

SONAE

1ST QUARTER RESULTS 2014



IMPROVING LIFE

1 HIGHLIGHTS and CEO Message

Sonae reinforced its position in the Portuguese retail market, despite the seasonal Easter effect and the increasingly competitive environment

Sonae MC continued to show resilience:

- reinforcing its leading position in the Portuguese food retail market
- growing turnover by 2% in 1Q14

Sonae SR confirmed the strong positive trend:

- improving turnover by 10%
- significantly recovering underlying EBITDA margin by 2.7p.p.
- growing market share in the main formats in Portugal and Spain

Sonae Sierra signed a JV agreement to provide services into the Chinese market

ZON OPTIMUS reached 555.8 thousand convergent RGUs, proving its success in the quadruple play

Sonae reduced net debt level in yearly terms for the 18th consecutive quarter

“The comparison of this 1st quarter results with the 1st quarter of 2013 is very heavily impacted by the totality of Easter sales happening in different quarters. Most of our businesses have a particularly high Easter seasonality and the comparison is affected not only at the sales level but also in operational profitability and working capital.

Offsetting these effects, the quarter proved to be very positive for **Sonae SR** in all aspects and Sonae Sierra saw a significant lift of tenant sales, which will improve future performance.

In telecoms the market remained highly competitive but **ZON OPTIMUS** was able to accelerate its re-entry into the quadruple play battle following a long period where it was hampered from competing fully.

Food retail is also undergoing a particularly intensive competitive fight and Continente reinforced its positioning as cost and price leader and market share.

Retail accumulated sales figures immediately after the Easter period were: Sonae MC (+ 3.6%) and Sonae SR (+13%).

We continue to develop international growth options with low capital intensity and we registered good progress in the expansion of franchising, category management, e-commerce and service contracts.

The outlook for our business is still very dependent on the development of consumer spending in the Iberian market which is developing well at the moment but subject to the overall outlook of these two countries and consumer confidence.”

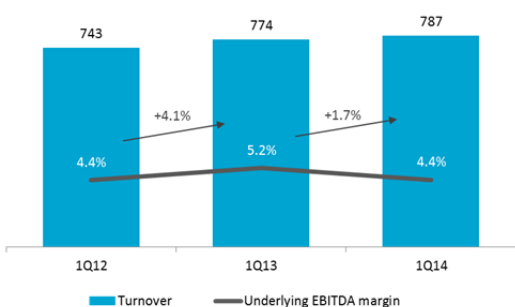
Paulo Azevedo, CEO

Following the merger between Zon and Optimus and its report using the equity method, we decided to change the way we report our results to the market by separating each business, in order to obtain more transparency between the segments: 1) Sonae Retail: Sonae MC, SR and RP; 2) Investment Management, including Software and Systems Information and Público businesses from Sonaecom; 3) Sonae Sierra and 4) ZON OPTIMUS. Moreover, Sonae adjusted the 2013 profit and loss statements on a pro forma basis (1Q13PF), assuming that the ZON OPTIMUS merger occurred in the 1st January 2013, with some consolidation effects in our co-controlled vehicle company. This criterion, besides assuring an easier and fairer comparability between 2013 and 2014 results, is in line with the current reporting pro forma method adopted by Sonaecom, ZON OPTIMUS and market expectations.

2 SONAE RETAIL RESULTS

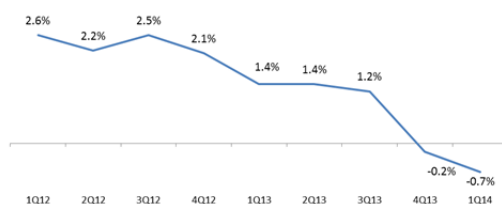
Sonae MC

Turnover and underlying EBITDA margin



*Inflation rate evolution

Quarterly Inflation rate
(Retail sale of food, beverages and tobacco)



Note: Data provided by National Institute of Statistics as of April 29th 2014.
1Q14 information until February 2014.

Sonae MC Turnover totalled 787 M€ in 1Q14, growing 1.7% when compared to 1Q13. This growth was achieved despite a disadvantageous seasonal Easter effect, coupled with the highly competitive environment in the Portuguese retail market.

Sonae MC accumulated sales immediately after the Easter period increased by 3.6%. This is the best indicator of our performance when compared with the previous year.

Following the trend of the previous quarters, Sonae MC strengthened its leading position in the Portuguese food retail sector¹, backed by:

- (i) Continuous investments to improve the quality of products;
- (ii) Following a strategy of having a wide range of branded and private label products available to consumers, which enables us to react quickly to changes in customer habits. The portfolio of Continente own brand in 1Q14 was approximately 31% of the turnover of FMCG categories; and,
- (iii) 13% y.o.y growth in online sales, supported by the new e-commerce platform.

Sonae MC reached an **underlying EBITDA** of 35 M€, equivalent to an EBITDA margin of 4.4%, being also negatively impacted by the seasonal effect and by the highly competitive environment, with strong promotional activity, causing an internal deflation of 1.9%. It's worth highlighting the deflation of 0.7% faced in Portugal during 1Q14*.

The promotional activity continued to be supported by the Continente loyalty card, which was used for more than 90% of sales in the period. This demonstrates a true commitment to household savings and to offering our customers the best products at the best prices.

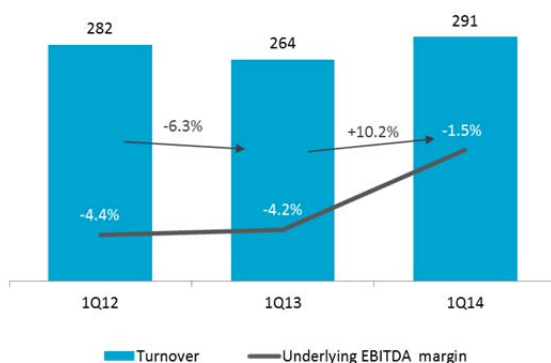
Sonae MC CAPEX stood at 18 M€, increasing by 7% when compared to 1Q13. The investment in the 1Q14 included the opening of one Continente Bom Dia store in Alvalade (Lisbon).

¹ For example, A.C.Nielsen's Homescan survey YTD up until 23rd February: +0.9p.p. market share for Continente.

2 SONAE RETAIL RESULTS (cont.)

Sonae SR

Turnover and underlying EBITDA margin



Turnover and underlying EBITDA per country

Sonae SR per country			
	1Q13	1Q14	y.o.y
Turnover (million €)	264	291	10.2%
Portugal	186	201	8.1%
International	79	91	15.2%
EBITDA (million €)	-11	-4	-
Portugal	0	4	-
International	-11	-8	-
EBITDA margin	-4.2%	-1.5%	2.7 p.p
Portugal	0.0%	1.8%	1.8 p.p
International	-14.3%	-8.9%	5.4 p.p

Sonae SR Turnover grew by 10% when compared to 1Q13, reaching 291 M€ and corresponding to a 6.0% growth on a “like-for-like” basis, despite the Easter effect. It’s worth highlighting the positive growth achieved in the International market of 7% on a LfL basis.

The turnaround measures implemented, particularly in the omni-channel strategy at Worten in Spain, the new Sport Zone concept in Spain, the rebranding of MO with a completely new collection, and the product improvement of Zippy, have been showing strong results giving market share improvement in the majority formats in both Portuguese and Spanish markets. This growth was achieved despite the negative calendar impact of Easter.

Sonae SR underlying EBITDA margin recovered by 2.7p.p. y.o.y. reaching negative 1.5%. This was the result of the stronger sales evolution, coupled with the successful turnaround measures that have been implemented over the last years. During this quarter, we continued to implement the omni-channel strategy at Worten, integrating online and store businesses and decreasing the average size of our stores in Spain.

In Portugal, 1Q14 Sonae SR turnover increased to 201 M€ and EBITDA reached 4 M€, a strong recovery enhanced by the sales increase, turnaround measures implemented and efficiency improvements. Internationally, Sonae SR turnover stood at 91 M€ and EBITDA reached negative 8 M€, also recovering by 3M €, supported by the turnaround measures already mentioned.

The positive turnover performance of the international market was driven by: 1) wholesale businesses evolution; 2) franchising business growth, totaling 50 stores at the end of 1Q14, including one in a new country, Armenia; and, (3) the fine tuning in business models of all brands, with a special focus in the Spanish market.

Sonae SR CAPEX stood at 10 M€, a value that compares with 4 M€ invested in 1Q13.

2 SONAE RETAIL RESULTS (cont.)

Sonae RP

Turnover and underlying EBITDA margin

Sonae RP			
Million euros	1Q13	1Q14	y.o.y.
Turnover	31	31	3.0%
Underlying EBITDA	27	28	3.5%
Underlying EBITDA margin	89.2%	89.6%	0.5 p.p

Sonae RP Turnover reached 31 M€ in 1Q14, maintaining the same level registered in the 1Q13. The **underlying EBITDA** slightly improved reaching an underlying EBITDA margin of 89.6%.

The net book value of the capital invested in retail real estate assets amounted at the end of 1Q14 to 1.23 bi€, corresponding to a portfolio of 33 Continente stores, 80 Continente Modelo stores and 17 Continente Bom Dia stores. Sonae currently maintains a freehold level of approximately 74% of its food retail selling area and 28% of its non-food retail space.

Sonae RP CAPEX reached 1 M€, decreasing from 11 M€ registered in 1Q13.

During 1Q14 there were no relevant sale and leaseback transactions.

3 INVESTMENT MANAGEMENT RESULTS

Since 3Q13, following the merger between Zon and Optimus, the remaining Sonaecom's units have been reported under **Investment Management** business. Accordingly, this unit combines not only the businesses from MDS, Maxmat², GeoStar³ and Tlantic², but also WeDo Technologies, Saphety, Mainroad, Bizdirect and Público. This business unit has also the responsibility of supporting management on M&A activities as well as E.Ventures, a new initiative launched in 2013.

Investment Management			
Million euros	1Q13	1Q14	y.o.y.
Turnover	52	55	7.0%
Underlying EBITDA	1	2	-
Underlying EBITDA margin	1.3%	3.8%	2.5 p.p

Investment Management Turnover, reached 55 M€, 7.0% above 1Q13. This performance was strongly supported by the increase of 2.8% of Software & Systems Information (SSI) business, totalling 27 M€ in 1Q14.

Investment Management underlying EBITDA stood at 2 M€ in 1Q14, corresponding to an underlying EBITDA margin of 3.8%, 2.5p.p. above 1Q13.

The 3 main contributors for the Turnover and EBITDA results are the businesses related to MDS, WeDo Technologies and Maxmat.

MDS is the leader in the Portuguese insurance brokerage market and a top-3 player in Brazilian market. The company offers a fully integrated service and provides customized and state of the art solutions to its customers. As a member of Brokerslink, MDS integrates one of the largest groups of independent insurance brokerage firms in the world.

WeDo Technologies is the worldwide market leader in revenue and business assurance software. The company provides software and expert consultancy to analyse large quantities of data across an organisation, helping to minimise operational or business inefficiencies and allowing businesses to achieve significant return on investment via revenue protection and cost savings. During 1Q14, WeDo Technologies continued to increase its international footprint, closing the 1Q14 with international revenues representing 76% of its Turnover.

Maxmat retains an important position in the Portuguese DIY market and holds a portfolio of 30 stores with a distinctive discount positioning.

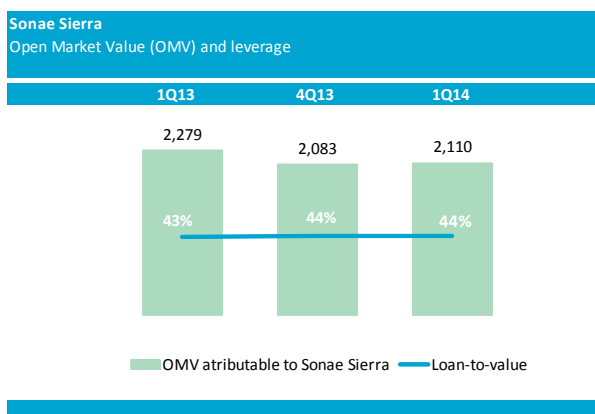
² Sonae holds 50% of Maxmat and 77.7% of Tlantic and adopts the full consolidation method to report its results.

³ GeoStar its reported using the equity method.

4 SONAE SIERRA RESULTS

Sonae Sierra - Operational data			
	1Q13	1Q14	y.o.y.
Footfall (million visitors)	96	100	4.9%
Europe	73	75	2.8%
Brazil	23	26	11.5%
Occupancy rate (%)	95.3%	94.6%	-0.7 p.p.
Europe	94.8%	95.3%	0.5 p.p.
Brazil	97.2%	92.4%	-4.9 p.p.
"Like-for-Like" (Lfl) Tenant sales			
Europe	-3.6%	0.5%	4.1 p.p.
Brazil (local currency)	5.4%	7.7%	2.3 p.p.
Tenant sales (million euros)	1,030	971	-5.7%
Europe (million euros)	713	665	-6.7%
Brazil (million euros)	317	306	-3.4%
Brazil (million reais)	835	994	18.9%
Nº of shopping centres owned/co-owned (EOP)	47	47	0
Europe	39	37	-2
Brazil	8	10	2
GLA owned in operating centres ('000 m2)	1,893	1,899	0.3%
Europe	1,552	1,433	-7.7%
Brazil	341	467	36.9%

Sonae Sierra - Financial indicators			
Million euros	1Q13	1Q14	y.o.y.
Turnover	55	53	-3.0%
EBITDA	29	26	-11.3%
EBITDA margin	52.6%	48.1%	-4.5 p.p.
Direct result	15	12	-21.6%
Indirect result	-2	0	-
Net results	12	12	-5.5%
... attributable to Sonae	6	6	-5.5%
OMV	2,279	2,110	-7.4%
NAV	1,108	1,029	-7.2%



Lfl tenant sales in Europe reached 0.5% in 1Q14, showing the first positive evolution since 2011 and despite the unfavourable Easter effect, which shows an evidence of a potential inversion in the negative trend. Accordingly, tenant sales in Europe declined by 6.7%, which was totally driven by the sale of the shopping malls: Parque Principado (in Spain), ValeCenter and Airone (in Italy). As for the **Brazilian market**, **Lfl tenant sales** continued showing a strong momentum by reaching 7.7% (in local currency). This effect combined with the results of the new shopping malls (Boulevard Londrina, opened in May and Passeio das Águas, opened in November) led to a tenant sales increase of 18.9% in local currency. If we exclude portfolio change effects and the currency conversion impacts, Sonae Sierra tenant sales would have increased by 2.6% in the 1Q14.

Additionally, the benchmark quality of Sonae Sierra assets and the improvement of market conditions were once again demonstrated by achieving an average **occupancy rate** of 95.3% in Europe, growing 0.5p.p. against 1Q13. In Brazil, this rate was affected by the opening of two shopping malls in 2013, reaching 92.4%. Excluding the effect of asset portfolio changes, this rate would have reached 96.1% in Brazil.

In 1Q14, **Sonae Sierra Turnover** stood at 53 M€, 3% below 1Q13, again, impacted by the sale of assets occurred in 2013.

EBITDA reached 26 M€, 11.3% below 1Q13, mainly due to the unfavourable currency exchange effect but also due to the lower Turnover.

1Q14 **net results** totalled 11.8 M€, which compares with 12.5 M€ in 1Q13, a marginal decrease of 5.5% y.o.y.. The lower **direct result** was impacted by the sale of assets already mentioned. **Indirect results** were not impacted by the real estate valuations as Sonae Sierra only values its assets in a semi-annual basis.

The **OMV (Open Market Value)** attributable to Sonae Sierra was 2.110 bn€ in 1Q14, 27 M€ above 2013 year-end, mostly driven by the positive exchange rate effect in the Brazilian assets between the two periods. **NAV (Net Asset Value)** was mainly impacted by the same reasons as OMV, reaching 1.029 bn€ in 1Q13, 29 M€ above December 2013.

The **"Loan-to-value"** ratio remains at a conservative level of 43.7% at the end of March 2014.

5 ZON OPTIMUS RESULTS

ZON OPTIMUS Financial Indicators

ZON OPTIMUS Indicators - Pro-forma Results			
Million euros	1Q13 PF	1Q14	y.o.y.
Operating revenues	352	337	-4.1%
EBITDA	138	130	-5.9%
EBITDA margin	39.2%	38.5%	-0.7 p.p
Net results	28	25	-8.2%
CAPEX	61	57	-6.4%
EBITDA-CAPEX	77	73	-5.5%
Recurrent CAPEX	59	53	-10.0%
EBITDA-Recurrent CAPEX	79	77	-2.9%

ZON OPTIMUS **operating revenues** stood at 337 M€ in 1Q14, decreasing 15 M€ y.o.y..

EBITDA reached 130 M€, decreasing 5.9% when compared to 1Q13.

Recurrent CAPEX decreased 6 M€ y.o.y., reaching 53 M€ in 1Q14. As a consequence of EBITDA and Recurrent CAPEX evolution, EBITDA-Recurrent CAPEX decreased 2.9%.

Net Financial Debt to EBITDA stood at 1.7x at the end of 1Q14.

ZON OPTIMUS is now financed until 1Q15 and the average maturity of its Net Financial Debt is 1.8 years.

ZON OPTIMUS published its 1Q14 results on **May 7th, 2014**, which are available at www.zonoptimus.pt.

ZON OPTIMUS market position

PAY TV

1.5M subscribers

48% market share

TRIPLE PLAY

800 thousand subscribers

68% penetration

PERSONAL MOBILE

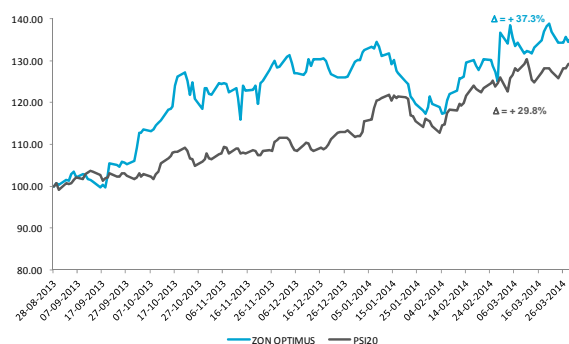
2.6M subscribers

18% market share

Source: ZON OPTIMUS Strategy Day presentation as of February 28th 2014..

ZON OPTIMUS market performance

Since the first day following the closing of the merger between Optimus and Zon, on August 28th 2013, until March 31st 2014, the company's market capitalisation grew 37.3%, corresponding to a share price increase from €4.15 to €5.70 per share. The PSI-20, the main Portuguese index, grew its market capitalisation 29.8% in the same period.



6 OVERALL PERFORMANCE

Consolidated results			
Million euros	1Q13 PF	1Q14	y.o.y.
Sonae MC	774	787	1.7%
Sonae SR	264	291	10.2%
Sonae RP	31	31	3.0%
Investment manag.	52	55	7.0%
E&A ⁽¹⁾	-35	-39	-
Turnover	1,085	1,126	3.8%
Sonae MC	40	35	-13.3%
Sonae SR	-11	-4	-
Sonae RP	27	28	3.5%
Investment manag.	1	2	-
E&A ⁽¹⁾	5	-1	-
Underlying EBITDA	62	60	-3.3%
Underlying EBITDA margin	5.7%	5.3%	-0.4 p.p
Equity method results ⁽²⁾	14	11	-23.6%
o.w. Sonae Sierra (diret income)	7	6	-21.6%
o.w. ZON OPTIMUS	7	5	-27.4%
EBITDA	76	71	-7.0%
EBITDA margin	7.0%	6.3%	-0.7 p.p
D&A ⁽³⁾	-53	-43	-
EBIT	23	28	22.5%
Net financial activity	-21	-20	-
EBT	1	8	-
Taxes	1	0	-
Direct Results ⁽⁴⁾	2	8	-
Indirect Results	-1	2	-
Net income	1	10	-
Non-controlling interests	0	0	-
Net income group share	1	10	-

(1) Eliminations & adjustments;

(2) Equity method results: includes direct income related to investments consolidated by the equity method (mainly Sonae Sierra and ZON OPTIMUS);

(3) Depreciations & amortizations including provisions & impairments;

(4) Direct results before non-controlling interests;

In 1Q14, **Consolidated Turnover** grew 4% to 1,126 M€, and **Underlying EBITDA** reached 60 M€, 2 M€ below the same period of the previous year. The performance reached in Consolidated Turnover is mainly driven by the strong improvement performance of Sonae SR. As already stated, Sonae MC underlying EBITDA was negatively impacted by the negative seasonal effect and also by the highly competitive environment among the Portuguese food retail industry.

In 1Q14, **EBITDA** amounted to 71 M€ and is comprised of the contributions:

- (i) of the before mentioned underlying EBITDA of 60 M€; and,
- (ii) Equity Method results of 11 M€ (Sonae Sierra direct results, ZON OPTIMUS and GeoStar).

Net financial results totalled negative 20 M€ in 1Q14, backed by the considerably lower level of net debt. The average interest rate of outstanding credit facilities at the end of 1Q14 was slightly above 3%. These financial results are only related to Retail and Investment Management businesses.

Taxes amounted to zero, 1 M€ below the same period of the previous year.

Direct Results reached 8 M€, 6 M€ above the figure registered in the same period of the previous year, mostly driven by the lower D&A, and the improvement in net financial activity, despite, the decrease in EBITDA.

Non-controlling interests did not differ when compared to the previous year, as the figures were restated in order to reflect the merger between Zon and Optimus from January 1st 2013.

Net income attributable to the Group reached 10 M€, an improvement of 9.5 M€ against the level registered in 1Q13, mainly impacted by the higher level of Direct Results.

7 CAPITAL STRUCTURE

Net invested capital

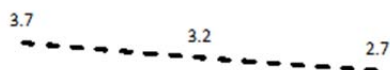
Million euros	1Q13	1Q14	y.o.y.
Net invested capital	3.684	3.207	-13,0%
Investment properties	0	1	159,2%
Technical investment	3.128	2.014	-35,6%
Financial investment	470	1.241	163,7%
Goodwill	660	611	-7,5%
Working capital	-575	-660	-
Total shareholders funds	1.597	1.703	6,6%
Total net debt⁽¹⁾	2.087	1.504	-27,9%
Net debt / Invested capital	56,7%	46,9%	-9,8 p.p

(1) Financial net debt + net shareholder loans.

In 1Q14, **total shareholders' funds** were 106 M€ above the same period of last year.

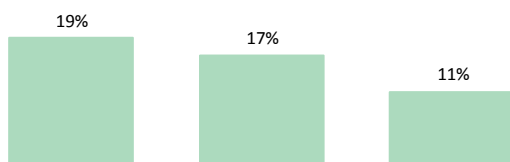
Capital structure - Retail Net debt to EBITDA

1Q12	1Q13	1Q14
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Capital Structure Loan-to-value (%) - Holding

1Q12	1Q13	1Q14
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Net debt

Million euros	1Q13	1Q14	y.o.y.
Net financial debt	2,080	1,498	-28.0%
Retail units	1,076	1,024	-4.9%
Sonaecom Group	367	-	-
Investment management	20	44	114.7%
Holding & other	617	431	-30.1%
Total net debt	2,087	1,504	-27.9%

Until March, 31st 2014, **total net debt** was reduced to 1,504 M€, 583 M€ below the same date in 2013, driven by the deconsolidation of Optimus debt, but also due to a sustainable cash flow generation over the last 12 months. The company thus continued to strengthen its capital structure, with total net debt reaching 47% of invested capital at the end of 1Q14. It is important to note that 1Q14 was the 18th consecutive quarter of net debt reduction in yearly terms.

In the same period, **retail net debt** was reduced to 1,024 M€, 52 M€ below 1Q13, driven by sustainable cash flow generation over the last 12 months. The company thus continued to strengthen its capital structure, with total net debt to EBITDA reaching 2.7x at the end of March 2014, a ratio that compares with 3.2x in the same period of 2013.

The **holding net debt** was reduced to 431 M€ at the end of March 2014. The “loan-to-value” ratio of the holding remains at conservative levels and registered a strong improvement from 17%, in March 2013, to 11%, in March 2014.

In relation to the **debt maturity profile**, it is important to note that a series of transactions were concluded, which enabled Sonae to increase the average maturity of debt whilst optimizing its cost of funding, strengthening its capital structure and diversifying its financing sources.

8 CORPORATE INFORMATION

Main corporate events in 1Q14

On **February 5th 2014**, following CMVM approvals, Sonaecom announced the launch of the tender offer for the acquisition of a maximum of 88,479,227 shares, representing 24.16% of its share capital. The period of the offer, during which sales orders were received, ran for two weeks, beginning on February 6th and ending on February 19th 2014.

On **February 20th 2014**, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares and Euronext announced Sonaecom exclusion from the PSI-20, from February 24th 2014 onwards. Following the offer, Sonae's participation in Sonaecom increased from 74.32% to 89.02% and Sonaecom's direct participation in ZON OPTIMUS was reduced from 7.28% to 2.14%.

On **March 10th 2014**, Sonae announced that it has completed, directly and through its subsidiaries, a number of financing transactions with maturities between 5 and 7 years for the total amount of 240 M€, with several financial institutions. These operations enabled Sonae to anticipate under favorable conditions a significant part of the refinancing programme of its medium and long-term credit facilities maturing up to the end of 2015.

On **March 25th 2014**, Sierra Portugal Fund has reached an agreement with GREP II, a fund managed by Grosvenor Fund Management, for the acquisition of its 50% stake in AlbufeiraShopping and Centro Comercial Continente de Portimão, becoming the sole owner of both assets. According to Sonae Sierra's CEO, Fernando Guedes de Oliveira, "this operation is a good opportunity to strengthen Sierra Portugal Fund's position in two assets established in the Algarve for about 25 years".

Subsequent information

On **April 22nd 2014**, Sonae Sierra announced the launching of a joint venture with CITIC Capital Holdings Limited for the provision of property management and leasing services to shopping centres in China. CITIC Capital Holdings Limited has a strong foothold in the Chinese market, which will allow SONAE SIERRA to quickly gain an in-depth knowledge and unique connections to create new business opportunities in the fast-growing Chinese retail market.

In the Annual General Assembly which took place on **30th April 2014**, the company's shareholders approved, amongst other items, the distribution of a gross dividend per share, relative to the 2013 financial year, in the amount of 0.0348 Euros, around 5% above the dividend distributed in the previous year. This dividend corresponds to a dividend yield of 3.3%, based on the closing price as at December 31st 2013, and to a payout ratio of 46% of the consolidated direct income attributable to equity holders of Sonae.

Sonae provides additional operating and financial information in Excel format.
Click here to be taken to the information directly
www.sonae.pt

9 ADDITIONAL INFORMATION

Methodological notes

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

Glossary

CAPEX	Investments in tangible and intangible assets and investments in acquisitions.
Direct income	Results excluding contributions to indirect income.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Total direct income - total direct expenses - reversal of direct impairment losses + share of results in joint ventures and associated undertakings (Sonae Sierra direct results, ZON OPTIMUS and GeoStar).
EBITDA margin	EBITDA / Turnover.
(Direct) 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.
FMCG	Fast-moving Consumer Goods.
GLAs	Gross Lettable 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 of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in a process of being discontinued/repositioned); (iv) results from "mark to market" methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.

Investment properties	Shopping centres in operation owned by Sonae Sierra.
Liquidity	Cash & equivalents + current investments, excluding the 2.14% participation at ZON OPTIMUS.
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 capitalization for listed companies.
Loan to value (LTV) - Shopping Centres	Net debt / (investment properties + properties under development).
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, excluding the 7.28% participation at ZON OPTIMUS, and other long term financial applications.
Net Invested capital	Total net debt + total shareholder funds.
Other income	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.
Return on invested capital (RoIC)	EBIT (12 months) / Net invested capital.
Return on equity (ROE)	Total net income n (equity holders) / Shareholders' Funds n-1 (equity holders).
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortizations.
Underlying EBITDA	Total direct income - total expenses - reversal of impairment losses .

Consolidated Profit and Loss Account

Consolidated profit and loss account			
Million euros	1Q13 PF	1Q14	y.o.y.
Turnover	1,085	1,126	3.8%
Underlying EBITDA	62	60	-3.3%
Underlying EBITDA margin	5.7%	5.3%	-0.4 p.p
EBITDA	76	71	-7.0%
EBITDA margin	7.0%	6.3%	-0.7 p.p
Depreciations & amortizations ⁽¹⁾	-53	-43	-
EBIT	23	28	22.5%
Net financial Activity	-21	-20	-
Other items ⁽²⁾	0	0	-
EBT	1	8	-
Taxes	1	0	-
Direct results	2	8	-
Indirect results ⁽³⁾	-1	2	-
Net income	1	10	-
Minority interests	0	0	-
Net income group share	1	10	-

(1) Includes provisions, impairments, reversion of impairments and negative goodwill; (2) dividends; (3) Includes: (i) Sonae's Sierra indirect income contribution; (ii) the capital gain with ZON OPTIMUS merger; (iii) other asset provisions for possible future liabilities in non-core and/or discontinued operations and (iv) non-cash impairments for operational assets.

Consolidated Statement of Financial Position

Consolidated statement of financial position			
Million euros	1Q13	1Q14	y.o.y.
TOTAL ASSETS	5,827	5,402	-7.3%
Non current assets	4,562	3,988	-12.6%
Tangible and intangible assets	3,127	2,014	-35.6%
Goodwill	660	611	-7.5%
Investment properties	0	1	159.2%
Other investments	505	1,191	135.8%
Deferred tax assets	230	141	-38.8%
Others	39	30	-22.3%
Current assets	1,265	1,414	11.8%
Stocks	514	566	10.0%
Trade debtors	172	71	-58.5%
Liquidity	272	445	63.3%
Others	307	332	8.4%
SHAREHOLDERS' FUNDS	1,597	1,703	6.6%
Equity holders	1,251	1,533	22.5%
Attributable to minority interests	346	170	-50.7%
LIABILITIES	4,230	3,700	-12.5%
Non-current liabilities	2,201	1,838	-16.5%
Bank loans	561	503	-10.3%
Other loans	1,310	1,102	-15.9%
Deferred tax liabilities	139	133	-4.3%
Provisions	113	46	-59.3%
Others	78	55	-29.5%
Current liabilities	2,029	1,861	-8.2%
Bank loans	187	176	-5.6%
Other loans	329	177	-46.2%
Trade creditors	898	869	-3.3%
Others	615	639	4.0%
SHAREHOLDERS' FUNDS + LIABILITIES	5,827	5,402	-7.3%

Condensed consolidated financial statements

Condensed Consolidated Statement of Financial Position at 31 March 2014 and 2013 and at 31 December 2013

(Amounts expressed in euro)

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

ASSETS	Notes	31 March 2014	31 March 2013	31 December 2013
NON-CURRENT ASSETS:				
Tangible assets	9	1,809,084,990	2,571,103,128	1,827,164,403
Intangible assets	10	205,123,423	556,209,084	202,854,156
Investment properties		995,510	384,018	1,001,735
Goodwill	11	611,191,738	660,462,476	610,187,858
Investments in joint ventures and associates	6	1,160,129,240	450,621,333	1,144,792,015
Other investments	7 and 12	31,248,791	54,624,085	31,991,837
Deferred tax assets	15	140,505,184	229,644,374	123,159,864
Other non-current assets	13	30,112,262	38,770,932	31,970,613
Total Non-Current Assets		3,988,391,138	4,561,819,430	3,973,122,481
CURRENT ASSETS:				
Inventories		565,557,251	513,937,327	588,949,862
Trade accounts receivable and other current assets	14	340,136,834	477,954,257	345,671,874
Investments	12	63,796,869	1,433,057	202,484,454
Cash and cash equivalents	16	444,611,261	270,950,238	366,308,918
Total Current Assets		1,414,102,215	1,264,274,879	1,503,415,108
Assets available for sale		-	720,338	-
TOTAL ASSETS		5,402,493,353	5,826,814,647	5,476,537,589
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	17	2,000,000,000	2,000,000,000	2,000,000,000
Own shares		(131,168,834)	(127,785,667)	(126,945,388)
Reserves and retained earnings		(346,438,390)	(629,765,465)	(628,248,537)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		10,128,990	8,892,154	318,979,514
Equity attributable to the equity holders of the Parent Company		1,532,521,766	1,251,341,022	1,563,785,589
Equity attributable to non-controlling interests	18	170,236,375	345,624,305	344,325,829
TOTAL EQUITY		1,702,758,141	1,596,965,327	1,908,111,418
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	19	1,604,643,312	1,871,422,657	1,362,598,165
Other non-current liabilities	21	54,955,099	77,976,491	51,247,881
Deferred tax liabilities	15	132,901,708	138,863,995	121,095,969
Provisions	24	45,972,086	112,982,838	50,659,919
Total Non-Current Liabilities		1,838,472,205	2,201,245,981	1,585,601,934
CURRENT LIABILITIES:				
Loans	19	353,288,024	515,850,445	233,938,741
Trade creditors and other current liabilities	23	1,505,141,882	1,508,447,738	1,746,056,989
Provisions	24	2,833,101	4,305,156	2,828,507
Total Current Liabilities		1,861,263,007	2,028,603,339	1,982,824,237
TOTAL LIABILITIES		3,699,735,212	4,229,849,320	3,568,426,171
TOTAL EQUITY AND LIABILITIES		5,402,493,353	5,826,814,647	5,476,537,589

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

The Board of Directors

Condensed Consolidated Income Statements for the periods ended 31 March 2014 and 2013

(Amounts expressed in euro)

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

		31 March 2014	31 March 2013 Restated (Note 4)
	Notes		
Sales		1,084,080,555	1,045,417,365
Services rendered		42,388,673	39,667,672
Investment income		571,555	(13,000)
Financial income		4,013,784	5,212,452
Other income		114,349,079	91,944,937
Cost of goods sold and materials consumed		(867,486,519)	(808,096,241)
Changes in stocks of finished goods and work in progress		104,784	24,013
External supplies and services		(143,971,901)	(142,817,954)
Staff costs		(158,994,286)	(153,537,016)
Depreciation and amortisation	9 and 10	(41,709,998)	(48,900,467)
Provisions and impairment losses		(544,076)	(5,483,084)
Financial expense		(21,887,352)	(26,679,396)
Other expenses		(11,517,490)	(9,480,564)
Share of results of joint ventures and associated undertakings	6	10,720,694	5,880,936
Profit/(Loss) from continuing operations, before taxation		10,117,502	(6,860,347)
Taxation	27	106,939	1,022,084
Profit/(Loss) from continuing operations, after taxation		10,224,441	(5,838,263)
Profit/(Loss) from discontinuing operations, after taxation	4	-	22,246,063
Consolidated profit/(Loss) for the period		10,224,441	16,407,800
Attributable to equity holders of the Parent Company:			
Continuing operations		10,128,990	(3,265,787)
Discontinuing operation		-	12,157,941
		10,128,990	8,892,154
Attributable to non-controlling interests			
Continuing operations		95,451	(2,572,476)
Discontinuing operation		-	10,088,122
	18	95,451	7,515,646
Profit/(Loss) per share			
From continuing operations			
Basic	28	0.005394	(0.001744)
Diluted	28	0.005362	(0.001735)
From discontinuing operations			
Basic	28	-	0.006491
Diluted	28	-	0.006459

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

The Board of Directors

Condensed Consolidated Statements of Comprehensive Income for the periods ended 31 March 2014 and 2013

(Amounts expressed in euro)

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

	31 March 2014	31 March 2013
Net Profit / (Loss) for the period	10,224,441	16,407,800
Items that maybe reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	886,836	1,644,722
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 5)	4,616,531	(11,705,891)
Changes on fair value of available-for-sale financial assets (Note 6)	1,196,393	(6,370,132)
Changes in hedge and fair value reserves	725,229	1,998,251
Deferred tax related to changes in fair values reserves	(220,503)	(510,773)
Others	(30,589)	56,126
Other comprehensive income for the period	7,173,897	(14,887,697)
Total comprehensive income for the period	17,398,338	1,520,103
Attributable to:		
Equity holders of parent company	17,095,833	(3,647,179)
Non controlling interests	302,505	5,167,282

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

The Board of Directors

1ST QUARTER RESULTS 2014

Condensed Consolidated Statements of Changes in Equity for the periods ended 31 March 2014 and 2013

(Amounts expressed in euro)

(Translation of condensed 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 18)	Total Equity
Balance as at 1 January 2013	2,000,000,000	(128,149,614)	187,137,648	4,836,944	1,920,608	(2,694,394)	(776,965,651)	(585,764,845)	32,572,259	1,318,657,800	349,901,121	1,668,558,921
Total comprehensive income for the period	-	-	-	898,389	(2,962,716)	1,232,865	(11,707,871)	(12,539,333)	8,892,154	(3,647,179)	5,167,282	1,520,103
Appropriation of profit of 2012:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	31,424,043	32,572,259	(32,572,259)	-	-	-
Dividends distributed	-	-	-	-	-	-	(66,200,000)	(66,200,000)	-	(66,200,000)	(29,848)	(66,229,848)
Disposal of own shares/ attribution to employees	-	363,947	-	-	-	-	(56,685)	(56,685)	-	307,262	(380,205)	(72,943)
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	(516,765)	(516,765)	-	(516,765)	(9,034,045)	(9,550,810)
Others	-	-	-	-	-	-	2,739,904	2,739,904	-	2,739,904	-	2,739,904
Balance as at 31 March 2013	2,000,000,000	(127,785,667)	188,285,864	5,735,333	(1,042,108)	(1,461,529)	(821,283,025)	(629,765,465)	8,892,154	1,251,341,022	345,624,305	1,596,965,327
Balance as at 1 January 2014	2,000,000,000	(126,945,388)	188,285,864	2,759,902	(1,773,499)	723,822	(818,244,626)	(628,248,537)	318,979,514	1,563,785,589	344,325,829	1,908,111,418
Total comprehensive income for the period	-	-	-	423,670	1,196,393	508,086	4,838,693	6,966,843	10,128,990	17,095,833	302,505	17,398,338
Appropriation of profit of 2013:												
Transfer to legal reserves and retained earnings	-	-	7,974,526	-	-	-	311,004,988	318,979,514	(318,979,514)	-	-	-
Dividends distributed	-	-	-	-	-	-	(69,520,849)	(69,520,849)	-	(69,520,849)	(320,828)	(69,841,677)
Aquisition of own shares	-	(4,223,446)	-	-	-	-	-	-	-	(4,223,446)	-	(4,223,446)
Aquisition and disposal of own shares/ attribution to employees	-	-	-	-	-	-	(1,095,693)	(1,095,693)	-	(1,095,693)	(851,066)	(1,946,759)
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	26,417,158	26,417,158	-	26,417,158	(173,380,479)	(146,963,320)
Others	-	-	-	-	-	-	63,174	63,174	-	63,174	160,414	223,587
Balance as at 31 March 2014	2,000,000,000	(131,168,834)	196,260,390	3,183,572	(577,106)	1,231,908	(546,537,154)	(346,438,390)	10,128,990	1,532,521,766	170,236,375	1,702,758,141

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

The Board of Directors

Condensed Consolidated Statements of Cash Flows for the periods ended 31 March 2014 and 2013

(Amounts expressed in euro)

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

	Notes	31 March 2014	31 March 2013
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		(212,293,886)	(203,066,695)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments		3,472,544	23,433,626
Tangible and intangible assets		20,293	1,314,910
Others		6,934,696	30,069,700
		10,427,533	54,818,236
Cash payments arising from:			
Investments		(8,772,938)	(13,544,971)
Tangible and intangible assets		(49,494,150)	(87,870,004)
Others		(1,464,580)	(3,810,378)
		(59,731,668)	(105,225,353)
Net cash used in investment activities (2)		(49,304,135)	(50,407,117)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		629,403,329	887,899,126
		629,403,329	887,899,126
Cash payments arising from:			
Loans obtained		(304,283,411)	(737,613,216)
Interest and similar charges		(18,281,535)	(26,493,275)
Dividends		-	(29,880)
Purchase of own shares		(2,496,969)	-
Others		(645,566)	(1,994,258)
		(325,707,481)	(766,130,629)
Net cash used in financing activities (3)		303,695,848	121,768,498
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		42,097,827	(131,705,314)
Effect of foreign exchange rate		(208,436)	(291,071)
Cash and cash equivalents at the beginning of the period	16	365,869,456	363,367,909
Cash and cash equivalents at the end of the period	16	408,175,719	231,953,666

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

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2014

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

(Amounts expressed in euro)

1 INTRODUCTION

A 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 30.

On 27 August 2013, the merger between Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA (Note 4) was completed. Accordingly, the telecommunications segment was classified, for disclosure purposes, as a discontinued operation

2 PRINCIPAL ACCOUNTING POLICIES

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

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.

Interim financial statements are presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting".

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

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

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

With mandatory application in 2014:	Effective Date (for financial years beginning on/after)
IFRS 10 - (Consolidated Financial Statements)	01 jan 2014
IFRS 11 - (Joint arrangements)	01 jan 2014
IFRS 12 - (Disclosures of Interests in Other Entities)	01 jan 2014
IAS 27 - (Separate Financial Statements – revised in 2011)	01 jan 2014
IAS 28 - (Investments in Associates and Joint Ventures)	01 jan 2014
Amendments to IFRS 10, IFRS 12 and IAS 27 (Investments Entities)	01 jan 2014
IAS 32 - Amendments (Offsetting Financial Assets and Financial Liabilities)	01 jan 2014
Amendments to IAS 36 (Recoverable amount disclosures for Non-Financial Assets)	01 jan 2014
Amendments to IAS 39 (Reformulation of Derivatives and continuation of Hedge Accounting)	01 jan 2014

No significant impacts are expected in the financial statements resulting from the adoption of these standards during 2014, namely because the Group has amended the measurement of investments in jointly controlled entities by applying the equity method.

The following standards, interpretations, amendments and revisions have been at the date of approval of these financial statements, approved (endorsed) by the European Union, whose application is mandatory in future financial years:

With mandatory application after 2014:	Effective Date (for financial years beginning on/after)
IFRS 9 - (Financial Instruments – classification and measurement)	At a date to be appointed
IFRS 7 and 9 (Amendments) – (Disclosures of Financial Instruments)	At a date to be appointed
IFRS 14 – (Assets and Liabilities regulatory)	01 jan 2016
IAS 19 (Amendments) – (Employee Benefits)	01 jul 2014
Improvements to International Financial Reporting Standards (2010-2012 cycle and 2011-2013 cycle)	01 jul 2014
IFRIC 21 – (Levies)	01 jan 2014

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

3 CHANGES IN ACCOUNTING POLICIES

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

4 DISCONTINUING OPERATIONS

On 27 August 2013, as a result of the incorporation by merger of Optimus SGPS in Zon, the telecommunications segment (Optimus SGPS, Optimus SA, Be Artis, Be Towering, Sontária and Permar) was classified, for presentation purposes, as a discontinuing operation. As set by IFRS 5, changes were made in the consolidated profit and loss statements for the period ended at 31 March 2013, in order to disclose a single caption ('Net income/(loss) for the year of discontinuing operations') related to net income/(loss) of discontinuing operations.

The detail of discontinuing operations in the income statement can be analyzed as follows:

(Amounts expressed in euro)	31 March Restated 2013		
	Published	Discontinuing operations	Restated
Sales	1,050,509,559	5,092,194	1,045,417,365
Services rendered	198,467,084	158,799,412	39,667,672
Investment income	(13,000)	-	(13,000)
Financial income	6,074,961	862,509	5,212,452
Other income	93,922,111	1,977,174	91,944,937
Cost of goods sold and materials consumed	(815,247,541)	(7,151,300)	(808,096,241)
Changes in stocks of finished goods and work in progress	24,013	-	24,013
External supplies and services	(222,343,805)	(79,525,851)	(142,817,954)
Staff costs	(165,546,147)	(12,009,131)	(153,537,016)
Depreciation and amortisation	(82,629,681)	(33,729,214)	(48,900,467)
Provisions and impairment losses	(9,405,911)	(3,922,827)	(5,483,084)
Financial expense	(27,588,357)	(908,961)	(26,679,396)
Other expenses	(13,460,335)	(3,979,771)	(9,480,564)
Share of results of joint ventures and associated undertakings	5,880,936	-	5,880,936
Profit/(Loss) from continuing operations, before taxation	18,643,887	25,504,234	(6,860,347)
Taxation	(2,236,087)	(3,258,171)	1,022,084
Profit/(Loss) from continuing operations, after taxation	16,407,800	22,246,063	(5,838,263)
Profit/(Loss) from discontinuing operations, after taxation	-	(22,246,063)	22,246,063
Consolidated profit/(Loss) for the period	16,407,800	-	16,407,800
Attributable to equity holders of the Parent Company:	8,892,154	-	8,892,154
Attributable to non-controlling interests	7,515,646	-	7,515,646

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 March 2014 and 31 December 2013 are as follows:

Company	Head Office	Percentage of capital held			
		31 March 2014		31 December 2013	
		Direct	Total*	Direct	Total*
Sonae - 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%
Bom Momento - Restauração, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a) Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Discovery Sports, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Farmácia Selecção, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a) Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
1) Fozmassimo - Sociedade Imobiliária, SA	a) Matosinhos	-	-	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a) Maia	74.15%	74.15%	74.15%	74.15%
Fundo de Investimento Imobiliário Imosonae Dois	a) Maia	99.21%	99.21%	99.48%	99.48%
Igimo - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoestrutura - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%

Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
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 Hiper Imobiliária, SA	a)	Maia	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.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Pharmaconcept - Actividades em Saúde, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Predicomercial - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2) Predilugar - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	-	-
SDSR - Sports Division SR, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
SDSR - Sports Division 2, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
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)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
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)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sport Zone España - Comércio de Artículos 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, BV	a)	Amsterdam (Netherlands)	77.66%	77.66%	77.66%	77.66%
Tlantic Portugal - Sistemas de Informação, SA	a)	Maia	77.66%	77.66%	77.66%	77.66%
Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	77.66%	77.66%	77.66%	77.66%
Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten - 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%
Investment Management						
ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Brazil	100.00%	50.00%	100.00%	50.00%
Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.40%	100.00%	75.07%
Digitmarket - Sistemas de Informação, SA	a)	Maia	75.10%	67.14%	75.10%	56.37%
Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
Herco Consultoria de Risco, SA	a)	Maia	100.00%	50.01%	100.00%	50.01%
HighDome PCC Limited	a)	Malta	100.00%	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%
3) Lugares Virtuais, SA	a)	Maia	100.00%	89.40%	100.00%	75.07%
Mainroad - Serviços em Tecnologias de Informação, S.A.	a)	Maia	100.00%	89.40%	100.00%	75.07%
MDS - Corretor de Seguros, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
MDS Affinity-Sociedade de Mediação Lda	a)	Porto	100.00%	50.01%	100.00%	50.01%
MDS África, SGPS, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
MDS Auto - Mediação de Seguros, SA	a)	Porto	50.01%	25.01%	50.01%	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%

Miauger - Org. Gestão Leilões Eletrônicos, SA	a)	Maia	100.00%	89.40%	100.00%	75.07%
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia	100.00%	89.40%	100.00%	75.07%
Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.40%	100.00%	75.07%
Público - Comunicação Social, SA	a)	Porto	100.00%	89.40%	100.00%	75.07%
RSI Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
Saphety - Transacciones Electronicas SAS	a)	Bogota (Colombia)	86.99%	77.77%	86.99%	65.30%
Saphety Brasil Transações Eletrônicas Lda	a)	São Paulo (Brazil)	86.99%	77.77%	86.99%	65.30%
Saphety Level - Trusted Services, SA	a)	Maia	86.99%	77.77%	86.99%	65.30%
Sonaecom - Serviços Partilhados, SGPS, SA	a)	Maia	100.00%	89.40%	100.00%	75.07%
Sonaecom - Sistemas de Informação, SGPS, SA	a)	Maia	100.00%	89.40%	100.00%	75.07%
Sonaecom - Sistemas de Información España, SL	a)	Madrid	100.00%	89.40%	100.00%	75.07%
Sonaecom BV	a)	Amsterdam (Netherlands)	100.00%	89.40%	100.00%	75.07%
Sonaecom, SGPS, SA	a)	Maia	89.59%	89.40%	75.44%	75.07%
Sonaetelecom, BV	a)	Amsterdam (Netherlands)	100.00%	89.40%	100.00%	75.07%
Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.31%	99.99%	74.99%
We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.31%	99.91%	74.99%
We Do Consulting - Sistemas de Informação, SA	a)	Maia	100.00%	89.40%	100.00%	75.07%
We Do Poland Sp.Z.o.o.	a)	Posnan (Poland)	100.00%	89.40%	100.00%	75.07%
We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	89.40%	100.00%	75.07%
We Do Technologies Americas, Inc.	a)	Delaware (USA)	100.00%	89.40%	100.00%	75.07%
We Do Technologies Australia PTY Limited	a)	Sidney (Australia)	100.00%	89.40%	100.00%	75.07%
We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.40%	100.00%	75.07%
We Do Technologies Mexico S. de RL	a)	México City	100.00%	89.40%	100.00%	75.07%
We Do Technologies Panamá SA	a)	Panamá City	100.00%	89.40%	100.00%	75.07%
We Do Technologies Singapore PTE. LDT	a)	Singapore	100.00%	89.40%	100.00%	75.07%
We Do Technologies BV	a)	Amsterdam (Netherlands)	100.00%	89.40%	100.00%	75.07%
Others						
Libra Serviços, Lda	a)	Funchal	100.00%	100.00%	100.00%	100.00%
Sonae Investments, BV	a)	Amsterdam (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)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%

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

- a) Control held by majority of voting rights;
- b) Control held by Management control;
- 1) Company disposal during the period;
- 2) Company created during the period;
- 3) Company liquidated during the period.

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 March 2014 and 31 December 2013 are as follows:

6.1 Jointly Controlled Entities

Company	Head Office	Percentage of share capital held			
		31 March 2014		31 December 2013	
		Direct	Total*	Direct	Total*
Shopping Centres					
3shoppings - Holding, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
8ª avenida Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%
Adlands BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Aegean Park, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
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 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	100.00%	50.00%	50.00%	25.00%
Arrábidashopping - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
Avenida M-40, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Beralands BV	Amsterdam (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%	28.62%	50.00%	28.62%
Cascaishopping Holding I, SGPS, SA	Maia	100.00%	28.62%	100.00%	28.62%

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 (Netherlands)	50.00%	25.00%	50.00%	25.00%
Craiova Mall BV	Amsterdam (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	Amsterdam (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%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center (FundII)	São Paulo (Brazil)	50.00%	10.34%	50.00%	10.34%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro Shopping	São Paulo (Brazil)	87.61%	15.78%	87.61%	15.78%
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%
Guimarãesshopping - 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%	12.47%
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%
Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%
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	Amsterdam (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	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%

Norte Shopping Retail and Leisure Centre, BV	Amsterdam (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	Amsterdam (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 Development of Shopping Centers, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
Parklake Shopping, Srl	Bucharest (Romania)	50.00%	25.00%	50.00%	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%
Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Campinas 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 São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Sertório Shopping Ltda	São Paulo (Brasil)	100.00%	16.66%	100.00%	16.66%
Pátio Uberlândia Shopping Ltda	São Paulo (Brasil)	100.00%	16.66%	100.00%	16.66%
Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Plaza Mayor Parque de Ócio, BV	Amsterdam (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	Amsterdam (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 SC 1, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 11, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 12, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 6, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Project Sierra 8 BV	Amsterdam (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%
Project Sierra Spain 1, BV	Amsterdam (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	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Spain 3, BV	Amsterdam (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	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
S.C. Microcom Doi Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
SC Aegean, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
SC Mediterranean Cosmos, BV	Amsterdam (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	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Sierra Asia Limited	Hong Kong	100.00%	50.00%	100.00%	50.00%
Sierra Berlin Holding BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	25.00%	100.00%	25.00%
Sierra Central, S.A.S.	Santiago de Cali(Colombia)	50.00%	25.00%	50.00%	25.00%
Sierra Cevital Shopping Center, Spa	Algolia	49.00%	24.50%	49.00%	24.50%
Sierra Corporate Services Holland, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Developments, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (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	Guernsey (U.K.)	100.00%	50.00%	100.00%	50.00%
Sierra Greece, SA	Athens(Greece)	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 (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments (Holland) 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
1)	Sierra Italy Holding, BV	Amsterdam (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 Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Property Management Greece, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Reval Gayrimenkul Yönetim Pazarlama ve Danı manlık A. .	Istanbul (Turkey)	50.00%	25.00%	50.00%	25.00%
	Sierra Services Holland 2 BV	Amsterdam (Netherlands)	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%
	Sierra Spain 2 Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra Zenata Project B.V	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Solingen Shopping Center GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
	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 Consultoria Imobiliária, Ltda	São Paulo (Brazil)	99.98%	16.66%	99.98%	16.66%
	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%
	Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Zubiarte Inversiones Inmobiliarias, SA	Madrid (Spain)	49.83%	12.48%	49.83%	12.48%

Telecommunications

ZOPT, SGPS, SA	Porto	50.00%	44.70%	50.00%	37.54%
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Investment Management

Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
Infosystems - Sociedade de Sistemas de Informação, S.A.	Luanda (Angola)	50.00%	44.70%	50.00%	37.54%
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%	50.00%
Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
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%
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	Porto	45.00%	40.23%	45.00%	33.78%
SSI Angola, S.A.	Luanda (Angola)	100.00%	44.70%	100.00%	37.54%
Unipress - Centro Gráfico, Lda	Vila Nova de Gaia	50.00%	44.70%	50.00%	37.54%
Viagens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%

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

1) Company liquidated during the period;

6.2 Associated Companies

Company	Head Office	Percentage of share capital held				
		31 March 2014		31 dezembro 2013		
		Direct	Total*	Direct	Total*	
Retail						
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	
1) Mundo Vip – Operadores Turísticos, SA	Lisbon	-	-	33.34%	33.34%	

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

1) Associated Company liquidated during the period;

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 Mar 2014	31 Dec 2013
Shopping Centres		
Sonae Sierra SGPS, SA (consolidated)	440,206,698	427,254,900
Telecommunications		
ZOPT, SGPS, S.A.	712,018,352	709,606,944
Investment Management		
Raso SGPS, SA (consolidado)	5,921,234	6,147,367
Unipress - Centro Gráfico, Lda	1,135,691	882,859
Infosystems - Sociedade de Sistemas de Informação, S.A.	-	-
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	-	-
SSI Angola, SA	-	-
Investments in joint ventures	1,159,281,975	1,143,892,070
Retail		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	847,265	899,945
Mundo Vip - Operadores Turísticos, SA	-	-
	-	-
Investment in associated companies	847,265	899,945
Total	1,160,129,240	1,144,792,015

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

	31 Mar 2014			31 Dec 2013		
Joint ventures	Assets	Liabilities	Equity	Assets	Liabilities	Equity
Investment Management	72,610,587	44,361,755	28,248,832	67,413,721	38,709,241	28,704,480
Shopping Centres b)	3,372,292,741	2,051,653,025	1,320,639,716	3,340,574,090	2,051,816,569	1,288,757,521
Telecommunications a)b)	4,330,397,350	1,809,112,730	2,521,284,620	4,413,649,000	1,902,694,000	2,510,955,000
TOTAL	7,775,300,678	3,905,127,511	3,870,173,167	7,821,636,811	3,993,219,810	3,828,417,001

	31 Mar 2014			31 Mar 2013		
Joint ventures	Income	Expenses	Net Profit	Income	Expenses	Net Profit
Investment Management	11,207,059	11,662,707	(455,648)	12,581,308	13,386,375	(805,067)
Shopping Centres b)	92,583,805	72,453,268	20,130,537	98,414,184	75,482,331	22,931,853
Telecommunications a)b)	342,247,660	321,617,730	20,629,930	-	-	-
TOTAL	446,038,524	405,733,705	40,304,820	110,995,492	88,868,706	22,126,786

a) The increase from 2013 to 2014 follows the consolidation of Zopt group by the equity method ;

b) Disclosed values are relative to the consolidated accounts of Sonae Sierra and Zopt

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

	31 Mar 2014			31 Dec 2013		
Associated companies	Assets	Liabilities	Equity	Assets	Liabilities	Equity
Retail	11,283,979	10,479,924	804,055	12,140,682	11,125,907	1,014,775
Investment Management	4,873,532	4,021,097	852,435	5,046,859	4,269,761	777,098
TOTAL	16,157,511	14,501,021	1,656,490	17,187,541	15,395,668	1,791,873

Associated companies	31 Mar 2014			31 Mar 2013		
	Income	Expenses	Net Profit	Income	Expenses	Net Profit
Retail	13,114,332	13,375,259	(260,927)	13,561,500	13,288,834	272,666
Investment Management	967,726	892,390	75,336	1,080,661	903,010	177,651
TOTAL	14,082,058	14,267,649	(185,591)	14,642,161	14,191,844	450,317

During the period ended at 31 March 2014 and 2013, movements in investments in joint ventures and associated companies are as follows:

Joinr ventures and associated companies	31 Mar 2014			31 Mar 2013		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Initial balance as at January,1	1,067,537,011	77,255,004	1,144,792,015	379,191,284	77,255,004	456,446,288
Equity method						
Gains or losses in joint controlled and associated companies	10,720,694	-	10,720,694	5,880,936	-	5,880,936
Effect in equity capital and non-controlling interests	4,616,531	-	4,616,531	(11,705,891)	-	(11,705,891)
	1,082,874,236	77,255,004	1,160,129,240	373,366,329	77,255,004	450,621,333

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

7 OTHER NON – CURRENT INVESTMENTS

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

Company	Head Office	Percentage of share capital held				Statment of financial position	
		31 Mar 2014		31 Dec 2013		31 Mar 2014	31 Dec 2013
		Direct	Total	Direct	Total		
Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	7.14%	7.14%	7.14%	7.14%	9,976	9,976
Inscop - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Investment Management							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	0.75%	1.38%	0.75%	197,344	97,344
Cooper Gay Swett & Crawford Ltd	London	9.72%	4.86%	9.72%	4.86%	15,468,095	15,468,095
Other investments						14,825,179	15,668,225
Total (Note 12)						31,248,791	31,991,837

On 31 March 2014, are included in "Other Investments", among others 12.512.785 euro (12.512.681 euro as at 31 December 2013) related to deposited amounts on an Escrow Account which is invested in investment funds with superior rating and guarantees contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 24).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn't happen as there are some points of disagreement on the use of the Escrow Account, namely as whether or not, to retain the Escrow Account for on-going fiscal procedures that have not yet been decided (Note 25). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers that the reason attends to Sonae.

Financial investment in Cooper Gay Sweet & Crawford Ltd was remeasured to fair value at 31 December 2013. The valuation of this investment was performed on a binding acquisition proposal received from an unrelated entity and knowledgeable entity of the sector in the last quarter of 2013, which was not considered appropriate by the board of directors of the company.

8 CHANGES IN CONSOLIDATION PERIMETER

In January 2014, the Group sold its subsidiary Fozmassimo - Real Estate Company SA to an external entity. The impact on the financial statements can be analyzed as follows:

	On the date of disposal
Net assets	
Tangible and intangible assets (Note 9 and 10)	2,777,380
Other assets	23,820
Cash and cash equivalents	14,771
Deferred tax liabilities	(77,521)
Other liabilities	(62,509)
	2,675,941
Profit in disposal	297,373
Consideration received	2,973,313
Effective cash payment received	2,973,313
Future cash receivements	-
	2,973,313
Net cash-flow arising from disposal	
Effective cash payment received	2,973,313
Cash and cash equivalents disposed	(14,771)
	2,958,542
	On the date of disposal
Sales	200,406
Other income	2,329
Other expenses	(109,011)
Net financial expenses	61,418
Profit/(Loss) before taxation	155,142
Profit/(Loss) before taxation	(35,122)
Profit/(Loss) after taxation	120,020

9 TANGIBLE ASSETS

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

	Tangible assets				
	Land and Buildings	Plant and Machinery	Others	Tangible Assets in progress	Total Tangible Assets
Gross assets:					
Opening balance as at 1 January 2014	1,659,329,823	1,248,692,623	176,539,371	31,848,923	3,116,410,740
Investment	576,820	334,001	189,993	20,646,999	21,747,813
Disposals	1,132,659	(12,443,094)	(1,207,309)	(190,127)	(12,707,871)
Disposals of subsidiaries (Note 8)	(2,758,249)	(397,643)	(3,492)	-	(3,159,384)
Exchange rate effect	14,997	57,435	147,975	52	220,459
Transfers	3,332,049	13,827,527	3,553,627	(21,319,661)	(606,458)
Closing balance as at 31 March 2014	1,661,628,099	1,250,070,849	179,220,165	30,986,186	3,121,905,299
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2014	409,943,585	737,980,900	141,321,852	-	1,289,246,337
Depreciation and impairment losses of the period	6,414,563	25,117,044	3,451,423	-	34,983,030
Disposals	1,127,050	(10,866,718)	(1,135,828)	-	(10,875,496)
Disposals of subsidiaries (Note 8)	(210,643)	(168,610)	(3,492)	-	(382,745)
Exchange rate effect	7,768	46,550	101,683	-	156,001
Transfers	-	(101,973)	(204,845)	-	(306,818)
Closing balance as at 31 March 2014	417,282,323	752,007,193	143,530,793	-	1,312,820,309
Carrying amount as at 31 March 2014	1,244,345,776	498,063,656	35,689,372	30,986,186	1,809,084,990
	Tangible assets				
	Land and Buildings	Plant and Machinery	Others	Tangible Assets in progress	Total Tangible Assets
Gross assets:					
Opening balance as at 1 January 2013	1,944,250,596	2,269,285,934	392,604,946	52,690,950	4,658,832,426
Investment	500,466	1,307,571	4,675,008	23,908,579	30,391,624
Disposals	(59,410)	(8,745,431)	(1,369,224)	(251,051)	(10,425,116)
Exchange rate effect	24,282	82,976	243,430	18,751	369,439
Transfers	1,608,312	25,469,309	1,399,975	(30,099,241)	(1,621,645)
Closing balance as at 31 March 2013	1,946,324,246	2,287,400,359	397,554,135	46,267,988	4,677,546,728
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2013	448,370,593	1,274,180,207	333,171,848	-	2,055,722,648
Depreciation and impairment losses of the period	8,739,605	44,644,554	8,376,750	-	61,760,909
Disposals	(48,418)	(8,197,472)	(1,279,395)	-	(9,525,285)
Exchange rate effect	7,786	51,784	151,345	-	210,915
Transfers	(8,469)	(736,124)	(980,994)	-	(1,725,587)
Closing balance as at 31 March 2013	457,061,097	1,309,942,949	339,439,554	-	2,106,443,600
Carrying amount as at 31 March 2013	1,489,263,149	977,457,410	58,114,581	46,267,988	2,571,103,128

The investment during the period ended at 31 March 2014 and 2013 includes:

- approximately 21 million euro (16 million euro in 2013) of assets acquisition primarily associated with the opening and remodelling of stores of Sonae retail operating segments;
- approximately 9.2 million euro in 2013 of assets acquisition 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). As at 27 August 2013, following the merger of Zon Optimus, the telecommunications business, including the above assets, was derecognized (Note 4).

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

	31 Mar 2014	31 Mar 2013
Refurbishment and expansion of stores in the retail businesses located in Portugal	17,783,923	18,914,579
Refurbishment and expansion of stores in the retail businesses located in Spain	1,178,038	354,685
Projects of "Continente" stores for which advance payments were made	11,532,499	8,274,617
Deployment of fixed and mobile network	-	14,833,294
Others	491,726	3,890,813
	30,986,186	46,267,988

The variation observed in caption "Deployment of fixed and mobile network" due to the derecognition of assets related to the telecommunications sector in 2013.

The caption "depreciation and impairment losses of the period" in March 2013 included approximately 33.7 million euro that were reclassified to discontinued operations in the income statement (Note 4).

10 INTANGIBLE ASSETS

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

	Intangible assets			
	Patents and other similar rights	Others	Intangible assets in progress	Total Intangible Assets
Gross assets:				
Opening balance as at 1 January 2014	115,657,930	273,625,596	29,084,967	418,368,493
Investment	5,960	202,525	8,319,595	8,528,080
Disposals	(211,336)	(22,970)	(45,815)	(280,121)
Disposals of subsidiaries (Note 8)	(741)	-	-	(741)
Exchange rate effect	6,202	1,192,247	(1,622)	1,196,827
Transfers	77,848	9,253,278	(9,504,242)	(173,116)
Closing balance as at 31 March 2014	115,535,863	284,250,676	27,852,883	427,639,422
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2014	32,462,492	183,051,845	-	215,514,337
Depreciation and impairment losses of the period	1,071,706	5,655,262	-	6,726,968
Disposals	(210,216)	(20,961)	-	(231,177)
Disposals of subsidiaries (Note 8)	-	-	-	-
Exchange rate effect	(1,935)	514,361	-	512,426
Transfers	(137)	(6,418)	-	(6,555)
Closing balance as at 31 March 2014	33,321,910	189,194,089	-	222,515,999
Carrying amount as at 31 March 2014	82,213,953	95,056,587	27,852,883	205,123,423

	Intangible assets			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
Gross assets:				
Opening balance as at 1 January 2013	574,470,896	548,119,686	44,117,440	1,166,708,022
Investment	6,029,137	320,089	8,264,640	14,613,866
Disposals	-	(3,082)	(215,965)	(219,047)
Exchange rate effect	5,241	1,789,922	194	1,795,357
Transfers	96,844	2,179,649	(4,415,206)	(2,138,713)
Closing balance as at 31 March 2013	580,602,118	552,406,264	47,751,103	1,180,759,485
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2013	205,977,682	398,275,118	-	604,252,800
Depreciation and impairment losses of the period	10,624,323	10,242,466	-	20,866,789
Disposals	-	(2,584)	-	(2,584)
Exchange rate effect	1,339	622,457	-	623,796
Transfers	(27,686)	(1,162,714)	-	(1,190,400)
Closing balance as at 31 March 2013	216,575,658	407,974,743	-	624,550,401
Carrying amount as at 31 March 2013	364,026,460	144,431,521	47,751,103	556,209,084

Under the agreed terms resulting from the grant of the UMTS License, Optimus – Comunicações, S.A., committed to contribute to the promotion of an 'Information Society', the total amount of the obligations assumed arose to 274 million euro which will have to be realized 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 realized 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 recognized by the MOPTC and by entities created specifically for this purpose. 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 realized, 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 was recognized 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 2013, all the responsibilities with such commitments were derecognized from consolidated financial statements following the merger between Optimus SGPS and Zon following derecognition of assets and liabilities of the telecommunications business (Note 4).

Intangible assets as at 31 March 2013, 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 as well as an amount of 6 million euro in January 2013. The remaining amount can be paid in four 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. This asset was derecognized, as at 31 December 2013, following the merger between Optimus SGPS and Zon and consequent derecognition of assets and liabilities of the telecommunications segment (Note 4).

At 31 March 2013, the Group kept recorded under the heading 'Intangible assets – brands and contents' the amount of 168,723,687 euro that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) 53,255,114 euro related to the license; (ii) 17,794,486 euro related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators with activity in Portugal; (iii) 5,465,224 euro related to a contribution, established in 2007, under an agreement entered with 'MOPCT' and the three mobile telecommunication operators in Portugal; and (iv) 87,658,716 euro related with the programme 'Initiatives E', these last two associated to the commitments assumed by the Group in relation to the 'Information Society'. These assets were derecognized, as at 31 December 2013, following the merger between Optimus SGPS and Zon and consequent derecognition of assets and liabilities of the telecommunications segment.

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

11 GOODWILL

During the three months period ended at 31 March 2014 and 2013 movements in goodwill, as well as in corresponding impairment losses, were made up as follows:

	31 Mar 2014	31 Dec 2013
Opening balance	624,540,640	664,502,705
Increases	-	348,808
Currency translation	1,003,880	1,885,618
Closing balance	625,544,520	666,737,131
Accumulated impairment losses		
Opening balance	14,352,782	6,274,655
Increases	-	-
Closing balance	14,352,782	6,274,655
Carrying amount:	611,191,738	660,462,476

12 OTHERS INVESTMENTS

On 31 March 2014 and 2013 the movements in caption "Other Investments" can be detailed as follows:

	31 Mar 2014		31 Dec 2013	
	Non current	Current	Non current	Current
Other investments:				
Fair value (net of impairment losses) as at 1 January	31,991,837	202,448,455	59,877,723	881,581
Acquisitions in the period	507,298	17	1,525,339	26,322
Disposals in the period	(881,477)	(141,650,837)	(408,845)	(864,492)
Increase/(Decrease) in fair value	(502,029)	2,855,952	(6,370,132)	-
Transfers	133,162	-	-	-
Fair value (net of impairment losses) as at 31 March	31,248,791	63,653,587	54,624,085	43,411
Derivative financial instruments (Note 20)				
Fair value as at 1 January	-	35,999	-	30,341
Acquisitions in the period	-	101,971	-	-
Increase/(Decrease) in fair value	-	5,312	-	1,359,305
Fair value as at 31 March	-	143,282	-	1,389,646
	31,248,791	63,796,869	54,624,085	1,433,057

Under the caption other non-current financial investments an amount of 12,512,785 euro (33,716,303 euro in 31 March 2013) is recorded related to deposited amounts on an Escrow Account (Note 7). The amount of decrease in this caption in 2013 to 2014 results from the use of the Escrow Account for payments relating to civil and labour litigations mentioned in Note 24.

The decreases to 31 March 2014 represent the counterpart in actions Zon Optimus provided for under the terms of the exchange Offer General Public and Voluntary purchase of shares Sonaecom SGPS, SA. As a result of this offer the Sonaecom has reduced its investment in shares Zon Optimus in 26,476,792 shares (141,650,837 euros) (Note 18), and now holds 11,012,532 shares representing the share capital of Zon Optimus, corresponding to a share of 2.14 %.

The increase in fair value under the caption "Other current Investments" includes 1,979,919 euro on the recording of the fair value of the participation of Zon Optimus. As stated in the shareholder agreement these shares do not confer any right to vote or further interfere in the situation of shared control in Zon Optimus. The fair value of the investment is determined based on the price of Zon Optimus shares and the respective changes are recorded in the consolidated income statement.

The Other non-current Investments are recorded at acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate can be made as there is no market data available for these investments. The heading of "Other non-current Investments" includes 3,267,879 euro (3,142,575 euro in 31 March 2013) of investments recorded at acquisition cost net of impairment losses for the same reasons.

The Other non-current Investments are net of impairment losses (Note 24) amounting to 257,547 euro (86,212 euro in 31 March 2013).

13 OTHER NON – CURRENT ASSETS

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

	31 Mar 2014			31 Dec 2013		
	Gross Value	Accumulated impairment losses (Note 24)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 24)	Carrying Amount
Loans granted to related parties	3,570	-	3,570	3,570	-	3,570
Trade accounts receivable and other debtors						
Legal deposits	847,538	-	847,538	818,011	-	818,011
Recognition of the value to be received from Wall Mart	8,184,697	-	8,184,697	7,858,057	-	7,858,057
Cautions	5,388,802	-	5,388,802	5,725,333	-	5,725,333
Others	263,291	-	263,291	276,249	-	276,249
	<u>14,684,327</u>	<u>-</u>	<u>14,684,327</u>	<u>14,677,650</u>	<u>-</u>	<u>14,677,650</u>
Reinsurer's' share of technical provisions	14,915,860	-	14,915,860	16,789,943	-	16,789,943
Other non-current assets	<u>508,505</u>	<u>-</u>	<u>508,505</u>	<u>499,450</u>	<u>-</u>	<u>499,450</u>
	<u>30,112,262</u>	<u>-</u>	<u>30,112,262</u>	<u>31,970,613</u>	<u>-</u>	<u>31,970,613</u>

As a result of the agreements signed in 2005 by the former subsidiary - Sonae Distribuição Brazil, SA (sold to Wal-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae assumed responsibility to compensate Carrefour for the expenses that would arise from the 10 stores licensing process, in the Brazilian state of São Paulo, that were sold to that entity. During 2010, Carrefour triggered a bank warranty "on first demand" amounting to 25,340,145.80 Brazilian real (approximately 8.2 million euro) for alleged expenses incurred with the mentioned stores and that, allegedly, arose from the need to remedy deficiencies cited by competent authorities for the licensing process. However no evidence of those expenses were presented to Sonae, or proof of the necessity of carrying out such costs for the licensing process as established on the mentioned agreements. The variation in the period is explained by the evolution of the exchange rate of the real against the euro.

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 Comercio e Industria, Ltda., through society Wms - Supermarkets in Brazil, SA (formerly Sonae Distribution Brazil, SA, sold to Wal-Mart Group, as mentioned above) to recover the above mentioned amount (for Sonae, by right of claim on the Wms). 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. It is expected that the legal proceeding will exist for a period up to 7 years, since its beginning in 2011.

14 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2014 and 31 December 2013, trade account receivable and other current assets are detailed as follows:

	31 Mar 2014	31 Dec 2013
Trade accounts receivable	78,633,870	85,286,518
Taxes recoverable	75,779,755	72,447,501
Granted loans to related companies	7,707,975	8,599,429
Other debtors		
Trade creditors - debtor balances	44,321,459	34,270,501
Special regime for payment of tax and social security debts	28,354,934	28,354,934
Dividends to be received of jointly controlled companies	10,567,050	10,567,050
Vouchers and gift cards	4,273,302	3,289,808
VAT recoverable on real estate assets	1,417,717	2,905,724
Advances to suppliers	436,037	665,532
Reinsurance operations	262,488	2,102,625
Deposit in favor of Cosac	-	11,798,127
TRS related to own shares	-	410,944
Interests and accounts receivable from discontinued activities ^{a)}	-	10,936,329
Other current assets	22,581,733	23,985,624
	<u>112,214,721</u>	<u>129,287,198</u>
Other current assets		
Invoices to be issued	6,990,479	6,251,905
Commercial discounts	39,767,856	30,455,235
Prepayments of external supplies and services	13,982,124	12,077,662
Prepayments - Rents	5,745,392	6,210,168
Commissions to be received	2,937,666	2,627,215
Insurance indemnities	5,729,700	2,430,736
Other current assets	12,172,620	11,484,397
	<u>87,325,836</u>	<u>71,537,318</u>
Accumulated impairment losses in receivables accounts (Note 24)	<u>(21,525,323)</u>	<u>(21,486,090)</u>
	<u>340,136,834</u>	<u>345,671,874</u>

^{a)} The variations more significant under this caption result from the merger referred to in Note 4.

15 DEFERRED TAX

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

	Deferred tax assets		Deferred tax liabilities	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Difference between fair value and acquisition cost	5,896,033	5,911,741	27,451,959	27,533,300
Amortisation and Depreciation	1,518,036	1,371,758	69,312,212	62,855,081
Provisions and impairment losses not accepted for tax purposes	43,955,128	38,828,805	-	-
Write off of tangible and intangible assets	3,206,193	3,663,000	-	-
Valuation of hedging derivatives	22,741	210,756	91,650	60,252
Amortisation of Goodwill for tax purposes	-	-	25,477,059	25,128,058
Revaluation of tangible assets	-	-	1,510,645	1,543,774
Tax losses carried forward	74,173,099	62,456,417	-	-
Reinvested capital gains/(losses)	-	-	1,479,382	1,512,257
Tax Benefits	4,283,302	4,464,928	-	-
Others	7,450,652	6,252,459	7,578,801	2,463,247
	140,505,184	123,159,864	132,901,708	121,095,969

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

	31 Mar 2014			31 Dec 2013		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2008	1,276,249	293,537	2014	1,296,239	298,135	2014
Generated in 2009	145,240	33,405	2015	145,240	33,405	2015
Generated in 2010	99,670	22,924	2014	99,670	22,924	2014
Generated in 2011	1,199,591	294,472	2015	1,199,591	294,472	2015
Generated in 2012	87,055	20,023	2017	87,055	20,023	2017
Generated in 2013	-	-	2018	-	-	2018
Generated in 2014	49,169,385	11,308,958	2026	-	-	-
	51,977,190	11,973,318		2,827,795	668,959	
With a time limit different from the above mentioned (a)	206,983,898	62,199,781		205,722,563	61,787,458	
	258,961,088	74,173,099		208,550,358	62,456,417	

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

As at 31 March 2014 and 31 December 2013, deferred tax assets resulting from tax losses 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 may be offset against available tax losses or against deductible temporary differences.

As at 31 March 2014 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 58 million euro (57.9 million euro as at 31 December 2013). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 31 March 2014 and 31 December 2013, 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, that the mentioned deferred tax assets are fully recoverable.

As at 31 March 2014 there was tax losses carried forward, for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarized as follows:

	31 Mar 2014			31 Dec 2013		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2008	8,295,906	2,022,076	2014	8,723,778	2,120,486	2014
Generated in 2009	10,234,642	2,400,879	2015	10,226,350	2,404,541	2015
Generated in 2010	11,187,572	2,624,821	2014	11,187,572	2,624,821	2014
Generated in 2011	7,520,471	1,784,165	2015	7,520,472	1,784,165	2015
Generated in 2012	11,599,478	2,756,301	2017	11,599,479	2,756,301	2017
Generated in 2013	17,330,745	3,986,071	2018	17,313,620	4,036,044	2018
Generated in 2014	1,468,513	337,758	2026	-	-	
	<u>67,637,327</u>	<u>15,912,071</u>		<u>66,571,271</u>	<u>15,726,358</u>	
Without limited time use	38,640,423	10,300,910		36,681,986	7,303,523	
With a time limit different from the above mentioned ^(a)	257,634,296	71,701,708		253,301,226	70,394,923	
	<u>363,912,046</u>	<u>97,914,689</u>		<u>356,554,483</u>	<u>93,424,804</u>	

16 CASH AND CASH EQUIVALENTS

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

	31 Mar 2014	31 Dec 2013
Cash at hand	7,195,672	7,547,903
Bank deposits	259,794,574	197,242,711
Treasury applications	177,621,015	161,518,304
Cash and cash equivalents on the statement of financial position	444,611,261	366,308,918
Bank overdrafts (Note 19)	<u>(36,435,542)</u>	<u>(439,462)</u>
Cash and cash equivalents on the statement of cash flows	<u>408,175,719</u>	<u>365,869,456</u>

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

17 SHARE CAPITAL

As at 31 March 2014, 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 share capital.

This transaction has a 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 Investments BV 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 23).

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 Sonae 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, as at 4 January 2008, demerger rights attributable to the 132,800,000 Sonae SGPS, SA shares subject to the above mentioned agreement, Sonae recognized an asset measured at its' fair value . This asset has not been derecognized as Sonae 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 2013 Sonae Investments BV requested a partial cancellation of the Cash Settled Equity Swap for 10,719,496 Sonae Holding shares. Thereafter, the derivative financial instrument focused on 122,080,504 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 3 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. In November 2013 was carried further renewal for a further period of one year, keeping the other conditions unchanged.

Considering the operations mentioned above, the amount of the liability recorded amounts to 103,720,530 euro (Note 23) (103,289,056 euro as at 31 December 2013) reflecting the market value of Sonae Holding shares.

These liabilities are adjusted at the end of each month by the effect in Sonae Holding 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.

Additionally, the costs related to the "floating amount" based on Euribor 1 month are recognized 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 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 28).

As at 31 March 2014, the following entities held more than 20% of the subscribed share capital:

Entity	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.48

18 NON – CONTROLLING INTEREST

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

	31 Mar 2014	31 Dec 2013
Opening balance as at 1 January	344,325,829	349,901,121
Dividends	(320,828)	(29,848)
Increased shareholding by acquisitions	(173,803,324)	(9,419,407)
Change in currency translation reserve	463,166	815,101
Obligation fulfilled by share attribution to employees	(851,066)	-
Change in the fair value of investments available for sale	-	(3,184,429)
Changes in hedge and fair value reserves	(3,360)	31,554
Decreased shareholding by disposals	422,845	-
Others	(92,338)	(5,433)
Profit for the period attributable to non-controlling interests	95,451	7,515,646
Closing balance	170,236,375	345,624,305

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014.

On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. During the year 2014 Sonaecom reduced its capital by € 136 million as a result of the extinction of the own shares acquired (54,906,831 shares) and reduction of the nominal value of the remaining shares of capital stock of the of Sonaecom 1 euro to 0.74 euro per share, resulting in an increase in the percentage of ownership of the Group and consequently a significant reduction of non-controlling interest, as explained in the above table in the caption " Increased shareholding by acquisitions " in the period ending 31 March 2014.

As a return for the own shares acquired in this General Public Offer and Voluntary process Sonaecom delivered 26,476,792 shares representing the share capital of Zon Optimus which were recorded in the balance sheet by EUR 141,650,837 (Note 12) and the amount of 19,633 euros in cash.

19 LOANS

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

	31 Mar 2014		31 Dec 2013	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae, SGPS, SA / 2012	1,502,486	-	1,961,683	-
Sonae, SGPS, SA / 2012/2015	-	75,000,000	-	75,000,000
Sonae, SGPS, SA - commercial paper	-	135,000,000	-	20,000,000
Sonae Investimentos, SGPS, SA - commercial paper	107,500,000	213,000,000	32,500,000	65,000,000
Sonae Investimentos affiliated /2011/2026	20,000,000	45,000,000	20,000,000	45,000,000
MDS, SGPS, SA - commercial paper	2,500,000	15,700,000	2,500,000	15,700,000
MDS SGPS, SA affiliated / 2011/2016	3,676,895	12,629,335	3,530,206	12,125,491
Others	4,931,544	7,630,941	4,925,194	9,429,115
	140,110,926	503,960,276	65,417,083	242,254,606
Bank overdrafts (Note 16)	36,435,542	-	439,462	-
Up-front fees beard with the issuance of borrowings	(63,041)	(875,635)	(64,638)	(1,090,766)
Bank loans	176,483,427	503,084,641	65,791,907	241,163,840
Bonds				
Bonds Sonae SGPS / 2007/2014	150,000,000	-	150,000,000	-
Bonds Sonae SGPS / 2007/2015	-	250,000,000	-	250,000,000
Bonds Continente -7% /2012/2015	-	199,378,150	-	200,000,000
Bonds Sonae Investimentos SGPS / 2007/2015	-	200,000,000	-	200,000,000
Bonds Sonae Investimentos SGPS / 2007/2015	-	155,000,000	-	155,000,000
Bonds Sonae Investimentos SGPS / 2009/2014	-	-	10,000,000	-
Bonds Sonae Investimentos SGPS/ 2012/2017	-	170,000,000	-	170,000,000
Bonds Sonae Investimentos SGPS/ 2013/2018	-	50,000,000	-	50,000,000
Sonae Investimentos SGPS/2013-EUR 75 M.Floating R.Notes-2018	-	75,000,000	-	75,000,000
Bonds Sonaecom SGPS/ 2013/2016	20,000,000	-	-	20,000,000
Up-front fees beard with the issuance of borrowings	214,534	(5,835,766)	(37,642)	(6,600,100)
Bonds	170,214,534	1,093,542,384	159,962,358	1,113,399,900
Other loans	24,352	53,936	33,466	53,936
Derivative instruments (Note 20)	3,217,315	-	3,836,167	-
Other loans	3,241,667	53,936	3,869,633	53,936
Obligations under finance leases	3,348,396	7,962,351	4,314,843	7,980,489
	353,288,024	1,604,643,312	233,938,741	1,362,598,165

- (a) During the year ended at 31 December 2013, following the merger of Zon Optimus (Nota 4), the bonds loans of 100 million and 40 million euro was transferred to Zon Optimus;
- (b) During the year ended at 31 December 2013, following the merger of Zon Optimus (Note 4), the Bond Loan of Euro 20 million euro was fully reimbursed and, subsequently, transferred to Zon Optimus the capacity to use this facility in the form of commercial paper by the same amount.

The average interest rate at 31 March 2014 of bonds and loans was of 3.11% (3.19% 31 December 2013). Most bonds and bank loans bear interests at variable interest rates indexed to Euribor.

At 31 March 2014, Sonae has agreed lines of credit and commercial paper amounting to 1,361 million euro, out of which 502 million euro with firm commitments with maturity not exceeding one year and 556 million euro with firm commitments with maturity over 1 year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, Group had 548 million euro credit facilities available to meet its liquidity requirements.

The derivative instruments are recorded at fair value (Note 19).

The repayment schedule of the nominal value of loans can be summarized as follows:

	31 Mar 2014	31 Dec 2013
N+1 ^{a)}	349,919,216	230,204,854
N+2	951,847,993	953,858,993
N+3	256,867,778	159,231,129
N+4	100,340,408	99,897,102
N+5	249,503,786	149,488,617
After N+5	52,794,748	7,813,190
	<u>1,961,273,929</u>	<u>1,600,493,885</u>

a) Includes the amounts drawn under commercial paper programs.

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.

20 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 March 2014, there are no exchange rate derivatives which haven't been considered heading instruments. The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 794,466 euro as liabilities and assets as 143,282 euro (1,415,143 euro as liabilities and 35,999 euro as assets as at 31 December 2013).

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

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

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

Interest rate derivatives

As at 31 March 2014, 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 150,000,000 euro (150,000,000 euro as at 31 December 2013). The net fair value of these derivatives amounts to -2,422,849 euro (-2,421,024 euro as at 31 December 2013), and was recorded as liabilities.

The derivatives were valued 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 flow of 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 of 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 March 2014 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 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Hedging derivatives				
Exchange rate	143,282	35,999	794,466	1,415,143
Interest rate	-	-	2,422,849	2,421,024
	143,282	35,999	3,217,315	3,836,167

21 OTHER NON – CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013, "Other non-current liabilities" is detailed as follows:

	31 Mar 2014	31 Dec 2013
Shareholders loans	13,465,153	13,298,924
Fixed assets suppliers	1,614,208	1,626,708
Deferral of the disposal of the extended warranties	29,530,200	25,679,570
Other non-current liabilities	3,269,383	3,210,995
Accruals and deferrals	7,076,155	7,431,684
Other non-current liabilities	54,955,099	51,247,881

The caption "Shareholders 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.

22 SHARE BASED PAYMENTS

In 2014 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report 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 year of the grant date and the end of that year.

As at 31 March 2014, 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 2014, 2013 and 31 December 2012. Share-based payments costs are recognized on a straight line basis between the grant and the settlement date.

At 10 March 2014, Sonaecom shares plans were fully converted into Sonae SGPS shares. This conversion was based on the terms set out in Tender offer for the general and voluntary acquisition of own shares at 20 February 2014, referred to in Note 18 to determinate the fair value of Sonaecom plans, and based on the price of shares Sonae SGPS.

In this way, each action Sonaecom corresponded to 0.48228346 shares Zon Optimus.

The conversion of the plans was based Sonaecom / Sonae SGPS implied ratio arising from the tender offer (1 Sonaecom Share – approximately 2.05 Sonae SGPS shares).

As at 31 March 2014 and 31 December 2013, 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		Share price on date of assignment		Number of shares		
			Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom	31-Mar-14	31 Dec 2013	
							Sonae SGPS	Sonae SGPS	Sonaecom
Shares	2011	2014	55	44	0.811	1.399	-	3,984,562	477,778
	2012	2015	61	45	0.401	1.256	6,865,614	6,648,312	540,805
	2013	2016	65	46	0.701	1.505	4,859,402	3,471,375	406,903
	2014	2017	65	50	1.364	-	4,199,810	-	-
Total							15,924,826	14,104,249	1,425,486

During the period ending 31 March 2014 the movements on the above mentioned share based plans were the following:

	Sonae Shares		Sonaecom Shares	
	Aggregate number of participants	Number of Shares	Aggregate number of participants	Number of Shares
Closig balance as at 31 December	181	14,104,249	135	1,425,486
Grant	-	-	-	-
Vesting	(44)	(580,860)	-	-
Converted	135	2,923,738	(135)	(1,425,486)
Canceled / extinct / corrected / transferred ⁽¹⁾	9	75,182	-	-
Closig balance as at 31 March 2014	281	16,522,309	-	-

(1) Corrections are made on the basis of the dividend paid and the changes of share capital and other equity adjustments.

As at 31 March 2014 and 31 December 2013, the fair value of total liabilities on the date of allocation arising from share-based payments, which have not yet vested, may be summarized as follows:

Grant year	Vesting year	Fair value *		
		31-Mar-14	31 Dec 2013	
		Sonae SGPS	Sonae SGPS	Sonaecom
2011	2014	-	3,831,488	212,649
2012	2015	8,632,347	3,487,040	269,234
2013	2016	3,984,413	606,912	47,778
2014	2017	1,520,462	-	-
Total		14,137,222	7,925,440	529,661

* Share market value as of 31 March 2014 and 31 December 2013.

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

	31-Mar-14	31 Dec 2013
Recorded in staff costs	2,451,489	3,547,677
Recorded in previous years	6,172,486	2,928,998
	8,623,975	6,476,675
Recorded in other liabilities	1,898,708	592,658
Recorded value in Other reserves	6,725,267	5,884,017
	8,623,975	6,476,675

23 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013, "Trade creditors and other current liabilities" were made up as follows:

	31 Mar 2014	31 Dec 2013
Trade creditors	868,792,872	1,162,317,682
Taxes payable	65,819,679	55,757,125
Other creditors		
Fixed asset suppliers	120,939,471	140,215,384
Related undertakings	69,757,366	-
Other debts	172,164,908	173,098,204
	<u>362,861,745</u>	<u>313,313,588</u>
Other current liabilities		
Tangible assets accrued costs	7,542,353	5,090,656
Holiday pay and bonuses	105,519,441	106,440,174
Interests payable	14,261,405	15,321,429
Invoices to be issued	1,618,904	2,252,529
Marketing expenses	10,844,571	14,853,351
Other external supplies and services	36,086,292	41,371,260
Advance receipts from trade receivables	9,450,732	10,813,245
Accrued income - rents	4,696,397	4,207,271
Others	17,647,491	14,318,679
	<u>207,667,586</u>	<u>214,668,594</u>
	<u>1,505,141,882</u>	<u>1,746,056,989</u>

The Caption "Fixed assets suppliers" includes the amount of 103,720,530 euro (103,289,056 euro as at 31 December 2013) for the fair value of the shares Sonae Holding covered by financial derivative referred to in Note 17.

The Caption "Other debts" includes the amount of 103,138,217 euro (102,095,077 euro as at 31 December 2013) relating to an agreement with a subsidiary of France Telecom ("FT - Orange") on the transfer of 20% of equity of Sonaecom SGPS, SA to Sonae SGPS, SA. Taking into consideration that under this agreement, the rights related with these shares were transferred to Sonae, the Company recorded this asset acquisition through a deferred payment. The value by which this asset was accounted for, corresponds to the agreed price in the case of the existence of a consolidation operation in the telecommunications sector in Portugal (a fact which was confirmed later) discounted to the time of the acquisition. This account payable is accounted for at its discounted amount (to be paid on August 2014).

24 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

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

Caption	Balance as at 1 January 2014	Increase	Decrease	Balance as at 31 March 2014
Accumulated impairment losses on investments (Note 12)	2,358,392	-	(2,100,845)	257,547
Impairment losses on fixed tangible assets	152,883,610	-	(3,231,834)	149,651,776
Impairment losses on intangible assets	1,497,119	-	-	1,497,119
Accumulated impairment losses on trade account receivables and other debtors (Note 14)	21,486,090	505,651	(466,418)	21,525,323
Accumulated impairment losses on inventories	32,667,082	-	(5,009,608)	27,657,474
Non current provisions	50,659,919	665,703	(5,353,536)	45,972,086
Current provisions	2,828,507	4,594	-	2,833,101
	<u>264,380,719</u>	<u>1,175,948</u>	<u>(16,162,241)</u>	<u>249,394,426</u>

Caption	Balance as at 1 January 2013	Increase	Decrease	Balance as at 31 March 2013
Accumulated impairment losses on investments	1,187,115	-	739	1,187,854
Accumulated impairment losses on other non-current assets	1,000,000	-	-	1,000,000
Accumulated impairment losses on trade account receivables and other debtors	101,205,190	5,549,416	(16,586,996)	90,167,610
Accumulated impairment losses on inventories	47,538,542	-	(6,250,768)	41,287,774
Non current provisions	114,470,445	2,797,198	(4,284,805)	112,982,838
Current provisions	2,426,809	2,608,716	(730,369)	4,305,156
	<u>267,828,101</u>	<u>10,955,330</u>	<u>(27,852,199)</u>	<u>250,931,232</u>

As at 31 March 2014 and 31 December 2013, provisions can be analyzed as follows:

	31 Mar 2014	31 Dec 2013
Technical provisions on reinsurance	16,833,632	18,116,091
Future liabilities relating to subsidiaries of retail in Brazil sold	14,030,093	13,470,170
Clients guarantees	11,885,500	13,890,215
Judicial claims	1,222,449	2,592,579
Others	4,833,513	5,419,371
	<u>48,805,187</u>	<u>53,488,426</u>

Impairment losses are deducted from the book value of the corresponding asset.

25 CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2014 and 31 December 2013, major contingent liabilities were guarantees given and can be detailed as follows:

-Guarantees and sureties given

	31-Mar-14	31 Dec 2013
Guarantees given:		
on tax claims	838,357,104	853,320,334
on judicial claims	211,268	211,268
on municipal claims	6,312,639	6,284,639
contract by proper compliments	19,710,029	19,829,236
other guarantees	3,827,889	3,531,287

a) Tax claims

The main tax claims were bank guarantees given or sureties as follows:

- Some retail operating segment subsidiaries of the Company granted guarantees or securities in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 376.7 million euro (375 million euro as at 31 December 2013) related to the period from 2004 to 2009, which the Company has presented, or has the intention of presenting, a tax appeal. The increase in the value of guarantees and securities provided in relation to the previous year, mainly result from additional tax assessments over 2008 and 2009. 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 caption guarantees given on tax claims include guarantees granted, in the amount of 71.4 million euro, in favor of Tax authorities regarding 2007, 2008 and 2009. 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, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. 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;

- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for that period as Tax authorities did not accept the recognition of tax losses incurred after the liquidation of a subsidiary of Sonae Investimentos, since it considered that the cover of losses in that subsidiary should not be part of its acquisition cost, which is not in accordance with previous assessments of Tax Authorities. Tax Authorities;

- Sureties in the amount of, approximately 50 million euro, following a tax appeal presented by the Company concerning additional tax assessments made by Tax authorities, relating to 31 December 2002, which refer to the non-acceptance by Tax authorities of tax losses arising on the sale and liquidation of a subsidiary of the Group;

Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 21 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 39.9 million euro (122 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

b) Contingent liabilities related to tax claims paid under regularization programs of tax debts.

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 151-A/2013 e Decree of Law 248-A), the Group made tax payments in the amount of, approximately, 28 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts.

c) Other contingent liabilities

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

In addition to the previously disclosed guarantees, as a consequence of the sale of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on 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 March 2014, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.3 million euro) related to programmes for the Brazilian State of tax recovery, amount to near 37.8 million euro (37.8 million euro at 31 December 2013). Furthermore, there are other tax assessments totaling 61.3 million euro (61.3 million euro at 31 December 2013) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary;

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

26 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 Mar 2014	31 Mar 2013 Restated (Note 4)	31 Mar 2014	31 Mar 2013 Restated (Note 4)
Parent Company	39,082	38,925	164,624	136,243
Jointly controlled companies	5,455,653	2,641,708	12,142,732	10,179,798
Associated companies	6,584,779	6,456,702	341,817	325,729
Other related parties	14,303,645	15,452,905	5,384,394	4,445,855
	<u>26,383,159</u>	<u>24,590,240</u>	<u>18,033,567</u>	<u>15,087,625</u>
Transactions	Interest income		Interest expenses	
	31 Mar 2014	31 Mar 2013 Restated (Note 4)	31 Mar 2014	31 Mar 2013 Restated (Note 4)
Jointly controlled companies	110,362	104,402	-	-
Associated companies	-	21,488	-	-
Other related parties	-	-	138,552	157,840
	<u>110,362</u>	<u>125,890</u>	<u>138,552</u>	<u>157,840</u>
Balances	Accounts receivable		Accounts payable	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Parent Company	100,284	51,445	7,242,469	767,433
Jointly controlled companies	18,228,067	32,554,816	7,131,150	17,795,118
Associated companies	2,084,383	6,612,647	81,388	364,066
Other related parties	10,834,952	14,510,202	34,326,782	7,475,633
	<u>31,247,686</u>	<u>53,729,110</u>	<u>48,781,789</u>	<u>26,402,250</u>
Balances	Loans		Loans	
	Obtained		Granted	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Jointly controlled companies	-	-	7,700,000	8,599,429
Other related parties	12,947,387	13,383,628	-	3,570
	<u>12,947,387</u>	<u>13,383,628</u>	<u>7,700,000</u>	<u>8,602,999</u>

The caption other related parties includes, 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.

27 INCOME TAX

As at 31 March 2014 and 2013, Income tax is made up as follows:

	31 Mar 2014	31 Mar 2013 Restated (Note 4)
Current tax	5,786,285	5,684,914
Deferred tax	(5,893,224)	(6,706,998)
	<u>(106,939)</u>	<u>(1,022,084)</u>

28 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	31 Mar 2014	31 Mar 2013 Restated (Note 4)	
	Continuing Operations	Continuing Operations	Discontinued Operations
Net profit			
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	10,128,990	(3,265,787)	12,157,941
Effect of dilutive potential shares	-	-	-
Interest related to convertible bonds (net of tax)	-	-	-
Net profit taken into consideration to calculate diluted earnings per share	10,128,990	(3,265,787)	12,157,941
Number of shares			
Weighted average number of shares used to calculate basic earnings per share	1,877,919,496	1,873,070,391	1,873,070,391
Effect of dilutive potential ordinary shares from convertible bonds	-	-	-
Outstanding shares related with share based payments	15,924,826	13,976,508	13,976,508
Shares related to performance bonus that can be bought at market price	(4,666,952)	(4,811,181)	(4,811,181)
Weighted average number of shares used to calculate diluted earnings per share	1,889,177,370	1,882,235,718	1,882,235,718
Earnings per share			
Basic	0.005394	(0.001744)	0.006491
Diluted	0.005362	(0.001735)	0.006459

29 DIVIDENDS

In the Shareholders Annual General Meeting held on 30 April 2014, the payment of a gross dividend of 0.0348 euro per share (0.0331 euro per share in 2013) corresponding to a total of 69,600,000 euro (66,200,000 euro at 2013) was approved.

30 SEGMENT INFORMATION

Sonae is mostly a retail company with two major partnerships in the areas of Shopping Centres (Sierra) and Telecommunications (Zon Optimus). The following operating segments were identified:

In retail, the group has three segments:

- Sonae MC is our food retail unit, operating 465 stores and 93 stores operated under franchise and joint venture agreements under Continente, Continente Modelo, Continente Bom Dia, Meu Super business concepts and even some adjacent business concepts Bom Bocado, Book.it and Wells
- Sonae SR is our specialised retail unit, with a presence in the electronics, sports and fashion market operating 517 stores and 61 stores operated under franchise agreements under the Worten, Sport Zone, MO and Zippy business concepts.
- Sonae RP is our retail real estate unit which actively manages retail real estate properties of Sonae, composed principally of stores operating under the brand Continente and under other brands of Sonae SR.

The Investment Management operating segment includes a company that operates in the retail DIY products, building and garden (Maxmat), a travel agency (Geostar), insurance brokers (MDS) as well as Wedo Technologies, Saphety, Mainroad, Bizdirect and Publico.

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

Sonae's reportable segment information regarding the income statement in accordance with IFRS 8 can be analysed as follows:

Turnover	31 Mar 2014	Inter-segment income	31 Mar 2013 Restated (Note 4)	Inter-segment income
Sonae MC	787,141,650	(1,380,366)	773,866,993	(880,132)
Sonae SR	291,375,343	(7,821,829)	264,476,899	(7,682,037)
Sonae RP	31,437,015	(27,574,752)	30,524,854	(27,370,579)
Investment management	55,203,218	(2,546,280)	53,939,167	(3,956,021)
Other, eliminations and adjustments	(38,687,998)	(40,000)	(37,722,876)	(40,000)
Total consolidated	1,126,469,228	(39,363,227)	1,085,085,037	(39,928,769)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	31 Mar 2014	31 Mar 2013 Restated (Note 4)	31 Mar 2014	31 Mar 2013 Restated (Note 4)	31 Mar 2014	31 Mar 2013 Restated (Note 4)
Sonae MC	20,672,501	21,445,615	267,415	309,612	13,688,086	19,644,612
Sonae SR	10,507,417	16,276,885	234,138	4,909,815	(17,730,269)	(32,916,611)
Sonae RP	7,250,070	7,661,916	-	-	20,930,672	19,553,080
Investment management	3,037,749	3,283,733	22,671	263,657	(1,017,798)	(3,521,772)
Other, eliminations and adjustments ⁽¹⁾	242,261	232,318	19,852	-	11,896,670	19,910,740
Total direct consolidated	41,709,998	48,900,467	544,076	5,483,084	27,767,361	22,670,049

	Net financial expenses ⁽²⁾		Income tax ⁽²⁾	
	31 Mar 2014	31 Mar 2013 Restated (Note 4)	31 Mar 2014	31 Mar 2013 Restated (Note 4)
Retail businesses	(16,574,128)	(18,474,101)	95,089	(2,141,511)
Investment management	(655,531)	(3,857,631)	308,264	794,256
Holding ⁽¹⁾	(2,623,829)	864,788	(510,292)	325,171
Total consolidated	(19,853,488)	(21,466,944)	(106,939)	(1,022,084)

	Investment (CAPEX)		Net invested capital	
	31 Mar 2014	31 Mar 2013 Restated (Note 4)	31 Mar 2014	31 Dec 2013
Sonae MC	17,976,251	16,858,034	652,397,524	476,722,790
Sonae SR	10,224,585	3,699,788	206,653,669	100,910,578
Sonae RP	1,325,592	10,572,652	1,231,711,855	1,253,629,991
Investment management	4,622,947	25,071,358	213,764,457	350,547,503
Other, eliminations and adjustments ⁽¹⁾	139,406,799	572,849	902,272,547	945,565,097
Total consolidated	173,556,174	56,774,681	3,206,800,052	3,127,375,959

	Total net debt ^{(2) (3)}	
	31 Mar 2014	31 Dec 2013
Retail businesses	1,011,505,189	749,628,495
Investment management	70,127,736	56,363,559
Holding ⁽¹⁾	422,408,969	413,272,470
Total consolidated	1,504,041,894	1,219,264,524

(1) Includes Sonae Individual accounts;

(2) These captions are accompanied by management in a more aggregated form, and not allocated to individual operating segments identified above;

(3) Includes shareholder loans and excluding inter-segment securitized debt.

The caption "Eliminations Adjustments and Others" can be analysed as follows:

	Turnover		EBIT	
	31 Mar 2014	31 Mar 2013 Restated (Note 4)	31 Mar 2014	31 Mar 2013 Restated (Note 4)
Inter-segment income	(39,363,227)	(39,928,769)	-	-
Equity method	-	-	10,646,987	13,944,369
Others	675,229	2,205,893	1,249,683	5,966,352
Other, eliminations and adjustments	(38,687,998)	(37,722,876)	11,896,670	19,910,740

	Investment		Invested capital	
	31 Mar 2014	31 Mar 2013 Restated (Note 4)	31 Mar 2014	31 Dec 2013
Inter-segment balances	(1,297,456)	1,090,515	(21,689,714)	14,233,065
Increase of participation in Sonaecom (Note 18)	140,704,255	-	-	-
Sonae Sierra and Zopt Investments	-	-	1,160,129,239	1,144,792,015
Cash settled equity swap ⁽⁴⁾	-	-	(103,720,530)	(103,289,056)
Debt to France Télécom-Orange (Note 23)	-	-	(103,138,307)	(102,095,077)
Others eliminations and adjustments	-	(517,666)	(29,308,141)	(8,075,850)
Other, eliminations and adjustments	139,406,799	572,849	902,272,547	945,565,097

(4) Financial Instrument reported in Note 23.

All performance measures are reconciled to the financial statements in note 31.

Glossary:

Net Invested capital = Total net debt + total shareholder funds;

Net debt = Bonds + bank loans + other loans + shareholder loans + financial leases - cash, bank deposits, current investments, excluding the participation of 2.14% in ZON OPTIMUS, and other long term financial applications;

Other eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, ie are included in addition to Sonae SGPS companies identified as "Other" in Note 5.

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

31 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA and underlying EBITDA the consolidated income statement is divided between Direct Income and Indirect Income.

The Indirect Income includes the contribution of Sonae Sierra, 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 relating to non-current assets (including goodwill) and (iv) provisions for assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decreases in goodwill, (iii) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues. The value of EBITDA is only calculated in the direct income component, excluding the indirect contributions.

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

	31 Mar 2014			31 Mar 2013 Restated (Note 4)			
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Consolidated accounts Pro forma basis (g)	Indirect income	Direct income
Turnover	1,126,469,228	-	1,126,469,228	1,085,085,037	-	-	1,085,085,037
Investment income							
Dividends	150,000	-	150,000	-	-	-	-
Others	421,555	-	421,555	(13,000)	-	-	(13,000)
Other income							
Impairment losses reversal	635,636	-	635,636	1,012,110	-	-	1,012,110
Others	113,713,443	-	113,713,443	90,932,827	-	-	90,932,827
Total income	1,241,389,862	-	1,241,389,862	1,177,016,974	-	-	1,177,016,974
Total expenses	(1,181,865,412)	-	(1,181,865,412)	(1,113,907,762)	-	-	(1,113,907,762)
Depreciation and amortisation	(41,709,998)	-	(41,709,998)	(48,900,467)	-	-	(48,900,467)
Non-recurring impairment losses over inventories	(1,339,176)	-	(1,339,176)	-	-	-	-
Provisions and impairment							
Others	(544,076)	-	(544,076)	(5,483,084)	-	-	(5,483,084)
Profit before financial results and share of results in associated companies	17,270,376	-	17,270,376	8,725,661	-	-	8,725,661
Gains and losses on investments recorded at fair value through results	1,979,920	1,979,920	-	-	-	-	-
Financial profit/(loss)	(19,853,488)	-	(19,853,488)	(21,466,944)	-	-	(21,466,944)
Share of results in joint ventures and associated undertakings							
Sonae Sierra	5,899,798	73,707	5,826,091	6,244,112	-	(1,188,452)	7,432,564
ZOPT	4,991,828	-	4,991,828	-	6,875,000	-	6,875,000
Others	(170,932)	-	(170,932)	(363,176)	-	-	(363,176)
Profit before income tax	10,117,502	2,053,627	8,063,875	(6,860,347)	6,875,000	(1,188,452)	1,203,105
Income tax	106,939	-	106,939	1,022,084	-	-	1,022,084
Profit/(Loss) from continuing operations	10,224,441	2,053,627	8,170,814	(5,838,263)	6,875,000	(1,188,452)	2,225,189
Profit/(Loss) from discontinued operations	-	-	-	22,246,063	(22,246,063)	-	-
Net profit for the period	10,224,441	2,053,627	8,170,814	16,407,800	(15,371,063)	(1,188,452)	2,225,189
Attributable to equity holders of Sonae	10,128,990	2,053,627	8,075,363	8,892,154	(8,300,374)	(1,188,452)	1,780,232
Non-controlling interests	95,451	-	95,451	7,515,646	(7,070,689)	-	444,957
"Underlying" EBITDA (a)			60,077,990				62,097,102
EBITDA (b)			70,724,977				76,041,490
EBIT (c)			27,767,363				22,670,049

- (a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + Share of results in joint ventures and associated undertakings (Sonae Sierra direct results, and Zon Optimus and Geostar) + the impact of discontinued operations of Optimus;
- (b) "Underlying" EBITDA = total direct income - total expenses - reversal of impairment losses (see reconciliation);
- (c) Direct EBIT = Direct EBT - financial results + discontinued operations of Optimus;
- (d) Direct EBT = Direct results before non-controlling interests and taxes;
- (e) Direct income = Results excluding contributions to indirect income;
- (f) Indirect income = Includes Sonae Sierra's results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for noncurrent assets (including goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues;

- (g) The figures of Zon Optimus related to 2013 were adjusted in the profit and loss statements on a pro forma basis for the 1st quarter results, assuming that the ZON OPTIMUS merger occurred in the 1st January 2013, with some consolidation effects in our co-controlled vehicle company. This criterion, besides assuring an easier and fairer comparability between 2013 and 2014 results.

32 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 13 May 2014.

The Board of Directors

Belmiro Mendes de Azevedo

Álvaro Carmona e Costa Portela

Álvaro Cuervo Garcia

Bernd Bothe

Christine Cross

Michel Marie Bon

José Neves Adelino

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Condensed individual financial statements

Condensed Individual Statement of Financial Position as at 31 March 2014 and 2013 and as at 31 December 2013

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

(Amounts expressed in euro)

ASSETS	Notes	31.March.2014	31.March.2013	31.December.2013
NON-CURRENT ASSETS:				
Tangible assets		136,701	167,841	144,778
Intangible assets		10,637	16,141	13,245
Investments in affiliated companies	4	3,627,061,019	3,533,737,174	3,638,337,796
Other investments	5	29,666,786	43,969,148	29,367,435
Deferred tax assets		12,409,299	-	-
Other non-current assets	6	472,066,551	357,086,551	472,066,551
Total non-current assets		4,141,350,993	3,934,976,855	4,139,929,805
CURRENT ASSETS:				
Trade account receivables and other current assets	7	61,930,542	56,273,120	17,553,530
Cash and cash equivalents	8	194,203,593	57,918,276	96,239,237
Total current assets		256,134,135	114,191,396	113,792,767
TOTAL ASSETS		4,397,485,128	4,049,168,251	4,253,722,572
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Treasury shares		(2,496,969)	-	-
Reserves and retained earnings		1,345,438,780	1,229,592,353	1,271,218,283
Profit for the period		32,364,592	33,967,264	159,490,511
TOTAL EQUITY		3,375,306,403	3,263,559,617	3,430,708,794
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	656,467,539	676,563,969	541,508,790
Other non-current liabilities		947,663	4,553,640	1,127,105
Total non-current liabilities		657,415,202	681,117,609	542,635,895
CURRENT LIABILITIES:				
Loans	10	154,201,025	1,509,627	154,354,943
Trade creditors and other current liabilities	11	210,562,498	102,981,398	126,022,940
Total current liabilities		364,763,523	104,491,025	280,377,883
TOTAL EQUITY AND LIABILITIES		4,397,485,128	4,049,168,251	4,253,722,572

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

The Board of Directors

Condensed Individual Income Statements for the periods ended 31 March 2014 and 2013

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

(Amounts expressed in euro)

	Notes	31.March.2014	31.March.2013
Services rendered		119,094	119,180
Gains or losses on investments	14	34,224,473	34,158,036
Financial income		9,314,768	11,067,875
Other income		780,000	823,127
External supplies and services		(813,589)	(867,217)
Staff costs		(546,033)	(534,714)
Depreciation and amortisation		(11,185)	(23,155)
Financial expenses		(11,144,063)	(10,448,972)
Other expenses		(84,332)	(326,896)
Profit/(Loss) before taxation		31,839,133	33,967,264
Taxation		525,459	-
Profit/(Loss) after taxation		32,364,592	33,967,264
Profit/(Loss) per share			
Basic	15	0.016185	0.016984
Diluted	15	0.016177	0.016973

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

The Board of Directors

Condensed Individual Statements of Comprehensive Income for the periods ended at 31 March 2014 and 2013

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

(Amounts expressed in euro)

	31.March.2014	31.March.2013
Net Profit / (Loss) for the period	32,364,592	33,967,264
Changes on fair value of available-for-sale financial assets	(16,978,284)	29,379,300
Changes in hedge and fair value reserves	1,196,393	222,988
Other comprehensive income for the period	(15,781,891)	29,602,288
Total comprehensive income for the period	16,582,701	63,569,552

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

The Board of Directors

Condensed Individual Statements of Changes in Equity for the periods ended at 31 March 2014 and 2013

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

(Amounts expressed in euro)

	Share capital	Treasury shares	Reserves and retained earnings				Total reserves and retained earnings	Net profit/(loss)	Total
			Legal reserve	Fair value reserve	Hedging reserve	Other reserves and retained earnings			
Balance as at 1 January 2013	2,000,000,000	-	187,137,648	512,403,476	(2,383,292)	545,977,500	1,243,135,332	22,964,317	3,266,099,649
Total comprehensive income for the period	-	-	-	29,379,300	222,988	-	29,602,288	33,967,264	63,569,552
Appropriation of profit of 2012:									
Transfer to legal reserves and retained earnings	-	-	1,148,216	-	-	21,816,101	22,964,317	(22,964,317)	-
Dividends distributed	-	-	-	-	-	(66,200,000)	(66,200,000)	-	(66,200,000)
Share based payments	-	-	-	-	-	90,416	90,416	-	90,416
Balance as at 31 March 2013	2,000,000,000	-	188,285,864	541,782,776	(2,160,304)	501,684,017	1,229,592,353	33,967,264	3,263,559,617
Balance as at 1 January 2014	2,000,000,000	-	188,285,864	580,329,718	1,163,254	501,439,447	1,271,218,283	159,490,511	3,430,708,794
Total comprehensive income for the period	-	-	-	(16,978,284)	1,196,393	-	(15,781,891)	32,364,592	16,582,701
Appropriation of profit of 2013:									
Transfer to legal reserves and retained earnings	-	-	7,974,526	-	-	81,915,985	89,890,511	(89,890,511)	-
Dividends distributed	-	-	-	-	-	5,094	5,094	(69,600,000)	(69,594,906)
Purchase of treasury shares	-	(2,496,969)	-	-	-	-	-	-	(2,496,969)
Share based payments	-	-	-	-	-	106,783	106,783	-	106,783
Balance as at 31 March 2014	2,000,000,000	(2,496,969)	196,260,390	563,351,434	2,359,647	583,467,309	1,345,438,780	32,364,592	3,375,306,403

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

The Board of Directors

Condensed Individual Cash Flow Statements for the periods ended at 31 March 2014 and 2013

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

(Amounts expressed in euro)

	Notes	31.March.2014	31.March.2013
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		1,367,113	(13,445)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments		-	4,660,000
Tangible and intangible assets		1,400	-
Interest and similar income		1,526,382	436,001
Loans granted		484,386,939	293,474,000
		485,914,721	298,570,001
Cash Payments arising from:			
Investments		(6,180,300)	(10,000,541)
Tangible and intangible assets		(94)	-
Loans granted		(484,386,939)	(297,737,551)
		(490,567,333)	(307,738,092)
Net cash used in investment activities (2)		(4,652,612)	(9,168,091)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		450,287,000	172,039,000
Sale of own shares		-	180,630
		450,287,000	172,219,630
Cash Payments arising from:			
Loans obtained		(336,550,047)	(251,258,456)
Interest and similar charges		(10,265,818)	(12,528,985)
Purchase of treasury shares		(2,496,969)	-
		(349,312,834)	(263,787,441)
Net cash used in financing activities (3)		100,974,166	(91,567,811)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		97,688,667	(100,749,347)
Cash and cash equivalents at the beginning of the period		96,239,237	158,667,623
Cash and cash equivalents at the end of the period	8	193,927,904	57,918,276

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

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

(Translation of the condensed individual financial statements originally issued in Portuguese.
In case of discrepancies 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.

2 BASIS OF PREPARATION

Interim financial statements are presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting".

3 PRINCIPAL ACCOUNTING POLICIES

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

4 INVESTMENTS IN AFFILIATED COMPANIES

As at 31 March 2014 and 31 December 2013 the company held investments in the following affiliated companies:

Companies	% Held	31.March.2014				
		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%	1,893,219,480	-	-	-	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%	500,118,000	-	-	14,444,500	514,562,500
Sonaecom, SGPS, SA	21.65%	196,989,312	6,180,300	-	(31,901,577)	171,268,035
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	731,545
Sontel, BV	35.87%	405,641,099	-	-	-	405,641,099
Total		3,836,337,796	6,180,300	-	(17,457,077)	3,825,061,019
Impairment		198,000,000	-	-	-	198,000,000
Total		3,638,337,796	6,180,300	-	(17,457,077)	3,627,061,019

31.December.2013

Companies	% 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%	1,893,219,480	-	-	-	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%	524,986,000	-	-	(24,868,000)	500,118,000
Sonaecom, SGPS, SA	20.94%	5,079,830	97,289,802	-	94,619,680	196,989,312
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	731,545
Sontel, BV	35.87%	405,641,099	-	-	-	405,641,099
Total		3,669,296,314	97,289,802	-	69,751,680	3,836,337,796
Impairment		165,500,000	32,500,000	-	-	198,000,000
Total		3,503,796,314	64,789,802	-	69,751,680	3,638,337,796

(a) The value of this investment is the price paid in the public tender offer for the 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 for the period of assets held by this affiliated company, after deduction of associated net debt and of the share attributable to non-controlling interests.

During the first quarter 2014 the Company acquired 2,611,383 of Sonaecom, SGPS, SA capital shares.

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. The change in the fair value of the above mentioned shares and liability was recognized in the income statement.

During the 1st half of 2013, Sonae entered into an agreement with a subsidiary of France Telecom ("FT-Orange") to transfer 20% of the capital of Sonaecom, SGPS, SA to Sonae, SGPS, SA. Sonae recorded this asset as an acquisition with deferred payment, since the shares rights under this agreement are attributed to Sonae. The carrying amount corresponded to the agreed price considering the consolidation of the telecommunications sector in Portugal, discounted to the acquisition date (97,289,802 euro).

The accumulated impairment loss on subsidiaries recorded in previous year's amounts to 198,000,000 euro and relates to financial investment held in Sontel BV (165,500,000 euro) and Sonae Investments, BV (32,500,000 euro).

5 OTHER INVESTMENTS

As at 31 March 2014 and 31 December 2013 other investments are as follows:

Companies	31.March.2014				
	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	29,315,009	-	-	299,351	29,614,360
Total	29,367,435	-	-	299,351	29,666,786

Companies	31.December.2013				
	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	19,936,181	10,000,541	-	(621,713)	29,315,009
Magma No. 1 Securitisation Notes	18,640,000	-	(18,640,000)	-	-
Total	38,628,607	10,000,541	(18,640,000)	(621,713)	29,367,435

6 OTHER NON-CURRENT ASSETS

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

	31.March.2014	31.December.2013
Loans granted to group companies:		
Sonae Investments, BV	124,666,551	124,666,551
Sonae Investimentos, SGPS, SA	347,400,000	347,400,000
	<u>472,066,551</u>	<u>472,066,551</u>

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 March 2014, is 42,644 euro (41,495 euro as at 31 December 2013) 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.

7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2014 and 31 December 2013 trade accounts receivable and other current assets are detailed as follows:

	31.March.2014	31.December.2013
Trade accounts receivable	213,259	468,059
Group companies	49,237,635	10,955,441
Taxes and contributions receivable	2,871,049	2,589,020
Accrued income and prepayments	9,342,736	3,302,072
Others	265,863	238,938
Total	<u>61,930,542</u>	<u>17,553,530</u>

The caption "Accrued income and prepayments" mainly includes receivables relating to interests from loans granted to group companies (Note 6).

8 CASH AND CASH EQUIVALENTS

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

	31.March.2014	31.December.2013
Cash at hand	89	89
Bank deposits	194,203,504	96,239,148
Cash and cash equivalents on the balance sheet	<u>194,203,593</u>	<u>96,239,237</u>
Bank overdrafts	275,689	-
Cash and cash equivalents on the cash flow statement	<u>193,927,904</u>	<u>96,239,237</u>

9 SHARE CAPITAL

As at 31 March 2014 and 31 December 2013 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

10 LOANS

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

	31.March.2014	31.December.2013
Bonds Sonae 2010/2015	250,000,000	250,000,000
Bonds Continente - 7% - 2012/2015	199,378,150	200,000,000
Up-front fees not yet charged to income statement	(2,429,861)	(2,911,460)
Bonds	446,948,289	447,088,540
Nominal value of bank loans	210,000,000	95,000,000
Up-front fees not yet charged to income statement	(480,750)	(579,750)
Bank loans	209,519,250	94,420,250
Non-current loans	656,467,539	541,508,790
Bonds Sonae 2007/2014	150,000,000	150,000,000
Up-front fees not yet charged to income statement	-	(27,764)
Bonds	150,000,000	149,972,236
Bank overdrafts	275,689	-
Derivatives	2,422,850	2,421,024
Other bank loans	1,502,486	1,961,683
Current loans	154,201,025	154,354,943

As at 31 March 2014 Sonae, SGPS has agreed lines of credit and commercial paper programs amounting to 520 million euro, out of which 181.5 million euro with firm commitments with maturity not exceeding one year and 135 million euro with firm commitments with maturity over one year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 146.5 million euro credit facilities available to meet its liquidity requirements.

The interest rate as at 31 March 2014 of the bonds and bank loans was, in average, 3.58% (3.58% as at 31 December 2013).

Maturity of Borrowings

As at 31 March 2014 and 31 December 2013 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	31.March.2014	31.December.2013
N+1	151,778,175	-
N+2	524,378,150	151,961,683
N+3	-	525,000,000
N+4	-	-
N+5	90,000,000	-
after N+5	45,000,000	20,000,000

11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013, trade creditors and other current liabilities are detailed as follows:

	31.March.2014	31.December.2013
Trade creditors	296,800	189,969
Group companies	12,348,000	12,530,000
Taxes and contributions payable	1,333,301	454,452
Accrued expenses	7,720,823	10,535,690
Others	188,863,574	102,312,829
Total	210,562,498	126,022,940

The amount recorded under the caption "other creditors" includes 103.138.217 euro (discounted to 31 March 2014 which will be paid in August 2014) relating the acquisition of 20% share capital of Sonaecom, SGPS, SA.

12 CONTINGENT LIABILITIES

As at 31 March 2014 and 31 December 2013, contingent liabilities are detailed as follows:

	31.March.2014	31.December.2013
Guarantees given:		
on tax claims	70,121,607	71,421,912
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries	a) 272,612,454	272,612,454

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

13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Balances	31.March.2014	31.December.2013
Group companies	47,905,742	3,836,846
Jointly controlled companies	10,834,403	10,780,435
Other partners in group companies	25,005	98,005
Accounts receivable	58,765,150	14,715,286
Parent company	7,242,467	767,423
Group companies	16,984,895	1,462,346
Jointly controlled companies	8,243	2,098
Other partners in group companies	29,566,596	4,712
Accounts payable	53,802,201	2,236,579
Group companies	472,066,551	472,066,551
Loans granted	472,066,551	472,066,551
Group companies	12,348,000	12,530,000
Loans obtained	12,348,000	12,530,000
Transactions	31.March.2014	31.March.2013
Group companies	809,153	861,427
Jointly controlled companies	54,094	54,180
Other partners in group companies	25,000	25,406
Services rendered and other income	888,247	941,013
Parent company	164,624	136,243
Group companies	317,948	335,104
Jointly controlled companies	14,764	24,613
Other partners in group companies	1,593	5,577
Purchases and services obtained	498,929	501,537
Group companies	627,460	8,523,686
Interest income	627,460	8,523,686
Group companies	9,280,509	54,845
Interest expenses	9,280,509	54,845
Group companies	34,224,473	34,158,036
Dividend income (Note 14)	34,224,473	34,158,036
Other partners in group companies	-	10,000,541
Acquisition of investments	-	10,000,541

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.

14 INVESTMENTS INCOME

As at 31 March 2014 and 2013, investment income can be detailed as follows:

	31.March.2014	31.March.2013
Dividends	34,224,473	34,158,036
	<u>34,224,473</u>	<u>34,158,036</u>

Dividends were distributed from Sonae Investimentos, SGPS, SA (34,158,036 euro) and Sonaegest, SA (66,437 euro).

15 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	31.March.2014	31.March.2013
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	32,364,592	33,967,264
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	<u>32,364,592</u>	<u>33,967,264</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings	1,999,644,099	2,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,838,985	1,838,985
Number of shares that could be acquired at average market price	<u>(850,694)</u>	<u>(619,393)</u>
Weighted average number of shares used to calculate diluted earnings per share	<u>2,000,632,390</u>	<u>2,001,219,592</u>
Profit/(Loss) per share		
Basic	0.016185	0.016984
Diluted	<u>0.016177</u>	<u>0.016973</u>

16 SUBSEQUENT EVENTS

The 2013 profit appropriation has been approved in the General Meeting of Shareholders held on 30 April 2014. A resolution was taken to distribute dividends to shareholders in the amount of 69,600,000 euro (paying a gross dividend per share of 0.0348 euro) less the total amount of dividends to be distributed to shares that may eventually be acquired by the Company or by any of its subsidiaries up to the distribution date. The amount to be paid is already considered in these financial statements.

17 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 13 May 2014.

18 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 31 March 2014 short-term loan contracts were entered into with the following companies:

Sonae Investmentos, SGPS, SA

Sonaecenter Serviços, SA

Sonaecom, SGPS, SA

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

	<u>Closing Balance</u>
Sonae Investments, BV	124,666,551
Total	<u>124,666,551</u>

As at 31 March 2014 amounts owed to subsidiaries can be summarized as follows:

	<u>Closing Balance</u>
Sonae Investments, BV	12,060,000
Sonaecenter Serviços, SA	288,000
Total	<u>12,348,000</u>

The Board of Directors

Belmiro Mendes de Azevedo

Álvaro Carmona e Costa Portela

Álvaro Cuervo Garcia

Bernd Bothe

Christine Cross

Michel Marie Bon

José Neves Adelino

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that should not be regarded as historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts, and generally all recipients of this document, are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

Report available at Sonae's institutional website
www.sonae.pt

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SONAE is listed on the Euronext Stock Exchange. Information may also be accessed on Reuters under the symbol **SONP.IN** and on Bloomberg under the symbol **SONPL**

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