

SONAE/
1ST HALF
RESULTS
2010/

1 MAIN HIGHLIGHTS

Sonae continues to deliver profitable growth while pursuing its internationalization strategy.

- Turnover up by 6%, with a 70% increase in international business;
 - Recurrent EBITDA increased by 8%; 10% growth in Total EBITDA;
 - Direct net income (equity holders) increased by 89% to 55 million euros;
 - Net debt decreased by 258 million euros (-7%).
-
- Sonae MC strengthened its leadership position, with turnover and EBITDA up 6% and 14% respectively;
 - Sonae SR continued to grow strongly, with turnover up 17%, while expansion in Spain accelerated, in line with its target of opening 80 stores by end 2010;
 - Sonae Sierra sustained Turnover and EBITDA growth, up by 6% and 9% respectively;
 - Sonaecom continued to deliver solid operational figures and increased profitability.

Message from the CEO, Paulo Azevedo

The resilience of Sonae's businesses in the face of challenging economic conditions gives us confidence in the ability to meet our ambitious strategy of value creation through international expansion and the strengthening of our core businesses. We were particularly pleased with the 9% growth rate of our retail businesses and the continued improvement of our return on invested capital.

In addition to a higher presence in Continental Spain, where we were operating 56 stores by the end of the period, we made further progress in our internationalization strategy, by announcing a plan to open more than 100 specialised stores in the Canary Islands and in 9 countries in the Middle East over the next 4 years.

A capital light approach to growth has been taken, with Sonae including new business expansion models, namely franchising and joint-ventures. Capital employed has also been released through the conclusion of 2 Sale & Lease back transactions, yielding a cash inflow of 45 million euros.

The political willingness, which we congratulate, to allow all retail stores in the country to open on Sunday afternoons and public Holidays on equal terms, will eliminate the serious distortions prevailing in the retail market, insuring healthy competition, improving consumer's quality of life and creating new employment opportunities.

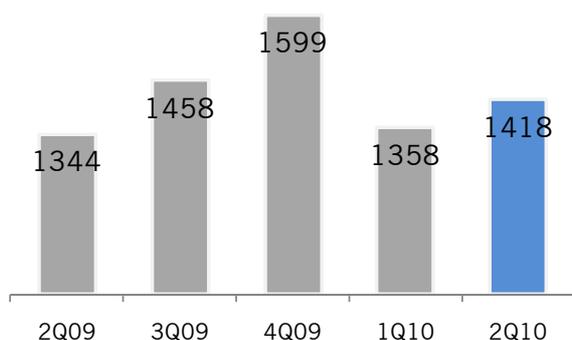
Sonae will continue to invest in its workforce's training and development, as we consider it to be the best way to successfully tackle the challenges of our strategy.

2 INCOME STATEMENT HIGHLIGHTS

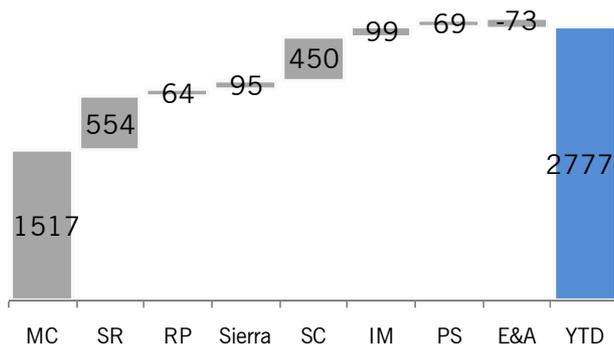
Turnover			
Million euros			
	1H09	1H10	y.o.y
Sonae	2,608	2,777	6.5%
Sonae MC	1,428	1,517	6.2%
Sonae SR	473	554	17.2%
Sonae RP	60	64	7.1%
Sonae Sierra ⁽¹⁾	89	95	6.0%
Sonaecom	482	450	-6.5%
Investment mngmt.	91	99	9.1%
Petrol stations	63	69	10.8%
Elimin.& adjust.	-77	-73	5.4%

(1) Shopping centres are proportionally consolidated (50%).

Turnover quarterly trend



Turnover breakdown



Sonae MC – food based retail; **Sonae SR**– specialised retail; **Sonae RP** – retail property; **Sonae Sierra** – shopping centres; **Sonaecom** – telecommunications.

Turnover

- **Sonae** turnover increased by 6%, with Sonae MC and Sonae SR sustaining their market share gains.
- **Sonae MC** turnover was up by 6%, with an underlying 2% like-for-like growth of the store portfolio (1% in 2Q10 vs 5% in 2Q09). This performance was achieved despite prevailing market competitive pressures and price deflation (-3%), although a clear reversal in the deflationary trend was noticeable from March onwards. The private label offer increased its share in the FMCG category to 26% (vs 23% in 1H09), while commercial initiatives, using the customer loyalty card, continued to have a strong impact on consumer spending, and were responsible for the higher sales volumes achieved in 1H10 of 4% (1% in 2Q10), which more than offset a 2% fall in unit price per article. Underlining the resilience of this operation, Sonae MC was one of the few retail players to increase its market share in Portugal (~1.5pp¹)
- **Sonae SR** maintained high double digit turnover growth of 17%, reflecting a 4% like-for-like growth of sales and strong organic growth over the last 12 months with the opening of 54 stores in Portugal and 38 in Spain. **Sonae SR Portugal** sales were up 10% (7% in 2Q10), with 3% like-for-like growth (2% in 2Q10), which was significant given the difficult economic conditions. **Sonae SR International** sales were up 70% (48% in 2Q10), reflecting; (i) a like-for-like sales increase of 5% (+1% in 2Q10); (ii) steady growth in market share of the Worten format, which doubled in size; and (iii) despite the formats having still having low levels of activity and customer awareness in Spain.
- **Sonae Sierra** turnover increased by 6% reflecting: (i) a high occupancy rate (96%); (ii) the contribution from 2 centres opened in 2009 (loop5; Manuara) and 1 in 2010 (Leiria); (iii) good performance by assets in Brazil; and (iv) higher total rents collected on a like-for-like basis (+3%). Development activity is still constrained by continuing difficulties in accessing credit, although this has been partially offset by activity in Brazil.
- **Sonaecom** turnover was down by 6%; the growth in mobile customer revenues did not entirely offset the impact of further reductions in Mobile Termination Rates and in Product Sales, the later driven by the slowdown in the e-initiatives programme.

¹ Source: Nielsen & TNS consumer panels

Recurrent EBITDA ⁽¹⁾

Million euros

	1H09	1H10	y.o.y
Sonae	272	295	8.4%
Sonae MC	69	79	14.0%
Sonae SR	2	7	-
Sonae RP	57	58	2.4%
Sonae Sierra ⁽²⁾	41	45	9.0%
Sonaecom	91	100	8.8%
Investment mngmt.	0	1	-
Elimin.& adjust.	11	5	-54.6%

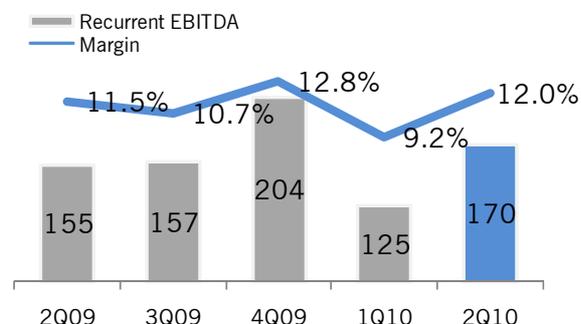
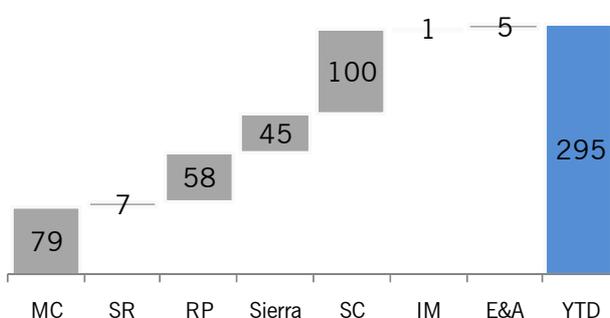
(1) EBITDA excluding extraordinary items; (2) Shopping centres are proportionally consolidated (50%).

Recurrent EBITDA ⁽¹⁾

as a % of turnover

	1H09	1H10	y.o.y
Sonae	10.4%	10.6%	0.2pp
Sonae MC	4.8%	5.2%	0.4pp
Sonae SR	0.4%	1.3%	0.9pp
Sonae RP	94.8%	90.6%	-4.2pp
Sonae Sierra ⁽²⁾	46.3%	47.6%	1.3pp
Sonaecom	19.0%	22.1%	3.1pp
Investment mngmt.	0.3%	1.3%	1pp

(1) EBITDA excluding extraordinary items; (2) Shopping centres are proportionally consolidated (50%).

Recurrent EBITDA quarterly trend**Recurrent EBITDA breakdown****Recurrent EBITDA**

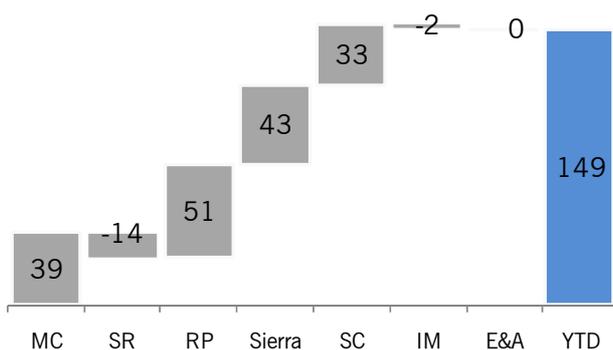
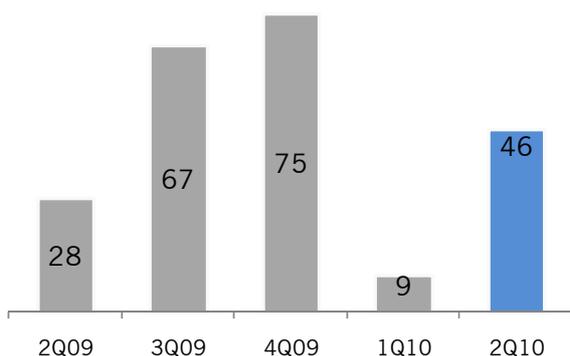
- **Sonae** recurrent EBITDA increased by 8%, generating a higher margin y.o.y of 10.6%.
- **Sonae MC** recurrent EBITDA increased by 14%, equal to a margin on sales of 5% (+0.4pp), with margins increasing in 2Q10 (+0.8pp), compared to 2Q09. This performance was driven by: (i) market share gains in the semester; (ii) the implementation of measures to improve internal efficiency, namely in stores and improvements in logistics; (iii) increased international sourcing for private label products; (iv) and despite a background of strong competitive pressures and food price deflation.
- **Sonae SR** recurrent EBITDA improved by 5 million to 7 million euros, equal to a margin on sales of 1% (+0.9pp), reflecting the sustained increase in profitability of Portuguese operations and the steadily lower negative contribution from International operations. **Sonae SR Portugal** increased EBITDA by a significant 31%, reaching a higher margin of 4.1% (+0.7pp), achieved through the improved efficiency of the more recent formats and the commercial success of the range of products developed internally. **Sonae SR International** improved EBITDA to negative 12 million euros, with the underlying margin improving by 9pp to negative 11% (1H09 = -21%), in line with the goal of achieving positive EBITDA in 2012 and becoming a key retail player in Spain.
- **Sonae Sierra** recurrent EBITDA increased by 9%, reflecting ongoing efforts to implement operational improvements and cost cutting measures in the day-to-day management of shopping centres and at the corporate centre level.
- **Sonaecom** recurrent EBITDA improved by 9%, mainly explained by the mobile business and related efficiency gains driven by a cost cutting strategy.

Direct net income

Million euros

	1H09	1H10	y.o.y
Recurrent EBITDA	272	295	8.4%
EBITDA	277	305	10.2%
P&I losses ⁽¹⁾	-13	-10	-27.6%
D&A ⁽²⁾	-145	-146	0.6%
EBIT	118	149	26.4%
Net financial results	-72	-51	-29.2%
Other income ⁽³⁾	1	1	-54.5%
EBT	47	99	109.0%
Taxes	-11	-25	-136.5%
Direct net income	37	74	101.1%
Equity holders	29	55	89.3%
Non-controlling interests	8	19	145.2%

(1) Provisions and impairment losses including reversion of impairments and badwill; (2) Depreciation & Amortizations; (3) Share of results of associated undertakings + dividends.

EBIT breakdown**Net income – equity holder's quarterly trend****Direct net income – equity holders**

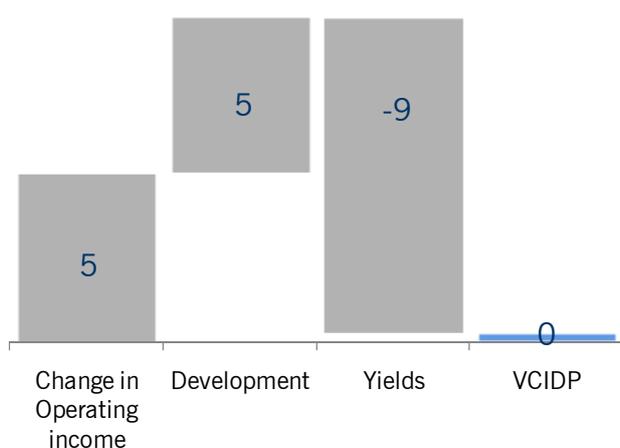
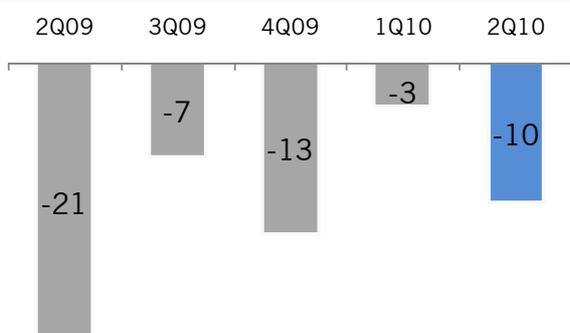
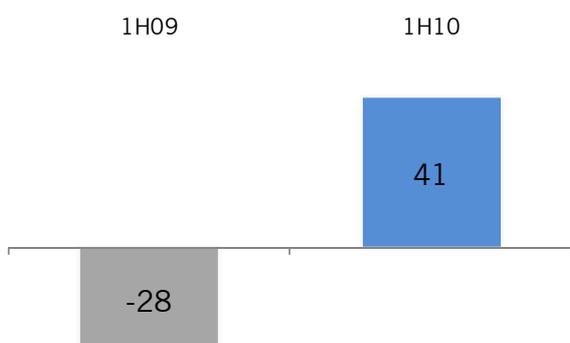
- **Sonae's** EBITDA increased by 10% to 305 million euros. EBITDA was 10 million euros higher than recurrent EBITDA, reflecting the gains generated by the planned real estate monetization process, involving the sale & leaseback of 2 Modelo supermarkets and the Azambuja logistics platform.
- **Sonae's** total direct net income increased by 37 million euros to 74 million euros, with the share of equity holders totalling 55 million euros, 26 million euros up on 1H09. This growth mainly reflects strong EBITDA performance and a significant fall in net financial expenses, despite higher taxation charges.
- Net financial results improved by 29% compared to 1H09, mainly reflecting a fall in net interest expenses of 22 million euros, due to: (i) the lower average debt in the period; and (ii) the lower average cost of debt, resulting from the general decrease in market Euribor rates.
- The taxation charge for the period was 25 million euros, compared to 11 million euros in 1H09, mainly explained by the strong increase in EBT and the recognition of additional deferred tax liabilities at Sonae Sierra. The effective corporate tax rate was of 20%.

Shopping centres indirect net income ⁽¹⁾

Million euros

	1H09	1H10	y.o.y
VCIDP ⁽²⁾	-68	0	-
Others	-3	-4	-13.7%
Taxes	15	-11	-
Indirect net income	-57	-14	75.5%
Equity holders	-57	-14	75.4%
Non-controlling interests	0	0	-

(1) Sonae Sierra's Management figures, based on the proportional method (% of detention); (2) Value created on investment and development properties; includes one-off investments.

VCIDP breakdown**Indirect net income – quarterly trend****Total income – equity holders – half-year trend****Shopping centres indirect income**

- Equity holders' share of consolidated indirect income was negative 14 million euros, compared to negative 57 million euros in 1H09, mainly reflecting adjustments of the Portuguese Corporate Income tax, as well as relatively stable yields across all the other countries where Sierra is present, with the exception of Portugal.
- VCIDP in the shopping centres business was marginally positive, as a result of: (i) a 9 million euros decrease in the value of European shopping centres in the portfolio (0.4% devaluation of properties since 2009, in Europe), explained by the increase in capitalization yields in Portugal. In 1H10, the average portfolio yield was 7.2%, compared to 7.0% in 2009; (ii) a 5 million euros increase from the estimated improved performance of shopping centres owned; and (iii) 5 million euros of value recognized on development activity, of which 4 million euros relates to value recognized on the one property opened during the 1Q10 (Leiria Shopping).
- The latest quarterly valuation of the assets implies that average yields, compared to year end 2009, increased in Portugal by 18bp, while yields in other countries remained relatively flat.
- The taxation line shows a cost of 11 million euros, reflecting the recognition of additional deferred tax liabilities. These were generated by the income tax increase (+2.5pp) announced in Portugal and respective application to possible capital gains on the sale of properties owned.

Total income – equity holders

- Total income equity holders improved significantly from negative 28 million euros in 1H09 to 41 million euros in 1H10, on the back of the good operational and financial performance and reflecting the stabilization of yields, generating a return on equity of 15%.

3 INVESTMENT

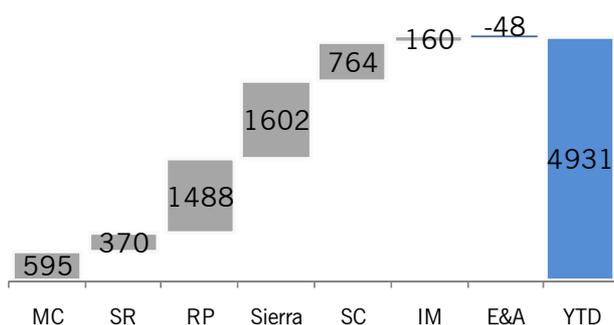
CAPEX			
Million euros			
	1H09	1H10	y.o.y
Sonae	293	191	-34.6%
as a % of turnover	11.2%	6.9%	-4.3pp
Sonae MC	64	41	-35.9%
Sonae SR	56	42	-25.0%
Sonae RP	62	15	-76.6%
Sonae Sierra ⁽¹⁾	47	32	-32.1%
Sonaecom	55	59	7.6%
Investment mngmt.	8	0	-100.0%
Elimin.& adjust.	0	3	-
Rec. EBITDA - CAPEX	-20	104	-

(1) Shopping centres are proportionally consolidated (50%).

Invested capital			
Million euros			
	1H09	1H10	y.o.y
Sonae	5,011	4,931	-1.6%
Investment properties ⁽¹⁾	1,846	1,799	-2.6%
Technical investment ⁽²⁾	3,160	3,219	1.9%
Financial investment	63	46	-27.2%
Goodwill	699	733	4.9%
Working capital	-755	-865	-14.5%

(1) Includes shopping centres accounted for as financial investments in the balance sheet; (2) includes available for sale assets.

Invested capital breakdown



CAPEX

- **Sonae's total CAPEX** in 1H10 totalled 191 million euros (7% of turnover), significantly lower than in 1H09, reflecting the adoption of a capital light strategy, despite the strong push to increase its presence in the Spanish market with the Worten, SportZone and Zippy specialised retail formats.
- **Sonae MC CAPEX** of 41 million euros was mainly spent on store refurbishment, logistics, the opening of 1 Modelo and preparatory work for future openings.
- **Sonae SR CAPEX** was 42 million euros, of which 23 million euros was for the expansion of **Sonae SR International** and 7 million euros for the increase in store coverage of Portugal by **Sonae SR Portugal**.
- **Sonae RP CAPEX** amounted to 15 million euros, spent on the acquisition of plots of land for future stores. CAPEX was 77% below that in 1H09, which reflects the capital light strategy adopted (leasing instead of owning) for new retail sales area, particularly for Modelo stores.
- **Sonae Sierra CAPEX** included: (i) the conclusion of the shopping centre in Leiria, Portugal (opened in March); (ii) progress on the development of projects in the pipeline already announced and scheduled for 2011, namely Le Terrazze, in Italy and Uberlândia, in Brazil; and (iii) progress on the expansion of Parque D.Pedro, in Brazil.
- **Sonaecom CAPEX** reflects ongoing investment in the expansion and coverage of the mobile network, aimed at ensuring the best integrated network in Portugal, and the "capital light" strategy in the Wireline business.

4 CAPITAL STRUCTURE

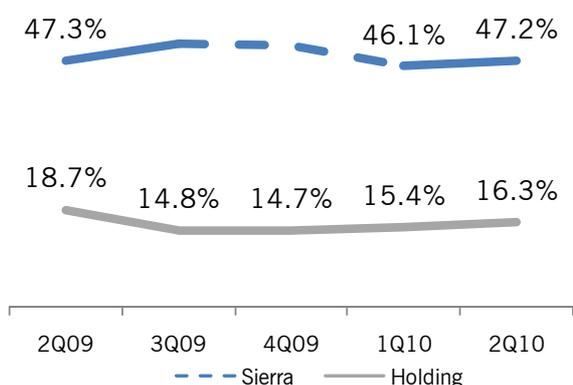
Capital structure

Million euros

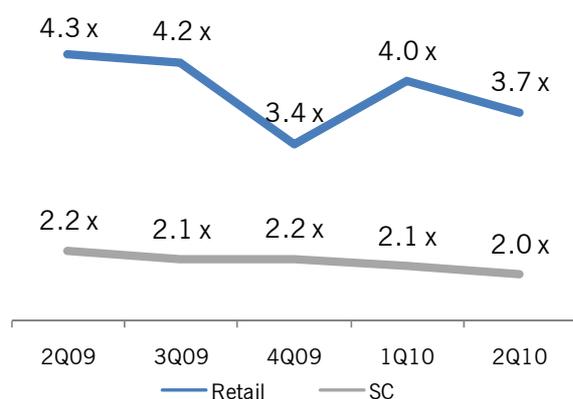
	1H09	1H10	y.o.y
Net debt inc. SH loans	3,479	3,221	-7.4%
Retail businesses	1,495	1,397	-6.6%
Sonae Sierra ⁽¹⁾	948	866	-8.6%
Sonaecom ⁽²⁾	411	360	-12.3%
Investment mngmt.	116	71	-38.2%
Holding ⁽³⁾	510	527	3.3%

(1) Shopping centres are proportionally consolidated (50%); (2) excludes securitization transaction; (3) includes Sonae's individual accounts.

Sonae Sierra and Holding Loan to value



Retail and Telecom Net Debt/EBITDA (last 12 months)



Note: Leverage Ratios based on financial debt (excluding shareholder loans)

Capital structure

- **Sonae's** net debt fell by 7%, in line with expectations and the objective of deleveraging over time in absolute and relative terms. This performance reflects: (i) the strong cash flows generated by the market leader operations in Portugal; (ii) the cost cutting measures to ensure higher profitability; (iii) the sale of property assets owned, coupled with the capital light approach to growth; and (iv) notwithstanding dividends paid amounting to 63 million euros (vs 60 million euros in 1H09).
- **Sonae's** weighted average maturity stood at approximately 4.9 years, with no major debt repayments expected over the next 12 months.
- **Retail business'** net debt as at end 1H10 mainly reflects its improved (EBITDA-CAPEX) performance over the last 12 months, as well as inflows from the proceeds of the sale & leaseback operations concluded, amounting to 45 million euros. Compared to end 1H09, Net Debt to EBITDA (last 12 months) improved to 3.7x, explained by a combination of lower net debt (including a dividend payment of 70 million euros) and a higher level of EBITDA in the prior 12 month period.
- **Sonae Sierra's** net debt was considerably lower than that at end 1H09, which reflects: (i) the inflow from the sale of a majority stake of Alexa to Union Investment and the respective write off of the debt from the balance sheet; (ii) 50% of a dividend payment totalling 27 million euros. Loan to value decreased to 47%, despite the fall in value of European Shopping centres in the portfolio over the last 12 months.
- **Sonaecom's** net debt² stood at 360 million euros, primarily reflecting the positive FCF performance between the two periods. Net Debt to EBITDA (last 12 months) improved to 2.0x, as a result of both a decrease in net debt and improved EBITDA performance over the last 12 months.
- **Holding's** net debt increased by 17 million euros, including a share capital increase in Sonae insurance arm through the conversion of intercompany loans into equity, amounting to 15 million euros. Holding loan to value stood at 16.3%, an improvement of 2.4pp compared to end 1H09.

² Excluding the proceeds from the securitization transaction

5 CORPORATE INFORMATION

Quarterly corporate developments

- Sonae concluded the first stage of its planned real estate monetization process involving property assets valued at 45.4 million euros. The two deals have been structured as sale and leaseback (S&LB) operations and have generated a capital gain of circa 10 million euros. The transactions include:
 - The S&LB of the Azambuja logistics platform to international investors. This transaction involved the leaseback of the facility for an initial period of 20 years, the property being valued at 33.2 million euros.
 - The S&LB of 2 Modelo stores valued at 12.2 million euros. This transaction involved the leaseback of the stores for an initial period of 15 years.

These transactions are consistent with the announced strategy of releasing capital from Sonae RP's retail real estate assets, while maintaining adequate operational flexibility.

Subsequent events

- Sonae announced the following transactions, which are consistent with its strategy of international expansion based on new business models, using a capital light approach, as a means of accelerating growth in new international markets:
 - The signing of a franchise agreement for Zippy specialized retail, which involves a plan to open 70 stores through to 2014, in Saudi Arabia, the United Arab Emirates, Egypt, Lebanon, Jordan, Qatar, Kuwait, Kazakhstan and Bahrain, with the first stores scheduled to be ready for opening for the "Autumn/Winter season 2010";
 - The opening of specialized retail stores in the Canary Islands, through the set up of two joint-ventures, one for Worten and another for SportZone, and the signing of a franchising agreement for the Zippy retail format. For each of the three formats, it is expected that 14 stores will be opened through until 2014, with the first store planned for opening during 4Q10.
 - The entry in Colombia by Sonae Sierra, with the creation of a service provider company for the shopping centre sector, including Development and

Management activities, and the signing of several other contracts aligned with the strategy adopted of selling services, namely in Morocco.

- The Portuguese Council of Ministers approved the opening of all retail stores on Sundays afternoons and public holidays, allowing for fairer competition in the retail market. The move will also contribute towards increased employment.
- Sonae Sierra sold its ownership stake in Mediterranean Cosmos, in Greece, yielding a cash inflow of 9.5 million euros. This agreement reflects the Company's long term business strategy of recycling capital for future growth.

Outlook

- Sonae's performance over the first 6 months of the year shows that it is making good progress towards its stated corporate goals, despite the challenging environment. Sonae's expects that the following will be achieved in the last six months of the year:
 - Sonae MC will continue to increase its presence in Portugal, expecting to reach the end the year with approximately 25 thousand m2 of new sales area.
 - Sonae SR will consolidate its position in Portugal, reaching the end of the year with additional 10 thousand m2 of sales area, and increase its international presence, ending the year with 60 thousand m2 of new sales area, through the opening of, at least, 40 new stores in Spain.
 - Sonae Sierra will continue to work on the already announced pipeline of projects scheduled for opening in 2011, with no further openings planned in 2010.
 - Sonaecom remains confident that its results will continue to show a favourable evolution throughout 2010.

The Company is confident that it will end the year with higher market share in its leading formats and with an increased international presence, the latter being Sonae's main strategic priority in order to sustain high growth rates. These goals will be pursued while also improving profitability and further strengthening the company's balance sheet.

6 ADDITIONAL INFORMATION

The consolidated and individual financial information contained in this report is subject to limited review procedures and based on financial statements that have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), as adopted by the European Union, for the purposes of interim financial reporting (IAS 34);

Organizational structure



Glossary

ARPU	Average revenue per user.
CAPEX	Investments in tangible and intangible assets, investment properties and acquisitions; Gross CAPEX, not including cash inflows from the sale of assets
Direct income	Direct income excludes contributions to indirect income
EBITDA	Turnover + other revenues -impairment reversion - bad will- operating costs (based on direct net income) + gain/losses from sales of companies; includes capital gains in the sale of shareholdings since 2008
EBITDA margin	EBITDA / Turnover
Eliminations & others	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments
EOP	End of period
Free Cash Flow (FCF)	EBITDA – operating capex-change in working capital-financial investments-financial results-income taxes
FMCG	Fast Moving Consumer Goods
Financial net debt	Total net debt excluding shareholders loans
Indirect income	Indirect Income includes Sierra’s contributions net of taxes to the consolidated income statement, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and; (iv) provision for assets at Risk; The data used for the analysis of the indirect income was computed based on the proportional method for all companies owned by Sonae Sierra; when applied to

	Sonae, the analysis should be done based on statutory values, according to the consolidation method, for each company, underlying the consolidated financial accounts.
Investment properties	Shopping centres in operation owned by Sonae Sierra
Liquidity	Cash & equivalents + current investments
Like for Like sales	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods
Loan to value Holding	Holding Net debt/ Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies
Loan to value shopping centres	Net debt / (investment properties + properties under Development)
Net invested capital	Gross real estate assets + other tangible and intangible assets - amortizations and impairment losses + financial investments + working capital (including other assets & liabilities such as deferred taxes); all figures at acquisition cost, with the exception of Sonae Sierra's building block
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities
Net debt	Bonds + bank loans + other loans + finance leases – cash, bank deposits and current investments
Net income group share	Net income attributable to Sonae shareholders
Other income	Share of results of associated undertakings + dividends
Other loans	Bonds, leasing and derivatives
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by an independent entity
RoIC (Return on invested capital)	EBIT(12 months) /Net invested capital
Recurrent EBITDA	EBITDA excluding non-recurrent items, namely gains in sales of investments and other movements that distort comparability
Shopping Centre Services business	Asset management services + property management services
Technical investment	Tangible assets + intangible assets + other fixed assets – depreciations and amortizations
Value created on investment and development properties (VCIDP)	Increase (decrease) in the valuation of shopping centres in operation and under development; shopping centres under development are only included if a high degree of certainty concerning their conclusion and opening exists

Consolidated income statement

Consolidated income statement ⁽¹⁾						
Million euros						
	2Q09	2Q10	y.o.y	1H09	1H10	y.o.y
Direct income						
Turnover	1,344	1,418	5.5%	2,608	2,777	6.5%
Recurrent EBITDA ⁽²⁾	155	170	10.0%	272	295	8.4%
Recurrent EBITDA margin	11.5%	12.0%	0.5pp	10.4%	10.6%	0.2pp
EBITDA	158	177	11.8%	277	305	10.2%
EBITDA margin	11.8%	12.5%	0.7pp	10.6%	11.0%	0.4pp
Provisions and impairment losses ⁽³⁾	-7	-6	17.4%	-13	-10	27.6%
Depreciations and amortizations	-74	-73	1.0%	-145	-146	-0.6%
EBIT	77	98	26.6%	118	149	26.4%
Net financial results	-32	-26	20.2%	-72	-51	29.2%
Other income ⁽⁴⁾	-1	1	-	1	1	-54.5%
EBT	45	73	63.9%	47	99	109.0%
Taxes	-12	-17	-49.4%	-11	-25	-136.5%
Direct net income	33	56	69.1%	37	74	101.1%
Attributable to equity holders	28	46	60.7%	29	55	89.3%
Non-controlling interests	5	10	120.4%	8	19	145.2%
Shoppings indirect income						
Indirect net income ⁽⁵⁾	-33	-18	44.2%	-87	-25	70.8%
Attributable to equity holders	-21	-10	49.9%	-57	-14	75.7%
Non-controlling interests	-12	-8	34.4%	-30	-12	61.5%
Total net income						
Total net income	0	37	-	-50	48	-
Attributable to equity holders	7	35	-	-28	41	-
Non-controlling interests	-8	2	-	-22	7	-

(1) Quarterly numbers are unaudited; (2) EBITDA excluding extraordinary items; (3) Includes reversion of impairments and badwill; (4) share of results of associated undertakings + dividends; (5) Statutory numbers; for management purposes, Sonae uses the decomposition of the Indirect result according to the notes to the consolidated financial statements.

Consolidated balance sheet

Balance sheet

Million euros

	1H09	1H10	y.o.y	2009	y.o.y
TOTAL ASSETS	7,453	7,400	-0.7%	7,552	-2.0%
Non current assets	6,003	6,062	1.0%	6,108	-0.8%
Tangible and intangible assets	3,154	3,219	2.1%	3,221	-0.1%
Goodwill	699	733	4.9%	746	-1.8%
Investment properties in operation	1,636	1,663	1.7%	1,677	-0.8%
Investment properties under development	169	96	-43.2%	120	-20.0%
Other investments	104	84	-19.0%	93	-9.0%
Deferred tax assets	216	230	6.4%	230	-0.1%
Others	26	37	41.8%	21	73.4%
Current assets	1,450	1,337	-7.7%	1,443	-7.3%
Stocks	587	620	5.7%	603	2.8%
Trade debtors	200	182	-9.2%	208	-12.6%
Liquidity	168	156	-7.0%	230	-32.2%
Others	495	379	-23.3%	402	-5.7%
SHAREHOLDERS' FUNDS	1,532	1,710	11.6%	1,701	0.5%
Equity holders	1,081	1,209	11.8%	1,223	-1.2%
Attributable to minority interests	451	501	10.9%	478	4.8%
LIABILITIES	5,920	5,690	-3.9%	5,850	-2.7%
Non-current liabilities	3,780	3,611	-4.5%	3,561	1.4%
Bank loans	1,418	1,290	-9.0%	1,208	6.7%
Other loans	1,802	1,811	0.5%	1,736	4.4%
Deferred tax liabilities	319	362	13.5%	326	11.0%
Provisions	64	60	-6.6%	51	18.0%
Others	177	88	-50.4%	240	-63.5%
Current liabilities	2,140	2,079	-2.9%	2,289	-9.2%
Bank loans	390	153	-60.8%	233	-34.3%
Other loans	14	78	-	81	-2.8%
Trade creditors	1,043	1,080	3.6%	1,220	-11.5%
Others	694	768	10.7%	755	1.7%
SHAREHOLDERS' FUNDS + LIABILITIES	7,453	7,400	-0.7%	7,552	-2.0%

Invested capital & return on invested capital (RoIC)

Invested capital

Million euros

	1H09	1H10	y.o.y	2009	y.o.y
Invested Capital	5,011	4,931	-1.6%	4,781	3.1%
Investment properties ⁽¹⁾	1,846	1,799	-2.6%	1,836	-2.0%
Technical investment ⁽²⁾	3,160	3,219	1.9%	3,248	-0.9%
Financial investment	63	46	-27.2%	53	-14.8%
Goodwill	699	733	4.9%	729	0.5%
Working capital	-755	-865	-14.5%	-1,085	20.3%
Equity + Minorities	1,532	1,710	11.6%	1,701	0.5%
Total Net debt ⁽³⁾	3,479	3,221	-7.4%	3,080	4.6%

(1) Includes shopping centres accounted for as financial investments in the balance sheet; (2) includes available for sale assets; (3) Financial net debt + net shareholder loans.

Return on invested capital

Million euros

	1H09	1H10	y.o.y	2009	y.o.y
Invested capital	5,011	4,931	-1.6%	4,781	3.1%
Sonae MC	629	595	-5.5%	484	22.9%
Sonae SR	308	370	19.9%	250	48.0%
Sonae RP	1,512	1,488	-1.6%	1,523	-2.3%
Sonae Sierra ⁽¹⁾	1,661	1,602	-3.6%	1,661	-3.6%
Sonaecom	770	764	-0.7%	752	1.7%
Investment mngmt.	152	160	5.5%	151	6.3%
Elimin.& adjust. ⁽²⁾	-21	-48	-128.8%	-39	-
EBIT (last 12 months)	347	380	9.5%	349	8.9%
Sonae MC	134	130	-3.4%	124	4.5%
Sonae SR	12	10	-18.9%	10	2.4%
Sonae RP	86	90	4.8%	83	8.5%
Sonae Sierra ⁽¹⁾	84	85	1.2%	81	4.2%
Sonaecom	24	44	81.0%	24	84.7%
Investment mngmt.	-4	24	-	25	-1.1%
Elimin.& adjust. ⁽²⁾	11	-3	-	2	-
RoIC	6.9%	7.7%	0.8pp	7.3%	0.4pp
Sonae MC	21.3%	21.8%	0.5pp	25.6%	-3.8pp
Sonae SR	4.0%	2.7%	-1.3pp	4.0%	-1.2pp
Sonae RP	5.7%	6.1%	0.4pp	5.5%	0.6pp
Sonae Sierra	5.0%	5.3%	0.3pp	5.0%	0.3pp
Sonaecom	3.2%	5.8%	2.6pp	3.2%	2.6pp
Investment mngmt.	-2.7%	15.1%	17.9pp	16.3%	-1.1pp

(1) Shopping centres are proportionally consolidated (50%); (2) includes Sonae Holding.

Working capital breakdown

Working capital breakdown

Million euros

	1H09	1H10	y.o.y	2009	y.o.y
Working capital	-755	-865	-14.5%	-1,085	20.3%
Sonae MC	-358	-415	-16.0%	-530	21.6%
Sonae SR	24	50	110.7%	-52	-
Sonae RP	-51	-37	28.5%	-38	3.1%
Sonae Sierra ⁽¹⁾	-254	-257	-1.2%	-238	-8.2%
Sonaecom	-107	-127	-18.2%	-150	15.8%
Investment mngmt.	1	-32	-	-21	-53.4%
Elimin.& adjust. ⁽²⁾	-10	-47	-	-56	16.9%

(1) Shopping centres are proportionally consolidated (50%); (2) includes Sonae Holding.

Retail formats & retail real estate main highlights (stand-alone figures)

Retail formats & Retail real estate operating review ⁽¹⁾

	2Q09	2Q10	y.o.y	1H09	1H10	y.o.y
Turnover growth						
Sonae MC	10.0%	5.7%	-4.3pp	7.6%	6.2%	-1.3pp
Sonae SR	34.3%	13.0%	-21.2pp	24.7%	17.2%	-7.5pp
LFL sales growth						
Sonae MC	4.8%	1.3%	-3.5pp	2.8%	2.4%	-0.4pp
Sonae SR	2.4%	-0.5%	-2.9pp	-3.2%	4.4%	-4.9pp
Total employees (EOP)	33,436	35,567	6.4%	33,436	35,567	6.4%
Sonae MC	25,390	26,551	4.6%	25,390	26,551	4.6%
Sonae SR	8,015	8,981	12.1%	8,015	8,981	12.1%
Sonae RP	31	35	12.9%	31	35	12.9%

(1) Quarterly numbers are unaudited.

Retail formats & Retail real estate financial review ⁽¹⁾

Million euros

	2Q09	2Q10	y.o.y	1H09	1H10	y.o.y
Sonae MC						
Turnover	740	783	5.7%	1,428	1,517	6.2%
Recurrent EBITDA	48	57	18.4%	69	79	14.0%
EBITDA	48	57	18.4%	69	79	14.0%
EBITDA margin	6.5%	7.2%	0.8pp	4.8%	5.2%	0.4pp
CAPEX	30	22	-27.0%	64	41	-35.9%
Sonae SR						
Turnover	248	280	13.0%	473	554	17.2%
Portugal	214	229	7.4%	414	453	9.6%
International	34	51	47.9%	60	101	70.3%
Recurrent EBITDA	2	7	195.6%	2	7	-
EBITDA	2	7	195.6%	2	7	-
Portugal	11	15	38.1%	14	19	31.2%
International	-8	-8	6.8%	-12	-12	6.4%
EBITDA margin	0.9%	2.5%	1.5pp	0.4%	1.3%	0.9pp
Portugal	4.9%	6.4%	1.4pp	3.5%	4.1%	0.7pp
International	-23.9%	-15.1%	8.9pp	-20.7%	-11.3%	9.3pp
CAPEX	33	22	-33.2%	56	42	-25.0%
Portugal	15	9	-41.2%	30	19	-38.5%
International	19	14	-26.9%	26	23	-9.1%
Sonae RP						
Turnover	30	32	6.4%	60	64	7.1%
Recurrent EBITDA	30	30	-1.3%	57	58	2.4%
EBITDA	30	35	17.6%	57	67	18.0%
EBITDA margin	99.8%	110.3%	10.5pp	94.8%	104.5%	9.6pp
CAPEX	43	3	-92.4%	62	15	-76.6%
Net debt including shareholder loans	1,495	1,397	-6.6%	1,495	1,397	-6.6%
Net debt	1,524	1,418	-6.9%	1,524	1,418	-6.9%
Net debt/EBITDA (last 12 months)	4.3 x	3.7 x	-0.6x	4.3 x	3.7 x	-0.6x
EBITDA/net interest expenses (last 12 months)	5.6 x	12.3 x	6.7x	5.6 x	12.3 x	6.7x
Net debt/invested capital	62.2%	57.8%	-4.4pp	62.2%	57.8%	-4.4pp

(1) Quarterly numbers are unaudited.

Stores and sales area

	Number of stores					Sales area('000 m ²)					Area owned (%)
	31 Dec 2009	Stores opened	Banner changed	Stores closed	30 Jun 2010	31 Dec 2009	Stores opened	Banner changed	Stores closed	30 Jun 2010	
Sonae MC	378	14	0	-2	390	528	3	0	0	531	85%
Continente	39	0	0	0	39	284	0	0	0	284	90%
Modelo ⁽¹⁾	125	1	0	0	126	218	2	0	0	220	82%
Área Saúde	115	8	0	0	123	11	0	0	0	12	74%
Bom Bocado	80	3	0	-2	81	4	0	0	0	4	78%
Book.It	14	2	0	0	16	5	1	0	0	5	56%
Others ⁽²⁾	5	0	0	0	5	5	0	0	0	5	8%
Sonae SR	454	27	0	-11	470	304	26	0	-3	327	37%
Portugal	416	9	0	-11	414	248	5	0	-3	250	45%
Worten	132	2	0	0	134	113	2	0	0	115	55%
Vobis	17	0	0	-8	9	8	0	0	-3	5	15%
Worten Mobile	48	2	0	-1	49	1	0	0	0	1	39%
SportZone	75	0	0	0	75	61	0	0	0	61	14%
Modalfa	99	2	0	-1	100	51	2	0	0	53	73%
Zippy	34	2	0	0	36	12	0	0	0	13	6%
Loop	11	1	0	-1	11	2	0	0	0	2	0%
Spain	38	18	0	0	56	56	21	0	0	77	9%
Worten	14	3	0	0	17	34	8	0	0	42	17%
Sport Zone	14	7	0	0	21	17	11	0	0	28	0%
Zippy	10	8	0	0	18	4	2	0	0	6	0%
Invest. mngmt.	105	0	0	-1	104	67	0	0	-2	65	60%
MaxMat	35	0	0	-1	34	63	0	0	-2	61	62%
Geostar ⁽³⁾	70	0	0	0	70	4	0	0	0	4	26%
Total	937	41	0	-14	964	899	29	0	-5	923	66%

(1) includes Modelo Bonjour; (2) includes outlet; (3) Includes combined Star and Geotur stores, resulting from the joint-venture between Sonae and RAR.

Shopping centres main highlights (stand-alone figures)

Shopping centres operating review					
	1H09	1H10	y.o.y	2009	y.o.y
Assets under management (million euros) ⁽¹⁾	6,117	6,586	7.7%	6,340	3.9%
Real estate NAV (million euros)	1,248	1,250	0.2%	1,228	1.8%
Sierra Investments	678	695	2.5%	731	-5.0%
Sierra Developments	275	187	-32.3%	191	-2.3%
Sierra Brazil	240	339	41.4%	289	17.0%
Others ⁽²⁾	55	30	-45.8%	17	78.0%
NAV per share (euros)	38.4	38.4	0.2%	37.8	1.8%
Openings & acquisitions (EOP)	1	1	0.0%	1	0.0%
Shopping centres owned/co-owned (EOP)	51	53	3.9%	52	1.9%
GLA owned/co-owned (thousand m2) ⁽³⁾	2,010	2,081	3.5%	2,059	1.1%
Occupancy rate of GLA owned (%)	93.9%	95.9%	2pp	94.5%	1.4pp
Projects under development (EOP) ⁽⁴⁾	13	11	-15.4%	12	-8.3%
GLA under development (thousand m2)	596	528	-11.4%	550	-4.0%
Shopping centres managed (EOP)	69	69	0.0%	68	1.5%
GLA under management (thousand m2)	2,280	2,306	1.2%	2,284	1.0%
Total employees	1,161	1,133	-2.4%	1,147	-1.2%

(1) Open market value; (2) NAV of Corporate Centre + Property Management; (3) Gross lettable area in operating centres; (4) Projects in planning phase and under construction.

Shopping Centres market yields

	2009			1H10			y.o.y		
	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min
Portugal	8.3%	6.5%	6.0%	8.6%	6.7%	6.2%	0.3pp	0.18pp	0.15pp
Spain	9.1%	7.1%	6.4%	9.0%	7.1%	6.5%	-0.05pp	-0.07pp	0.05pp
Italy	7.7%	6.6%	6.0%	7.8%	6.7%	6.1%	0.1pp	0.05pp	0.05pp
Germany	6.3%	6.1%	6.0%	6.3%	6.1%	6.0%	0pp	0pp	0pp
Greece	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	0pp	0pp	0pp
Romania	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	0pp	0pp	0pp
Brazil	9.5%	8.5%	8.3%	9.5%	8.5%	8.3%	0pp	0pp	0pp

(1) Average yields weighted by the Open Market Value of Sierra's shopping centres.

Shopping Centres financial review ⁽¹⁾

Million euros

	2Q09	2Q10	y.o.y	1H09	1H10	y.o.y
Direct results						
Turnover	52	55	6.1%	104	110	5.5%
Investments	32	32	-1.0%	65	65	-1.2%
Developments	1	1	-3.1%	3	3	-14.1%
Brazil	6	7	32.1%	10	14	44.3%
Services Business	10	11	1.7%	22	21	-0.3%
Asset management	3	2	-8.4%	6	5	-21.9%
Property management	8	8	5.3%	15	16	8.8%
Others & eliminations	2	3	85.4%	4	6	75.0%
Recurrent EBITDA	26	28	9.2%	53	58	10.0%
EBITDA	26	28	9.2%	53	58	10.0%
Investments	26	25	-5.6%	53	51	-2.5%
Developments	-22	-9	56.4%	-40	-9	78.2%
Brazil	4	7	64.8%	7	12	61.0%
Services Business	3	2	-29.5%	5	5	-5.8%
Asset management	2	1	-75.8%	3	1	-57.9%
Property management	1	2	105.6%	2	4	65.6%
Others & eliminations	14	4	-70.8%	28	-1	-
EBITDA margin	50.4%	51.8%	1.5pp	50.7%	52.8%	2.1pp
Net financial results	-15	-9	38.4%	-27	-21	22.7%
Current tax	3	4	30.7%	7	7	5.2%
Direct results	9	14	57.3%	19	28	46.3%
Indirect results						
Gains realized on investments	0	-4	-	0	-4	-
Provisions for assets under development	-3	-3	23.4%	-6	-3	55.7%
VCIDP ⁽²⁾	-50	4	-	-137	1	-
Deferred tax	-9	18	-	-29	21	-
Indirect results	-44	-21	51.8%	-114	-28	75.5%
Total net results						
Total net results	-35	-7	80.8%	-94	1	-
Attributable to equity holders	-35	-7	81%	-94	1	-
Net debt including shareholder loans	1,896	1,732	-8.6%	1,896	1,732	-8.6%
Net debt	1,237	1,164	-5.9%	1,237	1,164	-5.9%
Loan to Value	47.3%	47.2%	-0.1pp	47.3%	47.2%	-0.1pp
Net debt/EBITDA (last 12 months)	8.7 x	8.1 x	-0.5x	8.7 x	8.1 x	-0.5x
EBITDA/net interest expenses (last 12 months)	0.4 x	0.8 x	0.3x	0.4 x	0.8 x	0.2x
Net debt/invested capital	54.9%	53.4%	-1.5pp	54.9%	53.4%	-1.5pp
CAPEX	40	14	-66.2%	69	54	-21.4%

(1) Quarterly numbers are unaudited and based on Sierra's management accounts (fully proportional base.) (2) Value created on investment and development properties.

Telecommunications main highlights (stand-alone figures)

Telecommunications operating review ⁽¹⁾						
	2Q09	2Q10	y.o.y	1H09	1H10	y.o.y
Mobile						
Customers (EOP) ('000)	3,269	3,469	6.1%	3,269	3,469	6.1%
Data as % Service Revenues	27.8%	30.2%	2.4pp	27.6%	29.9%	2.3pp
ARPU (euros) ⁽²⁾	14.9	13.8	-7.7%	14.9	13.7	-8.0%
Wireline						
Total accesses (EOP) ('000)	528	448	-15.2%	528	448	-15.2%
Direct accesses (EOP) ('000)	433	373	-13.9%	433	373	-13.9%
Direct access as % customer revenues	77.4%	72.1%	-5.4pp	77.5%	72.7%	-4.8pp
SSI						
IT service revenues / employee ('000 euros)	34	33	-4.3%	63	62	-0.9%
Total employees	2,002	2,063	3.0%	2,002	2,063	3.0%

(1) Quarterly numbers are unaudited; (2) Average revenues per user.

Telecommunications financial review ⁽¹⁾

Million euros

	2Q09	2Q10	y.o.y	1H09	1H10	y.o.y
Turnover	241	228	-5.4%	482	450	-6.5%
Mobile	152	146	-4.2%	299	288	-3.6%
Wireline	60	59	-1.1%	124	120	-3.2%
SSI	42	35	-17.2%	82	67	-17.9%
Others & eliminations	-14	-12	8.8%	-24	-25	-7.3%
Other revenues	1	2	16.7%	2	3	19.8%
Recurrent EBITDA	46	52	11.9%	91	100	8.8%
EBITDA	46	52	11.9%	91	100	8.8%
EBITDA margin (%)	19.2%	22.7%	3.5pp	19.0%	22.1%	3.1pp
Mobile	45	48	6.3%	89	94	6.1%
Wireline	1	2	82.4%	2	3	55.0%
SSI	2	2	22.4%	4	4	1.1%
Others & eliminations	-2	-1	70.0%	-3	-1	54.1%
EBIT	6	19	191.4%	12	33	162.7%
Net financial results	-3	-2	50.3%	-7	-4	50.1%
Total net income	1	12	-	2	20	-
Attributable to equity holders	1	11	-	1	20	-
Excluding the securitization transaction:						
Net debt including shareholder loans	411	360	-12.3%	411	360	-12.3%
Net debt	410	366	-10.8%	410	366	-10.8%
Net debt/EBITDA (last 12 months)	2.2 x	2.0 x	-0.2x	2.2 x	2.0 x	-0.2x
EBITDA/net interest expenses (last 12 months)	11.3 x	19.3 x	8x	11.3 x	19.3 x	8x
Net debt/invested capital	53.3%	47.8%	-5.4pp	53.3%	47.8%	-5.4pp
CAPEX	31	32	2.4%	53	56	5.1%
Operating CAPEX ⁽²⁾	31	32	2.4%	52	56	6.3%
EBITDA minus Operating CAPEX	15	20	31.2%	39	44	12.0%
Free Cash Flow	28	4	-85.0%	-18	6	-

(1) Quarterly numbers are unaudited; (2) Operating CAPEX excludes financial investments, provisions for dismantling of sites and other non operational investments.

Investment management main highlights (stand-alone figures)

Investment management unit ⁽¹⁾						
Million euros						
	2Q09	2Q10	y.o.y	1H09	1H10	y.o.y
Turnover	48	54	11.5%	91	99	9.1%
Recurrent EBITDA	2	1	-35.9%	0	1	-
EBITDA	2	1	-35.9%	0	1	-
EBIT	0	-1	-	-2	-2	-13.1%
Net debt including shareholder loans	116	71	-38.2%	116	71	-38.2%
Net debt	-2	1	-	-2	1	-
CAPEX	1	0	-100.0%	8	0	-100.0%
Total employees	1,036	1,263	21.9%	1,036	1,263	21.9%

(1) Quarterly numbers are unaudited.

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

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

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

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