SONAE CAPITAL

SUBJECT TO THE APPROVAL OF SHAREHOLDERS IN THE ANNUAL GENERAL MEETING

REPORT AND ACCOUNTS

31 DECEMBER 2012

(Translation from the Portuguese Original)

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REPORT OF THE BOARD OF DIRECTORS

31 DECEMBER 2012

SONAE CAPITAL

Report of the Board of Directors
31 December 2012

Results for the year of 2012 reflect commitments undertaken by the Group to ensure steady profitability improvements, including:

- **Effort towards the optimization of operations, which led to a 13% decrease in operational costs, contributing to the improvement of EBITDA, which stood at -1.3 M.€ (-2.2 M.€ in 2011);**
- **Significant investment in Energy projects, totalling 8.6 M.€, reflecting its importance as a growth path for the future;**
- **Fitness operation in Spain, not regarded as strategic in the current business portfolio and thus discontinued;**
- **Sale of non-strategic assets (parcel of Imosede Participation Units), contributed to the 5 M.€ decrease in net debt.**

Performance in the period reflects the more adverse market environment in Portugal, which led to a widespread slowdown in activity levels (ex-Energy and Environment), with consolidated Turnover amounting to 112.3 M.€ (an 18% fall over 2011 figures).

Values in 10^6 euro

	12M		
	2012	2011	Δ
Turnover	112.3	136.9	-18%
EBITDA	-1.3	-2.2	+39%
EBIT	-19.2	-12.6	-52%
Net Financial Expenses	-11.0	-10.4	-5%
Results from Associated Undertakings	3.5	5.2	-32%
Investment Income	16.6	28.4	-41%
Net Profit	-11.7	3.8	-
	31.12.12	31.12.11	Δ
Capex	12.1	11.0	10%
Net Debt	256.1	261.1	-+2%

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1. MACROECONOMIC ENVIRONMENT

The global economy has been experiencing, since 2009, a widespread crisis which started in the financial sector and rapidly extended to the real economy, with severe economic, social and political impacts. The economic environment has since started to show a slowdown in the level of worldwide growth, high and growing unemployment level, lack of market trust regarding highly leveraged economies and difficult access to bank financing until the necessary adjustment in the sector happens.

The year of 2012 evidenced a slight slowdown in **World Economy**, reflecting the recession in the Euro Area (with negative impacts above those initially antecipated) and a slowdown in most BRIC countries, which even so continue to show expressive growth among world economies. Growth forecasts for 2012 World GDP are around 3.2% (3.9% in 2011), marginally below the forecasts from leading international institutions disclosed in the end of 2011. As in 2011, quarterly forecasts were systematically reviewed on the downside, throughout the year, reflecting the persistent lack of confidence evidenced by economic agents towards the success of policies pursued by major world economies.

In the United States, the recovery in economic growth evidenced in 2012 (+2.3%, compared to +1.8% in 2011), lies in the stabilization of financial markets, namely of the debt market, and in the recovery of the real estate market. Short term forecasts for the US economy are largely constrained by the additional risk of fiercer crisis in the Euro Area and by the impacts of more severe fiscal policies (including increased tax burden and cuts on government spending) on internal consumption. Although generically evidencing growth rates below those of previous years, BRIC countries, with the exception of Brazil, still outdid main developed economies. China assumed the leading part in this Group, with an estimated 7.8% growth in 2012 (9.3% in 2011), followed by India with 4.5% (7.9% in 2011), the two economies being inevitably affected by the fall in exports and by the general decline in economic sentiment indicators. Growth in Russia should be around 3.6%, marginally below the 4.3% in 2011, as a result of the decline in raw materials prices and contamination effect of a less advantageous external environment. The Brazilian economy cooled down in 2012, with a forecasted 1% growth (2.7% in 2011), with recovery perspectives for the coming years (although at significantly lower rates than in the pre-crisis period).

The economic scenario in the **Euro Area** has been harming the world economy more than expected. According to forecasts from leading international institutions, the GDP real growth in the Euro Area should remain on negative grounds in 2012 (-0.4%), recovering to modest rates in 2013. The sovereign debt crisis is still smoldering, and the high uncertainty regarding its resolution has been leading to continued revisions on the downside of forecasts regarding main economic aggregates. The last indicators disclosed for the Euro Area, reveal a persistent weakness in activity levels, mainly driven by a fragile internal demand. Forecasts for 2013 reveal more restrictive budget policies, falling confidence from consumers and companies and difficulties in the credit access in a group of countries of this area, with the consequent negative impacts in the performance of the Euro Area. In 2012, several budget consolidation measures were promoted, including tax increases in several countries, and in 2013 measures implemented should be more focused on government spending. The 2012 performance of the Euro Area has not pacified the spirits of economic agents, with persistent fears concerning the possible end of the euro zone.

The latest IMF projections assume a 3.5% growth in World GDP in 2013, and a recession scenario in the Euro Area, with a 0.2% fall in GDP, with continued uncertainty regarding the timing for the inflexion of the sovereign debt crisis and the impacts in the real economy of bank deleveraging and fiscal adjustment. In the Euro Area, inflation is expected to remain at low levels during 2013 (around 1.4% according to IMF's *Autumn World Economic Outlook*) and unemployment should be around 12% (according to the same source).

The banking sector deleveraging process should spread over the coming years, entailing continued restrictions in credit access. Despite of historically low interest rates, the gap between bank lending rates and the refi rate (currently in 0.75%), is expected to decrease progressively from the second half of 2013 onwards, if the expected recovery takes place.

The evolution of oil prices showed some volatility, ending the year at 110 dollars per barrel. The most recent forecasts evidence a price stability trend in the short term, pointing to an average price of 113 dollars per barrel in 2013, as a result of the expected decrease in demand, as the economic outlook for the euro zone worsens and demand from China decreases, and increased stability in MENA (Middle East and North Africa) countries.

In 2012, the **Portuguese Economy** performance was undoubtedly influenced by the new goals set under the economic adjustment program (PAEF) which is being implemented by the Portuguese Government. The most recent forecasts include in the Winter Bulletin of *Banco de Portugal*, published in January 2013, point to a 3% decrease in GDP in 2012 (1.7% decrease in 2011). This performance of the Portuguese Economy is driven by a sharp fall in internal demand (-7.2%), partially offset by a 4.2% increase in net exports (overall, the internal demand over the period 2009-2013 should contract around 17%). Inflation is expected to remain at 2.8% in 2012 (+3.6% in 2011) and unemployment rate should reach new historical level, ending the year at 15.5% (12.9% in 2011).
Within the ongoing Portuguese Economic and Financial Assistance Program, restrictive measures are expected to continue to pressure the Portuguese Economy in the medium term. Recession is expected to continue in 2013, although current forecasts from leading international institutions and the Portuguese Government for 2013 start to show some recovery signs. *Banco de Portugal* forecasts for the next 2 years a decrease of GDP by 1.9% and a 1.3% recovery in 2014. The sixth exam of the Portuguese Economic and Financial Assistance Program concluded in the end of 2012, confirmed that the 2013 Portuguese Government Budget, approved on 27 November 2012 with against votes from all the opposition parties, is aligned with the budgetary consolidation efforts foreseen in the program. The strong effort aimed at consolidating public finances and the ambitious goals set to the Portuguese Economy under the PAEF, are expected to significantly harm internal demand, which will increase the Portuguese Economy dependency towards external demand performance, necessarily increasing the risk of accomplishment of the policies pursued and budget goals set. Exports will inevitably be the main growth driver, based on a recovery of the

Euro Area economy. Current forecasts include a set of different risks, which can result, as in the past, in frequent revisions of estimates which determines caution in the analysis of the macroeconomic indicators. Major risks include the non-accomplishment of goals set regarding net exports and a higher than expected decrease in private consumption driven by a declining labour market. The implementation of the PAEF within a more adverse social environment can also negatively impact its execution, although expectations is that it will simultaneously boost investors confidence, leading to a decrease in sovereign debt yields and attracting foreign investment.

2. MAIN EVENTS

Sonae Capital's announcements released to the market in 2012 included:

Qualified Shareholdings
2 January 2012 Sonae Capital, SGPS, SA informed about the decrease in UBS AG shareholding, below the threshold of 2% of the share capital and of the voting rights in Sonae Capital, SGPS, SA.
4 January 2012 Sonae Capital, SGPS, SA informed about the decrease in Banco BPI, SA shareholding below the threshold of 2% of the share capital and of the voting rights in Sonae Capital, SGPS, SA.
28 March 2012 Sonae Capital, SGPS, SA informed about alteration of voting rights attribution chain of Efanor Investimentos qualified shareholding, due to the sale, by Sonae – SGPS, SA to Pareuro BV, of 16,600,000 Sonae Capital shares.
10 October 2012 Sonae Capital, SGPS, SA informed about increase in Santander Asset Management shareholding, to 2.28% of the share capital and voting rights of Sonae Capital, SGPS, SA.
12 November 2012 Sonae Capital, SGPS, SA informed about decrease in the shareholding attributable to Dalal Street and Mohnish Pabrai, below the threshold of 5% of the share capital and of the voting rights in Sonae Capital, SGPS, SA.

Qualified Shareholdings

7 December 2012

Sonae Capital, SGPS, SA informed about decrease in the shareholding attributable to Dalal Street and Mohnish Pabrai, below the threshold of 2% of the share capital and of the voting rights in Sonae Capital, SGPS, SA.

26 December 2012

Sonae Capital, SGPS, SA informed about increase in Blueshore Global Equity Fund shareholding, to 2% of the share capital and voting rights of Sonae Capital, SGPS, SA.

Statutory Bodies

29 February 2012

Sonae Capital, SGPS, SA informed about the decision to enlarge the Company's Executive Committee (ExCom) from two to three members, and to appoint Maria Cláudia Teixeira de Azevedo to the ExCom.

Corporate Governance

30 March 2012

Sonae Capital, SGPS, SA informed the market about resolutions taken in the Shareholders' General Meeting held on that date.

3. CONSOLIDATED PROFIT AND LOSS ACCOUNT

Values in 10^3 euro

	12M 12 (A)	12M 11 (B)	Δ (A/B)
Turnover	112,288.5	136,884.9	-18.0%
Other Operational Income	11,542.2	11,571.3	-0.3%
Total Operational Income	**123,830.7**	**148,456.2**	**-16.6%**
Cost of Goods Sold	-36,584.7	-38,941.9	+6.1%
Change in Stocks of Finished Goods	-2,258.2	-3,581.3	+36.9%
External Supplies and Services	-44,753.5	-55,810.7	+19.8%
Staff Costs	-37,216.2	-41,357.7	+10.0%
Other Operational Expenses	-3,644.0	-4,635.6	+21.4%
Total Operational Expenses	**-124,456.5**	**-144,327.2**	**+13.8%**
EBITDA	**-1,335.6**	**-2,180.2**	**+38.7%**
Amortisation and Depreciation	-13,479.0	-13,734.9	+1.9%
Provisions and Impairment Losses	-5,128.5	-3,034.1	-69.0%
Operational Profit/(Loss) (EBIT)	**-19,233.3**	**-12,640.1**	**-52.2%**
Net Financial Expenses	-10,965.9	-10,437.1	-5.1%
Share of Results of Associated Undertakings	3,501.2	5,166.2	-32.2%
Investment Income	16,597.4	28,361.7	-41.5%
Profit before Taxation	**-10,100.6**	**10,450.7**	**-**
Taxation	-1,626.3	-6,664.8	+75.6%
Net Profit	**-11,726.8**	**3,785.9**	**-**
Attributable to Equity Holders of Sonae Capital	-11,092.0	2,994.3	-
Attributable to Non-Controlling Interests	-634.8	791.6	-

Consolidated **Turnover** amounted to 112.3 million euro, evidencing an 18% decrease over the 136.9 million last year turnover, a trend experienced by most of Sonae Capital's business segments, with the exception of Energy (which improved compared to 2011, on the back of 12 months contribution from Colombo's cogeneration operation and of approximately 6 months of operation of the new cogeneration facility in Vale de Cambra).

EBITDA for the year was negative 1.3 million euro, posting an increase compared to the negative 2.2 million euro in 2011, profiting from the multiplier effect associated with the cash flow generation profile of the Energy and Environment business, and from the cost restructuring process, aimed at optimizing the cost structures and their adjustment to effective activity levels. This process, which implementation occurred at a faster pace in Sonae Turismo, has contributed to the 13% annual reduction in operational costs, on a like for like basis (i.e., excluding the impact of non-recurrent costs incurred in 2011, related with judicial claims which had been fully impaired and had a negative effect on 2011 EBITDA). Lower real estate assets sales and the increasing competitive pressures arising from the more severe macroeconomic scenario had a negative impact on operational profitability, particularly the margins reduction in Sistavac Group Portuguese and Spanish operations.

Operational Loss for the year includes a negative 2.9 million euro impact, following the strategic option to shut down the Fitness unit in Spain and discontinue the operation (which was historically unprofitable) of the business in that country, and around 1.0 million euro from impairment losses on customers as a result of existing difficulties in the portuguese economy.

The 5% increase in the year's **Net Financial Expenses**, which amounted to 11.0 million euro, stems from a higher cost of debt compared to the previous year, as a result of a higher average debt spread in the first half of the year, partially offset by a lower market interest rate in the second half.

In 2011, **Results from Associated Undertakings** included the contributions of the Imosede Fund and of TP (the latter until its sale in June 2011), which amounted to circa 4.1 million euro. In 2012, this caption amounted to 3.5 million euro, with Norscut explaining 2.6 million euro of that total. The Imosede Fund has also contributed with 1.2 million euro in 2012, up to the moment when the accounting method of the Fund's participation units changed from equity accounting to available for sale assets, measured at fair value.

Investment Income for the year, amounting to 16.6 million euro, mostly regards the impact of the value update of Imosede Fund's participation units, following the reclassification of the Fund as available for sale asset (and held at fair value).

As a result of such evolution, **Net Profit** for the year was negative 11.7 million euro, compared to positive 3.8 million euro in 2011 (which were significantly impacted by the 20.3 million euro capital gain from the sale of the shareholding in TP).

4. BUSINESS HIGHLIGHTS

4.1. SONAE TURISMO

Values in 10^6 euro

	Contributions to Consolidated Figures					
	Turnover			EBITDA		
	12M 12	12M 11	Δ	12M 12	12M 11	Δ
Resorts	10.8	14.1	-24.0%	-3.0	-3.9	+24.7%
Resort Development	3.7	6.7	-44.1%	-2.7	-3.9	+31.8%
Resort Management (Golf, Marina and Supermarket)	2.3	2.4	-1.8%	-0.7	-0.8	+12.7%
Atlantic Ferries	4.7	5.1	-7.8%	0.4	0.7	-50.0%
Hotels	13.9	15.2	-8.3%	-1.5	-4.5	+65.8%
Fitness	11.7	15.7	-25.3%	-2.0	0.2	-
Other Tourism	0.0	0.0	-65.2%	0.3	-0.4	-
Sonae Turismo's contribution	**36.4**	**45.1**	**-19.1%**	**-6.2**	**-8.6**	**+28.0%**

Turnover at **Sonae Turismo** totaled 36.4 million euro in the year (representing an around 19% decrease). Despite of the significant fall at the income level, the rationalization efforts aimed at the cost structure contributed to the 28% increase in annual EBITDA, to negative 6.2 million euro.

Tourism real estate assets sales had little impact in the period, decreasing compared to the previous year, as a result of greater investor caution in capital allocation decisions, due to the uncertainty embedded the current economic environment. In 2012, 7 sales deeds and 3 Try and Buy contracts were signed (compared to 13 sales deeds in 2011). Residential units sold up to December 2012 (8 units) remained at the previous year's level.

Atlantic Ferries annual performance, evidencing decreases of 8% decrease in turnover, to 4.7 million euro, and 0.3 million euro in EBITDA, which remained positive at 0.4 million euro, was mostly due to the fall in traffic volumes (of both passengers and vehicles).

In **Hotels**, consolidated turnover decreased around 8% to 13.9 million euro, with occupancy indicators evidencing distinct performance in the several Group units. Room nights sold increased around 9% in Aqualuz **troia**resort hotels, remained in line with the previous year in the Lagos unit, and decreased 17% in Porto Palácio Hotel. The trend towards declining average daily revenue impacted all hotel units, contributing to the decrease in turnover.
The reduction in operational costs was particularly visible in this business segment, mostly regarding personnel costs, maintenance and cleaning and energy costs, which totally offset the impact of lower turnover in the Group's hotel units, leading to a 3.0 million euro growth in EBITDA, to negative 1.5 million euro. In Porto Palácio Hotel, EBITDA was positive 0.3 million euro (compared to negative 1.2 million euro in 2011), remaining on negative ground in Aqualuz

units (-0.8 million euro in Tróia, versus -2.4 million euro in 2011, and -1.0 million euro in Lagos, in line with the previous year).

Fitness continued to show the impact of the increasing pressure over available income, with the obvious fall in the number of active members. In this contraction scenario, turnover decreased 25% compared to the previous year figure, remaining at 11.7 million euro, and EBITDA remained at negative 2.0 million euro, compared to an almost nill contribution in 2011. The management team has been promoting a set of initiatives to adjust its commercial offer, which are expected to continue to show positive impacts in the number of members during 2013 despite of the decrease in the average revenue per member, which is regarded as necessary under the current economic environment in Portugal, which shows a sharp fall in the available income of families. Under this scenario, cancellations remained significantly below last year's figures, and in September (with the launch of the new promotional campaign) the number of new membership contracts was higher than the number of cancellations , for the first time in the last 18 months, a monthly pattern which remained until the end of the year.
Following the internal strategic review process, and due to the lack of strategic importance within the guidelines set for the business, the fitness business in Spain was discontinued (having an historical record of negative EBITDA contributions, -0.7 million euro in 2012) and ceased operations at the end of the year.

4.2. SPRED

Values in 10^6 euro

	Contributions to Consolidated Figures					
	Turnover			EBITDA		
	12M 12	12M 11	Δ	12M 12	12M 11	Δ
Sistavac Group	52.8	69.0	-23.5%	0.0	5.3	-
Energy and Environment	13.0	8.4	+53.6%	3.3	2.0	+64.9%
Other Spred	8.1	6.9	+17.2%	0.1	0.0	-
Spred's contribution	**73.9**	**84.4**	**-12.4%**	**3.4**	**7.2**	**-53.6%**

Spred's turnover amounted to 73.9 million euro in the year, a 12% decrease compared to 2011 explained by the declining contribution from the Sistavac Group. The positive 3.4 million euro EBITDA was moslty driven by the performance of the Energy and Environment business (with a 3.3 million euro EBITDA, representing a 65% growth), with the remaining businesses posting close to zero annual EBITDA contributions.

The performance of **Sistavac** Group companies in Portugal, with a turnover of 45.9 million euro and a 24% decrease over the previous year, was mostly impacted by the HVAC segment which, although evidencing a higher volume of work assignments, suffered from a significant fall in the average value per assignment. Refrigeration and the new general contracting business area

(with started in the second half of the year) contributed positively to consolidated turnover. Since the optimization of cost structures and its alignment with new market conditions is not yet concluded, the decrease in turnover has inevitably led to a 5.0 million euro reduction in the annual EBITDA, to positive 0.5 million euro.
In Spain, activity level dropped significantly, with turnover reaching 3.6 million euro (5.5 million euro in 2011), and harming the business profitability, generating a negative 0.5 million euro EBITDA (negative 132 thousand euro in the previous year). As in Portugal, the structures optimization process is still ongoing, aimed at improving the operations profitability.
Performance in Brazil was positive, with an increase in the number of work assignments and the implementation of measures directed at improving operational and commercial efficiency. In this scenario, turnover grew 12% to 3.3 million euro, and EBITDA remained close to zero, posting a 0.1 million euro compared to the previous year.

Turnover from the **Energy and Environment** business area grew 4.6 million euro in the year, to 13.0 million euro, driven by the contribution of the new cogeneration facility located in Vale de Cambra (which started operations in the third quarter of 2012) and a partial impact from the Colombo cogeneration facility (which was still ramping up in July 2011). The 1.3 million euro increase in EBITDA, to 3.3 million euro in the year, has the same underlying explanation (+0.8 million euro from the Colombo facility and +0.4 million euro from Vale de Cambra cogeneration).

4.3. OTHER

Values in 10^6 euro

	Contributions to Consolidated Figures					
	Turnover			EBITDA		
	12M 12	12M 11	Δ	12M 12	12M 11	Δ
SC Assets	1.8	7.2	-74.3%	3.3	1.3	>100%
Holding and others	0.1	0.2	-49.3%	-1.8	-2.1	+14.1%
Others' contribution	**2.0**	**7.4**	**-73.5%**	**1.5**	**-0.8**	**-**

The performance of **SC Assets** turnover was inevitably impacted by a lower volume of real estate assets sales in 2012.
EBITDA from SC Assets includes 3.0 million euro regarding an one-off accounting adjustment following the change in Imosede Fund's participation units accounting method (from equity accounting to available for sale assets, measured at fair value), and thus not related with any real estate transaction made in the period.

5. CONSOLIDATED BALANCE SHEET

Values in 10^3 euro

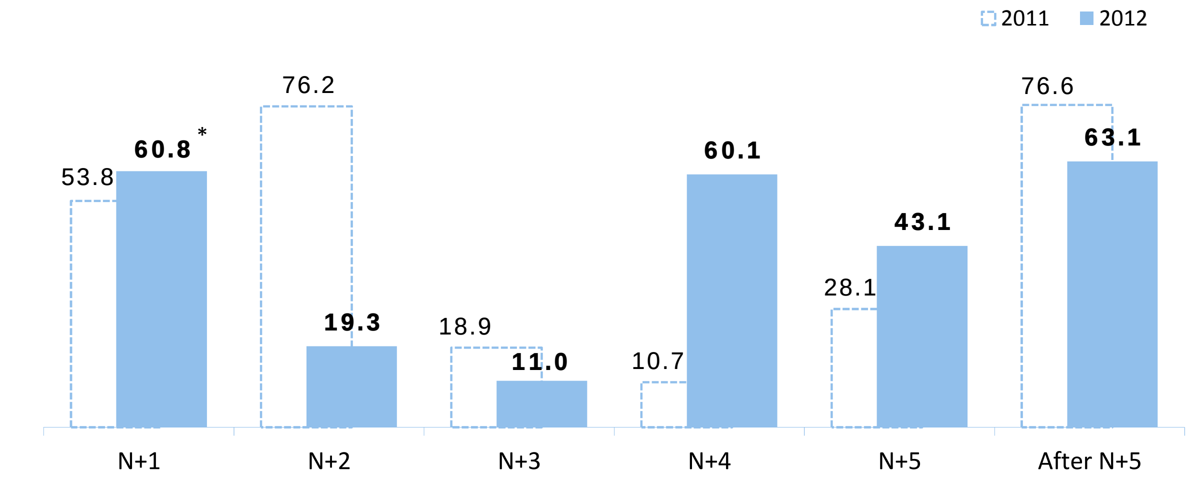
	31.12.2012	31.12.2011	Δ
Tangible and Intangible Assets	253,948.5	243,567.0	+4.3%
Goodwill	60,988.6	61,028.5	-0.1%
Non Current Investments	54,991.2	61,075.6	-10.0%
Other Non Current Assets	48,331.0	45,384.1	+6.5%
Stocks	187,800.6	209,213.3	-10.2%
Trade Debtors and Other Current Assets	48,109.6	49,581.6	-3.0%
Cash and Cash Equivalents	3,244.7	3,980.6	-18.5%
Total Assets	**657,414.3**	**673,830.8**	**-2.4%**
Total Equity attributable to Equity Holders of Sonae Capital	315,249.5	327,628.9	-3.8%
Total Equity attributable to Non Controlling Interests	8,707.6	9,241.8	-5.8%
Total Equity	**323,957.1**	**336,870.7**	**-3.8%**
Non Current Borrowings	158,675.7	182,564.9	-13.1%
Deferred Tax Liabilities	14,344.5	11,535.4	+24.4%
Other Non Current Liabilities	7,077.1	10,341.5	-31.6%
Non Current Liabilities	**180,097.3**	**204,441.7**	**-11.9%**
Current Borrowings	100,639.2	82,557.5	+21.9%
Trade Creditors and Other Current Liabilities	52,720.6	49,960.9	+5.5%
Current Liabilities	**153,359.9**	**132,518.3**	**+15.7%**
Total Liabilities	**333,457.2**	**336,960.1**	**-1.0%**
Total Equity and Liabilities	**657,414.3**	**673,830.8**	**-2.4%**

Capex amounted to 12.1 million euro in the year, of which 8.6 million euro explained by the expansion plan of the Energy and Environment business (3.2 million euro in Vale de Cambra cogeneration facility, which started operations in the third quarter of 2012, and 3.3 million euro regarding the new photovoltaic project, which is expected to start operations in the last quarter of 2013). In Fitness, capex for the year reached 1.2 million euro, including the renewal of equipment and of the Solinca brand. Among remaining contributions, around 0.6 million euro regard real estate assets licenses, with the remainder (minor in value) regarding maintenance capex.

Change in **Non-Current Investments** is explained by the sale, in the 4th quarter of 2012, of 24,600 Participation Units of the Imosede Fund, corresponding to a 28% shareholding.

As at 31 December 2012, **Net Debt** reached 256.1 million euro, compared to 261.1 million euro at 31 December 2011 and 267.3 million euro at 30 September 2012, a decrease that reflects the use of a parcel from the cash inflow generated in the sale of Imosede Fund's participation units on debt reduction. In 2012, the Group's operational cash-flow was 1.5 million euro.
Gearing as at 31 December 2012 was 79.0% (77.5% in 31 December 2011).

The forecasted repayment schedule of borrowings (in million euro), as at 31 December 2012, taking into consideration commitment periods in relation to each financing operation, was as follows:



N: Reporting Date

* Includes commercial paper taken under short term lines of credit with automatical renewals. Following the policies and measures implemented to manage liquidity and bank relationship risks, the Group does not foresee any risks which may affect businesses as a going concern.

6. INDIVIDUAL FINANCIAL STATEMENTS

Sonae Capital, SGPS, SA, the **Group's holding company**, posted a 995,091 euro net loss in the year, compared with a net loss of 918,206 euro in the previous year. Last year's results were negatively impacted by reorganization costs incurred during the year, with total operational costs decreasing significantly in 2012, by around 1.3 million euro (to 1.5 million euro). The 2012 net loss includes circa 1.0 million euro regarding an impairment loss over Sonae Capital, SGPS, SA shareholding in WTC Fund.

7. OWN SHARES

As a result of Sonae Capital's share performance during the year of 2012, and in accordance with the approval given at the last Shareholders' General Meeting, Sonae Capital acquired, from 2 January to 21 December 2012, 1,448,710 **own shares** on NYSE Euronext Lisbon Stock Exchange, at an average transaction price of 0.157 euro per share. After these transactions, as at 31 December 2012, Sonae Capital held 1,600,310 own shares, representing circa 0.640% of its share capital.

8. SHARE PRICE PERFORMANCE

For information on Sonae Capital's **share price performance** during the year 2012, please refer to paragraph III.4 of the Company's 2012 Corporate Governance Report.

9. OUTLOOK

More than ever, no prospective reflection exercise can ignore an economic and social reality which appears difficult and filled with uncertainties. Bearing this in mind, 2012 already showed the impacts of the cost savings and cost cutting plans and saving plans promoted across all of the Group's business units, although evidencing different level of implementation and capture of potential savings.

Debt reduction in the year was in line with the debt reduction medium term objective, and further decrease is expected in 2013 (of debt apart from the expansion of the Energy business).

In 2013, the management team maintains its roadmap aimed at ensuring the sustainability and profitability of the Group's business portfolio. Thus, the sale of non-core assets will continue to be critical in reducing debt levels and free cash-flow to develop the core businesses of the Group.

As the business level, teams will continue focused in the improvement of the operations profitability through the development of the sales effort and pursuance of the approved cost structures optimization plans.

More specifically in **Sonae Turismo**, the review should consider alternative business development scenarios, with the objective of maximizing the value of a set of assets regarded as core.

In the **Sistavac Group**, international expansion will continue to be critical in the sustainability of the more significant businesses (Refrigeration and HVAC), together with an inevitable material change in the cost structure in Portugal, with the objective of reestablishing profitability levels.

From a value creation perspective, the Group will continue to pursue growth opportunities in the **Energy and Environment** business, in which there is currently an ongoing assessment of a number of new projects which may support the sustained expansion of the portfolio.

Aware that the non-strategic assets (other than real estate) are increasingly scarce, and that the placement of real estate assets does not face its most appealing momentum, management teams are confident and committed to the pursuit of strategic options that will lead to positive profitability levels and cash-flow generation compatible with the outlined funding objectives, ensuring that businesses are managed under a **going concern** assumption.

10. ACTIVITY CARRIED OUT BY NON-EXECUTIVE BOARD MEMBERS

On 29 February 2012, the Board of Directors of Sonae Capital, SGPS, SA decided to enlarge, from two to three, the number of members of the company's Executive Committee, following which two of the three directors elected in the 2011 Shareholders' General Meeting, remained as **Non-Executive Board Members**.

In addition to being members of the Board of Directors of Sonae Capital, the two Non-Executive Directors are members of the Board Audit and Finance Committee, with one of them being also a member of the Nomination and Remunerations Committee. Each one of these Committees is nominated by the Board of Directors, and additional information on the responsibilities and activities of these bodies during the year is available in chapter II of the Company's Corporate Governance Report. During 2012, Non-Executive Directors have played effectively their role, having been consulted on specific issues and projects, providing significant contributions in the strategic review process carried out during the year, maintaining close contact with corporate directors and relating with management teams whenever deemed necessary.

11. PROFIT APPROPRIATION PROPOSAL

Sonae Capital, SGPS, SA, as the holding company of the Group, posted a net loss of 995,090.69 euro in the year 2012. The Board of Directors proposes to the Shareholders' General Meeting the use of **Free Reserves** to cover the year's net loss.

12. ACKNOWLEDGMENTS

The Board of Directors would like to express his appreciation to all of the Group stakeholders which, assuming different roles, evidenced support, trust and resilience throughout the year, emphasizing the cooperation and continued support of the Fiscal Board and Statutory Audit Board and the invaluable contribution of our employees in a setting of profound challenges. As in the past, we believe in the sustainability of the Sonae Capital Group and are confident in the strategic options outlined for the future, noting the necessary prudence in the pursuit of the objectives assumed.

Maia, 21 February 2013

Glossary

- Average Daily Revenue = Lodging Revenues / Number of rooms sold.
- Capex = Investment in Tangible and Intangible Assets.
- Gearing = Net Debt / Equity.
- HVAC = Heating, Ventilation and Air Conditioning.
- Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.
- Operational Cash-Flow (EBITDA) = Operational Profit (EBIT) + Amortisation and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Cost of Goods Sold) – Reversal of Impairment Losses and Provisions (included in Other Operating Income).

APPENDIX TO THE
REPORT OF THE BOARD OF DIRECTORS

31 DECEMBER 2012

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

(Translation of a Statement originally issued in Portuguese)

The signatories individually declare that, to their knowledge, the Report of the Board of Directors, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared in accordance with applicable International Financial Reporting Standards, and give a true and fair view, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of Sonae Capital, SGPS, SA, and of the companies included in the consolidation perimeter, where appropriate, and that the Report of the Board of Directors faithfully describes major events that occurred during the year 2012 and their impacts, if any, in the business performance and financial position of Sonae Capital, SGPS, SA and of the companies included in the consolidation perimeter, and contains an appropriate description of the major risks and uncertainties that they face.

Maia, 21 February 2013

Belmiro Mendes de Azevedo
Chairman of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

Álvaro Carmona e Costa Portela
Member of the Board of Directors

Paulo José Jubilado Soares de Pinho
Member of the Board of Directors

Maria Cláudia Teixeira de Azevedo
Member of the Board of Directors

GOVERNING BODIES

(Article 447 of the Portuguese Companies Act and nr.6 of Article 14 of CMVM Regulation nr. 5/2008)

Disclosure of shares and other securities held by Members of the Board of Directors and Fiscal Board and of transactions during the first half involving shares and other securities:

		Purchases		Sales		Balance as at 31.12.2012
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
Belmiro Mendes de Azevedo						
Attributable through Efanor Investimentos, SGPS, SA (*) (**) (***) (*****)	27-Mar-12	16,600,000	0,215	16,600,000	0,215	156,504,947
Álvaro Carmona e Costa Portela (c)						
Directly owned						3,242
Attributable through Sonae, SGPS, SA (**) (*****)	27-Mar-12			16,600,000	0,215	0
Maria Cláudia Teixeira de Azevedo						
Attributable through Efanor Investimentos, SGPS, SA (**) (****) (*****)	27-Mar-12	16,600,000	0,215	16,600,000	0,215	156,504,947
Paulo José Jubilado Soares de Pinho (d)						
Directly owned						12,650
Attributable through Change Partners, SCR, SA (**)						8,125

(*) Majority shareholder.

(**) Member of the Board of Directors.

(***) Includes 837,000 shares directly owned (1,862 of which by the spouse).

(****) Includes 43,912 shares owned by Linhacom, SGPS, SA, company where Maria Cláudia Teixeira de Azevedo is majority shareholder and member of the Board of Directors.

(*****) Reported transactions regard the sale of Sonae Capital's shares by Sonae SGPS to Pareuro BV.

APPENDIX TO THE REPORT OF THE BOARD OF DIRECTORS AS AT 30 JUNE 2012 REQUIRED BY ARTICLE 448 OF THE PORTUGUESE COMPANIES ACT

Number of shares held by shareholders owning more than 10%, 33% or 50% of the company's share capital:

	Number of shares as at 31.12.2012
Efanor Investimentos, SGPS, SA (1)	
Sonae Capital, SGPS, SA	88,859,200
Pareuro, BV	2,000,000
Pareuro, BV	
Sonae Capital, SGPS, SA	66,600,000

(1) Belmiro Mendes de Azevedo is, under the terms of paragraph b number 1 of Article 20 and number 1 of Article 21 of the Portuguese Securities Code, the ultimate beneficial owner, as he holds around 99% of the share capital and voting rights of Efanor Investimento SGPS, SA, which entirely controls Pareuro BV.

QUALIFIED SHAREHOLDINGS

As required by number 1, c) of article 9 of CMVM Regulation Nr. 05/2008, the following shareholders held more than 2% of the company's share capital, as at 31 December 2012:

Shareholder	Nr. of Shares	% of Share Capital	% of Voting Rights
Efanor Investimentos, SGPS, S.A. (1)			
Directly Owned	88,859,200	35.544%	35.544%
Through Pareuro, BV (controlled by Efanor)	66,600,000	26.640%	26.640%
Through Belmiro Mendes de Azevedo (Chairman of the Board of Directors of Efanor)	837,000	0.335%	0.335%
Through Maria Margarida Carvalhais Teixeira de Azevedo (Member of the Board of Directors of Efanor)	1,862	0.001%	0.001%
Through Linhacom, SGPS, S.A. (controlled by the Member of the Board of Directors of Efanor Maria Cláudia Teixeira de Azevedo)	43,912	0.018%	0.018%
Through Migracom, SGPS, S.A. (controled by the Member of the Board of Directors of Efanor Duarte Paulo Teixeira de Azevedo)	161,250	0.065%	0.065%
Through descendents of Duarte Paulo Teixeira de Azevedo (Member of the Board of Directors of Efanor)	411	0.000%	0.000%
Through descendents of Nuno Miguel Teixeira de Azevedo (Member of the Board of Directors of Efanor)	1,312	0.001%	0.001%
Total attributable	156,504,947	62.602%	62.602%
CAIXA GEST - Técnicas de Gestão de Fundos, SA			
Through CXG ACC Portugal Fund (controlled by Caixa Gest)	3,566,421	1.427%	1.427%
Through CXG PPA Fund (controlled by Caixa Gest)	1,438,218	0.575%	0.575%
Total attributable	5,004,639	2.002%	2.002%
Santander Asset Management - Sociedade Gestora de Fundos de Investimento Mobiliários, SA			
Through Santander Acções Portugal Fund (managed by Santander Asset Management)	5,214,974	2.086%	2.086%
Through Santander PPA Fubd (managed by Santander Asset Management)	484,869	0.194%	0.194%
Total attributable	5,699,843	2.280%	2.280%
Blueshore Global Equity Fund	5,000,000	2.000%	2.000%
Total attributable	5,000,000	2.000%	2.000%

(1) Belmiro Mendes de Azevedo is, under the terms of paragraph b number 1 of Article 20 and number 1 of Article 21 of the Portuguese Securities Code, the ultimate beneficial owner, as he holds around 99% of the share capital and voting rights of Efanor Investimento SGPS, SA, which entirely controls Pareuro BV.

CORPORATE GOVERNANCE REPORT

31 DECEMBER 2012

Corporate Governance Report

(Translation from the Portuguese Original)

0. Statement of Compliance

The corporate governance policy of Sonae Capital SGPS S.A. (hereinafter Sonae Capital or Company) aims, among other objectives, to implement transparency procedures in its relationship with both investors and markets. The corporate governance structure of Sonae Capital is built upon the maximization of shareholders' interests and the satisfaction of their legal and regulatory rights.

0.1 Corporate Governance Guidelines

Sonae Capital, as a public listed company, is regulated by Regulation 1/2010 of the Portuguese Securities Market Commission (*Comissão de Mercado de Valores Mobiliários* and hereinafter CMVM) issued on 7 January 2010.

Furthermore, Sonae Capital bases its corporate governance practices on the Corporate Governance Code of CMVM, the latest version of which was issued on 8 January 2010, available at www.cmvm.pt.

0.2 Compliance with the Corporate Governance Code

Recommendation		Compliance	Reference in this report
I.	**General Meeting**		
I.1	**General Meeting Board**		
I.1.1	The Presiding Board of the General Meeting shall be equipped with the necessary and adequate human resources and logistic support, taking the financial position of the company into consideration	**Yes**	**I.1**
I.1.2	The remuneration of the Presiding Board of the General Meeting shall be disclosed in the Annual Report on Corporate Governance	**Yes**	**I.1**
I.2	**Participation at the Meeting**		
I.2.1	The requirement for the Board to receive statements for share deposit or blocking for participation at the general meeting shall not exceed 5 working days	**Yes**	**I.2**
I.2.2	Should the general meeting be suspended, the company shall not compel share blocking during the interim period until the meeting is resumed and shall then prepare itself in advance as required for the first session	**Yes**	**I.2**
I.3	**Voting and Exercising Voting Rights**		
I.3.1	Companies shall not impose any statutory restriction on postal voting and whenever adopted or admissible, on electronic voting	**Yes**	**I.3**
I.3.2	The statutory deadline for receiving early voting ballots by mail may not exceed three working days	**Yes**	**I.3**

	Recommendation	Compliance	Reference in this report
I.3.3	Companies shall ensure the level of voting rights and the shareholder's participation is proportional, ideally through the statutory provision that obliges the one share-one vote principal. The companies that: i) hold shares that do not confer voting right; ii) establish non-casting of voting rights above a certain number, when issued solely by a shareholder or by shareholders related to former, do not comply with the proportionality principle	**Yes**	**I.3**
I.4	**Resolution-Fixing Quorum**		
I.4.1	Companies shall not set a resolution-fixing quorum that outnumbers that which is prescribed by law	**Yes**	**I.4**
I.5	**Minutes and Information on Resolutions Passed**		
I.5.1	Extracts from the minutes of the general meetings or documents with corresponding content must be made available to shareholders on the company's website within a five day period after the General Meeting has been held, irrespective of the fact that such information may not be classified as material information. The information disclosed shall cover the resolutions passed, the represented capital and the voting results. Said information shall be kept on file on the company's website for no less than a 3 year period	**Yes**	**I.5**
I.6	**Measures on Corporate Control**		
I.6.1	Measures aimed at preventing successful takeover bids, shall respect both the company's and the shareholders' interests. The company's articles of association that by complying with said principal, provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction	**Yes**	**0.3 (2); I.6**
I.6.2	In cases such as change of control or changes to the composition of the Board of Directors, defensive measures shall not be adopted that instigate an immediate and serious asset erosion in the company, and further disturb the free transmission of shares and voluntary performance assessment by the shareholders of the members of the Board of Directors	**Yes**	**I.6**
II.	**Board of Directors and Fiscal Board**		
II.1	**General Points**		
II.1.1	**Structure and Duties**		
II.1.1.1	The Board of Directors shall assess the adopted model in its Annual Report on Corporate Governance and pin-point possible hold-ups to its functioning and shall propose measures that it deems fit for surpassing such obstacles	**Yes**	**II.0**
II.1.1.2	Companies shall set up internal control and risk management systems in order to safeguard the company's worth and which will identify and manage the risk. Said systems shall include at least the following components: i) setting of the company's strategic objectives as regards risk assumption; ii) identifying the main risks associated to the company's activity and any events that might generate risks; iii) analyse and determine the extent of the impact and the likelihood that each of said potential risks will occur; iv) risk management aimed at aligning those actual incurred risks with the company's strategic options for risk assumption; v) control mechanisms for executing measures for adopted risk management and its effectiveness; vi) adoption of internal mechanisms for information and communication on several components of the system and of risk-warning ; vii) periodic assessment of the implemented system and the adoption of the amendments that are deemed necessary	**Yes**	**II.8**
II.1.1.3	The Board of Directors shall ensure the establishment and functioning of the internal control and risk management systems. The Fiscal Board shall be responsible for assessing the functioning of said systems and proposing the relevant adjustment to the company's needs	**Yes**	**II.8**
II.1.1.4	The companies shall: i) identify the main economic, financial and legal risk that the company is exposed to during the exercise of its activity; ii) describe the performance and efficiency of the risk management system, in its Annual Report on Corporate Governance	**Yes**	**II.8**
II.1.1.5	The Board of Directors and the Fiscal Board shall establish internal regulations and shall have these disclosed on the company's website	**Yes**	**II.2; II.5**

Recommendation		Compliance	Reference in this report
II.1.2	**Governance Incompatibility and Independence**		
II.1.2.1	The Board of Directors shall include a number of non-executive members that ensure the efficient supervision, auditing and assessment of the executive members' activity	**Yes**	**II.2**
II.1.2.2	Non-executive members must include an adequate number of independent members. The size of the company and its shareholder structure must be taken into account when devising this number and may never be less than a fourth of the total number of Board Directors	**Yes**	**II.2**
II.1.2.3	The independency assessment of its non-executive members carried out by the Board of Directors shall take into account the legal and regulatory rules in force concerning the independency requirements and the incompatibility framework applicable to members of other corporate boards, which ensure orderly and sequential coherence in applying independency criteria to all the company. An independent executive member shall not be considered as such, if in another corporate board and by force of applicable rules, may not be an independent executive member	**Yes**	**II.2**
II.1.3	**Eligibility and Appointment Criteria**		
II.1.3.1	Depending on the applicable model, the Chair of the Fiscal Board and of the Auditing and Financial Matters Committees, shall be independent and adequately competent to carry out his/her duties	**Yes**	**II.5**
II.1.3.2	The selection process of candidates for non-executive members shall be conjured so as prevent interference by executive members	**Yes**	**II.2**
II.1.4	**Policy on the Reporting of Irregularities**		
II.1.4.1	The company shall adopt a policy whereby irregularities occurring within the company are reported. Such reports shall contain the following information: i) the means be which such irregularities may be reported internally, including the persons that are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should it be required by the reporter	**Yes**	**II.9**
II.1.4.2	The general guidelines on this policy shall be disclosed in the Annual Report of Corporate Governance	**Yes**	**II.9**
II.1.5	**Remuneration**		
II.1.5.1	The remuneration of the Members of the Board of Directors shall be structured so that the formers' interests are capable of being aligned with the long-term interests of the company. Furthermore, the remuneration shall be based on performance assessment and shall discourage taking on extreme risk. Thus, remunerations shall be structured as follows: i) The remuneration of the Board of Directors carrying out executive duties shall include a variable element which is determined by a performance assessment carried out by the company's competent bodies according to pre-established quantifiable criteria. Said criteria shall take into consideration the company's real growth and the actual growth generated for the shareholders, its long-term sustainability and the risks taken on, as well as compliance with the rules applicable to the company's activity. ii) The variable component of the remuneration shall be reasonable overall as regard the fixed component of the remuneration and maximum limits shall be set for all components. iii) A significant part of the variable remuneration shall be deferred for a period not less than three years and its payment shall depend of the company's steady positive performance during said period. (iv) Members of the Board of Directors shall not enter into contracts with the company or third parties that will have the effect of mitigating the risk inherent in the variability of the remuneration established by the company. (v) The Executive Directors shall hold, up to twice the value of the total annual remuneration, the company shares that were allotted by virtue of the variable remuneration schemes, with the exception of those shares that are required to be sold for the payment of taxes on the gains of said shares. (vi) When the variable remuneration includes stock options, the period for exercising same shall be deferred for a period of not less than three years; (vii) The appropriate legal instruments shall be established so that in the event of a Director's dismissal without due cause, the envisaged compensation shall not be paid out if the dismissal or termination by agreement is due to the Director's inadequate performance. (viii) The remuneration of Non-Executive Board Members shall not include any component the value of which is subject to the performance or the value of the company	**Yes**	**II.10; III.6**

	Recommendation	Compliance	Reference in this report
II.1.5.2	A statement on the remuneration policy of the Board of Directors and Fiscal Board referred to in Article 2 of Law No. 28/2009 of 19 June, shall contain, in addition to the content therein stated, adequate information on: i) which groups of companies the remuneration policy and practices of which were taken as a baseline for setting the remuneration ii) the payments for the dismissal or termination by agreement of the Directors' duties	**Yes**	**II.10**
II.1.5.3	The remuneration policy statement referred to in Article 2 of Law No. 28/2009 shall also include the directors' remunerations which contain an important variable component, within the meaning of Article 248-B/3 of the Securities Code. The statement shall be detailed and the policy presented shall particularly take the long-term performance of the company, compliance with the rules applicable to its business and restraint in taking risks into account	**Yes**	**II.10**
II.1.5.4	A proposal shall be submitted at the General Meeting on the approval of plans for the allotment of shares and/or options for share purchase or further yet on the variations in share prices, to members of the Board of Directors and Fiscal Board and other managers within the context of Article 248/3/B of the Securities Code. The proposal shall mention all the necessary information for its correct assessment. The proposal shall contain the regulation plan or in its absence, the plan's conditions. The main characteristics of the retirement benefit plans established for members of the Board of Directors and Fiscal Board and other managers within the context of Article 248/3/B of the Securities Code, shall also be approved at the General Meeting	**Yes**	**I.7; II.10; III.6**
II.1.5.6 [2]	At least one of the Remuneration Committee's representatives shall be present at the Annual General Meeting for Shareholders [2] The CMVM Corporate Governance Code does not include any recommendation with number II.1.5.5	**Yes**	**I.7**
II.2	**Board of Directors**		
II.2.1	Within the limits established by law for each management and supervisory structure, and unless the company is of a reduced size, the Board of Directors shall delegate the day-to-day running and the delegated duties shall be identified in the Annual Corporate Governance Report	**Yes**	**II.2; II.3**
II.2.2	The Board of Directors must ensure that the company acts in accordance with its goals, and shall not delegate its duties, namely in what concerns: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved	**Yes**	**II.2; II.3**
II.2.3	Should the Chair of the Board of Directors carry out executive duties, the Board of Directors shall set up efficient mechanisms for coordinating non-executive members that can ensure that these may decide upon, in an independent and informed manner, and furthermore shall explain these mechanisms to the shareholders in the corporate governance report	**Yes**	**II.2; II.3**
II.2.4	The annual management report shall include a description of the activity carried out by the Non-Executive Board Members and shall mention any restraints encountered	**Yes**	**II.2; II.4**
II.2.5	The company shall expound its policy of portfolio rotation on the Board of Directors, including the person responsible for the financial portfolio, and report on same in the Annual Corporate Governance Report	**Yes**	**II.2**
II.3	**Chief Executive Officer (CEO), Executive Committee and Executive Board of Directors**		
II.3.1	When Managing Directors that carry out executive duties are requested by other Board Members to supply information, the former must do so in a timely manner and the information supplied must adequately suffice the request made	**Yes**	**II.3**
II.3.2	The Chair of the Executive Committee shall send the convening notices and minutes of the meetings to the Chair of the Board of the Directors and, as applicable, to the Chair of the Fiscal Board or the Auditing Committee, respectively	**Yes**	**II.3**

	Recommendation	Compliance	Reference in this report
II.3.3	The Chair of the Board of Directors shall send the convening notices and minutes of the meetings to the Chair of the General and Supervisory Board and the Chair of the Financial Matters Committee	**Not Applicable**	**0.3** (4)
II.4	**General and Supervisory Board, Financial Matters Committee, Audit Committee and Fiscal Board**		
II.4.1	Besides carrying out its supervisory duties, the General and Supervisory Board shall advise, follow-up and carry out an on-going assessment on the management of the company by the Executive Board of Directors. Besides other subject matters, the General and Supervisory Board shall decide on: i) the definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved	**Not Applicable**	**0.3** (5)
II.4.2	The annual reports and financial information on the activity carried out by the General and Supervisory Committee, the Financial Matters Committee, the Audit Committee and Fiscal Board[1] must be disclosed on the company's website	**Yes**	**II.5**
II.4.3	The annual reports on the activity carried out by the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Fiscal Board must include a description on the supervisory activity and shall mention any restraints that they may have come up against	**Yes**	**II.5**
II.4.4	The General and Supervisory Board, the Auditing Committee and the Fiscal Board (depending on the applicable model) shall represent the company for all purposes at the external auditor, and shall propose the services supplier, the respective remuneration, ensure that adequate conditions for the supply of these services are in place within the company, as well as being the liaison officer between the company and the first recipient of the reports	**Yes**	**II.5**
II.4.5	According to the applicable model, the General and Supervisory Board, Auditing Committee and Fiscal Board shall assess the external auditor on an annual basis and advise the General Meeting that he/she be discharged whenever justifiable grounds are present	**Yes**	**II.5**
II.4.6	The internal audit services and those that ensure compliance with the rules applicable to the company (compliance services) shall functionally report to the Audit Committee, the General and Supervisory Board or in the case of companies adopting the Latin model, an independent director or Fiscal Board, regardless of the hierarchical relationship that these services have with the executive management of the company	**Yes**	**II.8**
II.5	**Special Committees**		
II.5.1	Unless the company is of a reduced size and depending on the adopted model, the Board of Directors and the General and Supervisory Committees, shall set up the necessary Committees in order to: i) ensure that a competent and independent assessment of the Executive Directors' performance is carried out, as well as its own overall performance and further yet, the performance of all existing committees; ii) study the adopted governance system and verify its efficiency and propose to the competent bodies, measures to be carried out with a view to its improvements; iii) in due time identify potential candidates with the high profile required for the performance of director's duties	**Yes**	**II.4**
II.5.2	Members of the Remuneration Committee or alike shall be independent from the Members of the Board of Directors and include at least one member with knowledge and experience in matters of remuneration policy	**Yes**	**I.7**
II.5.3	Any natural or legal person which provides or has provided, over the past three years, services to any structure subject to the Board of Directors, to the Board of Directors of the company or that has to do with the current consultant to the company shall not be recruited to assist the Remuneration committee. This recommendation also applies to any natural or legal person who has an employment contract or provides services	**Yes**	**I.7**
II.5.4	All the Committees shall draw up minutes of the meetings held	**Yes**	**II.4**

[1] Original text does not mention the Fiscal Board

Recommendation		Compliance	Reference in this report
III.	**Information and Auditing**		
III.1	**General Disclosure Duties**		
III.1.1	Companies shall maintain permanent contact with the market thus upholding the principle of equality for shareholders and ensure that investors are able to access information in a uniform fashion. To this end, the company shall create an Investor Assistance Unit	**Yes**	**III.8**
III.1.2	The following information that is made available on the company's Internet website shall be disclosed in the English language: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the Members of the Board of Directors and the Market Liaison Officer; d) Investor Assistance Unit – its functions and access means; e) Accounts Reporting documents; f) Half-Yearly Calendar on Company Events; g) Proposals sent through for discussion and voting during the General Meeting; h) Notices convening meetings	**Yes**	**III.8**
III.1.3	Companies shall advocate the rotation of auditors after two or three terms in accordance with four or three years respectively. Their continuance beyond this period must be based on a specific opinion for the Fiscal Board to formally consider the conditions of auditor independence and the benefits and costs of replacement	**Yes**	**II.6**
III.1.4	The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and report any shortcomings to the company's Fiscal Board	**Yes**	**II.6**
III.1.5	The company shall not recruit the external auditor for services other than audit services, nor any entities with which same takes part or incorporates the same network. Where recruiting such services is called for, said services should not be greater than 30% of the total value of services rendered to the company. The hiring of these services must be approved by the Fiscal Board and must be expounded in the Annual Corporate Governance Report	**Yes**	**II.6**
IV.	**Conflicts of Interest**		
IV.1	**Shareholder Relationship**		
IV.1.1	Where deals are concluded between the company and shareholders with qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be carried out in normal market conditions	**Yes**	**III.7**
IV.1.2	Where deals of significant importance are undertaken with holders of qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be subject to a preliminary opinion from the Fiscal Board. The procedures and criteria required to define the relevant level of significance of these deals and other conditions shall be established by the Fiscal Board	**Yes**	**III.7**

0.3 Reasons for non compliance or non applicability of the Corporate Governance Code

This section lays out the reasons for the non compliance or non applicability for each individual recommendation and should be read in conjunction with the table in the previous section.

As at 31 December 2012, the following recommendations were not applicable to Sonae Capital:

(1) Recommendation II.3.3 - This recommendation relates to a corporate governance model not adopted by Sonae Capital, and for this reason is not considered to be applicable. Under the terms and conditions of article 278 of the Portuguese Companies Code, Sonae Capital structured its corporate governance model with a Board of Directors, a Fiscal Board and a Statutory Auditor.

(2) Recommendation II.4.1 - This recommendation related to a corporate governance model not adopted by Sonae Capital, and for this reason is not considered to be applicable. Under the terms and conditions of article 278 of the Portuguese Companies Code, Sonae Capital structured its corporate governance model with a Board of Directors, a Fiscal Board and a Statutory Auditor.

I. Governing Bodies

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

I.1 Board of the Shareholders' General Meeting

As at 31 December 2012, the Board of the Shareholders' General Meeting had the following members, mandated for the 2011-2012 period:

- António Agostinho Cardoso da Conceição Guedes (Chairman);
- Maria Daniela Farto Baptista Passos (Secretary).

In addition to the support provided by the Company Secretary, during the preparatory stages of the Shareholders' General Meeting, its Board members are given assistance by the Corporate Legal department, namely to prepare support documents and files.

The remuneration of the Chairman of the Board of the General Shareholders' Meeting is made up of a fixed amount, based on the Company's situation and market practices, and amounted to a total of 3,000 euro for the year 2012.

I.2 Presence at the Shareholders' General Meeting

The Company's Articles of Association comply with the provisions of Decree-Law no. 49/2010 of 19 May, which changed the rules regarding shareholders presence in general meetings from listed companies, thus, there is no need for a blocking period either to attend the Shareholders' General Meeting or during the suspension period.

The Company has not issued non-voting preference shares. In any event, the Articles of Association contemplate the presence at a Shareholders' General Meeting of shareholders holding non-voting preference shares, and their presence at the discussion of the points on the agenda for the Shareholders' General Meeting will depend on the authorisation of the Shareholders' General Meeting.

Shareholders may be represented at the Meeting by means of a written representation letter addressed to the Chairman of the Board of the Shareholders' General Meeting and delivered up to the beginning of the meeting, indicating the name and address of the representative nominated, as well as the date of the meeting. That written communication can be made using e-mail in accordance with instructions of the meeting's notice.

A shareholder may appoint several representatives related to owned shares held through different share accounts, without undermining the principle of vote unity and the ability of professional shareholders to vote differently according with representation of different shareholders.

The Company makes available, within timings comprised in the law, adequate information, so that shareholders take seat in the Shareholders' General Meeting directly or through representatives, as well as a minute of representation letter in its website (www.sonaecapital.pt).

I.3 Voting and Exercising Voting Rights

Under the terms of the Company's Articles of Association, each share is entitled to one vote. Additionally, no limit is established to the number of votes that can be held or exercised by a sole shareholder or group of shareholders.

Shareholders may vote using written voting papers in all matters subject to the approval of the Shareholders' General Meeting. Votes may be cast using electronic means, if these are made available to shareholders and mentioned in the meetings' notice.

Written voting papers shall only be considered valid if they are received at the Company's registered office at least three working days before the date of the Shareholders' General Meeting, and must be sent by registered post with signature confirmation on delivery addressed to the Chairman of the Board of the Shareholders' General Meeting. This does not dispense with the need to comply with the procedures set out in the Articles of Association, to be registered as a valid shareholder for the Shareholders' General Meeting with a reference to the record date. Written voting papers must be signed by shareholders or by their legal representatives. Individual shareholders must attach a certified copy of their identity card and, for corporate shareholders, the signature must be authenticated confirming that the signatory is duly authorised and mandated for the purpose.

In addition to the above mentioned, to be considered valid, written voting papers also have to set out clearly, in an unambiguous manner: (i) the agenda item or items to which they refer; (ii) the specific proposal to which they relate, indicating the respective proposer or proposers, and; (iii) the precise and unconditional voting intention on each proposal. It is assumed that shareholders have abstained from any proposals that are not specifically included in their written voting papers. Written voting papers shall be deemed as votes against any proposals presented after the issuance of such written voting papers. Written voting papers will be revoked if the shareholders that issued those votes is present or represented at the meeting. The Chairman of the Board of the Shareholders' General Meeting, or his or her substitute, is responsible for verifying that written voting papers comply with all the above requirements and, those that are not accepted, will be considered as null and void. The means set out to ensure confidentiality of written voting papers are described in the notice of the meeting.

The Company makes available to shareholders minutes of written voting papers on the Company's website (www.sonaecapital.pt), after notice has been given of the Shareholders' General Meeting.

I.4 Quorum and resolutions

The Shareholders' General Meeting shall meet ordinarily, within the timing established by law for the Shareholders' Annual General Meeting, or extraordinarily, whenever the Board of

Directors or the Fiscal Board or shareholders representing more than 2% of the voting share capital (minimum required for this purpose by law), request one.

The Shareholders' General Meeting can meet, in the first instance, as long as shareholders holding over fifty percent of the share capital are present or represented.

Under the terms of the Company's Articles of Association, resolutions at the Shareholders' General Meeting shall be taken by simple majority, unless otherwise determined by law.

I.5 Minutes and information on the resolutions of the Shareholders' General Meeting

The notice of the Shareholders' General Meeting and the proposals and respective appendices required by law, addressed to the Board of the Shareholders' General Meeting, are made publicly available to all shareholders, for consultation, at the registered office during office hours, on the Company's website (www.sonaecapital.pt) and on the Information Disclosure System of the Portuguese Securities Market Commission (www.cmvm.pt), at least 21 days prior to the Shareholders' General Meeting.

The Company keeps a record, on its website (www.sonaecapital.pt), of the attendance lists, agenda and decisions of the Shareholders' General Meetings of the previous three years (at least). Information on the decisions of the Shareholders' General Meetings is disclosed on the date of the meeting.

Besides access to information on the above mentioned disclosure systems, shareholders can request specific information or explanations on any matter related to the Shareholders' General Meeting through the Investor Relations Office.

I.6 Measures regarding Control of the Company

The Company has not taken measures of any kind that would hinder the success of a public tender offer for the purchase of its shares, nor has the Board of Directors knowledge of any special rights or shareholders agreements in which the Company or its shareholders are involved.

The Company's Articles of Association do not foresee any defensive practices that automatically and significantly erode the Company's assets in the event of a change in control or change in the composition of the management body.

Additionally, there are no agreements between the Company and its board members or other senior managers that foresee indemnities or penalty payments in any case of termination of their existing contracts as a result of a change in control of the Company.

I.7 Remuneration policy and performance assessment

The remuneration of members of the statutory bodies of the Company is fixed by the Shareholders' General Meeting, which has appointed a Shareholders' Remuneration Committee to set and propose the compensation and performance assessment policies and respective guidelines.

The Shareholders’ Remuneration Committee did hot hire, for support in the carrying out of its duties, any person or entity that provides or has provided, in the last three years, services to the Board of Directors or to any structure under his dependence nor any entity that currently supports the company with consultancy services.

In accordance with Law nr. 28/2009 the Remuneration Committee or the Board of Directors must submit, annually, the remuneration policy of the statutory bodies to the Shareholders’ General Meeting. The remuneration policy and the required disclosures are laid out in section II.10 of this report.

The Shareholders’ Remuneration Committee has two members, the company Efanor Investimentos, SGPS, SA (majority shareholder of the Company) represented by Belmiro Mendes de Azevedo (Chairman) and José Fernando Oliveira de Almeida Côrte-Real. Belmiro Mendes de Azevedo is also Chairman and CEO of Sonae Capital, acting as a the shareholder’s representative in the Remuneration Committee. To ensure the independence in the exercise of such functions, this member does not take part in the discussion nor votes on any decision from which a conflict of interest may arise.

The experience and professional qualifications of the members of the Shareholders’ Remuneration Committee allows them to carry out their duties in a rigorous and competent manner in safeguard of the interests of the Company.

The Shareholders’ Remuneration Committee is always represented at the Shareholders’ General Meeting at least by one of its members.

The table below summarizes the attendance of members of the Shareholders’ Remuneration Committee at the Shareholders’ General Meetings since the incorporation of Sonae Capital.

Date of the Shareholders’ General Meeting	Attendance of members of the Shareholders’ Remuneration Committee
09 April 2008	Belmiro Mendes de Azevedo
28 April 2009	Belmiro Mendes de Azevedo
28 April 2010	Belmiro Mendes de Azevedo
31 March 2011	Belmiro Mendes de Azevedo
30 March 2012	Belmiro Mendes de Azevedo

II. Management and Supervision bodies

II.0 Assessment of the Corporate Governance Model

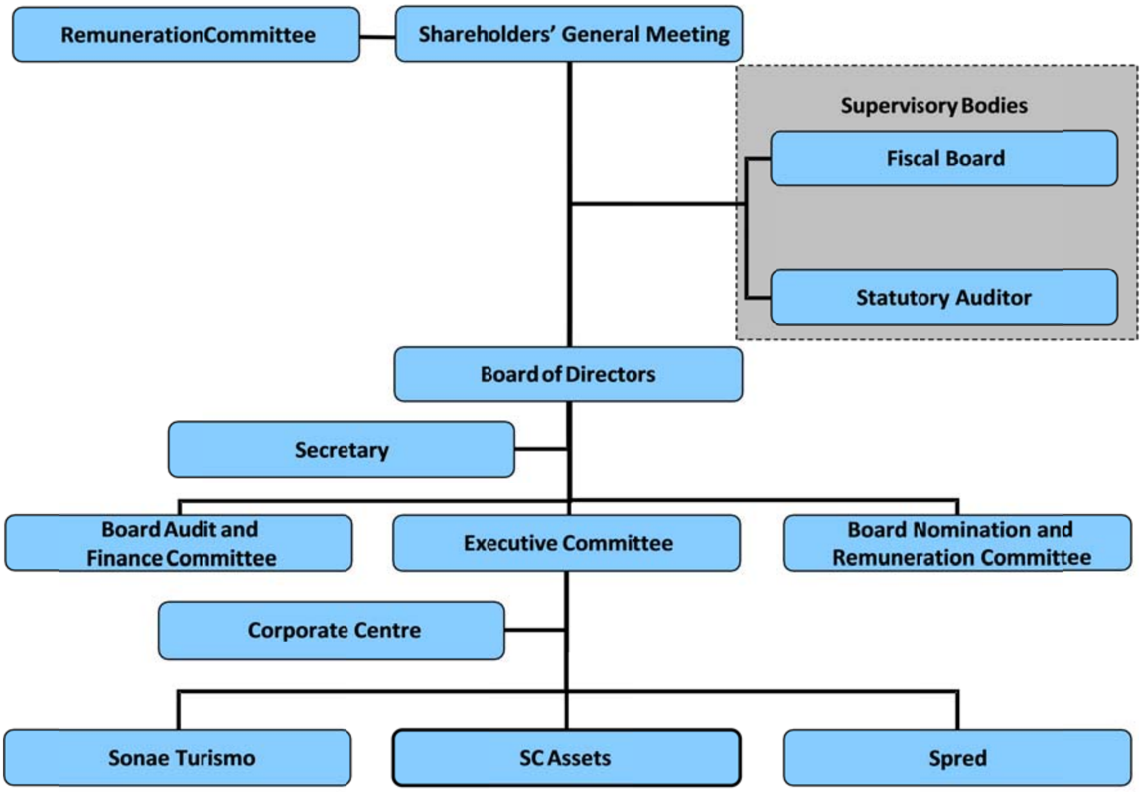
Sonae Capital was incorporated in December 2007. During 2008, significant changes were made to the corporate governance structure of Sonae Capital to respond to the strategic and management needs of the Company’s business portfolio. The new governance structure proposed by the Board of Directors and approved at the Shareholders’ General Meeting of 9 April 2008 envisaged strengthening strategy formulation of the Company and the independent appraisal of the execution of strategy by Executive Directors, based on best practices in corporate governance.

At the date of its incorporation, Sonae Capital adopted a model based on a Board of Directors, a Fiscal Board and a Statutory Auditor. The Board of Directors has the responsibility of management while the remaining two bodies have supervisory responsibility.

The significant changes introduced few months after its incorporation strengthened and enlarged the supervision of the Company mainly through the creation of an Executive Committee to which the day-to-day management was delegated and the creation of two boards within the Company's Board of Directors, with supervision and counselling responsibilities. The scope of their activity is described in section I.4 of this report. Details of the new structure, its different bodies, roles and responsibilities are presented in the following sections.

For the time being the Board of Directors believes the existing model is the most suitable for Sonae Capital. In order to strengthen its commitment to evaluate the existing governance model, the Board of Directors, through the Board Audit and Finance Committee has implemented a formal annual assessment on corporate governance issues in order to evaluate, on a regular basis, on existing structures and functioning. Conclusions of that judgement are presented to the Board of Directors that, if deemed necessary, will fine tune procedures and policies.

II.1 Governing bodies and functional structure



Under the current governance structure, the Board of Directors is responsible for business portfolio strategic decisions and respective implementation. The Board of Directors delegates to the Executive Committee the management of day-to-day operations, with the exception of matters highlighted in section II.3 of the current report. In addition to the Executive Committee, the Board has also appointed specialised advisory committees, namely the Board Audit and Finance Committee and the Board Nomination and Remuneration Committee, aimed at strengthening the decision making process at Board level.

The supervision of the Company is carried out by the Fiscal Board and by the Statutory Auditor, both elected at the Shareholders' General Meeting. For more information on these statutory bodies, please refer to sections II.5 and II.6, respectively.

The Corporate Centre is instrumental in supporting the Executive Committee and the Board of Directors in defining and executing major strategies, policies and objectives and is composed of seven sovereign functions and three shared services functions which provide services to all Group companies.

Those functions are the following:

Sovereign functions	Shared services functions
Corporate Finance	Financial Services
Legal	Accounting & Consolidation
Planning and Control	Administrative Human Resources
Corporate Human Resources	
Internal Audit & Risk Management	
Mergers & Acquisitions	
Information Systems	

The Corporate Finance function has the responsibility to define and implement financial strategies and policies to ensure an integrated and across the board view of the Group's needs as well as ensuring the liaison with capital, debt and banking markets. This department is also responsible for financial risk management at Group level and for the preparation and follow-up of the Group's financial plan.

The Legal function provides legal support in all domains, ensuring the safeguard of the Groups' interests and promoting the strategy defined by the Board of Directors.

The Planning and Control function plays a role in supporting the strategic planning of the Group, in defining management information policies and in ensuring consolidated management reporting. This function includes the Investor Relations Office which has as main responsibilities external reporting and ensuring a permanent contact with institutional investors, shareholders and analysts.

Corporate Human Resources have the responsibility of defining and implementing the strategy and policy of Human Resources of the Group as well as the planning and management of talent and careers of senior managers.

Mergers & Acquisitions has the main role of assisting the Board of Directors of Sonae Capital in projects of organic growth and in the management of Group's businesses, as well as in projects of portfolio optimization including the analysis and negotiation of investment or divestment opportunities.

The Internal Audit & Risks Management function defines and executes internal audit activities and evaluates systematically and independently Group's activities, with the objective of ensuring the efficacy of management systems and processes and internal control. Simultaneously, it supports the Board of Directors in identifying, modelling and accompanying Group's risks with the objective of controlling and mitigating those risks and also to include risk assessment in strategic and operational decision making.

Information Systems function has the role of ensuring the alignment of information systems with Group's strategy, creating value by providing solutions that promote efficacy, efficiency and innovation in processes.

Sovereign functions report to the Executive Committee of Sonae Capital.

Financial Services have the mission of optimizing Group's financial flows by efficiently coordinating external partners, namely clients, suppliers and banks. The function is coordinated by the sovereign function of Corporate Finance.

Accounting & Consolidation has the purpose of maintaining the accounting organization to guarantees the availability and integrity of financial and accounting information and assets of the whole organization through an integrated information system. The function is coordinated by a manager at the Corporate Centre level.

Administrative Human Resources ensure the coordination of administrative management activities of human resources and alignment with businesses. The function is coordinated by the sovereign function of Corporate Human Resources.

II.2 Composition of the Board of Directors

Under the Company's Articles of Association, the Board of Directors can be made up of an odd or even number of members, with a minimum of three members and a maximum of seven members, elected at the Shareholders' General Meeting. The Chairman of the Board has a casting vote.

The election of one member of the Board of Directors takes place independently from the remaining elections, under the terms of the law, among persons listed in proposals subscribed by groups of shareholders, provided that such groups of shareholders hold shares that represent more than ten and less than twenty percent of the share capital. The same shareholder cannot subscribe to more than one proposal, and each proposal must contain the identification of at least two persons eligible for each of the positions to be filled. If proposals are presented by more than one group of shareholders, voting will be based on all of these proposals.

The Board of Directors appoints a substitute in case of death, resignation or temporary or permanent incapacity or unavailability of any member. If a Director fails to be present at any two meetings without providing a justification for such absence which is accepted by the Board of Directors, such a Director will be deemed permanently unavailable. A substitute is elected to the Board of Directors in the case of permanent unavailability of the member of the Board elected under the provisions set in the previous paragraph.

As at 31 December 2012, the Board of Directors was made up of five members, three executive and two non executive. The two non executive members are independent:

Name	Position	First appointment on
Belmiro Mendes de Azevedo	Chairman and CEO	December 2007
Álvaro Carmona e Costa Portela	Executive	March 2011
Maria Cláudia Teixeira de Azevedo	Executive	March 2011
Francisco de La Fuente Sánchez	Non Executive	April 2008
Paulo José Jubilado Soares de Pinho	Non Executive	April 2008

Non executive members were appointed based on their reputation in business, finance, academia and consultancy areas, to strengthen the skills of the Board of Directors, namely in relation to the approval of the portfolio configuration strategy and of the annual business plan and any significant changes to it.

Non executive members of the Board of Directors, Francisco de La Fuente Sánchez and Paulo José Jubilado Soares de Pinho, are considered independent under the terms of number 5 article 414 of the Portuguese Company Law, and comply with incompatibility rules under the terms of number 1 (except paragraph b, which is not applicable to members of the Board) of Article 414 of the Portuguese Company Law.

Independent Non Executive Directors have to disclose immediately to the Company any event that, in the course of their mandate, might lead to conflicts of interest or loss of independence under the terms of legal requirements.

In ascertaining conflict of interest rules applicable to the members of the Board of Directors, the Company relies solely on criteria established in paragraph 1 of Article 414-A of the Portuguese Company Law, and has not defined, internally, any other assessment criteria.

The current composition of the Board of Directors, especially the number of Non Executive and independent members (2 from a total of 5 members), ensure the necessary supervision of the activities performed by Executive Directors. The Report of the Board of Directors contains a section with a description of the activities carried out by Non Executive board members.

Under the terms of the law and articles of association, members of the Board of Directors are elected in accordance with the proposals approved in the General Meeting. According to the articles of association, the election of one member of the Board of Directors can take place independently from the remaining elections among persons listed in proposals subscribed by groups of shareholders, provided that such groups of shareholders hold shares that represent more than ten and less than twenty percent of the share capital, preventing that the same shareholder cannot subscribe to more than one proposal. Each proposal must contain the identification of at least two persons eligible for each of the positions to be filled. If proposals are presented by more than one group of shareholders, voting will be based on all of these proposals. Thus, Executive Directors have not, nor have ever, had any influence in the selection of candidates to Non Executive Directors.

According to the articles of association, the Board of Directors will appoint a coopted substitute in case of death, resignation or temporary or permanent incapacity or unavailability of any board member (except for the Board member elected under the above mentioned minority rule), with the decision being subject to the approval of shareholders in the following Shareholders' General Meeting.

Under the Company's Articles of Association and the Board of Directors' Terms of Reference, there are no restrictions as to the maximum number of positions that Board members can hold simultaneously.

The Board of Directors is responsible for the management of the business and for carrying out all operations related to fulfilling the Company's objectives, and for that purpose, the Board is given the widest powers, including:

- To approve the Company's annual budget;
- To decide to associate the Company with any other person or entity under the terms of Article five of the Company's Articles of Association;
- To appoint third parties, individuals or corporate entities, to exercise office in other companies;

- To decide to issue bonds and to contract loans in national and/or international financial markets;
- To decide on the technical and financial assistance that the Company may give to affiliated or associated companies;
- To represent the Company, in or outside court, proposing or contesting any legal procedures, deciding to continue and abandon legal actions, and deciding on their settlement through arbitration proceedings. To that end, the Board of Directors can delegate its powers to a sole mandated person.

The powers conferred to the Board of Directors, under the Articles of Association, regarding share capital increases, ceased in December 2012, and thus from that date onwards such power lies exclusively in the Shareholders' General Meeting.

In accordance with the adopted policy, all Executive Committee members, including the CEO, share responsibilities in more than one area, with responsibilities being attributed according to the profile and experience of each member. Thus, the adopted policy does not foresee periodic rotation, since the Executive Committee believes this could damage the company and its shareholders' interests. During 2012, the responsability for financial matters was assumed by the Chief Executive Officer.

The Company's Articles of Association establish that the Board of Directors appoints, if it so decides, one or more Managing Directors or an Executive Committee from amongst its members, to which it shall delegate the powers to manage the businesses that the Board may determine. The Board of Directors elected in 2011 appointed an Executive Committee. Information on the Executive Committee can be found in section II.3 of this report.

The Board of Directors may also create specialised committees to ensure the effectiveness of the Non Executive Directors and of the main Board Meetings. Those currently created are the Board Audit and Finance Committee and the Board Nomination and Remuneration Committee. The creation and activity of the Board Audit and Finance Committee, composed solely of Non-Executive Directors, and the access to all available information under the terms of section II.3 allow, in the opinion of the Board of Directors, independent and well-informed decisions by Non-Executive Directors. Please refer to section II.4 for information on these internal committees.

According to the Company's Articles of Association, the Board of Directors meets at least once every quarter and, in addition, whenever the Chairman or two Board Directors convene a meeting. During 2012, the Board of Directors held seven meetings.

The Board of Directors may only deliberate if a majority of their members is present or represented, and decisions will be taken by a majority of votes cast by members present, represented or voting in writing.

The functioning and other logistic issues are dealt with by the Board's Secretary, which also ensures that records of decisions taken are kept in minutes of meetings and provides Board members with support information for the proposed agenda at least five days in advance and always leaving a weekend between distribution and the respective meeting.

The Board of Directors approved and enacted its Terms of Reference, which are available for consultation on the Company's website (www.sonaecapital.pt).

Information on other offices held by the Company's Directors, qualifications and experience can be found in the curricula vitae included as an appendix to this report.

II.3 Executive Committee

The Board of Directors delegates to the Executive Committee the powers to manage the day-to-day operations of the Company and, regulates how the Executive Committee operates and how the delegated powers can be exercised. The Board of Directors does not delegate the following powers:

- To appoint the Chairman of the Board;
- To co-opt a member to the Board;
- To convene Shareholders' General Meetings;
- To approve the Annual Report and Accounts;
- To grant any pledges, guarantees or charges over the assets of the Company;
- To decide to change the Company's registered office or to approve any share capital increases;
- To decide on mergers, de-mergers, modifications to the corporate structure of the Company;
- To approve the portfolio management strategy;
- To approve the financial plan and any significant changes thereto.

The existing Executive Committee was appointed on 29 February 2012, and its term of office ceases with that of the Board, and has the following members:

Name	Position
Belmiro Mendes de Azevedo	Chief Executive Officer
Álvaro Carmona e Costa Portela	Vice-president
Maria Cláudia Teixeira de Azevedo	Director

The Company's Executive Committee meets once a month and whenever the Chief Executive Officer or the majority of its members convenes it, in writing, at least 3 days before the meeting is held. Independently from regular contacts held by Executive Committee members in the periods between meetings, there were thirteen meetings during the year 2012.

The Executive Committee may only deliberate if a majority of its members is present or represented, and decisions are taken by a majority of votes cast by members present, represented or voting in writing.

The Executive Committee meetings may also be attended by members of the corporate team, at a Director's request, for assistance and advice on specific issues.

The functioning of the Committee and other logistic issues are ensured by the Executive Committee's Secretary (who is also the Board of Directors' Secretary), who also ensures records of decisions taken are kept in minutes of the meetings and provides Committee members with support information for the proposed agenda at three working days in advance and always leaving a weekend between distribution and the respective meeting. The existence of a common Secretary to both governing bodies, ensuring information flows between them, contributes to the timely supply of information and reduces misinterpretation of information requests, thus leading to more efficiency and effectiveness in the process.

During the year 2012, the approved minutes of the Executive Committee meetings were made available to Non Executive Board members and Fiscal Board members. Members of the Executive Committee provide timely and adequate information whenever requested by members of other statutory bodies.

II.4 Internal Committees

On 31 March 2011, the Board of Directors appointed the members of the Board Audit and Finance Committee (BAFC) and the Board Nomination and Remuneration Committee (BNRC). Their office cease with the Board's term of office.

Therefore, as at 31 December 2012, the BAFC is composed of two Non Executive independent Directors, Francisco de La Fuente Sánchez (Chairman) and Paulo José Jubilado Soares de Pinho and the BNRC is composed of Belmiro Mendes de Azevedo (Chairman and also Chairman of the Board of Directors) and Francisco de La Fuente Sánchez (Non Executive Independent Director).

The BAFC reviews Company's reports, financial information and financial statements, before they are approved by the Board, advises the Board on reports to shareholders and financial markets, on the adequacy and appropriateness of internal information provided by the Executive Committee, including internal business controls, and on compliance with best practices in corporate governance, and reviews, on behalf of the Board, the internal audit and risk management activities and assesses processes and procedures in order to ensure monitoring of internal control and the efficient management of risks. The BAFC meets directly with the Statutory External Auditors and the Internal Audit team.

The BAFC shall meet at least six times a year before the disclosure of the annual and interim results, once before the approval of the annual consolidated budget, once to evaluate the effectiveness of corporate governance policies and practices of the Company and whenever it is convened by its Chairman, or the Board's Chairman or the Chief Executive Officer. During 2012, the BAFC held five meetings, having decided to hold in one session two of the meetings.

The Secretary of the BAFC circulates required agendas and support documents to the members of the BAFC at least five days in advance and always leaving a weekend between distribution and the respective meeting, also ensuring records of decisions taken are kept in minutes of the meetings.

The BNRC reports and proposes to the Board of Directors on nomination processes and remuneration systems of Executive and Non Executive Directors. To that end, it may take advice from external experts. This Committee also liaises with the Shareholders' Remuneration Committee, mentioned in section I.7 of this report.

The BNRC meets at least once a year, before the annual meeting of the Shareholders' Remuneration Committee.

Specialised committees may only deliberate if a majority of their members is present or represented, and decisions will be taken by a majority of votes cast by members present, represented or voting in writing. The deliberations of the specialised committees are taken into consideration on an advisory basis in support of decisions by the Board of Directors.

II.5 Fiscal Board

In accordance with the Company's Articles of Association, the Fiscal Board shall be made of an odd or even number of members, with a minimum number of three members and a maximum number of five members, being the number of members decided upon by the Shareholders' General Meeting of the Company. One or two substitutes shall be appointed if the Fiscal Board is made up of three or more members, respectively.

The Fiscal Board appoints it's Chairman if the Shareholders' General Meeting has not made such an appointment. If the Chairman ceases his/her functions before the end of his/her mandate, the remaining members shall choose amongst themselves who will perform those duties until the end of the mandate. Substitute member(s) shall replace effective member(s) who are unable or have ceased to exercise their functions, and shall remain member(s) until the next Shareholders' General Meeting which will appoint new members to fill any vacancy(ies). If there are no substitute members available, the Shareholders' General Meeting shall appoint new members.

The members appointed for the mandate ended in 2012 were:

Name	Position	First Appointment on
Manuel Heleno Sismeiro	Chairman	April 2009
Armando Luís Vieira de Magalhães	Member	December 2007
Jorge Manuel Felizes Morgado	Member	December 2007

The members of the Fiscal Board are of the opinion that they can all be considered independent under the terms of number five article 414 of the Portuguese Company Law and that they comply with all incompatibility rules mentioned in number 1 article 414-A of the Portuguese Company Law.

In ascertaining incompatibility rules applicable to the members of the Fiscal Board, the Company relies solely on criteria established in number one Article 414-A of the Portuguese Company Law, and has not defined, internally, any other assessment criteria.

Under the Company's Articles of Association and the Fiscal Board's Terms of Reference, there are no restrictions as to the maximum number of positions that Fiscal Board members can hold simultaneously. The limitation specified in Portuguese Company Law that limits the number of positions that Fiscal Board members can hold simultaneously to five, is not applicable to law firms, statutory audit firms and individual statutory auditors. All the members of the Fiscal Board of the Company are individual statutory auditors, hence its President has all the necessary skills to carry out his duties.

The duties of the Fiscal Board are those determined by law, which include amongst others:

- Overseeing the Company's Board of Directors;

- Overseeing compliance with legal and regulatory requirements and the Company’s Articles of Association;
- Overseeing the preparation and disclosure of financial information;
- Convening the Shareholders’ General Meeting, whenever the Chairman of the General Meeting fails to do so;
- Proposing the appointment of the Statutory Auditor to the Shareholders’ General Meeting and overseeing the work performed by the Statutory Auditor on the Company’s financial statements;
- Considering and overseeing the independence of the Statutory Auditor, namely in relation to additional services provided.

The Fiscal Board establishes, in the first meeting of each year, a work plan and timetable for the year, comprising among other subjects, the coordination of tasks with the Statutory Auditor including:

- Approval of the annual work plan of the Statutory Auditor;
- Follow-up of work performed and review of conclusions of the audit work and of interim and annual statutory audits;
- Overseeing the independence of the Statutory Auditor, and;
- Joint meeting with the Board Audit and Finance Committee (BAFC) for the review of matters regarding Internal and External Audit.

To carry out its duties, the Fiscal Board:

- Obtains from the Board of Directors, namely through the Board Audit and Finance Committee, all the necessary information to carry out its duties, namely relating to the operational and financial performance of the Company, changes to its business portfolio, the terms of any transactions that have occurred and the details of decisions taken;
- Reviews and monitors, during the year, the work of the internal and external auditors, and informs the Board of Directors of its recommendations;
- Monitors the risk management system, and, if there are any material issues, prepares an annual report of its assessment and recommendations to the Board of Directors;
- Receives from the Board of Directors, at least two days before the date of the meeting, the annual consolidated and individual financial statements and the Report of the Board of Directors and reviews in particular the main changes, relevant transactions and the corresponding accounting treatment applied;
- Receives from the Statutory Auditor, the statutory audit report on the financial statements, and reports its opinions and decisions taken;
- Records in writing communications of alleged irregularities that have been addressed to it, requesting information and clarification through the Board of Directors, and internal and/or external auditors, and prepares a report on its conclusions;
- Informs the Board of Directors about the procedures and checks carried out and the results thereof;
- Attends Shareholders’ General Meetings;
- Carries out any other supervisory duties required by law.

To support the Fiscal Board’s activity, the Company provides human and technical resources needed for scheduling meetings, preparing agendas, minutes and support documents and ensuring their timely distribution. Additionally, internal staff deemed relevant for matters in the agenda, is also present in the meetings, to present and explain the main questions raised by the Fiscal Board. Items in the agenda regarding External Audit issues are discussed, at the request of the Fiscal Board, without the presence of other department's staff. Lastly, reports prepared by the Statutory Auditor are simultaneously sent to the Board of Directors and to the Fiscal Board, since the latter holds meetings before the meetings of the Board of Directors.

The Fiscal Board issues an annual report on the supervisory work performed including the annual assessment of the Statutory External Auditor, as well as an opinion on the report of the Board of Directors, consolidated and individual financial statements and corporate governance report presented by the Board of Directors, in order to meet the legal deadlines for presentation of those documents to the annual Shareholders' General Meeting. The Fiscal Board's report on annual activity is included in the annual reports made available on the Company's website (www.sonaecapital.pt).

The Fiscal Board's Terms of Reference are available for consultation on the Company's website (www.sonaecapital.pt).

Information on other offices held by members of the Fiscal Board, their qualifications and experience can be found in the curricula vitae included in an appendix to this report.

II.6 Statutory External Auditor

The Company's Statutory External Auditor for the term ended in 2012 was PricewaterhouseCoopers & Associados, SROC, represented by Hermínio António Paulos Afonso or by António Joaquim Brochado Correia. The Statutory External Auditor was elected by the Shareholders' General Meeting, by proposal of the Fiscal Board.

During 2012, the total remuneration paid to the Company's external auditors was 108,796 euro, corresponding to the following services provided:

Values in Euro

	2012	%	2011	%	2010	%	2009	%
Statutory Audit [1]	98,796	90.8	90,436	100.0	140,171	68.6	158,542	78.4
Other Assurance [2]	0	0	0	0.0	0	0.0	0	0.0
Tax Consultancy [2]	10,000	9.2	0	0.0	21,450	10.5	10,000	4.9
Other Services [2]	0	0	0	0.0	42,250	20.7	33,750	16.7
Total	**108,796**	**100.0**	**90,436**	**100.0**	**203,871**	**100.0**	**202,292**	**100.0**

[1] Fees agreed for the year.
[2] Amounts invoiced.

In order to ensure External Auditor independence, tax consultancy services and other services (mostly related with management consulting) were provided by different teams than those involved in audit services. The Board Audit and Finance Committee and the Fiscal Board reviewed the scope of other services and concluded they did not affect the independence of

Auditors.

In 2010, the Board of Directors approved a policy regarding audit and other related services rendered by the External Auditor. The implementation of this policy aimed to ensure the independence of the External Auditor, defining other excluded services and establishing a threshold for other related services which can be rendered by the External Auditor to Sonae Capital Group companies, aligning the Company with best practices and complying with applicable laws and regulations. Within this policy, any services not comprised in the list of excluded services and that do not fulfil the criteria set for allowed services, have to be approved by the Board Audit and Finance Committee and by the Fiscal Board before they are committed, following a proposal of the related Administrative Department. The Board Audit and Finance Committee and the Fiscal Board shall be informed of fees invoiced regarding authorized services as they are being rendered. Every half year a summary of such fees must always be produced by the secretary of each of these bodies and reported to the Board Audit and Finance Committee and the Fiscal Board.

As part of its work plan, the external auditor confirmed the application of policies and remuneration systems, as well as the effectiveness and performance of internal control mechanisms, and has not identified any material issues that should be reported to the Company's Fiscal Board.

The Company has not defined and implemented a rotation policy for the Statutory External Auditor. It is the Board of Directors judgment that the replacement of the auditor or partner responsible for auditing services every seven years, currently imposed by law, is more than adequate to ensure the independence of the Statutory External Auditor together with the powers given to the Fiscal Board to oversee the independence of the Statutory External Auditor. Nevertheless, in 2011 the Shareholders' General Meeting elected a new Statutory External Auditor.

II.7 Company Secretary

The Board of Directors appointed Anabela Nogueira Matos and Hélio Jacinto Sousa Brites as Company's Secretary and respective substitute, whose offices cease with the term of office of the members of the Board of Directors. The Company's Secretary's duties are those determined by law, among which are:

- Providing support to the Shareholders' General Meeting and meetings of the Board of Directors;
- Keeping the formal minute books, the attendance lists and the share registration book;
- Forwarding legal notices for all statutory bodies meetings;
- Certifying signatures made by members of the statutory bodies in Company's documents;
- Certifying the total or partial content of the Company's Articles of Association, as well as the identity of the members of the various statutory bodies and respective competences;
- Requesting legal registration of any act of the statutory bodies in the Commercial Registry.

II.8 Control Systems and Risk Management

One of the most important objectives of Sonae Capital is to ensure the implementation of internal control and risk management principles that are appropriate to the Group's activities. Market visibility, exposure and diversification of the businesses' risks and the increasing speed of information transmission, makes the implementation of these principles crucial to value creation and compliance with ethical and social responsibility values.

Risk management materializes with coordinated plans and systems aimed at managing and controlling opportunities and threats which may affect business objectives and Group companies, preventing errors and irregularities from occurring, minimizing their consequences and maximizing the organisation's performance and the reliability of its information on a going concern basis.

II.8.1. Risk Control

The management and monitoring by Sonae Capital of its main risks is completed through several approaches and agents, among which are:

Policies and procedures of internal control set at both corporate and business levels, with the goal of ensuring:

- Adequate segregation of functions and duties;
- Definition of authority and responsibility limits;
- Safeguarding the Group's assets;
- Control, legal compliance and appropriateness of operations;
- Execution of corporate plans and policies;
- Integrity and accuracy of accounting records;
- Effectiveness of management and quality of information produced.

The Internal Audit team regularly carries out audit assignments with the objective of complying at all times with implemented policies and procedures.

Risk management process relying on an uniform and systematic methodology based on the international model of Enterprise Risk Management – Integrated Framework of COSO (The Committee of Sponsoring Organisations of the Treadway Commission), which includes, amongst others, the following:

- Identification and classification of risks that affect the organization (common language);
- Definition and grouping of risks (dictionary and risk matrix);
- Evaluation and attribution of the significance and priority of risks, according to the impact on businesses objectives and probability of occurrence:
- Identification of the causes of the most important risks (critical);
- Evaluation of risk management's strategies (options);Development of risk management's plan of actions and integration into the planning and management processes of each business unit and functions.

External Audit evaluates and reports the risks of reliability and integrity of accounting and financial information, thereby validating the internal control system set up for that purpose at Sonae Capital and that materializes in the clear distinction between producers and users of such information and by performing several validation procedures throughout the process of its production and disclosure:

- At the business level (individual companies), accounting processes and financial statement preparation are assured by the shared service function of Accounting & Consolidation of the Corporate Centre of Sonae Capital. These statements are also reviewed by the Chief Financial Officer of each business area.

- Sonae Capital's consolidated financial statements are prepared on a quarterly basis by the consolidation department, within the shared service function of Accounting & Consolidation of the Company's Corporate Centre. This represents an additional control level of the integrity and reliability of the financial information, namely by ensuring the uniform application of accounting principles and standards across the individual companies.

- The Statutory Auditor performs an annual audit and half year limited review of individual and consolidated financial statements. In performing their examination, in accordance with the Auditing Standards issued by the Portuguese Institute of Statutory Auditors, they are required to obtain a reasonable assurance, in the annual audit, and a moderate assurance, in the half year limited review, that financial statements are free from material misstatement. Such examination includes verifying, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Significant estimates and judgements made by management in their preparation are also assessed. Verification is also made of whether the accounting policies are appropriate, are consistently applied and adequately disclosed.

- The Investor Relations Office is responsible for preparing the Report of the Board of Directors. The Statutory Auditors also review the content of this report (annual and half year versions) and its conformity with supporting financial information.

- In addition, in relation to the preparation of consolidated financial information and the Report of the Board of Directors, the whole process is overseen by the Fiscal Board and the Board Audit and Finance Committee. On a quarterly basis, these Bodies meet and review the consolidated financial statements and Report of the Board of Directors. Supporting information for the discussion of these issues is distributed in advance of the meetings. Supporting staff of the Corporate Centre, with relevance for the issues under discussion, attend these meetings, on request, to provide any clarification required.

- The Statutory Auditors also present to the Fiscal Board and the Board Audit and Finance Committee, a summary of the main findings resulting from their examination of the Company's financial information.

II.8.2. Risk Management Organization

Risk management, as a support to Sonae Capital's corporate culture and objectives, is inherent in all management processes and is a continued concern for all Group managers and employees. Risk management aims to create value and is one of the main components of the sustainable development of companies through the identification, understanding, management and mitigation of uncertainties and threats that may affect their different businesses, in order to increase the probability of their success and reduce the likelihood of failure.

The activity of Risk Management is supported by the Internal Audit and Risk Management functions:

(i) The Internal Audit function, acting as an independent entity of internal counseling, identifies and evaluates the efficacy and efficiency of management and control of risks of business processes and information systems, as well as risks of non conformity with legislation, contracts, policies and procedures of companies.
The annual work plan of Internal Audit comprises audit assignments to critical business processes, conformity, financial and information system audits.

(ii) The Risk Management function promotes, coordinates, facilitates and supports the development of risk management processes thereby promoting the inclusion of risk in strategic and operational decisions.

The Risk Management and Internal Audit functions are coordinated by a single manager at Sonae Capital's Corporate Centre level, and its activities are reported and followed up by the Board Audit and Finance Committee of the Board of Directors. Additionally, the internal audit and risk management annual programme as well as biannual activity reports are submitted to the Fiscal Board. The implemented reporting system ensures regular feedback, adequate review of activities carried out and the possibility to adjust the plan of activities to emerging needs.

At Sonae Capital there are two types of risk managed by functions different from Internal Audit and Risk Management, namely:

(i) Financial risks – managed and monitored by the Corporate Finance function;

(ii) Legal risks - managed and monitored by the Legal function.

Like the Internal Audit and Risk Management functions, the management of financial and legal risks are also coordinated by two managers, at the Corporate Centre level of Sonae Capital and its activities are reported and followed up by the Board Audit and Finance Committee and by the Fiscal Board.

Sonae Capital encourages continuous education and the adoption of best international methodologies and practices in Risk Management and Internal Audit. To that end, the Group supports attendance to training and knowledge update programmes, which include the international professional certification in Internal Audit promoted by the IIA – The Institute of Internal Auditors – the Certified Internal Auditor (CIA). The Internal Audit team members are Certified Internal Auditors.

II.8.3. Activities and Actions carried out in 2012

The Internal Audit function promoted activities according to an annual plan previously approved and based on an evaluation of business risks.

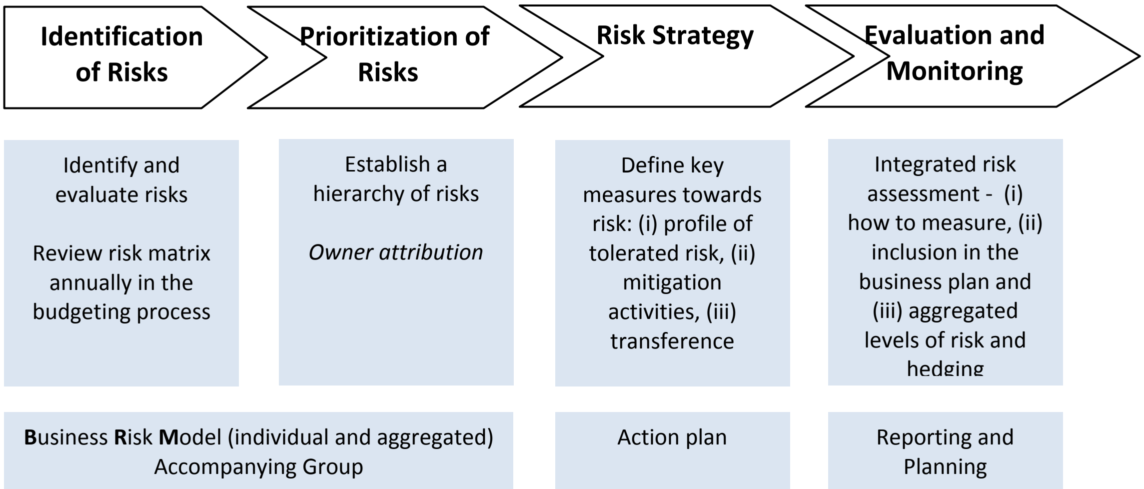
During 2012, this plan included works, in several Group companies, in the areas of:

(i) business processes - Invoicing and revenue control, collection processes, cash management, purchase processes, insurance management, inventories and changes in stock.

(ii) compliance – food safety and Health & Safety
(iii) information systems.

The Risk Management function continued the development of the Enterprise Risk Management process initiated in 2008 with the Fitness business and 2010 for the troiaresort project, based on the international model of Enterprise Risk Management – Integrated Framework of COSO.

Taking into consideration the diversity of businesses and risks, in 2012 the Group intends to proceed and replicate the following process to all business areas of the Group:



II.8.4. Main Risks to which the Company and its Affiliates are exposed

II.8.4.1. General Risks

Financial Risks: Sonae Capital is exposed to a variety of financial risks namely interest rates (since the majority of financial debt is negotiated at variable rates), transaction and translation foreign currency exchange rates, liquidity and debt and equity financial market fluctuations, counterpart and credit risk (especially relevant in scenarios of economic downturn), commodity and raw material prices.

Sonae Capital's financial risk management policy seeks to minimize potential adverse effects of the volatility of financial markets, and with that end in mind, a coherent set of systems and processes are implemented at Sonae Capital allowing the identification, monitoring and management by the Corporate Finance function, on a timely basis.

The current situation of financial markets places liquidity risk, credit risk and fluctuations in capital and debt markets assume a forefront position in companies concerns due to potential impact in the continuity and development of businesses. In fact, the development of businesses of some companies held by Sonae Capital may require additional investment from Sonae Capital in its affiliates or Sonae Capital may intend to expand its businesses through organic growth or acquisitions and also business continuity demands the maintenance of appropriate liquidity reserves to face company's activities. The additional investment and the maintenance of liquidity reserves may be raised through shareholders' equity or external debt. Sonae Capital cannot guarantee whether these funds, if necessary, will be obtained or that they will be obtained under the desired conditions in which case plans for business expansion may have to be altered or postponed.

In this context, the abovementioned systems and processes of financial risks management, which are centralised in the Company's Corporate Centre, are set out in order to mitigate those risks and to ensure liquidity management through:

(i) short, medium and long term financial planning based on cash flow forecasts;
(ii) treasury and cash management control instruments;
(iii) rigorous credit policies towards customers and follow up of risk evolution;
(iv) a variety of sources of and counterparts to funding;
(v) the adjustment of debt maturity profiles to cash flow generation; and
(vi) Maintenance of an adequate level of liquidity through contractual arrangements with relationship banks for short term credit facilities.

Additionally, Sonae Capital's attitude towards financial market risk management is conservative and cautious, sometimes using derivative instruments to hedge certain exposures related to its operating businesses or the arrangement of insurance credit whenever adequate. The Company does not therefore enter into derivatives or other financial instruments that are unrelated to its operating businesses.

Legal Risks: Sonae Capital and its businesses have a legal and tax function permanently dedicated to its activities, which are closely carried out with the remaining sovereign functions and businesses, in order to ensure, preventively, the protection of Sonae Capital's interests while complying with legal obligations and applying best practices. Legal and tax function is also guaranteed, on a national and international level, by external professionals, selected from reputed firms and based on criteria of competence, ethics and experience.

Information Systems risks: Information systems of Sonae Capital are characterized by being comprehensive, wide-ranging and spread. From an information security stand point, several actions to mitigate risks of compromising confidentiality, availability and integrity of business data have been carried out. Among those actions are off site backups, implementation of high-availability systems, network redundancies, control and quality check of flows between software, management of accesses and profiles and implementation of antivirus. On a recurrent basis, the Internal Audit function carries out audit assignments in several domains: software, servers and networks with the purpose to identify and correct potential vulnerabilities that may have a negative impact in the business as well as to ensure the protection of confidentiality, availability and integrity of information.

People Risks: Sonae Capital's ability to successfully implement its strategy depends on the ability to recruit and retain the most qualified and competent employees for each function. Despite Sonae Capital's human resources policy being oriented towards attaining those goals, it is not possible to guarantee that there will be no limitations in this area in the future.

Insurable Risks: In relation to the transfer of insurable risks (technical and operational), Group companies negotiate insurance coverage with the objective of rationalizing these types of risk by searching to establish a sound insurance capital structure for the capital values at risk, based on the constant changes in the businesses involved. On another level, insurance coverage and retention levels have also been optimized in accordance with the needs of each business, ensuring internally effective insurance management.

II.8.4.2. Company's Risks

Sonae Capital's main assets, as an investment holding company, are shareholdings. Sonae Capital is therefore dependent upon the possible distribution of dividends by its affiliated companies, the payment of interest, the repayment of loans granted and other cash flows distributed by those companies. The ability of affiliated companies to make funds available to Sonae Capital will depend in part on their capacity to generate positive cash flows. The ability of those companies to, on the one hand, distribute dividends, and on the other, pay interest and repay loans granted by Sonae Capital, is subject to, in particular, statutory and tax restrictions, their financial results, available reserves, financial structure and compliance with any contractual obligations duly undertaken.

II.8.4.3. Affiliates Risks

Sonae Capital has a diversified portfolio, hence major risks to which its affiliates are exposed may be sector specific.

Most relevant risks are identified below.

- **Sonae Turismo**'s businesses are subject to economic cycles and dependent on the growth of tourism activity and real estate in Portugal. Its tourism operations are dependent on tourist demand which, in turn, is linked to economic trends, both nationally and internationally. Any negative developments in the Portuguese economy or in the main countries feeding tourist visitors to the Portuguese market can have an adverse impact on its business performance. Similarly, leisure activity (health clubs) can be affected by the economy's behaviour, notably, through a drop in consumer confidence and the consequent impact on household disposable income.

- The successful marketing of **high-quality tourism and residential property developments** depends on the state of the real estate sector in Portugal and in major European countries (in view of the fact that a significant part of the tourism property developments is targeted at foreign investors) at the time that properties are put on the market. A less favourable economic environment than expected can put at risk current business expectations, namely in relation to selling prices and marketing periods, with a potentially negative impact on the Company's financial position.

- The business carried on by Sonae Turismo as a **tourism and hotel operator** is subject to supervision by the Directorate-General for Tourism and compliance with specific legislation for this activity. Any breach, or any alteration to the broad ranging legal framework applicable to the sector, could entail major risks for the business and for its operating performance.

- The activity carried out by **Atlantic Ferries** and by the **Tróia Marina** is subject to the terms and periods referred to in the concessionary contracts signed, as follows: (i) Atlantic Ferries entered into, with APSS (Associação dos Portos de Setúbal e Sesimbra), in 2005, a concessionary contract for the river crossing public transport service of passenger, light and heavy vehicles between Setúbal and the Tróia Peninsula. The concession was granted for a period of 15 years extendable for successive periods of 5 years, if both parties agree; (ii) the Tróia Marina entered into, with the APSS, in 2001, a concessionary contract for the operation of the Tróia Marina for a period of 50 years. Any breach of the contractual obligations could entail major risks for the activity and have an impact on the companies' earnings.

- The level of Sonae Turismo's business can depend on the intensity of competition – both regional and global – from the tourism destinations in which they operate. As a consequence of growth in demand, massive use of air transport and the emergence of new destinations, competition between tourism destinations is becoming increasingly more aggressive. However, over and above the convenience of the location, the brand's widespread awareness and the quality of the property development, in particular the offer of complementary facilities (restaurants, golf, SPA and other leisure activities), are important competitive advantages in this sector. As far as the Tróia Peninsula is concerned, tourism real estate developments may also be affected by competition from other developments, in particular, on the Alentejo coast, the Algarve and southern Spain. However, it is important to point out that the **troia**resort project is being developed in an area where the existing biodiversity and cultural heritage are considered to be the factors which differentiate the project, and can be capitalised on with new tourism services and products with a positive impact on the project.

- In the leisure sector, namely in the **Fitness** segment where Sonae Turismo operates through Solinca Health & Fitness (health clubs), competition is based on the price and quality of the services provided. The response to increased competition both as a result of the entry of new operators into the market, from their increased size due to mergers and acquisitions, and the decision to try to increase the number of customers/members, could force a reduction in prices charged or the application of promotional discounts.

- Some of the businesses carried out by Sonae Turismo are seasonal, with the result that abnormally adverse conditions during these periods could negatively affect the level of activity and operating results. These activities are subject to fluctuations in demand associated with natural disasters, as well as to factors of a social or political nature which could have an impact on the inflow of tourists and consequently on occupancy rates.

- The possibility of the occurrence of risks to public health in the restaurant and health club activities and of accidents that may put at risk the safety and health of customers at the respective premises, may result in Sonae Turismo being held liable for damages, which could have an adverse effect on the Company's earnings and financial position. However, any possible risks for the restaurant and other businesses, arising from situations that could lead to public health risks are minimised by the implementation of a rigorous quality control and food safety system for processes and products, which is regularly audited by external companies with a view to continuous improvement. In this respect, Sonae Turismo uses tools such as HACCP (Hazard Analysis and Critical Control Points) defined in the "Codex Alimentarius" – Annex to CAC/RCP 1-1969, Rev. 4 (2003), undertaking to comply with the requirements specified therein, as well as with prevailing legislation, namely with Regulation (EC) nr. 852/2004 of the European Parliament and Council of 29 April 2004, relating to food hygiene.

Activities related to **refrigeration, air conditioning and related maintenance services** (Selfrio Group) have specific risks, the majority of which are related to competition from other companies operating in the same markets and to the economic situation. The following major risks have been identified:

- retail of equipment growth may be limited by pressure from Spanish rivals which are beginning to start up business in Portugal;

- Engineering services in the refrigeration area may suffer a slowdown in their growth and profitability rates due to cuts in capital expenditure by the large food retailers and in the property sector, although new opportunities exist in alternative energies which could compensate for this reduction;

- Maintenance, technical assistance and planning services in the electricity, electromechanical and air conditioning and ventilation areas are dependent on a limited number of customers, as a result of which cancellation of a contract may lead to excess capacity which must be managed, not only by increasing the customer base, but also by diversifying the range of services provided, allowing staff to be relocated if one of these contracts is lost.

The area of **Energy and Environment** carries out its activity mainly in the development and management of cogeneration projects and micro generation. Although this form of electric power production is a more efficient alternative and "environmental friendly", it nonetheless entails certain risks that could have an impact on the earnings of the companies concerned.

- Cogeneration is a form of rationalising the consumption of energy, given that the production of electric energy based on the energy released at the moment of combustion, is synonymous with the most efficient use of fuel (natural gas in the case of projects of Sonae Capital). A cogeneration power plant uses less fuel compared to that used in separate production of the same quantities of thermal and electric power. Related risks concern the award of CO2 emission licences. Up to 2012, licences for the emission of CO2 were issued free of charge, but after that date nothing has yet been defined regarding new licences to be attributed. However, it is important that the limits on greenhouse gas emissions that Portugal has committed to under the Kyoto Protocol are not exceeded.

- Cogeneration has predefined tariffs set by the State, which thus encourages the production of this alternative form of electric power generation, since it is more efficient and less polluting. Thus, the risks relating to the selling price of energy are reduced. In cogeneration projects, thermal energy is sold for industrial use, with the relevant price indexed to the price of fuel. Electric power is sold at the price set by the State for a protracted period of time. The introduction of austerity measures within the carry out of the economic austerity programme signed with European Union, European Central Bank and the International Monetary fund may bring additional barriers to develop new projects.

- The production of energy in cogeneration facilities, is subject to supervision by the Directorate-General for Geology and Energy (DGGE) and by the Energy Services Regulator (ERSE) - the entities responsible for regulating the electricity sector in

Portugal -, and to compliance with specific legislation dealing with this sector. Any non-compliance, as well as any alteration to this wide ranging legal regime applicable to the sector could imply major risks for the activity and for its operating performance.

- **Norscut** holds the concession for the operation and maintenance under the shadow toll regime (*portagem sem cobrança aos utilizadores - SCUT*) of the A24 motorway and associated roads (motorway which links Viseu to the Chaves border). The concession is operated under a contract signed with the State on 30 December 2000 for a period of 30 years. Any breach of the contract's conditions could entail major risks for Norscut's activity and its operating performance. This contract may be changed as a result of ongoing negotiations endorsed by the Portuguese government, which intends to change the operating model, paying the concessionary for the availability of the infrastructure and not for its use. These contractual changes have not yet been agreed and may have a significant impact in the Company's activity.

II.9 Whistle Blowing Policy

The main features of the whistle blowing policy currently in place are:

- The definition of irregularities, which for the purpose of the Company's Policies and Procedures for the Communication of Irregularities are facts that infringe or severely damage:
    - Compliance with legal, regulatory or ethical principles by members of the Company's statutory bodies and staff or of its affiliated companies, in the course of their professional activity;
    - Assets of the Company and of its affiliated companies, as well as assets of clients, shareholders, suppliers and commercial partners of the Company or any of its affiliated companies;
    - Good management practices and the image or reputation of the Company or of any of its affiliated companies.

- The procedures for communicating irregularities, namely the envisaged means to address the Chairman of the Fiscal Board, the procedures to ensure that communication reaches the recipient without being breached or read in advance and the need for the explicit and clear identification of the whistle blower (even if his/her identity is to be kept confidential and only known to the Chairman of the Fiscal Board);

- To ensure a thorough, rigorous and impartial review process, means the access of the Fiscal Board to all the relevant documentation that can be provided by the Company to fully investigate the reported irregularities and the prevention from access to the review process of any individual who, even indirectly, may have a conflict of interest with the disclosure of the review process;

- The handling of irregularities, particularly the fast and effective treatment of such communications, the implementation of corrective measures when necessary and the need to inform the whistle blower of such facts;

- The proposal of the Fiscal Board to the statutory bodies of the Company or to the statutory bodies of any affiliated company, when deemed necessary, for the adoption of measures considered necessary to solve the irregularities investigated;

- Prevent the potential occurrence of reprisals as a consequence of the whistle blowing activity as long as the whistle blower has not shown bad faith or participated in any irregularity.

The Company's Policy and Procedures, the main features of which are summarized above, are available for consultation on the Company's website (www.sonaecapital.pt).

During 2012, the Fiscal Board has not received, through the available means, any communication that falls under the ruling of this policy.

II.10 Remuneration and Other Compensation

The statutory governing bodies remuneration and compensation policy aims at remunerating in fair, effective and competitive terms, regarding the individual responsabilities and performances, both in each affiliated company and in the Company, as a whole.

Based on the remuneration and compensation policy approved by the shareholders in the General Meeting, Sonae Capital's Remunerations Committee is responsible for the approval of remuneration and other compensations of the Board of Directors, Fiscal Board and members of the Board of the Shareholders' General Meeting.
Regarding the remuneration of Executive directors, the Nomination and Remunerations Committee liaises with the Shareholders' Remuneration Committee, contributing with proposals before a decision is taken.

Remuneration of Executive Directors

The proposals regarding remuneration and other compensations of the Executive Directors are prepared considering market benchmarks,other internal comparisons and individual assessment of each executive director, based on the performance against defined objectives. .

Under the approved policy, the compensation package should promote the alignment between the management team and the interests of shareholders, with the variable component being dependant on both individual and Company's performance and, preventing behaviors which may lead to excessive risk assumption. This objective is also ensured by setting a maximum limit to each Key Performance Indicator (KPI).
This approach promotes management orientation towards long term interests of the company and the adoption of risk weighting approaches.

As a result, remuneration and compensation policy for Executive Directors (ED) may include (i) a fixed remuneration, including a Base Salary and an annual responsibility allowance (ii) a variable remuneration, paid in the first half of the following year to which it relates and conditional to the fulfilment of the objectives set in the previous year, divided in two components, (a) a Short Term Variable Bonus, payable immediately after the granting date, and b) a Medium Term Variable Bonus, which will be payable on the third anniversary of the granting date.

(i) Fixed remuneration of the Executive Director is defined according to individual skills and the responsibility level of each Executive Director, and will be reviewed annually.

(ii) The variable remuneration aims at rewarding Directors for the achievement of predefined objectives, based on key performance indicators of business activity, of teams under his/her responsibility and on his/her individual performance and is attributed after the Company's earnings are known and performance appraisal has been done. Variable remuneration is set annually, and the value of the pre-defined objective varies between 30% and 60% of total annual remuneration (fixed remuneration and target for variable remuneration), depending on circa 70% from business KPI's which comprise a significant share of economic and financial indicators. These are objective indicators which are divided into companyl and department KPIs. The company's business KPIs include economic and financial indicators based on the budget, on the performance of each business unit, as well as on the consolidated performance of the Company. These KPIs take into consideration not only the real growth of the Company and value effectively delivered to shareholders, as well as its long-term sustainability and the limits on risk assumptions. Meanwhile, the department business KPIs are similar in nature to the previous ones, being directly influenced by the performance of the Executive Director.
The remaining 30% are determined by the compliance of personal KPIs, which may include subjective and objective indicators.

The above mentioned components, and the deferral of at least half of the value corresponding to the Variable Remuneration, safeguards the alignment of Executive Directors intersts with those of all shareholders. The Company believes that exposing Executive Directors to the fluctuation in share price is the most suitable way to align the interests of Directors with those of shareholders.

For additional information on the share based payments of Sonae Capital please refer to section III.6 of this report.

In 2012, the variable component represented circa 25% of total compensation.

Non Executive Directors

The remuneration of Non Executive Directors is made up of a fixed amount which is based on the Company's situation and market practices.

Remuneration paid to members of the Board of Directors

During 2012, members of the Board of Directors of Sonae Capital, SGPS, SA were paid the following remuneration and other compensation, exclusively at Sonae Capital, SGPS, SA level (Directors are not paid in any other Group company):

Values in Euro

Name	Fixed Remuneration	Performance Bonus Paid	Deferred Performance Bonus Paid	Total
Board of Directors in office				
Belmiro Mendes de Azevedo	211,700	83,160	31,300	326,160
Álvaro Carmona e Costa Portela	71,700	0	0	71,700
Maria Cláudia Teixeira de Azevedo	51,220	0	0	51,220
Sub-total Executive Directors	**334,620**	**83,160**	**31,300**	**449,080**
Francisco de La Fuente Sánchez	24,400	0	0	24,400
Paulo José Jubilado Soares de Pinho	24,500	0	0	24,500
Sub-total Non executive Directors	**48,900**	**0**	**0**	**48,900**
Full Total	**383,520**	**83,160**	**31,300**	**497,980**

The approved policy follows the rule of no compensation attribution to Directors, or members of the remaining statutory bodies, in case of mandate cease, either when it occurs in the end of the respective period or is anticipated due to any reason or fundament, notwithstanding the obligation to comply with the legal requirements applicable to this matter. As such, there is no agreement with members of the Board of Directors which foresees payment of compensation in case of mandate cease or non renewal, nor is there any policy regarding the attribution of compensation in such circumstances, applying, if necessary, thelegal instruments available under the Portuguese legal framework. The Company does not have any benefit system, namely pension or early retirement plans, involving its Directors.

Still within the approved policy, Executive Directors:

- have not signed contracts with the company or third parties aimed at mitigating the risk inherent to changes in the remuneration that was set by the company;

  i) .
- have not sold, in 2012, year of the term of their mandate, nor shall they sell during the new mandate, shares of the company that were attributed as variable remuneration, up to the limit of two and a half times the value of the total annual remuneration, except those which need to be sold to cover tax payments which may arise following the attribution of those same shares.

Fiscal Board

The remuneration of members of the Fiscal Board is made up of a fixed amount which is based on the Company's situation and market practices.

During 2012, members of the Fiscal Board of Sonae Capital, SGPS, SA were paid the following fixed remuneration (no other remuneration was paid):

Values in Euro

	Fixed Remuneration
Manuel Heleno Sismeiro	7,400
Armando Luís Vieira de Magalhães	5,900
Jorge Manuel Felizes Morgado	6,000
Total	**19,300**

Board of the Shareholders' General Meeting

The remuneration of the members of the Board of the General Shareholders Meeting, if it exists, shall be made up of a fixed amount based on the Company's situation and market practices.

The remuneration policy regarding the members of the statutory bodies and key management staff ("dirigentes") of Sonae Capital, SGPS, SA, adopted in 2012, was approved in the Shareholders' General Meeting held on 30 March 2012 and is available in www.sonaecapital.pt (General Meetings section).

III. Information disclosure

III.1 Share Capital structure

Sonae Capital was incorporated on 14 December 2007 with a fully subscribed and paid up share capital of 250,000,000 euro, made up of 250,000,000 ordinary shares, bearer and non-titled, each with a nominal value of 1 euro.

All shares of Sonae Capital were admitted to trading on Euronext Lisbon regulated market on 28 January 2008.

According to the Company's Articles of Association, shares can be titled or non-titled shares, nominal or bearer, freely interchangeable, according to the terms of the law. Preferential shares without voting rights may be issued, which can be redeemable, at nominal value, with or without the addition of a premium, if the Shareholders' General Meeting so decides. If this is the case, the meeting shall determine the method of calculation of any redemption premium. The Company may issue autonomous warrants, under the terms of the law, and with conditions that are determined by resolution of the shareholders or of the Board of Directors, under the terms specified in the Articles of Association.

Sonae Capital's shareholders have, under the terms of the law, the right to share in profits, the right to attend the Shareholders' Annual General Meeting and exercise their right to vote, the right to a share of the net assets of the Company in case of liquidation, the right to convert shares, the right to information and preference rights in offers for subscribing shares of the same category.

As far as the Company is aware, there are no shareholders with special voting rights, nor are there limitations, restrictions or shareholders' agreements in place regarding the transfer, control or sale of shares or voting rights.

Resolutions at the Shareholders' General Meeting regarding changes to the Articles of Association can only be taken, at the first instance, as long as shareholders representing over 50% percent of the share capital are present or represented (the law establishes a threshold of one third of the share capital). The resolution must be approved by two thirds of the votes cast, whether the meeting is held at first or second instance.

Sonae Capital does not have an employee shareholder system in place, hence there are no control mechanisms for such systems in which the voting rights are not directly exercised by them.

III.2. Qualifying Shareholdings

As at 31 December 2012, those shareholders, who in accordance with article 20 of the Securities Code, held qualifying shareholdings representing at least 2% of the share capital of Sonae Capital, were the following:

Shareholder	Nr. Shares Held	% Share Capital	% Voting Rights
Efanor Investimentos, SGPS, S.A.[1]	156,504,947	62.602%	62.602%
Santander Asset Management	5,699,843	2.280%	2.280%
Caixagest – Técnicas de Gestão de Fundos, S.A.	5,004,639	2.002%	2.002%
BlueShore Equity Fund	5,000,000	2.000%	2.000%

[1] Belmiro Mendes de Azevedo is, under the terms of paragraph b number 1 of Article 20 and number 1 of Article 21 of the Portuguese Securities Code, the ultimate beneficial owner, as he holds around 99% of the share capital and voting rights of Efanor Investimento SGPS, SA, which in entirely controls Pareuro BV.

III.3 Shares held by members of Governing Bodies

Shares, of the Company or of any group company, held by members of governing bodies of the Company, directly or through related parties, are disclosed in the appendix to the report of the

Board of Directors in accordance with and for the purposes of article 447 of the Portuguese Company Law and in accordance with number 6, article 14 of CMVM's Regulation 5/2008.

During 2012, no transactions of Sonae Capital's shares, attributable to members of the Governing Bodies, occurred.

III.4 Sonae Capital Shares

Sonae Capital's share information:	
Name: Sonae Capital, SGPS, SA	**ISIN code:** PTSNP0AE0008
Security's issuer: Sonae Capital, SGPS, SA	**NYSE Euronext:** SONC
Listing date: 28 January 2008	**Reuters:** SONAC LS
Share capital: 250,000,000 €	**Bloomberg:** SONC.PL
Listed amount: 250,000,000 shares	

Treasury stock: The Company owns, as at 31 December 2012, 1,600,310 own shares.

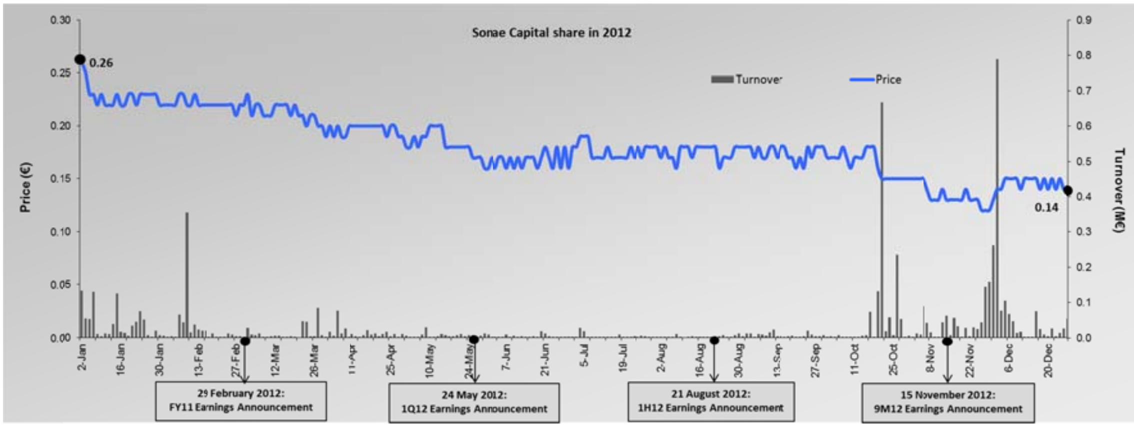
During 2012, Sonae Capital's share price fell 48% which compared with a rise of 3% in the Portuguese Stock Market reference index (PSI20).

The following table and chart summarizes the most relevant information on the Sonae Capital shares traded in Euronext Lisbon.

Euronext Lisbon	2012	2011
Closing prices		
31 December N-1	0.27 €	0.41 €
Maximum price	0.26 € (2 Jan.12)	0.45 € (21 Jan.11)
Minimum price	0.12 € (27 Nov. 12)	0.20 € (21 Nov. 11)
31 December N	0.14 €	0.27 €
Transactions		
Average daily quantity	150,053	175,998
Total shares traded	38,413,635	45,231,488
Turnover		
Total (million euro)	6.1	14.8
Average daily turnover (million euro)	0.03	0.06

Market Capitalisation (a)		
Year end (31 December N)	35,000,000 €	67,500,000 €

[a] Market capitalisation was calculated using the total number of shares.



During 2012, and further to the earnings disclosure identified in the previous graph, no other relevant events where announced to the market.

III.5 Dividend Distribution

The Company was incorporated in December 2007 and has no history of dividend distribution.

The Board of Directors will not propose a dividend distribution in the next Shareholders' General Meeting.

In the future, the Board of Directors may submit proposed dividend distributions for approval by the Shareholders' Annual General Meeting, after taking into consideration the Company's performance, its investment plans and business environment.

III.6 Share Plans and Stock Option Plans

According to the plan approved by the Shareholders' General Meeting, eligible members are granted the right to acquire, at nil cost, a number of shares corresponding to the division between the amount of the medium term variable bonus granted and the lower of the following closing share prices, in the Portuguese stock market: i) closing share price of the first business day after the Shareholders' General Meeting, or ii) the average closing share price of the thirty-day period of trading prior to the Shareholders' General Meeting.

If dividends are distributed, changes in the nominal value of shares or in the share capital if the Company occur or any other change in equity with impact in the economic value of attributed rights, after the granting date and before its exercise, the amount converted in shares will be adjusted to an equivalent figure considering the effect of the mentioned changes.

On the vesting date, the Company reserves the right to settle in cash, equivalent to the market value of shares. The right to exercise is dependent on the maintenance of a contractual link between the Director and the Company three years after the grant date.

In 2007 and previous years, the Sonae Capital Group granted deferred performance bonuses, based on shares of Sonae, SGPS, SA to be acquired at nil cost, three years after they were attributed. On 28 January 2008, existing liabilities based on Sonae SGPS, SA's shares have been recalculated to reflect liabilities based on Sonae Capital, SGPS, SA's shares. Closing share prices as at that date were used in the recalculation.

Between 2008 and 2012, the Group has granted on an annual basis deferred performance bonuses based on shares of Sonae Capital, SGPS, SA, under terms similar to those described above.

As at 31 December 2012, 2011 and 2010, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarized as follows:

Year of grant	Vesting year	Number of participants[1]	Fair value		
			31. Dec.12	31. Dec.11	31 Dec.10
2008	2011	-	-	-	34,015
2009	2012	-	-	75,054	141,664
2010	2013	1	24,585	77,011	145,478
2011	2014	2	42,203	132,017	-
2012	2015	8	195,897	-	-
Total			**262,685**	**284,082**	**321,157**

[1] As at 31 December 2012

During the 2012 financial year, the Company did not adopt any stock option plans.

III.7 Related Party Transactions

Business dealings or transactions with members of the Board of Directors or holders of qualified shareholdings, are part of the day to day activity of Sonae Capital affiliated companies and made on an arm's length basis. The amounts involved, essentially from rents charged, are not material.

There were no business dealings with Fiscal Board members.

Transactions with the Statutory Auditor were solely those related to his official duties, and the fees paid are described in section II.6 of the current report.

Transactions with holding companies, affiliates or group companies were not material and were made on an arm's length basis as part of the normal business activity of the Company and, as such, do not require further disclosure.

In 2010, the Fiscal Board approved a regulation regarding transactions of the Company with shareholders owning qualified shareholdings (under the terms of articles 16 and 20 of the Securities Code) and their related parties (according to definition of nr. 1 of article 20 of the Securities Code), which defines the threshold above which transactions must be communicated by the Executive Committee to the Board Audit and Finance Committee and the Fiscal Board. According to this regulation, together with the notification of the transaction, the Executive Committee should describe to the Board Audit and Finance Committee and the Fiscal Board the procedures adopted to ensure that the transaction is made under normal market conditions and that it is safeguarded from any potential conflicts of interest. After obtaining all the relevant information, the Fiscal Board will issue its opinion on the transactions which were submitted. In 2012, the Fiscal Board was not required to issue any opinion since no such transactions have occurred.

III.8 Investor Relations Office

Sonae Capital, SGPS, SA, via its Investor Relations Office maintains constant contact with investors and analysts by providing up to date information. In addition, on request, it provides clarification of relevant facts about the Company's activities, as already disclosed under the terms of law.

The objective of the Investor Relations Office of Sonae Capital, SGPS, SA is to ensure adequate relations with shareholders, investors, analysts, as well as with financial markets, particularly, with Euronext Lisbon and with the Portuguese Securities Market Commission (CMVM).

The Company makes available on the Company's official website (www.sonaecapital.pt) all the information disclosed to the market as well as the information required by article 5 of CMVM regulation nr. 1/2010.

The Investor Relations Office of Sonae Capital, SGPS, SA, supplies, whenever necessary, all relevant information related to material events and answers queries from shareholders, investors, analysts and general public about financial indicators and different business areas' information available to the public.

In strict compliance with law and regulations, the Company informs expeditiously its shareholders and the capital markets in general of all relevant facts concerning its activities, avoiding delays between their occurrence and disclosure.

Information is made publicly available through the Information Disclosure System of the Portuguese Securities Market Commission (www.cmvm.pt) and on the Company's own website (www.sonaecapital.pt).

The Investor Relations Office can be contacted at: Telephone: +351 22 010 79 03; Fax: +351 22 010 79 35; e-mail: ir@sonaecapital.pt; Address: Lugar do Espido, Via Norte, Apartado 3053, 4471-909 Maia. The Investor Relations Manager is Bárbara Almeida, who can be contacted using the above numbers and address.

The Legal Representative for Capital Market Relations is Anabela Nogueira Matos (Telephone: +351 22 010 79 25; Fax: + 351 22 010 79 35; e-mail: anm@sonaecapital.pt).

Sonae Capital makes available a website for disclosing corporate information about the Company. The website address is: http://www.sonaecapital.pt.

In order to create greater interaction with shareholders and investors, the website contains a section entirely devoted to Investor Relations and information available includes:

- **Corporate Details –** General information about the Company;
- **Articles of Association;**
- **Corporate Governance –** Members of the Corporate Bodies, Terms of Reference of the Board of Directors and of the Fiscal Board, Corporate Governance Reports and Whistle Blowing Policy;
- **Capital Market Relations –** Contacts of the Representative for Capital Market Relations;
- **Investor Relations Office –** Contacts of the Office;
- **Investor Calendar –** Key dates for earnings announcements;
- **General Meetings –** Describes all procedures and includes all related documents (notices, proposals, participation and voting conditions and decisions);
- **Market Information –** Sonae Capital share price, tracked against PSI20 and downloadable historical data;
- **Announcements –** All press-releases disclosed to the market (CMVM site);
- **Report & Accounts –** Annual Report & Accounts since the Company's incorporation;
- **Other Reports & Presentations –** Institutional Presentation (updated every 6 months), Cushman & Wakefield Property Valuation Report and the Prospectus for the Listing;
- **Analysts –** List of equity analysts covering Sonae Capital.

The Company believes that through these procedures it ensures permanent contact with the market and respect for the principles of equal treatment of shareholders and equal access to information by investors.

Maia, 21 February 2013

The Board of Directors

Appendix to the Corporate Governance Report

Curricula Vitae of the Members of the Governing Bodies

Belmiro Mendes de Azevedo

Chairman and CEO of Sonae Capital, SGPS, SA

Age: 75

Nationality: Portuguese

Education:	▪ Graduation in Chemical Engineering - Porto University (1964) ▪ PMD (Programme for Management Development) - Harvard Business School (1973) ▪ Financial Management Programme - Stanford University (1985) ▪ Strategic Management - Wharton University (1987) ▪ Global Strategy – University of California (1995)
Positions held in Group Companies:	Chairman of the Board of Directors of the following companies: ▪ SC, SGPS, SA ▪ Spred, SGPS, SA
Positions held in Other Companies:	▪ Chairman of APGEI – Portuguese Association of Industrial Engineering and Management (1985) ▪ Member of the Advisory Board of the Faculty of Economics of the *Universidade Nova de Lisboa* - Business School (1985) ▪ Founding Member of Institute of Business Studies (ISEE), currently EGP-UPBS (University of Porto Business School) (1989) ▪ Member of the Advisory Board of IPATIMUP – Institute of Molecular Pathology and Immunology of Porto University (1990) ▪ Member of WBCSD – Order of Outstanding Contributors to Sustainable Development (1995) ▪ Member of European Union Hong-Kong Business Cooperation Committee (1997) ▪ Member of INSEAD Portuguese Council (1998 – 2009) ▪ Member of International Advisory Board of Allianz AG (2000 – 2012) ▪ Member of Regional Advisory Board of London Business School (2001 – 2005) ▪ Member of the Board of Directors of COTEC Portugal (2002 – 2009) ▪ Member of European Round Table of Industrialists (2004 – 2008) ▪ Founding Member of Founding Council of Forum Manufuture Portugal (2005) ▪ Member of European Advisory Board of Harvard Business School (Since 2005) Chairman of the Board of Directors of EGP-UPBS (2008 – 2011
Main Professional activities in the last five years:	▪ Since 2005 - Chairman of the Board of Directors of Sonae Indústria, SGPS, SA ▪ Since 2007 - Chairman of the Board of Directors of Sonae, SGPS, SA Chairman and CEO of Sonae Capital, SGPS, SA Chairman of the Board of Directors of Spred, SGPS, SA and SC, SGPS, SA ▪ 2007- 2012 - Chairman of the Board of Directors of Sonae Turismo, SGPS, SA

Álvaro Carmona e Costa Portela

Executive Director of Sonae Capital, SGPS, SA

Age: 61

Nationality: Portuguese

Education:	▪ Graduation in Mechanical Engineering – FEUP (1974) ▪ Master in Business Administration – MBA (Universidade Nova de Lisboa – 1983) ▪ AMP /ISMP – Harvard Business School - 1997
Positions held in Group Companies:	Member of the Board of Directors of the following companies: ▪ SC, SGPS, SA ▪ Sonae Turismo, SGPS, SA ▪ Spred, SGPS, SA
Positions held in Other Companies:	Non-Executive Director of the following companies: ▪ COPAM – Companhia Portuguesa de Amidos, SA ▪ Casa Agrícola HMR, SA ▪ Sonae, SGPS, SA ▪ Sonae RP ▪ Victor and Graça Carmona e Costa Foundation ▪ Belmiro de Azevedo Foundation ▪ SPDI-SECURE PROPERTY Development & Investment plc Non Executive Chairman of MAF Properties (UAE) Member of the Investment Committee of the European Prime Shopping Centre Fund (Germany) Member of the Investment Advisory Committee of the PanEuropean Property Limited Partnership (United Kingdom)
Main Professional activities in the last five years:	▪ 1990-2010 – Executive Chairman of Sonae Sierra, SGPS, SA and all of its companies ▪ 1999-2010 – Executive Director and Vice-President of Sonae, SGPS, SA ▪ 2004-2009 – Trustee of ESCT – European Shopping Centre Trust (United Kingdom) ▪ 2004-2009 – Member of the International Advisory Board Member of Eurohypo (Germany) ▪ 2005-2008 – Trustee and Member of the International Advisory Board of ICSC – International Council of Shopping Centres (USA) ▪ Since 2010 – Chairman (until 2012) and Member of the Board of Representatives of *Faculdade de Economia da Universidade do Porto* ▪ 2010-2012 – Trustee of the Urban Land Institute (USA) ▪ Since 2011 – Director of Sonae Capital, SGPS, SA ▪ 2010-2012 - Director of Sonae RP

Maria Cláudia Teixeira de Azevedo

Executive Director of Sonae Capital, SGPS, SA

Age: 42

Nationality: Portuguese

Education:	▪ Graduation in Business Administration - Universidade Católica Portuguesa ▪ MBA by Insead (Fontainebleau)
Positions held in Group Companies:	▪ Chairman of the Board of Directors and CEO of Sonae Turimo, SGPS, SA ▪ Chairman of Imoareia – Investimentos Turísticos, SGPS, SA ▪ Member of the Executive Committee of Sonae Capital, SGPS, SA ▪ Member of the Board of Directors of SC, SGPS, SA
Positions held in Other Companies:	Chairman of the Board of Directors of the following companies: ▪ Cape Tehnologies Limited (Ireland) ▪ Connectiv Solutions Inc ▪ Digitmarket – Sistemas de Informação, SA ▪ Efanor – Serviços de Apoio à Gestão, SA ▪ Praesidium Services Limited ▪ Lugares Virtuais, SA ▪ Mairoad – Serviços de Tecnologias de Informação, SA ▪ Miauger – Organização e Gestão de Leilões Electrónicos, SA ▪ Saphety Level – Trusted Services, SA ▪ WeDo Technologies Americas, INC ▪ WeDo Technologies Australia PTY Limited ▪ WeDo Technologies Chile, SPA ▪ WeDo Technologies (UK) Limited ▪ WeDo Technologies Panamá, SA ▪ WeDo Technologies Singapore PTE LTD ▪ Imparfin, SGPS, SA ▪ Linhacom, SGPS, SA Member of the Board of Directors of the following companies: ▪ Efanor Investimentos, SGPS, SA ▪ Fundação Belmiro de Azevedo ▪ Infosystems – Sociedade de Sistemas de Informação,S.A ▪ Público Comunicação Social, SA ▪ Optimus – Comunicações, SA ▪ Optimus, SGPS, SA ▪ Sonaecom, SGPS, SA ▪ Sonaecom Sistemas de Informação, SGPS, SA ▪ Sonaecom – Serviços Partilhados, S.A ▪ Sontária – Empreendimentos Imobiliários, S.A ▪ WeDo Consulting, Sistemas de Informação, SA ▪ PCJ – Público, Comunicação e Jornalismo, S.A ▪ Praça Foz – Sociedade Imobiliária, SA

	▪ ZOPT, SGPS, SA Director of the following companies: ▪ WeDo Technologies Mexico, S. De R.L. de C.V. ▪ WeDo Technologies Egypt ▪ Sonaecom – Sistemas de Información España, SL Manager of the following companies: ▪ WeDo Poland SP. Z.o.o
Main Professional activities in the last five years:	▪ Executive Director of Sonaecom, SGPS, SA Member of the Board of Directors of the following companies: ▪ Sonaecom Sistemas de Informação, SGPS, SA ▪ Sonae Matrix Multimédia ▪ WeDo Consulting, Sistemas de Informação, SA ▪ Profimetrics ▪ Efanor Investimentos, SGPS, SA

Francisco de La Fuente Sánchez

Non Executive Director of Sonae Capital, SGPS, SA

Age: 71

Nationality: Portuguese

Education:	▪ Graduation in Electro technical Engineering – Instituto Superior Técnico (1965)
Positions held in Group Companies:	-
Positions held in Other Companies:	▪ Chairman of the Board of the Shareholders' General Meeting of Iberwind – Desenvolvimento e Projectos, SA ▪ Chairman of the Board of the Shareholders' General Meeting of APEDS - Portuguese Association of Engineers for Social Development ▪ Co-option member of Instituto Superior Técnico School Council ▪ Non Executive Vice-President of the Board of Directors of EFACEC Capital ▪ Chairman of the Board of AAAIST – Alumni Association of Instituto Superior Técnico ▪ Chairman of the General Council of PROFORUM ▪ Chairman of the National Council of the Electro technical Engineering Board of the Engineers Institute ▪ Member of the Patronage of Hidroeléctrica del Cantábrico Foundation ▪ Member of the Consulting Council of the Competitiveness Forum ▪ Honorary Chairman of Hidroeléctrica del Cantábrico, SA ▪ Member of the Curators Council of the Luso-Brazilian Foundation ▪ Member of the Ibero American Forum ▪ Member of the Curators Council of the Luso-Spanish Foundation
Main Professional activities in the last five years:	In the EDP Group and Electrical Sector in Portugal: ▪ 2005 - 2009 – Chairman of EDP Foundation ▪ 2006 - 2007 – Advisor to the Board of Directors of EDP – Electricidade de Portugal, SA ▪ 2004 - 2006 – Chairman of ELECPOR - Associação Portuguesa das Empresas do Sector Eléctrico ▪ 2003 - 2006 – Chairman of the Board of Directors of EDP - Energias de Portugal, SA In the Electrical Sector outside Portugal: ▪ Since 2005 - Honorary Chairman of Hidroeléctrica del Cantábrico, SA ▪ 2002 - 2005 – Board Member of Hidroeléctrica del Cantábrico, SA In Other Sectors: ▪ Since 2012 – Non-Executive Vice President of the Board of Directors of EFACEC Capital ▪ Since 2010 – Chairman of the Board of the Shareholders' General Meeting of Iberwind – Desenvolvimento e Projectos, SA ▪ Since 2009 - Co-option member of Instituto Superior Técnico School Council ▪ Since 2007 - - Chairman of the General Council of PROFORUM - Chairman of the National Council of the Electro technical Engineering Board of the Engineers Institute

- Since 2005 - Member of the Patronage of Hidroeléctrica del Cantábrico Foundation
  - Member of the Consulting Council of the Competitiveness Forum
- Since 2004 - Member of the Curators Council of the Luso-Brazilian Foundation
- Since 2003 - Member of the Ibero American Forum
- Since 2002 - Member of the Curators Council of the Luso-Spanish Foundation
- 2007-2012 - Non Executive Chairman of the Board of Directors of EFACEC Capital
- Invited Member of Conselho Nacional da Água
- 2007 - 2009 - Chairman of the Corporate Governance Committee of the Supervisory Board of Millennium BCP – Banco Comercial Português
- 2006 - 2009 – Member of the Supervisory Board of Millennium BCP – Banco Comercial Português
- 2006 - 2007 - Non Executive Vice-Chairman of the Board of Directors of Efacec Capital
- 2004 - 2010 - Member of the Consultative Council of the Portuguese Institute of Corporate Governance
- 2004 - 2007 - Chairman of BCSD Portugal – Business Council for Sustainable Development
  - Chairman of PROFORUM – Associação para o Desenvolvimento da Engenharia
- 2003 - 2005 - Director of the Competitiveness Forum
- 2001 - 2006 – Member of the Consulting Council of APDC – Associação Portuguesa para o Desenvolvimento das Comunicações
- 2000 -2010 – Non Executive Director of Portugal-África Foundation
- 2000 - 2006 – Member of the Superior Council of BCP – Banco Comercial Português
  - Non Executive Chairman of the Board of Directors of ONI
  - Member of the General Council of AIP – Associação Industrial Portuguesa

Paulo José Jubilado Soares de Pinho

Non Executive Director of Sonae Capital, SGPS, SA

Age: 50

Nationality: Portuguese

Education:	▪ Graduation in Economics - Faculdade de Economia da Universidade Nova de Lisboa (1985) ▪ MBA - Master in Business Administration - Faculdade de Economia da Universidade Nova de Lisboa (1989) ▪ PhD in Banking and Finance - City University Business School, London (1994) ▪ Negotiation Analysis - Amsterdam Institute of Finance (2005) ▪ Advanced Course - European Venture Capital and Private Equity Association (2006) ▪ Valuation Guidelines Masterclass - European Venture Capital and Private Equity Association (2007) ▪ Private Equity and Venture Capital Programme - Harvard Business School (2007)
Positions held in Group Companies:	-
Positions held in Other Companies:	▪ Member of the Board of Directors of Change Partners, SCR, SA ▪ Member of the Board of Directors of Biotecnol, SA
Main Professional activities in the last five years:	▪ 2004-2007 - Executive Director and Member of the Board of Directors of REN - Redes Energéticas Nacionais, SA ▪ Since 2003 – Chairman of the General Council of Venture Capital Syndication Fund PME-IAPMEI ▪ Since 2005 - Member of the Advisory and Strategic Board of Fundo Fast Change Venture Capital ▪ 2007-2008 – Chairman of the Board of Directors of Xis Vending - Serviços de Vending, SA ▪ 2007 – 2010 - Senior Advisor for Iberia of Profit Technologies, USA ▪ Since 2007 - Senior Advisor of New Next Moves Consultants, Portugal ▪ Since 2007 - Director of Venture Valuation, Switzerland (Representative for Portugal) ▪ Since 2008 - Visiting Professor at Cass Business School, London ▪ Associate Professor of Faculty of Economics of Universidade Nova of Lisboa ▪ Associate Dean of Universidade Nova de Lisboa

Manuel Heleno Sismeiro

Chairman of the Fiscal Board of Sonae Capital, SGPS, SA

Education:	▪ Bachelor degree in Accounting - ICL, Lisbon (1964) ▪ Graduation in Finance - ISCEF, Lisbon (1971)
Positions held in Group Companies:	-
Positions held in Other Companies:	Chairman of the Fiscal Board of the following companies: ▪ OCP Portugal Produtos Farmacêuticos, SA ▪ Sonae Indústria, SGPS, SA Chairman of the Board of the Shareholders' General Meeting of Segafredo Zanetti (Portugal), SA
Main Professional activities in the last five years:	▪ 1980 - 2008 - Partner of Coopers & Lybrand and of Bernardes, Sismeiro & Associados ▪ Since 2008 - Advisor, namely on matters of internal audit and internal control

Armando Luís Vieira de Magalhães

Member of the Fiscal Board of Sonae Capital, SGPS, SA

Education:	▪ Bachelor degree in Accounting, ISCAP (1972) ▪ Graduation in Economics - Faculdade de Economia, Porto University (1978) ▪ Executive MBA - European Management, IESF/IFG (1996)
Positions held in Group Companies:	-
Positions held in Other Companies:	Member of the Fiscal Board of the following companies: ▪ Sonaecom, SGPS, SA ▪ Sonae Indústria, SGPS, SA ▪ Futebol Clube do Porto - Futebol SAD ▪ Fundação Eça de Queiroz ▪ PortoComercial – Sociedade de Comercialização, Licenciamento e Sponsorização, SA
Main Professional activities in the last five years:	▪ 1989 - 2010 - Statutory Auditor and Managing Partner of Santos Carvalho & Associados, SROC, SA ▪ Since 2010 – Statutory Auditor and Partner of Armando Magalhães, Carlos Silva & Associados, SROC, Lda

Jorge Manuel Felizes Morgado

Member of the Fiscal Board of Sonae Capital, SGPS, SA

Education:	▪ Graduation in Management - ISEG, Universidade Técnica de Lisboa ▪ MBA in Finance - IEDE, Madrid ▪ MBA in Management and Information Systems - Faculdade de Economia e Gestão, Universidade Católica
Positions held in Group Companies:	-
Positions held in Other Companies	Member of the Fiscal Board of the following companies: ▪ Sonae, SGPS, SA ▪ Sonae Indústria, SGPS, SA
Main Professional activities in the last five years:	▪ Since 2004 – Statutory Auditor Partner of Econotopia - Consultoria e Gestão, Lda

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2012

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Amounts expressed in euro)

ASSETS	Notes	31.12.2012	31.12.2011
NON-CURRENT ASSETS:			
Tangible assets	10	246,117,450	236,088,219
Intangible assets	11	7,831,062	7,478,779
Goodwill	12	60,988,643	61,028,512
Investments in associated companies	6	4,666,035	60,060,236
Other investments	7, 9 and 13	50,325,207	1,015,381
Deferred tax assets	20	27,849,077	23,563,437
Other non-current assets	9 and 14	20,481,928	21,820,629
Total non-current assets		418,259,402	411,055,193
CURRENT ASSETS:			
Stocks	15	187,800,644	209,213,344
Trade account receivables	9 and 16	23,475,283	26,595,961
Other Debtors	9 and 17	7,703,322	7,904,975
Taxes recoverable	18	12,380,617	12,385,331
Other current assets	19	4,550,336	2,695,344
Cash and cash equivalents	9 and 21	3,244,695	3,980,640
Total Current Assets		239,154,897	262,775,595
TOTAL ASSETS		657,414,299	673,830,788

EQUITY AND LIABILITIES	Notes	31.12.2012	31.12.2011
EQUITY:			
Share capital	22	250,000,000	250,000,000
Own Shares	22	(264,705)	(36,143)
Reserves and retained earnings		76,606,169	74,670,814
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		(11,092,003)	2,994,272
Equity attributable to the equity holders of Sonae Capital		315,249,461	327,628,943
Equity attributable to non-controlling interests	23	8,707,639	9,241,777
TOTAL EQUITY		323,957,100	336,870,720
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank Loans	9 and 24	70,140,254	91,421,464
Bonds	9 and 24	59,655,971	59,509,816
Obligation under finance leases	9, 24 and 25	24,543,588	27,409,503
Other loans	9 and 24	4,335,860	4,224,101
Other non-current liabilities	9 and 27	3,997,310	7,155,507
Deferred tax liabilities	20	14,344,526	11,535,355
Provisions	32	3,079,824	3,185,974
Total Non-Current Liabilities		180,097,333	204,441,720
CURRENT LIABILITIES:			
Bank Loans	9 and 24	96,937,328	49,135,397
Bonds	9 and 24	-	30,000,000
Obligation under finance leases	9, 24 and 25	2,813,237	2,607,993
Other loans	9 and 24	888,683	814,103
Trade creditors	9 and 29	17,589,482	14,851,465
Other creditors	9 and 30	4,449,870	3,986,803
Taxes and contribution payables	18	6,727,194	5,596,653
Other current liabilities	31	22,798,965	24,470,718
Provisions	32	1,155,107	1,055,216
Total Current Liabilities		153,359,866	132,518,348
TOTAL LIABILITIES		333,457,199	336,960,068
TOTAL EQUITY AND LIABILITIES		657,414,299	673,830,788

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2012 AND 2011

(Amounts expressed in euro)

	Notes	31.12.2012	31.12.2011
Sales	35	51,916,061	74,130,471
Services rendered	35	60,372,417	62,754,429
Other operating income	36	11,542,233	11,571,340
Cost of sales	15	(36,584,661)	(38,941,946)
Changes in stocks of finished goods and work in progress	37	(2,258,161)	(3,581,253)
External supplies and services	38	(44,753,524)	(55,810,735)
Staff costs	39	(37,216,180)	(41,357,695)
Depreciation and amortisation	10 and 11	(13,478,980)	(13,734,933)
Provisions and impairment losses	32	(5,128,480)	(3,034,123)
Other operating expenses	40	(3,644,019)	(4,635,621)
Operational profit/(loss)		(19,233,294)	(12,640,066)
Financial Expenses	41	(12,682,142)	(12,018,377)
Financial Income	41	1,716,396	1,581,241
Profit/(Loss) in associated undertakings	6	3,501,150	5,166,233
Investment income	42	16,597,379	28,361,670
Profit/(Loss) before taxation		(10,100,511)	10,450,701
Taxation	43	(1,626,308)	(6,664,829)
Profit/(Loss) for the year	44	(11,726,819)	3,785,872
Attributable to:			
Equity holders of Sonae Capital		(11,092,003)	2,994,272
Non-controlling interests	23	(634,816)	791,600
Profit/(Loss) per share			
Basic	46	(0.044494)	0.011979
Diluted	46	(0.044494)	0.011979

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE 4th QUARTERS OF 2012 AND 2011

(Amounts expressed in euro)

	Notes	4th Quarter 12 [1]	4th Quarter 11 [1]
Sales		15,118,246	20,692,728
Services rendered		13,447,330	13,766,386
Other operating income		2,634,400	1,700,380
Cost of sales		(10,651,939)	(7,350,735)
Changes in stocks of finished goods and work in progress		(1,340,849)	(1,248,472)
External supplies and services		(12,011,198)	(13,657,075)
Staff costs		(9,247,269)	(11,057,852)
Depreciation and amortisation		(3,325,742)	(3,603,912)
Provisions and impairment losses		(4,623,665)	(2,958,776)
Other operating expenses		(1,017,246)	(707,710)
Operational profit/(loss)		(11,017,932)	(4,425,038)
Financial Expenses		(2,848,492)	(3,036,886)
Financial Income		460,650	632,104
Profit/(Loss) in associated undertakings		(1,395,660)	853,993
Investment income		837,161	2
Profit/(Loss) before taxation		(13,964,273)	(5,975,825)
Taxation		169,571	(5,672,740)
Profit/(Loss) for the year		(13,794,702)	(11,648,565)
Attributable to:			
Equity holders of Sonae Capital		(13,329,701)	(11,698,109)
Non-controlling interests		(465,002)	49,544
Profit/(Loss) per share			
Basic		(0.053460)	(0.046791)
Diluted		(0.053460)	(0.046791)

The accompanying notes are part of these financial statements.

[1] Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2012 AND 2011

(Amounts expressed in euro)

	31.12.2012	31.12.2011
Consolidated net profit/(loss) for the period	(11,726,819)	3,785,872
Changes in the currency translation differences	(99,523)	(74,637)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	(128,605)	192,478
Change in the fair value of assets available for sale	153,082	-
Change in the fair value of cash flow hedging derivatives	(589,966)	(901,204)
Others	(365,685)	-
Other comprehensive income for the period	(1,030,697)	(783,363)
Total comprehensive income for the period	(12,757,516)	3,002,509
Attributable to:		
Equity holders of Sonae Capital	(12,108,253)	2,253,542
Non-controlling interests	(649,263)	748,967

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 4th QUARTERS OF 2012 AND 2011

(Amounts expressed in euro)

	4th Quarter 12 [1]	4th Quarter 11 [1]
Consolidated net profit/(loss) for the period	(13,794,703)	(11,648,565)
Changes in the currency translation differences	(1,265,906)	32,833
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	196,247	362,933
Change in the fair value of assets available for sale	153,082	-
Change in the fair value of cash flow hedging derivatives	183,988	29,382
Others	(365,685)	-
Other comprehensive income for the period	(1,098,274)	425,148
Total comprehensive income for the period	(14,892,977)	(11,223,417)
Attributable to:		
Equity holders of Sonae Capital	(14,445,123)	(11,273,201)
Non-controlling interests	(447,854)	49,784

The accompanying notes are part of these financial statements.

[1] Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE TWELVE MONTHS PERIODS ENDED 31 DECEMBER 2012 AND 2011

(Amounts expressed in Euro)

	Attributable to Equity Holders of Sonae Capital											
	Share Capital	Own Shares	Demerger Reserve (Note 16)	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves and Retained	Sub total	Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
Balance as at 1 January 2011	250,000,000	-	132,638,253	(1,129,394)	-	(854,880)	(49,318,776)	81,335,203	(4,420,429)	326,914,774	12,454,796	339,369,570
Total consolidated comprehensive income for the period	-	-	-	(50,108)	-	(883,100)	192,478	(740,730)	2,994,272	2,253,542	748,967	3,002,509
Appropriation of profit of 2010												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(4,420,429)	(4,420,429)	4,420,429	-	-	-
Acquisition of own shares	-	(36,143)	-	-	-	-	-	-	-	(36,143)	-	(36,143)
Changes in the percentage of capital held in affiliated	-	-	-	-	-	-	(1,596,425)	(1,596,425)	-	(1,596,425)	(4,103,273)	(5,699,698)
Other changes	-	-	-	-	-	-	93,195	93,195	-	93,195	141,286	234,481
Balance as at 31 December 2011	250,000,000	(36,143)	132,638,253	(1,179,502)	-	(1,737,980)	(55,049,957)	74,670,814	2,994,272	327,628,943	9,241,777	336,870,720
Balance as at 1 January 2012	250,000,000	(36,143)	132,638,253	(1,179,502)	-	(1,737,980)	(55,049,957)	74,670,814	2,994,272	327,628,943	9,241,777	336,870,720
Total consolidated comprehensive income for the period	-	-	-	1,168,016	153,082	(599,196)	(1,738,152)	(1,016,250)	(11,092,003)	(12,108,253)	(649,263)	(12,757,516)
Appropriation of profit of 2011												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	2,994,272	2,994,272	(2,994,272)	-	-	-
Acquisition of own shares	-	(228,562)	-	-	-	-	-	-	-	(228,562)	-	(228,562)
Changes in the percentage of capital held in affiliated	-	-	-	-	-	-	-	-	-	-	119,556	119,556
Other changes	-	-	-	-	-	-	(42,667)	(42,667)	-	(42,667)	(4,431)	(47,098)
Balance as at 31 December 2012	250,000,000	(264,705)	132,638,253	(11,486)	153,082	(2,337,176)	(53,836,504)	76,606,169	(11,092,003)	315,249,461	8,707,639	323,957,100

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS AND THREE MONTHS ENDED DECEMBER 2012 AND 2011

(Amounts expressed in Euro)

	Notes	31.12.2012	31.12.2011	4th Quarter 12 [1]	4th Quarter 11 [1]
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		112,795,703	142,830,165	29,537,878	37,688,482
Cash receipts from trade creditors		(73,538,547)	(102,949,672)	(20,274,362)	(28,728,792)
Cash paid to employees		(38,581,231)	(41,027,715)	(10,378,990)	(11,361,458)
Cash flow generated by operations		675,925	(1,147,222)	(1,115,474)	(2,401,768)
Income taxes (paid) / received		(1,359,996)	(1,869,478)	(1,298,533)	(2,051,930)
Other cash receipts and (payments) relating to operating activities		2,202,975	(3,445)	(110,012)	1,062,424
Net cash flow from operating activities (1)		1,518,904	(3,020,145)	(2,524,019)	(3,391,274)
INVESTMENT ACTIVITIES:					
Cash receipts arising from:					
Investments	47	29,223,861	45,314,594	20,018,958	310,522
Tangible assets		312,100	1,282,208	106,019	340,011
Interest and similar income		649,850	575,583	163,142	306,632
Loans granted		-	96,856	-	-
Dividends		214,698	201,314	-	-
		30,400,509	47,470,555	20,288,119	957,165
Cash Payments arising from:					
Investments	47	(292,060)	(6,199,799)	32,658	(1,934)
Tangible assets		(12,047,596)	(11,916,883)	(4,216,597)	(1,115,959)
Intangible assets		(838,845)	(277,326)	(421,405)	155,670
Loans granted		(10,387)	(170,000)	(10,387)	-
		(13,188,888)	(18,564,008)	(4,615,731)	(962,223)
Net cash used in investment activities (2)		17,211,621	28,906,547	15,672,388	(5,058)
FINANCING ACTIVITIES:					
Cash receipts arising from:					
Loans obtained		38,418,299	61,692,285	(12,905,235)	(25,950,619)
Capital increases, additional paid in capital and share premiums		75,985	-	75,985	-
		38,494,284	61,692,285	(12,829,250)	(25,950,619)
Cash Payments arising from:					
Loans obtained		(44,895,257)	(76,038,697)	762,834	33,816,122
Interest and similar charges		(12,456,940)	(11,024,417)	(1,581,467)	(2,356,436)
Purchase of own shares		(228,562)	(36,143)	(163,705)	(36,143)
		(57,580,759)	(87,099,257)	(982,338)	31,423,543
Net cash used in financing activities (3)		(19,086,475)	(25,406,972)	(13,811,588)	5,472,924
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(355,950)	479,430	(663,219)	2,076,592
Effect of foreign exchange rate		20,968	(9,430)	8,855	(13,804)
Cash and cash equivalents at the beginning of the period	21	2,986,070	2,497,210	3,281,226	895,674
Cash and cash equivalents at the end of the period	21	2,609,152	2,986,070	2,609,152	2,986,070

The accompanying notes are part of these financial statements.

[1] Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited.

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts express in Euro)

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA (“Company”, "Group" or “Sonae Capital”) whose head-office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, is the parent company of a group of companies, as detailed in Notes 5 to 7 (“Sonae Capital Group”) and was set up on 14 December 2007 as a result of the demerger of the shareholding in SC, SGPS, SA (previously named Sonae Capital, SGPS, SA) from Sonae, SGPS, SA, which was approved by the Board of Directors on 8 November 2007 and by the Shareholder's General Meeting held on 14 December 2007.

Following the strategic review process which took place in the first half of 2012, two distinct and autonomous business areas, were identified as strategic:

- The first , headed by Sonae Turismo, SGPS, SA, includes businesses in tourism, through the development and management of tourism resorts, in hotels, through management of hotels and services, and in health and fitness through management of health clubs;

- The second business area, headed by Spred, SGPS, SA, includes businesses in three segments: refrigeration, HVAC and maintenance; Energy and Environment businesses (energy services in the areas of cogeneration, solar thermal and photovoltaic) and management of a financial portfolio in an investment basis.

As a result of the strategic review carried out, the management of real estate properties as autonomous business area was discontinued, thereby ceasing the development of the business segment comprising the ownership, development and management of real state.

2. MAIN ACCOUNTING POLICIES

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

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS” – previously named International Accounting Standards – “IAS”), issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the "International Financial Reporting Interpretations Committee” (“IFRIC”), previously named "Standing Interpretations Committee” (“SIC”), beginning on 1 January 2012.

Interim financial statements were presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

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

Since, from 1 July 2012, no Sonae Capital representatives hold seat in the Board of Directors of Fundo de Investimento Imobiliário fechado Imosede, Sonae Capital does no longer have significant influence in the Imosede Fund, meaning it cannot, under any circumstance: (i) influence operational and financial policies, and; (ii) does not have the power to appoint, in the future, a new representative in the Fund’s Board of Directors (only Imosede Fund’s management entity is entitled to do so). As a result, the Imosede Fund is now accounted as an available for sale financial asset, and as at September 2012 the change from equity accounting to fair value had an impact in the period’s income statement, and the future changes in fair value are recorded in equity.

As at the date of the approval of these consolidated financial statements, the following standards have been endorsed by the European Union

a) In force for fiscal year 2012 and with no material impact on the consolidated financial statements at 31 December 2012:

	Date of endorsement by the EU	Effective Date (Started on or after)
Amendments to IFRS 7 Financial instruments: Disclosure – Transfers of financial assets.	22-11-2011	01-07-2011

b) In force for periods subsequent to 31 December 2012:

	Date of endorsement by the EU	Effective Date (Started on or after)
Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income	05-06-2012	01-07-2012
Amendments to IAS 19 - Employee Benefits	05-06-2012	01-01-2013
IFRS 10 - Consolidated Financial Statements	11-12-2012	01-01-2014
IFRS 11 - Joint Arrangements	11-12-2012	01-01-2014
IFRS 12 - Disclosure of Interests in Other Entities	11-12-2012	01-01-2014
IAS 27 - Separate Financial Statements	11-12-2012	01-01-2014
IAS 28 - Investments in Associates and Joint Ventures	11-12-2012	01-01-2014
IFRS 1 - First-time Adoption of International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	11-12-2012	01-01-2013
IAS 12 - Income Taxes - Deferred Tax: Recovery of Underlying Assets	11-12-2012	01-01-2013
IFRS 13 - Fair Value Measurement	11-12-2012	01-01-2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	11-12-2012	01-01-2013
Amendments to IFRS 7 Financial Instruments - Disclosure - Offsetting Financial Assets and Financial Liabilities	13-12-2012	01-01-2013
Amendments to IAS 32 Financial Instruments - Presentation - Offsetting Financial Assets and Financial Liabilities	13-12-2012	01-01-2014

The adoption of the above mentioned standards has not led to material impacts on the consolidated financial statements of Sonae Capital at 31 December 2012.

2.2 Consolidation principles

The consolidation methods adopted by the Group are as follows:

a) Investments in Group companies

Investments in companies in which the Group owns, directly or indirectly, more than 50% of the voting rights at Shareholders' General Meetings or is able to establish financial and operational policies so as to benefit from its activities (definition of control normally used by the Group), are included in the consolidated financial statements using the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption Non-controlling interests, in the consolidated balance sheet and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Note 5.

Comprehensive income and other components of equity are attributable to non-controlling interests, even if these captions show negative values.

Assets and liabilities of each Group company are measured at their fair value at the date of acquisition and this measurement may be adjusted within 12 months from the date of acquisition. Any excess of the cost of acquisition over the Group's interest in the fair value of the identifiable net assets acquired is recognised as goodwill (Note 2.2.c)). Any excess of the Group's share in the fair value of the identifiable net assets acquired over cost is recognized as income in profit or loss for the period of acquisition, after reassessment of the estimated fair value of net assets acquired. Non-controlling interests include their proportion of the fair value of net identifiable assets and liabilities recognised on acquisition of Group companies.

The results of affiliated companies acquired/sold during the period are included in the income statement since the date of acquisition or until the date of sale.

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

Financial investments in companies excluded from consolidation are recorded at acquisition cost net of impairment losses (Note 7).

Whenever the Group has, in substance, control over other entities created for a specific purpose, even if no share capital interest is directly held in those entities, these are consolidated by the full consolidation method. Such entities, when applicable, are disclosed in Note 5.

b) Investments in associated and in jointly controlled companies

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

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

Any excess of the cost of acquisition over the Group's share in the fair value of the identifiable net assets acquired is recognised as goodwill (Note 2.2.c)), which is included in the caption Investment in associated and jointly controlled companies. Any excess of the Group's share in the fair value of the identifiable net assets acquired over cost is recognised as income in the profit or loss for the period of acquisition, after reassessment of the estimated fair value of the net assets acquired.

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

When the Group's share of losses exceeds the carrying amount of the investment, this is reported at nil value and recognition of losses is discontinued, unless the Group is committed beyond the value of its investment.

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

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

c) Goodwill

The excess of the cost of acquisition of investments in group, jointly controlled and associated companies over the Group's share in the fair value of the assets and liabilities of those companies at the date of acquisition is shown as Goodwill (Note 12) or as Investments in associated and jointly controlled companies (Note 6).

The excess of the cost of acquisition of investments in foreign companies over the fair value of their identifiable assets and liabilities at the date of acquisition is calculated using the functional currency of each of those companies. Translation to the Group's currency (Euro) is made using the closing exchange rate. Exchange rate differences arising from this translation are disclosed in Currency Translation Reserves.

Goodwill is not amortised, but is subject to impairment tests on an annual basis. The recoverable amount is determined based on the business plans used in the management of the Group or on valuation reports prepared by independent entities.

Impairment losses identified in the period are disclosed in the income statement under Provisions and impairment losses, and may not be reversed.

Any excess of the Group's share in the fair value of identifiable assets and liabilities in Group, jointly controlled and associated companies over costs, is recognised as income in the profit and loss for the period, at the date of acquisition, after reassessment of the fair value of the identifiable assets and liabilities acquired.

d) <u>Translation of financial statements of foreign companies</u>

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

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

Whenever a foreign company is sold (in whole or in part), the share of the corresponding accumulated exchange rate differences is recorded in the income statement as a gain or loss on the disposal, in the caption Investment income.

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

	31.12.2012		31.12.2011	
	End of the Period	Average of Period	End of Period	Average of Period
Pound Sterling	1.22534	1.23368	1.16850	1.14966
Brazilian Real	0.36988	0.39996	0.41083	0.43213
Angolan Kwanza	0.00791	0.00817	0.00792	0.00764

Source: Bloomberg

2.3 Tangible assets

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

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

Depreciation is calculated on a straight line basis, once the asset is available for use, over the expected useful life for each class of assets and disclosed in Amortisation and depreciation in the consolidated profit and loss account.

Impairment losses in tangible assets are accounted for in the year when they are estimated, and are disclosed in Impairment losses in the consolidated profit and loss account, except for those relating to stocks whose impairment is recorded in Cost of goods sold and materials consumed.

Depreciation rates used correspond to the following estimated useful lives:

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

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

Tangible assets in progress represent fixed assets still under construction/development and are stated at acquisition cost net of impairment losses. These assets are depreciated from the date they are completed or start being used.

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

2.4 Intangible assets

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

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

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

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

The Group adopted IFRIC 12 – Service Concession Arrangements from 2009 onwards whenever an affiliated undertaking enters into a service concession arrangement with a public sector entity to provide services to the public. The Troia Marina is the sole service concession arrangement to which this interpretation is applicable. In this case, costs incurred with building the infrastructure for the marina were recorded as an intangible asset which is amortised, on a straight line, over the period of the arrangement, because the affiliated undertaking was given rights to charge users of the public service but has no unconditional contractual right to receive cash from the grantor.

Amortisation is calculated on a straight line basis, once the asset is available for use, over the expected useful life which normally is between 3 and 6 years, and are disclosed in Amortisation and Depreciation in the consolidated profit and loss account, except for Troia Marina assets, recorded as Intangible assets under IFRIC 12 - Service Concession Arrangements, which are amortised over the period of the arrangement (50 years).

2.5 Accounting for leases

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

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

<u>Accounting for leases where the Group is the lessee</u>

Tangible assets acquired through finance lease contracts are recorded as assets and corresponding obligations as liabilities in the balance sheet. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability, at the lower of fair value and present value of minimum lease payments up to the end of the lease. Both the finance charge and the depreciation expense for depreciable assets are taken to the income statement in the period in which they are incurred.

Lease payments under operating lease contracts are recognised as an expense on a straight line basis over the lease term.

<u>Accounting for leases where the Group is lessor</u>

Where the Group acts as a lessor in operating leases, the value of assets leased is maintained in the Group's balance sheet and related rents are taken to the profit and loss account on a straight line basis over the period of the lease.

2.6 Government grants

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

Investment subsidies related to the acquisition of fixed assets are recognised as deferred income under other current liabilities that are taken to the income statement, under other operating profit, on a systematic basis over the estimated useful life of the asset.

2.7 Impairment of non-current assets, except goodwill

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

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

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

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

2.8 Borrowing costs

Borrowing costs are normally recognised as an expense in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of tangible and real estate projects included under stocks are capitalised as part of the cost of the qualifying asset. Borrowing costs are capitalised from the time of preparation of the activities to construct or develop the asset up to the time the production or construction is complete or when asset development is interrupted. Any income earned on funds temporarily invested pending their expenditure on the qualifying asset, is deducted from the borrowing costs that qualify for capitalisation.

2.9 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the sale must be highly probable and the asset or disposal group is available for immediate sale in its present condition. In addition, the sale should be expected to occur within 12 months from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. These assets are not depreciated since the date they were classified as available for sale.

2.10 Stocks

Goods for sale and raw materials are stated at the lower of cost, net of discounts obtained or estimated, and net realisable value. Cost is determined on a weighted average basis. Goods for sale include mostly land for real estate developments.

Finished goods and work in progress are stated at the lower of the weighted average production cost or net realisable value. Production cost includes cost of raw materials, labour costs and overheads (including depreciation of production equipment based on normal levels of activity). Work in progress includes mostly resorts and real estate developments for sale in the normal course of business.

Net realisable value is the estimated selling price less estimated costs of completion and estimated costs necessary to make the sale.

Differences between cost and net realisable value, if negative, are shown as operating expenses under Cost of sales or Changes in stocks of finished goods and work in progress, depending on whether they refer to goods for sale and raw materials or finished goods and work in progress.

2.11 Provisions

Provisions are recognised when, and only when, the Group has an obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at the balance sheet date to reflect the best estimate as of that date.

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

2.12 Financial instruments

Financial instruments were classified in the categories presented in the consolidated balance sheet as detailed in Note 9.

a) Investments

Investments are classified into the following categories:

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

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

Investments measured at fair value through profit or loss includes investments held for negotiation, which the Group acquires with a view to their disposal within a short time period. They are shown in the consolidated balance sheet as Current Investments.

The Group classifies as investments available for sale, those which are not considered as investments measured at fair value through profit or loss nor as investments held to maturity. These assets are classified as noncurrent assets, unless there is an intention to dispose of them in a period of less than 12 months from the balance sheet date.

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

Investments are initially measured at cost, which is the fair value of the consideration paid for them, including transaction costs.

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

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

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

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

b) Non-current loans and accounts receivable

Loans and accounts receivable are booked at amortised cost using the effective interest method less any impairment losses.

Financial income is calculated using the effective interest rate, except for amounts receivable within a very short time period, for which the income receivable is immaterial.

These financial investments arise when the Group supplies money, goods or services directly to a debtor without the intention to negotiate the debt involved.

Loans and accounts receivable are classified as current assets, expect in cases where the maturity date is more than 12 months from the date of the balance sheet, when they are classified as non-current assets. These financial investments are included in the classes identified in Note 9.

c) Customers and other third party debts

Amounts owing from Customers and other third party debts are booked at their nominal value and shown in the consolidated balance sheet less any impairment losses, recognised in the caption Losses due to impairment in receivables in order to reflect their net realisable value. These captions, when current, do not include interest, since the discount impact is considered immaterial.

Impairment losses are booked following the events that have taken place, which indicate objectively and in a quantifiable manner that the whole or a part of the debt will not be received. For this, each Group company takes into consideration market information which demonstrates that:

- The entity involved has significant financial difficulties;
- Significant delays have taken place in payments by the entity involved;
- There is a probability that the debtor will go into liquidation or financial restructuring.

Recognised impairment losses equal the difference between the amount receivable in the accounts and the related present value of future estimated cash flows, discounted at the initial effective interest rate, which is considered to be zero, since the discount impact is considered immaterial, in those cases where a receipt is expected within less than a year.

d) Classification as equity or liability

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

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.16. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

f) Trade accounts payable

Accounts payable are stated at their nominal value, since they do not bear interest and the discount impact is considered immaterial.

g) Derivatives

The Group uses derivatives in the management of its financial risks, only to hedge such risks and/or to optimise funding costs.

Derivatives classified as cash flow hedge instruments are used by the Group mainly to hedge interest rate risks on loans obtained. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. Inefficiencies that may exist are shown in the caption Net Financial Income/Expenses in the consolidated income statement.

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

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

Cash-flow hedge instruments used by the Group to hedge the exposure to changes in interest rate of its loans are initially accounted for at cost and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption Hedging reserves, and then recognised in net financial income/expenses in the income statement over the same period in which the hedged instrument affects income statement.

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

In those cases in which derivative instruments, in spite of having been negotiated with the abovementioned objectives (essentially derivatives in the form of interest rate options), in relation to which the company did not apply hedge accounting, are initially recorded at cost, if any, and subsequently measured at fair value. The changes in value resulting from the measurement at fair value, calculated using especially designed software tools are included in Net financial charges in the consolidated income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host contract, and this is not stated at fair value, and unrealised gains or losses recorded in the consolidated income statement.

In specific situations, the Group may use interest rate derivatives with the goal of obtaining fair value cover. In these situations, derivatives are booked at their fair value in the consolidated financial statements. In situations in which the derivative involved is not measured at fair value (in particular borrowings that are measured at amortised cost), the effective share of cover will be adjusted to the accounting value of the derivative covered through the profit and loss account.

h) <u>Equity instruments</u>

Equity instruments are those that represent a residual interest on the Group's net assets and are recorded at the amount received, net of costs incurred with their issuance.

i) <u>Cash and cash equivalents</u>

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

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

2.13 Share-based payments

Share-based payments result from Deferred Performance Bonus Plans that are referenced to the Sonae Capital, SGPS, SA share price and vest within a period of 3 years after being granted.

Share-based payment liabilities are measured at fair value on the date they are granted (normally in March of each year) and are subsequently remeasured at the end of each reporting period, based on the number of shares or share options granted and the corresponding fair value at the closing date. These obligations are stated as Staff costs and other liabilities, and are recorded on a straight-line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates, when the Group has the choice to settle the transaction in cash.

2.14 Contingent assets and liabilities

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

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

2.15 Income tax

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

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

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

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

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

2.16 Revenue recognition and accrual basis

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

Revenue from services rendered is recognised in the income statement taking into consideration the stage of completion of the transaction at the balance sheet date.

Revenue associated with work in progress is recognized at the end of each year as follows: when total amounts invoiced are higher than corresponding costs, the excess is recorded in other current liabilities; and when costs are higher than corresponding amounts invoiced the excess is recorded in Work in progress.

Revenue arising from contract variations, claims and completion premiums is recorded when these are agreed with the customer, or when negotiations are at an advanced stage and it is probable that these will be favourable to the Group.

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

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

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

2.17 Balances and transactions expressed in foreign currencies

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

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

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

2.18 Subsequent events

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

2.19 Judgements and estimates

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

a) Useful lives of tangible and intangible assets;
b) Analysis of the impairment of goodwill and other tangible and intangible assets;
c) Adjustments to the values of assets and provisions;
d) Estimates of future income tax;
e) Calculation of the fair value of derivatives.

Estimates were based on the best information available at the date of the preparation of the financial statements and on the best knowledge and experience of past and/or current events. These estimates may, however, be affected by subsequent events which are not foreseeable at the present date. Changes to these estimates, which take place after the date of the financial statements, will be recognised prospectively in the income statement, in accordance with IAS 8.

The main estimates and assumptions used relating to future events included in the consolidated financial statements are described in the corresponding notes attached.

2.20 Segment information

Financial information regarding business segments is included in Note 48.

3. FINANCIAL RISK MANAGEMENT

3.1 Market risks

a) Interest rate risk - POLICY

As a result of maintaining its debt in the consolidated balance sheet at variable rates, and the resulting cash flows from interest payments, the Group is exposed to a Euro interest rate risk.

In view of the fact that:

- The volatility of Group results does not depend only on the volatility of its financial results linked to the volatility of interest rates;

- Under normal market conditions, there is a correlation between the levels of interest rates and economic growth, with the expectation being that the impact of movements in interest rates (and the respective volatility of cash flows to service the debt) can to some extent be compensated by movements in the remaining lines of the profit and loss account, in particular by operational profits or losses;

- The setting up of any form of risk cover structure has an implicit opportunity cost associated with it, the Group policy concerning the mitigation of this risk does not establish the maintenance of any minimum proportion of fixed interest rate debt (converted to fixed rate through use of derivatives), but rather has opted for a dynamic approach to monitoring exposure, which aligns market conditions to the real exposure of the Group, in order to avoid the possibility of exposure that could have a real impact on the consolidated results of the Group.

In view of the above, the Group policy concerning this issue defines a case by case review of each potential transaction, such that any contract for derivatives must follow the following principles:

- Derivatives are not used for trading or speculation;

- Derivatives to be contracted must match exactly the underlying exposures in relation to indices to be used, refixing dates for interest rates and dates for payment of interest, and the amortisation profile of the underlying debt;

- The maximum financial cost of the entire derivative and underlying exposure must always be known and limited from the date of the derivative contract, with the aim that the resulting level of costs are within the cost of funds considered in the business plans;

- Derivative contracts are only agreed with authorised entities, specifically Financial Institutions with a minimum Investment Grade rating, giving preference to Banking Relationship Institutions of the Group;

- All transactions must be the object of competitive bids, involving at least two financial institutions;

- All transactions are entered into by using market standard contracts (ISDA - International Swaps and Derivatives Association), with schedules negotiated with each one of the Institutions;

- To determine the fair value of the hedging transactions, the Group uses a range of methods in accordance with market practices, namely option valuation models and discounted future cash flow models, with specific market assumptions (interest and exchange rates, volatilities, etc.) prevailing at the Balance Sheet date. Comparative quotes provided by financial institutions are also used as a valuation benchmark;

- Any transaction that does not comply with all of the above principles must be individually approved by the Board of Directors.

b) Interest rate risk – SENSITIVITY ANALYSIS

Interest rate sensitivity is based on the following assumptions:

- Changes in interest rates affect interest receivable and payable of financial instruments indexed to variable rates (interest payments, related to financial instruments not defined as hedging instruments for interest rate cash flow hedges). As a result, these instruments are included in the calculation of financial results sensitivity analysis;

- Changes in market interest rates affect income and expenses related to fixed interest rate financial instruments, in cases in which these are recognised at fair value. As such, all financial instruments with fixed interest rates booked at amortised cost, are not subject to interest rate risk, as defined in IFRS 7;

- In the case of instruments designated as fair value hedges of interest rate risk, when changes to the fair value of the hedging instrument, which are attributable to movements in interest rates, are almost completely compensated in the financial results in the same period, these financial instruments are also considered not to be exposed to interest rate risks;

- Changes in market interest rates of financial instruments which were designated as cash flow hedging instruments to cover fluctuations in payments resulting from changes in interest rates, are recorded in reserves, and are thus included in the sensitivity analysis calculation of shareholders' funds (other reserves);

- Changes in market interest rates of interest rate derivatives, which are specified as being part of hedging relationships as defined in IAS 39, affect the results of the company (net gain/loss resulting from the revaluation of the fair value of financial instruments), and are thus included in the calculation of profit and loss sensitivity;

- Changes in the fair value of derivatives and other financial assets and liabilities are estimated by calculating the discounted present value of future cash flows at existing market interest rates at the end of each year, and assuming a parallel variation in interest rate trends;

- The sensitivity analysis is applied to all financial instruments existing at the end of the period.

Given the above mentioned assumptions, if interest rates of financial instruments denominated in euro had been 0.75 percentage points higher/lower, the consolidated net profit before tax of the Group as at 31 December 2012 would have been lower by 1,141,051 and higher by 1,147,308 euro (as at 31 December 2011 they would have been lower by 1,026,125 euro and higher by 1,004,629 euro) . The impact in equity (excluding the impact on net profit) of the interest rate sensitivity analysis as at 31 December 2012 would have been lower/higher by around 0 euro (as at 31 December 2011 the impact would have been lower/higher by around 0 euro).

c) Exchange rate risk

The Sonae Capital Group, as a Group mainly operating in the Iberian Peninsula, has an immaterial exposure to exchange rate risk.

In relation to translation risks, given that almost all of shareholders' funds and loans to affiliates are denominated in euro, there is no significant exposure to this risk.

In relation to transaction a risk, whenever exposure arises in this area, the risk is mainly managed through forward exchange rate contracts, in order to eliminate the volatility of forward exchange rate fluctuations, and thus increase cash flow certainty. From time to time, and if the amounts involved and degree of uncertainty are relevant, the Company, with approval from the Board of Directors, may use options.

In view of the low volume of balances in foreign currency, no exchange rate sensitivity analysis was carried out.

d) Other price risks

The Group is exposed to risks arising from the value of investments made in financial shareholdings. However, these investments are in general made with strategic objectives in mind and not for current trading.

3.2 Credit Risk

Credit risks at Sonae Capital arise mainly from (i) debts from customers relating to operational activity, (ii) its relationships with financial institutions in the course of its day to day business activity, and (iii) the risk of noncompliance by business counterparts in portfolio transactions.

Customer Credit: The management of credit risk at Sonae Capital is structured to the specific needs of the businesses of the Group, always taking into consideration:

- The specific profiles of customers of each business;

- The careful determination of appropriate credit limits, based on the one hand on the customer's profile and on the other on the nature of business, avoiding excessive concentration of credit, and thus minimising its exposure to this risk;

- Regular follow up of customers' accounts;

- The setting up of devolved processes of granting credit, and the segregation of administrative procedures from decision making processes;

- The use of legal means necessary to recover debts.

Financial Institutions: The credit risk is linked to possible noncompliance by financial institutions, to which the Group is contractually bound, in its normal operational activity, term deposits, cash balances and derivatives.

To mitigate this risk, the Group:

- Only executes transactions with counterparts with an Investment Grade minimum grading;

- Diversifies its counterparts, in order to avoid an excessive concentration of credit risk;

- Defines a restricted range of chosen instruments (aimed at not contracting complex instruments, the structure of which is not entirely known), requiring authorization from the Board of Directors to use alternative instruments;

- Regularly monitors total exposures with each counterpart, in order to guarantee compliance with the policy established.

Shareholding Buy/Sale transactions: In the course of its business, the Group is exposed to the credit risk of counterparts with whom it agrees transactions concerning investments in shareholdings. In these cases, the means used to mitigate risks are determined on a one on one basis, in order to take into account the specifics of the transaction, with the constant supervision of the Board of Directors. Despite the variability of the means used, there exists always the possibility of using normal market methods, namely carrying out due diligences, obtaining financial information concerning the counterpart in question, or the pledging of an asset which is released when the financial transaction has been completed, requesting bank guarantees, setting up escrow accounts, obtaining collateral, among others.

3.3 Liquidity Risk

The objective of liquidity risk management is to ensure at any given moment that the Group has the financial capability under favourable market conditions to: (i) comply with its payment obligations when these fall due and (ii) ensure in a timely manner the appropriate financing for the development of its businesses and strategy.

To that end, the Group aims at maintaining a flexible financial structure, so that the process of managing liquidity within the Group includes the following key aspects:

- Centralised liquidity management (cash surpluses and needs) at the holding company level, seeking to optimise the finance function in the Group;

- Financial planning based on cash flow forecasts, both at an individual company and consolidated levels, and for different time periods (weekly, monthly, annual and multiyear);

- Short and long term financial control systems (based on Treasury and Cash Management systems), which allow in a timely manner to identify variances, anticipate financing needs and identify refinancing opportunities;

- Diversification of sources of financing and counterparts;

- Spread of debt maturity dates, aiming at avoiding excessive concentration, at specific points in time, of debt repayments;

- Contracts with relationship Banks, of committed credit lines (of at least six months) and commercial paper programmes, with cancellation clauses which are sufficiently comfortable and prudent, seeking to obtain an appropriate level of liquidity while optimising the amount of commitment commissions payable.

- Negotiation of contract terms which reduce the possibility of early termination of loans.

4. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

As mentioned in Note 2 changes to international financial reporting standards did not result in material changes to accounting policies. There were no corrections of material errors from previous periods.

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 the Group as at 31 December 2012 and 2011 are as follows:

				Percentage of capital held			
				31 December 2012		31 December 2011	
	Company		Head Office	Direct	Total	Direct	Total
	Sonae Capital SGPS, SA		Maia	Holding	Holding	Holding	Holding
	Tourism						
	Aqualuz - Turismo e Lazer, Lda	a)	Lagos	100.00%	100.00%	100.00%	100.00%
	Casa da Ribeira - Hotelaria e Turismo, SA	a)	Marco de Canaveses	100.00%	100.00%	100.00%	100.00%
	Atlantic Ferries - Traf.Loc.Flu.e Marit., SA	a)	Grândola	83.41%	83.41%	80.00%	80.00%
1)	Fundo Especial de Investimento Imobiliário Fechado WTC	a)	Maia	99.82%	99.82%	99.84%	99.84%
	Golf Time - Golfe e Inv.Turisticos, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Imoareia Investimentos Turísticos,SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Imoferro-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imopenínsula - Sociedade Imobiliária, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Imoresort - Sociedade Imobiliária, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
7)	Investalentejo, SGPS, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Marina de Tróia, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
4)	Marina Magic -Exploração de Centros Lúd, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
	Marmagno-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Marvero-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
7)	Modus Faciendi – Gestão e Serviços, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SII - Soberana Investimentos Imobiliários, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Sete e Meio-Investimentos e Consultadoria,SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Solinca - Health & Fitness, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
	Solinca-Investimentos Turísticos, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
8)	Solinfitness - Club Málaga, SL	a)	Malaga (Spain)	100.00%	100.00%	100.00%	100.00%
2)	Solswim – Gestão e Expl.de Equip. Aquáticos, SA	a)	Maia	100.00%	100.00%	-	-
	Soltroia-Imob.de Urb.Turismo de Tróia, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
	Sonae Turismo - SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Sontur, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Tróia Market, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Tróia Natura, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Troiaresort - Investimentos Turísticos, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Troiaverde-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Tulipamar-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
1)	World Trade Center Porto, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%

	SC Assets						
	Bloco Q-Sociedade Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Bloco W-Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Empreend.Imob.Quinta da Azenha, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Centro Residencial da Maia,Urban., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Cinclus Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Country Club da Maia-Imobiliaria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
6)	Espimaia, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imobiliária da Cacela, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imoclub-Serviços Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imodivor - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imohotel-Emp.Turist.Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imoponte-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imosedas-Imobiliária e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Implantação – Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Porturbe-Edificios e Urbanizações, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Praedium II-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Praedium – Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Praedium-SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Prédios Privados Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Predisedas-Predial das Sedas, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Promessa Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	SC Assets, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Soconstrução, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Soira-Soc.Imobiliária de Ramalde, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sótaqua - Soc. de Empreendimentos Turísticos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Spinveste - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Spinveste-Gestão Imobiliária SGII, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Torre São Gabriel-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Urbisedas-Imobiliária das Sedas, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Vistas do Freixo-Emp.Tur.imobiliários,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%

	Spred						
	Contacto Concessões, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Cronosaúde – Gestão Hospitalar, SA	a)	Porto	100.00%	50.00%	100.00%	50.00%
	Ecociclo II – Energias, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
5)	Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Friengineering, SA	a)	São Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
	Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Integrum Colombo – Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Integrum-Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Integrum Martim Longo – Energia, SA	a)	Maia	100.00%	100.00%	-	-
	Integrum Vale do Caima – Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Invesaude – Gestão Hospitalar, SA	a)	Maia	100.00%	50.00%	100.00%	50.00%
	Martimope - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	Saúde Atlântica - Gestão Hospitalar, SA	a)	Maia	50.00%	50.00%	50.00%	50.00%
	SC – Eng. e Promo Imobiliária,SGPS,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
3)	Sistavac, SGPS, SA	a)	Matosinhos	70.00%	70.00%	70.00%	70.00%
	Sistavac, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
4)	SKK Distribucion de Refrigeración, S.R.L.	a)	Spain	100.00%	70.00%	100.00%	70.00%
	SKK-Central de Distr., SA	a)	Porto	100.00%	70.00%	100.00%	70.00%
	SKKFOR - Ser.For.e Desen. de Recursos, SA	a)	Maia	100.00%	70.00%	100.00%	70.00%
	Société de Tranchage Isoroy SAS	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
	Sopair, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	70.00%
	Spinarq–Engenharia, Energia e Ambiente,SA	a)	Luanda (Angola)	99.90%	99.90%	99.90%	99.90%
	Spred SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Others						
	Interlog-SGPS, SA	a)	Lisbon	98.98%	98.98%	98.98%	98.98%
4)	Rochester Real Estate, Ltd	a)	Kent (U.K.)	100.00%	100.00%	100.00%	100.00%
	SC – Sociedade de Consultadoria, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SC-SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SC Finance, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%

a) Majority of voting rights.

1) Company included in the SC Assets segment in 2011;
2) Company incorporated in the period;
3) Ex-Selfrio, SGPS, S.A;
4) Company dissolved in the period;
5) Company disposed in the period;
6) Company merged with SC Assets, SGPS, SA;
7) Company merged with Sonae Turismo, SGPS, SA;
8) Company operationally closed in the period

These group companies are consolidated using the full consolidation method as described in Note 2.2.a).

6. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

Associated and jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 31 December 2012 and 2011 are as follows:

			Percentage of capital held				Book Value	
			31 December 2012		31 December 2011			
	Company	Head Office	Direct	Total	Direct	Total	31 December 2012	31 December 2011
	Tourism and SC Assets							
	Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	637,735	860,217
1)	Sociedade de Construções do Chile, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
2)	Fundo de Investimento Imobiliário Fechado Imosede	Maia	-	-	45.45%	45.45%	-	57,713,465
1)	Vastgoed One - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
1)	Vastgoed Sun - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
	Spred							
	Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	510,194	400,936
	Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	3,494,106	1,061,618
	Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
	Total						4,666,035	60,060,236

1) Null investment values result from the adoption of the equity method in Andar - Sociedade Imobiliária, SA, holder of all of these investments.
2) Change in the consolidation method, following the loss of significant influence after 1 July 2012. The Imosede Fund is now accounted for an available for sale asset.

Associated and jointly controlled companies are consolidated using the equity method.

Nil balances shown result from the reduction to acquisition cost of amounts determined by the equity method, discontinuing the recognition of its part of additional losses under the terms of IAS 28.

As at 31 December 2012 and 2011, aggregate values of main financial indicators of associated and jointly controlled companies can be analysed as follows:

	31 December 2012	31 December 2011
Total Assets	684,639,926	815,672,321
Total Liabilities	628,141,343	639,016,620
Income	123,046,279	124,980,188
Expenses	114,807,275	114,912,419

In the amounts referred to in this note on the main financial indicators of associates, stands out the Fundo de Investimento Imobiliário Fechado Imosede with the more relevant investment amount, with the following values in the Balance Sheet and Income Statement:

Total Assets 131,620,071 euro and 4,637,751 euro of liabilities, and 11,357,838 euro in total income and 5,732,146 euro in total costs.

During the periods ended 31 December 2012 and 2011, movements in investments and associated companies may be summarized as follows:

	31 December 2012	31 December 2011
Opening balance as at 1 January	60,092,179	72,410,209
Acquisitions in the period	195,600	346,712
Disposals in the period	-	(18,023,453)
Equity method	3,372,545	5,358,711
Change in the consolidation method	(58,962,346)	-
Closing balance as at 30 June	4,697,978	60,092,179
Accumulated impairment losses (Note 22)	(31,943)	(31,943)
	4,666,035	60,060,236

The use of the equity method had the following impacts: 3,501,150 euro recorded in Share of results of associated undertakings (5,166,233 euro at 31 December 2011) and -128,605 euro in changes in reserves (192,478 euro at 31 December 2011).

7. OTHER INVESTMENTS

Other Investments head offices, percentage of share capital held and book value as at 31 December 2012 and 2011 are made up as follows:

			Percentage of capital held					
			31 December 2012		31 December 2011			
	Company	Head Office	Direct	Total	Direct	Total	31 December 2012	31 December 2011
	Tourism							
	Infratroia – Emp. de Infraest. de Troia, E.N.	Grândola	25.90%	25.90%	25.90%	25.90%	64,747	64,747
	SC Assets							
1)	Fundo de Investimento Imobiliário Fechado Imosede	Maia	32.36%	32.36%	-	-	49,286,915	-
	Fundo de Investimento Imobiliário Imosonae Dois	Maia	0.06%	0.06%	0.06%	0.06%	124,934	112,025
	Spred							
	Net, SA	Lisbon	2.80%	2.80%	2.80%	2.80%	11,132	11,132
	Sear - Sociedade Europeia de Arroz, SA	Santiago do Cacém	15.00%	15.00%	15.00%	15.00%	150,031	150,031
	Fundo de Capital de Risco F-HITEC	Lisbon	7.14%	7.14%	7.14%	7.14%	250,000	250,000
	Other investments						437,448	427,446
	Total (Note 13)						50,325,207	1,015,381

1) Previously equity accounted.

Nil balances shown above result from deduction of impairment losses from related investments.

8. CHANGES TO THE CONSOLIDATION PERIMETER

Disposals in 2012 were as follows.

Company	Head Office	Percentage of capital held – At the date of acquisition – Direct	Total
Edificios Saudáveis Consultores – Ambiente e Energia em Edificios, SA	Porto	100.00%	100.00%

Impacts in the consolidated profit and loss at the exclusion date were as follows:

	Date of disposal of shareholding	31 December 2011
Net assets excluded		
Tangible and intangible assets (Note 10 and 11)	35,315	35,315
Stocks	-	-
Other assets	99,862	167,760
Cash and cash equivalents	4,327	1,219
Other liabilities	(154,336)	(159,849)
	(14,832)	44,445
Goodwill (Note 12)	39,869	-
	25,037	44,445
Gain/(Loss) on exclusion	(14,134)	-
	10,903	44,445

	Date of disposal of shareholding	31 December 2011
Sales and services rendered	362.672	587.259
Other operational income	6.684	83.965
Other operational expenses	(435.592)	(669.888)
Net financial expenses	(198)	(3.950)
Profit/(Loss) before taxation	(66.434)	(2.614)
Taxation	(2.622)	(7.163)
Profit/(Loss) for the period	(69.056)	(9.777)

9. FINANCIAL INSTRUMENTS

Financial Instruments, in accordance with the policies described in Note 2.1, were classified as follows:

		Financial Instruments					
Financial Assets	Note	Borrowings and accounts receivable	Available for sale	Investments held to maturity	Sub-total	Assets not covered by IFRS 7	Total
As at 31 de December 2012							
Non-Current Assets							
Other Investments	13	-	50,325,207	-	50,325,207	-	50,325,207
Other non-current assets	14	20,481,928	-	-	20,481,928	-	20,481,928
		20,481,928	50,325,207	-	70,807,135	-	70,807,135
Current Assets							
Trade account receivables	16	23,475,283	-	-	23,475,283	-	23,475,283
Other debtors	17	7,703,322	-	-	7,703,322	-	7,703,322
Cash and cash equivalents	21	3,244,695	-	-	3,244,695	-	3,244,695
		34,423,300	-	-	34,423,300	-	34,423,300
		54,905,228	50,325,207	-	105,230,435	-	105,230,435
As at 31 de December 2011							
Non-Current Assets							
Other Investments	13	-	1,015,381	-	1,015,381	-	1,015,381
Other non-current assets	14	21,820,629	-	-	21,820,629	-	21,820,629
		21,820,629	1,015,381	-	22,836,010	-	22,836,010
Current Assets							
Trade account receivables	16	26,595,961	-	-	26,595,961	-	26,595,961
Other debtors	17	7,904,975	-	-	7,904,975	-	7,904,975
Cash and cash equivalents	21	3,980,640	-	-	3,980,640	-	3,980,640
		38,481,576	-	-	38,481,576	-	38,481,576
		60,302,205	1,015,381	-	61,317,586	-	61,317,586

Financial Liabilities	Note	Financial liabilities recorded at amortised cost	Liabilities not covered by IFRS 7	Total
As at 31 de December 2012				
Non-Current Liabilities				
Bank Loans	24	70,140,254	-	70,140,254
Bonds	24	59,655,971	-	59,655,971
Other loans	24	28,879,450	-	28,879,450
Other non-current liabilities	27	3,879,350	117,960	3,997,310
		162,555,024	117,960	162,672,984
Current Liabilities				
Bank Loans	21 and 24	96,937,328	-	96,937,328
Bonds	24	3,701,920	-	3,701,920
Other loans	24	-	-	-
Trade Creditors	29	17,589,482	-	17,589,482
Other current liabilities	30	2,363,836	2,086,034	4,449,870
		120,592,567	2,086,034	122,678,601
		283,147,591	2,203,994	285,351,585

Financial Liabilities	Note	Financial liabilities recorded at amortised cost	Liabilities not covered by IFRS 7	Total
As at 31 de December 2011				
Non-Current Liabilities				
Bank Loans	24	91,421,464	-	91,421,464
Bonds	24	59,509,816	-	59,509,816
Other loans	24	31,633,604	-	31,633,604
Other non-current liabilities	27	4,045,519	3,109,988	7,155,507
		186,610,403	3,109,988	189,720,391
Current Liabilities				
Bank Loans	21 and 24	49,135,397	-	49,135,397
Other loans	24	3,422,096	-	3,422,096
Bonds	24	30,000,000	-	30,000,000
Trade Creditors	29	14,851,465	-	14,851,465
Other current liabilities	30	1,940,444	2,046,359	3,986,803
		99,349,401	2,046,359	101,395,760
		285,959,804	5,156,347	291,116,151

10. TANGIBLE ASSETS

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

	Tangible Assets						
	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Others	Tangible Assets in progress	Total Tangible Assets
Gross Cost:							
Opening balance as at 1 January 2011	200,519,144	119,006,537	1,404,553	6,549,968	3,463,524	13,774,203	344,717,929
Capital expenditure	351,691	67,228	253,389	38,436	13,609	9,868,575	10,592,928
Disposals	(1,252,858)	(371,140)	(59,708)	(1,011,482)	(1,188,396)	(1,563)	(3,885,147)
Exchange rate effect	(8,584)	(975)	9,658	(2,242)	(4,962)	-	(7,105)
Transfers	15,435,777	13,073,158	141	100,146	123,449	(14,283,117)	14,449,554
Opening balance as at 1 January 2012	215,045,171	131,774,808	1,608,033	5,674,826	2,407,224	9,358,098	365,868,160
Changes in consolidation perimeter (companies out)	-	(133,284)	-	(31,868)	(54,335)	-	(219,487)
Capital expenditure	90,973	91,274	181,565	26,407	29,641	10,822,810	11,242,670
Disposals	(617,236)	(1,979,838)	(100,136)	(395,263)	(26,479)	(2,325)	(3,121,277)
Exchange rate effect	-	(5,039)	(7,615)	(5,985)	(6,692)	-	(25,331)
Transfers	9,748,793	13,642,690	(106,145)	10,935	66,748	(8,072,751)	15,290,270
Closing balance as at 31 December 2012	224,267,701	143,390,611	1,575,702	5,279,052	2,416,107	12,105,832	389,035,005
Accumulated depreciation and impairment losses							
Opening balance as at 1 January 2011	44,334,203	34,033,947	1,089,479	4,927,268	2,643,287	-	87,028,184
Charges for the period 1)	35,057,892	9,785,373	182,352	468,765	77,038	-	45,571,420
Disposals 2)	(498,447)	(253,894)	(59,709)	(996,801)	(740,741)	-	(2,549,592)
Exchange rate effect	(2,275)	(1,020)	1,421	(2,999)	(3,335)	-	(8,208)
Transfers	6	(202,917)	(33,726)	(19,430)	(5,797)	-	(261,864)
Opening balance as at 1 January 2012	78,891,380	43,361,489	1,179,817	4,376,803	1,970,452	-	129,779,941
Changes in consolidation perimeter (companies out)	-	(103,218)	-	(29,796)	(51,634)	-	(184,648)
Charges for the period 1)	5,272,414	10,203,351	208,641	360,136	81,350	-	16,125,892
Disposals 2)	(662,479)	(1,947,009)	(97,074)	(254,151)	(9,470)	-	(2,970,183)
Exchange rate effect	-	(1,702)	(3,301)	(4,237)	(3,994)	-	(13,234)
Transfers	209,697	95,199	(115,215)	(39,927)	30,033	-	179,787
Closing balance as at 31 December 2012	83,711,012	51,608,110	1,172,868	4,408,828	2,016,737	-	142,917,555
Carrying amount							
As at 31 December 2011	136,153,791	88,413,319	428,216	1,298,023	436,772	9,358,098	236,088,219
As at 31 December 2012	140,556,689	91,782,501	402,834	870,224	399,370	12,105,832	246,117,450

1) Includes impairment losses amounting to 2,992,249 euro (32,227,417 euro at December 2011)
2) Includes reversal of impairment losses amounting to 336,242 (9,797 euro at December 2011)

The Group's property assets - tangible and real estate recorded in stocks (excluding properties held by real estate funds in which the Group holds investment units) were valued by an external independent valuer, in 2011.

In December 2012 transfers from Tangible assets in progress include transfers to stocks in the amount of 16,291,918 euro (15,505,287 euro for December 2011) for real estate projects allocated temporarily to tourism developments.

The acquisition cost of Tangible assets held by the Group under finance lease contracts amounted to 37,426,837 euro and their net book value as of those dates amounted to 28,859,002 euro and 31,329,630 euro, respectively (Note 25).

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

	31 December 2012	31 December 2011
Tróia	7,316,889	8,074,490
Photovoltaic Project	3,260,000	-
Others	1,528,943	1,283,608
	12,105,832	9,358,098

11. INTANGIBLE ASSETS

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

	Intangible Assets				
	Patents and other similar rights	Software	Others	Intangible Assets in progress	Total Intangible Assets
Gross Cost:					
Opening balance as at 1 January 2011	7.441.756	2.649.462	8.202	36.788	10.136.208
Changes in consolidation perimeter (companies out)	-	-	-	-	-
Capital expenditure	332.175	30.227	-	79.799	442.201
Disposals	(489)	(154.822)	-	-	(155.311)
Exchange rate effect	-	(1.768)	-	-	(1.768)
Transfers	32.358	63.321	166.620	(49.660)	212.639
Opening balance as at 1 January 2012	7.805.800	2.586.420	174.822	66.927	10.633.969
Changes in consolidation perimeter (companies out)	-	(22.464)	-	-	(22.464)
Capital expenditure	184.500	17.884	-	695.744	898.128
Disposals	(13.072)	(1.106.588)	(167.300)	-	(1.286.960)
Exchange rate effect	-	(2.360)	-	-	(2.360)
Transfers	11.029	134.386	1.900	(117.231)	30.084
Closing balance as at 31 December 2012	7.988.257	1.607.278	9.422	645.440	10.250.397
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2011	836.125	2.041.853	8.202	-	2.886.180
Charges for the period	177.956	186.049	26.752	-	390.757
Disposals	(489)	(138.331)	-	-	(138.820)
Exchange rate effect	-	(1.081)	-	-	(1.081)
Transfers	2	18.833	(680)	-	18.155
Opening balance as at 1 January 2012	1.013.594	2.107.323	34.274	-	3.155.191
Changes in consolidation perimeter (companies out)	-	(21.988)	-	-	(21.988)
Charges for the period	180.656	164.048	633	-	345.337
Disposals	(13.072)	(1.018.006)	(26.752)	-	(1.057.830)
Exchange rate effect	-	(1.374)	-	-	(1.374)
Transfers	(8.917)	8.917	-	-	-
Closing balance as at 31 December 2012	1.172.261	1.238.920	8.155	-	2.419.336
Carrying amount					
As at 31 December 2011	6.792.206	479.098	140.548	66.927	7.478.779
As at 31 December 2012	6.815.996	368.359	1.267	645.440	7.831.062

As at December 2012 net assets of Marina de Troia amount to 6,290,007 euro (6,433,070 euro at 31 December 2011).

APSS – Administração dos Portos de Setúbal e Sesimbra, SA (APSS) signed in 2007 with an affiliated company a service concession arrangement to build and operate, in the public interest, a marina and support services in Troia, during a period of 50 years from the date of entry into operation. This period may be extended a maximum of 10 years if agreed between the parties. At the end of the service concession arrangement the concession will revert to APSS at no consideration, with some exceptions in the arrangement.

The Group has the right to charge fees for services to be provided under the concession. Maximum fee limits must be approved by the grantor based on a proposal submitted by the Group.

During the concession period the Group has a contractual obligation to maintain the infrastructure in a specific level of serviceability and pays the grantor a fixed fee and a variable fee, the latter based on revenues charged for the service provided.

The grantor may cancel the service concession arrangement whenever public interest is affected, provided that at least the contractual period is over and with at least 1 year notice, in which case the Group is entitled to compensation equal to the net book value of the infrastructure plus lost revenue calculated in accordance with the terms of the contract.

12. GOODWILL

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

	31 December 2012	31 December 2011
Gross amount:		
Opening balance	62,330,108	62,434,923
Decreases - disposals of affiliated companies (Note 8)	(39,869)	-
Decreases - disposals of assets from affiliated companies	-	(104,815)
Closing balance	62,290,239	62,330,108
Accumulated impairment losses:		
Opening balance	1,301,596	1,301,596
Closing balance	1,301,596	1,301,596
	-	-
Total Operations	60,988,643	61,028,512

As at 31 December 2012 and 2011, Goodwill may be split as follows:

	31 December 2012	31 December 2011
SC Assets	11,384,551	11,384,551
Tourism	24,384,960	24,384,960
Spred	25,195,861	25,235,730
Holding and Others	23,271	23,271
	60,988,643	61,028,512

A significant part of goodwill in Tourism and SC Assets relates to real estate assets, which have been valued by an external independent valuer in 2011.

13. INVESTMENTS

During the periods ended 31 December 2012 and 2011, movements in investments, were as follows:

	31 December 2012		31 December 2011	
	Non current	Current	Non current	Current
Investments in group companies, jointly controlled companies or associated companies excluded from consolidation				
Opening balance as at 1 January	8,200,508	-	8,324,249	-
Acquisitions in the period	22,910	-	119,553	-
Disposals in the period	-	-	(51,787)	-
Changes in consolidation perimeter	-	-	(191,507)	-
Closing balance as at 31 December	8,223,418	-	8,200,508	-
Accumulated impairment losses (Note 32)	(7,707,935)	-	(7,707,935)	-
	515,483	-	492,573	-
Investments held for sale				
Fair value as at 1 January	651,807	-	651,807	-
Disposals in the period	(19,874,257)	-	-	-
Increase/(Decrease) in fair value	16,605,709	-	-	-
Transfers	52,555,464	-	-	-
Fair value as at 31 December	49,938,723	-	651,807	-
Accumulated impairment losses (Note 32)	(128,999)	-	(128,999)	-
Fair value (net of impairment losses) as at 30 December	49,809,724	-	522,808	-
Other Investments (Note 7)	50,325,207	-	1,015,381	-

The amounts shown under fair value related to the Imosede Fund.

As explained in notes 6 and 7, the Imosede Fund is now accounted as an available for sale financial asset

Investments in group companies, jointly controlled companies or associated companies excluded from consolidation are recorded at acquisition cost less impairment losses. The Group considers that it is not reasonable to estimate a fair value for these investments as there is no visible market data. The amount of Investments held for sale is related to investments recorded at cost net of impairment losses for the reason mentioned above.

14. OTHER NON-CURRENT ASSETS

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

	31 December 2012	31 December 2011
Loans granted to related parties		
Norscut - Concessionária de Scut Interior Norte, SA	16,646,298	15,689,170
Others	215,303	34,916
	16,861,601	15,724,086
Impairment losses (Note 32)	(34,916)	(34,916)
	16,826,685	15,689,170
Trade accounts receivable and other debtors		
Sale of financial investments	2,457,493	4,914,984
Others	1,197,750	1,216,475
Impairment losses (Note 32)	-	-
	3,655,243	6,131,459
Other non-current assets	20,481,928	21,820,629

Generally, values included in Other non-current assets bear interest at market rates, and it is estimated that their fair value does not significantly differ from amounts in the balance sheet.

Sale of financial investments related to the disposal in 2011 of the real estate company Tróia B3, S.A..

As at 31 December 2012 and 2011, the ageing of Trade accounts receivable and other debtors can be detailed as follows:

	Trade accounts receivable and other debtors	
	31 December 2012	31 December 2011
Not due	2,484,521	5,009,984
Due but not impaired		
< 6 months	26,019	-
6 - 12 months	-	-
> 1 year	1,144,703	1,121,475
	1,170,722	1,121,475
Due and impaired		
> 1 year	-	-
	3,655,243	6,131,459

Loans granted to related parties do not have a defined maturity, and therefore are not due. These loans bear interests.

15. STOCKS

Stocks as at 31 December 2012 and 2011 can be detailed as follows, highlighting the value attributable to real estate developments:

	31 December 2012		31 December 2011	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,268,569	-	1,047,342	-
Goods for sale	33,039,474	30,781,226	34,749,797	29,160,330
Finished goods	76,347,355	76,347,355	96,759,113	96,759,113
Work in progress	80,592,327	78,222,630	80,094,214	78,978,708
Payments on account	68,459	-	68,459	-
	191,316,184	185,351,211	212,718,924	204,898,151
Accumulated impairment losses on stocks (Note 32)	(3,515,540)	(3,434,621)	(3,505,580)	(3,437,121)
	187,800,644	181,916,590	209,213,344	201,461,030

The Group's property assets - tangible and real estate recorded in stocks (excluding properties held by real estate funds in which the Group holds investment units) was valued by an external independent valuer, in 2011.

Cost of goods sold as at 31 December 2012 and 2011 amounted to 36,584,661 euro and 38,941,947 euro, respectively, and may be detailed as follows:

	31 December 2012	31 December 2011
Opening Stocks	35,797,138	47,380,174
Exchange rate effect	(44,021)	25,814
Changes in consolidation perimeter	-	-
Purchases	36,102,963	39,627,454
Adjustments	(976,139)	(10,334,473)
Closing Stocks	34,308,043	35,797,138
	36,571,899	40,901,831
Impairment losses (Note 32)	12,762	1,219,211
Reversion of impairment losses	-	(3,179,095)
Total Operations	36,584,661	38,941,946

16. TRADE ACCOUNTS RECEIVABLE

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

	31 December 2012	31 December 2011
Trade accounts receivable		
SC Assets	133,602	765,734
Tourism	3,356,610	2,978,183
Spred	21,692,802	23,015,920
Holding and Others	71,065	158,728
	25,254,079	26,918,564
Trade Debtors, bills receivable	131,485	327,414
Doubtful debtors	3,530,814	3,785,494
	28,916,378	31,031,472
Accumulated impairment losses on Trade Debtors (Note 32)	(5,441,095)	(4,435,511)
Total Operations	23,475,283	26,595,961

In the normal course of activity collection risk may arise in Trade debtors. The amounts presented on the face of the balance sheet are net of impairment losses, which were estimated based on the Group's experience and on the assessment of present economic conditions. As a result, amounts disclosed in Trade debtors reflect their fair value.

As at 31 December 2012 we do not have any reason to believe that normal collection times regarding trade accounts receivable not due for which there are no impairment losses will not be met.

As at 31 December 2012 and 2011, the ageing of Trade Accounts Receivables can be detailed as follows:

	Trade Accounts Receivable				
31 December 2012	SC Assets	Tourism	Spred	Holding and Others	Total
Not Due	13,171	965,938	15,563,102	-	16,542,211
Due but not impaired					
0 - 30 days	15,459	325,464	2,042,353	24,600	2,407,876
30 - 90 days	6,038	339,648	1,707,454	367	2,053,507
+ 90 days	101,305	463,520	1,717,460	46,099	2,328,384
Total	122,801	1,128,632	5,467,267	71,066	6,789,766
Due and impaired					
0 - 90 days	2,327	27,204	19,972	-	49,503
90 - 180 days	3,464	134,333	-	-	137,797
180 - 360 days	7,759	95,717	-	-	103,476
+ 360 days	173,006	2,692,512	2,334,600	93,508	5,293,626
Total	186,555	2,949,766	2,354,572	93,508	5,584,401
Total Operations	322,527	5,044,336	23,384,941	164,574	28,916,378

31 December 2011	SC Assets	Tourism	Spred	Holding and Others	Total
Not Due	179,714	518,061	12,677,318	24,511	13,399,604
Due but not impaired					
0 - 30 days	66,815	148,998	5,466,996	14,019	5,696,828
30 - 90 days	134,584	748,269	3,130,384	15,088	4,028,325
+ 90 days	359,369	592,033	2,162,552	105,110	3,219,064
Total	560,768	1,489,300	10,759,932	134,217	12,944,217
Due and impaired					
0 - 90 days	2,250	47,718	-	-	49,968
90 - 180 days	3,373	80,804	-	-	84,177
180 - 360 days	23,267	148,746	19,837	-	191,850
+ 360 days	218,749	2,324,255	1,365,146	453,508	4,361,657
Total	247,638	2,601,523	1,384,983	453,508	4,687,652
Total Operations	988,119	4,608,884	24,822,233	612,236	31,031,472

To determine the recoverability of Trade accounts receivable, the Group reviews all changes to the credit quality of its counterparties since the date of the credit to the date of reporting consolidated financial statements. Credit risk is not concentrated because of the significant number of trade debtors. The Group thus believes that credit risk does not exceed recorded impairment losses for trade accounts receivable doubtful accounts.

In addition, the Group considers that maximum exposure to credit risk corresponds to the total of trade accounts receivable disclosed in the consolidated balance sheet.

17. OTHER DEBTORS

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

	31 December 2012	31 December 2011
Loans granted to and other amounts to be received from related parties		
Sit B3	-	-
Others	68,102	224,547
	68,102	224,547
Other Debtors		
Suppliers with a debtor balance	1,240,239	1,130,303
Sale of assets	14,720	4,859
Sale of financial investments	24,203,831	24,756,968
Others	10,042,786	9,521,048
	35,501,576	35,413,178
Other Debtors	35,569,678	35,637,725
Accumulated impairment losses on Other Debtors (Note 32)	(27,866,356)	(27,732,750)
Total financial instruments (Note 9)	7,703,322	7,904,975
Total Operations	7,703,322	7,904,975

Loans granted to related parties bear interest at market rates.

As at 31 December 2012 and 2011, ageing of Other debtors can be summarised as follows:

	Other Debtors	
	31 December 2012	31 December 2011
Not Due	3,118,973	3,675,792
Due but not impaired		
0 - 30 days	302,391	700,100
30 - 90 days	282,396	209,487
+ 90 days	3,967,334	3,130,263
Total	4,552,121	4,039,850
Due and impaired		
0 - 90 days	1,451	65
90 - 180 days	197	-
180 - 360 days	1,451	4,375
+ 360 days	27,827,383	27,693,096
Total	27,830,482	27,697,536
Other debtors before impairments	35,501,576	35,413,178

As at 31 December 2012 we do not have any reason to believe that normal collection times regarding other debtors not due, and for which there are no impairment losses, will not be met.

Values included in Other debtors are close to their fair value.

18. TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

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

	31 December 2012	31 December 2011
Tax recoverable		
Income taxation	5.860.952	5.522.678
VAT	6.166.066	6.472.778
Other taxes	353.599	389.875
Total Operations	12.380.617	12.385.331

Taxes and contributions payable		
Income taxation	3.946.103	1.942.520
VAT	891.767	1.804.656
Income taxation - amounts withheld	1.202.554	1.097.933
Social security contributions	564.911	637.483
Other taxes	121.859	114.061
Total Operations	6.727.194	5.596.653

19. OTHER CURRENT ASSETS

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

	31 December 2012	31 December 2011
Interest receivable	1,195,981	1,098,341
Deferred costs - External supplies and services	756,891	740,609
Deferred costs - Rents	292,513	211,172
Other current assets	2,304,951	645,222
Total Operations	4,550,336	2,695,344

20. DEFERRED TAXES

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

	Deferred tax assets		Deferred tax liabilities	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Amortisation and Depreciation harmonisation adjustments	1,019,814	963,841	2,440,744	2,077,347
Provisions and impairment losses of non-tax deductible	9,907,502	10,137,246	40,234	-
Write off of tangible and intangible assets	620,196	888,433	-	-
Write off of accruals	273,593	410,390	-	-
Revaluation of tangible assets	-	-	113,359	173,406
Tax losses carried forward	15,800,521	10,922,466	-	-
Financial instruments	-	-	2,590,303	-
Write off of stocks	-	-	1,020,906	1,104,407
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	7,746,432	7,757,222
Others	227,451	241,061	392,548	422,973
	27,849,077	23,563,437	14,344,526	11,535,355

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

	Deferred tax assets		Deferred tax liabilities	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Opening balance	23,563,437	19,655,869	11,535,355	3,616,046
Effect in results (Note 43):	-	-	-	-
Amortisation and Depreciation harmonisation adjustments	55,972	(535,022)	363,397	607,871
Provisions and impairment losses of non-tax deductible	(229,744)	7,171,891	40,234	-
Write off of tangible and intangible assets	(268,237)	(330,836)	-	-
Write off of accruals	(136,797)	(136,796)	-	-
Revaluation of tangible assets	-	-	-	(294,447)
Tax losses carried forward	4,878,055	(2,472,549)	-	-
Write off of stocks	-	-	-	(24,184)
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	-	7,757,222
Financial instruments		-	2,590,303	-
Others	(13,609)	229,565	(124,717)	(36,651)
	4,285,640	3,926,253	2,869,217	8,009,811
Effect in reserves:		(18,685)	(60,046)	(90,502)
Closing balance	27,849,077	23,563,437	14,344,526	11,535,355

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 31 December 2012 and 2011, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	31 December 2012			31 December 2011		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2006	-	-	2012	326,542	81,635	2012
Generated in 2007	1,416,550	354,137	2013	1,416,550	354,137	2013
Generated in 2008	1,426,557	356,639	2014	1,426,557	356,639	2014
Generated in 2009	6,448,363	1,612,091	2015	6,448,363	1,612,091	2015
Generated in 2010	18,343,706	4,585,927	2014	18,432,007	4,608,002	2014
Generated in 2011	18,076,637	4,519,159	2015	15,136,075	3,784,019	2015
Generated in 2012	16,718,251	4,179,563	2017	-	-	
	62,430,063	15,607,516		43,186,092	10,796,523	
With a time limit different from the above mentioned	569,640	193,005		490,158	125,943	
	62,999,704	15,800,521		43,676,250	10,922,466	

As at 31 December 2012 and 2011, deferred tax assets resulting from tax losses carried forward were re-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 profits will arise which may be offset against available tax losses or against deductible temporary differences.

As at 31 December 2012, tax losses carried forward amounting to 177,450,385 euro (172,302,504 euro as at 31 December 2011), have not originated deferred tax assets for prudential reasons.

	31 December 2012			31 December 2011		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2006	-	-	2012	16,259,895	4,064,974	2012
Generated in 2007	17,895,099	4,473,774	2013	18,052,642	4,513,161	2013
Generated in 2008	37,294,794	9,323,699	2014	37,313,096	9,328,274	2014
Generated in 2009	42,270,653	10,567,664	2015	49,919,363	12,479,840	2015
Generated in 2010	17,922,419	4,480,605	2014	18,523,204	4,630,801	2014
Generated in 2011	19,698,860	4,924,715	2015	17,677,579	4,419,395	2015
Generated in 2012	22,854,282	5,713,579	2017	-	-	
	157,936,107	39,484,036		157,745,779	39,436,445	
Without limited time use	1,186,715	395,532		1,186,715	395,532	
With a time limit different from the above mentioned	18,327,563	5,427,546		13,370,010	3,944,355	
	19,514,278	5,823,079		14,556,725	4,339,887	
	177,450,385	45,307,115		172,302,504	43,776,332	

21. CASH AND CASH EQUIVALENTS

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

	31 December 2012	31 December 2011
Cash at hand	161,516	1,689,543
Bank deposits	3,083,179	2,291,097
Treasury applications	-	-
Cash and cash equivalents on the balance sheet	3,244,695	3,980,640
Bank overdrafts - (Note 24)	(135,542)	(494,571)
Guarantee deposit	(500,000)	(500,000)
Cash and cash equivalents in the statement of cash-flows	2,609,152	2,986,070

Bank overdrafts include creditor balances of current accounts in financial institutions, and are disclosed in the balance sheet under current bank loans (Note 24),

22. EQUITY

The share capital of Sonae Capital SGPS, SA is represented by 250,000,000 ordinary shares, which do not have the right to a fixed remuneration, with a nominal value of 1 euro each.

The demerger originated a reserve in the amount of 132,638,253 euro, which has a treatment similar to that of a Legal Reserve. According to Company Law, it cannot be distributed to shareholders, unless the company is liquidated, but can be used to make good prior year losses, once other reserves have been used fully, or for capital increases.

As at 31 December 2012, Sonae Capital SGPS, S.A. owns 1,600,310 own shares (151,600 own shares at 31 December 2011) booked for 264,705 euro (36,143 at 31 December 2011).

23. NON CONTROLLING INTERESTS

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

	31 December 2012	31 December 2011
Opening balance as at 1 January	9,241,777	12,454,796
Changes in hedging reserves	9,230	(18,104)
Changes in the percentage of capital held in affiliated companies	119,556	(4,103,273)
Changes resulting from currency translation	(23,677)	(24,529)
Others	(4,431)	141,287
Profit for the period attributable to minority interests	(634,816)	791,600
Closing balance	8,707,639	9,241,777

24. BORROWINGS

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

	31 December 2012		31 December 2011		
	Outstanding amount		Outstanding amount		Repayable on
	Current	Non Current	Current	Non Current	
Bank loans					
Sonae Capital SGPS - commercial paper [a)]	10,000,000	-	-	30,000,000	Mar/2013
Sonae Capital SGPS - commercial paper [b)]	58,450,000	-	39,600,000	-	Mar/2018
Sonae Capital SGPS - commercial paper [e)]	-	8,250,000	-	12,250,000	Jan/2014
Sonae Capital SGPS - commercial paper [c)]	23,950,000	-	-	16,000,000	Aug/2016
Sonae Capital SGPS - commercial paper [f)]	2,000,000	-	4,550,000	-	Feb/2016
Sonae Capital SGPS - commercial paper [g)]	-	-	3,000,000	-	Jun/2016
Sonae Capital SGPS - commercial paper [d)]	-	30,000,000	-	-	Dec/2017
Selfrio Engenharia - commercial paper	-	-	700,000	-	May/2012
Sonae Capital SGPS [h)]	2,000,000	31,000,000	650,000	33,000,000	Jun/2017
Up-front fees	-	(317,336)	-	(437,911)	
Others	401,786	1,207,589	140,825	609,375	
	96,801,786	70,140,254	48,640,825	91,421,464	
Bank overdrafts (Note 21)	135,542	-	494,571	-	
Bank loans	96,937,328	70,140,254	49,135,397	91,421,464	
Bond Loans					
Sonae Capital 2007/2012 Bonds	-	-	30,000,000	-	Dec/2012
Sonae Capital 2011/2016 Bonds	-	10,000,000	-	10,000,000	Jan/2016
SC, SGPS, S.A. 2008/2018 Bonds	-	50,000,000	-	50,000,000	Mar/2018
Up-front fees	-	(344,029)	-	(490,184)	
Bond Loans	-	59,655,971	30,000,000	59,509,816	
Other loans	689,568	1,803,305	675,655	2,490,273	
Derivatives (Note 26)	199,115	2,532,557	138,448	1,733,828	
Obligations under finance leases	2,813,237	24,657,747	2,607,993	27,536,520	
Up-front fees on finance leases	-	(114,159)	-	(127,017)	
	100,639,248	158,675,674	82,557,493	182,564,884	

a) Commercial paper programme, with subscription guarantee, issued on 14 March 2008 and valid for a 5 year period.
b) Short term commercial paper programme, issued on 28 March 2008 and valid for a 10 year period, which may be extended at the option of Sonae Capital. Placed in investors or financial institutions and guaranteed by credit lines, with commitment of at least six months to a year, placed in relationship banks.
c) Commercial paper programme, with subscription guarantee, issued on 31 March 2011 and valid up to August 2016.
d) Commercial paper programme, with subscription guarantee, issued on 27 December 2012 and valid up to December 2017.
e) Short term commercial paper programme, with subscription guarantee, issued on 30 December 2010, with annual renewals up to 3 years.
f) Short term commercial paper programme, with subscription guarantee, issued on 17 February 2011, with annual renewals up to a maximum of 5 years.
g) Short term commercial paper programme, with subscription guarantee, issued on 1 June 2011, with annual renewals up to a maximum of 5 years.
h) Bank loan guarantee by a mortgage on real estate, started on 2 June 2011 and valid for a 6 year period, with annual payments.

As at 31 December 2012, borrowings of the Group were as follows:

- SC, SGPS, SA, 2008/2018 bond loan in the amount of 50,000,000 euro, with a 10 year maturity, and a sole reimbursement on 3 March 2018, except if the reimbursement is anticipated, fully or partially, which can happen on 3 March 2016. This bond loan bears interest every six months.
- Sonae Capital SGPS - 2011/2016 bond loan in the amount of 10,000,000 euro, with a 5 year maturity, and a sole reimbursement on 17 January 2016, except if the reimbursement is anticipated, fully or partially, which can happen on 17 January 2014. This bond loan bears interest every six months.

The interest rate on bonds in force on 31 December 2012 was on average 3.412%.

Bank loans pay interest rates that are indexed to the Euribor market rates of the period, and its fair value is considered close to its book value.

Other non-current loans include reimbursable grants to affiliated undertakings, which do not bear interest.

Other current loans include bills receivable not yet due.

The repayment schedule of the nominal value of borrowings may be summarised as follows:

	31 December 2012		31 December 2011	
	Nominal value	Interest	Nominal value	Interest
N+1 [a)]	100,440,133	8,393,490	82,419,045	8,892,411
N+2	19,279,012	7,208,617	55,571,186	6,799,606
N+3	11,002,099	5,941,516	18,899,142	5,918,320
N+4	20,447,129	3,713,646	10,656,839	5,305,279
N+5	43,053,564	2,875,583	20,205,856	4,019,406
After N+5	63,136,837	1,010,080	76,553,144	3,308,452
	257,358,774	29,142,932	264,305,213	34,243,474

a) Includes amounts drawn under commercial paper programmes. Of the total amount maturing in N+1, 39% concerns to commercial paper taken under lines of credit with commitment exceeding one year. Taking into account the policies and measures to manage liquidity risk, no risks that could jeopardize the continuity of operations are anticipated.

As at 31 December 2012 and 2011, available credit lines may be summarised as follows:

	31 December 2012		31 December 2011	
	Commitments < 1 year	Commitments > 1 year	Commitments < 1 year	Commitments > 1 year
Value of available lines				
Spred	8,186,317	-	4,801,865	-
Holding and Others	48,899,398	15,650,000	24,949,398	20,600,000
	57,085,715	15,650,000	29,751,263	20,600,000
Value of contracted lines				
Spred	8,236,978	-	5,750,000	-
Holding and Others	61,599,398	79,850,000	44,599,398	78,850,000
	69,836,376	79,850,000	50,349,398	78,850,000

25. OBLIGATIONS UNDER FINANCE LEASES

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

Obligations under finance leases	Minimum finance lease payments		Present value of minimum finance lease payments	
Amounts under finances leases:	31 December 2012	31 December 2011	31 December 2012	31 December 2011
N+1	3,352,546	3,556,159	2,813,237	2,607,993
N+2	3,340,653	3,554,432	2,865,496	2,696,368
N+3	3,257,165	3,542,148	2,842,437	2,774,728
N+4	3,228,744	3,457,183	2,874,544	2,782,668
N+5	3,228,742	3,428,400	2,936,733	2,847,013
After N+5	13,771,082	18,015,247	13,138,537	16,435,744
	30,178,933	35,553,569	27,470,984	30,144,514
Future Interest	(2,707,949)	(5,409,056)		
	27,470,984	30,144,513		
Up-front fees			(114,159)	(127,018)
Current obligations under finance leases			2,813,237	2,607,993
Obligations under finance leases - net of current obligations			24,543,588	27,409,503

Finance leases are contracted at market interest rates, have defined useful lives and include an option for the acquisition of the related assets at the end of the period of the contract.

As at 31 December 2012 and 2011, the fair value of finance leases is close to their book value.

Obligations under finance leases are guaranteed by related assets.

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

	31 December 2012	31 December 2011
Assets acquired under finance leases		
Land and Buildings	-	-
Plant and machinery	28,851,465	31,316,342
Vehicles	230	403
Tools	594	2,218
Fixtures and Fittings	6,713	10,667
Total tangible assets (Note 10)	28,859,002	31,329,630

26. DERIVATIVES

Interest rate derivatives

Hedging instruments used by the Group as at 31 December 2012 were mainly interest rate options (cash-flow hedges) contracted with the goal of hedging interest rate risks on loans in the amount of 55,000,000 euro, whose fair value of 2,731,672 euro (1,872,276 euro at 31 December 2011) is recorded as liabilities. As at 31 December 2012 and 2011, all derivatives are hedging derivatives.

These interest rate hedging instruments are valued at fair value as at the balance sheet date, determined by valuations made by the Group using derivative valuation calculation schedules and external valuations when these schedules do not permit the valuation of certain instruments. For options, fair value is determined using the Black-Scholes model and its variants.

The fair value of derivatives is calculated using valuation models based on assumptions which are confirmed by market benchmarks, thus complying with level 2 requirements set on the IFRS 7.

Risk coverage guidelines generally used by the Group in contractually arranged hedging instruments are as follows:

- Matching between cash-flows received and paid, i.e., there is a perfect match between the dates of the re-fixing of interest rates on financing contracted with the bank and the dates of the re-fixing of interest rates on the derivative;
- Perfect matching between indices: the reference index for the hedging instrument and that for the financing to which the underlying derivative relates are the same;
- In the case of extreme rises in interest rates, the maximum cost of financing is limited.

Counterparts for derivatives are selected based on their financial strength and credit risk profile, with this profile being generally measured by a rating note attributed by rating agencies of recognized merit. Counterparts for derivatives are top level, highly prestigious financial institutions which are recognized nationally and internationally.

Fair value of derivatives

The fair value of derivatives is as follows:

	Assets		Liabilities	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 24)	-	-	2,731,672	1,872,276
Other derivatives				
	-	-	2,731,672	1,872,276

27. OTHER NON-CURRENT LIABILITIES

As at 31 December 2012 and 2011 other current liabilities can be detailed as follows:

	31 December 2012	31 December 2011
Loans and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,153,861	2,236,843
Others	1,314,645	1,298,000
	3,468,506	3,534,843
Other creditors		
Creditors in the restructuring process of Torralta	410,844	370,128
Others	-	140,548
	410,844	510,676
Deferred income	-	-
Gains deferred	-	3,003,042
Obligations by share-based payments (Note 28)	117,960	106,946
	117,960	3,109,988
Other non-current liabilities	3,997,310	7,155,507

As at 31 December 2012 and 2011, Other creditor's balances maturity can be detailed as follows:

31 December 2012	N+1	N+2	N+3	N+4	N+5	Total
Fixed assets suppliers	-	-	-	-	-	-
Other non-current creditors	-	-	-	-	410,844	410,844
Total	-	-	-	-	410,844	410,844

31 December 2011	N+1	N+2	N+3	N+4	N+5	Total
Fixed assets suppliers	-	-	-	-	-	-
Other non-current creditors	140,548	-	-	-	370,128	510,676
Total	140,548	-	-	-	370,128	510,676

28. SHARE-BASED PAYMENTS

In 2012 and in previous years, the Sonae Capital Group granted deferred performance bonuses to employees, based on shares of Sonae Capital SGPS, SA to be acquired at nil cost, three years after they were attributed to the employee. In any case, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The company has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for the Sonae Capital Group on the vesting date

As at 31 December 2012 and 2011, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

	Year of grant	Vesting year	Number of participants	Fair Value	
				31 December 2012	31 December 2011
Shares					
	2009	2012	3	-	75,054
	2010	2013	1	24,585	77,011
	2011	2014	2	42,203	132,017
	2012	2015	8	195,897	-
Total				262,685	284,082

As at 31 December 2012 and 2011, the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which have not yet vested:

	31 December 2012	31 December 2011
Other non-current liabilities	117,960	106,946
Other current liabilities	30,794	95,317
Reserves	129,184	143,765
Staff Costs	19,570	58,498

29. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 31 December 2012 and 2011 trade accounts payable can be detailed as follows:

		Payable		
	31 December 2012	Less than 90 days	90 to 180 days	More than 180 days
Trade creditors current account				
SC Assets	207,055	190,643	270	16,142
Tourism	2,930,467	2,265,755	196,922	467,790
Spred	13,458,741	12,794,935	365,808	297,998
Holding and others	360,700	349,570	4,357	6,774
	16,956,963	15,600,903	567,357	788,704
Trade creditors - Invoices Accruals	632,519	603,694	10,219	18,606
Total Operations	17,589,482	16,204,597	577,576	807,310

		Payable		
	31 December 2011	Less than 90 days	90 to 180 days	More than 180 days
Trade creditors current account				
SC Assets	498,512	414,292	64,896	19,324
Tourism	3,268,099	2,869,904	153,446	244,749
Spred	10,390,563	9,900,725	296,883	192,955
Holding and others	628,281	582,326	29,054	16,901
	14,785,455	13,767,247	544,279	473,929
Trade creditors - Invoices Accruals	66,010	17,161	17,357	31,492
Total Operations	14,851,465	13,784,408	561,636	505,421

As at 31 December 2012 and 2011, this caption relates only to trade payables due in the normal course of Group companies activities. The Board of Directors believes that the fair market value of these payables is approximately their book value, and that the effect of discounting these balances is immaterial.

30. OTHER CREDITORS

As at 31 December 2012 and 2011 other creditors can be detailed as follows:

		Payable		
	31 December 2012	Less than 90 days	90 to 180 days	More than 180 days
Other creditors				
Fixed assets suppliers	1.096.072	979.266	33.149	83.657
Others	1.267.764	643.189	14.840	609.735
	2.363.836	1.622.455	47.989	693.392
Advances from customers and down payments	1.968.241			
	4.332.077			
Related parties	117.793			
Total	4.449.870			

		Payable		
	31 December 2011	Less than 90 days	90 to 180 days	More than 180 days
Other creditors				
Fixed assets suppliers	514.752	389.388	852	124.512
Others	1.425.692	659.542	114.380	651.771
	1.940.444	1.048.930	115.232	776.283
Advances from customers and down payments	1.938.599			
	3.879.043			
Related parties	107.760			
Total	3.986.803			

As at 31 December 2012 and 2011, this caption includes balances payable to other creditors and fixed assets suppliers that do not include interest. The caption includes also advances from customers on promissory sales of stocks and tangible assets and down payments from financial institutions regarding the discount of letters of credit over customers. The Board of Directors believes that the fair market value of these payables is approximately their book value, and that effects of discounting these balances are immaterial.

31. OTHER CURRENT LIABILITIES

As at 31 December 2012 and 2011 Other current liabilities can be detailed as follows:

	31 December 2012	31 December 2011
Staff Costs	5,256,361	6,555,743
Amounts invoiced for works not yet completed	5,632,274	4,400,408
Other external supplies and services	-	4,988,701
Interest payable	1,009,851	1,472,238
Expenses with construction contracts	401,198	509,507
Investment aid	1,664,142	1,699,859
Others	8,835,139	4,844,262
Total Operations	22,798,965	24,470,718

32. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 31 December 2012 and 2011 were as follows:

Captions	Balance as at 1 January 2012	Increases	Decreases	Use of provisions	Balance as at 31 December 2012
Accumulated impairment losses on:					
Other Investments (Notes 6 and 13)	7,868,877	-	-	-	7,868,877
Other non-current assets (Note 14)	34,916	-	-	-	34,916
Trade accounts receivable (Note 16)	4,435,511	1,706,324	(438,815)	(261,926)	5,441,095
Other current debtors (Note 17)	27,732,750	152,775	(14,100)	(5,070)	27,866,356
Stocks (Note 15)	3,505,580	12,460	(2,500)	-	3,515,540
Non-current provisions	3,185,974	-	(106,150)	-	3,079,824
Current provisions	1,055,216	276,423	(162,532)	(14,000)	1,155,107
	47,818,824	2,147,982	(724,097)	(280,996)	48,961,714

Captions	Balance as at 1 January 2011	Increases	Decreases	Use of provisions	Balance as at 31 December 2011
Accumulated impairment losses on:					
Other Investments (Notes 6 and 13)	7,868,877	-	-	-	7,868,877
Other non-current assets (Note 14)	34,916	-	-	-	34,916
Trade accounts receivable (Note 16)	4,367,254	554,977	(486,720)	-	4,435,511
Other current debtors (Note 17)	27,906,786	23,239	(197,275)	-	27,732,750
Stocks (Note 15)	7,726,492	1,219,211	(5,440,123)	-	3,505,580
Non-current provisions	3,185,975	-	(1)	-	3,185,974
Current provisions	2,704,909	-	(1,649,693)	-	1,055,216
	53,795,209	1,797,427	(7,773,812)	-	47,818,824

As at 31 December 2012 and 2011 increases in provisions and impairment losses can be detailed as follows:

	31 December 2012	31 December 2011
Provisions and impairment losses	5,128,480	3,034,123
Impairment losses not included in this note		
Tangible assets	(2,992,249)	(2,455,910)
Provisions and impairment losses recorded in cost of goods sold (Note 15)	12,762	1,219,211
Impairment losses on financial Investments	-	-
Others	(1,011)	3
	2,147,982	1,797,427

As at 31 December 2012 and 2011 detail of other provisions was as follows:

	31 December 2012	31 December 2011
Judicial claims	1,792,273	1,707,327
Others	2,442,657	2,533,863
	4,234,930	4,241,190

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

33. CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2012 and 2011 the most important contingent liabilities referred to guarantees given and were made up as follows:

	31 December 2012	31 December 2011
Guarantees given:		
on VAT reimbursements	4,988,723	7,606,253
on tax claims	4,126,605	2,367,143
on municipal claims	3,100,248	3,700,393
Others	16,964,193	17,317,084

Others include the following guarantees:

- 5,658,660 euro (6,923,850 euro as at 31 December 2011) of guarantees on construction works given to clients;

- 5,581,280 euro (8,643,393 euro as at December 2011) of guarantees given concerning building permits in the Tourism business.

The Group has not registered provisions for the events/disagreements for which these guarantees were given since the Group believes that the above mentioned events will not result in a loss for the group.

34. OPERATIONAL LEASES

Minimum lease payments (fixed income) arising from operational leases, in which the Group acts as a lessor, recognized as income during the period ended 31 December 2012 and 2011 amounted to 3,016,190 euro and 2,781,329 euro, respectively.

Additionally, as at 31 December 2012 and 2011, the Group had operational lease contracts, as a lessor, whose minimum lease payments (fixed income) had the following payment schedule:

	31 December 2012	31 December 2011
Due in:		
N+1 automatically renewed	2,376,046	2,266,774
N+1	668,634	649,986
N+2	307,543	656,855
N+3	277,945	647,516
N+4	145,044	233,675
N+5	112,006	148,413
After N+5	51,546	230,507
	3,938,763	4,833,726

Lease payments arising from operational leases, in which the Group acts as a lessee, recognized as an expense during the period ended 31 December 2012 and 2011 amounted to 3,578,504 euro and 4,814,510 euro, respectively.

Additionally, as at 31 December 2012 and 2011, the Group had operational lease contracts, as a lessee, whose minimum lease payments (fixed income) had the following payment schedule:

	31 December 2012	31 December 2011
Due in:		
N+1 automatically renewed	2,033,542	1,973,854
N+1	1,097,824	1,770,714
N+2	591,733	1,025,766
N+3	434,442	912,486
N+4	340,345	810,623
N+5	290,710	740,934
After N+5	1,287,494	1,683,583
	6,076,091	8,917,960

35. TURNOVER

Turnover for the year ended 31 December 2012 and 2011 was as follows:

	31 December 2012	31 December 2011
Sale of goods	27,459,675	20,692,386
Sale of products	24,456,386	53,438,085
	51,916,061	74,130,471
Services Rendered	60,372,417	62,754,429
Total Operations	112,288,478	136,884,900

36. OTHER OPERATIONAL INCOME

Other operational income for the year ended 31 December 2012 and 2011 was as follows:

	31 December 2012	31 December 2011
Own work capitalised	3,303,515	4,715,860
Gains on sales of assets	3,238,047	585,566
Reversal of impairment losses	720,061	2,088,327
Supplementary income	1,581,314	1,499,894
Others	2,699,296	2,681,693
Total Operations	11,542,233	11,571,340

37. CHANGES IN STOCKS

Changes in stocks for the years ended 31 December 2012 and 2011 was as follows:

	31 December 2012	31 December 2011
Finished goods	(1,824,808)	(3,747,093)
Work in progress	(435,853)	(2,095,188)
Impairment Gains / (Losses) on goods and work in progress	2,500	2,261,028
Total Operations	(2,258,161)	(3,581,253)

Changes in stocks were calculated as follows:

	31 December 2012	31 December 2011
Opening stocks	176,853,327	190,060,455
Changes in perimeter	-	-
Stock adjustments	(17,652,984)	(7,364,847)
Closing stocks (Note 15)	156,939,682	176,853,327
	(2,260,661)	(5,842,281)
Reversion of impairment losses	2,500	2,261,028
Total Operations	(2,258,161)	(3,581,253)

Stock adjustments are mostly related to the transfer from tangible assets of amounts regarding real estate projects in Troia (Note 10).

38. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2012 and 2011, external supplies and services were made up as follows:

	31 December 2012	31 December 2011
Subcontracts	9,940,356	17,225,430
Services	5,116,197	5,615,480
Rents	6,815,016	7,662,118
Fees	2,307,648	3,247,165
Maintenance	2,783,117	2,968,515
Cleaning, health and safety	2,779,690	3,402,673
Electricity	2,797,031	2,736,686
Travelling expenses	906,485	1,044,181
Publicity	1,010,799	1,071,988
Fuel	1,055,778	1,317,119
Security	749,726	847,400
Communication	1,048,528	1,106,608
Commissions	928,759	811,788
Other fluids	1,936,918	1,844,718
Insurance	916,189	1,079,776
Others	3,661,287	3,829,090
Total Operations	44,753,524	55,810,735

39. STAFF COSTS

As at 31 December 2012 and 2011, staff costs were made up as follows:

	31 December 2012	31 December 2011
Salaries	29,205,134	32,168,068
Social security contributions	5,499,232	6,114,379
Insurance	619,919	637,438
Welfare	63,973	104,542
Other staff costs	1,827,922	2,333,268
Total Operations	37,216,180	41,357,695

40. OTHER OPERATIONAL EXPENSES

As at 31 December 2012 and 2011, Other operational expenses were made up as follows:

	31 December 2012	31 December 2011
Losses on sales of assets	584,818	673,926
Other taxes	725,486	636,911
Property tax	767,906	762,369
Doubtful debts written-off	205,344	4,384
Others	1,360,465	2,558,031
Total Operations	3,644,019	4,635,621

41. NET FINANCIAL EXPENSES

As at 31 December 2012 and 2011, Net financial expenses were made up as follows:

	31 December 2012	31 December 2011
Expenses:		
Interest payable		
Related with bank loans and overdrafts	6,153,061	5,645,409
Related with bank non-convertible bonds	2,243,344	2,432,673
Related with finance leases	817,232	873,121
Related with hedge accounting derivatives	689,551	-
Others	356,496	840,826
	10,259,684	9,792,029
Exchange Losses	-	11,796
Payment discounts given	36,189	25,108
Upfront fees	2,226,029	2,037,992
Other financial expenses	160,240	151,452
	12,682,142	12,018,377
Income:		
Interest receivable	1,424,726	1,186,689
Exchange gains	-	172,001
Payment discounts received	-	30,127
Other financial income	291,670	192,424
	1,716,396	1,581,241
Net financial expenses	(10,965,747)	(10,437,136)

42. INVESTMENT INCOME

As at 31 December 2012 and 2011, Investment income was made up as follows:

	31 December 2012		31 December 2011	
Dividends		**214,698**	-	**201,314**
		-	-	-
Sale of Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, SA	(14,134)	-	-	-
Dissolution of Rochester Real Estate Ltd	13,365	-	-	-
Dissolution of Marina Magic - Exploração de Centros Lúd., SA	2,609			
Dissolution of SKK Distribuction de Refrigeración, S.R.L.	2,608			
Gains on disposal of investments in group companies	-	**4,448**	-	**-**
Sale of TP - Soc.Térmica, SA	-		20,260,010	
Sale of Sociedade Imobiliária Tróia B3, SA	-		6,219,558	-
Price adjustment of Choice Car, SGPS, SA	-		1,000,000	-
Sale of Cinclus Plan.e Gest. Projectos, SA	-		693,325	-
Dissolution of Sodesa , SA	2,347		(12,537)	-
Gains on disposal in associated and in jointly controlled companies	-	**2,347**	-	**28,160,356**
Change in accounting method of Fundo de Investimento Imosede to assets held for sale	16,773,670		-	-
Sale of investment units from Fundo de Investimento Imobiliário Fechado Imosede	125,746			
Income from Fundo de Investimento Imobiliário Imosonae Dois Investment Units	12,490	-	-	-
Sale of Solinca Eventos e Catering	(536,000)	-	-	-
Gains/(Losses) on sale of investments in assets available for sale	-	**16,375,906**	-	**-**
Outros		(20)		
Investment Income	**-**	**16,597,379**	**-**	**28,361,670**

43. TAXATION

As at 31 December 2012 and 2011, Taxation was made up as follows:

	31 December 2012	31 December 2011
Current tax	3,042,730	2,581,273
Deferred tax	(1,416,422)	4,083,556
Taxation	1,626,308	6,664,829

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

	31 December 2012	31 December 2011
Profit before income tax	(10,100,511)	10,450,701
Difference between accounting and tax treatment of capital gains/(losses)	(1.432.759)	(25,042,743)
Share of gains/(losses) of associated undertakings	(3,501,150)	(5,166,233)
Provisions and impairment losses not accepted for tax purposes	559,535	8,219,420
Other permanent differences	(1,817,562)	181,189
Taxable Profit	(16,292,447)	(11,357,666)
Use of tax losses carried forward	(9,396,285)	(8,549,049)
Recognition of tax losses that have not originated deferred tax assets	29,585,123	23,739,375
	3,896,391	3,832,660
Income tax rate in Portugal	25.00%	25.00%
	974,098	958,165
Effect of different income tax rates in other countries	(193,266)	(12,925)
Effect of increases or decreases in deferred taxes	278,172	4,750,550
Municipality tax	412,839	423,099
Under / (over) taxation estimates	(76,362)	347,905
Autonomous taxes and tax benefits	230,828	198,035
Taxation	1,626,308	6,664,829

44. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 31 December 2012 and 2011, the reconciliation of consolidated net profit can be analysed as follows:

	31 December 2012	31 December 2011
Aggregate net profit	(18,947,339)	31,531,213
Harmonisation adjustments	490,119	690,791
Elimination of intragroup dividends	(7,683,714)	(7,417,841)
Share of gains/(losses) of associated undertakings	3,501,150	5,166,233
Elimination of intragroup capital gains/(losses)	-	(20.896.421)
Elimination of intragroup impairment	356,506	1,121,072
Adjustments of gains/(losses) on assets disposals	3,003,042	(104,815)
Adjustments of gains/(losses) of financial shareholdings sale	7,554,033	(6,360,143)
Others	(616)	55,783
Consolidated net profit for the year	(11,726,819)	3,785,872

45. RELATED PARTIES

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

	Sales and services rendered		Purchases and services obtained	
Transactions	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Parent company (a)	-	-	-	-
Associated companies	-	605,083	21,452	509,932
Other partners and Group companies (b)	31,869,881	30,507,919	7,626,230	6,947,867
	31,869,881	31,113,002	7,647,682	7,457,799

	Interest income		Interest expenses	
Transactions	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Parent company (a)	-	-	-	-
Associated companies	1,111,565	959,720	-	-
Other partners and Group companies (b)	-	-	142,163	145,743
	1,111,565	959,720	142,163	145,743

	Accounts receivable		Accounts payable	
Balances	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Parent company (a)	-	-	-	-
Associated companies	1,101,343	902,395	4,932	57,485
Other partners and Group companies (b)	13,671,174	9,645,265	2,673,449	3,336,327
	14,772,517	10,547,660	2,678,381	3,393,812

	Loans obtained		Loans granted	
Balances	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Parent company (a)	-	-	-	-
Associated companies	-	-	16,826,685	15,859,170
Other partners and Group companies (b)	2,153,861	2,236,843	-	-
	2,153,861	2,236,843	16,826,685	15,859,170

a) The parent company is Efanor Investimentos, SGPS, SA; balances and transactions with Sonae, SGPS, SA and Sonae Indústria, SGPS, SA are included under Other partners in Group companies.
b) Balances and transactions with Sonae, SGPS, SA and Sonae Indústria, SGPS, SA are included under Other partners and Group companies.

Remunerations attributed in 2012 to key management staff of main companies of the Sonae Capital Group (excluding members of the Board of Directors of Sonae Capital, SGPS, SA) amounted to 497,980 euro (383,150 euro in 2011), of which 383,520 euro (294,950 euro in 2011) are fixed remunerations and 114,460 euro (88,200 euro in 2011) are performance bonuses.

46. EARNINGS PER SHARE

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

	31 December 2012	31 December 2011
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(11,092,003)	2,994,272
Net profit taken into consideration to calculate diluted earnings per share	(11,092,003)	2,994,272
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	249,290,870	249,962,100
Weighted average number of shares used to calculated diluted earnings per share	249,290,870	249,962,100
Earnings per share (basic and diluted)	(0.044494)	0.011979

There are no convertible instruments included in Sonae Capital, SGPS, SA's shares, hence there is no dilutive effect.

47. CASH RECEIPTS/PAYMENTS RELATED TO INVESTMENTS

As at 31 December 2012 and 2011, cash receipts and cash payments related to investments can be analysed as follows:

	31 December 2012		31 December 2011	
	Amount received	Amount paid	Amount received	Amount paid
			-	-
Sale of investment units from Fundo de Investimento Imobiliário Fechado Imosede	20.000.000	-	-	-
Income from Fundo de Investimento Imobiliário Fechado Imosede Investment Units	6.727.926	-	-	-
Sale of Sociedade Imobiliária Tróia B3, SA	2.457.492	-	-	-
Sale of TP - Soc.Térmica, SA	-	-	37.210.954	-
Sale of Sociedade Imobiliária Tróia B3, SA	-	-	1.905.766	-
Sale of Cinclus Plan.e Gest. Projectos, SA	-	-	1.300.000	-
Price adjustment of Choice Car, SGPS, SA	-	-	1.000.000	-
Purchase of Espimaia, SGPS, SA	-	-	-	5.816.469
Sale of Box Lines Navegação	-	-	3.800.000	-
Other	38.443	292.060	97.874	383.330
Total Operations	29.223.861	292.060	45.314.594	6.199.799

48. SEGMENT INFORMATION

In 31 December 2012 and 2011, the following were identified as segments:

- Sonae Tourism:

  - Tourism Operations

  - Atlantic Ferries

  - Other

- SC Assets:
- Spred:

  - Energy and Environment

  - Sistavac Group

  - Other

- Holding and Others

The contribution of the business segments to the income statement of the periods ended 31 December 2012 and 2011 can be detailed as follows:

31 December 2012					
Profit & Loss Account	Sales	Services rendered	Other operational income	**Total operational income**	Operational cash-flow (EBITDA)
Tourism Operations	4,134,586	26,641,558	3,341,128	**34,117,272**	(6,142,575)
Atlantic Ferries	-	4,683,708	211,910	**4,895,618**	362,920
Other	277	2,620,074	750,622	**3,370,973**	(405,141)
Intersegment Income	(1)	(1,458,952)	(365,783)	**(1,824,736)**	7,003
Total Tourism	**4,134,862**	**32,486,388**	**3,937,877**	**40,559,127**	**(6,177,793)**
Residential Property Development	173,320	762,991	96,753	**1,033,064**	(629,231)
Other Operating Assets	158,500	3,551,920	3,470,264	**7,180,684**	3,955,526
Other Assets	-	-	63,893	**63,893**	4,985
Intersegment Income	-	(295,018)	(89,871)	**(384,889)**	(623)
Total SC Assets	**331,820**	**4,019,893**	**3,541,039**	**7,892,752**	**3,330,657**
Energy and environment	12,674,154	494,299	551,391	**13,719,844**	3,307,555
Sistavac Group	38,792,852	18,846,222	378,953	**58,018,027**	(50,390)
Other	65,955	8,068,474	554,359	**8,688,788**	105,228
Intersegment Income	(3,559,763)	(187,859)	2,234,536	**(1,513,086)**	(2,195)
Total Spred	**47,973,198**	**27,221,136**	**3,719,239**	**78,913,573**	**3,360,198**
Holding & Others	**-**	**4,590,289**	**531,961**	**5,122,250**	**(1,846,196)**
Intersegment Income	(523,819)	(7,945,289)	(187,883)	(8,656,991)	(2,497)
Consolidated	**51,916,061**	**60,372,417**	**11,542,233**	**123,830,711**	**(1,335,631)**

31 December 2011					
Profit & Loss Account	Sales	Services rendered	Other operational income	**Total operational income**	Operational cash-flow (EBITDA)
Tourism Operations	7,390,163	31,290,067	3,873,011	**42,553,241**	(8,322,250)
Atlantic Ferries	-	5,074,632	101,191	**5,175,823**	725,742
Other	10,738	3,155,195	271,286	**3,437,219**	(396,886)
Intersegment Income	-	(1,600,247)	(440,688)	**(2,040,935)**	952
Total Tourism	**7,400,901**	**37,919,647**	**3,804,800**	**49,125,348**	**(7,992,442)**
Residential Property Development	2,753,900	1,052,718	150,230	**3,956,848**	681,494
Other Operating Assets	5,349,767	3,669,927	585,192	**9,604,886**	42,369
Other Assets	-	-	90,551	**90,551**	(86,658)
Intersegment Income	(2,800,000)	(197,589)	(143,191)	**(3,140,780)**	(25,894)
Total SC Assets	**5,303,667**	**4,525,056**	**682,782**	**10,511,505**	**611,311**
Energy and environment	7,859,758	797,858	658,201	**9,315,817**	2,004,970
Sistavac Group	58,181,992	18,167,305	930,709	**77,280,006**	5,277,624
Other	1,721,765	5,215,396	867,447	**7,804,608**	(40,916)
Intersegment Income	(1,852,853)	(26,310)	(184)	**(1,879,347)**	(518)
Total Spred	**65,910,662**	**24,154,249**	**2,456,173**	**92,521,084**	**7,241,160**
Holding & Others	**-**	**4,237,970**	**784,655**	**5,022,625**	**(2,148,723)**
Intersegment Income	(4,484,759)	(8,082,493)	3,842,930	(8,724,322)	108,445
Consolidated	**74,130,471**	**62,754,429**	**11,571,340**	**148,456,240**	**(2,180,249)**

The contribution of the business segments to the balance sheets as at 31 December 2012 and 2011 can be detailed as follows:

31 December 2012

Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Tourism Operations	162.060.574	257.390	189.531.349	**351.849.312**	184.192.922	1.917.024	3.701.197	2.421.861
Atlantic Ferries	23.389.591	-	1.723.195	**25.112.786**	22.243.863	11.510	18.799.802	18.729.488
Other	4.601	274.154	147.563.831	**147.842.586**	247.769.052	-	17.575	(48.035)
Intersegment Adjustments	-	-	(149.018.490)	**(149.018.490)**	(149.016.876)	-	-	-
Total Tourism	**185.454.766**	**531.544**	**189.799.885**	**375.786.195**	**305.188.961**	**1.928.535**	**22.518.574**	**21.103.314**
Residential Property Development	318.979	17.822	50.284.582	**50.621.383**	50.952.001	-	140	(510.741)
Other Operating Assets	47.126.265	693.928	102.265.379	**150.085.572**	134.468.040	593.923	58.806	51.260
Other Assets	-	20.014.775	138.211.300	**158.226.075**	165.751.943	-	-	(4.995)
Intersegment Adjustments	-	-	(185.625.629)	**(185.625.629)**	(182.825.627)	-	-	-
Total SC Assets	**47.445.244**	**20.726.524**	**105.135.632**	**173.307.400**	**168.346.357**	**593.923**	**58.946**	**(464.476)**
Energy and environment	18.363.784	2.546	6.189.031	**24.555.361**	21.811.393	8.632.381	9.154.806	9.137.748
Sistavac Group	566.282	0	54.027.362	**54.593.644**	20.256.144	397.830	5.651	(501.072)
Other	1.662.998	4.447.050	51.084.792	**57.194.840**	26.694.523	156.437	54.771	(345.778)
Intersegment Adjustments	-	-	(27.327.556)	**(27.327.556)**	(27.320.504)	-	-	-
Total Spred	**20.593.064**	**4.449.596**	**83.973.629**	**109.016.289**	**41.441.556**	**9.186.648**	**9.215.228**	**8.290.898**
Holding & Others	**455.437**	**29.283.577**	**403.934.944**	**433.673.957**	**256.268.090**	**431.692**	**227.522.174**	**227.140.491**
Intersegment Adjustments	**-**	**-**	**(434.369.543)**	**(434.369.543)**	**(437.787.765)**	**-**	**-**	**-**
Consolidated	**253.948.512**	**54.991.242**	**348.474.546**	**657.414.299**	**333.457.199**	**12.140.798**	**259.314.922**	**256.070.226**

31 December 2011

Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Tourism Operations	153.836.994	247.390	193.878.092	**347.962.476**	226.361.773	5.894.579	3.466.557	3.014.460
Atlantic Ferries	24.755.340	-	1.672.236	**26.427.576**	23.305.133	78.690	20.291.480	20.204.261
Other	3.466.648	274.154	185.449.021	**189.189.823**	232.676.579	90.771	1.151	(80.747)
Intersegment Adjustments	-	-	(185.215.444)	**(185.215.444)**	(185.215.271)	-	-	-
Total Tourism	**182.058.982**	**521.544**	**195.783.905**	**378.364.431**	**297.128.214**	**6.064.040**	**23.759.188**	**23.137.974**
Residential Property Development	339.537	17.822	50.546.041	**50.903.400**	48.691.236	333.150	678	(509.228)
Other Operating Assets	47.685.906	903.500	99.448.689	**148.038.095**	130.571.528	442.644	200	(17.281)
Other Assets	-	57.716.011	133.708.180	**191.424.191**	184.198.370	-	-	(4.931)
Intersegment Adjustments	-	-	(175.460.093)	**(175.460.093)**	(172.660.096)	-	-	-
Total SC Assets	**48.025.443**	**58.637.333**	**108.242.817**	**214.905.593**	**190.801.038**	**775.794**	**879**	**(531.441)**
Energy and environment	11.253.391	2.546	4.506.946	**15.762.883**	14.147.725	3.748.308	10.168.918	10.149.905
Sistavac Group	322.342	0	54.857.951	**55.180.293**	19.283.480	162.018	1.084.721	(854.719)
Other	1.820.079	1.905.304	46.052.081	**49.777.464**	21.587.619	264.854	252.937	(248.699)
Intersegment Adjustments	-	-	(16.312.913)	**(16.312.913)**	(16.313.663)	-	-	-
Total Spred	**13.395.812**	**1.907.850**	**89.104.064**	**104.407.726**	**38.705.161**	**4.175.179**	**11.506.577**	**9.046.486**
Holding & Others	**86.761**	**8.889**	**422.196.516**	**422.292.165**	**259.478.733**	**20.116**	**229.855.733**	**229.488.718**
Intersegment Adjustments	**-**	**-**	**(446.139.127)**	**(446.139.127)**	**(449.153.078)**	**-**	**-**	**-**
Consolidated	**243.566.998**	**61.075.617**	**369.188.174**	**673.830.789**	**336.960.068**	**11.035.130**	**265.122.377**	**261.141.737**

Contribution of the main business segments to the cash-flow statement for the periods ended 31 December 2012 and 2011 can be detailed as follows:

31 December 2012

	SC Assets	Tourism	Spred	Holding and Others	Consolidated
Operating activities	(1,795,912)	2,019,659	8,321,143	(7,025,986)	1,518,904
Investment activities	1,167,254	551,545	(8,917,868)	24,410,690	17,211,621
Financing activities	49,527	(2,051,814)	(2,132,424)	(14,951,764)	(19,086,475)
Change in cash and cash equivalents	(579,131)	519,390	(2,729,149)	2,432,940	(355,950)

31 December 2011

	SC Assets	Tourism	Spred	Holding and Others	Consolidated
Operating activities	1,488,644	(1,911,179)	3,334,043	(5,931,653)	(3,020,145)
Investment activities	(6,129,320)	(5,089,502)	418,268	39,707,101	28,906,547
Financing activities	(581,000)	(1,654,406)	2,318,670	(25,490,236)	(25,406,972)
Change in cash and cash equivalents	(5,221,676)	(8,655,087)	6,070,981	8,285,212	479,430

Net debt of the Holding can be analysed as follows:

	31 December 2012
Inflows	
Gross bank debt	238.629.362
Cash and cash equivalents	353.545
Net bank debt	238.275.817
Sonae Turismo	-
SC Assets	-
Spred	20.746.970
Intercompany ST Loans Obtained	20.746.970
Total Inflows	259.022.787
Outflows	
Sonae Turismo	239.514.296
SC Assets	135.655.333
Spred	916.744
Intercompany Loans Granted	376.086.374

Sonae Capital's headcount can be detailed as follows:

	31 December 2012	31 December 2011
SC Assets	3	16
Tourism	464	544
Spred	807	846
Holding and Others	92	90
Total Operations	1.366	1.496

49. COMPLIANCE WITH LEGAL REQUIREMENTS

Decree Law Nr. 185/09 article 11

During the years ended 31 December 2012 and 31 December 2011, the following amounts have been paid to the company's external auditor:

	31 December 2012	31 December 2011
Audit and Statutory Audit [1]	98.023	90.436
Tax Consultancy [2]	5.000	-
Other Services [2]	5.000	-
Total	108.023	90.436

[1] Fees agreed for the year.

[2] Amounts already paid.

50. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 31 December 2012

51. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors on 21 February 2013 and are still subject to approval by the Shareholders General Meeting.

The Board of Directors

INDIVIDUAL FINANCIAL STATEMENTS

31 DECEMBER 2012

SONAE CAPITAL, SGPS, SA
Sociedade Aberta

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Capital Social 250.000.000 euros
CRC Maia (matrícula nº 508 276 756)
Pessoa colectiva nº 508 276 756

SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

ASSETS	Notes	31 December 2012	31 December 2011
NON CURRENT ASSETS:			
Tangible assets		-	-
Investments	4	582,772,362	542,141,999
Deferred tax assets	7	429,213	451,247
Other non current assets	5	133,517,946	164,370,542
Total Non Current Assets		716,719,521	706,963,788
CURRENT ASSETS:			
Other current assets	6	26,036,184	21,481,201
Cash and cash equivalents	8	374,001	350,634
Total Current Assets		26,410,185	21,831,835
TOTAL ASSETS		743,129,706	728,795,623
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	9	250,000,000	250,000,000
Own shares	9	(264,705)	(36,143)
Legal reserve	10	8,307,376	8,307,376
Other reserves	10	288,710,416	289,628,622
Retained earnings		-	-
Profit / (Loss) for the period		(995,091)	(918,206)
TOTAL EQUITY		545,757,996	546,981,649
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	11	68,932,664	90,812,089
Bonds	11	9,985,411	9,943,470
Other non current liabilities		52,605	63,054
Deferred tax liabilities	7	778	11,699
Total Non Current Liabilities		78,971,458	100,830,312
CURRENT LIABILITIES			
Suppliers		68,784	1,638,046
Bank loans	11	96,400,981	47,800,000
	11	-	30,000,000
Other creditors	12	20,748,477	31,923
Other current liabilities	13	1,182,010	1,513,693
Total Current Liabilities		118,400,252	80,983,662
TOTAL EQUITY AND LIABILITIES		743,129,706	728,795,623

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	Notes	31 December 2012	31 December 2011
Operational income			
Other operational income		30,892	329,649
Total operational income		30,892	329,649
Operational expenses			
External supplies and services	14	(1,060,454)	(1,935,976)
Staff costs	16	(461,579)	(881,785)
Depreciation and amortisation			(1)
Other operational expenses		(7,519)	(6,067)
Total operational expenses		(1,529,552)	(2,823,829)
Operational profit/(loss)		(1,498,660)	(2,494,180)
Financial income	17	11,418,111	10,756,300
Financial expenses	17	(9,846,148)	(9,470,803)
Net financial income/(expenses)		1,571,963	1,285,497
Investment income	17	(1,043,989)	-
Profit/(loss) before taxation		(970,686)	(1,208,683)
Taxation	18	(24,405)	290,477
Profit/(loss) for the period		(995,091)	(918,206)
Profit/(loss) per share			
Basic and diluted	19	(0.003992)	(0.003673)

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENT BY NATURE

FOR THE THREE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	4th Quarter 2012 (Unaudited)	4th Quarter 2011 (Unaudited)
Operational income:		
Other operational income	21,760	4,067
Total operational income	21,760	4,067
Operational expenses:	-	-
External supplies and services	(343,297)	(1,738,924)
Staff costs	(72,918)	(182,917)
Depreciation and amortisation	-	-
Other operational expenses	(7,445)	(1,566)
Total operational expenses	(423,660)	(1,923,407)
Operational profit/(loss)	(401,900)	(1,919,340)
	-	-
Financial income	2,647,544	2,824,324
Financial expenses	(2,133,874)	(2,275,684)
Net financial income/(expenses)	513,670	548,640
Investment income	(1,426,910)	-
Profit/(loss) before taxation	(1,315,140)	(1,370,700)
Taxation	(26,824)	337,724
Profit/(loss) for the period	(1,341,964)	(1,032,976)
Profit/(loss) per share		
Basic and diluted	(0.005383)	(0.004133)

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	31 December 2012	31 December 2011
Net profit for the period	(995,091)	(918,206)
Exchange differences arising from translating foreign operations	-	-
Share of other comprehensive income of associated undertakings and joint ventures accounted for by the equity method	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	-
Gains on property revaluations	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(995,091)	(918,206)

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	4th Quarter 2012 (Unaudited)	4th Quarter 2011 (Unaudited)
Net profit for the period	(1,341,964)	(1,032,976)
Exchange differences on translating foreign operations	-	-
Share of other comprehensive income of associates and joint ventures accounted by the equity method	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	-
Gains on property revaluation	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(1,341,964)	(1,032,976)

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL SGPS, SA

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	Share Capital	Own Shares	Legal Reserve	Translation Reserve	Fair Value Reserve	Hedging Reserve	Other Reserves	Retained Earnings	Sub total	Net profit / (loss)	Total Equity
Balance as at 1 January 2011	250,000,000	-	8,191,127	-	-	-	287,419,883	-	295,611,010	2,324,988	547,935,998
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(918,206)	(918,206)
Appropriation of profits:											
Transfer to legal reserve and retained earnings	-	-	116,249	-	-	-	2,208,739	-	2,324,988	(2,324,988)	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	(36,143)	-	-	-	-	-	-	-	-	(36,143)
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2011	250,000,000	(36,143)	8,307,376	-	-	-	289,628,622	-	297,935,998	(918,206)	546,981,649
Balance as at 1 January 2012	250,000,000	(36,143)	8,307,376	-	-	-	289,628,622	-	297,935,998	(918,206)	546,981,649
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(995,091)	(995,091)
Appropriation of profits:											
Transfer to legal reserve and retained earnings	-	-	-	-	-	-	(918,206)	-	(918,206)	918,206	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	(228,562)	-	-	-	-	-	-	-	-	(228,562)
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2012	250,000,000	(264,705)	8,307,376	-	-	-	288,710,416	-	297,017,792	(995,091)	545,757,996

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL CASH FLOW STATEMENTS

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

		31 December 2012	31 December 2011
OPERATING ACTIVITIES			
Cash paid to trade creditors		2,512,421	320,267
Cash paid to employees		593,928	784,945
Cash flow generated by operations		(3,106,349)	(1,105,212)
Income taxes (paid)/received		(95,646)	117,516
Other cash receipts/(payments) relating to operating activities		(15,133)	8,394
Net cash flow from operating activities [1]		(3,025,836)	(1,214,334)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Interest and similar income		11,439,257	8,654,296
Dividends		382,921	-
Loans obtained		95,998,597	76,104,046
		107,820,775	84,758,342
Cash payments arising from:			
Investments		42,057,274	2,546
Tangible assets		-	-
Loans granted		69,831,543	18,924,000
		111,888,817	18,926,546
Net cash flow from investment activities [2]		(4,068,042)	65,831,796
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		86,946,600	68,800,000
		86,946,600	68,800,000
Cash Payments arising from:			
Interest and similar costs		10,001,774	9,064,840
Acquisition of own shares		228,562	36,143
Loans obtained		69,600,000	123,993,200
Net cash flow from financing activities [3]		79,830,336	133,094,183
		7,116,264	(64,294,183)
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]			
Cash and cash equivalents at the beginning of the period		22,386	323,279
Cash and cash equivalents at the end of the period	8	350,634	27,355
	8	373,019	350,634

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	4th Quarter 2012 (Unaudited)	4th Quarter 2011 (Unaudited)
OPERATING ACTIVITIES		
Cash paid to trade creditors	661,465	110,507
Cash paid to employees	147,422	149,124
Cash flow generated by operations	(808,887)	(259,631)
Income taxes (paid)/received	169,319	192,592
Other cash receipts/(payments) relating to operating activities	10,510	66,704
Net cash flow from operating activities [1]	(967,696)	(385,519)
INVESTMENT ACTIVITIES		
Cash receipts arising from:		
Interest and similar income	675,340	1,163,716
Dividends	-	-
Loans granted	95,998,597	31,048,046
	96,673,937	32,211,762
Cash payments arising from:		
Investments	42,057,274	2,546
Tangible assets	-	-
Loans granted	40,354,097	(5,600,600)
	82,411,371	(5,598,054)
Net cash flow from investment activities [2]	14,262,566	37,809,816
FINANCING ACTIVITIES		
Cash receipts arising from:		
Loans obtained	38,864,600	(17,666,000)
	38,864,600	(17,666,000)
Cash Payments arising from:		
Interest and similar costs	2,447,111	3,069,224
Acquisition of own shares	163,705	36,143
Loans obtained	49,300,000	17,543,200
	51,910,816	20,648,567
Net cash from financing activities [3]	(13,046,216)	(38,314,567)
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	248,654	(890,270)
Cash and cash equivalents at the beginning of the period	124,366	1,240,904
Cash and cash equivalents at the end of the period	373,019	350,634

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012 AND 2011

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

1. INTRODUCTION

Sonae Capital, SGPS, SA (“the Company" or “Sonae Capital”) whose registered office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, was set up on 14 December 2007 by public deed, following the demerger from Sonae, SGPS, SA of the whole of the shareholding in the company formerly named Sonae Capital, SGPS, SA, now named SC, SGPS, SA, in compliance with paragraph a) of article 118 of the Commercial Companies Code.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), 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”), applicable to financial years beginning on 1 January 2012.

As at the date of the approval of these financial statements, the following standards have been endorsed by the European Union.

a) In force for fiscal year 2012 and with no material impact on the Company financial statements at 31 December 2012:

	Date of endorsement by EU	Date of publication in the Official Journal
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	22/11/2011	01/07/2011

b) In force for periods subsequent to 31 December 2012:

	Date of endorsement by EU	Date of publication in the Official Journal
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income	05/06/2012	01/07/2012
Amendments to IAS 19 Employee Benefits	05/06/2012	01/01/2013
IFRS 10 Consolidated Financial Statements	11/12/2012	01/01/2014
IFRS 11 Joint Arrangements	11/12/2012	01/01/2014
IFRS 12 Disclosure of Interests in Other Entities	11/12/2012	01/01/2014
IAS 27 Separate Financial Statements	11/12/2012	01/01/2014
IAS 28 Investments in Associates and Joint Ventures	11/12/2012	01/01/2014
IFRS 1 First-time Adoption of International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time	11/12/2012	01/01/2013
IAS 12 Income Taxes - Deferred Tax: Recovery of Underlying Assets	11/12/2012	01/01/2013
IFRS 13 Fair Value Measurement	11/12/2012	01/01/2013
IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	11/12/2012	01/01/2013
Amendments to IFRS 7 Financial Instruments: Disclosures –Transfers of Financial Assets	13/12/2012	01/01/2013
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	13/12/2012	01/01/2014

No significant impacts are expected to arise from the application of these standards.

The accompanying financial statements have been prepared from the books and accounting records on a going concern basis and under the historical cost convention, except for financial instruments which are stated at fair value (Note 2.3).

2.2 Borrowing costs

Financial charges connected with loans contracted are generally recognised as a cost in accordance with the accruals principle, using for this purpose the effective interest rate method.

2.3 Financial instruments

a) Investments

Investments are classified into the following categories:

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

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the balance sheet date. Investments classified as held to maturity have defined maturities and the Company has the intention and ability to hold them until the maturity date. Investments measured at fair value through profit or loss are classified as current investments. Available-for-sale investments are classified as non-current assets.

Investments measured at fair value through profit and loss include investments held for negotiation which the company acquires with a view to disposal within a reasonable period of time and are classified in the balance sheet as current investments.

The Company classifies as available for sale investments those which are not classified as investments measured at fair value through profit and loss nor as investments held to maturity. These investments are classified as non current assets, unless there is an intention to dispose of them within 12 months of the balance sheet date.

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

Investments are initially measured at cost, which is the fair value of the consideration paid for them, including transaction costs, in the case of available for sale investments.

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

Gains and losses arising from a change in fair value of available-for-sale investments are recognised directly in equity, under Fair value reserve, until the investment is sold or otherwise disposed of, or until its fair value is lower than its carrying amount and that corresponds to an impairment loss, at which time the cumulative gain or loss previously recognised in equity is transferred to net profit or loss for the period.

Gains and losses resulting from changes to the fair value of derivatives valued at fair value are shown in the financial statements in the caption net financial charges/income.

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

In accordance with IAS 27, investments in affiliated and associated undertakings are stated at acquisition cost, less impairment losses.

b) Classification as Equity or Liability

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

c) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.4. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

d) Trade accounts payable

Trade accounts payable are stated at their nominal value.

e) Derivatives

The Company uses derivatives in the management of its financial risks only to hedge such risks, and/or to optimize funding costs, in accordance with the interest rate risk policy stated in Note 3.1.

The derivatives used by the Company defined as cash-flow hedge instruments relate mainly to interest rate hedge instruments on loans contracted. The indices, calculation methods, dates for re-fixing interest rates and the reimbursement plans for the interest rate hedge instruments are all identical to the conditions established for the underlying contracted loans, and thus qualify as perfect hedges. Inefficiencies that may exist are shown in the caption Net financial income/expenses in the income statement.

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

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

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

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument,

the fair value differences recorded in equity, under the caption Hedging reserves, are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.
In cases in which derivative instruments, in spite of having been negotiated in accordance with the interest rate risk policy stated in Note 3.1, in relation to which the Company did not apply hedge accounting, are initially recorded at cost, if any, and subsequently measured at fair value. Changes in value resulting from the measurement at fair value, calculated using especially designed software tools, are included in Net financial charges in the income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and characteristics are not closely related to economic risks and characteristics of the host contract, and this is not stated at fair value, and unrealized gains or losses arising from these derivatives recorded in the income statement.

In specific situations, the Company may use interest rate derivatives with the goal of obtaining fair value hedging. In these situations, derivatives are booked at their fair value in the profit and loss account. In situations in which the derivative involved is not measured at fair value (in particular borrowings measured at amortised cost), the effective share of hedging will be adjusted to the accounting value of the derivative hedged through the profit and loss account.

f) Cash and cash equivalents

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

In the cash-flow statement, cash and cash equivalents also include bank overdrafts, which are included in the balance sheet caption current bank loans.

2.4 Revenue recognition and accrual basis

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

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

2.5 Subsequent events

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

2.6 Judgements and estimates

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

a) Useful lives of tangible and intangible assets;

b) Adjustments to the values of assets and provisions;

c) Analysis of the impairment of loans and investments;

d) Calculation of the fair value of derivatives.

Estimates were based on the best information available at the date of the preparation of the financial statements and on the best knowledge and experience of past and/or current events. These estimates may, however, be affected by subsequent events which are not foreseeable at the present day. Changes to these estimates, which take place after the date of the financial statements, will be recognized prospectively in the income statement, in accordance with IAS 8.

The main estimates and assumptions concerning future events included in the financial statements are described in the corresponding notes to the accounts, when applicable.

2.7 Income tax

Current income tax is determined in accordance with tax rules in force in Portugal, considering the profit for the period.

Deferred taxes are calculated using the balance sheet liability method. Deferred tax assets are recognised only when their use is probable.

3. Financial risk management

3.1 Market risks

a) Interest Rate risk - POLICY

As a result of maintaining its variable rate debt in the balance sheet, and the resulting cash flows from interest payments, the Company is exposed to the Euro interest rate risk.

In view of the fact that:

- the volatility of Company's results does not depend only on the volatility of its financial results linked to the volatility of interest rates;

- under normal market conditions, there is a correlation between the levels of interest rates and economic growth, with the expectation being that the impact of movements in interest rates (and the respective volatility of cash flows to service the debt) can to some extent be compensated by movements in the remaining lines of the profit and loss account, in particular by operational profits or losses;

- the setting up of any form of risk hedging structure has an implicit opportunity cost associated with it,

the Company policy concerning the mitigation of this risk does not establish the maintenance of any minimum proportion of fixed interest rate debt (converted to fixed rate through use of derivatives), but rather has opted for a dynamic approach to monitoring exposure, which aligns market conditions to the real exposure of the Company, in order to avoid the possibility of exposure that could have a real impact on the Company's results.

In view of the above, the Company policy concerning this issue defines a case by case review of each potential transaction, such that any contract for derivatives must follow the following principles:

- derivatives are not used for trading, profit making or speculation;

- derivatives to be contracted must match exactly the underlying exposures in relation to indices to be used, refixing dates for interest rates and dates for payment of interest, and the amortisation profile of the underlying debt;

- the maximum financial cost of the entire derivative and underlying exposure must always be known and limited from the date of the derivative contract, with the aim that the resulting level of costs are within the cost of funds considered in the business plans;

- derivative contracts are only agreed with authorised entities, specifically Financial Institutions with a minimum Investment Grade rating and/or high-credit-quality financial Institutions, giving preference to Banking Relationship Institutions of the Company;

- all transactions must be the object of competitive bids, involving at least two financial institutions;

- all transactions are entered into by using market standard contracts (ISDA), with schedules negotiated with each of the Institutions;

- to determine the fair value of hedging transactions, the Company uses a range of methods in accordance with market practices, namely option valuation models and discounted future cash flow models, with specific market assumptions (interest and exchange rates, volatilities, etc.) prevailing at the Balance Sheet date. Comparative quotes provided by financial institutions are also used as a valuation benchmark;

- any transaction that does not comply with all of the above principles must be individually approved by the Board of Directors.

b) Interest Rate Risk - SENSITIVITY ANALYSIS

Interest rate sensitivity is based on the following assumptions:

- changes in interest rates affect interest receivable and payable of financial instruments indexed to variable rates (interest payments, related to financial instruments not defined as hedging instruments for interest rate cash-flow hedges). As a result, these instruments are included in the calculation of financial results sensitivity analysis;

- changes in market interest rates affect income and expenses related to fixed interest rate financial instruments, in cases in which these are recognised at fair value. As such, all financial instruments with fixed interest rates booked at amortised cost, are not subject to interest rate risk, as defined in IFRS 7;
- in the case of instruments designated as fair value hedges of interest rate risk, when changes to the fair value of the hedging instrument, which are attributable to movements in interest rates, are almost completely compensated in the financial results in the same period, these financial instruments are also considered not to be exposed to interest rate risk;

- changes in market interest rates of financial instruments which were designated as cash-flow hedging instruments to hedge fluctuations in payments resulting from changes in interest rates, are recorded in reserves, and are thus included in the sensitivity analysis calculation of shareholders' funds (other reserves);

- changes in market interest rates of interest rate derivatives, which are not specified as being part of hedging relationships as defined in IAS 39, affect the results of the company (net gain/loss resulting from the revaluation of the fair value of financial instruments), and are thus included in the calculation of profit and loss sensitivity;

- changes in the fair value of derivatives and other financial assets and liabilities are estimated by calculating the discounted present value of future cash flows at existing market interest rates at the end of each year, and assuming a parallel variation in interest rate trends;

- the sensitivity analysis is applied to all financial instruments existing at the end of the period.

Given the above assumptions, if interest rates of financial instruments denominated in euro had been 0.75 percentage points higher/lower, the net profit before tax of the Company as at 31 December 2012 would have been higher or lower by 289,539.84 euro, respectively. As at 31 December 2011 they would have been higher or lower by 753,336.84 euro.

c) Exchange Rate Risk

The Company has no exposure to exchange rate risk.

d) Other Price Risks

The Company is exposed to risks arising from the value of investments made in financial shareholdings. However, these investments are in general made with strategic objectives in mind and not for current trading.

3.2 Credit Risk

Credit risks at Sonae Capital arises mainly from (i) its relationships with financial institutions in the course of its day to day business activity, and (ii) the risk of non compliance by business counterparts in portfolio transactions.

- Financial Institutions: The credit risk is linked to possible non compliance by Financial Institutions, from which the Company, in its normal operational activity, contracted term deposits, cash balances and derivatives.

To mitigate this risk, the Company:

a) Only executes transactions with counterparts with Investment Grade minimum rating and/or financial institutions with high credit quality, giving preference to banking institutions with which the Company already works;
b) Diversifies its counterparts, in order to avoid an excessive concentration of credit risk;
c) Defines a limited range of eligible instruments (aimed at not contracting complex instruments, whose structure is not entirely known), requiring proper authorization from the Board of Directors for use of other alternative instruments;
d) Regularly monitors total exposures with each counterpart, in order to guarantee compliance with the policy established.

- Shareholding Buy/Sale transactions: In the course of its business, the Company is exposed to the credit risk of counterparts with whom it agrees transactions concerning investments in shareholdings. In these cases, the means used to mitigate risks are determined on a one on one basis, in order to take into account the specifics of the transaction, with the constant supervision of the Board of Directors. Despite the wide range of means used, there exists always the possibility of using normal market methods, namely carrying out due diligence, obtaining financial information concerning the counterpart in question, or the pledging of an asset which is released when the financial transaction has been completed.

3.3 Liquidity Risks

The objective of liquidity risk management is to ensure at any given moment that the Company has the financial capability under favourable market conditions to: (i) comply with its payment obligations when these fall due and (ii) ensure in a timely manner the appropriate financing for the development of its businesses and strategy.

To that end, the Company aims at maintaining a flexible financial structure, so that the process of managing liquidity within the Company includes the following key aspects:

- Financial planning based on cash flow forecasts and for different time periods (weekly, monthly, annual and multi year);

- Short and long term financial control systems (based on Treasury and Cash Management systems), which allow in a timely manner to identify variances, anticipate financing needs and identify refinancing opportunities;

- Diversification of sources of financing and counterparts;

- Spread of debt maturity dates, aiming at avoiding excessive concentration, at specific points in time, of debt repayments;

- Contracts with relationship Banks, of committed credit lines (of at least one year) and Commercial Paper Programmes, with cancellation clauses which are sufficiently comfortable and prudent, seeking to obtain an appropriate level of liquidity while optimising the amount of commitment commissions payable.
- Negotiation of contract terms which reduce the possibility of early termination of loans.

4. INVESTMENTS

As at 31 December 2012 and 31 December 2011 Investments are detailed as follows:

	31 December 2012	31 December 2011
Investments in affiliated and associated undertakings	584,195,526	542,138,253
Investments in other companies		
Sonae RE - (0,04%)	1,200	1,200
Fundo Invest. Imob. Imosonae Dois - (0,001%)	2,546	2,546
	584,199,272	542,141,999
Impairment	(1,426,910)	-
	582,772,362	542,141,999

4.1 Investments in affiliated and associated undertakings

As at 31 December 2012 and 31 December 2011, the detail of Investments in Affiliated and Associated Companies is as shown in the table below.

Company	31 December 2012			31 December 2011		
	% Held	Book Value	Fair Value Reserve	% Held	Book Value	Fair Value Reserve
SC, SGPS, SA	100.00	382,638,253	-	100.00	382,638,253	-
Spred, SGPS, SA	54.05	40,000,000	-	54.05	40,000,000	-
SC Assets, SGPS, SA	76.64	82,000,000	-	76.64	82,000,000	-
Sonae Turismo, SGPS, SA	23.08	37,500,000	-	23.08	37,500,000	-
Fundo Esp.Inv.Imo.Fec. WTC	59.57	42,057,273	-	-	-	-
Total		584,195,526	-		542,138,253	-

Investments carried at cost correspond to those in unlisted companies and for which a fair value cannot be reliably estimated.

Impairment tests on financial investments were performed, based on external valuations of the real estate of group companies, to assess the fair value of such investments. Following this analysis an adjustment was deemed by the amount of 1,426,910 euros for the participation in *Fundo Esp. Inv. Imo. WTC*.

5. OTHER NON CURRENT ASSETS

As at 31 December 2012 and 31 December 2011 Other Non Current Assets are detailed as follows:

	31 December 2012	31 December 2011
Loans granted to group companies:		
SC, SGPS, SA	111,341,743	106,142,743
SC Assets, SGPS, SA	22,176,203	58,227,800
	133,517,946	164,370,543

These assets were not due or impaired as at 31 December 2012. The fair value of loans granted to Group companies is basically the same as their book value.

Loans to group companies interest at market rates and are repayable within a period exceeding one year.

6. OTHER CURRENT ASSETS

As at 31 December 2012 and 31 December 2011 Other Current Assets can be detailed as follows:

	31 December 2012	31 December 2011
Group companies - Short term loans:		
SC, SGPS, SA	20,450,367	1,690,381
SC-Consultadoria,SA	-	3,413,021
SC Assets SGPS, SA	255,130	-
Sonae Turismo-SGPS,SA	-	10,916,552
Suppliers	5,213	-
Income tax withheld	189,194	298,516
Other Debtors	5,500	9,956
Accrued income	5,107,967	5,128,767
Deferred costs	22,812	24,008
	26,036,184	21,481,201

Loans granted to group companies bear interest at market rates and are repayable within one year.

7. DEFERRED TAXES

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

	Deferred tax assets		Deferred tax liabilities	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Tax losses carried forward	429,213	451,247	-	-
Others	-	-	11,699	11,699

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

	Deferred tax assets		Deferred tax liabilities	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Opening balance	451,247	157,965	11,699	22,586
Effect in results (Nota 18):				
Tax losses carried forward	(22,034)	293,282	-	-
Others	-	-	(10,921)	(10,887)
	429,213	451,247	778	11,699
Effect in reserves:	-	-	-	-
Closing balance	429,213	451,247	778	11,699

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 31 December 2012 and 2011, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	31 December 2012			31 December 2011		
	Prejuízo fiscal	Deferred tax assets	To be used until	Prejuízo fiscal	Deferred tax assets	To be used until
Generated in 2010	551,761	137,940	2014	640,062	160,016	2014
Generated in 2011	1,165,089	291,272	2015	1,164,925	291,231	2015
	1,716,850	429,213		1,804,987	451,247	

8. CASH AND CASH EQUIVALENTS

As at 31 December 2012 and 31 December 2011 Cash and Cash Equivalents can be detailed as follows:

	31 December 2012	31 December 2011
Cash	1,004	1,004
Bank deposits	372,997	349,631
Cash and cash equivalents in the balance sheet	374,001	350,634
Bank overdrafts	981	-
Cash and cash equivalents in the cash flow statement	373,019	350,634

9. SHARE CAPITAL

As at 31 December 2012 Share Capital consisted of 250,000,000 ordinary shares of 1 euro each.

In 2012, Sonae Capital SGPS, S.A. acquired 1,448,710 own shares on the stock market, representing 0.579% of its share capital, for the total amount of 228,562 euro. As at 31 December 2012, the Company held 1,600,310 own shares, representing 0.640% of its share capital.

10. RESERVES

As at 31 December 2012, and 31 December 2011 the caption Other Reserves can be detailed as follows:

	31 December 2012	31 December 2011
Free reserves	155,807,458	156,954,227
Demerger reserve	132,638,252	132,638,252
Own shares reserve	264,705	36,143
	288,710,416	289,628,622

The demerger reserve (Note 1), corresponds to the difference between the book value of the shareholding in SC, SGPS, SA (382,638,252 euro) which was spun off from Sonae, SGPS, SA to the Company, and the value of the share capital of the Company (250,000,000 euro). This reserve, which has a treatment similar to that of a Legal Reserve, according to Company Law, it cannot be distributed to shareholders, unless the company is liquidated, but can be used to make good prior year losses, once other reserves have been used fully, or for capital increases.

Legal Reserve: According to the Company Law, at least 5% of the annual net profit must be transferred to the legal reserve until it represents 20% of share capital. This reserve cannot be distributed to shareholders, unless the company is liquidated, but can be used to cover prior year losses, once other reserves have been used fully, or for capital increases. As at 31 December 2012 the value of this caption was 8,307,376 euro.

11. LOANS

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

	31 December 2012	31 December 2011
Bank loans - Commercial paper	38,250,000	58,250,000
Bank loans - Term loan	31,000,000	33,000,000
Up-front fees not yet charged to income statement	(317,336)	(437,911)
Bank loans - non current	68,932,664	90,812,089
Nominal value of bonds	10,000,000	10,000,000
Up-front fees not yet charged to income statement	(14,589)	(56,531)
Bond Loans	9,985,411	9,943,469
Non-current loans	78,918,075	100,755,559
Bank loans - Commercial paper	94,400,000	47,150,000
Bank loans - Term loan	2,000,000	650,000
Bond Loans	-	30,000,000
Bank overdrafts	981	-
Current bank loans	96,400,981	77,800,000

Non Current Bank Loans

The caption Non Current Bank Loans relates to amounts issued detailed as follows:

i) Bank loan started on 2 June 2011 valid for six years and repayable in six annual instalments. This loan is guaranteed by a mortgage of investment properties and pays interest every three months;
ii) Commercial Paper Programme issued on 30 December 2010 with subscription guarantee and valid for a period of 3 years;
iii) Sonae Capital, SGPS 2011/2016 bond loan, amounting to 10,000,000 euro, repayable after 5 years, in one instalment, on 17 January 2016. Early repayment can occur under the terms of the Call / Put Option. This bond issue pays interest every six months;
iv) Commercial Paper Programme issued on 27 December 2012 with subscription guarantee and valid for a period of 5 years.

The bank loans mentioned above bear interest at market rates, indexed to the Euribor of each issue period.

The average interest rate of these bank and bond loans as at 31 December 2012 was 3.8251%.

Current Bank Loans

The caption Current Bank Loans relates to amounts issued, detailed as follows:

i. Commercial Paper Programme issued on 28 March 2008 without subscription guarantee, valid for a period of 10 years, which may be extended at the option of the Company;
ii. Commercial Paper Programme issued on 31 March 2011 with subscription guarantee, valid for a period of 5 years and 5 months;
iii. Commercial Paper Programme issued on 14 March 2008 with subscription guarantee, valid for a period of 5 years;
iv. Commercial Paper Programme issued on 17 February 2011 with subscription guarantee, valid for a period of 1 year, automatically renewable for equal periods to a maximum of five years.

The above loans are not guaranteed, and their fair value is considered to be close to their book value, in view of the fact that interest payable on them is at variable market rates.

There are no Derivatives.

The nominal value of loans and the estimated nominal values of interest to be paid on them have the following maturity dates:

	31 December 2012		31 December 2011	
	Capital	Interest	Capital	Interest
N+1	96,400,981	(7,025,683)	77,800,000	6,526,266
N+2	15,250,000	(5,929,592)	52,000,000	4,550,574
N+3	7,000,000	(4,743,816)	15,250,000	3,767,928
N+4	17,000,000	(2,589,950)	7,000,000	3,255,580
N+5	40,000,000	(1,828,362)	17,000,000	2,058,532
After N+5	-	-	10,000,000	364,961
	175,650,981	(22,117,403)	179,050,000	20,523,840

As at 31 December 2012 and 31 December 2011, available credit lines may be summarised as follows:

	31 December 2012		31 December 2011	
	Commitments		Commitments	
	less than 1Y	over 1 Y	less than 1Y	over 1 Y
Amounts of credit lines available	48,899,398	15,650,000	24,949,398	20,600,000
Amounts of credit lines contracted	61,599,398	79,850,000	44,599,398	78,850,000

12. OTHER CREDITORS

As at 31 December 2012 and 31 December 2011, these captions were made up as follows:

	31 December 2012	31 December 2011
Other creditors		
Group companies - Short term loans:		
Spred, SGPS, SA	20,746,600	-
Other creditors	1,877	31,923
	20,748,477	31,923

Loans obtained from group companies bear interest at market rates and are repayable within one year.

13. OTHER CURRENT LIABILITIES

As at 31 December 2012 and 31 December 2011, these captions were made up as follows:

	31 December 2012	31 December 2011
Other current liabilities		
Taxes payable	140,913	95,128
Accruals:		
Staff costs	235,216	376,622
Interest payable	637,782	993,925
Other accruals	164,029	42,717
Deferred income	4,070	5,301
	1,182,010	1,513,693

14. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2012 and 31 December 2011, External Supplies and Services can be detailed as follows:

	31 December 2012	31 December 2011
Operational rents	33,999	56,691
Insurance costs	49,615	49,132
Travelling expenses	20,064	20,169
Services obtained	944,024	1,794,763
Other services	12,751	15,221
	1,060,454	1,935,976

15. OPERATIONAL LEASES

As at 31 December 2012 and 31 December 2011, the Company had Operational Lease contracts, as a lessee, whose minimum lease payments (fixed income) had the following payment schedule:

	31 December 2012	31 December 2011
N+1	25,870	25,870
N+2	25,870	25,870
N+3	15,091	25,870
N+4	-	-
N+5	-	-
	66,831	77,610

16. STAFF COSTS

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

	31 December 2012	31 December 2011
Governing bodies' remunerations	388,574	734,757
Staff's remunerations	-	63,311
Social security contributions	49,925	59,849
Other staff costs	23,080	23,867
	461,579	881,785

17. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

As at 31 December 2012 and 31 December 2011, Net Financial Expenses and Investment Income can be detailed as follows:

	31 December 2012	31 December 2011
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(6,083,044)	(5,551,275)
Bonds	(1,134,868)	(1,211,508)
Other	(358,524)	(625,993)
Other financial expenses	(2,269,712)	(2,082,028)
	(9,846,148)	(9,470,803)
Interest receivable and similar income		
Interest income	11,418,111	10,756,300
	11,418,111	10,756,300
Net financial expenses	1,571,963	1,285,497
Impairment (Note 4.1)	(1,426,910)	-
Dividends received	382,921	-
Investment income	(1,043,989)	-

As at 31 December 2012, the amount of dividends received regards to dividends distributed by Spred SGPS.

18. TAXATION

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

	31 December 2012	31 December 2011
	Total	Total
Current tax	(13,292)	(13,692)
Deferred tax	(11,113)	304,169
	(24,405)	290,477

18.1 Reconciliation of the effective income tax

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

	31 December 2012	31 December 2011
	Total	Total
Profit before income tax	(970,686)	(1,208,683)
Difference between accounting and tax of capital gains/(losses)	1,088,420	43,758
Taxable Profit	117,734	(1,164,925)
Recognition of tax losses originating deferred taxes	(88,301)	-
Taxable Income	29,433	(1,164,925)
Tax Charge (25%)	(7,358)	291,231
Under/Over taxation estimates	2	(14)
Municipal surcharge	(1,177)	-
Autonomous taxes	(4,758)	(13,678)
Effect of increases or decreases in deferred taxes	(11,113)	12,938
Taxation	(24,405)	290,477

19. EARNINGS PER SHARE

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

	31 December 2012	31 December 2011
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(995,091)	(918,206)
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	(995,091)	(918,206)
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	249,290,870	249,962,100
Weighted average number of shares used to calculate diluted earnings per share	249,290,870	249,962,100
Earnings per share (basic and diluted)	(0.003992)	(0.003673)

20. RELATED PARTIES

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

	Expenses		Income	
Transactions	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Parent company	-	-	-	-
Group and associated companies	1,077,260	2,022,740	11,787,105	10,754,033
	1,077,260	2,022,740	11,787,105	10,754,033

	Accounts payable		Accounts receivable	
Balances	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Parent company	-	-	-	-
Group and associated companies	178,646	1,679,946	5,103,612	5,134,312
	178,646	1,679,946	5,103,612	5,134,312

	Loans obtained		Loans granted	
Balances	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Parent company	-	-	-	-
Group and associated companies	20,748,477	-	154,223,443	180,390,497
	20,748,477	-	154,223,443	180,390,497

21. INFORMATION REQUIRED BY LAW

Art 5 nr 4 of Decree-Law nr 495/88 of 30 December changed by art 1 of Decree-Law nr 318/94 of 24 December

In the period ended 31 December 2012 shareholders' loan contracts were entered into with the companies SC, SGPS, SA and SC Assets, SGPS, SA.

In the period ended 31 December 2012 short-term loan contracts were entered with the companies SC Assets, SGPS, SA and SC, SGPS, SA.

As at 31 December 2012 amounts due by affiliated companies can be summarized as follows:

Loans and Short term loans granted

Companies	Closing Balance
SC, SGPS, SA	131,792,110
SC Assets, SGPS, SA	22,431,333
	154,223,443

As at 31 December 2012 amounts due to affiliated companies can be summarized as follows:

Short term loans obtained

Companies	Closing Balance
Spred, SGPS, SA	20,746,600
	20,746,600

Decree-Law nr 185/09 art 11

In the 12 months ended 31 December 2012 and 31 December 2011, the following remunerations were paid to the external auditor of the company:

	31 December 2012	31 December 2011
Audit and Statutory Audit[1]	13,361	10,426
Tax Consultancy	-	-
	13,361	10,426

1 Annual fees agreed.

22. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 21 February 2013.

The Board of Directors

REPORT AND OPINION OF THE FISCAL BOARD

31 DECEMBER 2012

Report and Opinion of the Fiscal Board

(Translation of a report originally issued in Portuguese)

To the Shareholders of
Sonae Capital, S.G.P.S., S.A.

In accordance with applicable legislation and the mandate given to the Fiscal Board, we hereby submit our Report and Opinion which covers the report of the Board of Directors and the consolidated and individual financial statements of Sonae Capital, S.G.P.S., SA for the year ended 31 December 2012, which are the responsibility of the Company's Board of Directors.

Supervisory activities

During the year, we have monitored the management of the Company, reviewed the development of the operations of the Company and of its main affiliates, and held meetings whenever considered necessary and with the appropriate scope. In face of the subject under review, these meetings were attended by key staff of the finance department, namely the Chief Financial Officer, of the planning and control department and of internal audit and risk management. We have also followed up closely the work of the statutory auditor and external auditor of the Company who kept us informed of the scope and conclusions of the audit work performed. In performing these tasks, the Fiscal Board has obtained from the Board of Directors, Company staff and affiliated companies' staff and from the statutory auditor all the necessary information and explanations, for a proper understanding and assessment of business developments, financial performance and position, as well as of risk management and internal control systems.

We have also reviewed the preparation and disclosure of financial information, as well as the statutory audit performed on the individual and consolidated accounts of the Company, having obtained from the statutory auditor all information and explanations requested. Additionally, within the scope of the mandate given to the Fiscal Board, we examined the individual and consolidated balance sheets as at 31 December 2012, the individual and consolidated statements of profit and loss by nature, statements of cash flows, statements of comprehensive income and statements of changes in equity for the year ended on that date and related notes.

We have also reviewed the report of the Board of Directors and the Corporate Governance Report for the year 2012, issued by the Board of Directors, and the Statutory Auditor's Report issued by the External Auditor of the Company, whose content we agree with.

Considering the above, we are of the opinion that the consolidated and individual financial statements referred to above were prepared in accordance with applicable accounting, legal and statutory standards and give a true and fair view of the assets and liabilities, financial position and results of Sonae Capital, S.G.P.S., SA and of its main affiliates, and that the report of the Board of Directors faithfully describes business developments, performance and financial position of the Company and of its affiliates and the main risks and uncertainties they face. We hereby inform that the Corporate Governance report issued complies with article 245-A of the Portuguese Securities Code.

The Fiscal Board would like to express its gratitude to the Company's Board of Directors and staff for their cooperation.

Opinion

In face of the above mentioned, we are of the opinion that the Shareholders' General Meeting can approve:

a) The report of the Board of Directors, the individual and consolidated balance sheets as at 31 December 2012, the individual and consolidated financial statements of profit and loss by nature, of cash flows, of comprehensive income and of changes in equity for the year ended on that date and related notes;

b) The profit appropriation proposal of the Board of Directors.

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

Under the terms of Article 245, paragraph 1, c) of the Portuguese Securities Code, the members of the Fiscal Board hereby declare that, to their knowledge, the information disclosed in the Report of the Board of Directors and other accounting documents, was prepared in accordance with applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and results of the Company and of its affiliates.

Moreover, members of the Fiscal Board consider that the Report of the Board of Directors faithfully describes business developments, the performance and the position of the Company and of its affiliates and the main risks and uncertainties they face.

Maia, 21 February 2013

The Fiscal Board,

Manuel Heleno Sismeiro

Armando Luís Vieira de Magalhães

Jorge Manuel Felizes Morgado

STATUTORY AUDIT AND AUDITORS' REPORT

31 DECEMBER 2012

Audit Report for Stock Exchange Regulatory Purposes in respect of the Consolidated and Individual Financial Information

(Free translation from the original version in Portuguese)

Introduction

1 As required by the Portuguese Securities Market Code, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the Directors' Report and in the attached Consolidated and Individual Financial Statements of Sonae Capital, S.G.P.S., S.A., comprising the consolidated and individual statement of financial position as at 31 December 2012, (which shows total assets of 657.414.299 Euros and 743.129.706 Euros, respectively, a total consolidated equity of 323.957.100 Euros, which includes non-controlling interests of 8.707.639 Euros and individual of 545.757.996 Euros, a net consolidated loss of 11.726.819 Euros and a net individual loss of 995.091 Euros) the consolidated and individual statement of income by nature, the consolidated and individual Comprehensive Income, the consolidated and individual statements of changes in equity and the consolidated and individual cash flow statements for the year then ended and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the Directors' Report and Consolidated and Individual Financial Statements that present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated and individual changes in equity, the consolidated and individual result of their operations, the consolidated and individual comprehensive income and their consolidated and individual cash flows; (ii) to prepare historical financial information in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU that is complete, true, timeliness, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) to adopt adequate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, the financial position or results of the company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

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Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated and individual financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the company and its subsidiaries' financial statements have been properly examined and for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of Management used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations and the utilization of the equity method; (iii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated and individual financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated and individual financial information.

5 Our audit also covered the verification that the financial information included in the Board of Director's report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451º of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated and individual financial statements referred to above, present fairly in all material respects, the consolidated and individual financial position of Sonae Capital, S.G.P.S, S.A. as at 31 December 2012, the consolidated and individual results of their operations, the consolidated and individual comprehensive income, the consolidated and individual statements of changes in equity and their consolidated and individual cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the information included is complete, true, timely, clear, objective and licit.

Report on other legal requirements

8 Based on our work, nothing has come to our attention that leads us to conclude that the information included in the management report is not consistent with the consolidated and individual financial information for the period and the corporate governance report includes all the elements required by article nº 245-A of the Securities Market Commission Code.

21 February 2013

PricewaterhouseCoopers & Associados
– Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Hermínio António Paulos Afonso, R.O.C.