles of Association, the Board of Directors can be made up of between three and eleven members, an odd or even number, elected at the Shareholders' General Meeting.

The directors, under the terms of Portuguese law and the Company's Articles of Association, are elected to the Board of Directors, in accordance with the proposal approved by the Shareholders' General Meeting.

However, the Articles of Association allow for one director to be individually elected if there are proposals submitted by shareholders who, either by themselves or jointly with other shareholders, hold shares representing between ten and twenty percent of the share capital. The same shareholder cannot put forward more than one proposal. Each proposal should identify at least two eligible persons. If there are several proposals submitted by different shareholders or groups of shareholders, voting will take place on all lists of candidates.

The Company's Articles of Association also establish that the Board of Directors may co-opt a substitute in case of the death, resignation, temporary or permanent incapacity, or lack of availability of any member, who was not elected a member under the minority rule, but such an appointment is subject to ratification by the shareholders at the next Shareholders' General Meeting.

As part of this power of co-option of the Board of Directors, the Board Nomination and Remuneration Committee, exclusively made up of Non-Executive directors, is responsible for proposing potential candidates as Board members with the suitable profile for the carrying out such a role.

However, the definitive absence, for whatever reason, of a replacement director individually elected according to the above mentioned specific rules, means that a new election must be held at the Shareholders' General Meeting.

The Board of Directors is responsible for the election of its Chairman.

2.1.4. Powers of the Board of Directors for share capital increases

The powers given by the Articles of Association for the Board of Directors to increase the Company's share capital were withdrawn in April 2011. As of that date, these powers are held exclusively by the Shareholders' General Meeting.

2.1.5. Operating Rules

The Board of Directors meets at least four times a year, as required by the Company's Articles of Association and its Internal Regulation, and whenever the Chairman or two Board members call a meeting. The quorum for any Board meeting requires that the majority of Board Members are present or represented by proxy.

Decisions are taken by a majority of votes cast. When the Board of Directors is composed of an even number of members and voting results in a tied vote, the Chairman has the casting vote.

The Board of Directors receives information about items on the agenda for the meeting at least seven days beforehand, and receives supporting documents for any given meeting at least two days in advance.

Minutes are recorded in a Minute Book.

During 2012, there were six Board meetings, and the overall attendance rate was 99.67%.

2.1.6. Internal Regulation

The Internal Regulation of the Board of Directors is available at www.sonae.pt (tab Investors, Corporate Governance section).

No rules related to incompatibility issues, or the maximum number of positions that a director can hold, have been established internally.

2.2. Executive Committee

2.2.1. Role and duties

The Executive Committee has the authority to manage the Company on a day-to-day basis, as per the terms of delegation decided upon by the Board of Directors.

The following matters were excluded from the terms of delegation from the Board of Directors and are considered to be matters exclusively for Board deliberation:

(i) Appointment of the Chairman of the Board;

(ii) Co-option of a substitute for a member of the Board;

(iii) Request for the convening of Shareholders' General Meetings;

(iv) Approval of the Annual Report and Financial Statements;

(v) Granting any personal or asset secured guarantees;

(vi) Decision on any change to the Company's registered office or to approve any share capital increases;

(vii) Decision on mergers, demergers or modifications to the corporate structure of the Company;

(viii) Approval of the management strategy relating to the business portfolio;

(ix) Approval of the annual financial plan, and any significant changes thereto.

According to the policy established of non-mandatory rotation of responsibilities, all members of the Executive Committee, including the CEO, share responsibilities for more than one area, allocated based on the profile and experience of each member. The periodic switch of these responsibilities areas between members is not, mandatory as a policy, but may occur if considered necessary or convenient for the appropriate execution of managerial responsibilities.

2.2.2. Composition

The Executive Committee is made up of members from the Board of Directors, and, as of the Shareholders' General Meeting of the 27 April 2011, is made up as follows:

Management Team

Duarte Paulo Teixeira de Azevedo **CEO**
Ângelo Gabriel Ribeirinho dos Santos Paupério
Nuno Manuel Moniz Trigoso Jordão

Nuno Jordão, Paulo Azevedo and Ângelo Paupério

2.2.3. Operating Rules

The Executive Committee meets at least once every month, and also whenever the CEO or a majority of its members convenes a meeting. The quorum for any Executive Committee meeting requires that a majority of members are present or represented by proxy. Decisions are approved by simple majority, with the CEO having a casting vote when the Executive Committee is made up of an even number of members.

The Executive Committee receives information about items on the agenda for the meeting at least seven days in advance of the meeting, and receives supporting documents for any given meeting at least two days in advance.

Under the Internal Regulation approved by the Board of Directors, the Executive Committee presents a summary in Portuguese and English of the main decisions taken, which is included among the documents distributed to Board members at each Board of Directors meeting.

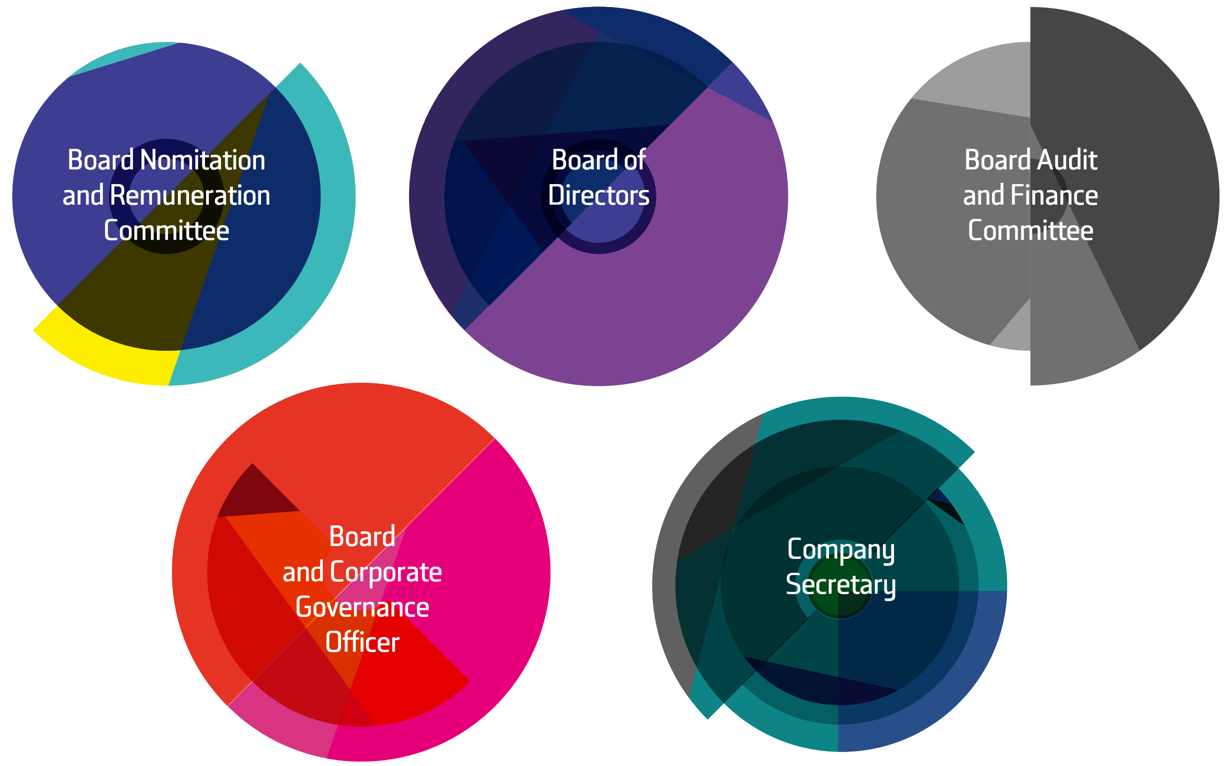
These decisions and the announcement of meetings to be held are communicated to the Chairman of the Board of Directors and to the Chairman of the Statutory Audit Board.

The Executive Committee also provides all information requested by other members of the Board of Directors, by the Statutory Audit Board and by the Statutory External Auditor, in a timely fashion.

Minutes are recorded in the respective Minute Book.

Over and above the regular contact among members of the Executive Committee between formal meetings, 17 meetings of the Executive Committee took place in 2012 with an overall attendance rate of 100%.

2.3. Internal Committees of the Board of Directors and support functions



2.3.1. Board Audit and Finance Committee ("BAFC")

Role

The BAFC is an internal committee appointed by the Board of Directors, made up of independent Non-Executive directors, and its terms of reference are set out in the Internal Regulation of the Board of Directors.

The BAFC is responsible for providing support to the Board of Directors in monitoring the activity of the Executive Committee in carrying out its management responsibilities, not overstepping the Statutory Audit Board's duties and responsibilities as an auditing body.

The BAFC regularly reports on its work to the Board of Directors and based on its conclusions, proposes plans of action, with the goal of proactively overseeing internal control and the functioning of the Company's risk management system.

The duties of the BAFC as an internal committee of the Board of Directors are to:

(i) Review the Company's annual and interim financial statements and earnings announcements to the market, and report its findings to the Board, giving the necessary support to the financial statements approval process;

(ii) Advise the Board on its reports to shareholders and financial markets to be included in the Company's Annual and Half-Year Financial Statements and in the Quarterly Earnings Announcements;

(iii) Advise the Board, including the evaluation of suggestions made by the Statutory Audit Board, on the adequacy and quality of information provided by the Executive Committee, and the systems and standards of internal business controls applied by the Company;

(iv) Monitor Internal Audit activity, in conjunction with plans validated by the Statutory Audit Board, reach conclusions and put these forward for consideration by the Board of Directors;

(v) Assess operational procedures, monitoring the internal control systems, effective management of risks, the timely distribution of information and the reliability of the process of preparing and disclosing financial information;

(vi) Ensure the smooth flow of information to and from the Statutory Audit Board and follow up any requests made by it with the Board of Directors;

(vii) Ensure that the Corporate Governance policies adopted by the Company are followed, and that financial reporting standards and practices are adhered to;

(viii) Monitor formal and informal key financial indicators relating to the Company, including reports published by rating agencies;

(ix) Give its opinion about significantly relevant transactions made by the Company with related parties.

Composition

The BAFC consists of five members who are appointed by the Board of Directors. All members are independent Non-Executive directors.

Board Audit and Finance Committee

Michel Marie Bon **Chairman**	Independent Non-Executive
Álvaro Cuervo Garcia	Independent Non-Executive
José Manuel Neves Adelino	Independent Non-Executive
Bernd Hubert Joachim Bothe	Independent Non-Executive
Christine Cross	Independent Non-Executive

Operating Rules

The BAFC meets at least five times a year and additionally whenever its Chairman, the Board of Directors or the Executive Committee deem necessary.

Minutes of all BAFC meetings are prepared and distributed to other Board members.

2.3.2. Board Nomination and Remuneration Committee ("BNRC")

Role

The BNRC operates according to the Internal Regulation of the Board of Directors, and is responsible for identifying potential candidates for appointment to the Board of Directors (when the Board decides to exercise its right to co-opt), for preparing information relating to the performance of directors and for presenting proposals to the Shareholders' Remuneration Committee concerning the remuneration of Executive directors.

The BNRC works together with the Shareholders' Remuneration Committee to prepare proposals regarding the policy for the Board directors' compensation and remuneration, and that of other statutory governing bodies for submission to the Shareholders' General Meeting for approval.

The BNRC shares with the Shareholders' Remuneration Committee access to specialist third party services from suitable entities recognised in the market as being competent and independent.

Composition

The BNRC includes the Chairman of the Board of Directors, and two independent Non-Executive directors, also appointed from among the Board of Directors, as follows:

Board Nomination and Remuneration Committee

Belmiro Mendes de Azevedo **Chairman**	Non-Independent Non-Executive
Michel Marie Bon	Independent Non-Executive
Christine Cross	Independent Non-Executive

Operating Rules

The BNRC meets at least once a year and additionally whenever its Chairman or the Board of Directors deem necessary. In addition to formal meetings, BNRC members keep in touch through various forms of long distance communication. Minutes are kept of all meetings of this Committee.

2.3.3. Activity developed by Non-Executive directors

Non-Executive directors bring an independent position to the continuous monitoring of management decisions, with an important influence in the decision-making process and in the development of strategy and policy, both on the Board of Directors, as well as in the specialised committees of the Board of which they are a part (BAFC and BNRC).

During 2012, BAFC held five meetings with an overall attendance rate of 100%, having carried out the role described in section 2.3.1.

BNRC held two meetings in 2012, also with a 100% overall attendance rate. The role carried out is described in section 2.3.2, and reflected the remuneration policy approval process included in section 6.7.

In the exercise of their competencies, the Non-Executive directors did not encounter any restraints in the execution of their functions.

2.3.4. Board and Corporate Governance Officer ("BCGO")

Main duties of BCGO:

(i) Ensure the smooth running of the Board and Board Committees;

(ii) Participate in Board meetings and relevant Board Committees meetings and, when appointed, serve as a member;

(iii) Facilitate the acquisition of information by all Board and Committee members;

(iv) Support the Board in defining its role, objectives and operating procedures;

(v) Take a leading role in organising Board evaluations and assessments;

(vi) Keep all legislative, regulatory and Corporate Governance issues under close review;

(vii) Support and challenge the Board to achieve the highest standards in Corporate Governance;

(viii) Support the proceedings adopted by the Board of Directors to ensure that the stakeholders and the minority shareholders' interests are taken into account by the Board when important business decisions are being taken;

(ix) Support the procedure to nominate and appoint Directors and assist in the induction of new Directors;

(x) Act as a primary point of contact and source of advice and guidance for, in particular, Non-Executive directors, about the Company and its activities;

(xi) Facilitate and support the independent Non-Executive directors to assert their independence;

(xii) Ensure compliance with the CMVM Recommendations for listed companies;

(xiii) Participate in making arrangements for, and managing, the whole process of Shareholders' General Meetings;

(xiv) Participate in the arrangement of insurance cover for members of the statutory governing bodies;

(xv) Participate, on behalf of the Company, in external initiatives to debate and improve Corporate Governance regulations and practices in Portugal.

The Board and Corporate Governance Officer is David Graham Shenton Bain.

The BCGO reports to the Board of Directors through its Chairman, and also, when appropriate, through the senior independent Non-Executive director.

2.3.5. Company Secretary

The Company Secretary is responsible for:

(i) Keeping the formal Minute Books and attendance lists at Shareholders' General Meetings;

(ii) Forwarding the legal documentation necessary to convene Shareholders' General Meetings;

(iii) Supervising the preparation of supporting documentation for Shareholders' General Meetings and the meetings of the Board of Directors, and preparing the respective formal minutes;

(iv) Responding to Shareholder requests for information within the scope of the Portuguese Companies Act;

(v) Legal registration of any act or resolutions of the Company's statutory governing bodies.

The Secretary is Luzia Gomes Ferreira, who may be substituted in her absence by Raquel de Sousa Rocha.

ORGANISATION OF THE CORPORATE CENTRE

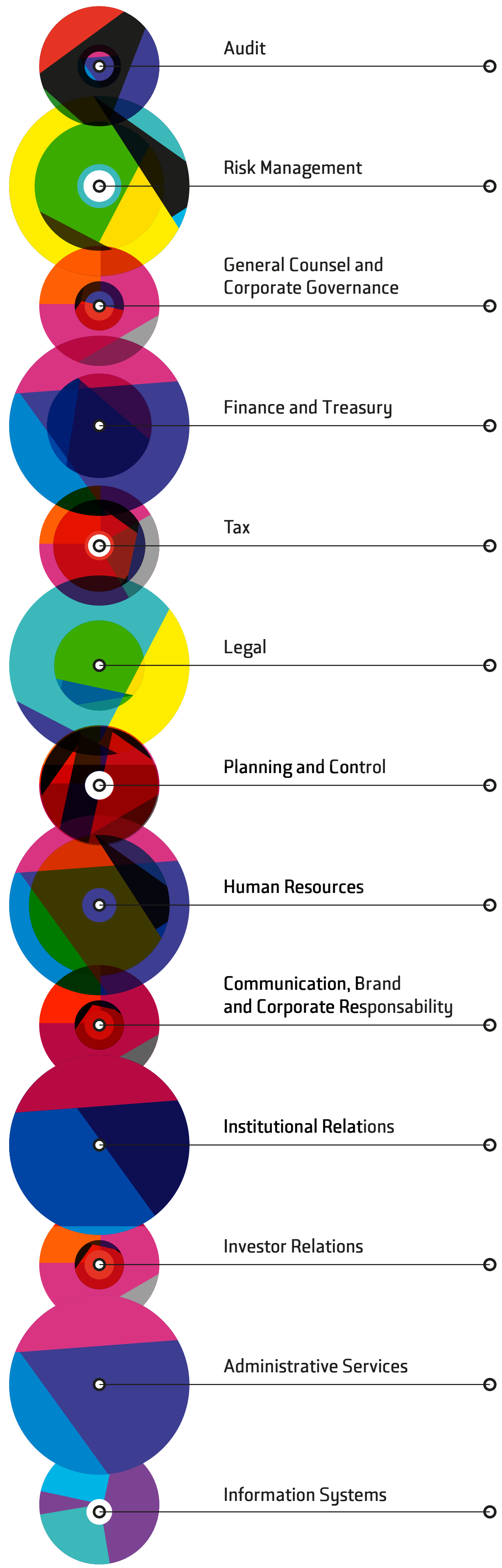
- DUTIES AND COMPETENCIES

ORGANISATION OF THE CORPORATE CENTRE – DUTIES AND COMPETENCIES

3.1. Corporate Centre Organisation

In 2009, the Corporate Centre of Sonae was merged with that of the retail business to create a single corporate structure, creating synergies and allowing resources to be freed up for new challenges, without increasing the number of Sonae's employees. The objective of this change was to sharpen the focus on retail activities, on related business areas, and also on the competencies and assets that Sonae believes to have the greatest potential to sustain the development of new businesses and to create value for its shareholders.

The value proposal of the new Corporate Centre was based on the range of services it provides, primarily for retail companies but also for other of Sonae's business units. These functions can thus be centralised, efficiency increased and consequently advantage taken of synergies, removing redundant services in the various business units of Sonae.



Risk Management Department

Main responsibilities:

(i) Promote a risk-aware culture within the organisation;

(ii) Develop, implement, review and maintain risk management systems and processes;

(iii) Operational support to Sonae's Risk Management Consultation Group.

Internal Audit Department

Main responsibilities:

(i) Perform internal audits (Compliance, Processes, Food Safety and Information Systems) of Sonae's Corporate Centre and core businesses;

(ii) Operational support to Sonae's Audit Committee.

Legal Counsel and Corporate Governance Department

Main responsibilities:

(i) Provide legal advice to Sonae's business activity;

(ii) Manage the relations with Euronext Lisbon, the Portuguese Securities Market Commission (CMVM) and shareholders in relation to legal matters;

(iii) Manage the legal aspects of Corporate Governance and monitor compliance with best practice in the area;

(iv) Coordinate the sharing of legal knowledge in order to align the Company's position with those of other Sonae companies.

Finance and Treasury Department

Main responsibilities:

(i) Optimise the finance function of the Company and of its retail business units, proposing and implementing appropriate financial management policies;

(ii) Conduct all financing operations for Sonae and the retail businesses, providing advice and support on other financing operations of Sonae (with the exception of Sonae Sierra) on request, in coordination with Board directors of Sonae's businesses responsible for financing their respective activity;

(iii) Negotiate and contract financing and banking products and services for the Company and for its retail business units;

(iv) Manage the Treasury of the Company and its retail businesses;

(v) Manage the financing risk of the Company and its retail businesses;

(vi) Support the different functional areas in allocating capital;

(vii) Provide support on merger, acquisition and demerger operations;

(viii) Provide support to Sonae's businesses on money market, interest rate or exchange rate transactions;

(ix) Support the work of Sonae's Finance Committee.

Tax Department

Main responsibilities:

(i) Develop, provide training for, and share the tax skills of Sonae's business units;

(ii) Take part in defining tax strategy and objectives, in particular by supporting the international expansion of the businesses;

(iii) Provide tax support to the mergers and acquisitions activity as well as to restructuring operations;

(iv) Manage institutional relations, including the proactive management of tax matters relating to Sonae's business units;

(v) Optimise Sonae's tax efficiency, by:

a. Controlling and monitoring tax procedures in all of Sonae's business units;

b. Ensuring compliance with all tax requirements by all companies;

c. Controlling all Company fiscal consolidation groupings that exist within Sonae;

(vi) Manage Sonae's price transfer dossier;

(vii) Monitor all open litigation with the tax authorities and manage them in the best interests of Sonae's business units;

(viii) Provide tax consultancy to the businesses

Legal Department

Main responsibilities:

(i) Monitor, control and ensure the legality of retail and wholesale business activities, including the health, restaurant and real estate asset areas;

(ii) Prepare and/or analyse contracts that maximise safety and reduce legal risks and potential costs;

(iii) Manage all issues relating to intellectual and industrial property used by the different businesses, such as brands, names, patents, logotypes, marketing slogans, domains, copyrights etc.;

(iv) Provide day-to-day legal support to stores, in particular when they are subject to inspections and visits carried out by government and official entities (such as ASAE, or the competition authority), as well as resolution of customers conflicts ;

(v) Execute all necessary public deeds, legal documents and registers for the businesses, of any nature (commercial, real estate, governance etc.);

(vi) Manage all legal actions and corporate retail processes in pre-litigation and litigation phases;

(vii) Provide support in obtaining the various licenses required by the businesses;

(viii) Follow up on legislative developments, relevant to the retail, wholesale and real estate businesses;

(ix) Legal monitoring of the management of retail customer complaints;

(x) Provide support to existing Portuguese and international retail and real estate operations, as well as analysing new Portuguese and international operations; in the latter analysing the legal environment of the countries concerned.

Planning and Control Department

Main responsibilities:

(i) Support the development of a corporate strategy and strategies for Sonae's business units, and promoting, leading and implementing the annual, strategic planning cycle;

(ii) Lead and monitor the Sonae annual budgeting process, as well as providing reporting on status, in terms of delivery, of the budget;

(iii) Challenge the businesses and corporate areas about the objectives proposed in order to constantly improve and optimise Sonae's business efficiency, performance and results;

(iv) Prepare and analyse management information about the individual businesses, as well as at a consolidated level, on a monthly, quarterly and annual basis, analysing variances to budget and proposing correctives measures;

(v) Provide support to decisions about the allocation of capital to existing businesses and new business opportunities: responsible for the analysis of capital invested and the return on capital invested;

(vi) Build business plans in conjunction with business management teams;

(vii) Carry out technical analysis and benchmarking of Sonae's businesses in comparison against their competitors in the market.

Human Resources Department

Main responsibilities:

(i) Manage Sonae's top management human resources: Chairman of Sonae's Human Resources Consultative Group; support the top management human resources management of the Executive Committee;

(ii) Supervise Sonae's human resources management department, the main duties of which are to:

a. Define and implement human resources strategy, planning and talent management;

b. Support Sonae's top management to define human resources policies at various levels;

c. Ensure the working of processes concerning recruitment, selection, training, performance/development management, employee administration and salary processing;

d. Manage the areas of health, hygiene and safety at work;

e. Provide the procedural and legal labour law framework for the businesses;

f. Provide support to international projects, offices and businesses;

g. Represent the Company in communication with official entities and associations connected with this area;

h. Provide HR services to other Sonae's business units

Communications, Brand and Corporate Responsibility Department

Main responsibilities:

(i) Manage the institutional image of Sonae and its brand;

(ii) Manage relationships with the media – communication and statements;

(iii) Manage Sonae's Internal Communications.

(iv) Manage the Corporate Responsibility Department; mainly data compilation, sustainability initiatives and volunteering activities.

Institutional Relations Department

Main Responsibilities:

(i) Support the management of Sonae's institutional relations with the Government, public entities and NGOs;

(ii) Represent Sonae in Associations, Forums, and events (in Portugal and abroad) and manage requests for information from these entities.

Investor Relations Department

Main responsibilities:

(i) Manage the relationship between Sonae and the financial community through the continuous preparation and disclosure of relevant and up-to-date information about the Company;

(ii) Support the Executive Committee and Board Directors, providing them with relevant information relating to capital markets;

(iii) Support External Communication, contributing towards providing a consistent corporate message to the capital markets.

Administrative Services Department

Main responsibilities:

(i) Efficiently manage all administrative processes of the Company and Sonae's businesses units

(ii) Ensure the effective control of the processes, transactions, reliability and timely reporting of financial, tax and management information;

(iii) Effectively manage the administrative procedures relating to Accounts Payable, Accounts Receivable, Cash and Banks, Inventory and Tangible Assets;

(iv) Book all accounting transactions and prepare the individual and consolidated financial statements of Sonae companies.

Information Systems Department

Main responsibilities:

(i) Maintain and support existing information systems and infrastructure;

(ii) Develop new solutions which enable the operational and commercial efficiency of the businesses to be improved;

(iii) Promote innovation in relation to Sonae's information systems.

3.2. Knowledge Sharing Specialist Committees

Audit committee

Sonae's Audit Committee was set up in 2000 to assist the Executive Committee in defining policies, reviewing and co-ordinating the activities of Internal and External Audit, and to establish internal control processes and systems. This Committee, which meets quarterly, is chaired by Ângelo Paupério (member of the Executive Committee), and includes directors with responsibility for this area, as well as internal audit managers of the Company and of Sonae's businesses, the Corporate Governance Manager and the Risk Management Manager.

Risk Management Consultation Group

Sonae's Risk Management Consultation Group was set up in 2000 to assist the Executive Committee to establish policies, and to monitor and coordinate Risk Management activities. It meets quarterly and is chaired by Ângelo Paupério (member of the Executive Committee), and is made up of: Board members of the businesses with responsibility for this area; Risk Managers responsible for this role in the Company and in each of its businesses; the Corporate Governance Manager; the Internal Audit Manager and Sonae's Insurance manager.

Finance committee

Sonae's Finance Committee is chaired by Ângelo Paupério (member of the Executive Committee) and made up of the Chief Financial Officers (CFOs) and the directors responsible for corporate finance from each of Sonae's businesses, as well as the managers of the Company's Corporate Centre, who are relevant to the topics on each meeting's agenda. The Committee meets monthly to review and co-ordinate financial risk management policies, banking relationships and to discuss other matters related to corporate finance.

In addition to the above mentioned Risk Management Consultation Group, there are other Sonae advisory groups which review Sonae's policies:

- FINOV, a forum dedicated to innovation, with the purpose of stimulating and supporting an innovation-driven culture at Sonae, capable of sustaining high levels of value creation;
- Sustainability Forum, with the purpose of sharing sustainability knowledge and best practices, increasing awareness across Sonae, and identifying relevant common issues to encourage synergies and cohesion in dealing with the various challenges in this area;
- Planning and Control Methodologies Forum, with the purpose of promoting and discussing the implementation of best control methodologies across the Company;
- Legal Forum, with the purpose of sharing experience and knowledge among legal teams, promoting Company-wide discussion of essential legal topics and developing a common approach to legal interpretation and procedures;
- Human Resources Forum, with the purpose of promoting and discussing the implementation of best practice in relation to human resource policies across the Company;
- Marketing and Communication Forum, with the purpose of coordinating negotiations with Media companies, as well as promoting the sharing of best practice in Marketing at specific seminars;
- Engineering, Construction and Safety Forum, with the purpose of promoting and discussing the implementation of best practice in engineering and construction activities across the Company, with a special focus on issues related to health and safety;
- Negotiation Forum, with the purpose of presenting, analysing and discussing negotiation strategies, identifying opportunities for joint negotiations, and sharing experience and knowledge.

Each of these informal bodies meets several times during the year and often organises seminars, workshops and internal training courses.

04

AUDITING BODIES

AUDITING BODIES

4.1. Statutory Audit Board

4.1.1. Role

The Statutory Audit Board is the auditing body of the Company and holds as its main responsibilities:

(i) Supervising the management of the Company;

(ii) Ensuring that the law, the Company's Articles of Association, and internal procedures are observed;

(iii) Verifying the regularity of all books, accounting registers and supporting documents;

(iv) Verifying the fairness of the financial statements;

(v) Drawing up an annual report for shareholders on the supervision of the Company, including a description of audit work carried out, possible restrictions encountered during the course of that work, and issuing a statement of opinion on the annual report, accounts and proposals presented by the management;

(vi) Supervising the efficiency of the risk management system, the internal control system and the internal audit function;

(vii) Receiving notification of irregularities presented by shareholders, Company's employees or others;

(viii) Acting as the interface of the Company with the External Auditor, and proposing his appointment or replacement, as well as the review of his performance, while ensuring that the right conditions exist within the Company for the Auditor to appropriately carry out his work, and, as the primary point of contact, to receive audit reports;

(ix) Supervising the auditing of the Company's financial statements;

(x) Supervising the independence of the Statutory External Auditors;

(xi) Approving any services by the external auditor in addition to those related to auditing;

(xii) Issuing a specific report if the auditor has not been replaced at the end of two mandates, giving due consideration to the degree of independence of the auditor under these circumstances, and the advantages and costs of replacing them;

(xiii) Supervising the internal audit function;

(xiv) Giving a prior opinion about transactions involving significant business conducted between the Company and shareholders with qualified shareholdings, or entities to which these are related, for the purpose of Article 20 of the Securities Code, in accordance to the procedures and criteria as defined by the Board.

In order to carry out its duties, the Statutory Audit Board has a meeting at the beginning of each financial year to plan the year's work. The plan includes:

A- Monitoring the business activity of the Company, and the Board's interaction with the Executive Committee and the Board of Directors through the Board Audit and Finance Committee, in particular:

- Assessing how the internal control and risk management systems are working;
- Assessing the the Company's annual management report and accounts and the disclosure of financial information;
- Issuing opinions and recommendations.

B- Supervising the work of the External Auditor, in particular:

- The external auditor's annual work plan;
- The monitoring of audit work, changes to the financial statements, and discussing related conclusions;
- Verifying the independence of the External Auditor;
- The provision of services other than those related to audit in compliance with CMVM recommendation III.1.5.

C- Supervising the activity of Internal Audit and Risk Management, covering:

- Annual activity plan;
- Receiving regular reports on their activity;
- Evaluating results and conclusions reached;
- Checking for the existence of possible irregularities;
- Issuing guidelines, as and when deemed appropriate.

D- Information on irregularities (whistleblowing):

Follow up on the work of the Ombudsman, on a quarterly basis, approving procedures for the receiving and handling of complaints and/or communication of irregularities, and critically evaluating the manner in which complaints are managed and resolved.

4.1.2. Composition

Under the Company's Articles of Association, the Statutory Audit Board may be made up of an odd or even number of members, with a minimum of three and a maximum of five members. The Statutory Audit Board additionally includes one substitute member, should the Board be composed of three members, or two substitute members, should the Board be composed of more than three members.

The Statutory Audit Board members were elected at the Company's Shareholders' Annual General Meeting held on 27 April 2011. Its current mandate ends in 2014.

Statutory Audit Board

Daniel Bessa Fernandes Coelho	**Chairman**
Arlindo Dias Duarte Silva	
Jorge Manuel Felizes Morgado	
Óscar José Alçada da Quinta	**Substitute**

All members are independent as required by Article 414, paragraph 4, and are not in breach of any of the criteria for incompatibility as set out in Article 414-A, paragraph 1, both of the Portuguese Companies Act. The Statutory Audit Board has carried out an assessment of the independence of its members, by obtaining an update on the written information previously provided on an individual basis.

The qualifications, experience and responsibilities of the members of the Statutory Audit Board are disclosed in Appendix I of this Report. The number of shares directly or indirectly, through connected persons, held by them in companies in a control or group relationship with the Company is disclosed in the appendices to the Management Report, as required by Article 447 of the Portuguese Companies Act and of Article 14, paragraph 6 of CMVM Regulation no. 5/2008.

4.1.3. Nomination and substitution rules

The members of the Statutory Audit Board are elected by the Shareholders' General Meeting.

If the Shareholders' General Meeting should fail to elect the members of the Statutory Audit Board, the Board of Directors must, and any shareholder may, petition the courts to appoint the members required.

If the Shareholders' General Meeting does not designate a Chairman, he/she will be appointed by the members of the Statutory Audit Board.

If the Chairman leaves office prior to the end of the mandate for which he/she was elected, the other members must choose one among themselves to exercise these duties until the end of his/her mandate.

Members of the Statutory Audit Board who are temporarily unavailable, or whose duties have terminated, shall be replaced by the substitute.

Substitutes, who replace members whose duties have terminated, shall remain in office until the first Annual General Meeting, at which the vacancies shall be filled.

In the event of it not being possible to fill a vacancy left by a member, due to a lack of elected substitutes, the vacant position(s), both of members and of substitutes, shall be filled by means of a fresh election.

4.1.4. Operating Rules

Decisions are taken by simple majority and if the Statutory Audit Board has an even number of members, the Chairman has the casting vote.

The Statutory Audit Board meets at least four times a year. During 2012, the Board met five times with an overall attendance rate of 93.3%. Minutes were written up for all meetings of the Board.

4.1.5. Internal Regulation and Annual Activity Report

The Internal Regulation of the Statutory Audit Board is available at www.sonae.pt (tab Investors, Corporate Governance section).

The Annual Report and opinion of the Statutory Audit Board, as attached to the Company's annual management report and accounts, are published each year and can be consulted on the Company's website at www.sonae.pt (tab Investors, Shareholders' General Meeting section).

No rules related to incompatibility issues or the maximum number of positions that a member of the Statutory Audit Board can hold have been established internally, beyond those stipulated by law.

4.2. Statutory External Auditor

4.2.1. Role

The Statutory External Auditor is the governing body responsible for legally certifying the Company's financial statements. Its main responsibilities are:

(i) Verifying the accuracy of all books of accounts, accounting transactions and supporting documents;

(ii) Whenever it deems convenient and by the means that it considers to be appropriate, verifying the accurate records of cash and stocks of any kind, and of the assets or securities belonging to the Company, or received by it by way of guarantee, deposit or other purpose;

(iii) Verifying the accuracy of the financial statements, and expressing an opinion on them in the Accounts Legal Certification and in the Statutory Auditor's Report;

(iv) Verifying whether the accounting policies and valuation criteria used lead to a fair valuation of the assets and results of the Company;

(v) Carrying out any examinations and checks necessary to the audit and legal certification of the accounts, and carrying out of all procedures required by law;

(vi) Verifying the application of remuneration policies and systems, and the effectiveness and working of internal control procedures, reporting any weaknesses to the Statutory Audit Board in accordance with, and within the limits of his legal and procedural duties;

(vii) Attesting to the fact that the Company's Governance Report includes the information referred to in Article 245-A of the Portuguese Securities Code.

During 2012, the External Auditor regularly carried out his duties.

4.2.2. Composition

The Statutory External Auditor is Deloitte & Associados, SROC, S. A., which completed its second four-year mandate in 2010, and was re-elected for a new mandate, based on a proposal by the Statutory Audit Board, put forward to and approved by the Shareholders' General Meeting held on 27 April 2011.

The proposal for the re-election of Deloitte & Associados, SROC, S.A., for a new mandate, presented by the Statutory Audit Board to the Shareholders' General Meeting, was, in accordance with the recommended terms, supported by the following opinion in relation to the independent status of the auditors and the disadvantages of replacing them:

"In order to make this recommendation, the Statutory Audit Board oversaw during 2010 a broad ranging selection process in which a number of auditing companies with well established reputations, both in Portugal and abroad, were invited to participate.

To this end, a number of selection criteria for the candidates were first identified which included their prior experience and knowledge of the business sectors in which Sonae operates, the competence, availability and breadth of experience of the auditing team proposed, the auditing methodologies practised, as well as the costs involved for the Company.

Taking into account all the above factors, the Statutory Audit Board decided to propose to the Shareholders' General Meeting the re-election of the current Statutory Auditor for a new mandate, since we believe that doing so does not compromise or impact negatively on their continued independence or suitability for the job." (Extract from the Proposal made by the Statutory Audit Board in agenda item 6 to the Shareholders' Annual General Meeting on 27 April 2011).

In addition, and as stated in the proposal presented to and approved by the Shareholders' General Meeting, in accordance with the principle of rotation, a new representative of Deloitte & Associados, SROC, S.A. was appointed for the provision of external auditing services.

4.2.3. Nomination rules

In accordance with the Company's governance model, the nomination or substitution of the Statutory Auditor/External Auditor is decided upon by shareholders in the Shareholders' General Meeting, based on a recommendation put forward by the Statutory Audit Board.

The Statutory Audit Board also supervises and assesses the work performed by the External Auditor on an annual basis, verifying compliance with Article 54 of the Decree-Law no. 487/99, of 16 November (updated by Decree-Law no. 224/2008, of 20 November), which requires the rotation of the entity in charge of supervising or executing the statutory audit work after a period of seven years, in order to guarantee their independence.

Failure by the competent corporate body to appoint the Statutory External Auditor within the period fixed by law must be brought to the attention of the Portuguese Institute of Statutory Auditors within 15 days, by any shareholder or member of the statutory governing bodies. Within 15 days of the communication referred to above, the Institute of Statutory Auditors must officially appoint a statutory auditor to the Company, and the general meeting may confirm the appointment or elect another statutory auditor to complete the respective mandate.

SHAREHOLDERS

SHAREHOLDERS

5.1. Statutory Bodies

5.1.1. Shareholders' General Meeting

Shareholders' General Meetings are conducted by its Chairman or, in his absence, by the Chairman of the Statutory Audit Board or, in his absence, by the shareholder present at the General Meeting representing the largest shareholding position. Shareholders' General Meetings are held under two possible circumstances: (i) in ordinary session, at a date set by law for the Shareholders' Annual General Meeting; (ii) in extraordinary session, whenever the Board of Directors or the Statutory Audit Board deem necessary, or at the request of shareholders, representing the legally required minimum percentage of the Company's share capital (currently 2%). During 2012, one Shareholders' Meeting was held in ordinary session on 30 April.

Under the terms of the Company's Articles of Association, the Shareholders' General Meeting may only adopt resolutions on the first occasion that it is convened, if shareholders holding more than 50% of the Company's share capital are present or represented.

If that quorum is not reached and the meeting is reconvened, resolutions may be adopted by the Shareholders' General Meeting regardless of the number of shareholders present or represented and of the percentage of share capital they hold.

The resolution-fixing quorum for resolutions taken by the Shareholders' General Meeting complies with the Portuguese Companies Act.

In addition to the notice of the meeting, proposals by the Board of Directors for discussion, and decision upon, at the Shareholders' General Meeting, it will also be provided to shareholders a template for the representation letter, as well as the forms for postal voting. These can be obtained at Sonae's head office or on at www.sonae.pt. In the five days following Shareholders' General Meetings, information concerning the decisions taken at the meeting, the share capital represented and the results of voting is provided on the Company's website. Information concerning the Shareholders' General Meeting for the preceding three years, including decisions taken, the share capital represented, and the results of voting at the meetings, are also held on the Company's website.

5.1.2. The Board of the Shareholders' General Meeting

The Shareholders' General Meetings are conducted by a Board elected by shareholders for a four-year mandate, which coincides with that of the other statutory entities. The present mandate began in 2011 and will end in 2014.

Board of the Shareholders' General Meeting

Manuel Cavaleiro Brandão
Chairman

Maria da Conceição Cabaços
Secretary

5.1.3. Shareholders' Remuneration Committee

Role

The Shareholders' Remuneration Committee is the committee responsible for approving, on behalf of shareholders, the remuneration of Board members and of other statutory governing bodies, under the terms specified in the compensation policy approved by shareholders at the Shareholders' General Meeting.

Composition

The remuneration committee is made up of three members, elected by the Shareholders' General Meeting for a mandate of four years from 2011 to 2014.

Shareholders' Remuneration Commitee

Belmiro Mendes de Azevedo

Artur Eduardo Brochado dos Santos Silva

Francisco de La Fuente Sánchez

The members of the Shareholders' Remuneration Committee have the necessary professional qualifications and experience to carry out their responsibilities competently and rigorously, each of them having the appropriate skills to carry out their duties.

Independence

The members of the Remuneration Committee are independent from the Board of Directors, as explained in the following paragraph.

Belmiro de Azevedo, Chairman of the Board of Directors and a Non-Executive member, is a member of the Remunerations Committee, and was elected to this position by the Shareholders' General Meeting on the recommendation of the majority shareholder, Efanor Investimentos SGPS, SA. As a member of the Shareholders' Remuneration Committee, he acts in the interests of this shareholder, and not in those of his role as Chairman of the Board of Directors. In order to ensure his independence in carrying out his duties on this committee, he takes no part in any discussion or decision taken, where a possible conflict of interest exists or might arise.

To carry out its duties, the Shareholders' Remuneration Committee can, working with the Board Nomination and Remuneration Committee, use the services of independent international consultants of recognised competence.

The Remuneration Committee was represented by one of its members at the Shareholders' Annual General Meeting that took place on the 30 April 2012.

Meetings

The Shareholders' Remuneration Committee meets at least once every year. During 2012, there were two meetings, which all members attended.

5.2. Shareholders' participation

5.2.1. Rules for attending the Shareholders' General Meeting

Decree-Law no. 49/2010, of 19 May, which transposed into Portuguese law the European Parliament and Council Directive no. 2007/36/CE, dated 11 July, radically changes the rules for the attendance of shareholders at Shareholders' General Meetings of listed companies. Among the changes introduced, the most noteworthy are: elimination of the need to block shares as a condition for attending the General Meeting; the introduction of the "Registry Date", as a key moment in time for the shareholder to prove his identity as such and thus to exercise his attendance and voting rights at the General Meeting, and the rules for the voting and attendance of shareholders, who professionally hold shares in their own name but on behalf of clients.

5.2.2. Voting Rights

The Company's share capital is entirely made up of a single class of shares, in which one share equals one vote, and where there are no statutory limitations on the number of votes that can be held or exercised by any shareholder.

5.2.3. Shareholders' representation

The right to vote by appointing a representative and the way in which this right is exercised are set out in the respective notices convening Shareholders' General Meetings, in accordance with the law and the Company's Articles of Association.

Shareholders can be represented at Shareholders' General Meetings by presenting a written proxy before the meeting begins, addressed and delivered to the Chairman of the Board of the Shareholders' General Meeting, stating the name and address of the representative and the date of the meeting. The electronic mail address provided by the Company can be used for this purpose.

A shareholder can nominate different representatives for the shares held in different share accounts, without prejudice to the principle of One Share One Vote, in accordance with Article 385 of the Portuguese Companies Act. Shareholders acting as financial intermediaries for various clients are also permitted to vote in different ways.

The Company provides appropriate information on the Company's website at www.sonae.pt (tab Investors, Shareholders' General Meetings section) to enable shareholders, wishing to be represented, to give their voting instructions to their respective representatives. Such information, which includes the proposals to be submitted to the General Meeting and a template of a representation letter, is disclosed on the website within the legally established time limits.

5.2.4. Vote in writing

Shareholders, who can prove their ownership of shares, can vote in writing in relation to all items on the agenda of the Shareholder's General Meeting. Written votes will only be taken into account when addressed to the Chairman of the Board of the Shareholders' General and received at the Company's head office by registered post, with acknowledgement of receipt, or submitted by electronic means, in both cases at least three business days prior to the General Meeting. The voting ballot, if sent by registered post, should be signed by the holder of the shares or by his legal representative. In the case of an individual, it should be accompanied by an authenticated copy of his/her identity card. In the case of a corporate entity, the signature should be authenticated by certifying that the signatory is duly authorised and mandated for that purpose. If the ballot is sent by electronic means (see below 5.2.6) it must respect the requirements and procedures established by the Chairman of the Board of the Shareholders' General Meeting, as set out in the notice of the meeting, in order to ensure an equivalent level of security and authenticity.

It is the responsibility of the Chairman of the Board of the Shareholders' General Meeting, or the person replacing him, to verify compliance with requirements for votes in writing, and votes which do not fulfil such requirements will not be accepted and will be treated as null and void.

5.2.5. Template used for written votes

The Company provides a template of the ballot for written votes on its website at www.sonae.pt (tab Investors, Shareholders' General Meetings section).

5.2.6. Vote in writing by electronic means

Shareholders have the right to vote electronically and the manner by which this right can be exercised is set out in the notice sent out for the General Meeting. A template for requesting the information necessary for exercising the shareholders' right to vote by electronic means is also available at www.sonae.pt (tab Investors, Shareholders' General Meetings section).

REMUNERATION

REMUNERATION

6.1. Remuneration policy for members of the statutory governing bodies

Sonae's remuneration policy is structured so as to find a balance between the performance of Executive directors in relation to goals established for them, and remuneration in comparable companies in the market. Proposals for the remuneration of members of the statutory governing bodies take into account:

- Overall market comparisons;
- Practices of comparable companies, including other Sonae's business units;
- Each Executive director's responsibilities, and assessments made on their performance.

Remuneration policy therefore constitutes a formal means of aligning the interests of the Company's management with those of shareholders, such that, among the various component parts of the remuneration package, the variable component, the value of which depends on the individual's and the Sonae's performance, is given high importance. A management approach is thus encouraged focusing on the long-term interests of the Company and in which business risks are carefully taken into account.

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 remuneration policy applicable to Sonae's statutory governing bodies is approved in advance by the Shareholders' General Meeting. The body responsible for approval of the remuneration of both Executive and Non-Executive members of the Board of Directors and the other statutory governing bodies of the Company is the Shareholders' Remuneration Committee, whose members are elected and whose remuneration is decided upon at the Shareholders' General Meeting.

The Board Nomination and Remuneration Committee supports the Shareholders' Remuneration Committee in the determination of the Executive Directors' remuneration, by presenting remuneration proposals based upon the relevant data requested by the Shareholders' Remuneration Committee.

As part of the Company's principles of corporate governance, guidelines have been established for remuneration policy.

Principles of the remuneration policy

The remuneration awarded to members of Sonae's statutory governing bodies is competitive, allowing talent to be attracted effectively and efficiently, linked to performance, aligned with the interests of shareholders, and sustained by a process which is transparent.

The Remuneration and Compensation Policy currently in operation was approved at the Shareholders' General Meeting that took place on 27 April 2011, and is based on the following principles:

- 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 any reason, without prejudice to the obligation of the Company to comply with any relevant legislation in force in this area;
- Non-existence of any system of benefits, in particular relating to retirement, in favour of members of the Board of Directors, auditing bodies and other executives;
- Verification, in order to ensure the effectiveness and transparency of the objectives of the Remuneration and Compensation Policy, 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 from profits made on these same shares.

Sonae sets the following guidelines for its remuneration policy:

Our remuneration policy aims to be:

Competitive:

- Sonae aims to have a remuneration policy which is competitive compared to other similar companies, in order to be able to attract high quality talent in all business units of the Company. To achieve this goal, Sonae bases its remuneration policy on comparisons of remuneration paid by similar companies.

Linked to performance:

- A significant part of the remuneration of Sonae's Executive directors is determined by the success of the Company. The variable component of remuneration is structured in such a way as to establish a link between the sums awarded and the level of performance, both at individual and group level. If predefined objectives are not achieved, measured through KPIs applicable to the business and to the individual performance, the total or some part of the value of short and medium term incentives will be reduced.

Aligned with the interests of shareholders:

- Part of the variable remuneration of Executive directors is paid in the form of shares and deferred for a period of 3 years. Given that there is a link between Sonae's share prices and its performance, the remuneration paid will be impacted by the manner in which the Executive director has contributed towards this result. Hence, the interests of directors are aligned with those of shareholders and with medium-term performance.

Transparent:

- All aspects of the remuneration process are clear and openly disclosed internally and externally through documentation published on the Company's internet site. This communication process contributes towards promoting equal treatment and independence.

Reasonable:

- The aim is for the remuneration of Executive directors to be reasonable, ensuring a balance between the interests of Sonae, market positioning, the expectations and motivation of managers, and the need to retain talent.

6.2. Competitiveness of the Remuneration Policy

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.

Who are our benchmark/peer group companies?

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

The average value for top managers in Europe is used to determine the figures for the overall market. The companies that make up the pool of comparable companies are those included in the Portuguese stock market index, the PSI-20.

6.3. Remuneration of the Board of Directors

6.3.1. Remuneration of the Executive Directors

Sonae's remuneration policy is made up of two main parts:

(i) Fixed annual remuneration;

(ii) 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) Short Term variable Performance Bonus (STPB) paid immediately after being awarded;

b) Medium Term variable Performance Bonus (MTPB), paid after a deferral period of 3 years (explained in more detail in section 6.3.2).

i) Fixed remuneration

The remuneration of Executive directors is determined according to the level of responsibility of the director involved, and is subject to annual review.

ii) Variable remuneration

Variable remuneration aims to guide and compensate Executive board directors for achieving pre-defined objectives. It is divided into two equal parts, one short- and the other medium- term, and is awarded after the accounts of the Company have been prepared and performance evaluations have been completed for the year in question. Variable remuneration is of a discretionary nature and, in view of the fact that it is dependent on the achievement of objectives, payment is not guaranteed. Variable remuneration is determined annually with the value based on a predefined goal of between 33% and 60% of total annual remuneration (fixed remuneration plus variable remuneration target values), and, in aggregate terms, the average weight of the total variable component in the Executive board members' compensation within Sonae Group does not surpass 50% of the annual total remuneration.

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 include both objective and subjective indicators. The result of departmental business KPIs and individual KPIs can vary between 0% and 120 % of the pre-defined goal. Combining all component parts, the value of the bonus has a minimum of 0% and a maximum limit of 140% of the pre-defined bonus objective.

KPIs	Examples	Relative Weight
Business	Turnover, Recurrent EBITDA, net profits, share price performance	70%
Personal	An aggregate set of objective and subjective indicators	30%

The overall assessment of board directors is approved by the Shareholders' Remuneration Committee, working together with the Board Nomination and Remuneration Committee as described in section 6.1.

The various components of remuneration are summarised in the following table:

Components of Remuneration

	Components	Description	Objective	Market Positioning
Fixed	Base salary	Annual salary (in Portugal the annual fixed salary is paid in 14 monthly amounts)	Appropriate to the hierarchical level and responsibility of the director	Median
Variable	Short Term Performance Bonus (STPB)	Performance bonus paid in the first quarter of the following year, after calculation of the financial results for the financial year	Aims to ensure the competitiveness of the remuneration package and link remuneration to Company objectives	Third quartile
	Medium Term Performance Bonus (MTPB)	Compensation deferred for three years, the amount awarded linked to market share price performance	Aims to link remuneration to long-term performance and provide alignment with shareholders	Third quartile

Variable remuneration can be paid in cash, shares or a combination of cash and shares. Currently, no scheme involves the award of share purchase options. Sonae has no complementary or early retirement pension scheme for directors and there are no other significant benefits in kind.

6.3.2. Medium Term Performance Bonus (MTPB)

1. Main features of MTPB

MTPB is one of the components of Sonae's remuneration policy, being one part of variable remuneration, the payment of which is deferred. It allows the beneficiary to share the value generated through his involvement in the strategy and management of Sonae's businesses with shareholders.

2. How the of MTPB scheme works

Variable remuneration is awarded annually, according to the results of the previous year, and is then integrated into the MTPB plan. Payment is deferred for a period of three years. Payment of this component of variable remuneration is dependent on the director continuing to work with the Company for a period of three years after its award, without prejudice to the content of paragraph 8 below.

3. Eligibility criterion

Board directors elected up to 31 December of the previous year are eligible for payment of MTPB.

Eligibility criterion

Legal engagement	Weighting of MTPB in variable remuneration
Sonae Board Directors	At least 50%
Other senior directors of group companies	At least 50%

4. Duration of the of MTPB plan

The MTPB plan is established annually, based on the variable remuneration awarded, and each plan is valid for three years.

5. Valuation of the of MTPB plan

The share price of the Company on the Portuguese stock exchange is used to establish the value of MTPB, using the most favourable price as a benchmark: equal to the closing price on the first work day after the Shareholders' General Meeting, or the average price (using the average closing price for the 30 days preceding the General Meeting).

If, subsequent to being awarded the right to this kind of remuneration, and before exercising this right, dividends are distributed; changes are made to the nominal value of shares; the Company's share capital is changed or any other change is made to the Company's capital structure; then the number of shares that the director has been awarded will be adjusted to an equivalent number, taking into account the impact of these changes.

6. Approval of the of MTPB plan

Purchasing own shares with the goal of awarding them to directors as part of MTPB plans requires the approval of shareholders at the Shareholders' General Meeting. Full information is provided to shareholders for them to appropriately assess the share award plan.

7. Vesting of the of MTPB plan

On the vesting date of MTPB plans, Sonae reserves the right to make payment in cash of an amount equal to the value of the shares.

8. Termination of the MTPB plan

A director's rights in relation to the MTPB plan expire when he/she no longer works with Sonae.

However, the right to receive payment continues in case of permanent disability or death, with the due amount being paid to the director or to his/her heirs at the vesting payment date.

If the director retires, rights to awards can be exercised on the due date for payment.

The MTPB plans of Executive Board directors in progress in 2012 can be summarised as follows:

MTPB Plans for Sonae Executive Board Members

		Total	
	Aggregated number of plans	Number of Shares	Euros
Outstanding at 31.12.2011:	8	3,186,381	1,462,549
Movements in the year:			
Awarded	2	1,144,439	458,920
Vested	-3	-1,564,029	-653,620
Cancelled/Lapsed/Adjustments[1]	0	239,348	797,368
Outstanding at 31.12.2012:	7	3,006,139	2,065,218

[1] Changes in the number of shares due to dividend payments and changes in the value due to shares price changes.

The MTPB plans of Sonae and Sonae companies' senior executives, in progress during 2012, can be summarised as follows:

Sonae SGPS Share Plan Outstanding during 2012

	Vesting Period			At 31 December 2012	
	Share Price at Award Date	Award Date	Vesting Date	Aggregate number of participants	Number of shares
2009 Plan	0.526	March 09	March 12		
2010 Plan	0.761	March 10	March 13	19	2,685,003
2011 Plan	0.811	March 11	March 14	18	2,344,162
2012 Plan	0.401	March 12	March 15	18	3,860,721

The chart above does not include Sonaecom and Sonae Sierra directors' information.

6.3.3. Risks in relation to remunerations

Sonae reviews its remuneration policy annually as part of its risk management process in order to ensure that it is entirely consistent with its desired risk profile. During 2012, no problems relating to payment practice were found that posed significant risks to Sonae.

In designing remuneration policy, care has been taken not to encourage excessive risk-taking behaviour, attributing significant importance, but at the same time a balanced approach, to the variable component, thus closely linking individual remuneration to group performance.

Sonae has in place internal control procedures concerning remuneration policy, which target the identification of potential risks.

Firstly, the remuneration structure is designed in such a way as to discourage excessive risk-taking behaviour to the extent that remuneration is linked to the evaluation of performance. The existence of KPI goals constitutes an efficient control mechanism.

Secondly, Sonae does not allow contracts to be signed that would minimise the importance of the MTPB plan. This policy includes forbidding any transaction that might eliminate or mitigate the risk of share price variations.

6.3.4. Non-Executive Board Members

The remuneration of Non-Executive directors is exclusively composed of fixed values determined by reference to market values.

This remuneration is paid quarterly.

The Chairman of the Board of Directors receives only fixed remuneration.

For each Non-Executive director, the fixed remuneration includes attendance fees during the year including presence at, and preparation for, at least five Board of Directors meetings each year (approximately 15% of remuneration is paid as attendance fees). Non-Executive directors' attendance fees are paid as follows: Board meetings €930; Audit and Finance Committee meetings €640; and Nomination and Remuneration Committee meetings €390. The Chairman of the Board of Directors only receives attendance fees for Board meetings.

Fixed remuneration can increase by up to 6% for Non-Executive directors who chair a Board Committee.

In addition, an annual responsibility allowance is paid which is normally €2,100 or €2,200.

6.3.5. Summary remuneration tables

Directors' remuneration, awarded by the Company and Group Companies for 2011 and 2012, is shown as per the charts below:

Summary Remuneration

Individual Detail

	2011*				2012*			
	Fixed Remuneration	STPB	MTPB	TOTAL	Fixed Remuneration	STPB	MTPB	TOTAL
EXECUTIVE DIRECTORS								
Duarte Paulo Teixeira de Azevedo (CEO)	478,520	329,100	335,400	1,143,020	477,320	344,000	325,900	1,147,220
Ângelo Gabriel Ribeirinho dos Santos Paupério	415,800	308,800	308,800	1,033,400	416,253	308,000	303,700	1,027,953
Nuno Manuel Moniz Trigoso Jordão	305,510			305,510	305,400			305,400
Sub-total	*1,199,830*	*637,900*	*644,200*	*2,481,930*	*1,198,973*	*652,000*	*629,600*	*2,480,573*
NON-EXECUTIVE DIRECTORS								
Belmiro Mendes de Azevedo (Chairman)	436,100			436,100	435,800			435,800
Álvaro Carmona e Costa Portela	66,200			66,200	33,850			33,850
Álvaro Cuervo Garcia	37,350			37,350	37,050			37,050
Michel Marie Bon	39,860			39,860	39,460			39,460
José Manuel Neves Adelino	37,350			37,350	37,050			37,050
Bernd Hubert Joachim Bothe	37,450			37,450	37,050			37,050
Christine Cross	38,230			38,230	36,260			36,260
Sub-Total	*692,540*			*692,540*	*656,520*			*656,520*
TOTAL	1,892,370	637,900	644,200	3,174,470	1,855,493	652,000	629,600	3,137,093

* Amounts in Euros,

Open MTPB plans attributed to Executive directors:

Executive Directors

	Plan (Performance Year)	Award Date	Vesting Date	Amount Vested in 2012*	Open Plans Value at Award Date*	Open Plans Value at 31 December 2012* ***
Duarte Paulo Teixeira de Azevedo	2008	March 2009	March 2012	256,401		
	2009	March 2010	March 2013		313,200	333,681
	2010	March 2011	March 2014		345,000	331,050
	2011	March 2012	March 2015		335,400	624,403
		Total		256,401	993,600	1,289,134
Nuno Manuel Moniz Trigoso Jordão	2008	March 2009	March 2012	296,314		
	2009	March 2010	March 2013		290,200	309,176
	2010	March 2011	March 2014			
	2011	March 2012	March 2015			
		Total		296,314	290,200	309,176
Ângelo Gabriel Ribeirinho dos Santos Paupério	2008	March 2009	March 2012	285,885		
	2009	March 2010	March 2013		287,900	289,698
	2010	March 2011	March 2014		297,700	322,263
	2011	March 2012	March 2015		308,800	462,597
		Total		285,885	894,400	1,074,558
			TOTAL	838,600**	2,178,200	2,672,860

*Amounts in Euros,
** All open plans were paid off for a total of 838,600 Euros,
***Calculated considering the share market closing price of 2012 last trading day,

6.3.6. Compensation for loss of office

No agreements exist with members of the Board of Directors, nor has any compensation policy been approved, which specify any compensation payments for loss of office, irrespective of the reasons for the loss of office.

Sonae uses the appropriate judicial means available under Portuguese law in order to comply with Recommendation II.1.5.1 (vii).

6.4. Remuneration of the Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is made up of fixed annual fees, based on the Company's financial situation and market practice, and does not include any variable remuneration.

The amount of fixed annual remuneration for members of this body in 2012 was as follows:

Remuneration of the Statutory Audit Board

Member of the Statutory Audit Board	2011*	2011*
Daniel Bessa Fernandes Coelho	10,100	9,800
Arlindo Dias Duarte Silva	8,100	7,800
Jorge Manuel Felizes Morgado	8,100	7,800
Total	26,300	25,400

* Amounts in Euros,

6.5. Remuneration of the Statutory External Auditor

The remuneration paid to the Official Statutory Auditor and External Auditor, Deloitte & Associados, SROC, SA, by proposal of the Statutory Audit Board, and to other individuals and entities of the same company network, supported by the Company and/or by corporate entities in a control relation with the latter, are as follows, analysed by type of service:

Remuneration of the Statutory External Auditor

	2011*		2012*	
Statutory Audit and Accounts Certification	1.064.414	57%	1.123.573	66%
Other Compliance and Assurance Services	552.295	30%	358.650	21%
Tax Consultancy Services	89.996	5%	62.568	4%
Other Services	155.355	8%	155.883	9%
Total	1.862.060	100%	1.700.675	100%

* Amounts in Euros.

The percentage of audit fees and audit-related fees increased 2% in 2012, representing 87% of total fees billed. Other services represent 13% of total fees billed.

Fees for other services in 2012 included:

- General consultancy services provided to several subsidiaries of Sonae Investimentos (7% of total fees) and of Sonae Sierra (2% of total fees).

Additional auditing services were provided by the External Auditor in accordance with the previously defined policy, specifically approved by the Statutory Audit Board, which recognised that the hiring of additional services did not affect the independence of the External Auditor, and were in the general interests of the Company, given the expertise of the service provider, the quality of the services provided in the areas concerned and the supplier's knowledge of the Company and the Group.

As an additional safeguard, the following measures were taken:

- The additional services did not make up more than 30% of the total value of services provided;
- Tax consultancy services and other services were provided by different teams from those involved in the audit work;
- Total annual fees paid in Portugal by Sonae to the Deloitte Group in 2012 represented less than 1% of their overall fees in Portugal;
- The quality system used by Deloitte (internal control), according to the information provided by the Company, monitors the potential risks of a loss of independence and possible conflicts of interest with Sonae, while also ensuring that the quality of the services provided are in compliance with the rules of ethics and independence.

The Statutory External Auditor sent to the Statutory Audit Board, under the provisions of Article 62 B of Decree-Law no. 487/99, of 16 November (updated by Decree-Law no. 224/2008, of 20 November), a statement of independence, in which the services rendered by him or by other entities, and the precautionary measures taken, are described. These measures are duly considered by the Statutory Audit Board, whose responsibility it is to give an opinion on their adequacy.

6.6. Remuneration of the Board of the Shareholders' General Meeting

The remuneration of the members of the Board of the Shareholders' General Meeting is made up of fixed annual fees, as follows:

Board of the Shareholders' General Meeting

	2011*	2012*
Chairman	7,500	7,500
Secretary	2,500	2,500
Total	10,000	10,000

* Amounts in Euros.

6.7. Remuneration Policy approval process

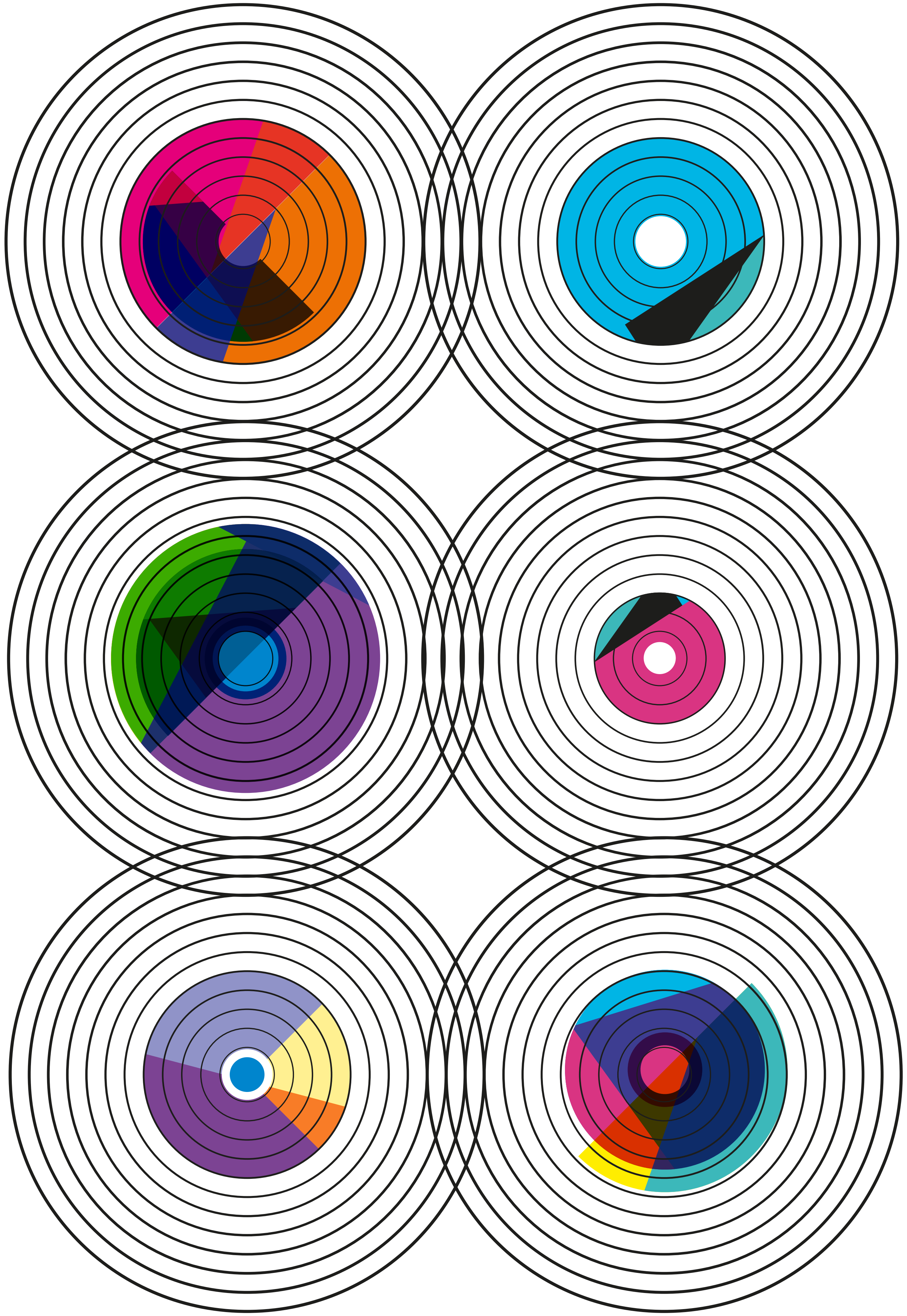
The Board Nomination and Remuneration Committee submits remuneration proposals for directors to the Shareholders' Remuneration Committee. In the case of Non-Executive directors, these proposals are based on a recommendation by the Chairman, and in the case of Executive directors, on a joint recommendation by the Chairman of the Board and the CEO.

Remuneration Policy approval process

Month	Remuneration Cycle
January	Obtain market surveys and benchmarking of remuneration trends and expectations
March	BNRC (Board Nomination and Remuneration Committee) Meeting in mid March: Closing of prior year and preparation for the current year, reviewing: - Annual Appraisal Process - Remuneration Policy Proposal - Proposals for the award of variable remuneration for 2012, including the deferred component - Proposals for fixed remuneration for 2013 - Proposals for variable remuneration target values for performance in 2013
	SRC (Shareholders' Remuneration Committee) Meeting later in March, after the BNRC has met: Closing prior year and preparing current year, approving or deciding the following: - Remuneration policy proposal to present to the AGM - Proposals for the award of variable remuneration for 2012, including the deferred component - Proposals for fixed remuneration for 2013 - Proposals for variable remuneration target values for 2013 performance
April	AGM in late April: Shareholders vote on Remuneration Policy proposed by the SRC
May	SRC Meeting in early May: Only if Board membership or responsibility changed at the AGM
June to October	BNRC Reporting: Update on current year KPIs (if useful)
	SRC Meeting: Only if there are any Board membership or responsibility changes
November	BNRC Meeting: - Progress on current year KPIs (if useful) - Review status of Medium Term Performance Bonus plans and shares retained - Contingency and Succession Planning - Review Nomination Process (if required) - Review BNRC Annual Plan for next year - Review Compensation Policy, including Medium Term Performance Bonus plan
	SRC Meeting: Only if there are any Board membership changes
December	BNRC Reporting: Update on current year KPIs (If useful)
	SRC Meeting: Only if there are any Board membership changes

07

RISK CONTROL



RISK CONTROL

7.1. Risk management objectives

Risk Management is deeply rooted in Sonae's culture and is one of its key Corporate Governance practices. It forms part of all management processes and is the responsibility of all employees of Sonae, at all levels of the organisation.

The objective of Risk Management is to create value by managing and controlling opportunities and threats that can affect business objectives and the going concern of Sonae's businesses. Risk Management, alongside Environmental Management and Social Responsibility, are pillars of sustainable development, in the sense that better understanding and more effective management of risks contribute to the sustainable development of businesses.

7.2. Risk management processes

Risk Management is integrated into Sonae's entire planning process, as a structured and disciplined approach that aligns strategy, processes, people, technologies and knowledge. Its goal is to identify, evaluate and manage uncertainties and threats that Sonae's business units face in the pursuit of their business objectives and value creation.

Sonae's management and monitoring of its main risks are achieved through different approaches, including:

(i) As part of strategic planning, risks of the existing business portfolio, as well as those of new businesses and of relevant projects, are identified and evaluated, and strategies to manage those risks are defined;

(ii) At the operational level business risks, and planned actions to manage those risks, are identified and evaluated, and are included and monitored in business unit and functional unit plans;

(iii) For risks that cross business unit boundaries, such as large-scale organisational changes and contingency and business continuity plans, structural risk management programmes are developed involving all those responsible for the relevant units and functions;

(iv) As far as risks to tangible assets and people are concerned, audits are carried out at the main business units. Preventive and corrective actions are implemented for the risks identified.. The financial cover of insurable risks is reassessed on a regular basis;

(v) Financial risk management is carried out and monitored as part of the activity of the Company's and Sonae companies; financial departments. Their work is reported to, coordinated with and reviewed by the Finance Committee and the Board Audit and Finance Committee;

(vi) Management of legal risks is carried out and monitored by the legal and tax departments.

The risk management process is supported by a consistent and systematic methodology, based on international standards[1], including the following:

(i) Defining and grouping risks (risk dictionary, definition and business risk matrix);

(ii) Systematically identifying the risks that can potentially affect the organisation (common language);

(iii) Evaluating the level of importance and managing the prioritisation of risks as a function of their impact on the objectives of the business, and the likelihood of the risks occurring;

(iv) Identifying the causes for the most important risks;

(v) Evaluating strategic risk management options (e.g. accept, avoid, treat, and transfer);

(vi) Developing a risk management action plan and integrating it into the management and planning procedures of the units and functions of Sonae's businesses;

(vii) Monitoring how risks evolve and reporting on progress made in implementing action plans.

7.3. Risk management organisation

Risk Management is the responsibility of all managers and employees of Sonae's business units, at all levels of the organisation. It is supported by the Risk Management, Internal Audit and Management Planning and Control departments, through specialised teams at corporate level and in business units,, which report directly to the Boards of Directors of each business unit.

The Risk Management department's mission is to help companies reach their objectives via a systematic and structured approach in identifying and managing risks and opportunities.

The Internal Audit department identifies and evaluates the effectiveness and efficiency of management and control of business processes and information systems. The Internal Audit Function is supervised by the Statutory Audit Board.

The Management Planning and Control department promotes and supports the integration of risk management into the management and planning control processes of Sonae's businesses.

Reliability and integrity risks of financial and accounting information are also evaluated and reported upon by the External Audit activity.

The Statutory Fiscal Board and the Board of Directors, the latter through its Board Audit and Finance Committee, monitor Audit and Risk Management activities.

7.4. Internal audit and risk management training and development

1. With regard to the Internal Audit function, in 2012 Sonae continued to support employee training for those who voluntarily put themselves forward for international certification programmes promoted by the IIA (The Institute of Internal Auditors) - Certified Internal Auditor (CIA) and Certification in Control Self Assessment (CCSA). In 2012, a new certification has been obtained, the Certification in Risk Management Assurance (CRMA), also granted by the IIA. Several other certifications in Internal Audit have been previously obtained, such as Certified Information System Auditor (CISA), Certified Information Security Management (CISM), Certified Information System Security Professional (CISSP), ISO/IEC 27001: 2005, ISO 27001 Lead Implementer, Certified Fraud Examiner (CFE), Security Certified Network Professional (SCNP).), CEH –Certified Ethical Hacker, Cisco Certified Network Association (CCNA) and CRISC- Certified in Risk and Information Systems Control.

2. The importance of continuous training, and the existence within the Group of people with knowledge and skills to train others (some of whom teach regularly outside the Group) were the basis for the establishment of the Internal Audit Academy, which has the following guidelines: definition of functional job descriptions; listing of core skills required for each function (technical and behavioural) and the training strategy for each function.

3. With regard to the development of the Risk Management function, in 2012 Sonae continued to support employee training for those who voluntarily put themselves forward for international certification programmes promoted by the IIA (The Institute of Internal Auditors) – Certified Risk Management Assurance (CRMA) – and by the IRM (Institute of Risk Management) – Certification of Risk Management. Currently, Sonae Group staff also have the following professional certifications: Management of Risk Foundation and Practitioner (MoR), Associated Business Continuity Professional (ABCP), Certified by Business Continuity Institute (CBCI), Certified Continuity Manager, BS 25999 Business Continuity Management.

Sonae is one of the organisations with the most certified employees in internal audit and risk management in Portugal. In 2013, Sonae will continue to support this important training programme, and the international development and qualification of its internal audit and risk management staff, in line with international best practices.

[1] Enterprise Risk Management – Integrated Framework issued by COSO (Committee of Sponsoring Organisations of the Treadway Commission).

7.5. Actions undertaken in 2012

In 2012, Risk Management Groups, joined by Executive Committee members of each of the retail businesses (Sonae MC, Sonae SR and Sonae RP), continued the annual Enterprise Wide Risk Management cycle, which comprises the following activities:

Risk Management Activities

Evaluation of BRM (Business Risk Model)	Validation	Formalize attitude to risk	Monitoring and Reporting
Identify risks Evaluate BRM risks (impact and probability) Analyse proposal for risk ownership	Validation of Risks Map (individual prioritisation) Relativize importance of each risk Assignment of risk ownership	Define with Risk Owners: Company Policy (degree of risk to be accepted) Appetite for and tolerance of risk Actions to mitigation (how to control risks)	Risk Indicators (how to measure each risk) Monitoring actions
Method			
Survey	Workshop	Interviews	Six monthly review of risk by owner

Outputs

BRM validated	Risk Map RMG (Risk Monitoring Group)	Six monthly report on risks trend

An application tool was developed internally to support this process across the entire company. It is based on the COSO International Standard, which includes the following stages:

Identification of Risks

- Select risks from Sonae's Risk Matrix
- Answer questionnaires
- Reprioritise risks

Risk Files

- Identify risk owners
- Identify drivers and triggers of risks
- Monitor Risk Indicators
- Identify treatment options of risks

Monitoring and Reporting

- Monitor and implement action plans
- Monitor Risk Indicators (KPIs)
- Report

Sonaecom also followed up on the Enterprise Wide Risk Management cycle in its businesses, using a similar framework, based on a Standard issued by the Sonae Risk Management Consultation Group. In 2012, an EWRM cycle was launched at Sonaecom, SGPS, covering the holding company, and the Optimus cycle covering telecoms activity was updated. A similar cycle was also launched in Sonaecom SSI, covering, for example, WeDo Technologies.

7.6. Risks

7.6.1. Economic Risks

Macro-economic Influences

Sonae's businesses are exposed to the current adverse global economic environment. This is aggravated by the economic crisis in Portugal, which means that they may be impacted by possible falls in public and private consumption. Sonae companies have various ongoing initiatives, the goal of which are to mitigate this risk: through the internationalisation of businesses; a more rigorous control of costs; launching innovative and alternative product and service offers, and also taking advantage of the economic situation as an opportunity to launch promotions and products suited to changes in consumer profiles.

Competition

The main competition risks are the entrance of new competitors; mergers and acquisitions; the repositioning of current competitors and the associated actions they might take in repositioning themselves to win new markets (price conditions, new businesses, innovation, etc.). The inability to be competitive in areas such as pricing, product range, quality and service can have a negative impact on the financial results of the Group. In order to minimise this risk, Sonae constantly benchmarks competitor's actions and invests in improved or new formats, businesses and products/services, in order to continue offering its customers innovative proposals.

Customers

One of the fundamental risk factors is the possibility of changes in consumer behaviour, particularly as a consequence of economic and social factors. Customers frequently change their expectations and preferences, requiring a continuous adaptation and optimisation of business concepts and offers.

In order to anticipate consumer needs and market trends, Group companies analyse information about consumer behaviour on a regular basis, with more than 100,000 customers interviewed per year. The introduction of new products, concepts and technology is always tested using pilot schemes before being implemented globally. The Group also invests in the refurbishment of stores, shopping centres and telecommunications networks and IT services to ensure that they retain their attractiveness for customers, and to cope with the pace of technological innovation challenges.

Brand

Sonae and its affiliated companies own several high value brands, and they are some of its main assets.

The risks associated with brands come from the negative impacts arising from extraordinary events affecting their reputation. The Group periodically monitors the value, attributes and reputation of their brand images through customer surveys, research and market studies. The Group also continually monitors brand reputation, for example, through press analysis and articles issued by the media and in blogs. Sonae's brands regularly win national and international awards, that recognise excellence in specific products/services, business processes and innovation achievements.

Tangible assets risks

In 2012, preventive and safety audits were conducted in different business unit locations. In the main business units, tests and simulations were made to emergency and preventive systems and plans, usually in the presence of civil protection services, security forces and fire brigades. The development and implementation of security standards, and the related monitoring and self-assessment procedures (Control Risk Self Assessment) also continued.

Sonaecom's critical facilities, namely its switch and data centres, are assessed on a regular basis through audits of physical security risks. In Europe Sonaecom's data centres have been considered Best in Class in several categories for successive years, proving its ability to mitigate physical risks and to maintain resilient operations in data centres.

People safety risks

Recognising the preservation of lives and assets as a fundamental pillar of sustainability and business growth, Sonae developed Social Responsibility actions through a strong commitment to the prevention of work accidents, minimising and/or eliminating their causes, and promoting a Health and Safety culture.

The continuous improvement of the Health and Safety programs, in particular with the "Zero Accidents Project", allowed Sonae to achieve a level of excellence.

Health and Safety management at Sonae Sierra aims to prevent and anticipate accidents, thus protecting its employees and all relevant stakeholders (visitors, tenants and suppliers).

Sonae Sierra aspires to the objective of "Zero accidents" through the implementation of its corporate Health, Safety and Environment Management System.

Sonae Sierra's Health and Safety culture began with the PERSONÆ Project in 2004, finally resulting in a cross-organisational Health and Safety culture within Sonae Sierra. This required implementing processes and actions, strictly aligned with the corporate Health and Safety policy and objectives, and aimed at minimising and controlling all people-related risks arising from Sonae Sierra's activities in Shopping Centres and Development Projects. Within the PERSONÆ project, a total of 5 million euros were invested, and the project involved more than 70,000 Sonae Sierra employees and tenants in Portugal, Spain, Italy, Germany, Greece and Brazil.

This project, concluded in 2008, evolved to Sonae Sierra's Health, Safety and Environment Management System, which maintains the same high standards and commitment levels to minimise people-related risks.

This effort was recognised through Sonae Sierra's corporate OHSAS 18001 certification in 2008, the first ever awarded in Europe to a Shopping Centre company. All 30 Shopping Centres in operation have been individually certified by OHSAS 18001 since 2008. From 2009, all new development projects have also received the same certification.

Regarding additional external recognition, in 2011 Sonae Sierra was a Dupont Safety Awards finalist, due to its exemplary performance and dedication in building safer Shopping Centres for children. Sonae Sierra was also distinguished in that year at the "European Risk Management Awards" in the "Most Innovative Use of IT or other Technology" category, for its Inspections System in the Health and Safety area. Sonae Sierra was also granted the European Risk Management Award for "Best Training Program" in 2009 and the Dupont Safety Award for Visible Management Commitment in 2007.

Sonae Sierra was not able to reduce the number and severity of its workforce work accidents (per million hours worked) in 2012, partly due to an in itinere incident which represented 72% of the number of days lost per million hours worked, and also due to the Lost Workday Case Accident Frequency Rate of its suppliers in operational Shopping Centres. In spite of the significant reduction in Lost Workday Case Accidents (per million hours worked) in Sonae Sierra construction sites, the Lost Workday Case Accident Frequency Rate of its suppliers in operational Shopping Centres increased slightly when compared to 2011.

Unfortunately, the number of accidents involving visitors at Sonae's shopping centres requiring medical care has also increased.

In the Sonae Retail business unit, a project was carried out to define rules for the physical safety of customers, as a basis for action plans to prevent and mitigate customer safety risks.

Sonae signed the World Safety Declaration at the end of 2005, making a worldwide commitment to safety at work. Sonae was one of the founder members of this entity, alongside major worldwide corporations.

Business continuity management

In Sonae Core businesses, projects and programmes continued to be developed in order to guarantee the continuity of operations. This is done by defining, revising and implementing procedures and processes to prepare for crisis and catastrophic scenarios, particularly through developing emergency, contingency and recovery plans.

Sonaecom proceeded with the consolidation of its business continuity management (BCM) program, particularly in the telecommunications unit. The Crisis Management Plan has been periodically updated and improved, with additional procedures aimed at managing crisis communications with customers. Further developments were also made with the implementation of additional resilience strategies for some platforms of the telecommunications network, as well as the evolution of the existing IT/IS disaster recovery solution, and improvements on critical infrastructure physical installations, including power supply systems and other security equipment. Products and services relating to critical activities have been revised to incorporate changes in the service portfolio and activities of the telecommunications business (Optimus).Coordination with external official entities continued, including collaboration in the update and simulation of Civil Protection Plans, as well as actively participating in the development of regulations relating to security and resilience of communications launched by national and European sector regulators.

Environmental risks

In the area of environmental risks, several environmental certifications have been obtained. Audits were carried out and improvements in this area made, forming part of Sonae's Environmental Management Systems.

Risks relating to all Company activities, including procurement, construction and the operation of Shopping Centres are covered by Sonae Sierra's Safety, Health and Environment Management System.

In 2012, 46 of the 49 Sonae Sierra Shopping Centres were individually granted ISO 14001 certification, setting the scene for the following corporate achievements. In the period 2002 to 2012:

- Electricity consumption fell 35%;
- Recycling rates increased from 19% to 55% of total waste generated;
- Water efficiency improved 15%.

During the development phase of Shopping Centres, 24 of Sonae Sierra's construction projects were granted individual ISO 14001 certification in recognition of their outstanding environmental practices during construction.

As a significant highlight of 2012 performance, the Global Real Estate Sustainability Benchmark Foundation considered Sonae Sierra as the most sustainable private fund in its peer group, and granted it the Green Star label. This internationally recognised ranking acknowledged Sonae Sierra's sustainability strategy, with a vision that encompasses environmental and social measures, as well as economic profitability.

Sonae Distribuição won certification for its corporate Environmental Management System in 2007 according to the ISO 14001 standard through Lloyds Register Quality Assurance. Since then, the EMS has been annually audited and its certification maintained. In 2010, the EMS was adapted to Sonae's new Retail Business organisation, and has again been certified. This program, among others factors, enables management of the company's day-to-day environmental risks.

Throughout 2012, Sonae's Retail Business has continued its program of environmental certification of operational units, with four new units (one Worten and three warehouses) certified. As of December 2012, Sonae's Retail Business holds 25 certifications (3 Continente, 8 Continente Modelo, 2 Continente BomDia, 5 Worten and 6 warehouses, plus the Meat Processing Centre – the first industrial unit to be certified). These certified operational units act as environmental flagships for all other units.

Sonaecom understands that environmental management is a strategic factor for competitiveness and value creation. Its Environmental Management System is certified under the NP EN ISO 14001 standard since 2003. The main environmental risks for Sonaecom arise from frequent extreme weather conditions (floods, hurricanes, forest fires) and global warming. These factors may affect telecommunication infrastructure (switches, data processing, transmission, base stations) and related heating, ventilation and HVAC equipment, potentially resulting in increased energy costs, or causing communication failure. Bearing these risks in mind, Sonaecom has implemented several initiatives over the years, in particular to reduce energy consumption and carbon emissions, and to improve security and ensure availability of, for example, telecommunications infrastructure and equipment, with the aim of improving overall energy efficiency and resilience.

Change Project Risks

Risks associated with critical business processes and major change projects, particularly the introduction of new processes and major changes to information and telecommunication systems, were assessed and monitored, as part of both Risk Management and Internal Audit activities.

Insurable risks

In relation to the transfer of insurable risks (technical and operational), rationalising the financial transfer of these types of risk continued to be the objective. This was achieved by establishing a tailored insurance capital structure for the capital sums at risk, based on the constant changes in the businesses involved, and by reaching even greater critical mass for the kinds of risks involved. Insurance coverage and retention levels have also been optimised in accordance with the needs of each business, ensuring internally effective insurance management worldwide, using Sonae Re, Sonae's captive re-insurer, and Brokers Link, Sonae's worldwide insurance brokerage network, coordinated by MDS, Sonae's insurance consultants.

At Sonaecom, where most services are based on technology and information, the existent professional liability insurance has been enhanced, in order to mitigate potential impacts and responsibilities regarding our customers, arising from any failure that might occur on such services. The scope of coverage has been tailored to fit the activities of technology, media and telecommunications, with specific insurance policies for certain worldwide locations. Sonaecom has also revised the terms of its property insurance, ensuring better coverage for catastrophic events, physical damage, and theft in its switches, data centres and telecommunications retail stores.

Food safety risks

A programme of food safety audits was implemented and consolidated in Sonae Retail stores, cafeterias, warehouses and production centres, resulting in reporting of conclusions and recommendations for corrective actions.

This audit programme has the goal of systematically verifying compliance with food safety regulations and internal procedures.

Four hundred food safety audits were performed in 2012.

Information Systems and Telecommunications Risks

Sonae's businesses Information Systems are characterised as being multi-functional and broadly distributed within the organisation. From the information security point of view, several risk reduction measures have been developed to ensure confidentiality, availability and integrity of information, including: the development of Business Continuity Plans; carrying out backups offsite; implementing high availability systems and network infrastructure redundancy; verifying and controlling the quality of flow between applications; managing access and profiles; and implementing the use of anti-virus software.

Several training sessions in information systems security awareness- were held in 2012, with of staff of all levels and all functions attending. By the end of 2012, Sonae adhered to the World Economic Forum Partnering for Cyber Resilience initiative, pledging to follow its principles and guidelines.

Information systems audits were carried out in 2012, with the objective of identifying and correcting potential vulnerabilities that can have a negative impact in the business and in the protection of information. The audits covered several domains, such as software, and servers and networks, which support the main business processes.

Given that Sonaecom companies make intensive use of technology and information, which are typically subject to availability, integrity, confidentiality and privacy risks, Sonaecom has in place an Information Security Governance, Risk and Compliance Committee, with representatives from those business areas that are more relevant for information asset management and security matters. Within the pre-defined activities that occurred in the telecommunications unit in 2012, we highlight: the strengthening of security rules associated with SDLC (Systems Development Life Cycle), including improvements in internal procedures for development of software and services; the expansion to new software applications of the identity and access management process (facilitated by the IAM tool); regular quality and security audits of websites and web-based applications; the implementation of stricter privacy controls on access to, retention of and logging of personal data and the production of monthly and annual dashboards with relevant information security risk indicators.

Awareness is a key success factor in reinforcing a culture of information security amongst employees, business partners and key stakeholders. Sonaecom has put in place several awareness and accountability initiatives, including an annual security communication plan (built with interactive and multimedia tools), a welcome program for recently admitted employees (with topics on information security,) and the inclusion of personal data confidentiality and protection clauses in contracts with employees and business partners., Data privacy, confidentiality and integrity were addressed at an internal training session on ethics in 2012, attended by a significant number of Sonaecom staff.

In the telecommunications business, further actions continued to be developed in the areas of customer information security and fraud management, such as cooperation with the national banking industry on the development of security actions to prevent home banking fraud, and an update of the Customer Awareness and Educational Program on Sonaecom and Optimus websites. Both initiatives aim to increase customer awareness about common risks in the use of telecommunications services, and to advise customers on best anti-fraud and security practices.

7.6.2. Financial risks

Sonae's businesses are exposed to a variety of financial risks related to its business activities, including interest rate risk, foreign currency risks, liquidity risk, and credit risk. These risks are detailed further in the notes to the Sonae consolidated financial statements. Due to the varied nature of the different Sonae businesses, exposure to these risks may vary from business to business, and thus there is no Group level risk management policy covering all activities of the Group. Instead, the Group prefers to develop individual risk policies adapted to each business. The Group is also exposed to debt and equity markets fluctuations. In order to minimize potential adverse effects of the volatility of financial markets, during 2012, in addition to individual policies to manage each identified financial risk, and control mechanisms to identify and quantify such exposures, Sonae's businesses have also used derivative instruments to hedge certain exposures related to their operating business. Each Board at business level approves financial risk policies and the Finance & Treasury Departments of each business identify and monitor financial exposure. Financial exposures is also monitored by the Finance Committee, at which a consolidated exposure analysis is reviewed and reported on a monthly basis, and guidelines for risk management policies are defined and regularly reviewed.

The system implemented therefore ensures that at any moment the appropriate policies for managing financial risk are adopted so that there is no adverse impact on Sonae Group's strategic objectives.

Sonae Group's position in relation to financial risks is conservative and cautious, and although derivative instruments are used to hedge certain exposures related to its normal operating business, the Group follows a policy of not entering into derivatives or other financial instrument arrangements that are unrelated to its operating business and have speculative purposes.

7.6.3. Legal and regulatory risks

Sonae and its businesses are obliged to comply with national and international laws and regulations for each market in which they operate that aim to ensure consumer safety and protection, employees' rights, environmental protection and compliance with local and country planning regulations, compliance with sector regulations, and the maintenance of open and competitive markets. As a result Sonae is naturally exposed to the risk of changes in law and regulations that may impinge on normal business, and which may consequently affect or impede the achievement of its strategic objectives.

The Sonae Group acts in constant collaboration with the authorities in order to comply with laws and regulations. Such collaboration in some cases takes the form of comments on public consultation launched by national or international authorities.

Sonae and its businesses have the support of legal and tax departments continually dedicated to the respective activities. Under management's supervision, and in interaction with other functions and departments, they proactively ensure the protection of Sonae's and its businesses interests in compliance with their legal obligations and best corporate governance practices.

The teams in these departments have specialised training and participate in in-house and external training courses to update their knowledge.

Legal and tax advice is also provided, nationally and internationally, by outsourced resources selected from firms with established reputations, and which have the highest standards of competence, ethics and experience.

The Company's most relevant pending litigation is identified in the Appendix to Sonae's Annual Management Report and Consolidated Accounts.

7.7. Description of the main features of Sonae's risk management and internal control systems in relation to the preparation and disclosure of financial information

The existence of an effective internal control environment, particularly with regard to financial reporting, is a commitment of the Sonae Board of Directors; identifying and improving the critical processes in terms of preparing and reporting financial information, keeping in mind the objectives of transparency, consistency, simplicity and materiality. The objective of the internal control system is to obtain reasonable assurance relating to the preparation of financial statements, complying with accounting principles and adopted policies, and warranting the quality of financial reporting.

The accuracy of financial information is assured by the clear segregation of duties between the preparers and its users, and the execution of several control procedures during the process of preparing and disclosing financial information.

The internal control system for the accounting department and the preparation of financial statements includes several key controls, namely:

- The process of reporting financial information is documented; the risks and key controls are identified. The criteria used in the process of preparing and reporting financial information are established and periodically reviewed;
- There are three types of control: High level controls (entity level controls), information system controls and process controls. Those include a group of procedures related to the execution, supervision, and monitoring and improvement of processes, with the main objective of preparing the financial reporting of the Company;
- Accounting principles used are disclosed in the notes to the financial statements and are fundamental bases of the internal control system;
- The business plans and budgets, and procedures and records of Group companies allow a reasonable assurance that the transactions executed are properly approved by management, and recorded in compliance with accounting principles, also ensuring that the Company maintains proper record of its assets with their existence reconciled with the accounting records;
- Financial information is reviewed regularly by the management of each business unit and by the persons in charge of the profit centres, ensuring continuous monitoring and related budget control;
- During the process of preparing and reviewing financial information, detailed schedules are established and shared with the areas involved, and all documents are reviewed in detail, including the review of principles used, verifying the accuracy of the information and its consistence with principles and policies defined and followed in previous periods;
- With regard to the separate entities, accounting records and financial statements are prepared by the different functions of administrative and accounting services, which warrant the recording of business processes transactions and the recording of balances of assets, liabilities and equity captions. Financial statements are prepared by chartered accountants of each company and reviewed by the Planning and Control and Tax departments;
- Consolidated financial statements are prepared quarterly by the departments of the administrative services (consolidation team) of each sub-holding and holding corporate centre. This process represents an additional control of the reliability of financial information, as regards the consistent application of accounting principles, cut-off procedures and control of related parties transactions and balances;
- The Report of the Board of Directors is prepared by the Investors Relations department and contributed to, and reviewed by, several business and support departments. The Corporate Governance Report is prepared by the Legal department;
- The Group financial statements are prepared under the supervision of the Executive Committee. The documents that constitute the Annual Report and Accounts are sent for review and approval by the Sonae Board of Directors. Once approved, the documents are sent to the External Auditor who issues its report;
- The process of preparing separate and consolidated financial information and the Report of the Board of Directors is also supervised by the Statutory Audit Board and by the Board Finance and Audit Committee of the Board of Directors. These bodies meet quarterly to review the individual and consolidated financial statements. Half-yearly the Statutory Auditor presents the main conclusions of the work carried out, directly to the Statutory Audit Board and to the Board Finance and Audit Committee;
- All the persons involved in analysis of company financial information are included in the list of persons with access to inside information, and are informed about the nature of their obligations, as well as possible sanctions resulting from the inappropriate use of such information;
- Internal rules applicable to the disclosure of financial information aim to warrant that information is disclosed to the market in a timely manner, in order to prevent information asymmetry.

Among the risks that may materially affect the financial and accounting report, the following are worth highlighting:

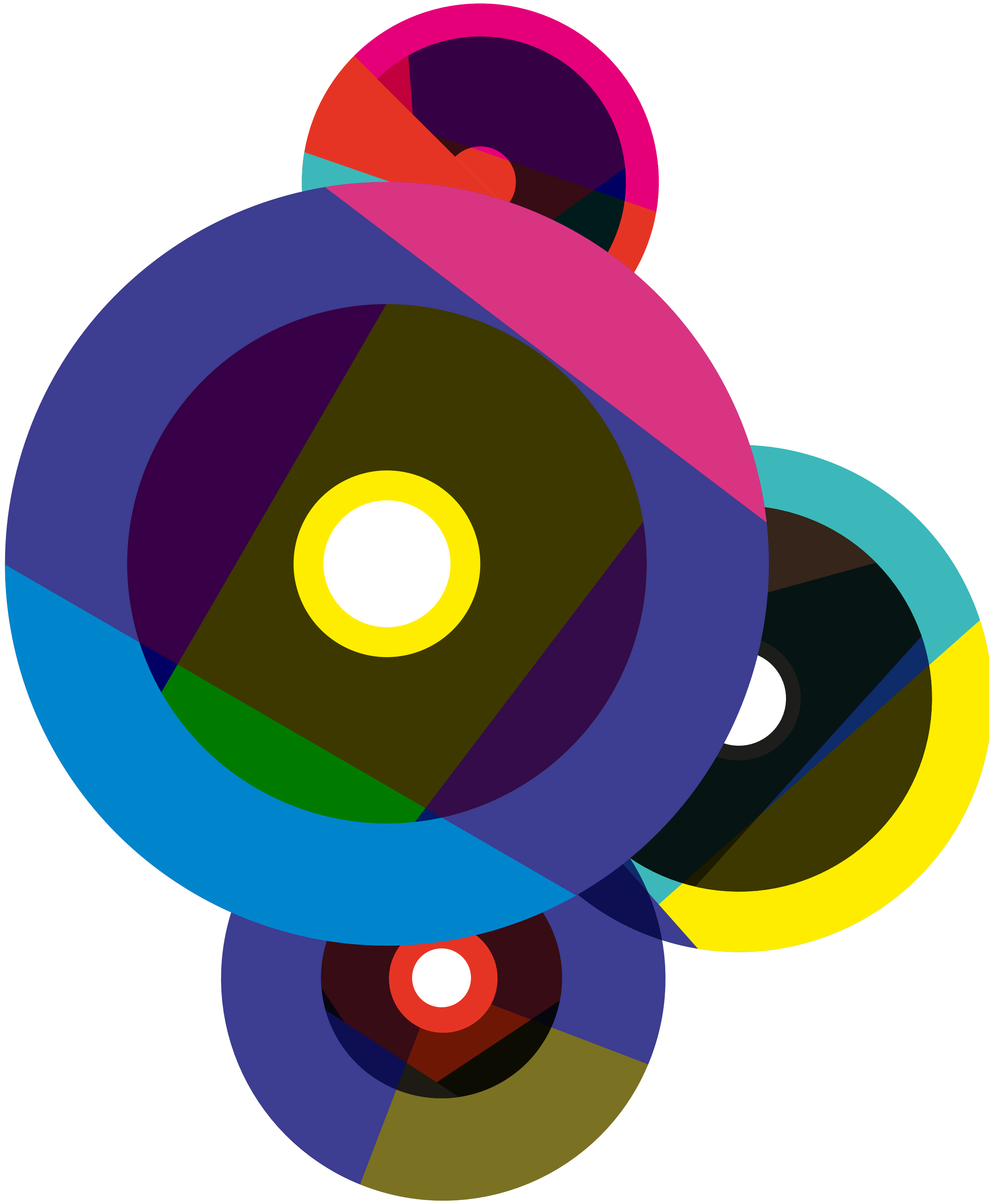
- Accounting estimates – major accounting estimates are described in the notes to the financial statements. Estimates are based on information available during the preparation of the financial statements and in the best knowledge and experience of past and present events;
- Balances and transactions with related parties – balances and transactions with related parties are disclosed in the notes to the financial statements. These transactions are related mainly to the operational activities of the Group, and to the granting and obtaining of loans under arm's length conditions.

In the notes to the financial statements additional information is disclosed regarding the abovementioned risks among others, as well as how they were mitigated.

Sonae adopts several principles related to continuous improvement of the system of internal control of financial risks, including:

- Improvement in the documentation of controls – following action taken in 2010, Sonae continued to improve the documentation and systematization of risks and internal control system related to the preparation of financial information in 2012. This includes the identification of risk causes (inherent risk), the identification of processes of higher material importance, the documentation of controls, and the analysis of residual risk after the execution and implementation of the potential control improvements;
- Compliance analysis – the Legal department and the Corporate Governance Officer, working together with the Administrative Services, Investor Relations, Internal Audit and Risk Management departments, and, if necessary, other departments, coordinate the periodic analysis of compliance with legal requirements and regulations regarding governance processes and corresponding financial information that are reported on the Report of the Board of Directors and on the Corporate Governance Report..

WHISTLEBLOWING
PROCEDURES



WHISTLEBLOWING PROCEDURES

Sonae's values and principles are rooted in its culture, and form the bases of its actions. They are founded upon principles of absolute respect and awareness for the rules of good conduct, in the management of conflicts of interest, and duties of diligence and confidentiality in dealings with third parties. The Company's values and principles can be consulted at - www.sonae.pt.

Code of Ethics and Conduct

The Board of Directors approved a Code of Ethics and Conduct in 2009, which, in accordance with Sonae's principles and values, establishes rules of conduct to be complied with by its directors and employees in carrying out their duties in all Group business units.

The Code of Ethics and Conduct is available at www.sonae.pt.

Internal regulations covering conflicts of interest, business gifts and related party transactions have also been approved.

The Code of Ethics and Conduct is widely conveyed internally within Group companies. Sonaecom made internal training materials on business ethics available through an e-learning platform in 2012. These materials focused on whistleblowing processes, clarified staff responsibilities as well as management responsibilities, and used case studies to exemplify issues regarding conflicts of interests, privacy, confidentiality and integrity of information, staff relations, and relations with suppliers and partners.

Whistleblowing policy

The Company has a policy and process for communicating internal irregularities, which sets out procedures to efficiently and fairly respond to alleged irregularities reported, including:

(i) Anyone wishing to communicate any irregularity believed or known to have been committed by any of the Company's members of staff must address a letter or an e-mail containing a summary of the facts to the Sonae Ombudsman Office. The identity of the whistleblower will be kept anonymous, if explicitly requested;

(ii) The letter or the e-mail will be analysed by the Ombudsman Office and, if grounds for the irregularity reported are found, appropriate measures will be taken.

(iii) The Ombudsman Office provides a quarterly summary of all irregularities to the Board of Directors. This information is also sent to the Executive Committee and to the Statutory Audit Board.

All the irregularities reported directly to the Statutory Audit Board are immediately passed on to its Chairman.

The Company's whistleblowing policy is explained in Sonae's Code of Ethics and Conduct, available at - www.sonae.pt.

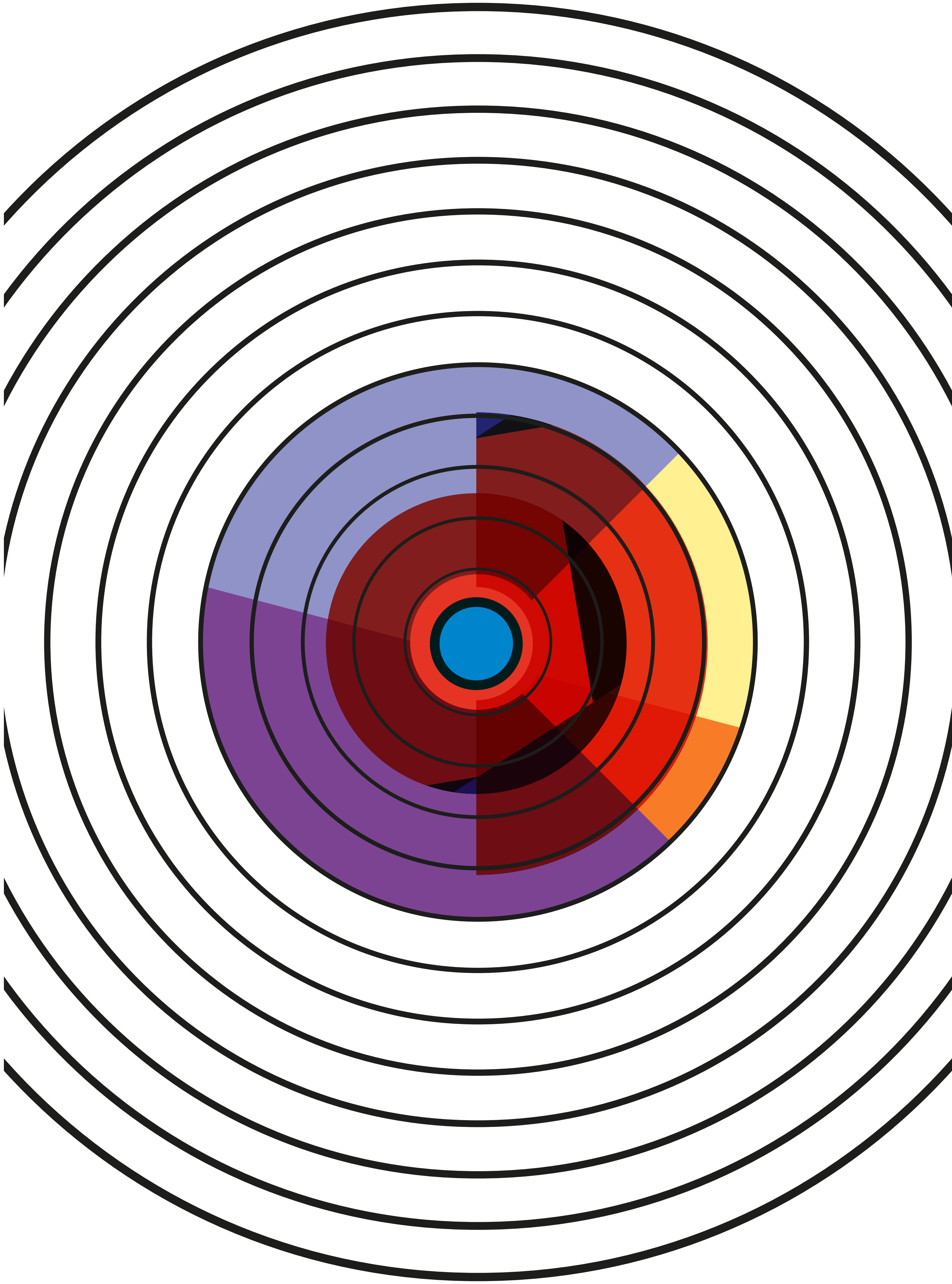
Ombudsman Office

The Company provides direct access to its Ombudsman to employees, customers and the general public, via its website (www.sonae.pt - Contacts section). The Ombudsman reports directly to the Chairman of the Board of Directors.

The Ombudsman received 3,989 complaints in 2012 (3,444 in 2011), mainly from customers (95% of total complaints received), representing an increase of 545 complaints (+15.8%). The average response time was 10 days (13 in 2011).

09

INFORMATION



INFORMATION

9.1. Share capital structure

The Company's share capital is 2,000,000,000 euros, fully subscribed and paid up, divided into 2,000,000,000 ordinary shares, each with a nominal value of one euro.

9.2. Qualified shareholdings

The Company's share capital is 2,000,000,000 euros, fully subscribed and paid up, divided into 2,000,000,000 ordinary shares, each with a nominal value of one euro.

Qualified shareholdings

Shareholder	Date of last notification	# Shares	% Share Capital
Efanor Investimentos(i)	17.05.2012	1,053,003,307	52.65%
Banco BPI	16.11.2007	178,039,855	8.9%
Bestinver	15.10.2012	153,503,619	7.68%
Fundação Berardo	14.02.2006	49,849,514	2.5%
Norges Bank	19.10.2010	40,100,985	2.0%

(i) Belmiro Mendes de Azevedo is, according to Article 21, 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.

Sonae has a diverse shareholder structure. According to the most recent information available from Interbolsa, it is estimated that there are over 30,000 holders of the Company's shares.

9.3. Shareholders special rights

The Company does not have any shareholders holding any special rights.

9.4. Restrictions on the transfer and ownership of shares

The Company's shares do not have any restrictions on the transfer or ownership.

9.5. Shareholders' agreements

The Board of Directors has no knowledge of any special rights or agreements involving the Company's shareholders.

9.6. Defensive measures in case of change of shareholder control

There are no defensive measures in place.

9.7. Agreements with ownership clauses

No agreements made by the Company, which contain clauses with the purpose of setting up defensive measures against changes in shareholder control, exist.

The majority of the share capital of the Company is owned by one shareholder.

The shareholders' agreement between Sonae and Grosvenor Group Limited (Grosvenor), in relation to Sonae Sierra, SGPS, SA, gives Grosvenor the power to terminate the agreement, in the case of a change of control of Sonae, but only in the particular and exclusive situation of the Company ceasing to be directly or indirectly owned by its present reference shareholder or any of his relatives.

This clause applies in the same way should a change of control occur in Grosvenor.

The effects of terminating the agreement include the exercise of a call option, the sharing of assets or sale of Sonae Sierra, SGPS, SA.

9.8. Rules applicable in the case of changes to the Company's Articles of Association

Amendments to the Company's Articles of Association follow the terms set out in the Portuguese Companies Act, requiring a majority of two thirds of the votes cast for such a resolution to be approved at a Shareholders' General Meeting.

For a Shareholders' General Meeting to be held, in the first occasion it is convened, the Company's Articles of Association require that a minimum of 50% of the issued share capital should be present or represented at the meeting.

9.9. Control mechanisms for employee share ownership

Sonae does not have any control mechanism for employee ownership of Sonae shares.

9.10. Share price performance

Sonae shares are quoted on the Portuguese stock exchange, NYSE and Euronext Lisbon, and are included in several indices, including the PSI 20, with a weighting of around 3.8% and the Next 150, with a weighting of around 0.9%, as at the end of December 2012. The table below shows the key indicators of Sonae's share performance:

	2010	2011	2012
Isin Code	PTSON0AM0001		
Bloomberg Code	SON PL		
Reuters Code	SONP.IN		
Share Capital	2,000,000,000	2,000,000,000	2,000,000,000
Prices			
Year Close	0.78	0.46	0.69
Year High	0.95	0.85	0.72
Year Low	0.68	0.42	0.37
Average Trading Volume Per Day (Shares)	4,525,057	2,258,026	1,811,356
Average Trading Volume Per Day (Euros)	3,751,604	1,533,960	856,822
Market Cap. as at 31-Dec (Million Euros)	1,560	918	1,374

Sonae shares ended the year quoted at 0.687 euros, per share, reflecting a nominal increase in value of 49.7% during the year, compared to an increase of only 2.6% in the PSI 20, the reference index of the Portuguese Stock Market. Despite this increased valuation, felt particularly in the second half of 2012, there was a fall in the number of transactions that took place on stock exchanges, with the volume of Sonae share transactions falling in 2012 to an average of around 1.8 million shares per day.

During the year 2012, the main events with a possible impact on Sonae's share price were as follows:

(i) 25 January: communication of preliminary retail business sales for the year 2011;

(ii) 12 March: communication of results for the year 2011;

(iii) 30 April: information concerning decisions taken at the Shareholders' Annual General Meeting, including the approval of a dividend payment of 0.0331 euros per share as a net dividend relating to 2011 earnings;

(iv) 2 May: information concerning the refinancing of medium and long-term debt in the amount of 500 million euros;

(v) 23 May: communication of results for the first quarter of 2012;

(vi) 25 June: information concerning a bond issue programme, involving offering to the retail market in Portugal to an amount of 200 million euros;

(vii) 23 August: communication of results for the first half of 2012;

(viii) 14 November: communication of results for the first nine months of the year 2012;

(ix) 14 December: announcement of an agreement reached between Sonaecom, Kento Holding Limited and Jadeium BV, for the Boards of Zon Multimedia, SGPS, S.A. and Optimus SGPS, S.A. to hold talks on a merger between the two companies.

9.11. Dividend distribution policy

Following approval by shareholders at Shareholders' Annual General Meetings, the dividends distributed by Sonae over the past three financial years are as shown in the table below.

Dividends Distributed

	2010(1)	2011(1)	2012(1)
Gross Dividend Per Share (Euros)	0.0315	0.0331	0.0331
Dividend Distributed (Million Euros)	63	66	66
Dividend Yield (%)(2)	3.6%	4.2%	7.2%
Payout Ratio (%)(3)	36.9%	34.4%	50.8%

(1) Year when the dividend is distributed; (2) Dividend yield = Dividend distributed / closing price as at 31 December;
(3) Payout ratio = Dividend distributed / direct net profits attributable to the equity holders of Sonae.

In accordance with the applicable legal and statutory terms, the Board of Directors will propose to the Shareholders' Annual General Meeting that the 2012 net results, in the amount of 22,964,316.93 Euros are transferred, in the amount of 1,148,215.85 Euros, to legal reserves, and in the remaining amount of 21,816,101.08 Euros to cover retained earnings. In addition, it will be proposed that free reserves in the amount of 41,378,390.93 are transferred to retained earnings.

Taking into account the defined dividend policy, the financial position of the Sonae Group and the availability of distributable reserves well in excess of the requirements of article 32 of the Portuguese Companies Act, the Board of Directors will propose to the Shareholders' Annual General Meeting the distribution of free reserves in the amount of 66,200,000 Euros, equivalent to a gross dividend of 0.0331 Euros per share, an amount equal to the previous year. This dividend corresponds to a dividend yield of 4.8%, based on the closing price as at 31 December 2012, and to a payout ratio of 63% of the consolidated direct income attributable to equity holders of Sonae.

9.12. Relevant transactions with related parties

Transactions of a value exceeding 100 million euro with owners of qualified shares or with entities related in any way with them, under the terms of article 20 of the Portuguese Securities Code, are subject to a formal prior opinion by the Board Finance and Audit Committee and the Statutory Audit Board. All transactions with related parties in excess of 10 million euro are also reported to these two entities every six months by the secretary of the Executive Committee.

The transactions performed with either of the above mentioned entities, were executed in normal market conditions and were evaluated by the Statutory Audit Board. The Company did not execute any transaction with any member of the management or audit bodies during 2012.

9.13. Investor Relations Department

The Investor Relations department is responsible for managing Sonae's relationship with the financial community – current and potential investors, analysts and market authorities – with the goal of enhancing their knowledge and understanding of Sonae by providing relevant, timely and reliable information.

In strict compliance with law and regulations, the Company keeps its shareholders and the market informed on all relevant facts concerning its activities, minimising delays between their occurrence and disclosure. The Company has fulfilled this commitment to the market over the years.

The department regularly prepares presentations to the financial community. Communications covering the quarterly, half year and annual results, as well as important announcements disclosing or clarifying any relevant event that could influence the share price, are issued to the market. On request, it provides clarification about the Company's activities, by answering questions sent by email or by taking phone calls.

In addition to the existence of the Investors Relations Department, all information is made publicly available on the Internet at the Portuguese Securities Market Commission site (www.cmvm.pt) and on the Company's own website (www.sonae.pt – tab Investors, Announcements section). The site provides not only the required information, as stipulated in Article 5 of CMVM Regulation no. 1/2010, but also general information about Sonae, and other information considered relevant, including:

- Announcements to the market on privileged information;
- Institutional and other presentations of Sonae to the financial community;
- Quarterly, half yearly and annual results for the last two years;
- Sustainability Report;
- Corporate Governance Report;
- Names of managers of the investor relations department, as well as their contact details;
- The Company's share performance on the Portuguese Stock Exchange;
- Notice of Shareholders' Annual General Meetings;
- Proposals to the Shareholders' General Meetings;
- Annual financial calendar, including Shareholders' General Meetings and the dates of disclosure of annual, half yearly and quarterly results.

To further enhance effective communication with the capital market and guarantee the quality of information provided, the Investor Relations department organises road shows covering the most important financial centres of Europe and United States, and participates in a number of conferences. Investors and analysts also have the opportunity to talk to senior management in one-on-one meetings or conference calls.

Any interested party may contact the Investor Relations department:

António Castro - Investor Relations Manager
Tel: (+351) 22 010 4794
Fax: (+351) 22 948 7722
Email: investor.relations@sonae.pt / antonio.gcastro@sonae.pt
Address: Lugar do Espido Via Norte 4471-909 Maia Portugal
Site: www.sonae.pt

The Legal Representative for Relations with Capital Markets is Luzia Leonor Borges e Gomes Ferreira, who can be contacted at:
Tel: (+351) 22 010 4794
Fax: (+351) 22 948 7722
Email: investor.relations@sonae.pt
Address: Lugar do Espido, Via Norte, 4471-909 Maia Portugal

The Company believes that the procedures described above ensure continuous contact with the market and respect the principles of equal treatment of all shareholders and equal access to information for investors.

APPENDIX I

APPENDIX I

1. Board of Directors

1.1 Qualifications, experience and responsibilities

Belmiro Mendes de Azevedo

Date of Birth
17 February 1938

Education	
1963	Degree in in Chemical Engineering (FEUP - Faculdade de Engenharia, University of Oporto)
1965-1968	Teaching Assistant at the Faculty of Engineering of the University of Oporto (FEUP), in the following subjects: - "Industries" (Industrial Project) - "Industrial Organic Chemistry"
1973	PMD (Programme for Management Development) - Harvard Business School
1985	Financial Management Programme - Stanford University
1987	Strategic Management - Wharton University
1995	Global Strategy – University of California (Los Angeles)
Professional Experience	
1963-1964	Technician in the textile industry, Empresa Fabril do Norte (EFANOR)
1965-1967	Research and Development Manager of Sonae (Sonae – Sociedade Nacional de Estratificados, S.A.R.L.)
1967-1983	General Manager and Delegated Director of Sonae (Sonae – Sociedade Nacional de Estratificados, S.A.R.L.)
1983-1988	CEO of Sonae Indústria e Investimentos, SA
1989	Founding member of the Institute for Business Studies (ISEE) (currently Porto Business School)
1989-1999	Chairman of Sonae Investimentos, SGPS, SA (currently Sonae SGPS, SA)
1995	Member of WBCSD – Order of Outstanding Contributors to Sustainable Development
1998-2009	Member of INSEAD Portuguese Council
1999-2007	Chairman and CEO of Sonae SGPS, SA
2000-2012	Member of the Allianz AG International Consultative Council
2001-2005	Member of Regional Advisory Board of London Business School
2002-2009	Member of the Management Board of Cotec Portugal
2004-2008	Member of European Roundtable of Industrialists
2008-2011	Chairman of the General Council of EGP - UPBS (currently Porto Business School)
Since 2007	Chairman of Sonae – SGPS, SA
Since July 2011	Chairman of EGP-UPBS (currently Porto Business School)

Álvaro Carmona e Costa Portela

Date of Birth
4 July 1951

Education	
1974	B. Ed. in Mechanical Engineering (FEUP - Faculdade de Engenharia, University of Oporto)
1983	Master in Business Administration – MBA (Universidade Nova de Lisboa)
1997	AMP / ISMP - Harvard Business School
Professional Experience	
1972-1979	Director and later Chairman of Laboratórios BIAL (Pharmaceutical Industry)
1974-1977	Lecturer, Department of Mechanics – University of Oporto
1979-1985	Executive Director of Finance, Planning, and Exports at COPAM - Companhia Portuguesa de Amidos, SA (Maize derivatives industry)
1985-1986	Deputy Manager and later General Manager of Modis (Logistics and Retail Procurement at Sonae Distribuição, SGPS, SA (currently Sonae Investimentos - SGPS, SA))
1986-1991 e 2006-2010	Managing Director, later CEO and later Chairman and since 2006, Non-Executive Director of Sonae Distribuição, SGPS, SA (currently Sonae Investimentos - SGPS, SA)
1990-2010	CEO of Sonae Sierra, SGPS, SA
1992	Member of the Board of Chairman and later of the Sonae Group's Coordination Council and since 1999 Executive Director and Vice-Chairman of Sonae – SGPS, SA and since 2010 Non-Executive Director of Sonae – SGPS, SA
1996-2001	Member of ICSC Europe Awards Jury
1999-2002	Co-founder and Director of EPRA- European Public Real Estate Association
2004-2009	Member of International Advisory Board of Eurohypo
2005-2008	Trustee of the International Council of Shopping Centres
2008	Fellow of the Royal Institute of Chartered Surveyors
2012	Non-Executive Director of SPDI – SECURE PROPERTY Development & Investment plc (ex-AISI)
2012	Board Director of Victor and Graça Carmona e Costa Foundation

Álvaro Cuervo Garcia

Date of Birth
30 May 1942

Education

1971	PhD in Economics - Madrid University
1973	M.S. in Statistics - Madrid University
1975	M.S. in Industrial Psychology - Madrid University

Professional Experience

1975	Professor of Business Economics at Madrid Complutense University
1997-2006	Member of the Academic Council of the Real Colegio Complutense of Harvard University
2007	Associate Editor of Globalization, Competitiveness and Governability Member of the scientific and advisory committee of several journals Author of several books and numerous articles published in Spanish and foreign journals
2004 - 2012	Member of the Board of Directors of Sonae Indústria, SGPS, SA
Since 1997	Member of the Board of Directors of ACS, SA
Since 1997	Member of the Privatization Advisory Committee of the Spanish Government
Since 2004	Editor in Chief of Universia Business Review
Since 2006	Member of the Board of Directors of Bolsas y Mercados Españoles
Since 2008	Dean of the Financial Studies School (CUNEF) at Madrid University

Michel Marie Bon

Date of Birth
5 July 1943

Education

1966	University Degree in Business Administration - ESSEC
1971	Graduation from the École Nationale d'Administration
1986	Stanford Executive Program – Stanford University

Professional Experience

1971-1975	Internal Auditor at the French Ministry of Finance and Budget
1975-1978	Deputy to Chief Credit Officer, Credit National (Paris)
1978-1985	Chief Credit Officer, and later Deputy CEO of Caisse Nationale de Crédit Agricole
1985-1992	Deputy CEO, later CEO and Chairman of the Board of Directors of Carrefour
1993-1995	Chairman of the Agence Nationale Pour l'Emploi
1995-2002	Chairman and CEO of France Telecom
1998-2002	Co-chairman of the French American Business Council
2003-2005	Chairman of Institut Pasteur
2006-2012	Senior Advisor of Roland Berger
Since 1984	Director of Institut Pierre Mendès France
Since 1988	Director of the French American Foundation
Since 1994	Founder and Honorary Chairman of Transparency International (France)
Since 1998	Chairman of the Supervisory Board of Les Editions du Cerf
Since 2006	Chairman of the Supervisory Board of Devoteam
Since 2008	Chairman of Fondation Nationale pour l'Enseignement de la Gestion des Entreprises (FNEGE)
Since 2009	Senior Advisor of Vermeer (Investment Fund)

José Manuel Neves Adelino

Date of Birth
19 March 1954

Education

1976	Degree in Finance, Technical University of Lisbon
1981	DBA, Finance, Kent State University

Professional Experience

1978-1981	Teaching Fellow, Kent State University
1981-1986	Member of the Directive Council, Faculty of Economics, Universidade Nova de Lisboa
1986-1989	Visiting Professor, Portuguese Catholic University
1987-1989	Visiting Professor, Bentley College
1988	Visiting Professor, ISEE
1990-1996	Dean, MBA Program and Executive Program, Faculty of Economics, Universidade Nova de Lisboa
1992-1994	Member of the Board of Directors, BPA
1994-2002	Member of the Management Board of the Deposit Guarantee Fund
1999-2002	Dean, Faculty of Economics, Universidade Nova de Lisboa
1999-2004	Member of the Global Advisory Board of Sonae - SGPS, SA
2003-2006	Member of the Board, Chairman of the Audit Committee of EDP
2003-2006	Strategy Advisory Board of PT
2003-2007	Member of the Remuneration Committee of Sonae SGPS, SA
2003-2010	Member of the Investment Committee of the Caravela Fund
1981-Present	Professor, Faculty of Economics, Universidade Nova de Lisboa

Bernd Hubert Joachim Bothe

Date of Birth
20 May 1944

Education

1966-1968	Business Management – Trade and Industry Faculty, Cologne, Germany
1968	Diploma – Betriebswirt with distinction

Professional Experience

1963-1966	Bank Für Gemeinwirtschaft AG, Germany
1963-1965	Apprenticeship period, Cologne
1965-1966	Commercial Bank Clerk, Cologne
1968-1970	Pintsch Bamag AG (Thyssen-Bornemisza-Group), Germany Deputy Manager Staff member Corporate Planning
1970-1973	MDS – Deutschland GmBH, Germany (American multinational company in IT)
1970	Assistant Controller and Deputy Manager Finance, Accounting and Administration, Cologne
1971-1973	Controller and Treasurer, Cologne
1973-1988	Kienbaum Consulting Group, Germany
1973-1974	Controller and Senior Executive Manager
1974-1975	Deputy Member of the Management Board, Düsseldorf
1975-1979	Member of the Management Board – Head of the Personnel Department, Consulting, Düsseldorf
1979-1980	Member of the Management Board – Management Consulting Department, Düsseldorf
1980-1983	Deputy Chairman of the Management Board – Managing Partner
1983-1988	Chairman of the Management Board Deputy Chairman of the Management Board of the Central Management Board (Holding)
1988-1992	Kaufhof Holding AG, Germany
1988-1989	Member of the Executive Board of Directors, Cologne
1989-1992	Deputy Member of the Executive Board of Directors, Cologne
1992	Member of the Executive Board of Directors, Cologne In charge of the Mail Order Division, responsible for IT, Logistics, HR
1992-2002	Metro AG, Germany
1992-1993	Member of the Management Board, Metro International Management AG, Baar, Switzerland, Operations Manager
1993-1997	President of the Management Board, Metro International Management AG, Baar, Switzerland
1997-1998	Chairman of the Executive Board of Directors and Chief Executive Officer, Metro International Management AG, Germany
1998-2002	Chairman of the Executive Board of Directors and Chief Executive Officer Chief Operating Officer for Central Europe Metro Cash & Carry GmbH In charge of the Cash &Carry Division, Marketing Corporate Planning, Merchandising, Operations, Public Relations, Construction & Fixtures/Fittings, Internal Audit
2002-2008	Droege & Comp.GmbH, Germany International Consultant Managing Partner, Düsseldorf Head of Competence Centre, Consumer Goods & Retail Head of Competence Centre for Eastern Europe, Düsseldorf
Since 2009	Horn & Company GmbH, Germany Partner, Düsseldorf Head of Competence Center Consumer Goods & Retail
Since 2009	Member of the Supervisory Board of Spar Österreichische Warenhandelsgesellschaft AG, Salzburg, Austria
Since 2009	Vice Chairman of the Supervisory Board of H & E Reinert Group, Versmold, Germany
Since 2009	Member of the Supervisory Board of Basler Fashion Holding GmbH, Goldbach, Germany
Since 2009	Member of the Supervisory Board of Tomra Systems ASA, Asker, Norway
Since 2012	Member of the Supervisory Board of Lekkerland AG & Co. KG, Germany
Since 2012	Member of the Supervisory Board of Agros Nova Sp. Z.o.o., Poland

Christine Cross

Date of Birth
13 June 1951

Education

1973	B.Ed. (Distinction), Food Science and Nutrition, Newcastle University
1983	MSc in Food Science (Distinction), University of Reading
1990	Open University (OU) - Diploma in Management Studies

Professional Experience

1975-1978	Edinburgh University - Lecturer in Food and Nutrition
1979-1985	Bath SPA University College – Senior Lecturer
1985-1989	Bath SPA University College – Principal Lecturer and Director of BSc (Hons) Programme
1989-2003	Tesco PLC
1989-1990	Head of Consumer Services
1990-1994	Divisional Director, Technical Services
1994-1997	Commercial Director
1998-2002	World Non Food Retail Procurement Director
2002-2003	Group Business Development Director
1997-2003	Visiting Professor, University of Ulster, Consumer Studies
2002-2005	Non-Executive Director George Wimpey, plc
2003-2011	Non-Executive Director (Nomination and Remuneration Committee Member) of Sobeys Inc, Canada
2005-2006	Non-Executive Director Fairmont Hotels Inc
2006-2007	Retail Consultant PwC Transaction Services
Since 2003	Director of Christine Cross Ltd (retail independent consultancy firm)
Since 2005	Non-Executive Director (Audit, Nominations and Remunerations Committee member) Next plc
Since 2006	Retail Advisor to Apax Private Equity
Since 2006	Retail Advisor to Warburg Pincus Private Equity
Since 2010	Chief Retail Advisor, PwC
Since January 2012	Non-Executive Board Director (PPC Chair) Wodworths (Australia) plc
Since December 2012	Non-Executive Director of Kathmandu (New Zealand) plc

Duarte Paulo Teixeira de Azevedo

Date of Birth
31 December 1965

Education	
1986	Degree in Chemical Engineering – Federal Polytechnic School of Lausanne
1989	Master in Business Administration - Porto Business School
Executive Education	
1994	Executive Retailing Program – Babson College
1996	Strategic Uses of Information Technology Program – Stanford Business School
2002	Breakthrough Program for Senior Executives – Lausanne - IMD
2008	Proteus Programme – London Business School
2012	Corporate Level Strategy – Harvard Business School
Professional Experience	
	Group Sonae
1988-1990	Analyst and Project manager of new investments at Sonae Tecnologias de Informação
1990-1993	Organisational Development project manager and New businesses Commercial Manager for Portugal at Sonae Indústria (Wood Based Panels)
1993-1996	Head of Strategic Planning and Control and Organisational Development of Sonae Investimentos – SGPS, SA (currently Sonae - SGPS, SA)
1996-1998	Executive Board Director of Modelo Continente Hipermercados (Merchandising IT and Marketing Retail)
1998-2000	CEO of Optimus – Telecomunicações, SA (Mobile Operator)
1998-April 2007	Executive Director of Sonae – SGPS, SA
2000-2007	CEO of Sonaecom, SGPS, SA
2002-2007	Chairman of the Supervisory Board of Público Comunicação Social, SA
2003-2007	Chairman of the Supervisory Board of Glunz, AG
2004-2007	Chairman of the Board of Directors of Tableros de Fibras, SA (Tafisa)
Since May 2007	Chairman Executive Director of Sonae – SGPS, SA
	Other Entities
2001-2002	Chairman of Apritel – Associação dos Operadores de Telecomunicações (Association of Electronic Telecommunication Companies)
2001-2008	Member of the Supervisory Board of EGP - UPBS (currently Porto Business School)
2003	Co-author of the book "Reformar Portugal " (Reforming Portugal)
2008-2009	Member of the Supervisory Board of AEP – Portuguese Entrepreneurship Association
Since 1988	Member of APGEI (Portuguese Association of Industrial Engineering and Management)
Since 2006	Member of the Founding Members Board of Casa da Música
Since 2008	Member of the European Round Table of Industrialists (ERT)
Since 2009	Member of the Board of Curators of AEP - Portuguese Entrepreneurship Association
Since 2009	Chairman of the Board of Curators of the University of Oporto

Ângelo Gabriel Ribeirinho dos Santos Paupério

Date of Birth
14 September 1959

Education	
1982	Graduate in Civil Engineering - FEUP
1988-1989	Master in Business Administration-MBA(ISEE)
Professional Experience	
1982-1984	Structural Design Project Manager at Tecnopor (Civil Engineering)
1984-1989	Manager at EDP (Energy)
1989-1991	Leader of the Television Project Team at Sonae Tecnologias de Informação
1991-1994	Head of Planning and Control at Sonae Investimentos - SGPS, SA (currently Sonae - SGPS, SA)
1994-1996	Director of several of Sonae Distribuição SGPS, SA (currently Sonae Investimentos, SGPS, SA) (Retail)
1996-2007	CFO of Sonae Distribuição SGPS, SA (currently Sonae Investimentos, SGPS, SA) and Director of Modelo Continente, SGPS, SA and several of its affiliates (Retail)
1996-2007	Executive Vice President and CFO of Sonae - SGPS, SA, Executive Director of Sonae Capital, SGPS, SA and Chairman of the Finance Committee of Sonae - SGPS, SA
2004-2009	Director of MDS – Corretor de Seguros, SA
Since 2007	CEO of the Board of Directors of Sonaecom, SGPS, SA, Executive Director of Sonae - SGPS, SA, Director of Sonae Sierra, SGPS, SA, Sonae Investimentos, SGPS, SA and MDS, SGPS, SA

Nuno Manuel Moniz Trigoso Jordão

Date of Birth
27 April 1956

Education	
1978	Graduate in Economics ISCTE (University of Lisbon)
Professional Experience	
1980-1986	Pingo Doce Supermercados, SA – Career in Store Operations
1986- 1987	Modelo Hipermercados Continente, SA - Hypermarket Manager
1988-1989	Modelo Hipermercados Continente, SA - General Manager
1991-2010	CEO of Sonae Distribuição, SGPS, SA (currently Sonae Investimentos, SGPS, SA)
Since 1990	Executive Board Member of Sonae Distribuição, SGPS, SA (currently Sonae Investimentos, SGPS, SA)
Since 1999	Executive Director of Sonae - SGPS, SA
Since 2008	Non-Executive Director of Sonaecom, SGPS, SA

1.2 Offices held in other entities

Belmiro Mendes de Azevedo

Offices held in other companies within Sonae:

None

Offices held in other entities outside Sonae:

Chairman of Sonae Indústria, SGPS, SA
Chairman and CEO of Sonae Capital, SGPS, SA
Chairman of SC - SGPS, SA
Chairman of SPRED - SGPS, SA
Chairman of Efanor Investimentos, SGPS, SA
Chairman of Águas Furtadas – Sociedade Agrícola, SA
Chairman of Alpêssego – Sociedade Agrícola, SA
Chairman of Prosa – Produtos e Serviços Agrícolas, SA
Chairman of Casa Agrícola de Ambrães, SA
Chairman of Praça Foz – Soc. Imobiliária, SA
Chairman of Setimanale, SGPS, SA
Sole Director of BA – Business Angels, SGPS, SA
Member of European Advisory Board of Harvard Business School
Chairman of EGP - Porto Business School

Álvaro Carmona e Costa Portela

Offices held in other companies within Sonae:

Member of de Board of Directors of Sonaerp – Retail Properties, SA

Offices held in other entities outside Sonae:

Member of de Board of Directors of Sonae Turismo, SGPS, SA
Executive Director of Sonae Capital, SGPS, SA
Member of de Board of Directors of SC, SGPS, SA
Member of de Board of Directors of Spred, SGPS, SA
Chairman of the Board of Representatives of FEP - Faculdade de Economia, University of Oporto
Chairman (Non-Executive) of MAF Properties, Dubai, EAU
Non-Executive Director of Casa Agrícola HMR, SA
Non-Executive Director of COPAM – Companhia Portuguesa de Amidos, SA
Director of Portela & Portela, Lda
Member of Investment Committee of ECE European Prime Shopping Centre Fund, Hamburg, Germany
Investment Advisory Committee of PanEuropean Property Limited Partnership, London, UK
Trustee of ULI – Urban Land Institute, Washington DC, EUA
Non-Executive Director SPDI – Secure Property Development & Investment plc (ex-AISI)
Director of the Victor and Graça Carmona e Costa Foundation

Álvaro Cuervo Garcia

Offices held in other companies within Sonae:

None

Offices held in other entities outside Sonae:

Member of the Board of Directors of ACS, SA
Member of the Board of Directors of Bolsas y Mercados Españoles
Member of the Privatization Advisory Committee of the Spanish Government
Editor in Chief of Universia Business Review
Dean of the Financial Studies School (CUNEF) at Madrid University

Michel Marie Bon

Offices held in other companies within Sonae:
None
Offices held in other entities outside Sonae:
Chairman of the Supervisory Board of Editions du Cerf
Chairman of the Supervisory Board of Devoteam
Chairman of the Fondation Nationale pour l'Enseignement de la Gestion des Entreprises
Member of the Board of Directors of Lafarge
Member of the Board of Directors of Sonepar
Director of Institut Pierre Mendès France
Director of the French American Foundation
Founder and Honorary Chairman of Transparency International (France)
Senior Advisor to Vermeer (investment fund)

José Manuel Neves Adelino

Offices held in other companies within Sonae:
None
Offices held in other entities outside Sonae:
Member of the Statutory Audit Board at BPI
Member of Investment Committee of Portugal VC Initiative (EIF)
Member of the Board of Directors of Cimpor
Finance and Investment Director – Calouste Gulbenkian Foundation
Academic Offices held:
Professor of Finance, Faculdade de Economia, Universidade Nova de Lisboa (retired)
Visiting Professor, Bentley College

Bernd Hubert Joachim Bothe

Offices held in other companies within Sonae:
None
Offices held in other entities outside Sonae:
Partner Horn & Company GmbH, Germany
Member of the Supervisory Board of Spar Österreichische Warenhandelsgesellschaft AG, Salzburg, Austria
Vice Chairman of the Supervisory Board of H & E Reinert Group, Versmold, Germany
Member of the Supervisory Board of Basler Fashion Holding GmbH, Goldbach, Germany
Member of the Supervisory Board of Tomra Systems ASA, Asker, Norway
Member of the Supervisory Board of Lekkerland AG & Co. KG, Germany
Member of the Supervisory Board of Agros Nova Sp. Z.o.o., Poland

Christine Cross

Offices held in other companies within Sonae:
None
Offices held in other entities outside Sonae:
Non-Executive Director of Next plc (Audit, Nominations and Remunerations Committee member)
Retail Advisor, Apax Private Equity
Retail Advisor, Warburg Pincus Private Equity
Chief Retail Advisor, PWC
Director of Christine Cross Ltd
Non-Executive Board Director (PPC Chair) Wodworths (Australia) plc
Non-Executive Director of Kathmandu (New Zealand) plc

Duarte Paulo Teixeira de Azevedo

Offices held in other companies within Sonae:

Chairman of Sonae Investimentos, SGPS, SA

Chairman of Sonaegest, Sociedade Gestora de Fundos de Investimentos, SA

Chairman of Sonae MC – Modelo Continente, SGPS, SA

Chairman of Sonaerp - Retail Properties,SA

Chairman of Sonae - Specialised Retail, SGPS,SA

Chairman of Sonaecom, SGPS, SA

Chairman of Sonae Sierra, SGPS, SA

Chairman of MDS, SGPS, SA

Offices held in other entities outside Sonae:

Chairman of Migracom, SGPS, SA

Member of the Board of Directors of Sonae Indústria, SGPS, SA

Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.

Member of the Board of Directors of Imparfin, SGPS, S.A.

Member of APGEI (Portuguese Association of Industrial Engineering and Management)

Member of the Founding Members Board of Casa da Música

Member of the European Round Table of Industrialists (ERT)

Member of the Board of Curators of AEP – Portuguese Entrepreneurship Association

Chairman of the Board of Curators of Oporto University

Ângelo Gabriel Ribeirinho dos Santos Paupério

Offices held in other companies within Sonae:

CEO of Sonaecom, SGPS, SA

Chairman of Sonaecom - Sistemas de Informação, SGPS, SA

Chairman of Sonaecom – Serviços Partilhados, SA

Chairman of Optimus – Comunicações, SA

Chairman of Optimus – SGPS, SA

Chairman of WeDo Consulting - Sistemas de Informação, SA

Chairman of Público - Comunicação Social, SA

Chairman of PCJ – Público, Comunicação e Jornalismo, SA

Chairman of Sontária – Empreendimentos Imobiliários, SA

Vice-Chairman of Sonaerp- Retail Properties,SA

Vice- Chairman of Sonae – Specialised Retail, SGPS,SA

Vice-Chairman of Sonae MC – Modelo Continente, SGPS, SA

Member of the Board of Directors of Sonae Investimentos – SGPS, SA

Member of the Board of Directors of Sonae Center Serviços II, SA

Member of the Board of Directors of MDS, SGPS, SA

Member of the Board of Directors of Sonae Investments, BV

Member of the Board of Directors of Sontel BV

Non-Executive Director of Sonae Sierra, SGPS, SA

Non-Executive Director of Cooper Gay (Holdings) Limited

Offices held in other entities outside Sonae:

Chairman of the Board of the Shareholders' General Meeting of APGEI (Portuguese Association of Industrial Engineering and Management)

Executive Director of Love Letters – Galeria de Arte, SA

Member of the Board of Directors of ZOPT, SGPS, SA

Sole Director of Enxomil, SGPS, SA

Sole Director of Enxomil, Sociedade Imobiliária, SA

Nuno Manuel Moniz Trigoso Jordão

Offices held in other companies within Sonae:

Member of the Board of Directors of Sonae Investimentos, SGPS, SA

Member of the Board of Directors of Modelo – Distribuição de Materiais de Construção, SA

Non-Executive Director of Sonaecom, SGPS, SA

Offices held in other entities outside Sonae:

None

2. Statutory Audit Board

2.1 Qualifications and experience of the members

Daniel Bessa Fernandes Coelho

Date of Birth
6 May 1948

Education	
1970	Degree in Economics – University of Oporto
1986	PhD in Economics – Lisbon Technical University
Professional Experience	
1970-2009 1970-1999 1988-2000 1989-2002 2000-2008 2008-2009 2009	Lecturer at the University of Oporto - FEP - Faculdade de Economia - ISEE (Institute for Entrepreneurship Studies) - FEUP - Faculdade de Engenharia - EGP (currently Porto Business School) - EGP (currently Porto Business School) - FEP - Faculdade de Economia
1978-1979	Dean of the Faculty of Economics of the University of Oporto
1983-2012	Economists - Liberal professional
1990-1995	Vice-Dean for the Financial Management Guidance of the University of Oporto
1995-1996	Economics Minister of the Portuguese Government
1996-2006	Non-Executive Director of CELBI – Celulose Beira Industrial
1997-1999	Non-Executive Director of INPARSA – Indústrias e Participações, SGPS, SA
1997-2008	Executive Director of Finibanco, SA
1997-2007	Chairman of the Statutory Audit Board of SPGM – Investment Company
1999-2002	Chairman of the Board of the Shareholder's General Meeting of APDL –Management of Douro and Leixões Ports
2000 - 2012	Chairman of the Advisory Board of IGFCSS – Portuguese Institute for Welfare Funds Management
2001-2003	Advisory member of the Consulting council of Electric and Telephone Conductors Industries F. Cunha Barros, SA
2001-2011	Executive Director of Finibanco Holding, SGPS, SA
2003 - 2012	Member of the Board of Directors of Bial Foundation
2007-2010	Member of the Advisory Board of Microprocessador, SA
2007-2011	Member of the Board of Directors of the Agency for Investment and External Commerce of Portugal - AICEP, E.P.E.
2008-2012	Member of the Investment Committee Member of PVCI – Portuguese Venture Capital Initiative, entity created by FEI – European Investment Fund
2009-2012	Managing Director of COTEC Portugal, Business Association for Innovation
2011-2012	Member of the Supervisory Board of Banco Comercial Português, SA

Arlindo Dias Duarte Silva

Date of Birth
27 October 1936

Education	
1963	Graduate in Economics – University of Oporto
Professional Experience	
1960-1963	Teacher at the Commerce and Industry School
1968-1971	Mandatory Military Service including in Angola (interruption of banking career)
1976-1979	Restarted banking career – Assistant Manager of BPA Bank since 1976
1989-1992	Member of the General Council of the Portuguese Association of Auditors
1992-1995	Member of the Managing Board of the Portuguese Association of Auditors
1995-1997	Vice-President of the Managing Board of the Portuguese Association of Auditors
Since 1979	External Auditor certified by the Portuguese Association of Auditors, carrying out this work both as a partner of the Statutory Auditors Company, or freelance
Since 1979	Statutory External Auditor, member of the Audit Board and Sole Auditor in several companies such as Banco Universo, União Portuguesa de Bancos, Orbitur – Intercâmbio de Turismo, ATPS – SGPS, SA, MDS – Corretor de Seguros, SA, Imoareia – Sociedade Imobiliária, SA, and Contacto – SGPS, SA

Jorge Manuel Felizes Morgado

Date of Birth
6 June 1955

Education	
1977	Graduate in Management – ISEG – Universidade Técnica de Lisboa
1999	MBA in Finance – IEDE Madrid
2004	MBA in Management and Information Systems – Management and Economics Faculty – Universidade Católica
22 April 1991	Certified External Auditor no. 775
Professional Experience	
1980-1989	Assistant and Audit Manager at Coopers & Lybrand
1989-1991	Responsible for the Internal Audit and Management Control at Coelima Group
1991-2004	Partner at Deloitte – member of the Statutory Audit Board and External Auditor of several companies; responsible for consultancy in the northern Portuguese region and for corporate finance in Portugal, since 2001
Since 2004	Partner of Horwarth Parsus – Consultoria e Gestão, Lda
Since 2004	External Auditor at several national and international companies and consultant to several companies

2.2 Offices held in other companies

Daniel Bessa Fernandes Coelho

Offices held in other companies within Sonae:

None

Offices held in other entities outside Sonae:

Non-Executive Director of Efacec Capital, SGPS, SA

Chairman of Statutory Audit Board at Galp Energia, SGPS, SA

Chairman of Statutory Audit Board at Bial – Portela e Companhia, SA

Arlindo Dias Duarte Silva

Offices held in other companies within Sonae:

Member of the Statutory Audit Board at Sonaecom, SGPS, SA

Member of the Statutory Audit Board at Sonae Investimentos, SGPS SA

Offices held in other entities outside Sonae:

Member of the Statutory Audit Board at Rochinvest – Investimentos Imobiliários e Turísticos, SA

Member of the Statutory Audit Board at ALADI – Associação Lavrense de Apoio ao Diminuído Intelectual

Member of the Statutory Audit Board at Associação Cultural do Senhor do Padrão

Jorge Manuel Felizes Morgado

Offices held in other companies within Sonae:

Member of the Statutory Audit Board at Sonae Sierra – SGPS, SA

Offices held in other entities outside Sonae:

Member of the Statutory Audit Board at Sonae Indústria, SGPS, SA

Member of the Statutory Audit Board at Sonae Capital, SGPS, SA

External Auditor at Timeloft, SA

External Auditor at Valorinveste – Soc. Invest. Imob., SA

External Auditor at Jofabo – Construção e Imobiliária, SA

External Auditor at Polibrás – Polimentos e Abrasivos, SA

External Auditor at Know it – Soluções Formação Tecnologia, SA

External Auditor at J. Medeiros, SGPS, SA

External Auditor at Hidroeléctrica S. Pedro, SA

External Auditor at Hidroeléctrica S. Nicolau, SA

External Auditor at Cortwoo – Marketing, SA

External Auditor at Mindegames – Sociedade de Comunicação, Produções Audovisuais e Futebol, SA

External Auditor at SkyWorld, SA

External Auditor at Blue Share, SA

External Auditor at VNG – Gestão, Consultoria e Gestão, SA

External Auditor at PM. IQS – Projecto, Gestão e Supervisão, SA

External Auditor at Imoguedes – Imobiliária e Engenharia, SA

External Auditor at Praianorte – Hotelaria e Turismo, SA

External Auditor at Companhia das Pastas – Empreendimentos e Investimentos Hoteleiros, SA

External Auditor at PREC – Projetos de Engenharia e Construções, SA

External Auditor at Delpepe – Projectos e Construção, SA

External Auditor at ERPA II – Emp., Recup., Pat., Arquitet., SA

External Auditor at House Demand, SA

External Auditor at IberiaPremium, Oil & Gas, SA

External Auditor at Luso-Insular, Projetos e Invest., SA

External Auditor at PMVA - Imobiliária, SA

External Auditor at Euroviga – Pré-fabricados, SA

External Auditor at Write UP, SA

External Auditor at Strong Management, SA

External Auditor at Fundação Universidade do Porto

Partner da Horwath Parsus – Consultoria e Gestão, Lda

APPENDIX II

APPENDIX II

Regulamento da CMVM n.º 1/2010

	Report References
Chapter 0 Compliance Statement	
0.1. Location where the public may find the Corporate Governance Codes to which the issuer is subject or those which the issuer voluntarily abides by, if applicable.	0.1
0.2. A detailed list of recommendations that have or have not been adopted, which are set out in the CMVM Corporate Governance Code or another Code that the company has decided to adopt, in accordance with this Regulation of which this Appendix is an integral part. For these purposes, recommendations that are not comprehensively followed are deemed not to be adopted.	0.2 and 0.3
0.3. Notwithstanding the preceding paragraph, the company may also make an overall assessment, provided that it is based on the degree of adoption of recommendation groups related to each other by topics.	N/A
0.4. When the corporate governance structure or practices differ from the CMVM's Recommendations or other Corporate Governance Codes to which the company is subject or has voluntarily agreed to, the company shall explain which parts of each Code that have not been complied with or that the company considers not to be applicable, the reasons and other relevant remarks thereto and also a clear indication where a description of these circumstances may be found in the Report.	0.3
Chapter I General Meeting	
I.1. Details of the members of the Presiding Board to the General Meeting.	5.1.2
I.2. Indication of the start and end dates of mandates.	5.1.2
I.3. Details of the remuneration of the Chairman of the Presiding Board to the General Meeting.	6.
I.4. Indication of the prior notice required for the deposit or blocking of shares for participation in the General Meeting.	5.2.1
I.5. Indication of the rules for blocking shares in the event of the General Meeting being suspended.	5.2.1
I.6. Number of shares corresponding to one vote.	5.2.2
I.7. Indication of the articles of association rules which envisage the existence of actions that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto.	5.2.2
I.8. The existence of articles of association rules on the exercise of voting rights, including constitutive and decision-making quorums or systems for equity rights.	5.1.1
I.9. The existence of articles of association rules on the exercise of voting rights via postal voting.	5.2.4
I.10. Availability of a template for the right to vote via postal voting.	5.2.5
I.11. A deadline requirement for the receipt of the postal ballots and the date on which the General Meeting is held.	5.2.4
I.12. The exercise of voting rights by electronic means.	5.2.6
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I.19. Existence of a statutory provision that envisages the duty to be subject, at least every five years, to a resolution by the General Meeting, for the maintenance or withdrawal of the statutory provision providing for the limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders.	N/A
I.20. Indication of defensive measures that have the effect of automatically causing a serious asset erosion of company assets in case of transfer of control or changes to the composition of the Board of Directors.	9.6
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II.22. The professional qualifications of the members of the board of directors, the professional activities carried out by same during the last five years at least, the number of company shares they hold, the date of the first appointment and the date of the end of mandate.	Appendix I and 4.1.2
II.23. Duties that the members of the supervisory board carry out in other companies and describing those which are carried out in other companies of the same holding.	Appendix I
II.24. Reference to the fact that the supervisory board assesses the external auditor on an annual basis and the possibility of proposing to the general meeting that the auditor be discharged whenever justifiable grounds are present.	4.1.1
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II.26. Statement indicating that members comply with the conflict of interest rules provided for in article 414-A/1 including item f) and the independency criteria provided for in article 414/5, both of the Commercial Companies Code. For said purpose, the general and supervisory board carries out the relevant self-assessment.	N/A
II.27. The professional qualifications of the members of the general and supervisory board and of other committees created within the company, the professional activities carried out by same during the last five years at least, the number of company shares they hold, the date of the first appointment and the date of the end of mandate.	N/A
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II.37. Number of meetings held by the committees that have been constituted for management and supervision during the period concerned, as well as reference to the minutes of said meetings that have been held.	2.2.3, 2.3.1, 2.3.2 and 2.3.3
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III.13. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the owners of qualifying holdings or entity-relationships with the former, as envisaged in article 20 of the Securities Code.	4.1.1 and 9.12
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FINANCIAL STATEMENTS 2012

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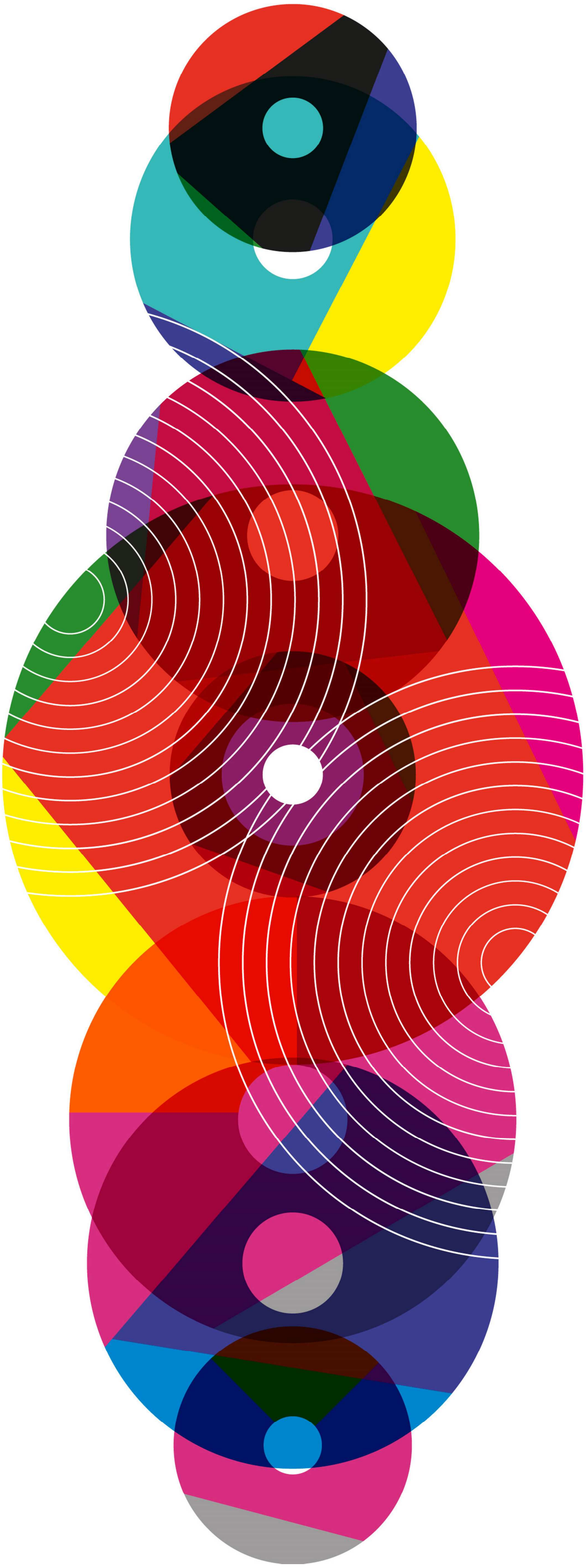
CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Statement of Financial Position at 31 December 2012 and 2011 and 1 January 2011

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

ASSETS	Notes	31 December 2012	31 December 2011 Restated	01 January 2011 Restated
NON-CURRENT ASSETS:				
Tangible assets	10	2,603,109,778	2,672,406,896	2,715,382,100
Intangible assets	11	562,455,222	579,781,789	474,815,909
Investment properties		386,001	-	-
Goodwill	12	658,228,050	659,813,493	671,030,521
Investments in joint ventures and associates	6	456,446,288	534,134,089	575,397,829
Other investments	7, 9 and 13	59,877,723	40,940,837	43,298,704
Deferred tax assets	20	224,718,491	221,875,249	207,284,904
Other non-current assets	9 and 14	49,531,315	37,992,014	40,758,287
Total Non-Current Assets		4,614,752,868	4,746,944,367	4,727,968,254
CURRENT ASSETS:				
Inventories	15	538,486,177	650,705,703	682,067,028
Trade account receivables	9 and 16	171,053,729	175,080,053	164,401,336
Other debtors	9 and 17	117,941,848	92,701,931	123,247,935
Taxes recoverable	18	74,942,868	99,411,123	79,926,876
Other current assets	19	139,910,545	125,168,524	112,803,241
Investments	9 and 13	911,922	5,861,218	15,653,114
Cash and cash equivalents	9 and 21	376,635,163	420,169,386	219,624,321
Total Current Assets		1,419,882,252	1,569,097,938	1,397,723,851
Assets available for sale		720,338	720,338	9,500,686
TOTAL ASSETS		6,035,355,458	6,316,762,643	6,135,192,791
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	22	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	22	(128,149,614)	(131,895,330)	(135,679,489)
Legal reserve		187,137,648	187,137,648	167,816,034
Reserves and retained earnings		(772,902,493)	(795,598,531)	(855,383,934)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		32,572,259	103,944,076	167,940,582
Equity attributable to the equity holders of the Parent Company		1,318,657,800	1,363,587,863	1,344,693,193
Equity attributable to non-controlling interests	23	349,901,121	336,803,275	318,520,043
TOTAL EQUITY		1,668,558,921	1,700,391,138	1,663,213,236
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	9 and 24	364,137,659	401,355,061	398,484,917
Bonds	9 and 24	1,287,944,455	1,349,434,313	1,614,604,272
Obligation under finance leases	9, 24 and 25	27,593,734	28,812,037	24,219,918
Other loans	9 and 24	7,084,062	11,134,184	14,540,928
Other non-current liabilities	9 and 27	87,958,431	147,564,117	165,953,103
Deferred tax liabilities	20	136,943,600	134,191,549	122,336,903
Provisions	32	114,470,445	91,036,377	62,636,516
Total Non-Current Liabilities		2,026,132,386	2,163,527,638	2,402,776,557
CURRENT LIABILITIES:				
Loans	9 and 24	65,557,681	226,882,229	101,667,085
Bonds	9 and 24	450,820,688	365,856,920	89,554,619
Obligation under finance leases	9, 24 and 25	7,037,038	6,894,512	4,909,984
Other loans	9 and 24	2,661,283	76,210	5,278,846
Trade creditors	9 and 29	1,221,772,727	1,244,537,123	1,235,246,906
Other creditors	9 and 30	227,781,624	142,699,263	167,753,084
Taxes and contributions payable	18	59,742,218	68,058,001	99,116,838
Other current liabilities	31	302,864,083	395,572,842	364,077,581
Provisions	32	2,426,809	2,266,767	1,598,055
Total Current Liabilities		2,340,664,151	2,452,843,867	2,069,202,998
TOTAL LIABILITIES		4,366,796,537	4,616,371,505	4,471,979,555
TOTAL EQUITY AND LIABILITIES		6,035,355,458	6,316,762,643	6,135,192,791

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

Consolidated Income Statements for the period ended 31 December 2012 and 2011

(Amounts expressed in euro)

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

	Notes	31 December 2012	31 December 2011 Restated
Sales	35	4,552,547,876	4,677,785,256
Services rendered	35	825,974,638	863,065,082
Value created on investment properties		-	(377,178)
Investment income	36	15,995,991	24,955
Financial income	37	12,511,831	17,322,392
Other income	38	441,222,195	470,603,192
Cost of goods sold and materials consumed	15	(3,561,004,682)	(3,627,642,374)
Changes in stocks of finished goods and work in progress		(666,354)	688,948
External supplies and services	39	(968,190,488)	(1,017,120,447)
Staff costs	40	(656,383,176)	(678,337,539)
Depreciation and amortisation	10 and 11	(333,108,546)	(332,345,313)
Provisions and impairment losses	32	(48,931,954)	(48,739,516)
Financial expense	37	(106,687,966)	(98,908,527)
Other expenses	41	(51,877,587)	(72,951,179)
Share of results of joint ventures and associated undertakings	6	(24,382,535)	(2,057,015)
Profit/(Loss) before taxation		97,019,243	151,010,737
Taxation	42	(25,328,860)	(24,107,183)
Profit/(Loss) after taxation		71,690,383	126,903,554
Attributable to:			
Equity holders of the Parent Company		32,572,259	103,944,076
Non-controlling interests	23	39,118,124	22,959,478
Profit/(Loss) per share			
Basic	44	0.017393	0.055518
Diluted	44	0.017346	0.055267

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

Consolidated Statements of Comprehensive Income for the periods ended 31 December 2012 and 2011

(Amounts expressed in euro)

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

	31 December 2012	31 December 2011 Restated (Note 4)
Net Profit / (Loss) for the period	71,690,383	126,903,554
Exchange differences arising on translation of foreign operations	(4,209,464)	(3,582,612)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	(20,338,090)	(26,976,485)
Loss of significant influence	3,376,172	-
Changes on fair value of available-for-sale financial assets (Note 7)	1,334,793	(2,324,000)
Changes in hedge and fair value reserves	(34,319)	7,757,008
Deferred related to changes in fair values reserves	706,717	(1,370,575)
Others	(1,122,547)	(580,561)
Other comprehensive income for the period	(20,286,737)	(27,077,225)
Total comprehensive income for the period	51,403,646	99,826,329
Attributable to:		
Equity holders of parent company	16,001,551	77,575,933
Non-controlling interests	35,402,094	22,250,396

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

Consolidated Statements of Changes in Equity for the periods ended 31 December 2012 1nd 2011

(Amounts expressed in euro)

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

	Attributable to Equity Holders of Parent Company											
				Reserves and Retained Earnings								
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Hedging Reserve	Other Reserves and Retained Earnings	Total	Net Profit/(Loss)	Total	Non-controlling Interests (Note 23)	Total Equity
Balance as at 1 January 2011 - restated	2,000,000,000	(135,679,489)	167,816,034	8,783,221	4,829,654	(9,770,493)	(859,226,316)	(855,383,934)	167,940,582	1,344,693,193	318,520,043	1,663,213,236
Total comprehensive income for the period	-	-	-	(1,831,678)	(2,324,000)	6,335,536	(28,548,001)	(26,368,143)	103,944,076	77,575,933	22,250,396	99,826,329
Appropriation of profit of 2010:												
Transfer to legal reserves and retained earnings	-	-	19,321,614	-	-	-	148,618,968	148,618,968	(167,940,582)	-	-	-
Dividends distributed	-	-	-	-	-	-	(62,001,571)	(62,001,571)	-	(62,001,571)	(8,158,858)	(70,160,429)
Disposal of own shares/ attribution to employees	-	3,784,159	-	-	-	-	1,649,006	1,649,006	-	5,433,165	265,648	5,698,813
Partial disposal or aquisitions of affiliated companies	-	-	-	-	-	-	283,893	283,893	-	283,893	3,991,032	4,274,925
Aquisitions of affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	(2,396,750)	(2,396,750)	-	(2,396,750)	(64,986)	(2,461,736)
Balance as at 31 December 2011 - restated	2,000,000,000	(131,895,330)	187,137,648	6,951,543	2,505,654	(3,434,957)	(801,620,771)	(795,598,531)	103,944,076	1,363,587,863	336,803,275	1,700,391,138
Balance as at 1 January 2012 - restated	2,000,000,000	(131,895,330)	187,137,648	6,951,543	2,505,654	(3,434,957)	(801,620,771)	(795,598,531)	103,944,076	1,363,587,863	336,803,275	1,700,391,138
Total compreensive income for the period	-	-	-	(2,114,599)	(585,046)	740,563	(14,611,626)	(16,570,708)	32,572,259	16,001,551	35,402,094	51,403,645
Appropriation of profit of 2011:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	103,944,076	103,944,076	(103,944,076)	-	-	-
Dividends distributed	-	-	-	-	-	-	(61,989,385)	(61,989,385)	-	(61,989,385)	(11,481,147)	(73,470,532)
Income distribution	-	-	-	-	-	-	-	-	-	-	(5,986,265)	(5,986,265)
Aquisition and disposal of own shares/ attribution to employees	-	3,745,716	-	-	-	-	(1,859,506)	(1,859,506)	-	1,886,210	(257,882)	1,628,328
Partial disposal or aquisitions of affiliated companies	-	-	-	-	-	-	(1,132,049)	(1,132,049)	-	(1,132,049)	(20,745,608)	(21,877,657)
Aquisitions of affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	303,610	303,610	-	303,610	16,166,654	16,470,264
Balance as at 31 December 2012	2,000,000,000	(128,149,614)	187,137,648	4,836,944	1,920,608	(2,694,394)	(776,965,651)	(772,902,493)	32,572,259	1,318,657,800	349,901,121	1,668,558,921

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

Consolidated Statement of Cash Flows for the periods ended 31 December 2012 and 2011

(Amounts expressed in euro)

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

	Notes	31 December 2012	31 December 2011 Restated
OPERATING ACTIVITIES			
Cash receipts from trade debtors		5,347,329,798	5,473,433,045
Cash paid to trade creditors		(4,011,203,641)	(4,246,523,328)
Cash paid to employees		(667,073,692)	(691,771,901)
Cash flow generated by operations		669,052,465	535,137,816
Income taxes (paid) / received		(32,701,612)	(64,236,214)
Other cash receipts and (payments) relating to operating activities		(1,556,520)	(14,108,427)
Net cash flow from operating activities (1)		634,794,333	456,793,175
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	45	5,863,972	12,055,249
Tangible assets and investment properties		17,748,276	110,471,113
Intangible assets		541,879	1,656,390
Interest and similar income		9,089,453	12,528,652
Loans granted		12,703,189	1,515,554
Dividends		12,183,294	595,673
Others		31,275,257	29,954
		89,405,320	138,852,585
Cash Payments arising from:			
Investments	45	(39,496,295)	(13,766,401)
Tangible assets and investment properties		(195,931,097)	(262,823,314)
Intangible assets		(139,576,585)	(49,930,359)
Loans granted		(17,433,995)	-
Others		(15,005,500)	(42,204,197)
		(407,443,472)	(368,724,271)
Net cash used in investment activities (2)		(318,038,152)	(229,871,686)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		5,199,568,253	5,522,029,849
Capital increases, additional paid in capital and share premiums		15,882,000	-
Others		2,444,713	1,470,000
		5,217,894,966	5,523,499,849
Cash Payments arising from:			
Loans obtained		(5,395,770,802)	(5,378,072,189)
Interest and similar charges		(98,801,011)	(91,343,702)
Dividends		(83,878,895)	(74,594,979)
Purchase of own shares		(2,612,424)	(289,862)
Others		(5,308,697)	(4,921,182)
		(5,586,371,829)	(5,549,221,914)
Net cash used in financing activities (3)		(368,476,863)	(25,722,065)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(51,720,682)	201,199,424
Effect of foreign exchange rate		368,525	(1,586,253)
Cash and cash equivalents at the beginning of the period	21	415,457,116	212,671,439
Cash and cash equivalents at the end of the period	21	363,367,909	415,457,116

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 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, SGPS, SA ("Sonae Holding"), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 5 to 7 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 47 and in the management report.

During the period the Group changed the following accounting policies:

1.1 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 Shopping Centres Segment.

During the year ended 31 December 2012, Sonae 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.

1.2 Capitalization of the costs related with customers' loyalty contracts

Additionally, during the period ended at 31 December 2012, the Group, aligned with the best practices in the telecommunications sector, changed its accounting criteria for costs related to customers' loyalty contracts. To date, these were recorded as an expense in the year they occurred. From 1 January 2012 onwards, the costs incurred for customers' loyalty contracts, which include compensation clauses in the event of early termination, are capitalized as "Intangible Assets" and amortized over the period of the contracts. This change occurs because it is now possible to apply a reliable cost allocation to the respective contract, as well as the revenue generated by each contract, so fulfilling the criteria for capitalization required by IAS 38. When a contract is terminated the net value of intangible assets associated with this contract is immediately recognized as an expense in the income statement.

This accounting policy allows a more true, fair and reliable the financial position and presentation of the financial statements, as it enables the alignment of costs associated with customer loyalties' contracts with the revenue generated. In addition, and in accordance with the relevant periodicity, impairment tests are made to the intangible assets in order to ensure that the current value of revenues estimated for each customer loyalties' contracts is higher than the amount capitalized on that contract.

The impacts of these changes are disclosed in Note 4.

2 PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

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

Up to the financial statements approval date, the following Standards 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

The application of this standard had no material effect on the financial statements of the Group.

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/or 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 - Admendments (Disclosures of Financial Instruments)	01-01-2013
IAS 32 - Admendments (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, manely 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 are as follows:

a) Investments in Sonae companies (subsidiaries)

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

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

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

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

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

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

b) Investments in jointly controlled companies and associated companies

Investments in jointly controlled entities are recorded using the equity method (Notes 1 and 4). Investments in jointly controlled companies are classified as such based on shareholders' agreements that establish joint control.

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

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

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

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

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

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

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

Impairment losses related with goodwill will not be reversed.

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

d) Translation of financial statements of foreign companies

Assets and liabilities denominated in foreign currencies in the financial statements of foreign companies are translated to euro using exchange rates at 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 "Other Reserves and retained earnings". Exchange rate differences that were originated prior to 1 January 2004 (date of transition to IFRS) were written-off through "Retained earnings".

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

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

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

	31 December 2012		31 December 2011 Restated	
	End of exercice	Average of exercise	End of exercice	Average of exercise
US Dollar	0.75792	0.77871	0.77286	0.71889
Swiss Franc	0.82836	0.82971	0.82264	0.81258
Pound Sterling	1.22534	1.23368	1.19717	1.15256
Brazilian Real	0.36988	0.39996	0.41392	0.43061
Australian Dollar	0.78670	0.80630	0.78600	0.74200
Chilean Peso	0.00160	0.00160	0.00150	0.00150
Mexican Peso	0.05820	0.05920	0.05540	0.05800
Singapore Dollar	0.62070	0.62320	0.59460	0.57190
Turkish Lira	0.42461	0.43242	0.40930	0.42996
Polish Zloty	0.24546	0.23910	0.22432	0.24357

2.3 Tangible assets

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

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

Depreciation is calculated on a straight line basis, 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 amortisation".

Impairment losses detected on tangible assets are recorded in the year estimated against the income statement caption "Provisions and impairment losses".

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

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

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

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

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

2.4 Investment properties

Investment properties consist of shopping centre buildings and other constructions that are held to earn rental income or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or for sale in the ordinary course of business and are owned by Sonae Sierra and its subsidiaries which are recorded by the equity method (Note 6).

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

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

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

– land is acquired

– construction license is obtained

– financing contract for the property is signed

– construction works of the property have started

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

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

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

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

2.5 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 and if their cost can be reliably measured.

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

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

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

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

Mobile and fixed network operator licenses are amortised over the estimated period for which they were granted.

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

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

The costs incurred for customers' loyalty contracts, which include compensation clauses in the event of early termination, are capitalized as 'Intangible Assets' and amortised over the period of their contracts. When a contract is terminated, the net value of intangible assets associated with this contract is immediately recognised as an expense in the income statement.

2.6 Accounting for leases

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

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

a) Accounting for leases where Sonae is the lessee

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 is the lessor

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

2.7 Non-current assets held for sale

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

2.8 Government grants

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

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

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

2.9 Impairment of non-current assets, except for goodwill

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

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

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

2.10 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 capitalised as part of the cost of the qualifying asset. Borrowing costs are capitalised 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 capitalisation.

2.11 Inventories

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

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

2.12 Provisions

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

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

2.13 Financial instruments

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

a) Investments

Investments are classified into the following categories:

– Held to maturity

– Investments measured at fair value through profit or loss

– Available-for-sale

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

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

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

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

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

Available-for-sale investments and investments measured at fair value through profit or loss are subsequently carried at fair value, without any deduction for transaction costs which may be incurred on sale, by reference to their listed market price at the statement of financial position date. Investments in equity instruments not listed 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 "Investments Fair value reserve", included in "Reserves and retained earnings" until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is transferred to net profit or loss for the period.

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

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

b) Loans and non-current accounts receivable

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

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

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

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

c) Trade accounts receivable and other accounts receivable

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

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

– significant financial difficulty of the issuer or counterparty;

– default or delinquency in interest or principal payments;

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

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

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

d) Classification as equity or liability

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

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

e) Loans

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

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

f) Trade accounts payable

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

g) Derivatives

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

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

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

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

– the effectiveness of the hedge can be reliably measured;

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

– the transaction being hedged is highly probable.

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

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

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

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

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

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

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

h) Treasury shares

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

i) Cash and cash equivalents

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

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

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

2.14 Share-based payments

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

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

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

2.15 Contingent assets and liabilities

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

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

2.16 Income tax

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

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

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

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

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

2.17 Revenue recognition and accrual basis

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

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

With regard to services rendered by travel agencies (done by Geostar 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 Telecommunications services is recognized in the period in which it occurs. Such services are invoiced on a monthly basis. Revenues not yet invoiced, from the last invoicing cycle to the end of the month, are estimated and recorded based on actual traffic. Differences between the estimated and actual amounts, which are usually not material, are recorded in the following period. The income related to prepaid cards is recognized whenever the minutes are used. At the end of each period, the minutes still to be used are estimated and the amount of income associated with those minutes is deferred.

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

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

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

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

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

2.18 Balances and transactions expressed in foreign currencies

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

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

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

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

2.19 Subsequent events

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

2.20 Judgement and estimates

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

a) Useful lives of the tangible and intangible assets;

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

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

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

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

f) Recoverability of deferred tax assets;

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

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

2.21 Insurance and reinsurance contracts

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

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

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

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

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

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

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

2.22 Segment information

Information regarding operating segments identified is included in Note 47.

2.23 Legal reserves, other reserves and transited results

Legal reserves:

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

Hedging reserve:

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

Currency translation reserve:

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

Fair value reserve:

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

3 FINANCIAL RISK MANAGEMENT

3.1 Introduction

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

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

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

3.2 Credit risk

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

3.2.1) Credit risk arising from Financial Instruments

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

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

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

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

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

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

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

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

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

- Retail

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

- Shopping Centres (Sonae Sierra)

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

- Telecommunications

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

- Investment Management

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

- Sonae Holding

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

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

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

3.3 Liquidity risk

Sonae has the need, regularly, to raise external funds to finance its activities and investing plans. It holds a long term diversified portfolio, essentially made of, mutual's and structured facilities, but which also includes a variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2012 the total gross debt was 2,212 million euro (2,390 million euro as at 31 December 2011) excluding the contributions of Shopping Centres and Travel operating segments consolidated by the equity method.

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

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

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

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

- Diversification of financing sources and counterparties;

- Ensuring an adequate average debt maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. At the end of 2012, Sonae's average debt maturity was approximately 2.2 years (2.3 years as at December 2011) excluding the contributions of Shopping Centres and Travel operating segments consolidated by the equity method;

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

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

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

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

A liquidity reserve in form of credit lines with its relationship banks is maintained by Sonae, to ensure the ability to meet its commitments without having to refinance itself in unfavourable terms. The value of loans maturing in 2013 is of 524 million euro (600 million euro maturing in 2012) and as at 31 December 2012 Sonae had undrawn committed credit facilities of 410 million euro (410 million euro in 2011) cancellable within a previous notice of less than one year and 401 million euro (209 million euro in 2011) cancellable with a previous notice of no less than 360 days.

Additionally, Sonae held, as at 31 December 2012, cash and cash equivalents and current investments amounting to 378 million euro (426 million euro as at 31 December 2011). Consequentially, Sonae expects to meet all its obligations by means of its operating cash flows and its financial assets as well as from drawing existing available credit lines, if needed.

3.4 Interest rate risk

3.4.1) Policies

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

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

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

- Perfect match between the base rates: the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility / transaction;

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

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

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

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

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

- Retail

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

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

- Shopping Centres

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

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

- Telecommunications

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

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

As all Sonaecom's borrowings (Note 49) bear interests at variable rates, interest rate swaps and other derivatives are used to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under interest rate swaps, the Company agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

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

- Investment management

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

- Sonae Holding

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

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

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

3.4.2.) Sensitivity analysis

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

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

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value. As such, all financial instruments with fixed interest rates that are carried at 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;

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

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

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

Under these assumptions, if euro interest rate of denominated financial instruments had been 75 basis points higher, the consolidated net profit before tax of Sonae for the period ended as at 31 December 2012 would decrease by approximately 12.9 million euro, (10 million euro decrease as at 31 December 2011). The impact in equity (including non-controlling interests and excluding net income), as a consequence of interest rate change effect according to interest rate risk, would be an increase as at 31 December 2012 of, approximately, 5.8 million euro (increase by approximately 8.1 million euro in 2011).

3.5 Exchange rate risk

3.5.1) Policies

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

- Retail

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

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

The exchange risk exposure is monitored through the purchase of forwards with the goal of minimising 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.

- Shopping Centres

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

- Telecommunications

The sub-holding operates internationally, having subsidiaries that operate in Brazil, United Kingdom, Poland, United States of America, Mexico, Australia, Egypt, Malaysia, Chile, Panama, Singapore among others and so it is exposed to foreign exchange rate risk.

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

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

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

- Investment management

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

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

- Sonae Holding

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

3.5.2) Exposure and Sensivity analysis

As at 31 December 2012 and 2011 the assets and liabilities denominated in a currency different from the subsidiary functional currency where the following (amounts in euro):

	Assets		Liabilities	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Euro	-	-	4,828,279	5,408,878
Brazilian Real	12,040,467	15,631,230	7,071,362	7,864,882
British Pound	335,847	189,251	4,106,374	4,019,610
Turquish Lira	549,490	566,082	218,135	231,926
US Dollar	31,247,430	7,466,715	13,351,369	10,702,080
Other Currencies	585,396	335,262	1,014,312	1,265,526

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

3.6 Price and capital market risk

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

In 2007, Sonae entered into a Total Return Swap (TRS) with Sonae Holding shares as underlying. As explained in Note 22 the Total Return Swap precluded the derecognition of those treasury shares, and as such a change in the Sonae, and Sonae Capital, SGPS, SA share price will have an impact on the cash flows by means of TRS cash settlements. If Sonae price had been 1% higher/lower, it would have 847 thousand euro additional receiving/payments (as at 31 December 2011 the impact would be 580 thousand euro).

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 as at January 1, 2011

	Before change	Capitalization of cost costumer loyalty	Change in consolidation method from PROP to EQM	Restated
Total assets	7,551,813,932	18,009,890	(1,434,631,031)	6,135,192,791
Non-current assets	6,045,726,131	18,009,890	(1,335,767,767)	4,727,968,254
Investments	113,499,526	-	505,197,007	618,696,533
Goodwill	740,738,759	-	(69,708,238)	671,030,521
Investment Properties	1,733,205,596	-	(1,733,205,596)	-
Other non-current assets	3,458,282,250	18,009,890	(38,050,940)	3,438,241,200
Current assets	1,506,087,801	-	(98,863,264)	1,407,224,537
Equity	1,861,562,138	13,237,269	(211,586,171)	1,663,213,236
Attributable to the equity holders of the Parent-Company	1,337,473,198	7,135,338	84,657	1,344,693,193
Non-controlling interests	524,088,940	6,101,931	(211,670,828)	318,520,043
Total liabilities	5,690,251,794	4,772,621	(1,223,044,860)	4,471,979,555
Non-current liabilities	3,455,442,166	4,772,621	(1,057,438,230)	2,402,776,557
Loans	2,839,950,773	-	(788,100,738)	2,051,850,035
Deferred tax liabilities	371,308,829	4,772,621	(253,744,547)	122,336,903
Other liabilities	244,182,564	-	(15,592,945)	228,589,619
Current liabilities	2,234,809,628	-	(165,606,630)	2,069,202,998
Loans	264,464,248	-	(63,053,714)	201,410,534
Suppliers and other liabilities	1,970,345,380	-	(102,552,916)	1,867,792,464
Total equity and liabilities	7,551,813,932	18,009,890	(1,434,631,031)	6,135,192,791

Statement of financial position as at December 31, 2011

	Before change	Capitalization of cost costumer loyalty	Change in consolidation method from PROP to EQM	Restated
Total assets	7,740,715,012	17,692,621	(1,441,644,990)	6,316,762,643
Non-current assets	6,050,397,022	17,692,621	(1,321,145,276)	4,746,944,367
Investments	107,576,109	-	467,498,817	575,074,926
Goodwill	728,060,436	-	(68,246,943)	659,813,493
Investment Properties	1,679,859,268	-	(1,679,859,268)	-
Other non-current assets	3,534,901,209	17,692,621	(40,537,882)	3,512,055,948
Current assets	1,690,317,990	-	(120,499,714)	1,569,818,276
Equity	1,964,971,050	13,004,076	(277,583,988)	1,700,391,138
Attributable to the equity holders of the Parent-Company	1,356,845,014	7,088,613	(345,764)	1,363,587,863
Non-controlling interests	608,126,036	5,915,463	(277,238,224)	336,803,275
Total liabilities	5,775,743,962	4,688,545	(1,164,061,002)	4,616,371,505
Non-current liabilities	3,184,095,918	4,688,545	(1,025,256,825)	2,163,527,638
Loans	2,551,772,643	-	(761,037,048)	1,790,735,595
Deferred tax liabilities	382,609,963	4,688,545	(253,106,959)	134,191,549
Other liabilities	249,713,312	-	(11,112,818)	238,600,494
Current liabilities	2,591,648,044	-	(138,804,177)	2,452,843,867
Loans	644,296,261	-	(44,586,390)	599,709,871
Suppliers and other liabilities	1,947,351,783	-	(94,217,787)	1,853,133,996
Total equity and liabilities	7,740,715,012	17,692,621	(1,441,644,990)	6,316,762,643

Income statement for the Period Ended 31 December 2011

	Before change	Capitalization of cost costumer loyalty	Change in consolidation method from PROP to EQM	Restated
Turnover	5,738,153,991	-	(197,303,653)	5,540,850,338
Value created on investment properties	(18,932,562)	-	18,555,384	(377,178)
Investment income	(58,319)	-	83,274	24,955
Other income	482,506,776	-	(11,214,636)	471,292,140
Total income	6,201,669,886	-	(189,879,631)	6,011,790,255
Total expenses	(5,538,705,926)	22,488,804	120,165,583	(5,396,051,539)
	662,963,960	22,488,804	(69,714,048)	615,738,716
Depreciation and amortisation	(311,730,714)	(22,806,073)	2,191,474	(332,345,313)
Provisions and impairment losses	(56,504,634)	-	7,765,118	(48,739,516)
Profit before financial results and share of results of joint ventures and associated undertrakings	294,728,612	(317,269)	(59,757,456)	234,653,887
Finantial results	(109,229,902)	-	27,643,767	(81,586,135)
Share of results of joint ventures and associated undertakings	(9,902,057)	-	7,845,042	(2,057,015)
Profit before taxation	175,596,653	(317,269)	(24,268,647)	151,010,737
Taxation	(36,781,076)	84,076	12,589,817	(24,107,183)
Profit/(Loss) after taxation	138,815,577	(233,193)	(11,678,830)	126,903,554
Atributable to equity holders of the Parent Company	103,429,779	(127,114)	641,411	103,944,076
Atributable to non-controlling interests	35,385,798	(106,079)	(12,320,241)	22,959,478
Profit/(Loss) per share				
Basic	0.055244	-	0.000274	0.055518
Diluted	0.054989	-	0.000278	0.055267

Statement of comprehensive income for the period ended 31 december 2011

	Before change	Capitalization of cost costumer loyalty	Change in consolidation method from PROP to EQM	Restated
Net Profit / (Loss) for the period	138,815,577	-	(11,912,023)	126,903,554
Exchange differences arising on translation of foreign operations	(22,615,448)	-	19,032,836	(3,582,612)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	3,408,587	-	(30,385,072)	(26,976,485)
Changes in hedge and fair value reserves	4,545,943	-	3,211,065	7,757,008
Deferred related to changes in fair values reserves	(740,622)	-	(629,953)	(1,370,575)
Others	(2,257,602)	-	(646,959)	(2,904,561)
Other comprehensive income for the period	(17,659,142)	-	(9,418,083)	(27,077,225)
Total comprehensive income for the period	121,156,435	-	(21,330,106)	99,826,329
Attributable to:				
Equity holders of parent company	92,278,102	-	(14,702,169)	77,575,933
Non-controlling interests	28,878,333	-	(6,627,937)	22,250,396

Statement of cash flows for the period ended 31 december 2011

	Before change	Capitalization of cost costumer loyalty	Change in consolidation method from PROP to EQM	Restated
Cash flows from operating activities	541,239,247	-	(84,446,072)	456,793,175
Cash flows from investing activities	(238,645,917)	-	8,774,231	(229,871,686)
Cash flows from financing activities	(50,810,964)	-	25,088,899	(25,722,065)
	251,782,366	-	(50,582,942)	201,199,424

5 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 31 December 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 - SGPS, S.A.		Maia	HOLDING	HOLDING	HOLDING	HOLDING
Retail						
Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

BB Food Service, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Carnes do Continente - Indústria e Distribuição Carnes, SA	a)	Santarém	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Edições Book.it, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Estevão Neves - Hipermercados da Madeira, SA	a)	Madeira	100.00%	100.00%	100.00%	100.00%
Farmácia Seleção, 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	67.64%	67.64%	54.55%	54.55%
Fundo de Investimento Imobiliário Fechado Imosonae Dois	a)	Maia	99.89%	99.89%	100.00%	99.90%
Igimo – Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Infofield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Marcas MC, Zrt	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalloop – Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

	Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modelo.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	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 – Atividades 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%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Socijofra - Sociedade Imobiliária, SA	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
	Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sonae Center Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonae Investimentos, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia	100,00%	90,00%	100,00%	90,00%
	Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Sport Zone Canárias, SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
	Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonvecap, BV	a)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
	Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia	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 - Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Worten Canárias, SL	a)	Tenerife (Spain)	51,00%	51,00%	51,00%	51,00%
	Zippy – Comércio e Distribuição, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
	ZYEvolution-Invest.Desenv., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Telecommunications						
	Be Artis - Concepção, Construção e Gestão de Redes de Comunicações, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Be Towering – Gestão de Torres de Telecomunicações, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Cape Tecnologies Limited	a)	Dublin (Ireland)	100.00%	54.57%	100.00%	54.51%
2)	Connectiv Solutions Inc	a)	Delaware (EUA)	100.00%	54.57%	-	-
	Digitmarket - Sistemas de Informação, SA	a)	Maia	75.10%	40.98%	75.10%	40.94%
	Lugares Virtuais, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Magma - Operação de Titularização de Créditos	c)	Portugal	100.00%	54.57%	100.00%	54.51%
	Mainroad Serviços em Tecnologias de Informação, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Miauger - Org. Gestão Leilões Electrónicos, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Optimus - Comunicação, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
3)	Optimus SGPS, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Per-Mar - Sociedade de Construções, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	54.57%	100.00%	54.51%
	Público - Comunicação Social, SA	a)	Porto	100.00%	54.57%	100.00%	54.51%
	Saphety Level - Trusted Services, SA	a)	Maia	86.99%	47.47%	86.99%	47.42%
	Sonae Telecom BV	a)	Amesterdam (The Netherlands)	100.00%	54.57%	100.00%	54.51%
4)	Sonaecom – Serviços Partilhados, SA	a)	Maia	100,00%	54.57%	-	-
	Sonae Telecom, SGPS, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Sonaecom - Sistemas de Informação, SGPS, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Sonaecom - Sistemas de Información España, SL	a)	Madrid	100.00%	54.57%	100.00%	54.51%
	Sonaecom, SGPS, SA	a)	Maia	55.63%	54.57%	55.69%	54.51%
	Sonaetelecom, BV	a)	Amesterdam (The Netherlands)	100.00%	54.57%	100.00%	54.51%
	Sontária - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	54.46%	99.99%	54.49%

	We Do Consulting - Sistemas de Informação, SA	a)	Maia	100.00%	54.57%	100.00%	54.51%
	We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	54.46%	99.91%	54.49%
	We Do Poland Sp.Z.o.o.	a)	Posnan (Poland)	100.00%	54.57%	100.00%	54.51%
	We Do Tecnologies Americas, Inc.	a)	Wilmington (USA)	100.00%	54.57%	100.00%	54.51%
	We Do Technologies Australia PTY Limited	a)	Sidnei (Australia)	100.00%	54.57%	100.00%	54.51%
	We Do Tecnologies BV	a)	Amesterdam (The Netherlands)	100.00%	54.57%	100.00%	54.51%
	We Do Technologies Chile, SpA	a)	Santiago (Chile)	100.00%	54.57%	100.00%	54.51%
	We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	54.57%	100.00%	54.51%
	We Do Technologies Mexico S. de RL	a)	Mexico City	100.00%	54.57%	100.00%	54.51%
	We Do Technologies Panamá SA	a)	Panama City	100.00%	54.57%	100.00%	54.51%
	We Do Technologies Singapore PTE. LDT	a)	Singapore	100.00%	54.57%	100.00%	54.51%
	We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	54.57%	100.00%	54.51%
	Investment Management						
	ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Brazil	100.00%	50.00%	100.00%	50.00%
5)	ADDmakler Administração e Corretagem de Seguros, Ltda	a)	Brazil	99.98%	50.00%	99.98%	50.00%
5)	ADDmakler Administradora, Corretora de Seguros Partic. Ltda	a)	Brazil	100.00%	50.00%	100.00%	50.00%
	Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
6)	Herco, Consultoria de Risco, SA	a)	Maia	100.00%	50.01%	100.00%	50.01%
	Highdome - HighDome PCC Limited	a)	Malta	99.99%	50.01%	100.00%	50.01%
	Larim Corretora de Resseguros Ltda	a)	Brazil	99.99%	50.01%	99.99%	50.01%
	Lazam/mds Correctora Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	MDS - Corretor de Seguros, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
	MDS Affinity - Sociedade de Mediação, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
4)	MDS Africa, SGPS, SA	a)	Porto	100.00%	50.01%	-	-
5) 7)	MDS Associações Corretora de Seguros Ltda	a)	Brasil	99.99%	50.01%	99.99%	50.01%
	MDS Auto – Mediação de Seguros, SA	a)	Brasil	50.01%	25.01%	50.00%	25.01%
	Mds Knowledge Centre, Unipessoal, Lda	a)	Lisbon	100.00%	50.01%	100.00%	50.01%
	MDS Malta Holding Limited	a)	Malta	100.00%	50.01%	100.00%	50.01%
	MDS, SGPS, SA	a)	Maia	50.01%	50.01%	50.01%	50.01%
	Miral Administração e Corretagem de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	Modelo - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
8)	Polinsur - Mediação de Seguros, Lda	a)	Oeiras	100.00%	50.01%	100.00%	50.01%

	Quorum Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	RSI Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
8)	Serenitas - Soc. Mediação Seguros, Lda	a)	Lisbon	100.00%	50.01%	100.00%	50.01%
9)	Terra Nossa Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	Others						
	Libra Serviços, Lda	a)	Funchal	100.00%	100.00%	100.00%	100.00%
	Sonae Investments, BV	a)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae RE, SA	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
	Sonaecenter Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sontel, BV	a)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%

a) Control held by majority of voting rights;

b) Control held by Management control;

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

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

2) Company acquired on 1 May 2012;

3) Ex- Sonae Telecom, SGPS, SA;

4) Companies created during the period;

5) Companies merged into Lazam/mds Correctora Ltda at 1 Augoust 2012;

6) Ex- MDS Consulting, SA;

7) Ex- Fontana Corretora de Seguros Ltd;

8) Companies merged into MDS - Corretor de Seguros, SA at 1 September 2012;

9) Companies merged into Lazam/mds Corretora, Ltda com at 1 July 2012.

These entities are consolidated using the full consolidation method.

6 JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

Jointly controlled entities and associated companies included in the consolidated financial statements, their head offices and the percentage of share capital held by Sonae as at 31 December 2012 and 31 December 2011 are as follows:

6.1 Jointly controlled entities

			Percentage of share capital held			
			31 December 2012		31 December 2011	
	Company	Head Office	Direct	Total	Direct	Total
	Shopping Centres					
	8ª avenida Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%
1)	3DO Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	3shoppings - Holding, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Adlands BV	Amsterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	Aegean Park, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
	Airone - Shopping Centre, Srl	Milan (Italy)	100.00%	25.05%	100.00%	25.05%
	ALBCC – Albufeirashopping – Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%
	ALEXA Administration GmbH	Berlin (Germany)	100.00%	25.00%	100.00%	25.00%
	Alexa Asset GmbH & Co	Dusseldorf (Germany)	9.00%	4.50%	9.00%	4.50%
	ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Algarveshopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	ARP Alverca Retail Park, SA	Maia	50.00%	25.00%	50.00%	25.00%
	Arrábidashopping - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Avenida M-40, BV	Amsterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Beralands BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Campo Limpo Lda	S. Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%
	Cascaishopping - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Cascaishopping Holding I, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
	CCCB Caldas da Rainha - Centro Comercial,SA	Maia	100.00%	50.00%	100.00%	50.00%
	Centro Colombo - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Centro Vasco da Gama - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Coimbrashopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Colombo Towers Holding, BV	The Hague (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	Craiova Mall BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%

	Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Dos Mares - Shopping Centre, BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Estação Viana - Centro Comercial, SA	Viana do Castelo	100.00%	25.05%	100.00%	25.05%
	Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
2)	Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center (FundII)	São Paulo (Brazil)	50.00%	10.34%	50.00%	3.99%
2)	Fundo de Investimento Imobiliário Shopping Parque Dom Pedro Shopping	São Paulo (Brazil)	87.61%	15.78%	87.61%	16.90%
	Gaiashopping I - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Gaiashopping II - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Guimarãeshopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	Iberian Assets, SA	Madrid (Spain)	49.78%	12.47%	49.78%	12.48%
	Inparsa - Gestão de Galeria Comerc., SA	Maia	100.00%	50.00%	100.00%	50.00%
	Ioannina Development of Shopping Centres, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
	La Farga - Shopping Centre, SL	Madrid (Spain)	100.00%	12.48%	100.00%	12.48%
	Larissa Development of Shopping Centres, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
	LCC – Leiriashopping – Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%
	Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
	Loop 5 - Shopping Centre Gmbh	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
	Loureshopping – Centro Comercial, SA	Maia	50.00	11.88%	50.00	11.88%
	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Luz del Tajo, BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Madeirashopping - Centro Comercial, SA	Funchal (Madeira)	50.00%	12.53%	50.00%	12.53%
	Maiashopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Münster Arkaden, BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Norte Shopping Retail and Leisure Centre, BV	Amesterdam (The Netherlands)	50.00%	12.53%	50.00%	12.53%
	Norteshopping - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Pantheon Plaza BV	Amesterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	Paracentro - Gestão de Galerias Comerciais, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Park Avenue Developement of Shopping Centers, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%

	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Azores)	50.00%	12.53%	50.00%	12.53%
	Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
	Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Parque Principado, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Penha Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Sertório Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Uberlândia Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Plaza Eboli, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Plaza Mayor Holding, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	PORTCC – Portimãoshopping – Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%
	Project 4, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Project SC 1, BV	Amesterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	Project SC 2, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 10 BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
3)	Project Sierra 11 BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
4)	Project Sierra 12 BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 2, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 6, BV	Amesterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%

	Project Sierra 8 BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Project Sierra Four SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 2 (two), Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 3 (three), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Italy 2 - Development of Shopping Centres, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
5)	Project Sierra Portugal VIII - Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 1, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
6)	Project Sierra Spain 3 - Centro Comercial, SA	Madrid (Spain)	50.00%	25.00%	50.00%	25.00%
	Project Sierra Spain 3, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 7 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Two Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Rio Sul – Centro Comercial, SA	Lisbon	50.00%	11.88%	50.00%	11.88%
	River Plaza BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
7)	S.C. Caelum Development Srl	Bucharest (Romania)	50.00%	25.00%	-	-
	S.C. Microcom Doi Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	SC Aegean, BV	Amesterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	SC Mediterranean Cosmos, BV	Amesterdam (The Netherlands)	50.00%	12.53%	50.00%	12.53%
	Serra Shopping – Centro Comercial, SA	Covilhã	50.00%	11.88%	50.00%	11.88%
	Shopping Centre Colombo Holding, BV	Amesterdam (The Netherlands)	50.00%	12.53%	50.00%	12.53%
	Shopping Centre Parque Principado, BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
8)	Sierra Air Retail BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Berlin Holding BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Brazil 1, BV	Amesterdam	100.00%	25.00%	100.00%	25.00%

		(The Netherlands)				
	Sierra Central, S.A.S.	Santiago de Cali(Colombia)	50.00%	25.00%	50.00%	25.00%
	Sierra Cevital Shopping Center, Spa	Argelia	49.00 %	24.50%	49.00 %	24.50%
	Sierra Corporate Services Holland, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Development of Shopping Centres Greece, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Holding, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Enplanta, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (The Netherlands)	50.10%	25.05%	50.10%	25.05%
	Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra GP, Limited	Guernesey (U.K.)	100.00%	50.00%	100.00%	50.00%
	Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Sierra Investments (Holland) 1, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments (Holland) 2, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments Holding, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Italy Holding, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Sierra Management, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Portugal, SA	Lisbon	100.00%	50.00%	100.00%	50.00%
	Sierra Property Management Greece, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
9)	Sierra Property Management, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
10)	Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra Spain – Shopping Centers Services, SL	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
11)	Sierra Spain 2 Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Solingen Shopping Center GmbH	Dusseldorf (Germany)	50.00%	25.00%	100.00%	50.00%
	Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
	Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	25.00%	50.00%	25.00%

	Sonae Sierra, SGPS, SA	Maia	50.00%	50.00%	50.00%	50.00%
	SPF - Sierra Portugal	Luxembourg	100.00%	50.00%	100.00%	50.00%
	SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	47.50%	23.75%	47.50%	23.75%
	Torre Ocidente - Imobiliária, SA	Maia	50.00%	12.50%	50.00%	12.50%
	Unishopping Administradora, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	99.98%	16.66%	99.98%	16.66%
	Valecenter, Srl	Milan (Italy)	100.00%	25.05%	100.00%	25.05%
	Via Catarina - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Vuelta Omega, S.L.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
	Weiterstadt Shopping BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Zubiarte Inversiones Inmobiliarias, SA	Madrid (Spain)	49.83%	12.48%	49.83%	12.48%
	Telecommunications					
	Unipress - Centro Gráfico, Lda	Vila Nova de Gaia	50.00%	27.28%	-	-
12)	Infosystems – Sociedade de Sistemas de Informação, S.A.	Luanda (Angola)	50.00%	27.28%	-	-
	SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto	45.00%	24.56%	45.00%	24.53%
7)	SSI Angola, S.A.	Luanda (Angola)	100.00%	27.28%	-	-
12)	ZOPT, SGPS, SA	Porto	50.00%	50.00%	-	-
	Investment Management					
	Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
	Marcas do Mundo - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Movimentos Viagens - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Nova Equador Internacional, Agência de Viagens e Turismo, Lda	Lisbon	50.00%	50.00%	50.00%	37.50%
13)	Puravida - Viagens e Turismo, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
	Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	37.50%
	Raso SGPS, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
	Raso - Viagens e Turismo, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
	Viagens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%

1) Company merged into Sierra Solingen Holding GmbH with effects since 1 January 2012;

2) On October 2012, the subsidiary Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center (Fund II) exercised its option to acquire from Sierra Investimentos Brasil Ltda 17.7% of the share capital of Fundo de Investimento Imobiliário Shopping Parque Dom Pedro (Fund I). On the same date Sierra Investimentos Brasil Ltda dues a capital increases in Fund II by the same amount;

3) Ex - Project Sierra Germany Shopping Centre 1 B.V.;

4) Ex - Project Sierra Germany Shopping Centre 2 B.V.;

5) Company merged into Project Sierra Germany 4 (four) - Shopping Centre, GmbH with effects since 1 January 2012;

6) Company liquidated during 2012;

7) Company acquired during 2012;

8) Ex - Project Sierra Spain 7 B.V;

9) Company merged into Sierra Romania Shopping Centers Services, SRL with effects since 30 June 2012;

10) Ex - Sierra Development Romania, Srl;

11) Ex - El Rosal Shopping, S.A.;

12) Companies created during the period;

13) Company merged into Movimentos Viagens – Viagens e Turismo, Sociedade Unipessoal, Lda with effects since 30 September 2012.

6.2 Associated companies

			Percentage of capital held			
			31 December 2012		31 December 2011	
	Company	Head Office	Direct	Total	Direct	Total
	Retail					
	Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%
	Mundo Vip - Operadores Turísticos, SA	Lisbon	33.34%	33.34%	33.34%	33.34%
	Investment Manegement					
1)	Cooper Gay Swett & Crawford Ltd	U.K.	9.72%	4.86%	25.10%	12.55%

1) Disposal of shares representing 15.38% of the share capital of the entity in October 2012, with loss of significant influence, after that date. At that time retained interests were recorded at fair value.

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

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

COMPANY	31 December 2012	31 December 2011 Restated
Shopping Centres		
Sonae Sierra SGPS, SA (consolidated financial statements)	448,355,598	503,322,781
Telecommunications		
Unipress - Centro Gráfico, Lda	453,620	661,185
Infosystems – Sociedade de Sistemas de Informação, S.A.	1,003	-
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	-	-
SSI Angola, S.A.	-	-
ZOPT, SGPS, S.A.	25,000	-
Investment Management		
Raso SGPS, SA (consolidated financial statements)	6,713,236	9,475,661
Investments in joint ventures	455,548,457	513,459,627
Retail		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	897,831	1,006,690
Mundo Vip - Operadores Turísticos, SA (Note 36)	-	1,101,337
Investment Management		
Cooper Gay Swett & Crawford Ltd	-	18,566,435
Investment in associated companies	897,831	20,674,462
Total	456,446,288	534,134,089

As at 31 December 2012 and 2011 aggregated values of main financial indicators of these companies are as follows:

	Assets		Liabilities	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Retail	12,966,266	22,327,332	11,959,946	21,044,150
Shopping Centres	3,608,333,536	3,826,964,473	2,235,848,486	2,334,697,287
Telecommunications	6,162,864	7,115,708	5,089,640	6,008,405
Investment Management	65,247,647	676,395,425	35,392,945	732,213,964
Total	3,692,710,313	4,532,802,938	2,288,291,017	3,093,963,806
	Income		Expenses	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Retail	63,465,069	76,183,218	63,608,550	76,283,915
Shopping Centres	286,912,729	382,282,886	331,581,034	347,758,579
Telecommunications	4,214,111	4,406,481	4,151,585	4,303,717
Investment Management	42,764,046	305,610,835	48,411,033	317,050,937
Total	397,355,955	768,483,420	447,752,202	745,397,148

During the periods ended as at 31 December 2012 and 2011, movements in Investments in joint ventures 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	419,702,609	114,431,480	534,134,089	463,296,891	112,100,939	575,397,830
Acquisitions during the exercise	31,182	-	31,182	-	-	-
Loss of significant influence	13,174,585	(33,987,738)	(20,813,153)	-	-	-
Equity method	-	-	-	-	-	-
Share of result in associated companies	(22,841,079)	(1,541,456)	(24,382,535)	(2,057,015)	-	(2,057,015)
Distributed dividends	(10,666,052)	-	(10,666,052)	(12,230,783)	-	(12,230,783)
Effect in equity capital and non-controlling interests	(20,898,379)	142,472	(20,755,907)	(29,306,484)	3,829,308	(25,477,176)
Other effects in net income	688,418	(1,789,754)	(1,101,336)	-	(1,498,767)	(1,498,767)
	379,191,284	77,255,004	456,446,288	419,702,609	114,431,480	534,134,089

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

The goodwill effect recorded in equity corresponds to the recognition of exchange rate adjustments that were recorded directly in “Currency translation reserve”.

The caption "Loss of significant influence" is related to the loss of significant influence in Cooper Gay Sweet & Crawford Ltd on the disposal of shares representing 11.3% of the company share capital, followed by a capital increase of that company that implied a decrease in the percentage of ownership to 9.72%. This operation led to the recognition in the income statement, under the caption "Gains and losses relating to investments" of the amount of 15,227,674 euro (including the effect of remeasurement at fair value of retained interests at the date of the transaction in the amount of 3,471,588 euro). The disposal price of 20,535,907 euro (approximately 27.1 million US dollars), is accounted for in the statement of financial position, under the caption of “Other receivables” (Note 17) and was fully received in January 2013. The remaining amount was transferred to the statement of financial position under the caption "Other Investments".

7 GROUP COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES EXCLUDED FROM CONSOLIDATION AND OTHER NON-CURRENT INVESTMENTS

Group companies, jointly controlled companies and associated companies excluded from consolidation, their head offices, percentage of share capital held and book value as at 31 December 2012 and 2011 are as follows:

Company	Head Office	Percentage of capital held: 31 December 2012 Direct	31 December 2012 Total	31 December 2011 Restated Direct	31 December 2011 Restated Total	Book value: 31 December 2012	Book value: 31 December 2011 Restated
Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	7.14%	7.14%	7.14%	7.14%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Telecommunications							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	0.75%	1.38%	0.75%	197,344	197,344
Investment Management							
Cooper Gay Swett & Crawford ltd 1)	London	9.72%	4.86%	-	-	22,854,831	-
Other investments						36,067,375	39,985,320
Total (Note 13)						59,877,723	40,940,837

1) Disposal of shares representing 15.38% of the share capital in October 2012, with loss of significant influence. At the time of this transaction, retained interests were recorded at fair value.

As at 31 December 2012, the caption “Other Investments” includes:

- 33,716,476 euro(33,737,856 euro as at 31 December 2011) 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 in the applicable situations (Note 32 and 33);

- 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 33). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers, that reason attends to Sonae; and

- 4,482,000 euro as at 31 December 2011 related to the fair value of Sonae Capital, SGPS, S.A. shares. These shares were measured at fair value in accordance with the market price at the date of the statement of financial position and were disposed during the year (Note 36);

All investments, with the exception of Cooper Gay Sweet & Crawford, Ltd and Sonae Capital, SGPS, SA, are recorded at acquisition cost less impairment losses, given the fact that these are investments in unlisted shares and whose fair value was not estimated because it is not reliable;

Financial investment in Cooper Gay Sweet & Crawford, Ltd was remeasured at the date of loss of significant influence, 31 December 2012. The valuation of this investment is based on the assumptions considered for valuation purposes of the transaction, based on EBITDA multiples supported by market multiples for listed companies operating in the insurance brokerage sector and using the relevant financial data of the company as at 31 December 2012;

During the period and between the date of loss of significant influence and 31 December 2012, the fair value of this investment had an increase in the amount of 3,840,447 euro which was recorded in equity under the caption "Fair value reserve".

8 CHANGES IN CONSOLIDATION PERIMETER

8.1 Main acquisitions of Companies over the period ended 31 December 2012 are as follows (Note 5):

COMPANY	Head Office	Percentage of capital held At acquisition date Direct	Percentage of capital held At acquisition date Total
Telecommunications			
Connectiv Solutions, Inc.	Delaware (USA)	100.00%	54.98%

Acquisitions mentioned above had the following impact on the consolidated financial statements for the period ended as at 31 December 2012:

	Telecommunications			
	At acquisition date	Fair value adjustments	At acquisition date	31 December 2012
Acquired net assets				
Tangible assets (Note 10 and 11)	625,758	3,190,109	3,815,867	3,848,266
Other assets	1,271,965	-	1,271,965	1,403,719
Cash and cash equivalents	315,304	-	315,304	1,303,877
Loans	(184,608)	-	(184,608)	(106,759)
Other liabilities	(1,144,459)	-	(1,144,459)	(811,395)
	883,960	3,190,109	4,074,069	5,637,708
Goodwill (Note 12)	8,357,884	(3,190,109)	5,167,775	
Acquisition price	9,241,844	-	9,241,844	
Payments made	6,285,976		6,285,976	
Accounts Payable	2,955,868		2,955,868	
	9,241,844		9,241,844	
Net cash outflow arising from acquisition				
Cash consideration paid	6,285,976		6,285,976	
Cash and cash equivalents acquired	(315,304)		(315,304)	
	5,970,672		5,970,672	

Following the acquisition of Connectiv Solutions, the company carried out a preliminary assessment of the fair value of acquired assets and liabilities, which led to the recognition of software and clients portfolio in the amount of 3,190,109 euro.

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

The acquisition price includes a deferred amount 1.4 million euro (2 million US Dollars) to be paid in 2013 and 2014 and a contingent amount to be paid annually, during 4 years, depending on revenues of the company, which were estimated in about 1.4 million euro (2 million US Dolars).

The allocation of the acquisition price is still subject to changes until the conclusion of one year period from the date of acquisition in accordance with IFRS 3 - Business Combinations.

Nevertheless, the company does not expect significant changes in its financial position as a result of any changes to the allocation made.

9 FINANCIAL INSTRUMENTS BY CLASS

The financial instruments classification according to policies disclosed in note 2.13, is as follows:

Financial Assets	Notes	Loans and accounts receivable	Available for sale	Derivates (Note 26)	Sub-total	Assets not within scope of IFRS 7	Total
As at 31 December 2012							
Non-current assets							
Other investments	7 and 13	33,716,476	26,161,247	-	59,877,723	-	59,877,723
Other non-current assets	14	27,312,961	-	-	27,312,961	22,218,354	49,531,315
		61,029,437	26,161,247	-	87,190,684	22,218,354	109,409,038
Current assets							
Trade receivables	16	171,053,729	-	-	171,053,729	-	171,053,729
Other debtors	17	117,941,848	-	-	117,941,848	-	117,941,848
Investments	13	881,581	-	30,341	911,922	-	911,922
Cash and cash equivalents	21	376,635,163	-	-	376,635,163	-	376,635,163
		666,512,321	-	30,341	666,542,662	-	666,542,662
		727,541,758	26,161,247	30,341	753,733,346	22,218,354	775,951,700
As at 31 December 2011 Restated							
Non-current assets							
Other investments	7 and 13	33,737,855	7,202,982	-	40,940,837	-	40,940,837
Other non-current assets	14	27,003,960	-	-	27,003,960	10,988,054	37,992,014
		60,741,815	7,202,982	-	67,944,797	10,988,054	78,932,851
Current assets							
Trade receivables	16	175,080,053	-	-	175,080,053	-	175,080,053
Other debtors	17	92,701,931	-	-	92,701,931	-	92,701,931
Investments	13	3,064,147	-	2,797,071	5,861,218	-	5,861,218
Cash and cash equivalents	21	420,169,386	-	-	420,169,386	-	420,169,386
		691,015,517	-	2,797,071	693,812,588	-	693,812,589
		751,757,332	7,202,982	2,797,071	761,757,384	10,988,054	772,745,439

Financial liabilities	Notes	Derivatives (Note 26)	Financial liabilities recorded at amortised cost	Sub-total	Liabilities not within scope of IFRS 7	Total
As at 31 December 2012						
Non-current liabilities						
Bank loans	24	-	364,137,659	364,137,659	-	364,137,659
Bonds	24	-	1,287,944,455	1,287,944,455	-	1,287,944,455
Obligations under finance leases	24 and 25	-	27,593,734	27,593,734	-	27,593,734
Other loans	24	6,993,896	90,166	7,084,062	-	7,084,062
Other non-current liabilities	27	-	54,308,839	54,308,839	33,649,592	87,958,431
		6,993,896	1,734,074,853	1,741,068,749	33,649,592	1,774,718,341
Current liabilities						
Bank loans	24	-	65,557,681	65,557,681	-	65,557,681
Bonds	24	-	450,820,688	450,820,688	-	450,820,688
Obligations under finance leases	24 and 25	-	7,037,038	7,037,038	-	7,037,038
Other loans	24	2,627,817	33,466	2,661,283	-	2,661,283
Trade creditors	29	-	1,221,772,727	1,221,772,727	-	1,221,772,727
Other creditors	30	-	227,781,624	227,781,624	-	227,781,624
		2,627,817	1,973,003,224	1,975,631,041	-	1,975,631,041
		9,621,713	3,707,078,077	3,716,699,790	33,649,592	3,750,349,382
As at 31 December 2011 Restated						
Non-current liabilities						
Bank loans	24	-	401,355,061	401,355,061	-	401,355,061
Bonds	24	-	1,349,434,313	1,349,434,313	-	1,349,434,313
Obligations under finance leases	24 and 25	-	28,812,037	28,812,037	-	28,812,037
Other loans	24	11,007,789	126,395	11,134,184	-	11,134,184
Other non-current liabilities	27	-	141,119,296	141,119,296	6,444,821	147,564,117
		11,007,789	1,920,847,102	1,931,854,891	6,444,821	1,938,299,712
Current liabilities						
Bank loans	24	-	226,882,229	226,882,229	-	226,882,229
Bonds	24	-	365,856,920	365,856,920	-	365,856,920
Obligations under finance leases	24 and 25	-	6,894,512	6,894,512	-	6,894,512
Other loans	24	42,744	33,466	76,210	-	76,210
Trade creditors	29	-	1,244,537,123	1,244,537,123	-	1,244,537,123
Other creditors	30	-	142,699,263	142,699,263	-	142,699,263
		42,744	1,986,903,513	1,986,946,257	-	1,986,946,257
		11,050,533	3,907,750,615	3,918,801,148	6,444,821	3,925,245,969

As at 31 December 2012 and 2011 the financial instruments at fair value through profit and loss are only derivatives that qualify as hedging instruments (Note 26).

Financial instruments recognized at fair value

The following table details the financial instruments that are measured subsequent to initial recognition at fair value, grouped into 3 levels based on the degree to which the fair value is observable.

Level 1: fair value measurements derived from quoted prices;

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

Level 3: fair value measurements 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	-	22,854,831	-	4,482,000	2,797,069	-
Derivatives	-	30,341	-	-	-	-
	-	22,885,172	-	4,482,000	2,797,069	-
Financial liabilities measured at fair value						
Derivatives	-	9,621,713	-	-	11,050,533	-
	-	9,621,713	-	-	11,050,533	-

10 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:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Other tangible assets	Tangible assets in progress	Total Tangible Assets
Gross costs:							
Opening balance as at 1 January 2011 Restated	1,954,539,711	2,089,794,841	21,773,707	301,500,395	43,169,579	83,389,267	4,494,167,500
Investment	5,690,061	9,612,724	128,208	15,606,580	342,735	214,632,245	246,012,553
Acquisitions of subsidiaries	666,625	15,936	89,925	304,138	12,528	-	1,089,152
Disposals	(32,711,103)	(101,838,757)	(872,744)	(15,384,988)	(1,454,397)	(905,368)	(153,167,357)
Exchange rate effect	(23,085)	(128,544)	(44,806)	(321,312)	(14,452)	(10,493)	(542,692)
Transfers	15,438,329	192,228,337	860,841	14,565,230	3,091,166	(232,557,983)	(6,374,080)
Opening balance as at 1 January 2012	1,943,600,538	2,189,684,537	21,935,131	316,270,043	45,147,159	64,547,668	4,581,185,076
Investment	3,946,530	8,062,867	89,529	17,113,479	46,127	186,179,820	215,438,352
Acquisitions of subsidiaries (Note 8)	-	103,084	-	1,004,738	-	-	1,107,822
Disposals	(4,224,270)	(89,596,736)	(969,701)	(14,164,383)	(1,354,215)	(2,374,690)	(112,683,995)
Exchange rate effect	(14,782)	(173,673)	(52,162)	(426,686)	16,015	(43,617)	(694,905)
Transfers	942,580	161,205,855	674,169	5,626,851	1,648,853	(195,618,231)	(25,519,924)
Closing balance as at 31 December 2012	1,944,250,596	2,269,285,934	21,676,966	325,424,042	45,503,939	52,690,950	4,658,832,426
Accumulated depreciation and impairment losses							
Opening balance as at 1 January 2011	382,594,714	1,100,870,423	16,940,195	244,854,845	33,525,223	-	1,778,785,400
Depreciation and impairment losses	37,039,414	169,699,260	1,567,636	31,158,037	5,213,367	-	244,677,714
Acquisitions of subsidiaries	55,875	15,936	66,203	291,367	8,735	-	438,116
Disposals	(5,151,651)	(88,859,563)	(839,148)	(15,144,481)	(1,426,371)	-	(111,421,214)
Exchange rate effect	(6,519)	(77,328)	(27,897)	(153,785)	(140)	-	(265,669)
Transfers	221,128	(3,384,877)	(73,121)	(111,030)	(88,267)	-	(3,436,167)
Opening balance as at 1 January 2012	414,752,961	1,178,263,851	17,633,868	260,894,953	37,232,547	-	1,908,778,180
Depreciation and impairment losses	35,914,835	170,277,222	1,397,600	30,492,896	3,948,955	-	242,031,508
Acquisitions of subsidiaries (Note 8)	-	90,165	-	441,202	-	-	531,367
Disposals	(2,143,516)	(73,678,088)	(931,824)	(13,701,428)	(1,290,821)	-	(91,745,677)
Exchange rate effect	(11,584)	(110,105)	(37,574)	(251,304)	-	-	(410,567)
Transfers	(142,103)	(662,838)	(345,316)	(2,231,555)	(80,351)	-	(3,462,163)
Closing balance as at 31 December 2012	448,370,593	1,274,180,207	17,716,754	275,644,764	39,810,330	-	2,055,722,648
Carrying amount							
As at 31 December 2011	1,528,847,577	1,011,420,686	4,301,263	55,375,090	7,914,612	64,547,668	2,672,406,896
As at 31 December 2012	1,495,880,003	995,105,727	3,960,212	49,779,278	5,693,609	52,690,950	2,603,109,778

The increases occurred during the years ended 31 December 2012 and 2011 included, approximately, 75 million euro (57 million euro in 2011) relating to assets associated with the UMTS operation (Universal Mobile Telecommunications Service), HSDPA (Kanguru Express), GSM (Global Standard for Mobile Communications), GPRS (General Packet Radio Service), FTTH (Fibre-to-the-Home) and LTE (Long Term Evolution), some of which are associated with ongoing projects, so it remains registered in "Tangible assets in progress".

Major 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	14,405,432
Refurbishment and expansion of stores in the retail businesses located in Spain	842,420	4,028,693
Projects "Continente" stores for which advance payments were made	8,274,617	9,184,617
Development of mobile network	15,652,408	27,787,877
Development of fixed network	1,514,961	1,326,769
Others	4,185,301	7,814,280
	52,690,950	64,547,668

At 31 December 2012, the caption 'Tangible assets' included an amount of 25.1 million euro (23.3 million euro in 2011) regarding to the net book value of the telecommunications equipment delivered to customers under free lease agreements with a pre-defined period, which are being amortized over the duration of their contracts.

At 31 December 2011, the amount of disposals in "Tangible assets" includes 25.7 million euro relating to the sale & leaseback operation 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.

During the years ended at 31 December 2012 and 2011, and regarding the Telecommunications operating segment, disposals include the sale of a set of assets related with 2G, 3G and Micro-Wave network amounting to, approximately, 11.6 million euro. These disposals did not generate significant capital gains.

The transfers and write-offs include the amount of about 8.9 million euro related to the sites decommissioning. The amount is due to the update to the present value of the provision for sites decommissioning, taking into consideration the expected dates of its utilization (Note 32).

As at 31 December 2012 and 2011, the telecommunications operating segment, presents a value of commitments assumed with third parties, relating to investments to be made, that can be detailed as follows:

	31 December 2012	31 December 2011 Restated
Technical Investments	9,344,084	26,716,979
Investments in information systems	997,717	1,272,257
	10,341,801	27,989,236

11 INTANGIBLE ASSETS

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

	Patents and other similar rights	Software	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:					
Opening balance as at 1 January 2011	454,452,874	408,280,275	48,956,308	32,135,978	943,825,435
Investment	26,691,792	2,446,920	2,995,528	153,523,507	185,657,747
Acquisition of subsidiaries	-	-	1,765,891	-	1,765,891
Disposals	(19,795,375)	(8,730,283)	-	(450,213)	(28,975,871)
Disposal of subsidiaries	-	-	6,707,040	-	6,707,040
Exchange rate effect	(5,518)	(341,825)	(2,906,622)	(141)	(3,254,106)
Transfers	50,586	53,097,083	(26,142)	(50,253,309)	2,868,218
Opening balance as at 1 January 2012	461,394,359	454,752,170	57,492,003	134,955,822	1,108,594,354
Investment	24,156,887	1,772,860	110,563	42,349,366	68,389,676
Acquisition of subsidiaries (Note 8)	1,608,263	1,686,153	-	-	3,294,416
Disposals	(12,808,851)	(993,025)	(795,628)	(907,764)	(15,505,268)
Exchange rate effect	(2,983)	(424,996)	(3,589,201)	(14,305)	(4,031,485)
Transfers	100,123,221	42,630,156	(4,521,369)	(132,265,679)	5,966,329
Closing balance as at 31 December 2012	574,470,896	499,423,318	48,696,368	44,117,440	1,166,708,022
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2011	146,812,550	302,964,449	19,232,527	-	469,009,526
Depreciation of the period	44,828,017	40,508,487	3,828,028	-	89,164,532
Disposals	(19,795,375)	(8,690,796)	-	-	(28,486,171)
Disposal of subsidiaries	-	-	212,531	-	212,531
Exchange rate effect	295	(238,859)	(468,576)	-	(707,140)
Transfers	(340,186)	167,499	(208,026)	-	(380,713)
Opening balance as at 1 January 2012	171,505,301	334,710,780	22,596,484	-	528,812,565
Depreciation of the period	46,596,030	41,167,126	3,313,882	-	91,077,038
Acquisition of subsidiaries	-	55,004	-	-	55,004
Disposals	(12,425,614)	(860,640)	(795,628)	-	(14,081,882)
Exchange rate effect	(1,849)	(344,377)	(918,268)	-	(1,264,494)
Transfers	303,814	(8,882)	(640,363)	-	(345,431)
Closing balance as at 31 December 2012	205,977,682	374,719,011	23,556,107	-	604,252,800
Carrying amount					
As at 31 December 2011	289,889,058	120,041,390	34,895,519	134,955,822	579,781,789
As at 31 December 2012	368,493,214	124,704,307	25,140,261	44,117,440	562,455,222

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

In accordance with the Agreement established on 5 June 2007 with the Ministry of Public Works, Transportation and Communications (MOPTC), part of these commitments, up to 159 million euro, would be realised through own projects eligible as contributions to the 'Information Society' which will be incurred under the normal course of Optimus – Comunicações, S.A.'s business (investments in network and technology, if not directly related with the accomplishment of other obligations inherent to the attribution of the UMTS License, and activities of research, development and promotion of services, contents and applications). These own projects must be recognised by the MOPTC and by entities created specifically for this purpose. At 31 December 2012, the total amount was already incurred and validated by the above referred entities, so, at this date, there are no additional responsibilities related to these commitments. These charges were recorded in the attached financial statements at the moment the projects were carried out and the estimated costs became known.

The remaining commitments, up to 116 million euro, has been realised, as agreed between Optimus – Comunicações S.A. and MOPTC, through contributions to the 'Iniciativas E' project (modem offers, discounts on tariffs, cash contributions, among others, assigned to the widespread use of broadband internet for students and teachers). These contributions are made through the 'Fund for the Information Society', now known as the 'Fundação para as Comunicações Móveis' (Foundation for Mobile Communications), established by the three mobile operators with businesses in Portugal. All responsibility is recognised as an additional cost of UMTS license, against an entry in the captions 'Other non-current liabilities' and 'Other current liabilities'. Thus, at 31 December 2012, all the responsibilities with such commitments are fully recorded in the attached consolidated financial statements (Notes 27 and 31).

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

At 31 December 2012 and 2011, the Group kept recorded under the heading 'Intangible assets – brands and contents' the amounts of 170,425,449 euro and 180,271,530 euro, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) 54,005,186 euro (57,005,474 euro in 2011) related to the license; (ii) 18,045,113 euro (19,047,619 euro in 2011) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) 5,542,199 euro (5,850,099 euro in 2011) related to a contribution to the 'Fundação para as Comunicações Móveis', established in 2007, under an agreement entered with 'MOPCT' and the three mobile telecommunication operators in Portugal; and (iv) 88,218,718 euro (93,497,759 euro in 2011) related with the programme 'Initiatives E', these last two associated to the commitments assumed by the Group in relation to the 'Information Society'.

The caption 'Brands and patents and other rights' includes also an amount of about 13.1 million euro (17.7 million euro in 2011) that corresponds to the costs incurred for customers' loyalty contracts from the subsidiary Optimus (Note 4).

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).

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

12 Goodwill

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

- Retail Units - Goodwill is allocated to each 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;

- Telecommunications - Goodwill is allocated by each business within this segment (Telecommunications, Média and Information Systems);

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

At 31 December 2011 and 2010, the caption "Goodwill" was as follows:

	31 December 2012	31 December 2011 Restated
Food based retail	472,932,511	472,932,511
Specialised Retail	87,653,701	87,653,701
Retail Real Estate	3,671,352	4,211,625
Telecommunications	48,829,978	43,778,086
Investment management	45,140,508	51,237,570
	658,228,050	659,813,493

During the years 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	664,766,628	673,559,363
Re-allocation of Goodwill	-	(4,712,604)
New companies in the consolidation perimeter (Note 8)	5,167,775	561,100
Increases	-	1,583,656
Decreases	(1,604,413)	(2,535,422)
Currency translation	(3,827,285)	(3,675,627)
Write-off	-	(13,838)
Closing balance	664,502,705	664,766,628
Accumulated impairment losses:		
Opening balance	4,953,135	2,528,842
Increases (Note 32)	1,321,520	2,424,293
Closing balance	6,274,655	4,953,135
Carrying amount:	658,228,050	659,813,493

Sonae does annual impairment tests of Goodwill and whenever there are indications of goodwill impairment. During the reporting periods ended at 31 December 2012 and 2011, Sonae has tested the goodwill impairment, having as a result of that analysis, recognized impairment losses as follows:

	31 December 2012	31 December 2011 Restated
Food based retail	-	1,178,450
Specialised Retail	-	298,000
Retail Real Estate	540,273	-
Investment management	781,247	947,843
	1,321,520	2,424,293

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.

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

Retail

For this purpose each segments of the Retail area resort uses the internal valuation results of its business concepts, using annual planning methodologies, supported in business plans that consider cash flow projections for each unit which depend on detailed assumptions based properly supported. 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 perpetuity	Compound growth rate sales*	Average capital cost	Growth rate in perpetuity	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 (Excluding Insurance)	8% to 10%	≤ 1.5%	5%	8% to 9%	≤ 1.5%	9%

* Specialised 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.

Telecommunications

For this purpose each segment uses the internal valuation results of its business areas, using annual planning methodologies, supported in business plans that consider cash flow projections of 5 years periods for each unit, which depend on detailed assumptions based on historical performance of each business.

The discount rates used were based on the estimated weighted average cost of capital, which depends of the operating segment of each subsidiary, as indicated in the table below. In perpetuity, the Group considered a growth rate of around 3% and others considered more conservative.

The discount rates used are:

	31 December 2012	31 December 2011 Restated
Telecommunications	9.5%	9.5%
Multimedia	12.0%	10.0%
Information Systems	14.0%	11.5%

Insurance

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

	31 December 2012		31 December 2011 Restated	
	Portugal	Brazil	Portugal	Brazil
Sales increase rate during the projected period	2% to 6%	8% to 12.3%	2% to 3.5%	15%
Perpetuity growth rate	2%	4.5%	2%	4.5%
Discount rate used	8.9% to 10.7%	13.9%	10.7%	13.9%

13 OTHER INVESTMENTS

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

	31 December 2012		31 December 2011 Restated	
	Non-current	Current	Non-current	Current
Investments in group companies, jointly controlled entities or associated companies excluded from consolidation				
Opening balance as at 1 January - restated	164,090	-	224,090	-
Acquisitions in the period	-	-	(60,000)	-
Closing balance as at 31 December	164,090	-	164,090	-
Accumulated impairment losses	-	-	-	-
	164,090	-	164,090	-
Other investments:				
Fair value (net of impairment losses) as at 1 January	40,776,747	3,064,147	43,074,613	15,195,954
Acquisitions in the period	580,805	177,247	118,142	-
Disposals in the period	(4,498,750)	(2,359,813)	(89,993)	(12,131,807)
Increase/(Decrease) in fair value	3,840,447	-	(2,324,000)	-
Transfers (Note 6)	19,014,384	-	(2,015)	-
Fair value (net of impairment losses) as at 31 December	59,713,633	881,581	40,776,747	3,064,147
			-	
Other investments	59,877,723	881,581	40,940,837	3,064,147
Derivative financial instruments (Note 26)				
Fair value as at 1 January	-	2,797,071	-	457,160
Increase/(Decrease) in fair value	-	(2,766,730)	-	2,339,911
Fair value as at 31 December	-	30,341	-	2,797,071
	59,877,723	911,922	40,940,837	5,861,218

The amount of increase in fair value and transfers in the caption "Other non-current investments" is related to the measurement at fair value of the investment in Cooper Gay Sweet & Crawford (Note 7).

The amount of decrease in the caption "Other non-current investments" is associated primarily to the disposal of Sonae Capital SGPS, SA shares (Note 7).

The financial investments in group companies, jointly controlled companies or associated companies excluded from consolidation are recorded at the acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate could be made as there is no market data available for these investments. The heading of "Other non-current Investments" includes 3,306,383 euro (2,720,949 euro in 31 December 2011) of investments recorded at acquisition cost net of impairment losses for the same reasons.

The investments available for sale are net of impairment losses (Note 32) amounting 85,778 euro (94,406 euro in 31 December 2011).

Under the caption other non-current financial investments it is recorded an amount of 33,716,476 euro (33,737,856 euro in 31 December 2011) related to deposited amounts on an Escrow Account (Note 7).

14 OTHER NON-CURRENT ASSETS

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

	31 December 2011			31 December 2011 Restated		
	Gross Value	Accumulated impairment losses (Note 32)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 32)	Carrying Amount
Loans granted to related parties	10,001,942	(1,000,000)	9,001,942	9,140,430	-	9,140,430
Trade accounts receivable and other debtors						
Legal deposits	973,963	-	973,963	851,831	-	851,831
Recognition of the value to be received from Carrefour	9,468,476	-	9,468,476	10,595,846	-	10,595,846
Cautions	5,919,711	-	5,919,711	5,962,373	-	5,962,373
Others	1,948,869	-	1,948,869	453,480	-	453,480
	18,311,019	-	18,311,019	17,863,530	-	17,863,530
Total financial instruments (Note 9)	28,312,961	(1,000,000)	27,312,961	27,003,960	-	27,003,960
Reinsurer's' share of technical provisions	22,126,693	-	22,126,693	10,575,646	-	10,575,646
Other non-current assets	91,661	-	91,661	412,408	-	412,408
	50,531,315	(1,000,000)	49,531,315	37,992,014	-	37,992,014

Loans granted to related parties 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.

As a result of the agreements signed in 2005 by the former subsidiary - Sonae Distribuição Brasil, SA (sold to Wall-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae assumed the responsibility to compensate Carrefour for the expenses that would arise from the 10 stores licensing process, in the Brazilian state of São Paulo, that were sold to that entity. During 2010, Carrefour triggered a bank warranty "on first demand" amounting to 25,340,145.80 Brazilian real (approximately 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 the necessity of carrying out such costs for the licensing process as established on the mentioned agreements.

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

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

The Reinsurer's' share of technical provisions refer to non-life insurance ceded to reinsurance companies by a captive subsidiary. The provision can be detailed as follows: Provision for unearned premiums 7,448,667 euro (8,962,478 euro as at December 2011) and Provisions for outstanding claims 14,678,026 euro (1,613,168 euro as at December 2011) (Note 32).

15 INVENTORIES

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

	31 December 2011	31 December 2011 Restated
Raw materials and consumables	1,447,061	1,569,737
Goods for resale	584,072,124	694,746,852
Finished and intermediate goods	318,157	707,206
Work in progress	187,376	455,467
	586,024,718	697,479,262
Accumulated impairment losses on Inventories (Note 32)	(47,538,541)	(46,773,559)
	538,486,177	650,705,703

Cost of goods sold as at 31 December 2012 and 2011 amounted to 3,561,004,682 euro and 3,627,642,374 euro, respectively, and may be detailed as follows:

	31 December 2011	31 December 2011 Restated
Opening balance	696,316,589	717,190,764
Purchases	3,472,629,581	3,624,587,836
Adjustments	(31,893,725)	(31,278,113)
Closing balance	585,519,185	696,316,589
	3,551,533,260	3,614,183,898
Impairment losses (Note 32)	16,762,583	16,974,333
Reversal of impairment losses (Note 32)	(7,291,161)	(3,515,857)
	3,561,004,682	3,627,642,374

The caption "adjustments" includes 22 million euro (23 million euro as at 31 December 2011) relating, essentially, to telecommunications terminal transfers from "Inventories" to "Tangible assets" under lending agreements established with customers of the Telecommunications operating segment. The remaining amount relates primarily to adjustments regarding donations to social welfare institutions conducted by the Retail operating segment.

16 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 and doubtful accounts	Gross Value	Accumulated impairment losses (Note 32)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 32)	Carrying Amount
Food based Retail	25,511,894	(2,797,278)	22,714,616	30,048,533	(3,369,557)	26,678,976
Specialised Retail	6,791,166	(519,778)	6,271,388	6,678,364	(819,975)	5,858,389
Food based Retail	851,799	(47,024)	804,775	80,784	(47,024)	33,760
Telecommunications	221,226,998	(82,069,573)	139,157,425	217,923,496	(77,847,394)	140,076,102
Investment management	1,789,017	(60,266)	1,728,751	2,072,308	(71,972)	2,000,336
Sonae Holding	376,774	-	376,774	432,490	-	432,490
	256,547,648	(85,493,919)	171,053,729	257,235,975	(82,155,922)	175,080,053

Sonae's exposure to credit risk is attributed to accounts receivable relating to the operating activity of the Group. The amounts presented on the face of the statement of financial position are net of impairment losses which were estimated based on Sonae's past experience and on the assessment of present economic conditions. As a result, amounts disclosed in Trade Debtors are considered to reflect their fair value.

As at 31 December 2012 there is no indication that the debtors of trade accounts receivable not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

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

	Trade Receivables				
31 December 2012	Retail	Telecommunications	Investment Management	Sonae Holding	Total
Not due	10,640,201	51,700,564	312,850	376,480	63,030,095
Due but not impaired					
0 - 30 days	2,413,702	18,008,982	856,513	-	21,279,197
30 - 90 days	14,638,258	16,684,529	138,293	-	31,461,080
+ 90 days	1,615,641	24,279,347	421,095	294	26,316,377
Total	18,667,601	58,972,858	1,415,901	294	79,056,654
Due and impaired					
0 - 90 days	502,766	3,957,205	1,741	-	4,461,712
90 - 180 days	11,949	2,829,240	1,741	-	2,842,930
180 - 360 days	78,851	6,284,434	9,071	-	6,372,356
+ 360 days	3,253,491	97,482,697	47,713	-	100,783,901
Total	3,847,057	110,553,576	60,266	-	114,460,899
	33,154,859	221,226,998	1,789,017	376,774	256,547,648

	Trade Receivables				
31 December 2011	Retail	Telecommunications	Investment Management	Sonae Holding	Total
Not due	11,983,202	54,894,832	169,962	432,490	67,480,486
Due but not impaired					
0 - 30 days	2,671,330	19,527,816	1,022,640	-	23,221,786
30 - 90 days	15,622,057	6,184,611	588,418	-	22,395,086
+ 90 days	989,294	29,258,545	219,316	-	30,467,155
Total	19,282,681	54,970,972	1,830,374	-	76,084,027
Due and impaired					
0 - 90 days	679,451	4,015,724	964	-	4,696,139
90 - 180 days	676,692	6,519,847	964	-	7,197,503
180 - 360 days	187,768	2,172,959	-	-	2,360,727
+ 360 days	3,997,887	95,349,162	70,044	-	99,417,093
Total	5,541,798	108,057,692	71,972	-	113,671,462
	36,807,681	217,923,496	2,072,308	432,490	257,235,975

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

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

17 OTHER DEBTORS

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

	31 December 2012	31 December 2011 Restated
Granted loans to related companies	7,947,797	4,350,253
Other debtors		
Trade creditors - debtor balances	30,250,465	40,525,100
Disposal of financial investments (Note 6)		
Special regime for payment of tax and social security debts	12,047,569	12,047,568
TRS related to own shares (Note 22)	12,693,574	2,283,134
"Iniciativas E" program	10,918,467	12,626,005
Dividends to be received of jointly controlled companies	10,567,050	11,867,610
Reinsurance operations	6,638,468	7,264,352
Vouchers and gift cards	2,231,940	3,286,352
Advances to agents	1,479,606	875,217
Advances to suppliers	1,406,353	3,516,899
VAT recoverable on real estate assets	1,143,779	444,020
Accounts receivable from the disposal of fixed assets	914,767	884,139
Exchange of equipment	805,280	-
Other current assets	14,072,095	13,793,028
	125,705,320	109,413,424
Accumulated impairment losses in receivables (Note 32)	(15,711,269)	(21,061,746)
Total of Financial Instruments (Note 9)	117,941,848	92,701,931

Granted loans to related companies bear interests at market rates and do not have defined maturity but are deemed to be received within 12 months.

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

The amount disclosed as 'Special regime for payment of tax and social security debts' corresponds to taxes which were disputed and subject to reimbursement claims. The Board of Directors is confident of the arguments presented by Sonae and expects court decisions to be in favour of Sonae.

As at 31 December 2011, the net position of the telecommunications operating segment with “Fundação para as Comunicações Móveis”, under “Iniciativas E” program, amounts to a receivable of 10,918,467 euro (12,626,005 euro as at 31 December 2011).

As at 31 December 2012, the amounts of 13,944,247 euro (2,253,107 euro in 2011) and 640,159 euro (15,793,539 euro in 2011), are recorded under the captions "Other non-current liabilities" and “Other current liabilities”, respectively and relate to the parcels estimated but not yet paid for, associated with the commitments made by Sonae under the ‘Iniciativas-E' program.

At as 31 December 2012 and 2011, the ageing of other debtors is as follows:

	Other Debtors	
	31 December 2012	31 December 2011 Restated
Not due	61,107,297	32,813,221
Due but not impaired		
0 - 30 days	5,717,263	6,380,348
30 - 90 days	20,561,119	21,554,780
+ 90 days	22,608,372	27,126,263
Total	48,886,754	55,061,391
Due and impaired		
0 - 90 days	854,012	1,136,182
90 - 180 days	753,583	770,268
180 - 360 days	872,727	1,493,853
+ 360 days	13,230,947	18,138,509
Total	15,711,269	21,538,812
	125,705,320	109,413,424

As at 31 December 2012 there is no indication that the debtors not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

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

18 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 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	41,227,464	37,615,583
VAT	31,316,124	59,420,551
Other taxes	2,399,280	2,374,989
	74,942,868	99,411,123
Taxes and contributions payable		
Income taxation	8,075,614	13,856,257
VAT	33,082,297	35,437,705
Staff income taxes withheld	5,760,480	6,139,642
Social security contributions	12,007,806	11,880,897
Other taxes	816,021	743,500
	59,742,218	68,058,001

19 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
Invoices to be issued	54,632,025	56,960,732
Commercial discounts	30,687,590	29,937,096
Prepayments of external supplies and services	24,864,876	18,552,692
Prepayments - Rents	6,459,176	6,563,537
Commissions to be received	1,926,548	1,794,095
Insurance indemnities	7,423,141	103,175
Other current assets	13,917,189	11,257,197
	139,910,545	125,168,524

The caption “Invoices to be issued” is essentially related to the Telecommunications operating segment and with invoices to be issued to customers and other telecommunications operators.

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

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

20 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:

	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	3,914,608	3,408,306	38,686,766	40,380,932
Amortisation and Depreciation	6,690,907	7,018,308	68,360,997	60,359,533
Provisions and impairment losses not accepted for tax purposes	50,059,893	38,080,776	89,711	-
Write off of tangible and intangible assets	34,731,470	43,925,949	-	-
Write off of deferred costs	13,516,992	20,202,721	1,159,359	12,574
Valuation of hedging derivatives	107,198	9,426	48,946	582,921
Temporary differences arising from the securitization of receivable operation	3,220,000	6,440,000	-	-
Amortisation of Goodwill for tax purposes	-	-	23,732,055	22,336,051
Deferred costs related with loyalty contracts	-	-	995,025	4,688,545
Revaluation of tangible assets	-	-	1,737,802	1,845,556
Tax losses carried forward	100,082,810	96,826,480	-	-
Reinvested capital gains/(losses)	-	-	1,000,609	1,197,663
Tax Benefits	9,709,216	3,519,525	-	-
Others	2,685,397	2,443,758	1,132,330	2,787,774
	224,718,491	221,875,249	136,943,600	134,191,549

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	221,875,249	207,284,904	134,191,549	122,336,903
Effects in net income:				
Difference between fair value and acquisition cost	511,651	762,990	(1,818,029)	(1,006,283)
Amortisation and Depreciation harmonisation adjustments	(348,110)	(188,921)	5,445,911	7,809,067
Provisions and impairment losses not accepted for tax purposes	11,606,575	18,892,209	93,775	(110,454)
Write-off of tangible and intangible assets	(9,227,386)	(3,662,373)	-	-
Write-off of deferred accrued costs	(6,685,729)	(6,015,326)	1,146,785	-
Revaluation of tangible assets	-	-	(143,299)	(126,252)
Tax losses carried forward	3,239,385	8,273,275	-	-
Temporary differences arising from the securitization of receivable operation	(3,220,000)	(3,220,000)	-	-
Amortization 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	2,309,496
Tax Benefits	6,189,691	(1,593,851)	-	-
Others	(54,201)	155,774	(4,852,839)	(649,360)
	2,746,539	14,342,853	4,703,526	9,480,939
Effects in equity:			-	
Valuation of hedging derivatives	130,612	(836,526)	(574,230)	282,308
Others	(33,909)	1,084,018	(1,377,245)	(375,000)
	96,703	247,492	(1,951,475)	(92,692)
Acquisitions of subsidiaries (Note 8)	-	-	-	471,963
Allocation of fair value on companies acquisitions	-	-	-	1,994,436
Closing balance	224,718,491	221,875,249	136,943,600	134,191,549

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 summarised 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	1,399,902	349,975	2014	1,522,393	380,598	2014
Generated in 2009	22,658,706	5,664,676	2015	26,546,566	6,636,641	2015
Generated in 2010	99,670	24,918	2014	99,670	24,918	2014
Generated in 2011	1,214,539	303,635	2015	1,209,525	302,381	2015
Generated in 2012	87,055	21,764	2017	-	-	
	26,682,984	6,670,746		30,601,266	7,650,316	
Without limited time use	1,076,048	134,506		2,179,028	509,519	
With a time limit different from the above mentioned (a)	310,915,439	93,277,558		295,437,281	88,666,645	
	311,991,487	93,412,064		297,616,309	89,176,164	
	338,674,471	100,082,810		328,217,575	96,826,480	

(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.

As at 31 December 2008, deferred tax assets were recorded in the amount of 16.1 million euro, in the Telecommunications operating segment, relating to the securitization of future receivables completed in December 2008. As a result of that operation, an amount of 100 million euro was added for purposes of determining the taxable income for the year 2008, thereby generating a temporary difference between accounting and taxable income result, which led to the recognition of a deferred tax asset to the extent that its use was, with reasonable safety, probable. Until 31 December 2012, an amount of 12.9 million euro was reversed corresponding to the reversal of the above mentioned temporary difference during the year.

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 Espanã, 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 Espanã, 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 of Retail operating segment, 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 fulfilment 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.

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 favorable 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 was tax losses carried forward, amounting to 322.6 million euro (401.9 million euro in 2011) for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarised 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	19,421,434	4,855,359	2012
Generated in 2007	55,856,584	13,964,147	2013	56,171,546	14,042,888	2013
Generated in 2008	9,842,086	2,460,522	2014	10,256,055	2,564,014	2014
Generated in 2009	18,025,218	4,506,304	2015	24,814,767	6,203,691	2015
Generated in 2010	15,161,998	3,790,499	2014	15,265,401	3,816,351	2014
Generated in 2011	7,520,471	1,880,118	2015	7,205,829	1,801,457	2015
Generated in 2012	11,693,227	2,923,307	2017	-	-	
	118,099,584	29,524,897		133,135,032	33,283,760	
Without limited time use	36,048,907	9,941,860		37,624,334	10,604,792	
With a time limit different from the above mentioned	168,461,162	43,067,009		231,159,040	57,635,615	
	322,609,653	82,533,766		401,918,406	101,524,167	

21 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	7,117,200	7,167,909
Bank deposits	290,568,494	262,539,711
Treasury applications	78,949,469	150,461,766
Cash and cash equivalents on the statement of financial position	376,635,163	420,169,386
Bank overdrafts (Note 24)	(13,267,254)	(4,712,270)
Cash and cash equivalents on the statement of cash flows	363,367,909	415,457,116

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

22 SHARE CAPITAL

As at 31 December 2012, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

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

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132,800,000 Sonae Holding shares, representative of 6.64% of its capital.

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

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

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

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

In the period from 2009 to 2012 Sonae Investments BV requested a partial cancellation of the Cash Settled Equity Swap for 9,561,419 Sonae Holding shares. Thereafter, the derivative financial instrument focused on 123,238,581 Sonae Holding shares.

On 19 October 2010 Sonae Investments BV came to an agreement with the above mentioned financial institution to extend the maturity date of the Cash Settled Equity Swap over Sonae Holding shares. The renewal of the maturity date was made for three additional years, until November 2013, keeping the settlement mechanism as strictly financial. The Cash Settled Equity Swap, over Sonae Capital SGPS, SA shares, at maturity date, was not renewed, as so Sonae acquired 16,600,000 Sonae Capital SGPS, SA shares at fair value, which corresponded to the amount of the liability recorded at the settlement date, representative of 6.6% of its capital. During the year ended 31 December 2012 Sonae Capital shares were disposed (Note 7).

Considering the operations mentioned above, the amount of the liability recorded amounts to 84,664,905 euro (58,219,905 euro as at 31 December 2011) reflecting the market value of Sonae Holding shares.

These liabilities are adjusted at the end of each month by the effect in Sonae Holding or Sonae Capital, SGPS, S.A. share price, as applicable, being recognized an asset/liability in order to present the right/obligation related to the cash settlement of the operation that resets monthly (Note 30). As at 31 December 2012, the receivable amount 12,693,574 euro (2,283,134 euro in 2011), results from the change in Sonae Holding shares price.

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

The value to get established on the basis of dividends distributed by Sonae is credited in equity to offset the charge of the distribution. The amount of dividends on Sonae SGPS, SA during the year ending 31 December 2012 amounted to 4,079,197 euro (4,198,429 euro in 2011), that was credited to equity.

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

As at 31 December 2012, the following entities held more than 20% of the subscribed share capital:

Entity	%
Efanor Investimentos. SGPS. SA and subsidiaries	52.48

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

23 NON-CONTROLING 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	336,803,275	318,520,043
Dividends	(11,481,147)	(8,158,858)
Income Distribution	(5,986,265)	-
Exchange rate effect	(2,094,864)	108,179
Increase of capital and premium on subsidiaries	1,166,629	1,276,562
Optional entries of capital	15,000,000	-
Increased shareholding by acquisitions	-	2,729,871
Decreased shareholding by disposals	(20,745,608)	-
Changes in hedge and fair value reserves	(68,165)	50,897
Aquisition and disposal of own shares / attribution to employees	(257,882)	265,648
Loss of significant influence (Cooper Gay)	1,775,180	-
Increase in the fair value of investments available for sale	1,919,839	-
Others	(5,247,995)	(948,545)
Profit for the period attributable to non-controlling interests	39,118,124	22,959,478
Closing balance as at 31 December 2012	349,901,121	336,803,275

24 LOANS

As at 31 December 2012 and 2011, Loans 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, SGPS, SA	1,961,683	75,000,000	-	-
Sonae, SGPS, SA - commercial paper	-	-	90,600,000	-
Sonae Investimentos, SGPS, S.A. - commercial paper	28,500,000	147,500,000	-	282,000,000
Sonae Holding affiliated	-	-	10,000,000	-
Sonae Investimentos affiliated	10,000,000	65,000,000	-	75,000,000
Sonaecom SGPS, SA commercial paper	-	30,000,000	118,000,000	-
MDS, SGPS, SA - commercial paper	1,250,000	17,400,000	-	14,400,000
Lazam, SA	-	18,863,880	-	21,109,920
Others	10,614,896	12,016,722	3,741,248	10,000,384
	52,326,579	365,780,602	222,341,248	402,510,304
Bank overdrafts (Note 21)	13,267,254	-	4,712,270	-
Up-front fees beard with the issuance of borrowings	(36,152)	(1,642,943)	(171,289)	(1,155,243)
Bank loans	65,557,681	364,137,659	226,882,229	401,355,061
Bonds				
Bonds Sonae / 05	100,000,000	-	-	100,000,000
Bonds Sonae / 2007/2014	-	150,000,000	-	150,000,000
Bonds Sonae / 2010/2015	-	250,000,000	-	250,000,000
Bonds Continente -7% -2015	-	200,000,000	-	-
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 Investimentos / 2012 / 2017	-	170,000,000	-	-
Bonds Sonaecom / 2005/2013	150,000,000	-	-	150,000,000
Bonds Sonaecom / 2010/2013	30,000,000	-	-	30,000,000
Bonds Sonaecom / 2010/2015	-	40,000,000	-	40,000,000
Bonds Sonaecom / 2011/2015	-	100,000,000	-	100,000,000
Bonds Sonaecom / 2012/2015	-	20,000,000	-	-
Up-front fees beard with the issuance of borrowings	(179,312)	(7,055,545)	(143,080)	(6,565,687)
Bonds	450,820,688	1,287,944,455	365,856,920	1,349,434,313
Other loans	33,466	90,166	33,466	126,395
Derivative instruments (Note 26)	2,627,817	6,993,896	42,744	11,007,789
Other loans	2,661,283	7,084,062	76,210	11,134,184
Obligations under finance leases (Note 25)	7,037,038	27,593,734	6,894,512	28,812,037
	526,076,690	1,686,759,911	599,709,871	1,790,735,595

The average interest rate at 31 December 2012 of bonds and loans was of 2.83% (2.82% 31 December 2011).

The above mentioned loans estimated fair value is considered to be near its carrying amount. Loans fair value was determined by discounting estimated future cash flows, except for "Continente 7% - 2015" bond loan, which fair value was determined based on its market price at the statement of financial position date.

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

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

	31 December 2012		31 December 2011 Restated	
	Capital	Interests	Capital	Interests
N+1 a)	523,664,337	58,827,139	599,981,496	55,899,488
N+2	218,237,298	53,350,955	470,421,202	42,632,357
N+3	1,147,031,249	41,879,085	395,395,553	32,121,253
N+4	202,327,938	11,888,422	781,588,750	17,852,317
N+5	101,814,617	3,438,725	117,157,936	1,961,951
After N+5	19,053,401	644,212	22,885,295	505,162
	2,212,128,840	170,028,538	2,387,430,232	150,972,528

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

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

As at 31 December 2012 in in the Retail units and Telecommunications operating segments, there are financial covenants included in borrowing agreements at market conditions. As at 31 December 2012 none of the mentioned covenants has been breached and it is the Board of Directors expectation that such covenants will not be breached.

As at 31 December 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				
Retail	185,763,449	400,000,000	239,202,973	203,000,000
Telecommunications	69,000,000	-	106,430,000	-
Investment management	3,000,000	1,350,000	2,046,100	5,600,000
Sonae Holding	152,695,242	-	62,095,242	-
	410,458,691	401,350,000	409,774,315	208,600,000
Agreed credit facilities				
Retail	227,260,000	547,500,000	239,760,000	485,000,000
Telecommunications	69,000,000	30,000,000	224,430,000	-
Investment management	4,250,000	18,750,000	3,000,000	20,000,000
Sonae Holding	152,695,242	-	162,695,242	-
	453,205,242	596,250,000	629,885,242	505,000,000

25 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	8,854,409	8,266,278	7,037,038	6,894,512
N+2	5,889,151	5,504,005	4,743,290	4,260,537
N+3	6,215,015	4,905,117	5,249,632	3,821,740
N+4	5,230,293	4,797,748	4,504,835	3,889,058
N+5	2,743,611	4,725,458	2,201,459	3,993,460
After N+5	12,317,802	15,085,197	10,894,518	12,847,242
	41,250,281	43,283,803	34,630,772	35,706,549
Interests	(6,619,509)	(7,577,254)		
	34,630,772	35,706,549		
Current obligations under finance leases			7,037,038	6,894,512
Non-current obligations under finance leases			27,593,734	28,812,037

Finance leases are agreed at market interest rates, have defined periods and include an option for the acquisition of the related assets at the end of the period of the agreement (except for medium and long term agreements with suppliers of fibre optic network capacity).

The medium and long term agreements made with the suppliers of the fibre optic network capacity, under which Sonae has the right to use that network, which is considered as a specific asset, are recorded as finance leases in accordance with IAS 17 – "Leases" and IFRIC 4 – "Determining whether an arrangement contains a Lease". These contacts have a maturity between 15 and 20 years.

As at 31 December 2012 and 2011, the fair value of finance leases is close to its carrying amount.

Obligations under finance leases are guaranteed by related assets.

As at 31 December 2012 and 2011, accounting 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	17,740,946	18,078,328
Plant and machinery	19,627,978	18,354,222
Vehicles	18,775	11,861
Fixture and Fittings	6,766,188	9,929,487
Total tangible assets	44,153,887	46,373,898
Software	856,718	-
Total intangible assets	856,718	-
	45,010,605	46,373,898

As at 31 December 2012, the acquisition cost of Tangible and Intangible assets amounted to 73,081,529 euro (72,029,407 euro as at 31 December 2011).

26 Derivatives

Exchange rate derivatives

Sonae uses exchange rate derivatives, essentially to hedge future cash flows.

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

As at 31 December 2012 there are no exchange rate derivatives which haven't been considered hedging instruments. The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 953,531 euro as liabilities (42,744 euro as at 31 December 2011) and 30,341 euro as assets (2,797,071 euro as at 31 December 2011).

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

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

Gains and losses for the year associated with the change in market value of derivative instruments is recorded under the caption "Hedging reserve" when considered cash flow hedging and when considered as fair value hedging are recorded under the caption" Other Operating Costs".

Interest rate derivatives

As at 31 December 2011, derivatives used by Sonae refer essentially to swaps and interest rate options ("cash flow hedges"). These were negotiated to hedge the interest rate risk of loans amounting to 250,000,000 euro (400,000,000 euro as at 31 December 2011). The net fair value of these derivatives amounts to -8,668,182 euro (-11,007,789 euro as at 31 December 2011), and was recorded as liabilities.

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

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

Interest rate and exchange rate derivatives

As at 31 December 2012 no contracts existed related to interest rate and exchange rate derivatives at the same time.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Hedging derivatives				
Exchange rate	30,341	2,797,071	953,531	42,744
Interest rate	-	-	8,668,182	11,007,789
	30,341	2,797,071	9,621,713	11,050,533

27 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	22,678,988	36,639,791
Fixed assets suppliers	1,676,708	1,726,708
Spectrum for 4th generation	21,602,124	27,423,410
Other non-current liabilities	8,351,019	75,329,387
Financial instruments (Note 9)	54,308,839	141,119,296
"E-Initiatives" Program (Note 11)	13,944,247	2,253,107
Deferred revenue on the sale of the extended warranties	14,550,263	-
Accruals and deferrals	5,155,082	4,191,714
Other non-current liabilities	87,958,431	147,564,117

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

The caption "Other non-current liabilities" includes the amount of 58,219,905 euro as at 31 December 2011 related to the fair value of the derivative on Sonae Holding shares referred to in Note 22, reclassified in 2012 to the caption Other current payables.

The caption "Spectrum for 4th Generation" refers to the current value of the amount to be paid in future years resulting from the allocation, to the subsidiary Optimus, of the frequency of services necessary for the development of 4th Generation (Note 11).

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

28 SHARE-BASED PAYMENTS

In 2012 and in previous years, Sonae granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

As at 31 December 2012, all Sonae Holding share plans responsibilities are accounted in the statement of financial position under "other reserves" and in the Profit and Loss statement under caption "staff costs". They are recognized at the shares fair value on the grant date, concerning the 2012, 2011 and 2010. Share-based payments costs are recognized on a straight line basis between the grant and the settlement date.

The share-based payment plans settled in cash, continue to be recorded in the statement of financial position, in the caption other liabilities and in staff costs in the income statement.

As at 31 December 2012 and 2011, the number of attributed shares related to the assumed responsibilities arising from share-based payments, which have not yet vested, can be detailed as follows:

	Grant year	Vesting year	Number of participants		Number of shares			
					31 December 2012		31 December 2011 Restated	
			Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom
Shares								
	2009	2012			-	-	5,989,246	3,469,227
	2010	2013	67*	5*	1,557,748	250,987	4,026,140	2,485,188
	2011	2014	436	365	4,112,348	2,944,458	3,806,013	2,938,055
	2012	2015	439	362	6,959,217	3,057,697	-	-
Total					12,629,313	6,253,142	13,821,399	8,892,470

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

As at 31 December 2012 and 2011, the fair value of total liabilities on the date of allocation arising from share-based payments, which have not yet vested, may be summarised as follows:

Grant year	Vesting year	Fair Value			
		31 December 2012		31 December 2011 Restated	
		Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom
2009	2012	-	-	2,519,975	3,863,852
2010	2013	980,992	340,736	1,077,999	1,761,377
2011	2014	1,648,023	2,543,766	436,740	892,434
2012	2015	1,195,246	1,132,112	-	-
Total		3,824,261	4,016,614	4,034,714	6,517,663

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, which has not yet vested:

	31 December 2012	31 December 2011 Restated
Staff costs	(440,586)	5,751,306
Recorded in previous years	8,513,785	9,631,305
	8,073,199	15,382,611
Recorded in other liabilities	534,457	641,749
Recorded value in Other reserves	7,538,742	14,740,862
	8,073,199	15,382,611

29 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			
Food Retail based	648,181,889	647,644,599	537,290
Specialised Retail	329,929,456	329,124,500	804,956
Retail Real Estate	1,865,266	1,837,169	28,097
Telecommunications	131,179,782	101,266,174	29,913,608
Investment Management	9,989,163	9,896,898	92,265
Sonae Holding	183,564	183,564	-
	1,121,329,120	1,089,952,904	31,376,216
Trade creditors - Invoice Accruals	100,443,607	100,443,607	-
	1,221,772,727	1,190,396,511	31,376,216
		Payable to	
	31 December 2011	up to 90 days	more than 90 days
Trade creditors - current account			
Food Retail based	646,123,606	645,589,321	534,285
Specialised Retail	343,303,792	343,285,013	18,779
Retail Real Estate	3,885,117	3,858,761	26,356
Telecommunications	127,833,787	97,920,179	29,913,608
Investment Management	10,023,235	9,895,318	127,917
Sonae Holding	117,256	117,256	-
	1,131,286,793	1,100,665,848	30,620,945
Trade creditors - Invoice Accruals	113,250,330	113,250,330	-
	1,244,537,123	1,213,916,178	30,620,945

As at 31 December 2012 and 2011 this account includes amounts payable to suppliers resulting from Sonae operating activity. The Board of Directors believes that the fair value of their balances doesn't differ significantly its book value and the effect of discounting their amount is not material.

The caption 'Suppliers – current account' with more than 90 days maturity is related to the dispute between the subsidiary Optimus – Comunicações, S.A. and, essentially, the operator TMN – Telecomunicações Móveis Nacionais, S.A., in relation with interconnection tariffs of 2001 which were not objectively defined (Note 33).

Since the year 2010, a "confirming" program payments system was made available to a very limited number of suppliers of the Retail units Segment enabling suppliers to discount these payments in an early date, as at 31 December 2012, the "confirming" amounts to 71,680,001 euro (52,296,644 euro as at 31 December 2011).

30 OTHER CREDITORS

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

	31 December 2012	Payable to up to 90 days	Payable to 90 to 180 days	Payable to more than 180 days
Fixed assets suppliers	82,777,613	80,559,285	770,919	1,447,409
Other debts	144,551,555	41,610,534	7,354,070	95,586,951
	227,329,168	122,169,819	8,124,989	97,034,360
Related undertakings	452,456			
	227,781,624			

	31 December 2011 Restated	Payable to up to 90 days	Payable to 90 to 180 days	Payable to more than 180 days
Fixed assets suppliers	81,500,948	78,676,826	572,178	2,251,944
Other debts	60,213,370	41,388,078	9,969,793	8,855,499
	141,714,318	120,064,904	10,541,971	11,107,443
Related undertakings	984,945			
	142,699,263			

The caption Other debts includes:

- 84,664,905 euros relating to the fair value of the shares covered by Sonae Holding financial derivative referred to in Note 22 and reclassified from "Other non-current liabilities" in 2012;

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

- 8,690,788 euro (8,716,058 euro as at 31 December 2011) related to vouchers, gift cards and discount tickets owned by clients;

- 5,208,150 (5,828,261 euro as at 31 December 2011) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 33);

- 2,262,387 euro (2,824,896 euro as at 31 December 2011) relating to amounts payable to insurance companies, Insurance buyers and insurance agents;

- 7,309,099 euro (9,360,386 euro as at 31 December 2011) relating to amounts payable related to reinsurance operations;

As at 31 December 2012 and 2011, this caption includes payable amounts to other creditors and fixed assets suppliers that do not bear interest. The Board of Directors understands that the fair value of these payables is similar to its book value and the result of discounting these amounts is immaterial.

31 OTHER CURRENT LIABILITIES

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

	31 December 2012	31 December 2011 Restated
Fixed assets accrued costs	10,940,733	87,109,212
Holiday pay and bonuses	115,799,220	114,622,709
Interest payable	16,796,482	16,085,067
Invoices to be issued	30,053,910	33,764,156
Commissions	2,858,892	4,107,730
Marketing expenses	17,812,013	15,219,486
Information society	640,159	15,793,539
Other external supplies and services	49,041,584	48,281,811
Advance receipts from Trade Receivables	24,547,723	27,305,184
Accrued income - rents	637,896	402,199
Others	33,735,471	32,881,749
	302,864,083	395,572,842

At 31 December 2012, the caption “Fixed assets accrued costs” includes 6.6 million euro (83 million euro in 2011) related to the amount payable in the short term, resulting from the allocation, to the subsidiary Optimus, of the frequencies necessary for the development of services from 4th Generation (Note 11).

The caption “Advances from customers” is related with pre-payable cards and minutes bought and not yet consumed, related with the Telecommunications operating segment.

As at 31 December 2012, the caption “Information society” includes 640,159 euro (15,793,539 euro in 2011) related to the short-term commitments assumed by the company under the “Iniciativas E” program.

32 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 31 December 2011 Restated	Increase	Decrease	Balance as at 31 December 2012
Accumulated impairment losses on investments (Note 6 and 13)	94,406	1,101,337	(8,628)	1,187,115
Accumulated impairment losses on other non current assets (Note 14)	-	1,000,000	-	1,000,000
Accumulated impairment losses on trade account receivables (Note 16)	82,155,922	20,784,764	(17,446,767)	85,493,919
Accumulated impairment losses on other debtors (Note 17)	21,061,746	8,231,857	(13,582,334)	15,711,269
Accumulated impairment losses on inventories (Note 15)	46,773,559	16,762,583	(15,997,601)	47,538,541
Non current provisions	91,036,377	36,324,755	(12,890,687)	114,470,445
Current provisions	2,266,767	235,726	(75,684)	2,426,809
	243,388,777	84,441,022	(60,001,701)	267,828,098

Caption	Balance as at 31 December 2010 Restated	Increase	Decrease	Balance as at 31 December 2011 Restated
Accumulated impairment losses on investments (Note 13)	4,413	91,119	(1,126)	94,406
Accumulated impairment losses on trade account receivables (Note 16)	74,282,757	24,159,129	(16,285,964)	82,155,922
Accumulated impairment losses on other debtors (Note 17)	18,970,459	5,980,111	(3,888,824)	21,061,746
Accumulated impairment losses on inventories (Note 15)	35,596,931	16,974,864	(5,798,236)	46,773,559
Non current provisions	62,636,516	33,735,920	(5,336,059)	91,036,377
Current provisions	1,598,055	700,000	(31,288)	2,266,767
	193,089,131	81,641,143	(31,341,497)	243,388,777

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	48,931,954	48,739,516
Impairment losses not included in this note		
Goodwill (Note 12)	(1,321,520)	2,424,293
Intangible assets	-	(1,496,000)
Provisions for losses in investments (Note 14)	1,101,337	-
Provisions for dismantling telecommunication sites	-	1,365,080
Recorded in cost of goods sold (Note 15)	16,762,583	16,974,333
Reclassification of "Other current liabilities"	1,658,066	14,637,379
Technical provisions on reinsurance		(2,246,302)
Others	82,751	1,242,844
	84,441,022	81,641,143

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	(10,843,954)	(3,861,581)
Direct use of impairments to accounts receivable	(22,390,153)	(14,509,746)
Uses and reversals recorded in inventories	(15,997,601)	(5,798,236)
Uses and reversals recorded in fixed assets tangible	(8,964,477)	-
Others (d)	(1,805,516)	(7,171,934)
	(60,001,701)	(31,341,497)

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

	31 December 2012	31 December 2011 Restated
Technical provisions on reinsurance (a)	24,410,745	7,184,894
Future liabilities relating to retail subsidiaries of retail in Brazil sold (b)	24,423,571	10,545,595
Dismantling of telecommunication sites	13,983,949	22,863,571
Clients Guarantees (c)	19,316,820	21,089,854
Judicial claims	6,933,018	8,622,709
Others (d)	27,829,151	22,996,521
	116,897,254	93,303,144

(a) Amounts included in "Technical provisions on reinsurance" relate to a group company that operates in the non-life re-insurance industry. The provision amount can be detailed as follows: 3,212,000 euro (2,321,970 euro as at 31 December 2011) of provisions for non-acquired insurance premiums and 21,198,745 euro (4,862,924 euro as at 31 December 2011) of provisions for outstanding claims. The amount to be recovered from the reinsurance companies is recorded in the caption "Reinsurer's share of technical provisions" (Note 15) and "Other Debtors" (Note 18);

(b) The caption non–current provisions includes 24,423,571 euro (10,545,595 euro as at 31 December 2011), relating to non-current contingencies assumed by the Company, when selling its subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred, and it's recorded taking into account the best estimate of costs to be incurred which results from a significant number of civil and labour lawsuits of reduced amount. During the period, Sonae updated its estimate, following the results of the sixth data room conference process conducted with the buyer of the former subsidiary in Brazil;

(c) The caption non-current provisions and the period movement in provisions, also includes the estimated liabilities incurred by the Group on the sale of warranty extension programs on products traded by the Specialised 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 end of legal mandatory warranty provided by the producers;

(d) The caption "Others" includes almost 19 million euro (14.6 million euro as at 31 December 2011) related to costs incurred in the current period or past periods, for which it is not possible to estimate reliably the timing of occurrence of the payment, which includes the amount of 6.8 million euro related to the dispute concerning the vagueness of the interconnection tariffs of 2001 and the amount of 5.2 million euro related to roaming discounts;

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

33 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2012 and 2011, major Contingent liabilities were guarantees given are as follows:

	31 December 2012	31 December 2011 Restated
Guarantees given:		
on tax claims	289,550,598	324,515,879
on judicial claims	289,988	623,465
on municipal claims	6,140,484	6,582,372
others guarantees	67,919,086	47,245,424
Sureties provided to subsidiaries (a)	256,179,353	127,221,883

a) Guarantees given to Tax Authorities in favor of subsidiaries to defer tax claims.

Retail segment subsidiaries of the Company, granted guarantees or securities in favour of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 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.

The above mentioned Guarantees granted in favour of Subsidiaries, were granted by Sonae SGPS in favour of subsidiaries of Sonae Investimentos Holding. 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 its acquisition cost, 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 arising on the sale and liquidation of a subsidiary of the Group.

The caption "Guarantees given on tax claims" include:

- Guarantees granted amounting to 36 million euro in favor of Tax authorities regarding Sonae Holding 2007 income tax. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.

- A granted guarantee on a tax claim of a Retail operating segment company in Brazil of approximately 27.1 million euro (65.6 million Brazilian real), which is being judged by tax court, and it refers to tax rent (65.6 million Brazilian real at 31 December 2011).

In addition to the previously disclosed guarantees, 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 unfavorable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 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 at 31 December 2011).

Furthermore, there are other tax lawsuits totalling 61.3 million euro (54.3 million euro 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.

For the year ended 31 December 2010, a subsidiary from the Telecommunications Business segment was notified of the Report of Tax Inspection, where it considers that it is inappropriate the increase, when calculating the taxable profit for the year 2008, of the amount of 100 million euro, with respect to initial price of future credits transferred to securitization. The settlement note was received on April 2011. The subsidiary was subsequently notified of the improper deduction of the amount of Euro 20 million in the calculation of taxable income for the years 2009 and 2010. The subsidiary challenged the decisions regarding 2008 and 2009 fiscal years and will challenge, in time, the decision regarding 2010 fiscal year. It is confidence of the Board of Directors of Sonae that there are strong arguments to obtain a favorable decision. For this reason, the subsidiary kept the recording of deferred tax assets associated with this operation.

As at 31 December 2012, in the Telecommunications operating segment, accounts receivable from customers and accounts payable to suppliers include 37.1 million euro and 29.9 million euro, respectively, as well as the captions "Other current assets" and "Other current liabilities" include 0,4 million euro and 6.8 million euro, respectively, resulting from a dispute, between the subsidiary Optimus- Comunicações, S.A., and essentially, the operator TMN – Telecomunicações Movéis Nacionais, S.A., in relation to the interconnection tariffs not objectively defined, recorded in the year ended 31 December 2001. The group has considered the most penalizing tariffs in their consolidated financial statements. In the lower court, the decision was favourable to the Group. The "Tribunal da Relação" (Court of Appeal), on appeal, rejected the intentions of TMN. However, TMN again appealed to the "Supremo Tribunal de Justiça" (Supreme Court), for final and permanent decision, who upheld the decision of "Tribunal da Relação" (Court of Appeal), this concluding that the interconnection prices for 2001 were not defined. The settlement of outstanding amounts will depend on the price that will be established.

Following a deliberation of Board of Directors of ANACOM, at April 2012, it was applied to the Sonaecom's subsidiary Optimus, a fine of approximately 6.5 million euro, due to an alleged failure in the application of the resolutions taken by the regulator's on 26 October 2005, concerning termination rates for fixed calls. The Boards of Directors of Optimus and Sonaecom understand that Optimus has always complied with that resolution. Given this, Optimus contested in court the application of that fine and is expecting that the appeal will be upheld.

Additionally in January 2012 was given bail in the amount of 35.2 million euro for the purpose of suspending tax process.

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

34 Operational leases

Minimum lease payments (fixed income) arising from operational leases, in which the Group acts as a lessor, recognized as income during the period ended 31 December 2012 and 2011 amounted to 6,054,795 euro and 8,954,885 euro, respectively.

Additionally, as at 31 December 2012 and 2011, Sonae had operational lease contracts, as a lessor, whose minimum lease payments (fixed income) had the following payment schedule:

	31 December 2012	31 December 2011 Restated
Due in:		
N+1 automatically renewal	2,565,216	2,451,135
N+1	3,555,872	4,295,221
N+2	2,973,480	3,809,132
N+3	2,126,479	2,774,167
N+4	1,600,837	1,877,972
N+5	1,218,532	1,049,548
After N+5	1,075,010	525,059
	15,115,426	16,782,234

Rents arising from operational leases, in which the Sonae acts as a lessee, during the period ended 31 December 2012 amounted to 135,810,961 euro (136,088,262 euro as at 31 December 2011).

Additionally, as at 31 December 2012 and 2011, Sonae had operational lease contracts, as a lessee, whose minimum lease payments had the following payment schedule:

	31 December 2012	31 December 2011 Restated
Due in:		
N+1 automatically renewal	15,717,772	27,316,677
N+1	122,376,391	124,847,030
N+2	113,367,351	115,093,790
N+3	99,247,492	105,602,001
N+4	87,757,974	87,495,031
N+5	77,393,161	76,873,024
After N+5	537,084,095	499,935,452
	1,052,944,236	1,037,163,005

35 TURNOVER

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

	31 December 2012	31 December 2011 Restated
Sale of goods	4,540,093,697	4,662,156,812
Sale of products	12,454,179	15,628,444
	4,552,547,876	4,677,785,256
Services rendered	825,974,638	863,065,082
Turnover	5,378,522,514	5,540,850,338

36 GAINS OR LOSSES ON INVESTMENTS

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

	31 December 2012	31 December 2011 Restated
Dividends	216,683	232,500
Cooper Gay Swett & Crawford disposal (Note 6)	11,756,086	-
Others	60,317	(116,710)
Gains / (losses) on the sale of investments in subsidiaries	11,816,403	(116,710)
Gains / (losses) on the sale of investments on available for sale	1,592,654	-
Others	3,471,588	-
Impairment losses on investments in subsidiaries	-	(78,453)
Impairment losses on investments in associated companies (Note 6)	(1,101,337)	-
Impairment losses on investments in available for sale assets	-	(12,382)
Impairment reversal/(losses) on investments	(1,101,337)	(90,835)
	15,995,991	24,955

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

37 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	(19,857,844)	(16,684,769)
related with non convertible bonds	(50,075,846)	(43,110,814)
related with financial leases	(1,228,152)	(1,089,816)
related with hedge derivatives	(5,928,650)	(2,575,517)
others	(7,112,377)	(14,058,710)
	(84,202,869)	(77,519,626)
Exchange losses	(5,371,806)	(4,543,977)
Up front fees and commissions related to loans	(9,165,094)	(7,023,671)
Others	(7,948,197)	(9,821,253)
	(106,687,966)	(98,908,527)
Income		
Interest receivable		
related with bank deposits	1,843,768	1,378,956
others	5,749,990	7,821,064
	7,593,758	9,200,020
Exchange gains	4,369,916	6,358,824
Payments discounts received	62,372	89,005
Other financial income	485,785	1,674,543
	12,511,831	17,322,392
Net financial expenses	(94,176,135)	(81,586,135)

38 OTHER INCOME

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

	31 December 2012	31 December 2011 Restated
Supplementary income	372,871,531	365,757,183
Prompt payment discounts obtained	26,107,864	32,077,546
Foreign currency exchange gains	9,129,377	28,178,595
Own work capitalised	10,223,404	12,588,788
Gains on disposals of assets	4,064,263	19,355,694
Negative Goodwill	-	1,068,375
Impairment losses reversals	8,989,119	3,503,636
Subsidies	287,866	398,747
Taxes refunded	580,505	324,454
Others	8,968,266	7,350,174
	441,222,195	470,603,192

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

The caption “Gains on disposals of assets” includes about 2.5 million euro in 2012, related with the estimated indemnity by the insurance company for the fire on a “Continente” store in Portimão (Note 19). In 2011 the amount was explained by the sale and leaseback transaction that the Group concluded during that period, generating a cash inflow in the process of approximately 42 million euro.

39 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
Subcontracts	229,996,755	244,253,569
Services	86,544,622	96,169,512
Publicity	132,451,132	147,958,234
Rents	169,302,012	165,358,921
Commissions	25,944,320	27,472,499
Transports	51,298,947	57,911,063
Electricity	71,097,165	63,420,449
Costs with automatic payment terminals	23,647,388	25,773,390
Maintenance	27,538,034	35,198,320
Security	24,178,439	26,432,378
Cleaning up services	21,669,595	22,843,401
Insurances	6,258,158	6,166,431
Communications	8,931,991	10,013,665
Travel expenses	13,823,888	15,145,860
Others	75,508,042	73,002,755
	968,190,488	1,017,120,447

40 STAFF COSTS

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

	31 December 2012	31 December 2011 Restated
Salaries	524,671,500	544,245,228
Social security contributions	106,210,385	108,626,929
Insurance	9,883,964	12,066,232
Welfare	3,436,918	1,847,025
Other staff costs	12,180,409	11,552,125
	656,383,176	678,337,539

41 OTHER EXPENSES

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

	31 December 2012	31 December 2011 Restated
Exchange differences	9,173,380	27,838,053
Other taxes	22,443,030	20,723,916
Losses on the sale of assets	1,391,311	1,713,301
Municipal Property tax	2,690,816	3,450,545
Donations	8,648,722	8,686,609
Doubtful debts written-off	1,094,624	1,931,831
Others	6,435,704	8,606,924
	51,877,587	72,951,179

42 INCOME TAX

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

	31 December 2012	31 December 2011 Restated
Current tax	23,371,874	28,969,097
Deferred tax (Note 20)	1,956,986	(4,861,914)
	25,328,860	24,107,183

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

	31 December 2012	31 December 2011 Restated
Profit before income tax	97,019,243	151,010,737
Difference between capital (losses)/gains for accounting and tax purposes	(16,573,400)	954,610
Share of results of joint ventures and associated undertakings (Note 6)	24,382,535	2,057,015
Impairment of goodwill (Note 12)	1,321,520	2,424,293
Provisions and impairment losses not accepted for tax purposes	17,101,337	16,728,620
Taxable Profit	123,251,235	173,175,275
Use of tax losses that have not originated deferred tax assets	(10,003,332)	(46,079,681)
Recognition of tax losses that have not given rise to deferred tax assets	36,291,601	12,498,919
	149,539,504	139,594,513
Income tax rate in Portugal	25.00%	25.00%
	37,384,876	34,898,628
Effect of different income tax rates	(7,498,355)	(7,259,113)
Effect of increases or decreases in deferred taxes	(14,038,031)	2,977,049
Use of tax benefits	(9,023,280)	(9,357,095)
Under/(over) Income tax estimates	1,792,900	(2,369,329)
Autonomous taxes	1,586,008	2,272,109
Municipality surcharge	13,476,502	6,338,408
Others	1,648,240	(3,393,474)
Income tax	25,328,860	24,107,183

43 Related parties

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

Transactions	Sales and services rendered 31 December 2012	Sales and services rendered 31 December 2011 Restated	Purchases and services obtained 31 December 2012	Purchases and services obtained 31 December 2011 Restated
Parent Company	155,727	157,611	302,932	-
Jointly controlled companies	11,179,046	11,324,163	36,818,686	39,093,987
Associated companies	32,998,508	33,418,707	1,672,794	2,115,175
Other related parties	64,147,544	65,785,537	21,253,333	22,516,126
	108,480,825	110,686,018	60,047,745	63,725,288

Transactions	Interest income 31 December 2012	Interest income 31 December 2011 Restated	Interest expenses 31 December 2012	Interest expenses 31 December 2011 Restated
Parent Company	-	336,053	607,674	977,984
Jointly controlled companies	357,634	148,119	-	-
Associated companies	472,021	359,462	-	-
Other related parties	-	-	1,812,391	1,841,420
	829,655	843,634	2,420,065	2,819,404

Balances	Accounts receivable 31 December 2012	Accounts receivable 31 December 2011 Restated	Accounts payable 31 December 2012	Accounts payable 31 December 2011 Restated
Parent Company	18,901	340,141	912,998	-
Jointly controlled companies	15,620,816	19,631,101	5,269,818	6,481,764
Associated companies	5,374,847	4,465,269	378,425	527,249
Other related parties	15,436,493	16,071,324	13,221,879	7,269,485
	36,451,057	40,507,835	19,783,120	14,278,498

Balances	Loans Obtained 31 December 2012	Loans Obtained 31 December 2011 Restated	Loans Granted 31 December 2012	Loans Granted 31 December 2011 Restated
Parent Company	-	-	-	-
Jointly controlled companies	-	-	7,939,822	4,342,159
Associated companies	-	-	8,317,566	9,136,860
Other related parties	22,209,147	35,938,565	-	-
	22,209,147	35,938,565	16,257,388	13,479,019

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

During the first quarter 2012 the company sold to a related party, the interest in Sonae Capital SGPS, SA, for the amount of 3,569,000 euro. Additionally, the Group increase the percentage held in Fundo de Investimentos Imobiliário Fechado do Imosede, through the acquisition of 13% of its share capital, to a related party for the amount of 20 million euro.

In 2012 were sold to administrators of Sonae or entities/persons with them related, 19 Magma N.º 1 Securitization notes held by Sonae Holding by an amount of 332,590 euro.

Members of the Board of Directors and Strategic Direction were attributed the following remuneration in 2012 and 2011:

	31 December 2012		31 December 2011 Restated [b]	
	Board of Directors	Strategic direction (a)	Board of Directors	Strategic direction (a)
Short-term employee benefits	2,973,905	8,778,605	2,530,270	11,177,621
Share-based payments	652,000	2,376,524	644,200	3,194,887
	3,625,905	11,155,129	3,174,470	14,372,508

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

b) Includes personnel of Sonae Sierra.

44 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)	32,572,259	103,944,076
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	32,572,259	103,944,076
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,872,720,391	1,872,249,464
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with share based payments	12,629,313	12,720,766
Shares related to performance bonus that can be bought at market price	(7,553,334)	(4,207,658)
Weighted average number of shares used to calculated diluted earnings per share	1,877,796,370	1,880,762,572
Earnings per share		
Basic	0.017393	0.055518
Diluted	0.017346	0.055267

The 2012 average number of shares considered 123.238.581 Sonae Holding shares (126,840,751 in 31 December 2011) as treasury shares (Note 22).

45 CASH RECEIPTS-PAYMENTS RELATED TO INVESTMENTS

As at 31 December 2012 and 2011, cash receipts and cash payments related to investments can be detailed as follows:

	31 December 2012	31 December 2011 Restated
Receipts		
Funding application in Bradesco and Citybank(Son.Capit.Brasil) (Note 13)	2,182,230	11,913,419
Disposal of 16,600,000 Sonae Capital SGPS shares	3,569,000	-
Others	112,742	141,830
	5,863,972	12,055,249

	31 December 2012	31 December 2011 Restated
Payments		
Lazam debt relating the acquisition of ADD and Miral	5,583,606	10,233,268
Connectiv aquisition (Note 8)	5,970,672	-
Acquisition of Imosede's fund units	20,000,000	-
Acquisition of Sonaecom's shares	6,646,428	2,223,287
Acquisition of Polinsur and Serenitas	695,178	-
Acquisition of MDS Group subsidiaries	-	1,199,288
Others	600,411	110,558
	39,496,295	13,766,401

46 DIVIDENDS

In the Shareholders Annual General Meeting held on 30 April 2012, the payment of a gross dividend of 0.0331 euro per share (0.0331 euro per share in 2011) corresponding to a total of 66,200,000 euro (66,200,000 euro at 2011) was approved.

For 2012, the Board of Directors will propose a gross dividend of 0.0331 euro per share corresponding to a total of 66,200,000 euro. This dividend is subject to approval by shareholders in the Shareholders Annual Meeting.

47 SEGMENT INFORMATION

As described with more detail in the Management Report the operating segments used by the Group management are as follows:

- Food based retail
- Specialised retail
- Retail real estate
- Telecommunications
- Investment Management

Sonae's reportable segment information regarding the income statement in accordance with IFRS 8 can be analysed as follows:

	31 December 2012	Inter-segment income	31 December 2011 Restated	Inter-segment income
Turnover				
Sonae MC	3,281,052,311	(3,296,830)	3,347,235,392	(3,500,118)
Ex-Fuel	3,281,052,311	(3,296,830)	3,327,239,402	(3,500,118)
Fuel	-	-	19,995,990	-
Sonae SR	1,180,236,401	-	1,235,035,320	-
Sonae RP	119,889,493	(108,478,175)	119,311,667	(108,253,046)
Sonaecom	825,438,380	(22,448,806)	863,634,415	(22,752,742)
Investment management	104,802,919	(2,074,497)	106,291,960	(709,116)
Eliminations and adjustments	(132,896,990)	-	(130,658,416)	(171,022)
Total consolidated	5,378,522,514	(136,298,308)	5,540,850,338	(135,386,044)
Depreciation, provisions and impairment losses				
Sonae MC	84,304,190		90,497,938	
Sonae SR	60,314,264		65,754,240	
Sonae RP	25,493,101		24,986,334	
Sonaecom	166,942,454		171,217,061	
Investment management	9,377,686		9,551,881	
Eliminations and adjustments	35,608,805		19,077,375	
Total consolidated	382,040,500		381,084,829	
Operational profit/(loss) (EBIT)				
Sonae MC	160,701,736		134,756,993	
Sonae SR	(106,848,721)		(60,644,822)	
Sonae RP	75,988,596		89,176,715	
Sonaecom	92,582,895		82,172,902	
Investment management	12,291,914		(6,543,642)	
Eliminations and adjustments	(2,253,853)		(4,496,759)	
Total direct consolidated	232,462,567		234,421,387	

	31 December 2012	31 December 2011 Restated
Investment (CAPEX)		
Sonae MC	77,516,635	91,804,002
Sonae SR	33,558,073	83,757,110
Sonae RP	15,507,647	8,866,877
Sonaecom	143,208,000	238,458,804
Investment management	1,242,508	6,017,826
Eliminations and adjustments (1)	20,965,218	181,454
Total consolidated	291,998,081	429,086,073
Invested capital		
Sonae MC	395,111,744	483,891,990
Sonae SR	258,068,203	347,470,390
Sonae RP	1,334,747,641	1,360,659,243
Sonaecom	955,991,451	826,985,263
Investment management	152,294,468	134,490,985
Eliminations and adjustments (1)	388,792,687	509,907,063
Total consolidated	3,485,006,194	3,663,404,934
Total net debt (2)		
Retail businesses	784,342,592	975,691,161
Sonaecom	360,560,000	309,547,000
Investment management	70,926,455	93,349,820
Holding (1)	600,618,233	584,425,797
Total consolidated	1,816,447,280	1,963,013,778

1) Includes Sonae Individual accounts;

2) Includes shareholders loans and excluding inter-segment securitised debt;

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

	Turnover		Operational profit/(loss) (EBIT)	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Inter-segment income	(136,298,308)	(135,386,044)	6,868,829	2,331
Adjustment on telecommunications provisions	3,401,318	4,946,226	(9,122,682)	(4,499,090)
Others	-	(218,598)	-	-
Eliminations and adjustments	(132,896,990)	(130,658,416)	(2,253,853)	(4,496,759)

	Investment		Invested capital	
	31 December 2012	31 December 2011 Restated	31 December 2012	31 December 2011 Restated
Inter-segment balances	366,360	150,069	18,299,053	51,824,968
Investments	20,000,000	-	455,548,457	513,459,627
Cash settled equity swap (3)	-	-	(84,664,905)	(55,936,771)
Others	598,858	31,385	(389,918)	559,239
Eliminations and adjustments	20,965,218	181,454	388,792,687	509,907,063

(3) Financial Instrument reported in Note 22.

Glossary:

Invested capital = Gross real estate assets + other fixed assets (including Goodwill) - amortizations and impairment losses + financial investments + working capital (includes non-current assets and non-current liabilities excluding total net debt);

Total Net debt = Bonds + bank loans + other loans + shareholders loans + finance leases + derivatives - cash, bank deposits and current investments - other long term applications;

EBIT Direct = EBT + financial result + direct result of shopping centres + others results

Eliminations and adjustments = Inter-segment + consolidation adjustments + contribution of companies not included in the operating segments;

CAPEX = Investments in tangible and intangible assets and investment in acquisitions; gross CAPEX excluding cash inflows from assets disposals;

Direct income = results excluding contributions to indirect income;

Indirect Income includes Sonae Sierra contributions, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and (iv) provision for Assets at Risk; and other provisions to future liabilities and impairments on assets related with non "core" business and discontinued operations.

Turnover and profit/(loss) before taxation by geographic segment are as follows:

	31 December 2012		31 December 2011 Restated	
	Turnover by destination market	Operational profit/(loss) before taxation	Turnover by destination market	Operational profit/(loss) before taxation
Portugal	4,996,418,443	103,686,067	5,176,590,159	153,991,026
Spain	327,728,784	(32,455,460)	315,700,240	(15,709,338)
United Kingdom	3,493,835	79,614	3,866,176	(323,252)
Brazil	35,363,447	(18,032,204)	35,150,657	(6,108,769)
Other European countries	5,996,893	43,417,012	6,309,635	19,953,736
Rest of the world	9,521,112	324,213	3,233,472	(792,666)
	5,378,522,514	97,019,242	5,540,850,339	151,010,737

Headcount are as follows:

	31 December 2012	31 December 2011 Restated
Retail	29,643	29,152
Telecommunications	2,083	2,103
Investment management	1,251	1,121
Sonae Holding	17	17
	32,994	32,393

48 INFORMATION RELATING TO JOINT-VENTURES

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

a) Investment properties

The movement in investment properties, during the years ended 31 December 2012 and 2011 is as follows:

			Investment Properties in progress			
	In Operation	"Fit Out"	at cust	at fair value	Advances	Total
Opening balance as at 1 January 2011	3,259,697,429	4,057,499	123,287,636	78,528,389	1,725,000	3,467,295,954
Increases	24,032,320	-	29,463,930	62,228,801	-	115,725,051
Write-offs and impairment losses	-	-	(9,558,884)	-	-	(9,558,884)
Reimbursements	(120,000,000)	-	(13,399,528)	-	-	(133,399,528)
Reimbursements of Fit - Out	-	(384,103)	-		-	(384,103)
Transfers	-	-	(4,080)	(1,308,403)	-	(1,312,483)
Transfers from investment properties in progress:						
Construction and other costs	13,017,636	-	-	(13,017,636)	-	-
Adjustment to fair value	1,535,365	-	-	(1,311,250)	-	224,114
Change in fair value of investment properties						-
between periods:						-
- Gains	84,938,408	173,103	-	-	-	85,111,510
- Losses	(122,453,992)	(35,000)	-	-	-	(122,488,992)
Additions by concentrations of business activities	-	-	6,000,000	-	-	6,000,000
Exchange rate effect	(39,809,665)	-	(1,551,955)	(4,545,797)		(45,907,417)
Opening balance as at 1 January 2012	3,100,957,500	3,811,499	134,237,120	120,574,104	1,725,000	3,361,305,223
Increases	12,216,007	42,500	89,736,186	14,317,315	-	116,312,007
Reimbursements	15,236,513	-	-		-	15,236,513
Write-offs and impairment losses	(12,494,000)	-	(19,926,287)	-	-	(32,420,287)
Disposals	(208,763,193)	-	(8,609,386)	-	-	(217,372,579)
Reimbursements of Fit - Out	-	(400,617)	-		-	(400,617)
Transfers	-	(15,089)	(1,222,037)	(143,114)	-	(1,380,240)
Transfers from investment properties in progress:						
Construction and other costs	105,064,307	15,089	25,873,322	(130,952,718)	-	-
Adjustment to fair value	4,388,899	-	(11,765,623)	(1,301,522)	-	(8,678,246)
Change in fair value of investment properties						
between periods:						
- Gains	53,731,346	43,789	-	-	-	53,775,136
- Losses	(177,116,239)	(714,267)	-	-	-	(177,830,506)
Additions by concentrations of business activities	-	-	24,144,733	-	-	24,144,733
Exchange rate effect	(57,536,342)	-	(9,470,851)	(2,494,065)		(69,501,257)
Closing balance as at 31 December 2012	2,835,684,798	2,782,905	222,997,177	-	1,725,000	3,063,189,880

The amount of 19,926,287 euro recorded in "Impairments and write-off" refers mainly to impairment losses relating to some of the properties currently under development, for which there are some uncertainties over their future viability.

In addition the Group recognized an impairment loss in the amount of 12,494,000 euro relating to Pantheon Plaza property.

The sales in the amount of 208,763,193 euro relates to: (i) the sale of the shopping Münster Arkaden located in Germany (167,094 thousand euro), and (ii) the sale by Sonae Sierra Brasil of its 10% ownership interest in Patio Brasil, from its 73.18% interest in Shopping Penha and its 30% interest in Tivoli Shopping (41,669 thousand euro), from which resulted a gain of 2,934 thousand euro and 3,442 thousand euro respectively.

The amount of 8,609,386 euro under "sales of investment properties under development" refers to the receivable in 2012 of advance payments for projects in Italy and Brazil that were cancelled.

The amount of 24,145,733 euro under "Increases through business combination" refers to the acquisition of 50% of S.C. Caelum Development Srl (owner of ParkLake Plaza located in Romania).

At 31 December 2012 and 2011 investment properties in operation can be detailed as follows:

	31 December 2012			31 December 2011		
	10 years "discount rate"	Yields	million of euros	10 years "discount rate"	Yields	million of euros
Portugal and Spain	9,10% and 13,65%	6,85% and 11,15%	1,795,978	8,15% and 12,05%	6,15% and 10,05%	1,930,202
Other European Countries	6,75% and 14,50%	6,25% and 11,50%	533,874	6,50% and 13,00%	6,00% and 10,00%	684,483
Brazil	8,65% and 14,00%	6,45% and 9,50%	505,833	12,75% and 14,00%	8,25% and 9,50%	486,272
			2,835,685			3,100,957

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

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 first year of projections.

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

Market uncertainty

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

It is opinion of the valuers that the ongoing lack of availability of finance continues to impact on the market, particularly for secondary or vacant properties, which 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 valuers have considered both current and historic market evidence available and endeavoured to reflect current market sentiment, although the signals are mixed.

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

Although some companies are facing financial difficulties, it is not appropriate to conclude all recent market activity represents forced transactions. An imbalance between supply and demand (for example, fewer buyers than sellers) is not always 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.

b) Goodwill

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

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

c) Other non-current assets

The amount of 7.8 million euro, accounted under the caption “Other non-current assets”, due by the Municipal Council of Lisbon, relates to works developed by the jointly controlled company Centro Colombo – Centro Comercial, S.A.. These works were developed on behalf of the Municipal Council of Lisbon (“CML”) in accordance with protocols signed between the technical services of CML and Colombo at the end of 2001. On the other hand, the caption "Other non-current liabilities", as of 31 December 2012 and 2011, includes the amount of 3.2 million euro relating to works developed by CML on behalf of Colombo and licenses. A legal action against CML was presented in 2001 reclaiming the totality of the improvements made by Colombo on behalf of CML and corresponding interests and other expenses incurred by Colombo under the above mentioned protocols. The Colombo Board of Directors believes, based on advice from its legal counsel, that the legal action will be favorable to Colombo and consequently did not record any impairment loss to cover eventual losses on this account receivable.

d) Contingent liabilities

As of 31 December 2012, the main contingent liabilities relate to the following situations:

a) During 2010, the subsidiary Gli Orsi was notified by the Italian tax authorities to pay income tax on the amount of 10.6 million euro. This notification was challenged by the Group, which had to make an advance payment in the amount of 32 million euro; in January 2012 the Company won the case in the first instance and this amount was released. The tax authorities appealed and the hearing took place in December 2012 but the final resolution has not yet been received;

b) During 2010 the subsidiary Sierra Investments SGPS granted a guarantee to the Portuguese tax administration of 5.6 million euro, to deal with the complaint submitted by Sonae Sierra in relation to a notification received related to income tax. No provision was made to be understanding of the Group that the risk of this contingency is unlikely;

c) In March 2011, the Group won an arbitration procedure against Olympic Properties SA (now called ETA and owner of the land for a project in Greece) allowing the Group to suspend the payment of rents until the building permit for the project is issued. At the same date, the Group committed itself before ETA to fulfill their obligations in the Lease Agreement.

At 31 December 2012 and 31 December 2011 the bank guarantees granted to third parties were as following:

	31 December 2012	31 December 2011
Garantias prestadas (milhares de euros):		
on tax claims	3,501	3,501
on judicial claims	105	167
por bom cumprimentos da construção de vários projetos	3,569	15,454
por bom cumprimentos das obrigações com o comprador do Munster	19,000	-
por conta de empréstimos bancários obtidos	11,500	11,500
others guarantees	3,888	2,410

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

No provision likelihood of any liability arising from the tax and legal processes mentioned above, as the Board of Directors believes that the corresponding risk is not probable.

49 COMMITMENTS ARISING ON THE SALE OF ASSETS REGARDING CONTINGENT SALE PRICES ADJUSTMENTS

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

The price revision can occur whether with a sale of the asset or with a sale of the shares of the company that is directly or indirectly the owner of such asset.

The price revision will be made by Sonae Sierra to the Luxco's or to Sierra BV, in case a important sale, discounts were made related to deferred taxes over the gains.

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

(i) in the case of the asset sale, to a maximum amount of 118 million euro;

(ii) in the case of a sale of shares of the company that directly or indirectly owns the asset, to a maximum amount of 59 million euro;

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

Similar commitments were granted by Sonae Sierra in relation to the companies transferred to Sierra BV after 2003.

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

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

In accordance with the agreements made between the shareholders of Sierra BV at the time of its incorporation in 2003, it was agreed that Sierra BV should exist for an initial period of 10 years (that ends in October 2013), that can be extended by two additional periods of one year starting in 2013. Currently, the Board of Directors is under negotiations with Sierra BV's investors to analyse other options for the exit strategy, but until the moment no decision was made.

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

50 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA, recurrent EBITDA the consolidated income statement is divided between Direct Income and Indirect Income, according to common practice in the Shopping Centre operating segment, as explained in the next paragraph. The indirect income includes the future responsibilities from discontinued operations and impairment in non-core assets.

The Indirect Income includes the contribution of the Shopping Centre operating segment to the consolidated income statement, net of taxes, that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill), (iv) and provisions for "Development Funds at Risk".

The value of EBITDA is only calculated in the direct income, excluding the indirect contributions.

The reconciliation between consolidated income and direct-indirect income for the periods ended 31 December 2012 and 2011 can be summarised as follows:

	31 December 2012			31 December 2011 Restated		
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Indirect income	Direct income
Turnover	5,378,522,514	-	5,378,522,514	5,540,850,338	-	5,540,850,338
Investment income						-
Dividends	216,683	216,683	-	232,500	232,500	-
Impairment losses	(1,101,337)	(1,101,337)	-			
Others (Note 38)	16,880,645	-	16,880,645	(207,545)	-	(207,545)
Other income						
Negative goodwill	-	-	-	1,068,375	-	1,068,375
Reversion of impairment losses	10,889,667	-	10,889,667	3,938,989	-	3,938,989
Others	430,332,529	-	430,332,529	465,218,650	-	465,218,650
Total income	5,835,740,701	(884,654)	5,836,625,355	6,011,101,307	232,500	6,010,868,807
Total expenses	(5,224,312,538)	-	(5,224,312,538)	(5,395,362,591)	-	(5,395,362,591)
Depreciation and amortisation	(333,108,546)	-	(333,108,546)	(332,345,313)	-	(332,345,313)
Non-recurring impairment losses over inventories	(13,809,750)	-	(13,809,750)	-	-	-
Unusual provisions and impairment						
Provisions for warranty extensions	(75,245)	-	(75,245)	(8,358,133)	-	(8,358,133)
Unusals provisions and impairments	(906,000)	-	(906,000)	(4,896,878)	-	(4,896,878)
Others	(47,950,709)	(16,000,000)	(31,950,709)	(35,484,505)	-	(35,484,505)
Profit before financial results and share of results in associated companies	215,577,913	(16,884,654)	232,462,567	234,653,887	232,500	234,421,387
Financial profit/(loss)	(94,176,134)	-	(94,176,134)	(81,586,135)	-	(81,586,135)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	(23,847,555)	(55,139,875)	31,292,320	4,874,153	(27,154,530)	32,028,683
Others	(534,981)	(216,683)	(318,298)	(6,931,168)	(232,500)	(6,698,668)
Profit before income tax	97,019,243	(72,241,212)	169,260,455	151,010,737	(27,154,530)	178,165,267
Income tax	(25,328,860)	-	(25,328,860)	(24,107,183)	-	(24,107,183)
Net profit for the period	71,690,383	(72,241,212)	143,931,595	126,903,554	(27,154,530)	154,058,084
Attributable to equity holders of Sonae	32,572,259	(72,241,212)	104,813,471	103,944,076	(27,154,530)	131,098,606
Attributable to non-controling interests	39,118,124	-	39,118,124	22,959,478	-	22,959,478
EBITDA (a)			600,441,905			602,140,719

(a) EBITDA is computed as Turnover + Other Income - Negative goodwill – Impairment losses reversal – Operational expenses - Provisions for warranty extensions + Gains/(losses) in disposals. - non-recurring impairment losses over inventories- unusual impairment and provisions;

Indirect result could be analysed as follows:

Indirect income	31 December 2012	31 December 2011 Restated
Indirect income of Sonae Sierra	(55,139,875)	(27,154,530)
Provision for contingencies in Brazil (Note 32)	(15,000,000)	-
Impairment of financial investments and loans granted to associates (Note 6 and 32)	(2,101,337)	-
Total	(72,241,212)	(27,154,530)

The recurrent income could be analysed as follows:

	31 December 2012	31 December 2011 Restated
EBITDA	600,441,905	602,140,719
Capital gain from the disposal of Cooper Gay Sweet & Crawford (Note 6)	(15,227,674)	-
Capital gain on the disposal of real estate	-	(16,300,000)
Non-recurring expenses of Sonae RE for claims	5,000,000	2,500,000
Indemnities	2,800,000	-
Other expenses considered non-recurring	3,540,773	3,700,000
Recurrent EBITDA	596,555,004	592,040,719

51 SUBSEQUENT EVENTS

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

On March 7th, the Extraordinary Shareholder Meetings of Optimus SGPS and Zon approved the merger project by incorporation between the 2 companies, under the terms that had been approved by the respective Boards of Directors on January 21st. The implementation of the merger is now conditional upon the prior fulfilment of the following conditions: (i) The non-opposition from the Competition Authority; (ii) The issuance of a statement waiving the obligation to launch a mandatory takeover bid by the Portuguese Securities and Exchange Commission; and (iii) the fulfilment of the remaining administrative and corporate formalities applicable or necessary to the completion of the merger.

At 15 February 2013, Sonae and France Telecom ('FT-Orange') have executed an agreement whereby, respectively, a call and put option is granted over the 20% stake in Sonaecom's share capital presently held by a subsidiary of FT-Orange. Sonae's call option may be exercised during the subsequent 18 months and FT-Orange's put option within the 3 months subsequent. The price for the exercise of both options is of 98.9 million euro, which may be increased up to 113.5 million euro in case Sonaecom or Optimus participate in any material transaction of consolidation or restructuring of the telecommunications sector in Portugal which is announced within the subsequent 24 months. This agreement is subject to the condition that the Portuguese Securities Commission (CMVM) confirms that no concerted exercise of influence results from this agreement and that the shares held by Sonae are not attributable to FT-Orange, thereby removing the legal presumption of article 20, paragraph 4, of the Portuguese Securities Code.

52 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 12 March 2013, nevertheless they are still subject to approval at the Shareholders Annual General Meeting.

The Board of Directors

Belmiro Mendes de Azevedo, Chairman

Álvaro Carmona e Costa Portela, member of the Board of Directors

Álvaro Cuervo Garcia, member of the Board of Directors

Bernd Bothe, member of the Board of Directors

Christine Cross, member of the Board of Directors

Michel Marie Bon, member of the Board of Directors

José Neves Adelino, member of the Board of Directors

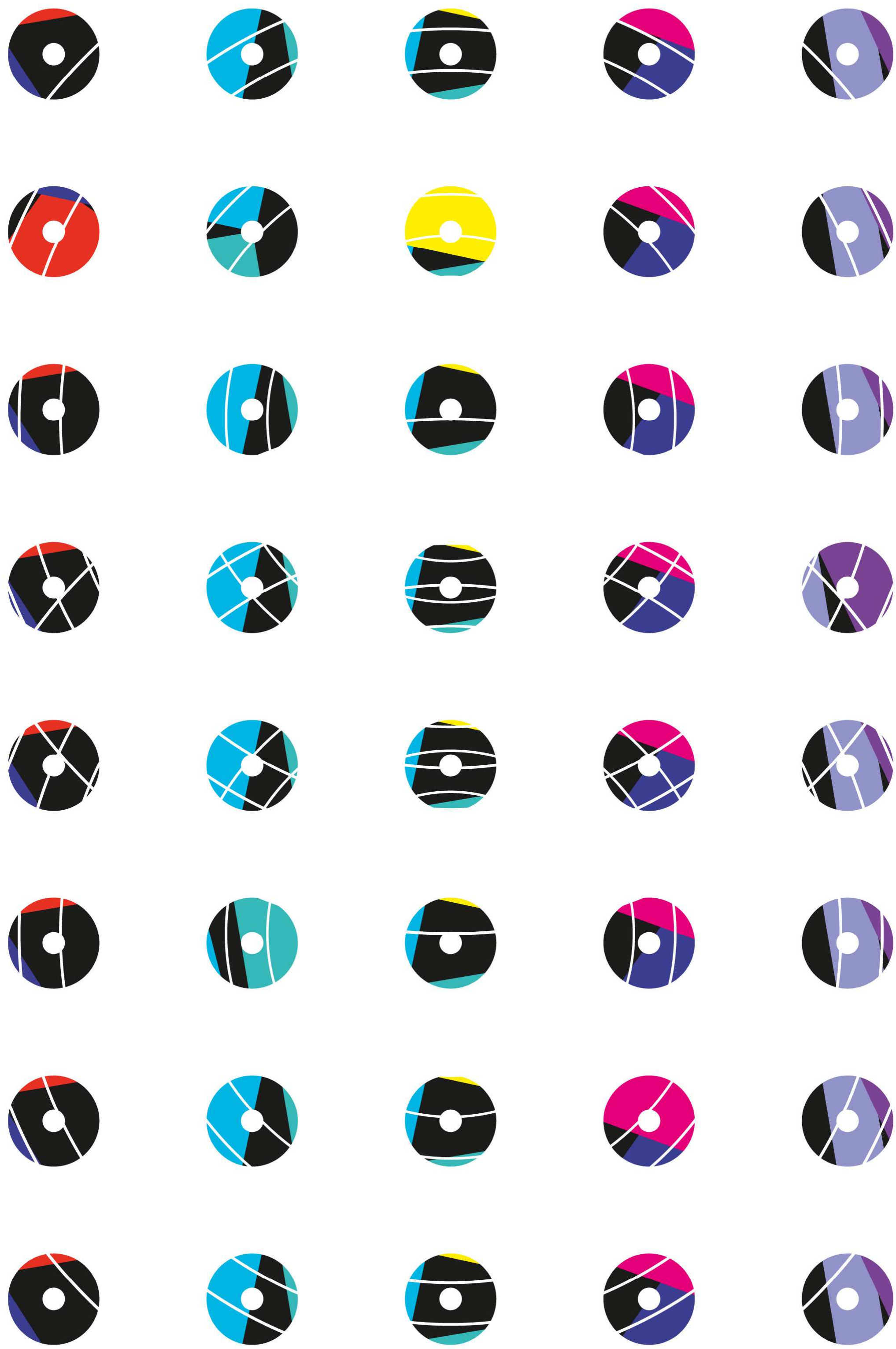
Duarte Paulo Teixeira de Azevedo, CEO

Ângelo Gabriel Ribeirinho dos Santos Paupério, member of the Executive Committee

Nuno Manuel Moniz Trigoso Jordão, member of the Executive Committee

02

INDIVIDUAL FINANCIAL STATEMENTS



Individual Statement of Financial Position as at 31 December 2012 and 2011

(Amounts expressed in euro)

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

ASSETS	Notes	31.December.2012	31.December.2011
NON-CURRENT ASSETS:			
Tangible assets	6	178,042	208,831
Intangible assets	7	28,770	77,138
Investments in affiliated companies	4, 8	3,503,796,314	3,561,020,983
Other investments	4, 9	38,628,607	42,214,426
Other non-current assets	4, 10	352,823,000	393,745,945
Total non-current assets		3,895,454,733	3,997,267,323
CURRENT ASSETS:			
Trade account receivables	4, 11	467,461	503,725
Other debtors	4, 12	11,287,813	13,909,190
Taxes recoverable	13	1,270,260	798,587
Other current assets	4, 14	2,057,079	431,397
Cash and cash equivalents	4, 15	158,667,623	75,589
Total current assets		173,750,236	15,718,488
TOTAL ASSETS		4,069,204,969	4,012,985,811
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	2,000,000,000	2,000,000,000
Legal reserves	17	187,137,648	187,137,648
Hedging reserve, fair value reserve and other reserves	18	1,119,192,176	1,243,726,640
Retained earnings		(63,194,492)	322,737
Profit for the year		22,964,317	(63,517,229)
TOTAL EQUITY		3,266,099,649	3,367,669,796
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bonds	4, 20	595,047,114	497,997,648
Bank loans	4, 20	74,024,250	-
Other non-current liabilities	4, 8	3,992,080	-
Other loans	4, 20	6,993,896	11,007,789
Total non-current liabilities		680,057,340	509,005,437
CURRENT LIABILITIES:			
	4, 20	99,919,906	-
Bank loans	4, 20	1,961,683	90,600,000
Other loans	4, 20	1,674,286	-
Trade accounts payable	4	443,191	662,785
Other creditors	4, 21	7,680,960	40,240,610
Taxes and contributions payable	13	214,619	555,382
Other current liabilities	4, 22	11,153,335	4,251,801
Total current liabilities		123,047,980	136,310,578
TOTAL EQUITY AND LIABILITIES		4,069,204,969	4,012,985,811

The accompanying notes are part of these individual financial statements.

The Board of Directors

Individual Income Statement for the years ended 31 December 2012 and 2011

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

	Notes	31.December.2012	31.December.2011
Services rendered	26	476,701	472,682
Gains or losses on investments	27	26,836,460	(78,016,561)
Financial income	28	33,388,218	42,447,504
Other income		2,458,028	1,506,844
External supplies and services	29	(2,995,820)	(2,077,556)
Staff costs	30	(2,450,853)	(2,255,791)
Depreciation and amortisation	6, 7	(108,546)	(105,431)
Financial expense	28	(33,079,256)	(24,768,475)
Other expenses		(1,551,201)	(581,026)
Profit/(Loss) before taxation		22,973,731	(63,377,810)
Taxation	31	(9,414)	(139,419)
Profit/(Loss) after taxation		22,964,317	(63,517,229)
Profit/(Loss) per share			
Basic	32	0.011485	(0.031759)
Diluted	32	0.011480	(0.031744)

The accompanying notes are part of these individual financial statements.

The Board of Directors

Individual Statement of Comprehensive Income for the years ended 31 December 2012 and 2011

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

	31.December.2012	31.December.2011
Net Profit / (Loss) for the year	22,964,317	(63,517,229)
Changes on fair value of available-for-sale financial assets	(61,201,255)	(41,401,857)
Transfer of fair value of available-for-sale financial assets to the income statement	50,271	(6,345)
Impairment losses on available-for-sale financial assets	-	2,490,000
Changes in hedge and fair value reserves	2,646,872	2,632,607
Other comprehensive income for the year	(58,504,112)	(36,285,595)
Total comprehensive income for the year	(35,539,795)	(99,802,824)

The accompanying notes are part of these individual financial statements.

The Board of Directors

Individual Statement of Changes in Equity for the years ended as at 31 December 2012 and 2011

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

				Reserves and retained earnings								
	Notes	Share capital	Treasury shares	Legal reserve	Fair value reserve	Hedging reserve	Share based payments reserve	Free reserves	Retained earnings	Total reserves and retained earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2011		2,000,000,000	-	167,816,034	612,472,662	(7,662,771)	725,653	373,469,086	322,737	1,147,143,401	386,432,293	3,533,575,694
Total comprehensive income for the year		-	-	-	(38,918,202)	2,632,607	-	-	-	(36,285,595)	(63,517,229)	(99,802,824)
Appropriation of profit of 2010:												
Transfer to legal reserves and other reserves	17	-	-	19,321,614	-	-	-	300,910,679	-	320,232,293	(320,232,293)	-
Dividends distributed	34	-	-	-	-	-	-	-	-	-	(66,200,000)	(66,200,000)
Purchase of treasury shares		-	(289,862)	-	-	-	-	-	-	-	-	(289,862)
Share based payments	19	-	289,862	-	-	-	100,300	(3,374)	-	96,926	-	386,788
Balance as at 31 December 2011		2,000,000,000	-	187,137,648	573,554,460	(5,030,164)	825,953	674,376,391	322,737	1,431,187,025	(63,517,229)	3,367,669,796
Balance as at 1 January 2012		2,000,000,000	-	187,137,648	573,554,460	(5,030,164)	825,953	674,376,391	322,737	1,431,187,025	(63,517,229)	3,367,669,796
Total comprehensive income for the year		-	-	-	(61,150,984)	2,646,872	-	-	-	(58,504,112)	22,964,317	(35,539,795)
Appropriation of profit of 2011:												
Transfer to legal reserves and other reserves		-	-	-	-	-	-	-	(63,517,229)	(63,517,229)	63,517,229	-
Dividends distributed	34	-		-	-	-	-	(66,187,813)	-	(66,187,813)	-	(66,187,813)
Purchase of treasury shares		-	(2,612,424)	-	-	-	-	-	-		-	(2,612,424)
Sale of treasury shares		-	2,346,376	-	-	-	-	98,337	-	98,337	-	2,444,713
Share based payments	19	-	266,048	-	-	-	(170,952)	230,076	-	59,124	-	325,172
Balance as at 31 December 2012		2,000,000,000	-	187,137,648	512,403,476	(2,383,292)	655,001	608,516,991	(63,194,492)	1,243,135,332	22,964,317	3,266,099,649

The accompanying notes are part of these individual financial statements.

The Board of Directors

Individual Statement of Cash Flows for the years ended 31 December 2012 and 2011

(Amounts expressed in euro)

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

	Notes	31.December.2012	31.December.2011
OPERATING ACTIVITIES			
Cash receipts from trade debtors		512,727	466,755
Cash paid to trade creditors		(2,876,547)	(2,651,766)
Cash paid to employees		(2,085,266)	(1,906,825)
Cash flow generated by operations		(4,449,086)	(4,091,836)
Income taxes (paid) / received		(610,903)	118,428
Other cash receipts and (payments) relating to operating activities		512,413	(124,377)
Net cash flow from operating activities (1)		(4,547,576)	(4,097,785)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	33	22,689,000	19,549,954
Tangible assets		170	2,066
Intangible assets		-	650
Interest and similar income		33,671,828	47,499,246
Dividends	27	29,071,221	107,599
Others		3,291,839	-
Loans granted		668,825,307	1,352,499,177
		757,549,365	1,419,658,692
Cash payments arising from:			
Investments	33	(23,263,454)	(500,002,245)
Tangible assets		(20,201)	(37,014)
Intangible assets		(9,188)	(14,071)
Loans granted		(627,783,241)	(895,333,546)
		(651,076,084)	(1,395,386,876)
Net cash used in investment activities (2)		106,473,281	24,271,816
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		1,722,262,341	2,743,131,000
Sale of treasury shares		2,189,569	-
		1,724,451,910	2,743,131,000
Cash payments arising from:			
Loans obtained		(1,568,619,259)	(2,673,776,000)
Interest and similar charges		(30,367,342)	(23,274,245)
Dividends		(66,186,556)	(66,196,465)
Purchase of treasury shares		(2,612,424)	(289,862)
		(1,667,785,581)	(2,763,536,572)
Net cash used in financing activities (3)		56,666,329	(20,405,572)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		158,592,034	(231,541)
Cash and cash equivalents at the beginning of the year	15	75,589	307,130
Cash and cash equivalents at the end of the year	15	158,667,623	75,589

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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

(Amounts expressed in euro)

1 INTRODUCTION

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

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

New accounting standards and their impact in the financial statements

Up to the approval date of these financial statements, the European Union endorsed standards, interpretations, amendments and revisions, some of which have become effective during the year 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 on or after 1 January 2013. The company did not early adopt the mentioned standards as the adoption is not mandatory and no significant impacts in the individual financial statements of the company are expected to arise from the application of those standards.

2.2 Tangible assets

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

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

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

2.3 Intangible assets

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

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

2.4 Borrowing costs

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

2.5 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the sale must be highly probable and the asset or disposal group is available for immediate sale in its present condition. In addition, the sale should be expected to occur within 12 months from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. These assets are not depreciated.

2.6 Financial instruments

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

a) Investments

Investments are classified into the following categories:

Held to maturity

Investments measured at fair value through profit or loss

Available for sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the statement of financial position date. Investments classified as held to maturity have defined maturities and the Group has the intention and ability to hold them until the maturity date. Investments measured at fair value through profit or losses are classified as current assets. Available for sale investments are classified as non-current assets.

Equity investments in subsidiaries, associates and jointly controlled companies are classified as available for sale.

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

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

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

Investments are initially measured at fair value, which is considered to be the fair value of the consideration paid for them, including transaction costs, in the case of available for sale investments.

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

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

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

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

b) Loans and accounts receivable

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

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

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

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

c) Trade accounts receivable

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

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

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

d) Classification as equity or liability

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

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments.

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

f) Trade accounts payable

Trade accounts payable are stated at their nominal value, since it relates to short term debt, and its discount effect is estimated to be immaterial.

g) Derivatives

The Company uses derivatives in the management of its financial risks to hedge such risks and/or in order to optimise funding costs, in accordance with Management interest rate risk policy described in point 3.4.1.

Derivatives classified as cash flow hedge instruments are used by the Company mainly to hedge interest rate risks on loans obtained. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The gain or loss relating to the ineffective portion of the hedge, if any, is recorded in the Income Statement under financial income or expenses.

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

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

- the effectiveness of the hedge can be reliably measured;
- there is adequate documentation of the hedging relationships at the inception of the hedge;
- the transaction being hedged is highly probable.

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

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

Derivatives entered into in accordance with interest rate risk management policy described in point 3.4.1 and not eligible for hedge accounting (mainly interest rate option), are initially recorded at cost, which corresponds to fair value at inception, and then, remeasured at fair value through profit and loss under financial income or expenses captions.

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

h) Treasury shares

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

i) Cash and cash equivalents

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

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

j) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period.

k) Impairment

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

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

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

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

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

For investments of non listed subsidiaries, which are measured at acquisition cost less impairment (equity investments and loans granted) the impairment analysis is based on the fair value estimate of its net assets, mainly equity investments in other Company's subsidiaries.

The above mentioned estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models.

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

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

2.7 Contingent assets and liabilities

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

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

2.8 Revenue recognition and accrual basis

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

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

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

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

2.9 Subsequent events

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

2.10 Judgements and estimates

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

a) Record of adjustments to the value of assets and provisions;

b) Impairment analysis of financial investments and loans granted to affiliated and associated companies;

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

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

2.11 Share-based payments

Deferred performance bonus plans are indexed to Sonae share price and are classified as share-based payments. These bonus plans vest within a period of 3 years after being granted.

Share-based payments are measured at fair value on the date they are granted (usually in March of each year).

When the plans are equity settled, by the delivery of Sonae shares, the value of the plan is determined as at the grant date based on fair value of shares granted and recognized rateably during the period of each plan. The fair value of the plan is recognized as staff costs against equity.

When settlement is made in cash the value of such liabilities shall be determined at the grant date and subsequently updated at the end of each reporting period based on the number of shares and the corresponding fair value at the closing date. These obligations are recognized as staff costs and other current liabilities, and are recorded on a straight-line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates.

2.12 Income tax

Current income tax is determined in accordance with tax rules in force in Portugal, considering the taxable profit for the period.

Deferred taxes are calculated using the statement of financial position liability method. Deferred tax assets are recognised only when its use is probable.

3 FINANCIAL RISK MANAGEMENT

3.1 Introduction

The ultimate purpose of financial risk management is to support the Company in the achievement of its strategy by reducing unwanted financial risk and volatility and mitigate any negative impacts in the profit or loss statement arising from such risks.

The Group's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not enter into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Financial risk management policies are approved by the Sonae Executive Committee. Exposures are identified and monitored by the Finance Department. Exposures are also monitored by the Finance Committee as noted in the Corporate Governance Report.

3.2 Credit risk

Credit risk is defined as the probability of a counterparty defaulting on its payment contractual obligations resulting in a financial loss. Sonae is a Holding company without any relevant commercial or trade activity, other than the normal activities of a portfolio manager. As such, it is only exposed, on a regular basis, to credit risk resulting from its investing activities (holding cash and cash equivalent instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities) or from its lending activities to subsidiaries.

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

In order to reduce the probability of counterparties default Sonae transactions (short term investments and derivatives) are only concluded in accordance with the following principles:

- Only carry out transactions (short term investments and derivatives) with counterparties that have been selected based on its high national and international reputation, and taking, into account its rating notations and the nature, maturity and extension of the operations;

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

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

- Any departure from the above mentioned policies needs to be pre-approved by the Executive Committee.

Given the above mentioned policies and the credit ratings restrictions imposed management does not expect any material failure in contractual obligations from its external counterparties. Nevertheless, exposure to individual counterparties resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Financial Department and any departure is promptly reported to the Executive Committee and Finance Committee.

Settlement risk is also a risk faced by Sonae, which is managed through the rigorous selection of its brokers which must be highly rated counterparties.

In relation to credit risk resulting from loans granted to subsidiaries, there is no specific risk management policy as the financing of its subsidiaries is part of the main operations of a holding company.

3.3 Liquidity risk

Sonae needs to raise external funds to finance its activities and investing plans. It holds a diversified loan portfolio, essentially made up of long term bond financing, but which also includes a variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2012 the total gross debt was 780 million euro (600 million euro as at 31 December 2011).

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy.

Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining, with its relationship banks, a combination of short and medium term committed credit facilities, commercial paper programme with sufficiently comfortable previous notice cancellation periods within a range between 30 and 360 days;

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

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

- Diversification of financing sources and counterparties;

- Ensuring an adequate debt average maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. As at 31 December 2012 Sonae debt average life maturity was 1.9 years (2.3 years as at 31 December 2011);

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

- Where possible, by prefinancing forecasted liquidity needs;

- Management procedures of short term applications, assuring that the maturity of the applications will match with foreseen liquidity needs, including a margin to hedge forecasting deviations. The reliability of the treasury forecasts is an important variable to determine the amounts and the periods of the market applications/borrowings.

Sonae maintains a liquidity reserve in the form of credit lines with its relationship banks, to ensure the ability to meet its commitments without having to refinance itself on unfavourable terms. Sonae has a total of 181.5 million euro committed credit facilities, of which only 31% are cancellable with a notice period of 6 months and the remainder with no less than a 360 days notice period, that are (191.5 million euro in 2011). Sonae expects to meet all its obligations by means of its investments cash flows and from its financial assets as well as from drawing existing available credit lines, if needed. Furthermore, Sonae maintains a liquidity reserve that includes cash and cash equivalents and current investments amounting to 159 million euro as at 31 December 2012 (0.075 million euro as at 31 December 2011).

3.4 Interest rate risk

3.4.1 Policy

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

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

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

- For each derivative or instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be the same as the settlement dates of the hedging instrument to avoid any mismatch and hedging inefficiency;

- Perfect match between the base rates (the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility / transaction);

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

- The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, as described in 3.2. above - Credit Risk Management. It is Group policy that, when contracting such instruments, preference should be given to financial institutions that form part of Sonae's existing relationships, whilst at the same time obtaining quotes from a sufficient large sample of banks to ensure optimum conditions;

- Swaps fair value was determined by discounting estimated future cash flows to the statement of financial position date. The cash flows result from the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg. For options, the fair value is calculated according the "Black-Scholes" model and other similar models. The future cash-flow estimates are based on market forward interest rates, discounted to the present using the most representative market rates. The estimate is supported on reliable sources, such as those conveyed by Bloomberg and others. Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the evaluation. This estimate assumes all other variables constant.

- All transactions are documented under ISDA's Agreements;

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

Sensitivity analysis

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

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

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

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

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

- Changes in the market interest rate of interest rate derivatives that are not part of a hedging relationship as set out in IAS 39 affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations;

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

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

Under the previously mentioned assumptions, if interest rates of euro denominated financial instruments had been 0.75 basis points higher, the company net profit before tax as at 31 December 2012 (individual statements) would decrease by approximately 1.5 million euro (as at 31 December 2011 would increase 584 thousand euro). Total equity, as at 31 December 2012, (not considering the impact over net profit) would increase by about 3.2 million euro (3 million as at 31 December 2011) as a result of the effect of changing interest rate up 0.75 basis points.

3.5 Foreign exchange risk

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

Sonae does not have any material foreign exchange rate exposure at holding level, since almost all equity and loans to subsidiaries are denominated in euro.

3.6 Price risk and market risk

The Group is exposed to equity price risks arising from equity investments, maintained for strategic rather than for trading purposes as the group does not actively trade these investments. These investments are presented in Notes 8.

4 FINANCIAL INSTRUMENTS BY CLASS AND FAIR VALUE

The accounting policies disclosed in note 2.6 have been applied to the line items below:

Financial assets	31.December.2012					
	Notes	Loans and accounts receivable	Available for sale	Sub Total	Assets not within scope of IFRS 7	Total
Non-current assets						
Investments in affiliated companies	8	-	3,503,796,314	3,503,796,314	-	3,503,796,314
Other available for sale investments	9	-	38,628,607	38,628,607	-	38,628,607
Other non-current assets	10	352,823,000	-	352,823,000	-	352,823,000
		352,823,000	3,542,424,921	3,895,247,921	-	3,895,247,921
Current assets						
Trade accounts receivables	11	467,461	-	467,461	-	467,461
Other debtors	12	11,287,813	-	11,287,813	-	11,287,813
Other current assets	14	1,974,168	-	1,974,168	82,911	2,057,079
Cash and cash equivalents	15	158,667,623	-	158,667,623	-	158,667,623
		172,397,065	-	172,397,065	82,911	172,479,976
		525,220,065	3,542,424,921	4,067,644,986	82,911	4,067,727,897

	31.December.2011					
	Notes	Loans and accounts receivable	Available for sale	Sub Total	Assets not within scope of IFRS 7	Total
Non-current assets						
Investments in affiliated companies	8	-	3,561,020,983	3,561,020,983	-	3,561,020,983
Other available for sale investments	9	-	42,214,426	42,214,426	-	42,214,426
Other non-current assets	10	393,745,945	-	393,745,945	-	393,745,945
		393,745,945	3,603,235,409	3,996,981,354	-	3,996,981,354
Current assets						
Trade accounts receivables	11	503,725	-	503,725	-	503,725
Other debtors	12	13,909,190	-	13,909,190	-	13,909,190
Other current assets	14	330,940	-	330,940	100,457	431,397
Cash and cash equivalents	15	75,589	-	75,589	-	75,589
		14,819,444	-	14,819,444	100,457	14,919,901
		408,565,389	3,603,235,409	4,011,800,798	100,457	4,011,901,255

Financial liabilities	31.December.2012					
	Notes	Derivatives used for cash flow hedging	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities						
Bonds	20	-	595,047,114	595,047,114	-	595,047,114
Bank loans	20	-	74,024,250	74,024,250	-	74,024,250
Other non-current liabilities	8	3,992,080	-	3,992,080	-	3,992,080
Other loans	20	6,993,896	-	6,993,896	-	6,993,896
		10,985,976	669,071,364	680,057,340	-	680,057,340
Current liabilities						
Bonds	20	-	99,919,906	99,919,906	-	99,919,906
Bank loans	20	-	1,961,683	1,961,683	-	1,961,683
Other loans	20	1,674,286	-	1,674,286	-	1,674,286
Trade accounts payable		-	443,191	443,191	-	443,191
Other credtors	21	-	7,680,960	7,680,960	-	7,680,960
Other current liabilities	22	-	10,275,049	10,275,049	878,286	11,153,335
		1,674,286	120,280,789	121,955,075	878,286	122,833,361
		12,660,262	789,352,153	802,012,415	878,286	802,890,701

	31.December.2011					
	Notes	Derivatives used for cash flow hedging	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities						
Bonds	20	-	497,997,648	497,997,648	-	497,997,648
Other loans	20	11,007,789	-	11,007,789	-	11,007,789
		11,007,789	497,997,648	509,005,437	-	509,005,437
Current liabilities						
Bank loans	20	-	90,600,000	90,600,000	-	90,600,000
Trade accounts payable		-	662,785	662,785	-	662,785
Other credtors	21	-	40,240,610	40,240,610	-	40,240,610
Other current liabilities	22	-	3,687,199	3,687,199	564,602	4,251,801
		-	135,190,594	135,190,594	564,602	135,755,196
		11,007,789	633,188,242	644,196,031	564,602	644,760,633

Financial instruments at fair value

The table below details the financial instruments that are measured at fair value after initial recognition, grouped into 3 levels according to the possibility of observing its fair value on the market:

	31.December.2012			31.December.2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair values						
Investments in affiliated companies	5,079,830	524,986,000	-	1,132,175	625,463,000	-
Other investments	-	19,936,181	-	6,806,000	-	-
	5,079,830	544,922,181	-	7,938,175	625,463,000	-
Financial liabilities at fair value						
Derivatives	3,992,080	8,668,182	-	-	13,990,754	-
	3,992,080	8,668,182	-	-	13,990,754	-

Level 1: fair value is determined based on market prices for assets

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

Level 3: fair value is determined based on valuation models, whose main inputs are not observable in the market.

5 CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the year there were no material changes in accounting policies or prior period errors.

6 TANGIBLE ASSETS

As at 31 December 2012 and 2011 tangible assets movements are as follows:

	Plant and machinery	Vehicles	Fixtures and fittings	Others	In progress	Total
Gross cost						
Opening balance as at 1 January 2011	136,027	194,768	1,745,827	723	412	2,077,757
Increase	-	-	-	-	34,640	34,640
Decrease	(17,352)	-	(128,420)	-	(412)	(146,184)
Transfers and write-offs	2,903	-	31,737	-	(34,640)	-
Opening balance as at 1 January 2012	121,578	194,768	1,649,144	723	-	1,966,213
Increase	50	-	-	-	20,151	20,201
Decrease	-	-	(2,000)	-	-	(2,000)
Transfers and write-offs	11,114	-	9,037	-	(20,151)	-
Closing balance as at 31 December 2012	132,742	194,768	1,656,181	723	-	1,984,414
Accumulated depreciation						
Opening balance as at 1 January 2011	29,924	194,768	1,626,874	692	-	1,852,258
Increase	12,866	-	37,999	31	-	50,896
Decrease	(17,352)	-	(128,420)	-	-	(145,772)
Opening balance as at 1 January 2012	25,438	194,768	1,536,453	723	-	1,757,382
Increase	13,585	-	37,405	-	-	50,990
Decrease	-	-	(2,000)	-	-	(2,000)
Closing balance as at 31 December 2012	39,023	194,768	1,571,858	723	-	1,806,372
Carrying amount						
As at 31 December 2011	96,140	-	112,691	-	-	208,831
As at 31 December 2012	93,719	-	84,323	-	-	178,042

7 INTANGIBLE ASSETS

As at 31 December 2012 and 2011 intangible assets movements are as follows:

	Patents and other similar rights	Software	In progress	Total intangible assets
Gross cost				
Opening balance as at 1 January 2011	153,928	2,682	-	156,610
Increase	-	-	14,071	14,071
Decrease	-	-	(650)	(650)
Transfers and write-offs	13,421	-	(13,421)	-
Opening balance as at 1 January 2012	167,349	2,682	-	170,031
Increase	-	-	9,188	9,188
Transfers and write-offs	9,188	-	(9,188)	-
Closing balance as at 31 December 2012	176,537	2,682	-	179,219
Accumulated depreciation				
Opening balance as at 1 January 2011	36,644	1,714	-	38,358
Increase	53,641	894	-	54,535
Opening balance as at 1 January 2012	90,285	2,608	-	92,893
Increase	57,482	74	-	57,556
Closing balance as at 31 December 2012	147,767	2,682	-	150,449
Carrying amount				
As at 31 December 2011	77,064	74	-	77,138
As at 31 December 2012	28,770	-	-	28,770

8 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2012 and 2011, the Company held investments in the following subsidiaries:

Companies	31.December.2012					
	% Held	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	76.86%	1,893,270,729	-	51,249	-	1,893,219,480
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	3,672,059	-	-	-	3,672,059
Sonae Sierra, SGPS, SA (b)	50.00%	586,449,500	-	-	(61,463,500)	524,986,000
Sonaecom, SGPS, SA	0.94%	789,750	3,263,451	-	1,026,629	5,079,830
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	731,545
Sontel, BV	42.86%	405,641,099	-	-	-	405,641,099
Total		3,726,520,983	3,263,451	51,249	(60,436,871)	3,669,296,314
Impairment		165,500,000	-	-	-	165,500,000
Total		3,561,020,983	3,263,451	51,249	(60,436,871)	3,503,796,314

Companies	31.December.2011					
	% Held	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	76.86%	1,893,270,729	-	-	-	1,893,270,729
Sonae Investments, BV (c)	100.00%	550,000,000	285,700,000	-	-	835,700,000
Sonae RE, SA	99.92%	3,672,059	-	-	-	3,672,059
Sonae Sierra, SGPS, SA (b)	50.00%	625,463,000	-	-	(39,013,500)	586,449,500
Sonaecom, SGPS, SA	0.18%	1,132,175	-	271,724	(70,701)	789,750
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	731,545
Sontel, BV (c)	42.86%	191,341,400	214,299,699	-	-	405,641,099
Total		3,265,877,209	499,999,699	271,724	(39,084,201)	3,726,520,983
Impairment		88,500,000	77,000,000	-	-	165,500,000
Total		3,177,377,209	422,999,699	271,724	(39,084,201)	3,561,020,983

(a) The value of this investment is the price paid in the public tender offer for de-listing occurred in 2006. Since that date no change in the value of the investment was recorded.

(b) Market value was determined based on an independent valuation as at 31 December 2012 and 2011 of assets held by this affiliated company, after deduction of associated net debt and of the share attributable to non-controlling interests. The major assumptions used for the purpose of estimating the fair value of the assets are disclosed on the consolidated financial statements.

(c) Increase of these companies share capital.

During 2012, Sonae entered into a contract with Sonaecom, SGPS, SA, in which it agrees to handover Sonaecom shares to employees of that subsidiary during 2016. This obligation stands to 2,780,000 shares with an acquisition cost amounting to 3,263,451 euro. A liability amounting to 3,291,520 euro was recorded under the caption “other non-current liabilities”. The change in the fair value of the investment acquired and in the referred liability, amounting to 700,560 euro, was recognized in the income statement.

In previous years, the Company recorded an impairment loss over the financial investment held in Sontel BV as a result of applying the accounting policy mentioned in 2.6 k, and according to a valuation made by the use of discounted cash flow models, in order to estimate the value in use of those investments. The accumulated impairment loss on this subsidiary amounts to 165,500,000 euro (165,500,000 euro as at 31 December 2011).

The assumptions are similar to those used on goodwill impairment test and are disclosed in the consolidated financial statements.

9 OTHER INVESTMENTS

As at 31 December 2012 and 2011 other investments available for sale are as follows:

Companies	31.December.2012 Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	-	20,000,003	-	(63,822)	19,936,181
Magma No. 1 Securitisation Notes	37,680,000	-	19,040,000	-	18,640,000
Sonae Capital, SGPS, SA	6,972,000	-	6,972,000	-	-
Total	44,704,426	20,000,003	26,012,000	(63,822)	38,628,607
Impairment	2,490,000	-	2,490,000	-	-
Total	42,214,426	20,000,003	23,522,000	(63,822)	38,628,607

	31.December.2011 Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	-	2,546	-	-	2,546
Magma No. 1 Securitisation Notes	56,940,000	-	19,260,000	-	37,680,000
Sonae Capital, SGPS, SA	6,806,000	-	-	166,000	6,972,000
Total	63,795,880	2,546	19,260,000	166,000	44,704,426
Impairment	-	-	-	2,490,000	2,490,000
Total	63,795,880	2,546	19,260,000	(2,324,000)	42,214,426

During the first quarter 2012 the Company sold the interest in Sonae Capital, SGPS, SA for the amount of 3,569,000 euro.

In December 2012, Sonae disposed 24,905 units of its interest in Fundo de Investimento Imobiliário Fechado Imosede.

In December 2008, the Company has completed the subscription of securitized assets, through a private offering, in the amount of approximately 100 million euro, issued by Tagus - Sociedade de Titularização de Créditos, SA named "Magma Nº 1 Securitisation Notes".

These bonds have a maturity of 5 years (2008/2013), and are amortized in equal quarterly instalments, having as underlying asset the future receivables to be generated under a portfolio of existing corporate customer contracts of Sonaecom - Serviços de Comunicações, SA, with a comfortable over colaterization, which strongly minimize this investment credit risk.

During 2012, the decrease amounting to 19,040,000 euro corresponds to reimbursements totaling 18,692,500 euro and to the sale of bonds with a carrying amount of 347,500 euro with a nil capital gain. As so, the fair value of these financial instruments is similar to its book value

10 OTHER NON-CURRENT ASSETS

As at 31 December 2012 and 2011 other non-current assets are as follows:

	31.December.2012	31.December.2011
Loans granted to group companies:		
Sonae Investments, BV	5,403,000	45,560,933
Sonae Investimentos, SGPS, SA	347,400,000	347,400,000
Sontel, BV	20,000	785,012
	352,823,000	393,745,945

The amount recognized under the caption loans granted to Sonae Investimentos, SGPS, SA, refers to a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions in 28 december 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rate with full reimbursement in the end of the period. In December 2011, 1,052 bonds were sold to a subsidiary for 42,080,000 euro.

The fair value of the bonds related to this loan as at 31 December 2012, is 42,606 euro (40,000 euro as at 31 December 2011) per bond, according with a valuation made by the use of discounted cash flow models. There is no evidence of impairment on this loan.

The other loans granted to group companies, bear interest at market rates indexed to Euribor, have a long term maturity and its fair value is similar to its carrying amount.

There are no past due or impaired receivable balances as at 31 December 2012 and 2011. The eventual impairment of loans granted to group companies is assessed in accordance with note 2.6.k).

11 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable amounted to 467,461 euro and 503,725 euro as at 31 December 2012 and 2011 respectively, and include balances arising solely from services rendered to group companies.

As at the statement of financial position dates there are no accounts receivable past due, and no impairment loss was recorded, as there are no indications as of the reporting date that the debtors will not meet their payment obligations.

12 OTHER DEBTORS

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

	31.December.2012	31.December.2011
Group companies - Short term loans:		
Sonaecenter Serviços, SA	-	119,120
	-	119,120
Group companies - Interest:		
Sonae Investments, BV	138,928	334,583
Sontel, BV	1,202	180,628
	140,130	515,211
Group companies - Dividends:		
Sonae Sierra SGPS, SA (Note 27)	10,567,050	11,867,610
	10,567,050	11,867,610
Other debtors		
Others	580,633	1,407,249
	11,287,813	13,909,190

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

There were no assets impaired or past due as at 31 December 2012 and 2011. The fair value of loans granted is similar to its carrying amount.

13 TAXES

As at 31 December 2012 and 2011 taxes balances are as follows:

Assets	31.December.2012	31.December.2011
Advance payments	117,872	40,921
Taxes withheld	1,110,404	715,616
Others	41,984	42,050
	1,270,260	798,587

Liabilities	31.December.2012	31.December.2011
Income tax charge for the year	9,350	139,100
Taxes withheld		
Staff	42,534	38,092
Capital	52,769	229,590
Value added tax	97,420	106,798
Social security contributions	12,426	11,065
Stamp duty	120	30,737
	214,619	555,382

14 OTHER CURRENT ASSETS

As at 31 December 2012 and 2011 other current assets are as follows:

	31.December.2012	31.December.2011
Accrued income	1,974,168	330,939
Prepayments	82,911	100,458
	2,057,079	431,397

The amount recorded under the caption "Accrued income" relates essentially to the interests to be received for loans granted to subsidiaries.

15 CASH AND CASH EQUIVALENTS

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

	31.December.2012	31.December.2011
Cash in hand	89	89
Bank deposits	158,667,534	75,500
Cash and cash equivalents on the balance sheet	158,667,623	75,589
Cash and cash equivalents on the cash flow statement	158,667,623	75,589

As at 31 December 2012 the company held bank deposits amounting to 158,574,000 euro, which had less than a three month maturity period and where redeemed in early 2013.

16 SHARE CAPITAL

As at 31 December 2012 and 2011 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

As at 31 December 2012 and 2011 Efanor Investimentos, SGPS, SA and affiliated companies held 52.48% of Sonae's share capital.

17 LEGAL RESERVE

The company has set up legal reserves in accordance with Commercial Companies Code. In 2011, 19,321,614 euro was transferred from profit for the year to legal reserves.

18 HEDGING RESERVE, FAIR VALUE RESERVE AND OTHER RESERVES

As at 31 December 2012 and 2011 other reserves are detailed as follows:

	31.December.2012	31.December.2011
Free reserves	608,516,991	674,376,391
Hedging reserve	(2,383,292)	(5,030,164)
Fair value reserve	512,403,476	573,554,460
Share-based payments reserve (Note 19)	655,001	825,953
	1,119,192,176	1,243,726,640

Movements occurred in 2012 and 2011 in these reserves are detailed in the Company Statement of changes in equity and in the statement of comprehensive income.

Hedging reserves corresponds to the effective portion of changes in fair value of derivatives that qualify for cash flow hedge accounting.

Fair value reserves correspond to changes in the fair value of the financial instruments classified as available for sale

The share-based payments reserve relates to equity-share based payments under the deferred performance bonuses.

19 SHARE-BASED PAYMENTS

In 2012 and in previous years, Sonae granted deferred performance bonuses to its directors. These are based on shares to be acquired at nil cost, three years after they were attributed to the director. These rights can only be exercised if the employee still works for the Sonae on the vesting date.

As at 31 December 2012 and 2011, the outstanding plans were as follows:

	Vesting period		31.December.2012		31.December.2011	
	Year of grant	Vesting year	Number of participants	Number of shares	Number of participants	Number of shares
Plan 2008	2009	2012	-	-	1	570,258
Plan 2009	2010	2013	1	411,564	1	411,564
Plan 2010	2011	2014	1	425,401	1	425,401
Plan 2011	2012	2015	1	836,409	-	-

During the year the movements occurred can be detailed as follows:

Number of shares

	31.December.2012	31.December.2011
Opening balance	1,407,223	1,322,666
Changes during the year:		
Attribued	836,409	425,401
Vested	(570,258)	(340,844)
Closing balance	1,673,374	1,407,223

Amount:

	31.December.2012	31.December.2011
Recorded as staff cost in the year	325,172	386,786
Recorded as staff cost in previous years	329,829	439,167
	655,001	825,953

20 BORROWINGS

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

	31.December.2012	31.December.2011
Bonds Sonae 2007/2014	150,000,000	150,000,000
Bonds Sonae 2010/2015	250,000,000	250,000,000
Bonds Sonae 05	-	100,000,000
Bonds Continente - 7% - 2015	200,000,000	-
Up-front fees not yet charged to income statement	(4,952,886)	(2,002,352)
Bonds	595,047,114	497,997,648
Nominal value of bank loans	75,000,000	-
Up-front fees not yet charged to income statement	(975,750)	-
Bank loans	74,024,250	-
Derivatives	6,993,896	11,007,789
Non-current loans	676,065,260	509,005,437
Bonds Sonae 05	100,000,000	-
Up-front fees not yet charged to income statement	(80,094)	-
Bonds	99,919,906	-
Commercial paper	-	90,600,000
Derivatives	1,674,286	-
Other bank loans	1,961,683	-
Current loans	103,555,875	90,600,000

The above mentioned loans estimated fair value is considered to be near its carrying amount. Loans fair value was determined by discounting estimated future cash flows, except for "Continente 7% - 2015" bond loan, which fair value was determined based on market price at the statement of financial position date.

Maturity of Borrowings

As at 31 December 2012 and 2011 the analysis of the maturity of loans excluding derivatives is as follows:

	31.December.2012		31.December.2011	
	Nominal value	Interests	Nominal value	Interests
N+1	101,961,683	25,514,464	90,600,000	16,050,981
N+2	150,000,000	23,820,144	100,000,000	14,483,128
N+3	525,000,000	19,817,448	150,000,000	11,362,035
N+4	-	-	250,000,000	4,771,181

The interest amount was calculated considering the applicable interest rates for each loan at 31 December.

The amount of credit facilities aimed to cover cash shortages as at 31 December 2012 and 2011 are 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	146,500,000	35,000,000	156,500,000	35,000,000
Available credit facilities amounts	146,500,000	35,000,000	65,900,000	35,000,000

Interest rate as at 31 December 2012 of the bonds and bank loan was, in average, 3.37% (3.37% as at 31 December 2011).

Interest rate derivatives

The financial instruments considered to be hedging instruments are, mainly variable to fixed interest rates swaps entered into with the purposes of hedging interest rate risk of borrowings amounting to 250 million euro, 100% of the loans were hedge, (same amount as at 31 December 2011) which fair value amounted to -8,668,182 euro (-11,007,789 euro as at 31 December 2011).

These interest rate derivatives are valued at fair value, at the statement of financial position date, based on valuations performed by the Group using specific software. The fair value of swaps was calculated, as at the statement of financial position date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg of the derivative, estimated at rate setting dates based on yield curves from Bloomberg.

As at 31 December 2012 and 2011, derivatives have the following estimated cash flows:

	31.December.2012	31.December.2011
N+1	(6,297,744)	(4,431,568)
N+2	(2,393,076)	(5,117,090)
N+3	-	(1,656,143)

21 OTHER CREDITORS

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

	31.December.2012	31.December.2011
Group companies - Short term loans:		
Sonae Investments, BV	-	40,160,000
Sonaecenter Serviços, SA	145,135	-
Sontel, BV	7,296,265	-
	7,441,400	40,160,000
Shareholders	70,350	69,093
Others	169,210	11,517
	7,680,960	40,240,610

22 OTHER CURRENT LIABILITIES

As at 31 December 2012 and 2011 other current liabilities are as follows:

	31.December.2012	31.December.2011
Accruals:		
Salaries	525,658	491,892
Interest	10,275,049	3,687,199
Others	352,628	72,710
	11,153,335	4,251,801

23 CONTINGENT LIABILITIES

As at 31 December 2012 and 2011, contingent liabilities were guarantees given are as follows

	31.December.2012	31.December.2011
Guarantees given:		
on tax claims	48,093,333	92,283
on judicial claims	70,766	145,256
Guarantees given in the name of subsidiaries (a)	230,569,501	130,066,153

a) Guarantees given to Tax Authorities in favour of subsidiaries to defer tax claims.

The caption guarantees given on tax claims includes guarantees amounting to 36 million euro in favor of Tax authorities regarding 2007 income tax. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.

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

24 OPERATIONAL LEASES

As at 31 December 2012 and 2011, the company had operational lease contracts, as a lessee, whose minimum lease payments had the following schedule:

		31.December.2012	31.December.2011
Due in			
	N+1 automatically renewable	255,319	247,019
	N+1	25,242	22,420
	N+2	22,276	17,797
	N+3	7,445	14,831
	N+4	7,445	-
	N+5	3,102	-
		320,829	302,067

In 2012 Sonae recognized costs on operational leases amounting 278,773 euro (304,650 euro as at 31 December 2011).

25 RELATED PARTIES

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

Balance:	31.December.2012	31.December.2011
Group companies	2,576,963	2,248,938
Jointly controlled companies	10,779,542	12,094,116
Other partners in group companies	98,000	109,053
Accounts receivable	13,454,505	14,452,107
Parent company	912,998	-
Group companies	3,738,595	657,699
Jointly controlled companies	39,654	-
Other partners in group companies	4,533	27,466
Accounts payable	4,695,780	685,165
Group companies	352,823,000	393,865,065
Loans granted	352,823,000	393,865,065
Group companies	7,441,400	40,160,000
Loans obtained	7,441,400	40,160,000

Transactions:

	31.December.2012	31.December.2011
Group companies	2,602,884	1,624,611
Jointly controlled companies	217,467	212,682
Other partners in group companies	100,000	100,000
Services rendered	2,920,351	1,937,293
Parent company	305,324	-
Group companies	1,130,900	1,135,851
Jointly controlled companies	65,660	-
Other partners in group companies	29,675	85,713
Purchases and services obtained	1,531,559	1,221,564
Group companies	31,731,142	40,036,497
Interest income	31,731,142	40,036,497
Parent company	607,674	977,984
Group companies	1,202,304	461,361
Interest expenses	1,809,978	1,439,345
Group companies	17,203,611	107,599
Jointly controlled companies	10,567,050	11,867,610
Dividend income (Note 27)	27,770,661	11,975,209
Group companies	80,000	289,954
Other partners in group companies	3,569,000	-
Disposal of investments (Note 33)	3,649,000	289,954
Other partners in group companies	-	42,080,000
Disposal of bonds	-	42,080,000
Group companies	-	500,002,245
Other partners in group companies	20,000,003	-
Acquisition of investments (Note 33)	20,000,003	500,002,245
Group companies	2,061,797	-
Jointly controlled companies	382,914	-
Sale of treasury shares	2,444,711	-

All Sonae, SGPS, S.A. subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements. All Efanor Investimentos, SGPS, SA (parent company), subsidiaries, including the ones of Sonae Indústria, SGPS, SA and of Sonae Capital, SGPS, SA (other partners in group companies) are also considered related parties.

The remuneration of the Board of Directors for the years ended 31 December 2012 and 2011 is detailed as follows:

	31.December.2012	31.December.2011
Variable - short term	1,958,940	1,749,410
Share based payments	483,300	335,400
	2,442,240	2,084,810

In 2012 and 2011 no loans were granted to the Company's Directors.

During 2012, 19 Magma Nº1 Securitisation Notes (Note 9) were sold to Company's Directors or related entities / persons for the amount of 332,500 euro.

As at 31 December 2012 and 2011 no balances existed with the Company's Directors.

26 SERVICES RENDERED

Services rendered amounted to 476,701 euro and 472,682 euro, in 31 December 2012 and 2011, respectively. Services rendered include management fees over subsidiaries in accordance with Holding companies law.

27 GAINS OR LOSSES RELATED TO INVESTMENTS

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

	31.December.2012	31.December.2011
Dividends received	27,770,661	11,975,209
Gains/(Losses) on sale of investments	(934,201)	(10,501,770)
Impairment losses (Note 8 and 9)	-	(79,490,000)
	26,836,460	(78,016,561)

Dividends were received from Sonae Investimentos, SGPS, SA (17,079,574 euro), Sonae Sierra, SGPS, SA (10,567,050 euro), Sonaegest, SA (78,537 euro) and Sonaecom, SGPS, SA (45,500 euro).

28 FINANCIAL INCOME / EXPENSES

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

	31.December.2012	31.December.2011
Interest arising from:		
Bank loans	(3,230,432)	(1,146,845)
Bonds	(18,639,880)	(14,593,181)
Other	(7,738,627)	(6,825,614)
Up front fees on the issuance of debt	(3,372,947)	(880,060)
Other financial expenses	(97,370)	(1,322,775)
Financial expenses	(33,079,256)	(24,768,475)
Interest income	33,388,218	42,447,504
Finacial income	33,388,218	42,447,504

29 EXTERNAL SUPPLIES AND SERVICES

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

	31.December.2012	31.December.2011
Operational rents	376,868	410,243
Services obtained	1,941,798	1,300,244
Others	677,154	367,069
	2,995,820	2,077,556

30 STAFF COSTS

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

	31.December.2012	31.December.2011
Salaries	2,285,376	2,153,446
Social costs	88,518	78,616
Other staff costs	76,959	23,729
	2,450,853	2,255,791

31 INCOME TAX

Income tax charge for the year amounted to 9,414 euro and 139,419 euro, in 31 December 2012 and 2011, respectively.

31.1 Reconciliation of effective tax rate

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

	31.December.2012	31.December.2011
Profit before taxes	22,973,731	(63,377,810)
(Decrease) / Increase to net income for tax purposes	(26,332,604)	67,881,596
Taxable income	(3,358,873)	4,503,786
Use of carried forward tax losses	-	(4,503,786)
Tax losses for wich no deferred tax assets were recognized	3,358,873	-
Net taxable income	-	-
Tax charge @ 25%	-	-
Change in income tax estimate from previous years	64	319
Autonomous taxation	9,350	8,698
Municipal surcharge	-	130,402
Tax charge	9,414	139,419
Effective average tax rate	0.041%	0.220%

31.2 Carried forward tax losses

	31.December.2012		31.December.2011	
	Carried forward tax loss	Limit for use	Carried forward tax loss	Limit for use
Generated in 2010	5,883,052	2014	5,979,825	2014
Generated in 2012	3,358,873	2016	-	-
	9,241,925		5,979,825	

32 EARNINGS PER SHARE

Earnings per share for the period ended 31 December 2012 and 2012 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)	22,964,317	(63,517,229)
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	22,964,317	(63,517,229)
Number of shares		
Weighted average number of shares used to calculated basic earnings	1,999,432,845	2,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outsanding shares related with deferred performance bonus (note 19)	1,673,374	1,407,223
Number of shares that could be acquired at average market price	(700,550)	(494,220)
Weighted average number of shares used to calculated diluted earnings per share	2,000,405,669	2,000,913,003
Profit/(Loss) per share		
Basic	0.011485	(0.031759)
Diluted	0.011480	(0.031744)

33 RECEIPTS / PAYMENTS OF INVESTMENTS

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

	31.December.2012			
	Receipts		Payments	
Companies	Total	Amount received	Total	Amount paid
Magma Nº 1 Securitisation Notes	19,040,000	19,040,000	-	-
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	-	-	20,000,003	20,000,003
Sonaecom, SGPS, SA	-	-	3,263,451	3,263,451
Sonae Investmentos, SGPS, SA	80,000	80,000	-	-
Sonae Capital, SGPS, SA	3,569,000	3,569,000	-	-
	22,689,000	22,689,000	23,263,454	23,263,454

	31.December.2011			
	Receipts		Payments	
	Total	Amount received	Total	Amount paid
Magma Nº 1 Securitisation Notes	19,260,000	19,260,000	-	-
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	-	-	2,546	2,546
Sontel, BV	-	-	214,299,699	214,299,699
Sonae Investments, BV	-	-	285,700,000	285,700,000
Sonaecom, SGPS, SA	289,954	289,954	-	-
	19,549,954	19,549,954	500,002,245	500,002,245

34 DIVIDENDS

The Shareholders Annual Meeting held on 30 April 2012, approved the payment of a gross dividend of 0.0331 euro (0.03131 euro 2011) per share was approved, corresponding to a total of 66,200,000 euro (66,200,000 euro in 2011).

For 2012, the Board of Directors proposed a gross dividend of 0.0331 euro per share, totalling 66,200,000 euro. This dividend is subject to approval by shareholders in the Shareholders Annual Meeting.

35 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors on 12 March 2013. These financial statements will be presented to the Shareholders' General Meeting for final approval.

36 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the twelve months period ended 31 December 2012 shareholders' loan contracts were entered into with the following companies:

Sonae Investments, BV

Sontel, BV

In 2012 short-term loan contracts were entered into with the following companies:

Chão Verde – Sociedade de Gestão Imobiliária, SA

Efanor Investimentos, SGPS, SA

Fozmassimo – Sociedade Imobiliária, SA

Modelo Hiper Imobiliária, SA

Modelo.com – Vendas por Correspondência, SA

Sesagest Projectos e Gestão Imobiliária, SA

Sonae Center Serviços II, SA

Sonae Investimentos, SGPS, SA

Sontel, BV

Sonae Specialized Retail, SGPS, SA

Sonaecenter, Serviços, SA

Sonaecom, SGPS, SA

Tlantic Portugal – Sistemas de Informação, SA

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

	Closing Balance
Sonaecenter Serviços, SA	145,135
Sontel, BV	7,296,265
	7,441,400

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

	Closing Balance
Sonae Investments, BV	5,403,000
Sontel, BV	20,000
	5,423,000

Article 66 A of the Commercial Companies Code

As at 31 December 2012, fees Statutory Auditor amounted to 28,084 euro fully related with audit fees.

The Board of Directors

Belmiro de Azevedo, Chairman

Álvaro Carmona e Costa Portela, member of the Board of Directors

Álvaro Cuervo Garcia, member of the Board of Directors

Bernd Bothe, member of the Board of Directors

Christine Cross, member of the Board of Directors

Michel Marie Bon, member of the Board of Directors

José Neves Adelino, member of the Board of Directors

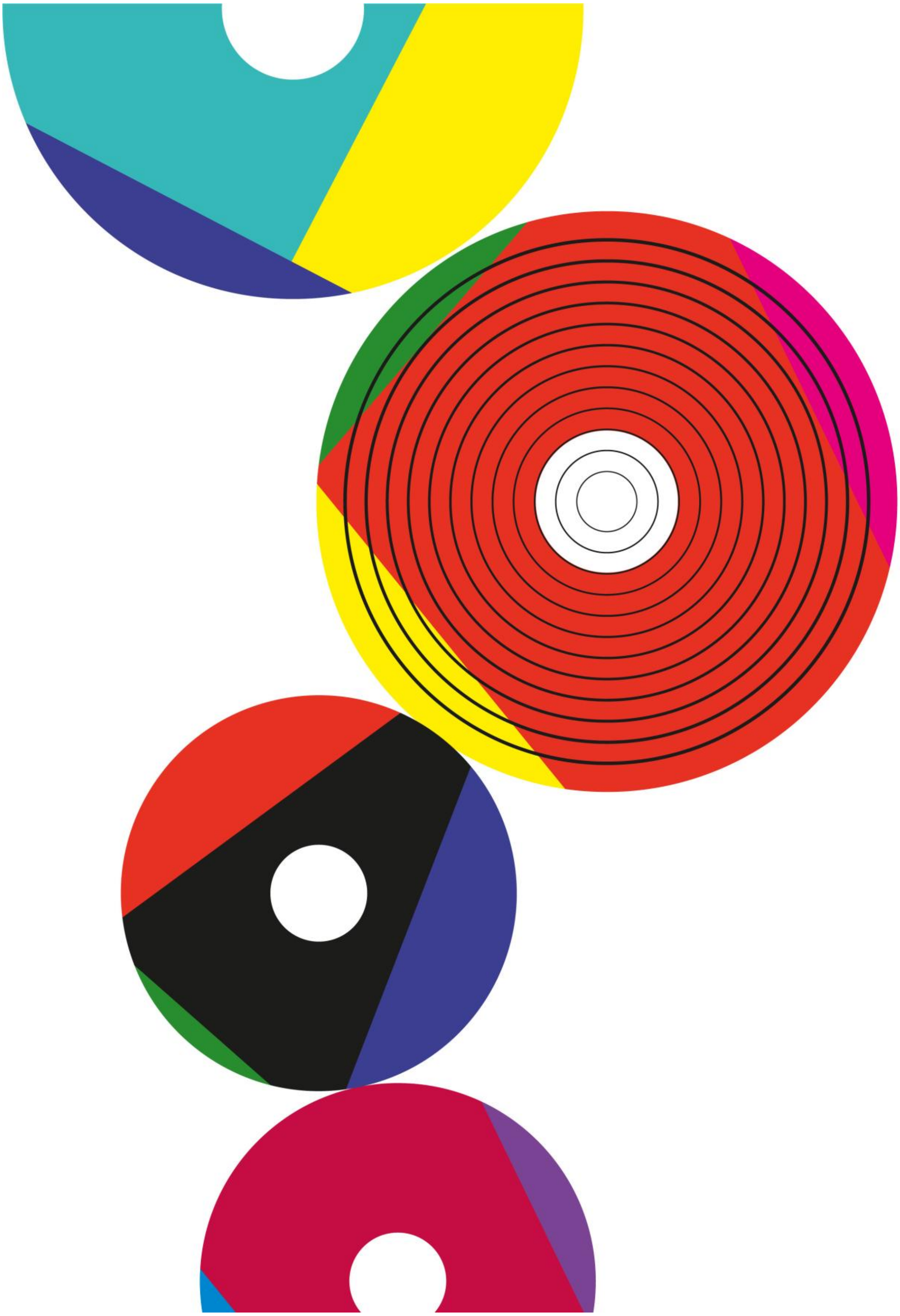
Duarte Paulo Teixeira de Azevedo, CEO

Ângelo Gabriel Ribeirinho dos Santos Paupério, member of the Executive Committee

Nuno Manuel Moniz Trigoso Jordão, member of the Executive Committee

03

LEGAL CERTIFICATION OF ACCOUNTS AND AUDITOR'S 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, 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 6,035,355,458 Euro and of 4,069,204,969 Euro respectively, and consolidated and equity of 1,668,558,921 Euro and of 3,266,099,649 Euro respectively, including consolidated net profit attributable to the Company's Equity Holders of 32,572,259 Euro and an individual net profit of 22,964,317 Euro), the Consolidated and Individual Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

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

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

Scope

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

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and individual financial position of Sonae, S.G.P.S., S.A., as at 31 December 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 SGPS, S.A. voluntarily changed its accounting policies regarding: i) interests in Joint Ventures; and ii) subscribers acquisition costs with customer loyalty agreements. 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

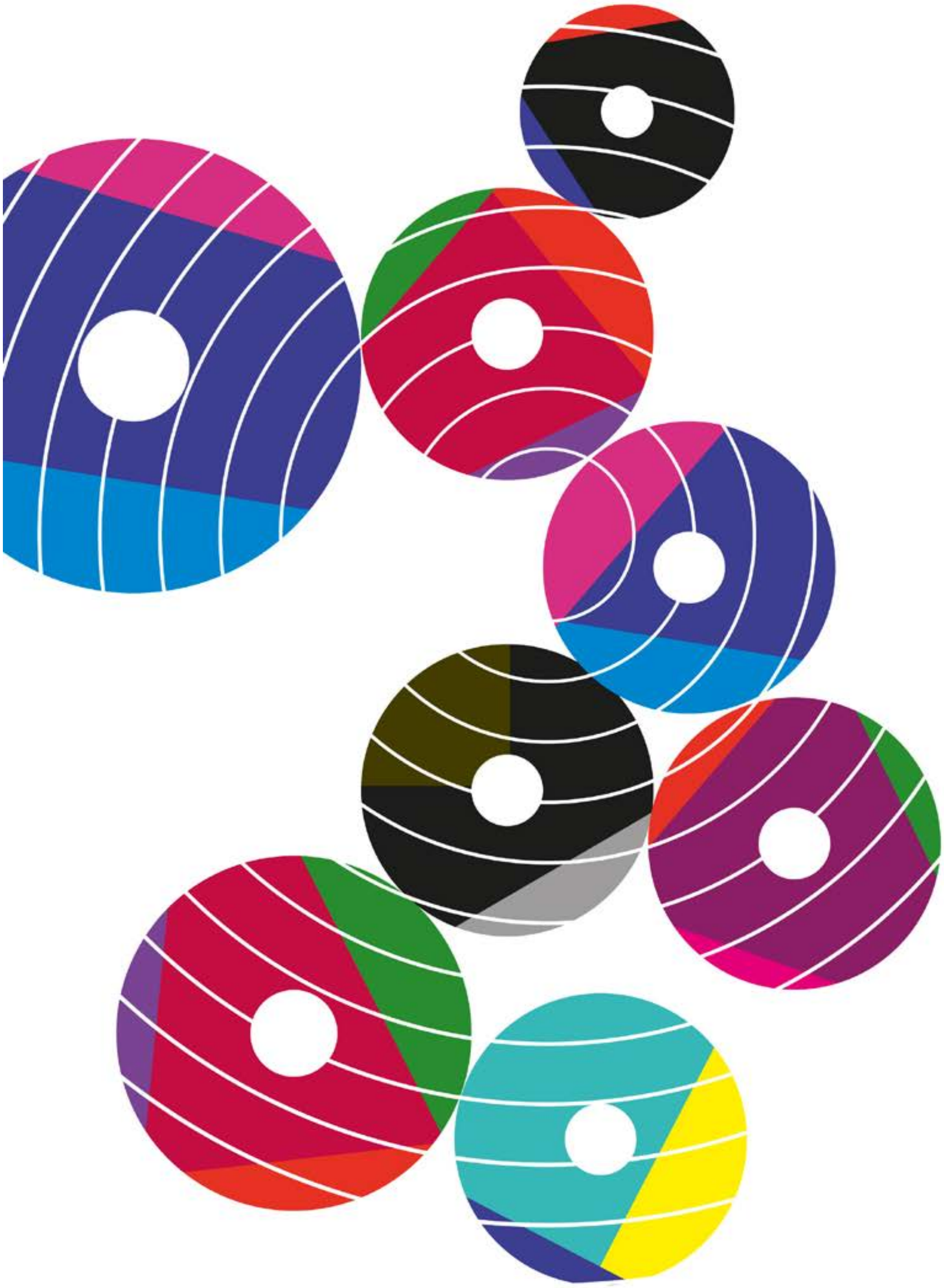
7. It is also our opinion that the financial information contained in the Report of the Board of Directors is in accordance with the consolidated and individual financial statements of the year and the reporting of the corporate governance practices includes the elements required to the Company in accordance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

Porto, 12 March 2013

Deloitte & Associados, SROC S.A.
Represented by António Marques Dias

04

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD



REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

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

To the Shareholders

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 Statutory Audit Board has also oversaw, with the required scope, the evolution of the operations, the adequacy of the accounting records, the quality and appropriateness regarding the process of preparation and disclosure of financial information, corresponding accounting policies, valuation criteria used as well as the compliance with legal and regulatory requirements.

For that purpose, the Board met quarterly during the year, some of which with the presence of the Board of Directors and the officers in charge of the departments of Planning and Control, Administrative and Accounting, Treasury and Finance, Tax, Internal Audit, Risk Management and Sonae's ombudsman, the Statutory Auditor and External Auditor. Additionally, the Statutory Audit Board participated in the Board of Directors meeting were the Report of the Board of Directors and the financial statements for the year were approved.

In the exercise of its competences, the Statutory Audit Board verified the effectiveness of the risk management and internal control, analysed the activity of the external and internal auditors, oversaw the reports issued by the departments of Planning and Control, Tax issues, Treasury and Finance, Internal audit, as well as by the Sonae's ombudsman and Risk Management department and by the External Auditors.

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

In compliance with CMVM's Recommendation IV.1.2., the Statutory Audit Board took in consideration the criteria for description of businesses with significant relevance between the company and shareholders of qualifying holdings or related entities in accordance with article 20 of the Portuguese Securities Market Code, and which fulfilment must be preceded by opinion of this Board.

The Statutory Fiscal Board reviewed the Corporate Governance Report, enclosed to the Report of the Board of Directors in accordance with nr. 5 of article 420º of Commercial Companies Code, having verified that the it includes the elements referred to in article 245º-A of the Portuguese Securities Market Code.

The Statutory Audit Board favourably pronounced itself by the rendering of non-audit related services by the External Auditor based on a group of arguments aligned with the company's best interest not threatening the Auditor's independence. The fees earned in relation with the referred services do not exceed 30% of total fees,, the fees were established at market conditions and, additionally, it was in the interest of the Company to benefit of the knowledge and experience and timing of the services rendered.

Still, in the fulfilment of its duties the Statutory Audit Board reviewed the Report of the Board of Directors, including the Corporate Governance Report, and remaining individual and consolidated documents of account prepared by the Board of Directors, concluding that these information was prepared in accordance with the applicable legislation and that it is appropriate to the understanding of the financial position and results of the Company and the consolidation perimeter and has reviewed the Legal Certification of Accounts issued by the Statutory and External 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 a), number 1 of article 8º of the Regulation of CMVM nr. 5/2008 and with the terms defined in paragraph c) nº 1 of the article 245º of the Portuguese Securities Market Code, the members of the Statutory Audit Board declare that, to their knowledge, the information contained 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, S.G.P.S., S.A. and companies included in the consolidation. Also it is their understanding that the Management Report faithfully describes the business evolution, performance and financial position of Sonae, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face. It is also declared that the Corporate Governance Report complies with article 245º-A of the Portuguese Securities Market Code.

Maia, 27 March 2013

The Statutory Audit Board

Daniel Bessa Fernandes Coelho

Arlindo Dias Duarte Silva

Jorge Manuel Felizes Morgado

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Design
Ivity Brand Corp.

Sonae is listed in the Euronext Stock Exchange.
Information may be accessed on Reuters under the symbol SONP.IN and on Bloomberg under the symbol SONPL.

This report is available on Sonae's institutional website:
www.sonae.pt