SONAE
FIRST NINE MONTHS OF 2008 RESULTS
JANUARY-SEPTEMBER

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Notes:

(1) The consolidated financial information contained in this report is unaudited 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;

(2) In order to facilitate comparison of YTD results against the previous year, the 3Q07 and 9M07 comparative figures have been restated ($3Q07^R$ and $9M07^R$) to adjust for the following operations: (i)exclusion of Sonae Capital's contribution to the Sonae consolidated accounts during the 9M07, given the conclusion of the Sonae Capital demerger and consequent exclusion from the Sonae consolidation perimeter, from October 2007; and (ii) consolidation of the Portuguese shopping centres comprising the Sierra Portugal Fund under the equity method;

(3) Sonae sub-holding's financial figures, as reported in section 2 - Consolidated results, are reported on the basis of their contribution to the consolidated accounts;

(4) Sonae sub-holding's financial figures, as reported in section 4 – Additional information, are reported on a stand-alone basis.

Highlights

For 9M08, Sonae successfully executed its growth strategy within its operating investments, despite the increased level of competition and the turbulent period in the financial markets.

Million euros

CONSOLIDATED HIGHLIGHTS	3Q07(R)	3Q08	y.o.y	9M07(R)	9M08	y.o.y
Turnover	1.162	1.397	20,2%	3.134	3.833	22,3%
EBITDA excl. VCIP (1)	148	167	13,4%	366	411	12,3%
EBITDA margin excl. VCIP(1) (%)	12,7%	12,0%	-0.7pp	11,7%	10,7%	-1pp
CAPEX (2)	230	203	-12,1%	584	604	3,5%
CAPEX as a % of Turnover	19,8%	14,5%	-5.3pp	18,6%	15,7%	-2.9pp

(1) Increase (decrease) in the valuation of the shopping centres proportionally consolidated; (2) Capex includes gross investments in tangible, intangible, investment properties and investments in acquisitions; (R) Restated to exclude Sonae Capital contribution in 9M07 and to consolidate the Portuguese shopping centres comprising the Sierra Portugal Fund under the equity method.

- Consolidated turnover grew strongly by 22.3% to 3,833 million euros in 9M08, compared to 3,134 million euros in 9M07(R). All companies posted double digit growth in the period: (i) the Retail business increased its contribution to consolidated turnover by 25.1%, on the back of strong organic growth of its store portfolio and the successful integration of the retail operation acquired at the end of 2007; (ii) the Telecommunications business achieved a high level of growth in customer and service revenues, with an increase in contribution of 12%, supported by the investments in its brands, network, distributions channels and a number of important commercial initiatives; (iii) the Shopping Centre business increased its contribution to consolidated turnover by 18.6%, reflecting: new shopping centres opened and acquired during 2007, better performance of the portfolio under management, the higher number and dimension of the projects in its pipeline and the increase of the value of the portfolio under management.

- Direct EBITDA (excluding VCIP[1]) increased by 12.3% to 411 million euros in 9M08, reflecting: (i) the solid Retail performance that increased its contribution to EBITDA by 14%, driven by turnover growth and the contribution from the hypermarkets acquired in 2007; and (ii) the Shopping Centre business contribution to EBITDA, that grew by 34.6%, driven by the above mentioned expansion of the portfolio and its good operational performance in the period. The Telecommunications business continued to invest on its organic growth strategy, contributing to consolidated EBITDA with 128 million euros.

- Sonae businesses continued to invest consistently to deliver future growth. Consolidated CAPEX increased by 3.5% to 604 million euros in 9M08, driven by: (i) the Telecommunications business contribution to the development of the Information Society in Portugal, through the government's "e-Initiatives" program; and the expansion of the mobile and wireline access networks; (ii) the Retail business ambitious expansion plan and the improvement of its logistic infrastructure; (iii) the Shopping Centre business development of new projects.

Million euros

CAPITAL STRUCTURE	3Q07	4Q07	1Q08	2Q08	3Q08
Net debt (1)	**2.466**	**2.621**	**3.013**	**3.138**	**3.107**
Retail net debt/EBITDA (last 12 months)	2,0 x	1,8 x	4,2 x	4,4 x	3,9 x
Shopping centres Loan to Value (2)	40,0%	40,7%	42,6%	41,9%	42,8%
Telecoms net debt/EBITDA (last 12 months)	2,0 x	1,9 x	2,1 x	2,3 x	2,4 x
Holding Loan to Gross Asset Value (3)	-	12,2%	-	-	21,1%

(1) Net debt = gross debt - liquidity; (2) Net debt / Investment properties; (3) Holding Net debt/Holding Investment Portfolio Gross Asset Value; gross asset value based on Analyst's consensus;

- Supported by the good operational performance, the Group balance sheet remained solid: leverage ratios were kept at comfortable levels, with Retail improving its Net Debt to EBITDA (last 12 months) ratio from 4.4x at end 1H08 to 3.9x at end 9M08; Shopping Centres loan to value is now a conservative 42.8%; Telecommunications Net Debt to EBITDA (last 12 months) remaining stable at 2.4x; and the Holding company loan to gross asset value at 21.1% at end 9M08.

1 EBITDA excluding Value Created on Investment Properties, i.e. the increase/decrease in the market value of the shopping centres owned (proportionally consolidated), which is a non-cash impact, largely dependent on capitalization yields and, as such, with low correlation with the real operational performance.

Message from Paulo Azevedo, CEO of Sonae

I am pleased to be able to report substantial growth in Turnover and direct EBITDA. All our businesses are showing their relative strength in dealing with the challenging market environment.

Sonae Distribuição posted very strong growth in turnover (25%), built on our acquisitions, our strong organic growth and our marginally positive like-for-like sales. In terms of operational profitability, we are continuing to deliver on our commitment to the fast integration of ex-Carrefour stores and are confident on maintaining last years' recurrent EBITDA margin (excluding petrol stations, still waiting for a Competition Authority decision) despite the additional competitive pressures we are facing in some of our non-food formats.

Sonae Sierra delivered significant growth in turnover (+16%) and direct EBITDA (+20%), as well as a good pace of development activity, with openings (+2) and new projects (+5). In the near future, the pace of new development projects is likely to reduce being dependent on the recovery of the financial system.

Sonaecom grew its top line at a healthy rate. EBITDA for 9M08 is consistent with the Company's guidance given at the beginning of the year, which is a remarkable achievement given the deterioration of market conditions which, in our opinion, result essentially from a market structure that is unbalanced.

In my previous quarterly results message, I pointed out that, despite the reassuring results of our sales and operational profitability, our net results would significantly depend on the evolution of interest rates and yields underlying real estate valuations.

The conditions applicable to our debt and the careful execution of interest rate derivatives have allowed us to maintain average cost of debt for 3Q08 and, given the recent reductions in central banks rates, interest rate fluctuations are no longer a key concern.

Capitalization yields for Shopping Centres have continued to rise across Europe. We have brought forward independent valuations of a large part of our assets (previously only carried out every semester) and have registered a negative indirect result of 43 million euros, a non-cash impact mainly explained by the downturn cycle in the real estate market. The total negative impact YTD to our properties' NAV is now 2.5%. This relatively low devaluation was only possible given the operational improvements in our centres and their intrinsic average quality. We believe that capitalization yields are still going to increase for the next quarter of the year.

Debt has evolved in line with our expectations at all businesses and at the Holding level, maintaining levels that are clearly adequate for each activity. It is worthwhile mentioning the progress at our retailing division, which increased its average debt due to the significant acquisition at the end of last year and has now posted the first quarterly improvement in gearing ratios, as planned.

The Group's high levels of investment have essentially continued, although the increase in hurdle return rates has resulted in a decrease of absolute values in the 3Q08 versus the homologous period. Key strategic investment objectives such as increase in the pace of international development, strengthening of our market positions in retail, and the quality, reach and bandwidth of our telecom networks were maintained.

Our good operational performance and our resilience to the financial crisis were not reflected in Sonae's share price. We will double our efforts to communicate to the market the value of our assets and to invert the increasing gap to analysts' consensus.

Conscious of the current constraints in financial markets, we intend to continue to focus on the growth of our businesses, improvements in profitability, as well as searching for new growth avenues through innovation in products, markets and business models. We will, as always, base our decisions pursuant to criteria of long term value creation for our shareholders, our customers, our employees and our partners.

1. Investment portfolio as of 30 September 2008

Sonae's share price at 30 September 2008 and its evolution since YE 2007 contrast with the solid operational performance posted by all its businesses in the period.

Million euros		Analyst's consensus	Market multiples, real estate NAV and market capitalization for listed companies				
NET ASSET VALUE	% stake	latest valuations	9M08	6M08	Δ	2007	Δ
Gross Asset Value (GAV)		**3.436**	**2.682**	**2.871**	**-6,6%**	**3.371**	**-20,5%**
Sonae Distribuição (1)	100%	1.962	1.367	1.438	-4,9%	1.713	-20,2%
Sonae Sierra (2)	50%	908	924	951	-2,9%	948	-2,5%
Insurance Brokerage (3)	17%	45	70	70	0,0%	70	0,0%
Total unlisted holdings		2.915	2.361	2.459	-4,0%	2.731	-13,5%
Sonaecom (4)	53%	520	320	412	-22,2%	641	-50,0%
Total listed holdings		520	320	412	-22,2%	641	-50,0%
Net debt		584	584	513	13,9%	402	45,4%
Net Asset Value		**2.851**	**2.098**	**2.358**	**-11,0%**	**2.970**	**-29,4%**
shares outstanding ('000)		2.000.000	2.000.000	2.000.000	0,0%	2.000.000	0,0%
NAV/share (€)		**1,43**	**1,05**	**1,18**	**-11,0%**	**1,48**	**-29,4%**
closing price last trading day		0,53	0,53	0,77	-30,2%	1,78	-69,9%
NAV premium/(discount) to closing price last trading day		167%	96%	54%	78,2%	-16%	-

(1) based on food retail sector EV/EBITDA 08 & EV/Sales 08 multiple, the consensus 2008 Sales & EBITDA for Sonae Distribuição, and non-operating real estate gross book value; (2) includes European and Brazilian properties in operation and under development at NAV; Property and Asset Management businesses based on market multiples on EV/EBITDA; (3) Acquitisition value to Sonae Capital at end November 2008; (4) valuation at market prices with the exception of analyst's consensus column.

Based on the latest available research notes on Sonae, analyst's consensus about the Group's net asset value at end 9M08 amounted to 2,915 million euros, representing 1.43 euros per share, implying a premium of 167% over Sonae share closing price of 0.53 euros at 30 September 2008. Consequently, from these notes, 78% have a 'buy' recommendation.

When taking into account market multiples, Group net asset value at end 9M08 amounted to approximately 2,098 million euros, representing 1.05 euros per share, implying a premium of 96% over Sonae share closing price of 0.53 euros at 30 September 2008. When compared to YE 2007 the market multiples based estimate of the Group's net asset value, reduced by 29.4%, driven mainly by a 20.2% reduction of the Retail valuation and a 50% reduction of Sonaecom market capitalization.

From Sonae's current portfolio and taking into account analyst's consensus, Retail represented 57.1% of total GAV, Shopping Centres represented 26.4% and Telecommunications represented 15.1%. When based on market multiples, investments in Retail accounted for 50.9% of total GAV, Shopping Centres represented 34.6% and Telecommunications represented 11.9%.

2. Consolidated results

1.1. Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	3Q07(R)	3Q08	y.o.y	9M07(R)	9M08	y.o.y
Turnover	**1.162**	**1.397**	**20,2%**	**3.134**	**3.833**	**22,3%**
Retail	897	1.110	23,8%	2.387	2.985	25,1%
Shopping centres (1)	37	39	6,6%	104	124	18,6%
Telecommunications	226	244	8,0%	634	710	12,0%
Holding & others	3	4	16,0%	9	15	63,7%
Value created on investment properties (2)	**17**	**-21**	**-**	**120**	**-43**	**-**
Other revenues	79	112	40,4%	234	321	37,0%
Operating costs	**1.093**	**1.341**	**22,7%**	**3.000**	**3.742**	**24,7%**
COGS	691	869	25,9%	1.861	2.359	26,8%
Personnel costs	121	144	19,9%	370	444	20,0%
General & administrative expenses	263	302	14,9%	718	874	21,7%
Other operating costs	19	25	33,2%	51	64	27,4%
EBITDA excl. value created on invest. prop.	**148**	**167**	**13,4%**	**366**	**411**	**12,3%**
EBITDA margin excl. value created on invest. prop (%)	12,7%	12,0%	-0.7pp	11,7%	10,7%	-1pp
Retail	81	95	17,7%	195	222	14,0%
Shopping centres (1)	17	18	3,2%	46	62	34,6%
Telecommunications	51	54	6,9%	130	128	-1,6%
Holding & others	-1	0	-	-4	0	-
EBITDA (3)	**165**	**146**	**-11,5%**	**486**	**368**	**-24,3%**
EBITDA margin (%) (4)	14,2%	10,5%	-3.7pp	15,5%	9,6%	-5.9pp
Provisions and impairment losses	3	5	91,0%	15	16	6,1%
Depreciation & amortization	56	69	21,9%	167	202	21,0%
EBIT	**107**	**73**	**-32,3%**	**306**	**151**	**-50,8%**
Net financial results	**-36**	**-42**	**-17,1%**	**-86**	**-120**	**-39,6%**
Financial income	11	10	-11,1%	36	30	-16,4%
Financial expenses	47	52	10,3%	122	150	23,0%
Share of results of associated undertakings	2	-1	-	3	0	-93,5%
Investment income (5)	4	2	-51,9%	35	10	-71,0%
EBT	**77**	**31**	**-59,4%**	**259**	**42**	**-83,9%**
Taxes	5	3	-33,9%	47	3	-92,8%
Net income including minority interests	72	28	-61,0%	211	38	-82,0%
Net income (6)	**62**	**29**	**-53,3%**	**162**	**53**	**-67,3%**
Attributable to minority interests	11	-1	-	49	-15	-

(1) Shopping centres are proportionally consolidated; (2) Increase (decrease) in the valuation of the shopping centres proportionally consolidated (50%); (3) EBITDA = Turnover + value created on investment properties + other revenues -impairment reversion - operating costs; (4) EBITDA margin = EBITDA / Turnover; (5) Capital gains (losses) with financial investments plus dividends received; (6) Net income attributable to Sonae shareholders; (R) Restated to exclude Sonae Capital contribution in 9M07 and to consolidate the Portuguese shopping centres comprising the Sierra Portugal Fund under the equity method.

Turnover

Consolidated turnover increased by 699 million euros in 9M08 compared to 9M07(R), driven by strong growth across all the business units:

(i) 25.1% higher contribution from Retail, reaching 2,985 million euros, mainly reflecting the positive like-for-like growth achieved in the 9M08 (+1%), the aggressive pace of organic growth over the last 12 months (+9%), with the opening of additional 70 thousand m^2, and the contribution to sales of the retail stores acquired (+10%). On a standalone basis, in 9M08 compared to 9M07(R), food retail registered a solid 21.7% sales growth and non-food retail sales increased by 16.3%; in addition, turnover included the revenue generated by the eight petrol stations acquired. Excluding the impact of the acquired food stores and petrol stations, the retail contribution to consolidated turnover kept a double digit growth performance, notwithstanding the deteriorating macroeconomic conditions and resulting impacts on overall spending;

(ii) 12% higher contribution from Telecommunications, reaching 710 million euros, on the back of higher service revenues at the Wireline and Mobile areas, driven by brand promotion, improvements of quality of service, the leading position in retail sales of mobile broadband services, the reinforcement of its distribution network and the success of the several innovative products and services launched in the market, namely TAG (offer aimed at the youth segment) and the introduction of the iPhone in Portugal, notwithstanding the aggressive price competition in the Portuguese telecoms market and the lower level of roaming-in tariffs and;

(iii) 18.6% higher contribution from Shopping Centres, reaching 124 million euros, primarily due to a 20% increase in rental income, reflecting: (a) new shopping centres opened in 2007, namely Alexa, El Rosal and 8ª avenida, and the newly opened Freccia Rossa in 2008; (b) the acquisition of Munster and River Plaza in 2007; (c) an increase in ownership of several shopping centres in Brazil; and (d) better performance of the portfolio under management, with like-for-like growth in rents of 4.7%; on a standalone basis, the Development business posted a 25% increase in turnover, mainly due to the higher number and dimension of the projects in pipeline. The organic increase of the portfolio under management and of its corresponding total value explained the 13.9% turnover growth of the Property and Asset Management businesses in the period.

EBITDA

Direct EBITDA (excluding VPIC) amounted to 411 million euros, 12.3% above 9M07(R), generating a margin of 10.7% compared to a margin of 11.7% in 9M07(R). This value reflects the following contributions:

(i) The Retail business increased its contribution to EBITDA by 14% to 222 million euros, when compared to 9M07(R), reflecting the Company's expansion plan over the last 12 months combined with the integration of the 12 hypermarkets acquired in 2007, which impacted positively sales and operational cash flow. On a standalone basis, Food retail EBITDA increased by 21.9% over 9M07(R) to 167 million euros and non-food retail EBITDA was up 7.1% over 9M07(R) to 42 million euros.;

(ii) The Shopping Centre business contribution to EBITDA, excluding value created in investment properties grew by 16 million euros, up by 34.6% over 9M07(R)to 62 million euros. On a standalone basis, Investments EBITDA was 140 million euros, up 23.9% compared to 9M07(R), due to a combination of acquisitions of additional properties, organic growth of the portfolio and good operational performance of the assets owned. Asset Management and Property Management Service divisions reached an EBITDA of 13 million euros, 12.4% above 9M07(R), explained by the scale benefits resulting from the enlarged number of properties under management. The Development division generated a negative EBITDA of 38 million euros mainly explained by the reduction of the estimates of value to be created on several projects under development until opening and consequent cancellation of margins previously accrued in projects;

(iii) The Telecommunications business decreased slightly its contribution to consolidated EBITDA by 2.1 million euros when compared to 9M07(R), as a result of the ongoing focus on growth, coupled with the decrease in roaming-in tariffs, the delays in the introduction of the new mobile termination rate program and the increased aggressiveness of the competitive environment. On a standalone basis, the Mobile business generated an EBITDA of 106 million euros, compared to 118 million euros in 9M07(R), while the Wireline business reached an EBITDA of 8 million euros, up 94.7% versus 9M07(R). Worth mentioning, the Telecoms' EBITDA contribution to consolidated performance on 3Q08, improved by 6.9% to 54 million euros when compared to 3Q07(R).

Total EBITDA amounted to 368 million euros in 9M08, 24.3% below that in 9M07(R). This reduction is mostly explained by the non-cash impact of lower value created on investment properties at the Shopping Centres business in 9M08 compared to 9M07 (-43 million euros versus +120 million euros). During 3Q08, Sonae Sierra updated the valuations of 19 of its shopping centres in operation, representing 54% of total OMV of assets under management at end 1H08. These assessed assets comprised the 8 Portuguese shopping centres included on the Sierra Portugal Fund, all the 8 properties in partnership with ING located in Portugal and Spain and the shopping centres Alexa, in Germany, Freccia Rossa, in Italy and Plaza Mayor, in Spain. When compared to end 2007, average yield in Portugal increased by 28bp, in Spain by 52bp, in Italy by 25bp and remained stable in Germany. The impact of such revision, balanced by the openings of the period, resulted in a 1.6% decrease in market value of the shopping centres owned (+2% versus YE 2007), due to the downturn cycle felt in the real estate market and the resulting yields increase in Europe of the shopping centres in the portfolio (-144 million euros valuation impact), compared to a yield compression trend still prevailing in 9M07. This upward tendency was partially offset by a 48bp average yield decrease in Brazil (+12 million euros impact on valuation), and an improved performance of the shopping centres owned (+15 million euros impact on valuation).

Net financial results

Net Financial results deteriorated by 39.6% to a negative 120 million euros in 9M08 compared to a negative 86 million euros in 9M07(R), mainly reflecting: (i) a 23% increase in financial expenses, explained by the Group's higher average net debt in 9M08 and by the increase of the Euribor market rates (the 3 and 6 months Euribor increasing by 0.6pp compared to 9M07); and (ii) a 16.4% decrease in financial income. The Group's higher average net debt in 9M08, when compared to 9M07(R), is primarily explained by the financing requirements of the retail acquisition and progress in the development pipeline of the Shopping Centre unit, currently accounting with 6 more projects under development when compared to 9M07.

Investment income

Investment income totalled 10 million euros in 9M08 (versus 35 million euros in 9M07(R)), mainly comprising gains related to the launch of Sierra Portugal Fund on 27 March 2008 and the corresponding placement of 58% of the fund to international institutional investors, namely a Finnish pension fund, a Finnish mutual pension insurance company, two real estate funds managed by Schroeder Investment Management and one client of Aberdeen Property Investors.

Net income Group share

Consolidated net income group share excluding VCIP decreased by 34% from 111 million euros in 9M07(R) to 73 million euros in 9M08, mostly due to higher net financial charges incurred in the period and higher depreciation and amortization costs, the later driven by the enlarged asset base resulting from store network expansion at Retail and the extension of the mobile and wireline network at Telecommunications. Total consolidated net income group share reached 53 million euros.

1.2. Consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	9M07(R)	9M08	y.o.y	2007 (R)(5)	Δ
Total Net Assets	**6.253**	**7.541**	**20,6%**	**6.856**	**10,0%**
Non Current Assets	4.450	5.718	28,5%	5.440	5,1%
Tangible and Intangible Assets	2.160	2.787	29,0%	2.580	8,0%
Goodwill	224	685	-	661	3,5%
Investment properties in operation (1)	1.559	1.695	8,7%	1.659	2,2%
Investment properties under development (2)	234	221	-5,7%	192	15,0%
Other investment	121	127	5,4%	121	5,3%
Deferred Tax Assets	100	146	45,1%	140	4,0%
Others	51	58	14,1%	87	-33,8%
Current Assets	1.804	1.823	1,1%	1.416	28,8%
Stocks	440	521	18,3%	472	10,4%
Trade Debtors	198	231	16,4%	229	0,7%
Liquidity (3)	611	652	6,7%	344	89,4%
Others	554	419	-24,3%	371	13,1%
Total equity	**1.519**	**1.616**	**6,4%**	**1.568**	**3,0%**
Group Share	1.085	1.171	7,9%	1.121	4,5%
Minority Interests	434	446	2,6%	448	-0,5%
Total Liabilities	**4.734**	**5.925**	**25,1%**	**5.288**	**12,1%**
Non Current Liabilities	3.205	3.535	10,3%	3.473	1,8%
Bank Loans	1.035	1.249	20,7%	965	29,4%
Other Loans (4)	1.771	1.706	-3,7%	1.769	-3,6%
Deferred Tax Liabilities	295	317	7,4%	316	0,5%
Provisions	53	69	29,7%	111	-37,7%
Others	50	193	-	312	-38,1%
Current Liabilities	1.529	2.390	56,3%	1.814	31,8%
Bank Loans	95	697	-	127	-
Other Loans (4)	81	107	31,6%	9	-
Trade Creditors	749	937	25,1%	990	-5,3%
Others	604	649	7,4%	688	-5,7%

(1) Value of shopping centres in operation owned by Sonae Sierra; (2) Properties under development owned by Sonae Sierra; (3) Liquidity includes cash & equivalents and current investments; (4) Other loans include bonds, leasing, derivatives and shareholder loans; (5) 2007 figures restated for the fair value allocation on the Carrefour acquisition;(R) Restated to exclude Sonae Capital contribution in 9M07 and to consolidate the Portuguese shopping centres comprising the Sierra Portugal Fund under the equity method.

CAPEX

CAPEX increased by 20 million euros to 604 million euros in 9M08, compared to 9M07(R), representing 15.7% of turnover, as result of the ongoing investment for growth across the Group's businesses.

Million euros

CAPEX	3Q07(R)	3Q08	y.o.y	9M07(R)	9M08	y.o.y
Total CAPEX (1)	**230**	**203**	**-12,1%**	**584**	**604**	**3,5%**
Retail	62	101	62,1%	142	234	64,6%
Shopping Centres (2)	102	43	-57,8%	296	124	-58,0%
Telecommunications	66	54	-18,1%	145	216	49,3%
Holding & others	0	4	-	0	29	-
CAPEX as a % of turnover	19,8%	14,5%	-5.3pp	18,6%	15,7%	-2.9pp
EBITDA excl. value created on invest. prop. minus CAPEX	-83	-35	57,6%	-217	-192	11,4%

(1) Capex includes gross investments in tangible, intangible, investment properties and investments in acquisitions; (2) shopping centres proportionally consolidated; (R) Restated to exclude Sonae Capital contribution in 9M07 and to consolidate the Portuguese shopping centres comprising the Sierra Portugal Fund under the equity method.

The Telecommunications CAPEX, accounted for 35.8% of the consolidated investment as at 9M08, and comprised mainly investments at the Mobile division, totalling 185 million euros (+97 million euros increase in 9M08 over 9M07), of which 89 million euros related to the recognition of the net present value of the Company's contribution to the "e-Initiatives" programme, a governmental initiative which offers laptops and discounts in broadband access to school teachers and students. The remaining CAPEX was geared to expand both the mobile and wireline access networks, for further improvement of the service quality, and to initiate the roll-out of the fibre deployment in the coverage areas of Porto and Lisbon.

Retail CAPEX, responsible for 38.8% of the consolidated investment as at 9M08, was directed towards the Company's strong expansion plan, with the opening of 61 new stores during the period with a total of 33 thousand m^2 (by end October new stores opened totalled 80, representing an increase of 49 thousand m^2; a 7% increase of the Company's total sales area versus YE07), the preparation work for future openings, the refurbishment of older stores and the improvement of the logistic infrastructure.

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The Shopping Centres business represented 20.6% of consolidated CAPEX, totally due to investments in development activities in Romania, Brazil, Germany, Italy, Greece and the Iberian Peninsula. Sierra's 9M07(R) investment figure includes 91 million euros of acquisitions (Munster Arkaden, in Germany, River Plaza Mall, in Romania, Albufeira and Portimão in Portugal, and increase in ownership of shopping centres in Brazil).

CAPEX at the Holding reached 29 million euros when compared to 0.1 million euros at 9M07(R), mainly comprising the acquisition of approximately 12.2 million Sonaecom shares in the period.

Investment properties

During 9M08, the Shopping centre business successfully launched the Sierra Portugal Fund, comprising 8 Portuguese shopping centres and 3 future projects to be contributed, having placed 58% of the fund to international institutional investors valued at fair value at 31 December 2007, amounting to 174 million euros, despite the evolution of the capitalization yields in the market. This transaction reduced Sonae's exposure to property, reflected on a 9.3% reduction of investment properties in the period.

Total investment properties under development increased by 14.2% when compared to end 2007, reflecting Sonae Sierra's 30 projects in pipeline, of which 15 are under development and represent an estimated investment of 1,888 million euros, scheduled to open until end 2011.

Capital structure

Million euros

CAPITAL STRUCTURE	9M07(R)	9M08	y.o.y	2007 (R)	Δ
Gross debt (1)	2.983	3.759	26,0%	2.871	30,9%
Net debt (2)	**2.371**	**3.107**	**31,0%**	**2.526**	**23,0%**
Retail	731	1.324	81,1%	1.072	23,4%
Shopping Centres (3)	705	819	16,2%	745	10,0%
Telecommunications	313	380	21,3%	307	23,5%
Holding & others	622	584	-6,1%	402	45,4%
Retail net debt/EBITDA (last 12 months)	2,0 x	3,9 x	1.9x	1,8 x	2.1x
Shopping centres Loan to Value (4)	40,0%	42,8%	2.8pp	40,7%	2.1pp
Telecoms net debt/EBITDA (last 12 months)	2,0 x	2,4 x	0.4x	1,9 x	0.5x
Holding Loan to Gross Asset Value (5)	-	21,1%	-	12,2%	8.9pp

(1) Gross debt = non current borrowings + current borrowings; (2) Net debt = gross debt - liquidity; (3) Shopping Centres are proportionally consolidated; (4) Net debt / Investment properties; (5) Holding Net debt/Holding Investment Portfolio Gross Asset Value; (R) Restated to exclude Sonae Capital contribution in 9M07 and to consolidate the Portuguese shopping centres comprising the Sierra Portugal Fund in accordance to the equity method.

The Group businesses capital structure remained sound and total consolidated Net Debt decreased from its peak value at end 1H08 to 3,107 million euros at end 9M08. When compared to YE 2007, net debt increased 581 million euros, reflecting: (i) the programme of organic growth and store refurbishment, leading to a 252 million euros increase in the contribution to consolidated net debt from the Retail business, in 9M08; the Company's Net Debt to EBITDA (last 12 months) reached 3.9x, increasing from 1.8x at YE 2007, mainly driven by the Retail acquisition completed at YE2007, but already improving from the 4.4x leverage ratio at end 1H08; (ii) the acquisition of 12.2 million Sonaecom shares during the 9M08 period and the 160 million euros impact as a result of the payments of the obligations related to the cash settled equity swap contracted, covering approximately 6.6% of Sonae's share capital, explaining the 182 million euros higher contribution to net debt from the Holding; loan to value at the Holding company reached 21.1%; (iii) the growth led investment, including the development of the technical infrastructure of the Telecommunications business, resulting in a 73 million euros increase in the contribution to consolidated Net Debt; Net Debt to EBITDA (last 12 months) remained stable at 2.4x; and (iv) the successful placement of 58% of the Sierra Portugal Fund and consequent proceeds from the operation, which compensated the Shopping Centre business financial needs for the on-going development pipeline. Furthermore, this transaction reduced the Company's shareholding at the fund below the 50% threshold, explaining its consolidation in accordance with the equity method.

Holding net debt mainly comprised: (i) 95 million euros used under the 340 million euros committed short term credit facilities; of which 295 million euros cancellable with a previous notice 1 year and 45 million euros cancellable with a previous notice of 6 months; and (ii) 500 million euros long-term bonds, of which 250 million euros due in May 2011 and the remaining due in 2013 and 2014.

Overall, refinancing risk continued at a low level, with the weighted average maturity of Sonae Group debt standing at approximately 5.9 years (considering 100% of Sonae Sierra's debt) by end 9M08. Liquidity risk was also maintained at a low level, with the sum of cash and undrawn committed credit facilities standing at 1,095 million euros. Worth mentioning the Group's debt has no financial covenants, with the exception of Shopping Centres non-recourse project financing.

3. Quarterly corporate developments

- Sonae acquired, through a wholly owned subsidiary, additional 1.9 million Sonaecom shares, purchased at an average price of 1.85 euros per share. With this acquisition, the Company ended the 9M08 with a shareholding position of 53.6%.

4. Additional information

4.1. Retail main highlights

OPERATING REVIEW	3Q07	3Q08	y.o.y	9M07	9M08	y.o.y
Sales growth (%)	7,4%	23,8%	16.4pp	9,0%	25,0%	16pp
Food	4,2%	21,8%	17.7pp	7,1%	21,7%	-11.4pp
Non-Food	16,2%	12,5%	-3.6pp	14,6%	16,3%	-4.9pp
LFL sales growth (%)	2%	0%	-2pp	4%	1%	3pp
Food	1%	1%	0pp	3%	1%	4pp
Non-Food	5%	-3%	-8pp	4%	0%	2pp
Number of stores (EOP)	535	688	28,6%	535	688	28,6%
Food	127	178	40,2%	127	178	40,2%
Non-Food	408	510	25,0%	408	510	25,0%
Sales area ('000 m2)	574	732	27,5%	574	732	27,5%
Food	358	463	29,4%	358	463	29,4%
Non-Food	216	268	24,2%	216	268	24,2%
% Sales area owned (%)	-	74,0%	-	-	74,0%	-
Food	-	86,7%	-	-	86,7%	-
Non-Food	-	52,8%	-	-	52,8%	-
Total employees	27.584	32.300	17,1%	27.584	32.300	17,1%

Million euros

FINANCIAL REVIEW	3Q07	3Q08	y.o.y	9M07	9M08	y.o.y
Turnover	**899**	**1.112**	**23,8%**	**2.394**	**2.992**	**25,0%**
Food	624	761	21,8%	1.701	2.070	21,7%
Non-Food	273	307	12,5%	688	800	16,3%
Others & eliminations (1)	2	45	-	5	121	-
EBITDA	**81**	**95**	**17,7%**	**195**	**222**	**14,1%**
EBITDA margin (%) (2)	9,0%	8,6%	-0.4pp	8,1%	7,4%	-0.7pp
Food	59	73	24,5%	137	167	21,9%
Non-Food	20	21	4,4%	39	42	7,1%
Others & eliminations (1)	2	1	-40,9%	18	13	-30,5%
EBIT	59	67	12,9%	130	136	4,9%
Net financial results	-8	-20	-141,2%	-26	-52	-99,0%
Net income (3)	**50**	**41**	**-18,4%**	**99**	**80**	**-19,0%**
Gross debt	1.281	1.899	48,3%	1.281	1.899	48,3%
Net debt	573	1.334	132,8%	573	1.334	132,8%
Net debt/EBITDA (last 12 months)	2,0 x	3,9 x	1.9x	2,0 x	3,9 x	1.9x
EBITDA/interest expenses (last 12 months) (4)	11,4 x	5,7 x	-5.7x	11,4 x	5,7 x	-5.7x
Gross Debt/(Gross Debt+Total equity) (5)	62,1%	69,2%	7.1pp	42,3%	69,2%	26.9pp
CAPEX	67	108	61,0%	171	216	26,3%
EBITDA minus CAPEX	14	-13	-	24	6	-75,2%

(1) Includes petrol stations and real estate rents received from galleries; (2) EBITDA margin = EBITDA / Turnover; (3) Net income attributable to Sonae Distribuição shareholders; (4) Interest cover; (5) Net gearing.

4.2. Shopping Centres main highlights

OPERATING REVIEW	9M07	9M08	y.o.y	6M08	∆	2007	∆
Real estate open market value (million euros) (1)	5.840	6.283	7,6%	6.377	-1,5%	6.154	2,1%
Real estate NAV (million euros) (2)	1.617	1.671	3,3%	1.729	-3,3%	1.713	-2,5%
Sierra Investments	1.004	1.062	5,7%	1.081	-1,8%	1.163	-8,7%
Sierra Developments	324	391	20,8%	336	16,5%	377	3,7%
Sierra Brazil	168	226	34,6%	238	-4,9%	201	12,7%
Others (3)	122	-8	-	74	-	-27	71,2%
NAV per share (euros)	50	51	3,3%	53	-3,3%	53	-2,5%
Openings & acquisitions (EOP)	5	2	-60,0%	1	100%	8	-75,0%
Shopping centres owned/co-owned (EOP)	46	49	6,5%	48	2,1%	47	4,3%
GLA owned/co-owned (4)	1.814	1.902	4,8%	1.884	1,0%	1.855	2,5%
Occupancy rate of GLA owned (%)	96,0%	96,0%	0pp	96,3%	-0.3pp	95,5%	0.5pp
Projects under development (EOP) (5)	10	17	70,0%	15	13,3%	12	41,7%
Projects in planning stage (EOP) (6)	13	13	0,0%	15	-13,3%	15	-13,3%
GLA under development (thousand m2) (4)	544	763	40,5%	685	11,5%	474	61,1%
Shopping centres managed (EOP)	59	62	5,1%	61	1,6%	63	-1,6%
GLA under management (thousand m2) (4)	2.111	2.084	-1,3%	2.065	0,9%	2.183	-4,6%
Total employees	1.020	1.127	10,5%	1.093	3,1%	1.057	6,6%

(1) Open market value = fair value of real estate in operation (100%), provided by an independent entity; equivalent to assets under management; (2) Net asset value = Open market value minus net debt minus minorities plus deferred tax liabilities; (3) Others = NAV of Corporate Centre + Property Management; (5) Projects in planning and construction; (6) Projects committed but not fully licensed.

Million euros

FINANCIAL REVIEW	3Q07	3Q08	y.o.y	9M07	9M08	y.o.y
Turnover	**71**	**75**	**4,6%**	200	232	**15,6%**
Services Business	**12**	**12**	**-3,1%**	33	38	13,9%
Asset management	6	6	-1,2%	16	19	18,7%
Property management	6	6	-4,8%	17	19	9,5%
Developments	3	4	24,1%	9	11	25,0%
Investments	52	58	10,9%	149	179	20,0%
Others & eliminations	4	1	-72,8%	10	5	-53,2%
EBITDA excl. value created on invest. Prop.	**41**	**44**	**7,5%**	**112**	**134**	**19,7%**
EBITDA margin (%) (1)	57,2%	58,7%	1.6pp	55,7%	57,7%	2pp
Services EBITDA margin (%)	40,0%	-	-	5,8%	5,6%	-0.2pp
Services Business	**5**	**4**	**-18,6%**	**12**	**13**	**12,4%**
Asset management	3	3	-4,3%	7	9	25,4%
Property management	2	1	-39,3%	4	4	-8,8%
Developments (2)	19	-10	-	29	-38	-
Investments	35	46	32,7%	113	140	23,9%
Others & eliminations	26	26	0,0%	2	41	-
EBIT	40	43	7,4%	110	132	19,7%
Net financial results	-16	-23	-43,5%	-31	-67	-112,9%
Gains realized on investments (3)	0	4	-	0	17	-
Value created on investment properties (4)	38	-50	-	220	-97	-
Net income (5)	**38**	**-12**	**-**	**139**	**6**	**-96,0%**
Gross debt	1.645	1.869	13,6%	1.645	1.869	13,6%
Net debt	1.510	1.731	14,6%	1.510	1.731	14,6%
Loan to Value (6)	40,0%	42,8%	2.8pp	40,0%	42,8%	2.8pp
Net debt/EBITDA (last 12 months)	10,5 x	10,5 x	-0.1x	10,5 x	10,5 x	-0.1x
EBITDA/interest expenses (last 12 months) (7)	2,2 x	1,7 x	-0.5x	2,1 x	1,7 x	-0.4x
Gross Debt/(Gross Debt+Total equity) (8)	48,9%	51,3%	2.4pp	48,9%	51,3%	2.4pp
CAPEX (9)	187	73	-61,0%	313	206	-34,3%

(1) EBITDA margin = EBITDA / Turnover; (2) EBITDA Developments = EBITDA plus value created in projects; (3) Capital gains (losses) with shopping centres disposals; (4) Increase in the valuation of the shopping centres; (5) Net income attributable to Sonae Sierra shareholders; (6) Net debt / Investment properties; (7) EBITDA/interest expenses; (8) Net gearing; (9) CAPEX does not include investments in acquisitions.

4.3. Telecom main highlights

OPERATING REVIEW	3Q07	3Q08	y.o.y	9M07	9M08	y.o.y
Mobile						
Customers (EOP) ('000)	2.761	3.058	10,8%	2.761	3.058	10,8%
ARPU (euros) (1)	19,2	17,4	-9,2%	18,3	17,1	-6,5%
Wireline						
Total accesses (EOP) (2)	758.477	644.457	-15,0%	758.477	644.457	-15,0%
Direct accesses (EOP)	431.851	476.106	10,2%	431.851	476.106	10,2%
Average revenue per access - retail (3)	22,3	21,6	-3,4%	23,1	21,5	-6,7%
Media						
Average paid circulation (4)	42.142	41.428	-1,7%	42.485	42.256	-0,5%
Market share of advertising (%) (5)	13,0%	10,8%	-2.1pp	13,8%	12,2%	-1.6pp
SSI						
IT service revenues / employee ('000 euros) (6)	28,6	30,7	7,2%	83,8	88,0	5,1%
Total employees	1.875	1.973	5,2%	1.875	1.973	5,2%

(1) Average revenues per user; (2) Accesses according to "revenue generator unit" criteria; (3) excluding Mass Calling services' revenues; (4) Estimated value, updated in the following quarter; (5) 3Q08=August YTD; (6) Excluding employees dedicated to equipment sales.

Million euros

FINANCIAL REVIEW	3Q07	3Q08	y.o.y	9M07	9M08	y.o.y
Turnover	**231**	**251**	**8,9%**	644	727	**12,8%**
Mobile	161	166	2,5%	455	469	3,0%
Wireline	67	73	8,5%	178	220	24,0%
Media	7	7	2,6%	24	24	3,2%
SSI	21	31	51,2%	53	86	60,4%
Others & eliminations	-25	-25	0,1%	-65	-72	-10,0%
Other revenues	2	1	-35,0%	4	6	35,7%
EBITDA (1)	**47**	**48**	**1,7%**	121	117	**-3,0%**
EBITDA margin (%) (2)	20,5%	19,2%	-1.3pp	18,7%	16,1%	-2.6pp
Mobile	45	44	-2,2%	118	106	-10,6%
Wireline	4	4	24,6%	4	8	94,7%
Media	-2	-1	19,7%	-3	-3	20,1%
SSI	2	2	7,1%	4	5	25,6%
Others & eliminations	-1	0	74,8%	-3	0	-
EBIT	13	8	-40,0%	19	-1	-
Net financial results	-9	-4	52,4%	-18	-12	29,9%
Net income (3)	**8**	**4**	**-46,1%**	**3**	**-8**	**-**
Gross debt	327	386	18,1%	327	386	18,1%
Net debt	313	383	22,2%	313	383	22,2%
Net debt/EBITDA (last 12 months)	2,0 x	2,4 x	0.4x	2,0 x	2,4 x	0.4x
EBITDA/interest expenses (last 12 months) (4)	5,4 x	8,5 x	3.1x	5,4 x	8,5 x	3.1x
Gross Debt/(Gross Debt+Total equity) (5)	26,6%	29,6%	2.9pp	26,6%	29,6%	2.9pp
CAPEX	89	49	-44,8%	159	211	32,5%
Operating CAPEX (6)	54	47	-13,8%	110	114	3,6%
EBITDA minus Operating CAPEX	-7	2	-	10	2	-75,6%
Free Cash Flow	-19	-13	30,3%	56	-71	-

(1) EBITDA includes provisions and impairment losses; (2) EBITDA margin = EBITDA / Turnover; (3) Net income after minority interests; (4) Interest cover; (5) Net gearing; (6) Operating CAPEX excludes financial investments, provisions for sites dismantling and other non operational investments.

4.4. Insurance brokerage main highlights

Million euros

INSURANCE BROKERAGE BUSINESS (1)	3Q07	3Q08	y.o.y	9M07	9M08	y.o.y
Operating income	**3,0**	**6,0**	**99,7%**	**8,5**	**16,4**	**287,8%**
Turnover	3,0	2,9	-2,7%	8,5	13,2	287,7%
Other revenues	0,0	3,1	-	0,0	3,1	0,1%
Operating costs	**2,1**	**4,9**	**133,1%**	**6,8**	**12,0**	**243,9%**
Staff	1,0	1,0	0,7%	2,9	3,4	103,2%
External Supply and Services	0,9	3,7	-	3,1	7,7	114,2%
Other Operating Costs	0,2	0,2	-4,9%	0,7	0,8	26,4%
EBITDA	**0,9**	**1,1**	**23,0%**	**1,8**	**4,4**	**43,9%**
EBIT	**0,8**	**1,0**	**26,7%**	**1,5**	**4,1**	**35,3%**
Net financial results	-0,1	-0,2	-54,4%	-0,3	-0,9	-9,9%
Share of results of associated undertakings	-0,3	-0,4	-52,6%	0,0	0,4	37,6%
Investment income (2)	0,0	0	-	0,0	0	0
EBT	**0,4**	**0,4**	**2,6%**	**1,2**	**3,6**	**63,0%**

(1) Includes MDS, an insurance brokerage firm (100% owned), and Sonae RE, a reinsurance brokerage firm (100% owned); the shareholding in the reinsurance brokerage company Cooper Gay (14%) and in the insurance brokerage company Lazam (45%) is accounted for on a equity method; Sonae Re included from 4Q07; (2) Capital gains (losses) with financial investments plus dividends received.

4.5. Corporate centre net costs

Million euros

HOLDING NET COSTS	3Q07	3Q08	y.o.y	9M07	9M08	y.o.y
Operating income	**0,4**	**1,3**	**-**	**1,5**	**2,7**	**84,9%**
Turnover	0,4	1,3	-	**1,1**	**2,6**	**139,7%**
Other revenues	0,0	0,0	-19,5%	0,4	0,1	-81,9%
Operating costs	**2,6**	**2,3**	**-10,4%**	**7,3**	**7,1**	**-2,7%**
Staff	1,0	1,1	18,1%	4,2	3,7	-11,0%
External Supply and Services	1,4	1,1	-17,9%	2,6	3,2	24,1%
Other Operating Costs	0,2	0,0	-84,4%	0,5	0,2	-67,2%
EBITDA	**-2,2**	**-1,0**	**52,8%**	**-5,9**	**-4,4**	**24,5%**
Total employees	**57,0**	**49,0**	**-14,0%**	**57,0**	**49,0**	**-14,0%**

4.6. Net debt at the holding level

Million euros

HOLDING NET DEBT	9M07	9M08	y.o.y	2007	Δ
Loans obtained	**830**	**584,0**	**-29,6%**	**412**	**-100,0%**
Bank debt	633	600,8	-5,1%	514	-100,0%
Cash and equivalentes	-3	-16,8	-	-102	100,0%
Intercompany short term loans obtained	200	0,0	-	0	-
Retail	168	0,0	-	0	-
Shopping Centres	31	0,0	-	0	-
Telecoms	0	0,0	-	0	-
Services	0	0,0	-	0	-
Others	2	0,0	-100,0%	0	-100,0%
Loans granted	**-238**	**-17,7**	**92,6%**	**-2**	**100,0%**
Intercompany short term loans granted	0	0,0	-	0	-
Retail	0	0,0	-	0	-
Shopping Centres	0	0,0	-	0	-
Telecoms	0	0,0	-	0	-
Services	-238	0,0	100,0%	0	-
Others	0	-17,7	-	-2	100,0%
Total holding net debt	**592**	**566,3**	**-4,3%**	**410**	**-100,0%**

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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 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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