SONAE

FULL YEAR 2008 RESULTS

Year ended 31 December

SONAE 50 YEARS AHEAD.

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Notes:

(i) The consolidated financial information contained in this report (concerning the years ended 2007 and 2008) was audited and has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union; the financial information regarding 4Q07(R) and 4Q07 was not audited.

(ii) In order to facilitate comparisons of 2008 results against the previous year, the 4Q07 and 2007 comparative figures have been restated (4Q07(R) and 2007(R)) to (i) exclude Sonae Capital's contribution to the Sonae consolidated accounts during 2007, given the conclusion of the Sonae Capital demerger and consequent exclusion from the Sonae consolidation perimeter, from October 2007; (ii) Consolidate in 2H08 the Portuguese shopping centres comprising the Sierra Portugal Fund by the equity method; and (iii) to perform the fair value allocation of the retail acquisition in the 2H07;

(iii) Sonae sub-holdings financial figures, as reported in section 2 – Consolidated results – , are presented on the basis of their contribution to the consolidated accounts; references to stand alone means figures presented at the financial statements of each business;

(iv) Sonae sub-holdings financial figures, as reported in section 6 – Additional information – , are presented on a stand-alone basis, meaning that the figures presented are those from the financial statements of each business;

(v) The consolidated income statement is presented dividing Direct Income and Indirect Income as common practice in Real Estate Industry, in which Shopping Centres segment is included. Indirect Income includes the Shopping Centres segment contributions net of taxes to consolidated income statement, arising from: i) investment properties valuations; ii) capital gains (losses) with the sale of financial investments, joint ventures or associates; iii) impairment losses (including goodwill) and; iv) provision for "Development Funds at Risk". The comparative figures for 2007 were presented in the same way in order to facilitate comparisons with 2008. Consequently figures presented as Direct Income, including EBITDA and EBIT exclude such contributions.

Highlights

In 2008, Sonae continued to deliver on its commitment of growth and profitability, proving its resilience in the face of a weak macroeconomic environment, and founded on a continuous search for new value adding opportunities through product, market and business model innovation, while keeping a sharp focus on cost containment and improved efficiency.

Million euros

CONSOLIDATED HIGHLIGHTS (4)	4Q07(R)	4Q08	y.o.y	2007(R)	2008	y.o.y
Turnover	1,283	1,520	18.4%	4,417	5,353	21.2%
EBITDA (1)	168	203	20.6%	536	617	15.0%
EBITDA margin (%)(2)	13.0%	13.3%	0.3pp	12.1%	11.5%	-0.6pp
Direct Net income - Group share	84	92	8.5%	199	159	-20.0%
CAPEX (3)	870	298	-65.7%	1,454	902	-38.0%
CAPEX as a % of Turnover	67.8%	19.6%	-48.2pp	32.9%	16.8%	-16.1pp

(1) EBITDA = Turnover + other revenues - impairment reversion - badwill- operating costs; (2) EBITDA margin = EBITDA / Turnover; (3) Capex includes gross investments in tangible, intangible, investment properties and investments in acquisitions; (4) refer to note (iv) in the table of contents; (R) Restated to exclude Sonae Capital contribution in 2007 and to consolidate the Portuguese shopping centres comprising the Sierra Portugal Fund by the equity method in 2H08.

- **Consolidated turnover increased by 21.2% to 5,353 million euros in 2008**, driven by growth across all the businesses: (i) the Retail business delivered most of the growth in turnover, with an increase in contribution of 835 million euros in 2008 compared to 2007 (+24.7%), mainly explained by strong organic growth in Portugal, the entry into the Spanish market and the successful integration of the 12 hypermarkets acquired at the end of 2007; (ii) the Telecommunications business increased its contribution to turnover by 77 million euros, as a result of commercial initiatives implemented in supporting the brand, improving distribution capacity and customer service; and (iii) the Shopping Centre business increased its contribution to consolidated turnover by 24 million euros, mainly reflecting higher rental income due to a combination of acquisitions, increases in ownership share in 2007 and openings, and a good performance of the portfolio under management, the latter reflected in an average occupancy rate of 94.3% and an underlying 5.4% like for like growth of rents (4.1% in Europe and 7.2% in Brazil).

- **EBITDA increased by 15.0% to 616.8 million euros in 2008**, mainly as a result of: (i) a 17.9% higher contribution to consolidated EBITDA by the Retail business unit, which managed to maintain recurrent margin at 8.5% on a ex-fuel basis; (ii) a 29.4% increase in contribution to EBITDA by the Shopping Centre business, driven by the above mentioned larger portfolio under management and its good operational performance in the period; and (iii) a 3.6% increase in contribution to EBITDA by the Telecommunication business, reflecting in particular the improved scale benefits at the wireline business, despite commercial efforts to acquire and retain customers during the year.

- **Sonae's level of investment, amounting to 901.8 million euros**, was aligned with announced key strategic objectives for the year, reflecting: (i) the Retail business' continued focus on organic growth, as a means of consolidating its market leadership in Portugal, and the start of its international expansion programme with the entry into Spain, combining an organic growth and M&A strategy approach to the market; (ii) the Telecommunications business ambitious investment plan, aimed mainly at increasing the coverage and capacity of its mobile access network and including the first phase of roll-out of its fibre optics network; and (iii) the Shopping Centre business development of projects in pipeline, although at a slower pace than in 2007, mainly due to market constraints on credit availability.

Million euros

CAPITAL STRUCTURE (5)	3Q07(R)	4Q07(R)	1Q08	2Q08	3Q08	4Q08
Net debt (1)	**2,371**	**2,526**	**3,013**	**3,138**	**3,107**	**3,139**
Retail net debt/EBITDA (last 12 months)	2.0 x	3.6 x	4.2 x	4.4 x	4.1 x	3.5 x
Shopping centres Loan to Value (2)	40.0%	41.0%	42.6%	41.9%	42.8%	46.7%
Telecoms net debt/EBITDA (last 12 months) (3)	2.0 x	1.9 x	2.1 x	2.3 x	2.4 x	2.5 x
Holding&Others Loan to Gross Asset Value (4)	-	11.8%	-	-	21.7%	23.2%

(1) Net debt = gross debt - liquidity; (2) Net debt / (Investment properties + Properties under Development); (3) excludes securitization transaction completed at end 2008; (4) Holding&Others Net debt/Holding Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies; unaudited; (5) all the quarters with exception of 4Q08 are unaudited.

- **Sonae ended 2008 with a solid balance sheet**, maintaining levels that are adequate for each activity: the Retail business debt ratio of 3.5x reflected the retail store acquisitions at end 2007, with the ratio improving over the last 2 quarters of the year; Shopping Centres loan to value was at a conservative value of 46.7%, below the industry average; Telecommunications debt ratio level remained adequate, reaching a level of 2.5x compared to 2007; and the Holding & Others company loan to gross asset value was 23.2%, largely impacted by the Cash Settled Equity Swap contracted, and the equity and real estate market performance impact on the portfolio Gross Asset Value.

Message from the CEO

During 2008, the macroeconomic and financial environment continued to deteriorate across the world, far beyond most initial expectations. Nonetheless, Sonae continued to deliver growth and increased operational profitability, posting an increase of 21% in turnover and 15% in EBITDA, thanks to our execution capability and a balanced portfolio that proved its robustness in the face of challenging macroeconomic conditions. The last quarter was particularly important for this performance, posting a turnover and an EBITDA growth of 18% and 21%, compared with the homologous period, and contributing to 28% and 33% of the annual figures, respectively.

I am very pleased to report that our Retail business fully delivered its disclosed guidance for the year of turnover growth above 20% and a sustained recurrent EBITDA margin of 8.5% (both on an ex-fuel basis). These goals had been considered difficult to achieve, given the acquisition of less profitable hypermarkets at end 2007, as well as the deterioration of demand for non-food retail products. Contributing to this performance, was the successful integration of the assets acquired, and the entrepreneurial and innovative spirit of the Retail team, examples of which were the strong investment made in the development of private and exclusive label programmes and the upgrade and segmentation of the perishable category. Particularly noteworthy was the solid growth posted by our specialized retail formats, strengthening our market share in several categories and showing resilience to the negative trend of consumer confidence.

Our Shopping Centre business managed to optimize the operating performance of its units, posting, on a stand alone basis, turnover growth of 12% and an EBITDA increase of 15%, mainly driven by an underlying 5% like for like growth of rents and the centres opened in 2007 (+3) and 2008 (+3). These results were only possible due to the experience and recognised the management skills of the team, which were also apparent in the ability to launch, in the middle of the real estate and financial crisis, a 300 million euros equity fund and to place a 58% shareholding of this Fund to international institutional investors without any discount to fair value.

The Telecommunication business achieved significant growth in turnover (+9%) while maintaining its EBITDA level, a clear sign of the success of its ambitious investment programme, namely in network extension and capacity, brand promotion and distribution. The business is today strongly placed to successfully develop its activity as the leading global operator in Portugal, and even better positioned to achieve the long term objectives of sustainable growth and superior economic value.

Indirect income registered a significant negative value in 2008 due to variations in the value of our shopping centres. It is very important to stress that these variations are only negative because of increases in market capitalization yields, which are used to discount cash-flow projections. These projections have in fact increased substantially and, together with the new openings, amounted to 84 million euros and were responsible for a significative improvement in this negative value.

Our consolidated financial structure should not be analysed by a single consolidated ratio as our businesses have very different cash flow profiles and can only be correctly analysed with the relevant ratios for each sector. We feel comfortable with the debt levels in all our businesses, each with low refinancing and liquidity risk. Also, our average maturity of debt stood at approximately 5.7 years by end 2008, with only 100 million euros to be refinanced in 2009, with the sum of cash and unused short term credit lines totalling 1,112 million euros.

1 - Investment portfolio as of 31 December 2008

Sonae's good operational performance and resilience to the financial crisis, clearly visible in 2008, was not reflected in its share price at 31 December 2008 and its trend since end 2007.

Million euros		Analyst's consensus	Market multiples , real estate NAV and market capitalization for listed companies				
NET ASSET VALUE [(6)]	% stake	latest valuations	2008	9M08	Δ	2007	Δ
Gross Asset Value (GAV)		**2,760**	**2,792**	**2,689**	**3.9%**	**3,381**	**-17.4%**
Retail[(1)]	100%	1,461	1,707	1,367	24.9%	1,713	-0.3%
Shopping Centre[(2)]	50%	780	795	924	-14.0%	949	-16.3%
Insurance Brokerage[(3)]	100%	57	95	77	23.8%	77	23.8%
Total unlisted holdings		2,298	2,597	2,368	9.7%	2,739	-5.2%
Telecommunications[(4)]	53%	462	195	321	-39.1%	642	-69.5%
Total listed holdings		462	195	321	-39.1%	642	-69.5%
Holding costs [(5)]		57	52	49	6.6%	81	-36.1%
Holding&Others Net debt [(5)]		573	648	584	11.0%	402	61.4%
Net Asset Value		**2,130**	**2,092**	**2,056**	**1.8%**	**2,897**	**-27.8%**
shares outstanding ('000)		2,000,000	2,000,000	2,000,000	0.0%	2,000,000	0.0%
NAV/share (€)		**1.07**	**1.05**	**1.03**	**1.8%**	**1.45**	**-27.8%**
closing price last trading day		0.44	0.44	0.53	-18.2%	1.78	-75.4%
NAV premium/(discount) to closing price last trading day		144%	139%	92%	46.9pp	-18%	-

(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 EV/EBITDA market multiples; (3) Acquitisition value to Sonae Capital at end November 2007 and increase at December 2008 in shareholding at Cooper Gay, from 14% to 32.12%; (4) valuation at market prices with the exception of analyst's consensus column; (5) Values reported by Sonae with the exception of analyst's consensus column; the reported holding costs are a perpetuity based on food retail EV/EBITDA 08 and the costs incurred ; (6) Unaudited figures.

Based on the latest available research by analysts on Sonae, the consensus value of the Group's net assets at end 2008 amounted to 2,130 million euros, equal to 1.07 euros per share, implying a premium of 144% over the Sonae share closing price of 0.44 euros at 31 December 2008. From analyst's research available up to 31 December 2008, 80% have a 'buy' recommendation, the majority of which attributed a high premium over Sonae's stock market valuation, despite progressively adjusting their price targets to Sonae share price trend. Thus, Sonae was considered a "top pick" by several financial institutions for 2009.

Taking into account market multiples, real estate NAV and market capitalization for listed companies, Group net asset value at end 2008 amounted to approximately 2,092 million euros, representing 1.05 euros per share, implying a premium of 139% over the Sonae share closing price of 0.44 euros as at 31 December 2008. Compared to year end 2007, the market multiples based estimate of the Group's net asset value fell by 27.8%, driven mainly by a 69.5% decrease in Sonaecom market capitalization and a 16.3% reduction of the Shopping Centre valuation.

From Sonae's current portfolio and taking into account the consensus of analysts, Retail represented 52.9% of total GAV, Shopping Centres 28.3% and Telecommunications 16.7%. When based on market multiples and market capitalization for quoted companies, investments in Retail accounted for 61.1% of total GAV, Shopping Centres represented 28.5% and Telecommunications 7.0%.

2 - Consolidated results

2.1. Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT (8)	4Q07(R)	4Q08	y.o.y	2007(R)	2008	y.o.y
DIRECT INCOME						
Turnover	**1,283**	**1,520**	**18.4%**	**4,417**	**5,353**	**21.2%**
Retail	989	1,225	23.9%	3,376	4,211	24.7%
Shopping centres (1)	41	45	10.3%	145	169	16.3%
Telecommunications	243	244	0.3%	877	954	8.7%
Holding & others	10	5	-47.5%	19	20	3.8%
Other revenues	**104**	**135**	**29.9%**	**338**	**456**	**34.8%**
Operating costs	**1,219**	**1,439**	**18.1%**	**4,216**	**5,179**	**22.8%**
COGS	762	945	24.0%	2,623	3,304	26.0%
Personnel costs	139	168	21.5%	509	612	20.4%
Other operating costs	318	326	2.5%	1,085	1,262	16.4%
EBITDA (2)	**167**	**203**	**21.0%**	**536**	**617**	**15.0%**
EBITDA margin (%) (3)	13.0%	13.3%	0.3pp	12.1%	11.5%	-0.6pp
Retail	105	132	25.3%	300	354	17.9%
Shopping centres (1)	21	25	20.8%	69	90	29.4%
Telecommunications	43	51	19.2%	173	179	3.6%
Holding & others	-1	-5	-	-5	-5	0.4%
Provisions and impairment losses	-2	12	-	13	28	111.8%
Depreciation & amortization	61	72	17.2%	228	274	20.0%
EBIT	**109**	**132**	**20.7%**	**298**	**328**	**10.2%**
Net financial results	**-28**	**-54**	**-90.4%**	**-114**	**-174**	**-52.2%**
Financial income	17	13	-22.2%	53	43	-18.3%
Financial expenses	45	67	48.6%	167	217	29.9%
Share of results of associated undertakings	2	13	-	4	15	-
Investment income (4)	1	3	168.9%	34	4	-88.7%
EBT	**83**	**93**	**11.6%**	**222**	**173**	**-22.2%**
Taxes	27	5	-81.4%	16	-2	-
Direct Net income	**110**	**98**	**-10.9%**	**238**	**171**	**-28.3%**
Group Share (7)	84	92	**8.5%**	199	159	**-20.0%**
Attributable to minority interests	25	6	**-75.6%**	39	12	**-70.0%**
INDIRECT INCOME						
Value created on investment properties (5)	38	-77	-	158	-121	-
Investment income (6)	5	3	-44.4%	8	12	61.6%
Impairment losses	-2	-34		-5	-37	
Taxes	-8	11	-	-44	15	-
Indirect Net income	**34**	**-97**	**-**	**117**	**-132**	**-**
Group Share (7)	28	-65	-	76	-79	-
Attributable to minority interests	6	-32	-	41	-53	-
TOTAL NET INCOME						
Total Net income	**144**	**1**	**-99.4%**	**355**	**39**	**-89.0%**
Group Share (7)	113	27	-76.1%	275	80	-70.9%
Attributable to minority interests	31	-26	-	80	-41	-

(1) Shopping centres are proportionally consolidated; (2) EBITDA = Turnover + other revenues -impairment reversion - badwill- operating costs; (3) EBITDA margin = EBITDA / Turnover; (4) Capital gains (losses) with financial investments excluding those generated at shopping centres plus dividends received; (5) Increase (decrease) in the valuation of the shopping centres proportionally consolidated; (6) Capital gains (losses) with financial investments generated at Sonae Sierra ; (7) Net income attributable to Sonae shareholders; (8) the financial information regarding 4Q07(R) and 4Q07 was not audited; (R) Restated to exclude Sonae Capital contribution in 2007 and to consolidate the Portuguese shopping centres comprising the Sierra Portugal Fund under the equity method in 2H08.

DIRECT INCOME

Turnover

Consolidated turnover increased by 936 million euros in 2008 compared to 2007(R), driven by strong growth across all the businesses, a remarkable achievement given the deterioration of macroeconomic conditions. The breakdown of this consolidated performance was as follows:

(i) 24.7% higher contribution from Retail, mainly reflecting: (a) a marginal positive like-for-like growth, heavily penalized throughout the year by the worsening levels of household confidence; (b) the result of the implementation of a strong organic growth plan in Portugal; (c) the entry into the Spanish market with SportZone and Worten formats; (d) the contribution of the petrol stations acquired at end 2007 as part of the retail operation acquisition; and (e) the successful integration of the acquired operating units. On a standalone basis, the company delivered the disclosed objective for the year, with turnover of its food and non-food retail formats totalling 4,068 million euros, up 20% compared to 2007. Food retail registered a solid 22% sales growth and non-food retail sales increased by 16.1% in 2008 compared to 2007, a positive achievement in the current economic environment of lower overall spending and household confidence levels. In perspective, this trend clearly stands out in the current context of the contracting world economy, and is particularly relevant as it confirms the capacity of Retail to progress beyond its already prominent leadership position in the Portuguese retail market.

(ii) 8.7% higher contribution from Telecommunications, as a result of higher customer revenues at the Wireline and Mobile areas, driven by a number of initiatives implemented during 2008 such as: (a) promotion of its mobile broadband product, contributing to the maintenance of its leading position in retail sales of wireless broadband; (b) improvements in quality of service with the reorganization of its Call Centre; (c) re-launch of the “Optimus” brand, by the mobile, and SME and corporate wireline businesses; (d) the strengthening of its distribution network, including an increase in the number of own stores to 42 at end 2008; and (e) the success of several innovative products and services launched on the market, namely TAG (an innovative offer aimed at the youth segment) and the introduction of the iPhone in Portugal. This performance was achieved despite aggressive price competition in the Portuguese telecoms market, the lower level of roaming-in tariffs and the introduction of the new Mobile Termination Rate (MTR) programme, which introduced a glide path for lower MTRs, and, for the first time since the launch of its mobile operations, asymmetry in favour of Optimus.

(iii) 16.3% higher contribution from Shopping Centres, primarily due to an increase in rental income, reflecting: (a) the full year contribution from 3 centres opened in 2007, namely Alexa, El Rosal and 8ª avenida, and the contribution from 3 centres opened in 2008, namely Freccia Rossa, Pantheon Plaza and Gli Orsi, and the expansion of the Plaza Mayor; (b) the portfolio increase through the acquisition of Munster and River Plaza in 2007; (c) an increase in ownership of several shopping centres in Brazil and Portugal in 2007; and (d) positive performance of the portfolio under management in 2008, with like-for-like growth in rents of 5.4% (4.1% in Europe and 7.2% in Brazil), sustained by the maintenance of the occupancy rate at 94.3%; On a standalone basis, the Development business posted a 9.7% increase in turnover, mainly due to the higher number and size of the projects in pipeline, and despite the delay on the development pipeline, explained by the sharp contraction of global credit. The organic increase of the portfolio under management, offsetting the negative impact of yield increases on value and lower leasing activity, explained the 3.5% turnover growth of the Property and Asset Management businesses in the period.

EBITDA

EBITDA amounted to 616.8 million euros, 15.0% above 2007(R), generating a margin of 11.5% compared to a margin of 12.1% in 2007(R). This value reflects the following contributions:

(i) The Retail business increased its contribution to EBITDA by 17.9% compared to 2007(R), mainly reflecting the turnover performance detailed above, as well as the implementation of cost reduction and operational efficiency programmes. On a standalone basis, total EBITDA reached 355 million euros, generating an EBITDA margin of 8.4%. Two extraordinary impacts affected both 2008 and 2007 results: (a) a 9 million euros capital gain in 2008 generated by the sale of a Brazilian site in Florianópolis; and (b) a 12 million euros capital gain in 2007 generated by the sale of the real estate assets of the Albufeira and Portimão shopping centres galleries in Portugal. Excluding the impact of these non-recurrent capital gains, EBITDA rose by 20% to 346 million euros, generating a margin of 8.5%, in line with guidance. Food retail EBITDA increased by 26.8% over 2007 to 263 million euros and non-food retail EBITDA was up 5.7% over 2007 to 76 million euros;

(ii) The Shopping Centre business contribution to EBITDA grew by 29.4% over 2007(R), mainly driven by the above mentioned increase of the portfolio owned and its good operational performance in the year. On a standalone basis, investment properties EBITDA was 193.9 million euros, up 27.3% compared to 2007, mainly reflecting the 17.3% increase in fixed rental income and the 10.7% increase in turnover rental income. Asset Management and Property Management Service divisions had EBITDA of 15.6 million euros, 11.7% below 2007, explained by the lower value of the European portfolio under management, as a result of continuous yield increases throughout 2008;

(iii) The Telecommunications business increased its contribution to EBITDA by 3.6% compared to 2007(R), reflecting the success of the ongoing investment in growth of the mobile business and the focus on delivering greater value to the existing wireline customer base, mitigating the decrease in roaming-in tariffs, the delays in the introduction of the new MTR program and the increased aggressiveness of the competitive environment. On a standalone basis, the Mobile business generated an EBITDA of 142.4 million euros, compared to 153.7 million euros in 2007, while the Wireline business reached an EBITDA of 14 million euros, up 43.8% compared to 2007.

Net financial results

Net Financial results deteriorated by 52.2% to a negative 174 million euros in 2008 compared to a negative 114 million euros in 2007(R), mainly comprising: (i) a 29.9% increase in financial expenses, explained by the Group's higher average net debt in 2008 and by the increase in Euribor market rates (the 3 and 6 months Euribor increasing by 0.4pp compared to 2007); and (ii) a 9.6 million euros decrease in financial income. The Group's higher average net debt in 2008 compared to 2007(R) is primarily explained by the financing requirements of the retail acquisition successfully completed at the end of 2007, and progress in the development pipeline of the Shopping Centre business.

Direct net income – Group share

The group share of direct net income decreased by 20.0% from 198.9 million euros in 2007(R) to 159.1 million euros in 2008, mainly due to: (i) the above mentioned higher net financial charges incurred in the period; (ii) a decrease of 30 million euros of investment income, with the 2007 figure mainly comprising capital gains of 27.5 million euros arising from the sale of 6.7 million shares of Sonaecom; and (iii) Sonae's ambitious investment plan for the year, which involved store network expansion in Retail and extension of the mobile and wireline network in Telecommunications, driving up depreciation and amortization costs in 2008 against 2007(R) but not yet fully contributing to the Group's operational profitability.

INDIRECT INCOME

Value created on investment properties

Value created on investment properties at the Shopping Centres business amounted to a negative 121.4 million euros, compared to a positive 158.2 million euros in 2007(R), primarily reflecting the following factors in the shopping centre business, on a standalone basis: (i) 413.9 million euros decrease in the value of the European shopping centres in the portfolio, explained by the general yield increase in Europe, compared to a yield compression trend still prevailing in 2007; in 2008, average yields in Portugal increased by 56bp, in Spain by 95bp, in Italy by 78bp, in Germany by 42bp and in Romania by 125bp; (ii) 129.7 million euros positive impact on valuation reflecting the improved performance of the shopping centres owned; (iii) 37.3 million euros positive impact on valuation resulting from the 3 openings and 1 expansion in 2008, and (iv) 3.0 million euros increase in the value of the Brazilian Shopping Centres, impacted by the 8bp yield decrease compared to 2007;

Investment income

Investment income totalled 12 million euros in 2008 compared to 8 million euros in 2007(R), mainly relating to gains on the launch of the Sierra Portugal Fund on 27 March 2008 and the corresponding placement of 58% of the fund with 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.

TOTAL NET INCOME

Total net income – Group share

The above mentioned trend of value created on investment properties at the Shopping Centres business was the main factor responsible for the reduction of the group share of consolidated net income to 80 million euros in 2008.

2.2. Consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	2007(R)	2008	y.o.y
Total Net Assets	**6,862**	**7,306**	**6.5%**
Non current assets	5,449	5,871	7.7%
Tangible and intangible assets	2,566	2,948	14.9%
Goodwill	676	697	3.2%
Investment properties in operation (1)	1,659	1,683	1.4%
Investment properties under development (2)	192	159	-17.0%
Other investment	121	156	28.8%
Deferred tax assets	148	207	39.5%
Others	87	21	-75.6%
Current assets	1,413	1,435	1.5%
Stocks	469	560	19.6%
Trade debtors	229	215	-6.2%
Liquidity (3)	344	248	-28.0%
Others	371	411	11.0%
Total Equity	**1,568**	**1,563**	**-0.4%**
Group ahare	1,121	1,151	2.7%
Minority interests	448	412	-8.1%
Total liabilities	**5,294**	**5,744**	**8.5%**
Non current liabilities	3,475	3,560	2.4%
Bank loans	965	1,281	32.7%
Other loans (4)	1,769	1,735	-1.9%
Deferred tax liabilities	319	331	3.7%
Provisions	109	57	-47.8%
Others	312	155	-50.2%
Current liabilities	1,818	2,184	20.1%
Bank loans	127	259	103.8%
Other loans (4)	9	111	-
Trade creditors	990	1,050	6.1%
Others	693	763	10.2%

(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; (R) 2007 figures restated for the fair value allocation of the Carrefour acquisition by end 2007, to exclude SonaeCapital contribution in 2007 and to consolidate the Sierra Portugal Fund by the equity method in 2H08.

CAPEX

Sonae's levels of investment essentially continued, although the increase in hurdle rates has resulted in a decrease of absolute values in 2H08 compared to the same period of last year. CAPEX amounted to 901.8 million euros in 2008, equal to 16.8% of turnover, with key strategic investment objectives maintained, namely the increase in the pace of international development, the strengthening of Retail's leadership position, the expansion of the shopping centre portfolio and the improvement in quality, reach and bandwidth of the telecommunications network.

Million euros

CAPEX	2007(R)	2008	y.o.y
Total CAPEX (1)	**1,454**	**902**	**-38.0%**
Retail	800	388	-51.6%
Shopping Centres (2)	417	185	-55.7%
Telecommunications	236	299	26.9%
Holding & others	1	30	-
CAPEX as a % of turnover	32.9%	16.8%	-16.1pp
EBITDA minus CAPEX	-917	-285	68.9%

(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 2007 and to consolidate the Portuguese shopping centres comprising the Sierra Portugal Fund by the equity method in 2H08.

Retail CAPEX, responsible for 43.0% of consolidated investment as at end 2008, was mainly focused on the Company's strong expansion plan, with the company ending the year with 793 operating units with a total of 809 thousand m2 of sales area (+14% compared to the end of the previous year). In 2008, the company: (i) opened 77 thousand m2 of sales area in Portugal; (ii) entered the Spanish market with the opening of 6 SportZone stores and the acquisition of 9 consumer electronics and household appliances units (to which a new store was later added), totalling 34 thousand m2 of sales area. Additionally, the company dedicated part of its investment effort to the store remodelling programme (in order to guarantee that the store portfolio remains a benchmark in the sector), and the development of the logistic infrastructure. The decrease in investment compared to 2007[R] is explained by the acquisition, at the end of last year, of Carrefour Portugal Hypermarkets, an investment of 664 million euros.

Telecommunications CAPEX accounted for 33.2% of consolidated investment as at 2008, and was mainly made up of investments in the Mobile division, totalling 244.7 million euros (+117.6 million euros increase in 2008 over 2007), of which 91 million euros related to the recognition of the net present value of the Company's contribution to the "e-Initiatives" programme, a government initiative which offers laptops and discounts for broadband access to school teachers and students. The remaining Mobile CAPEX reflects the ambitious investment plan aimed at increasing the coverage and capacity of the mobile access network: by end 2008, the 3G network covered circa 90% of the Portuguese population and over 80% with HSDPA technology, offering bandwidths of up to 7.2 Mbps. Total CAPEX also included the initial phase of the announced fibre optic cable deployment plan.

The Shopping Centres business represented 20.5% of consolidated CAPEX, entirely due to investments in development activities in Romania, Brazil, Germany, Italy, Greece and the Iberian Peninsula. The decrease in investment compared to 2007[R] is explained by: (i) the acquisitions concluded during the previous year, namely Munster Arkaden, in Germany, River Plaza Mall, in Romania, Albufeira and Portimão in Portugal; (ii) the increase, during 2007, of shareholding positions in Brazilian and Portuguese shopping centres; (iii) the acceleration, in 2007, of the development of projects opened in 2008; and (iv) some slowing down of development projects in 2008.

CAPEX at the Holding company amounted to 30 million euros compared to 1 million euros in 2007[R], mainly relating to the acquisition of approximately 13.3 million Sonaecom shares during the period.

Capital structure

The Group's debt has evolved in line with expectations in all businesses and in the Holding company, maintaining levels considered clearly adequate for each activity, with relatively long average maturities and no major debt repayments in the short term.

Million euros

CAPITAL STRUCTURE	2007[R]	2008	y.o.y
Gross debt [1]	2,871	3,387	18.0%
Net debt [2]	**2,526**	**3,139**	**24.2%**
Retail	1,072	1,218	13.6%
Shopping centres [3]	745	876	17.5%
Telecommunications [4]	307	397	29.1%
Holding & others	402	648	61.4%
Retail net debt/EBITDA (last 12 months)	3.6 x	3.5 x	-0.2x
Shopping centres Loan to Value [5]	41.0%	46.7%	5.7pp
Telecoms net debt/EBITDA (last 12 months)	1.9 x	2.5 x	0.6x
Holding&Others Loan to Gross Asset Value [6]	11.8%	23.2%	11.4pp

(1) Gross debt = non current borrowings + current borrowings; (2) Net debt = gross debt - liquidity; (3) Shopping Centres are proportionally consolidated; (4) excluded securitization transaction completed at end 2008; (5) Net debt / Investment properties + properties under development); (6) Holding Net debt/Holding Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies; unaudited; (R) Restated to exclude Sonae Capital contribution in 2007 and to consolidate the Sierra Portugal Fund by the equity method in 2H08.

Compared to the end of 2007,[R], net debt increased 612.3 million euros, reflecting: (i) the retail investment plan of organic growth and store refurbishment, responsible for a 145.7 million euros increase in the contribution to consolidated net debt from the Retail business in 2008; the Company's Retail business Net Debt to EBITDA (last 12 months) reached 3.5x, decreasing from 3.6x at end of 2007[R] and continuously improving from the 4.4x leverage ratio at end 1H08; (ii) the acquisition of 13.3 million Sonaecom shares during 2008, and the 209.7 million euros impact from the payments under the cash settled equity swap covering approximately 6.6% of Sonae's share capital, the main factor responsible for a 246 million euros higher contribution to consolidated net debt from the Holding & Others; loan to value at the Holding company reached 23.2%; (iii) the growth led investment in the Telecommunications business, including the expansion of the network, responsible for a 90 million euros increase in its contribution to consolidated Net Debt; nonetheless, the Telecommunications' Net Debt to EBITDA (last 12 months) remained at an adequate level of 2.5x; and (iv) the successful placement of 58% of the Sierra Portugal Fund and consequent proceeds from the operation, which offset the Shopping Centre business' financial needs for the on-going development pipeline.

Holding & Others net debt totalled 648.2 million euros, 246.5 million euros above the level at end of 2007[(R)], and was made up mainly of: (i) 145.3 million euros used under the 340 million euros of committed short term credit facilities; of which 295 million euros can be cancelled with a prior notice of 1 year and 45 million euros with a prior notice of 6 months; and (ii) 500 million euros of long-term bonds, of which 250 million euros are due in May 2011 and the remainder in 2013 and 2014.

Overall, refinancing risk continued at a low level at the end of 2008, the weighted average maturity of Sonae Group debt standing at approximately 5.7 years (considering 100% of Sonae Sierra's debt), with the Retail business having more than 61% of its debt repayable after 2012, the Shopping centre business with more than 79% of its debt repayable after 2012 and the Telecommunications business with no amortizations of bank debt scheduled before 2010. Liquidity risk was also maintained at a low level, with the sum of cash and unused credit facilities standing at 1,112 million euros. Worth mentioning is the fact that 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, an additional 1.1 million Sonaecom shares, purchased at an average price of 1.15 euros per share. The Company ended the year 2008 with a shareholding position of 53.1%.

- Sonae completed the subscription of securitized Assets through a private offering in the amount of approximately 100 million euros with a term of 5 years (2009/2013), amortized in quarterly equal instalments and having as its underlying asset the future receivables to be generated under a portfolio of existing corporate customer contracts of Sonaecom. This transaction provides an attractive investment opportunity for Sonae through the associated remuneration and by investing in a specific pool of high quality credit-enhanced assets that provide an interesting rate of return on a risk-adjusted basis. They also constitute a marketable instrument, which may be monetized in the future if deemed appropriate.

4 - Investment portfolio outlook

Sonae ended 2008 with a comfortable balance sheet, strong competitive positions in its main markets and an outstanding, highly skilled management team in each business, with expertise and recognised reputation in their sectors. This, together with a corporate culture of ambition, excellence, flexibility and innovation, allows the Group's management team to be confident of achieving the commitments of sustainable growth and superior value creation. In addition, the role and competencies of the corporate centre will continue to be fine tuned and shaped so that it can best help the Group towards success in achieving future profitable growth.

The Retail business will maintain its focus on pushing for growth and strengthening its value proposal, by: (i) continuing to expand it sales area until reaching 1 million m2 over the next 2 years through implementing its growth plan in Portugal and maintaining progress with its international expansion programme (with the opening of 80 thousand m2 of sales area in Spain); (ii) developing the own brand program; (iii) strengthening sourcing skills with the aim of increasing competitiveness and the variety of the commercial offer of each format; (iv) implementing innovative commercial strategies based upon the information and know how obtained from the customer loyalty programme; (v) implementing productivity enhancement programmes at the store level; (vi) improving logistics, benefiting internal efficiency and productivity; and (vii) optimising operational working capital management. In relation to debt levels, the company does not anticipate increasing its financial exposure in 2009.

The Shopping Centre business will focus on optimizing the operational performance of its shopping centre portfolio, while adapting the pace of its development activity to the recovery of the financial system. Of the disclosed 14 projects under development, the projects LeiriaShopping, in Portugal, Loop 5, in Germany, and the 4 disclosed projects in Brazil will continue their development and open on schedule. Additionally, the pace of the launch of new development projects will probably slow down, given lower funding availability (only projects with financing already finalised will be started), an increase in the minimum required return on equity rate, and also expectations of further yield increases in Europe, although of a lower magnitude than in 2008 but mitigated by yield compression in Brazil. Rental income is expected to increase in 2009, benefiting from the full year contribution to turnover of the 3 shopping centres opened in 2008.

The Telecommunication business will continue to push for customer growth in its mobile business, based on the foundations built during 2008 in terms of brand investments, organisational and commercial initiatives, and improvements in customer service. The wireline segment will continue to be very competitive and we will look to protect margins in residential direct access ULL services, push for necessary regulatory improvements and continue to focus on the second phase of our fibre deployment plan.

5 - Dividend payment proposal

In view of the net results for the financial year 2008, the Board of Directors will propose to the Shareholders' General Meeting a gross dividend of 0.03 euros per share. This dividend proposal will be made despite the reduction of the investment portfolio, with the exclusion of Sonae Capital from the Group consolidation perimeter as from October 2007, and the deteriorating macro-economic conditions, with the negative impacts of the financial crisis denting consumer and business confidence and leading to sharp contractions in the global credit and real estate markets. It is equivalent to a dividend yield of 6.9% over the closing price at 31 December 2008 and to a payout ratio of 75% of consolidated profits attributable to equity holders of Sonae.

6 - Additional information

6.1. Retail main highlights

OPERATING REVIEW (1)	4Q07	4Q08	y.o.y	2007	2008	y.o.y
LFL sales growth (%)	4%	-2%	-6pp	4%	0%	0.2pp
Food	4%	0%	-4pp	3%	1%	0.8pp
Non-Food	5%	-5%	-11pp	4%	-2%	-1.7pp
Number of stores (EOP)	646	793	22.8%	646	793	22.8%
Food	173	198	14.5%	173	198	14.5%
Non-Food	473	595	25.8%	473	595	25.8%
Sales area ('000 m2)	709	809	14.1%	709	809	14.1%
Food	460	483	5.0%	460	483	5.0%
Non-Food	249	325	30.5%	249	325	30.5%
% Sales area owned (%)	74.0%	72.0%	-2pp	74.0%	72.0%	72pp
Food	86.0%	87.0%	1pp	86.0%	87.0%	87pp
Non-Food	52.0%	50.0%	-2pp	52.0%	50.0%	50pp
Total employees	31,714	34,158	7.7%	31,714	34,158	7.7%

1) 4Q07 and 4Q08 financial figures are unaudited.

Million euros

FINANCIAL REVIEW (6)	4Q07	4Q08	y.o.y	2007	2008	y.o.y
Turnover	**991**	**1,228**	**23.9%**	**3,385**	**4,220**	**24.7%**
Food	668	819	22.7%	2,368	2,889	22.0%
Continente	-	-	-	1,157	1,541	33.2%
Modelo	-	-	-	1,206	1,339	11.0%
Others	-	-	-	6	9	68.1%
Non-Food	321	372	15.7%	1,009	1,172	16.1%
Worten	-	-	-	461	563	22.2%
Vobis	-	-	-	64	53	-17.3%
Worten Mobile	-	-	-	7	11	62.1%
Modalfa	-	-	-	91	102	11.8%
Zippy	-	-	-	17	28	65.9%
Sportzone	-	-	-	143	170	19.0%
Maxmat&Maxgarden	-	-	-	72	75	4.0%
Star	-	-	-	132	128	-2.7%
Área Saúde	-	-	-	23	40	75.3%
Book.it	-	-	-	0	1	-
Loop	-	-	-	0	1	-
Others & eliminations (1)	2	37	-	7	158	-
EBITDA	**105**	**133**	**27.2%**	**299**	**355**	**18.6%**
EBITDA margin (%) (2)	10.6%	10.8%	0.2pp	8.8%	8.4%	-0.4pp
Food	71	94	33.8%	208	262	25.9%
Non-Food	32	34	4.1%	71	76	5.7%
Others & eliminations (1)	2	5	190.4%	20	18	-11.5%
EBIT	81	104	28.6%	211	240	13.9%
Net financial results	-9	0	100.0%	-35	-52	-48.7%
Net income (3)	**69**	**91**	**32.4%**	**167**	**171**	**2.1%**
Gross debt	1,207	1,406	16.5%	1,207	1,406	16.5%
Net debt	1,082	1,228	13.5%	1,082	1,228	13.5%
Net debt/EBITDA (last 12 months)	3.6 x	3.5 x	-0.2x	3.6 x	3.5 x	-0.2x
EBITDA/interest expenses (last 12 months) (4)	10.5 x	5.3 x	-5.2x	10.5 x	5.3 x	-5.2x
Gross Debt/(Gross Debt+Total equity) (5)	58.7%	61.2%	2.5pp	56.0%	60.2%	4.2pp
CAPEX	972	143	-85.3%	1,143	358	-68.7%
EBITDA minus CAPEX	-867	-10	98.8%	-844	-4	99.6%

(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; (6) 4Q07 and 4Q08 financial figures are unaudited.

6.2. Shopping Centres main highlights

OPERATING REVIEW [7]	2007	2008	y.o.y	9M08	∆
Assets under management (million euros) [1]	6,154	6,173	0.3%	6,283	-1.7%
Real estate NAV (million euros) [2]	1,713	1,416	-17.3%	1,671	-15.3%
Sierra Investments	1,163	960	-17.4%	1,062	-9.5%
Sierra Developments	377	220	-41.7%	391	-43.8%
Sierra Brazil	201	193	-4.0%	226	-14.9%
Others [3]	-27	43	-	-8	-
NAV per share (euros)	53	44	-17.3%	51	-15.3%
Openings & acquisitions (EOP)	8	3	-62.5%	2	50%
Shopping centres owned/co-owned (EOP)	47	50	6.4%	48	4.2%
GLA owned/co-owned [4]	1,855	1,963	5.8%	1,902	3.2%
Occupancy rate of GLA owned (%)	95.5%	94.3%	-1.2pp	96.0%	-1.6pp
Projects under development (EOP) [5]	12	14	16.7%	16	-12.5%
Projects in planning stage (EOP) [6]	15	11	-26.7%	15	-26.7%
GLA under development (thousand m2) [4]	474	701	47.9%	763	-8.2%
Shopping centres managed (EOP)	63	60	-4.8%	61	-1.6%
GLA under management (thousand m2) [4]	2,183	2,163	-0.9%	2,084	3.8%
Total employees	1,057	1,141	7.9%	1,127	1.2%

(1) Open market value = fair value of real estate in operation (100%), provided by an independent entity; (2) Net asset value = Open market value minus net debt minus minorities plus deferred tax liabilities; (3) Others = NAV of Corporate Centre + Property Management; (4) Gross lettable area in operating centres; excludes the brazilian operation; (5) Projects in planning and construction; (6) Projects under analysis and not yet aproved; (7) 9M08 financial figures are unaudited.

Million euros

FINANCIAL REVIEW [10]	4Q07	4Q08	y.o.y	2007	2008	y.o.y
Turnover	**81**	**83**	**2.1%**	282	315	**11.7%**
Services Business	**15**	**12**	**-20.2%**	48	49	3.5%
Asset management	7	5	-32.8%	23	24	2.1%
Property management	7	7	-6.9%	25	26	4.8%
Developments	5	4	-19.1%	13	14	9.7%
Investments	55	60	8.7%	192	224	16.7%
Brazil	5	6	1.9%	18	20	15.5%
Others & eliminations	2	3	34.4%	12	7	-39.0%
EBITDA	**45**	**46**	**2.6%**	**156**	**179**	**14.8%**
EBITDA margin (%) [1]	54.8%	55.1%	0.2pp	55.5%	57.0%	1.5pp
Services EBITDA margin (%)	41.6%	-	-	6.3%	5.0%	-1.3pp
Services Business	**6**	**3**	**-58.0%**	**18**	**16**	**-11.7%**
Asset management	4	1	-62.1%	11	10	-3.7%
Property management	2	1	-52.0%	7	5	-24.2%
Developments [2]	48	-119	-	77	-157	-
Investments	39	54	37.2%	152	194	27.3%
Others & eliminations	-49	109	-	-46	149	-
EBIT	44	45	2.5%	154	177	14.8%
Net financial results	-17	-22	-29.8%	-48	-88	-84.0%
Gains realized on investments [3]	14	2	-84.1%	14	19	43.2%
Value created on investment properties [4]	72	-213	-	292	-310	-
Net income [5]	**76**	**-122**	**-**	**215**	**-116**	**-**
Gross debt	1,751	1,947	11.2%	1,751	1,947	11.2%
Net debt	1,702	1,829	7.5%	1,702	1,829	7.5%
Loan to Value [6]	41.0%	46.7%	5.7pp	41.0%	46.7%	5.7pp
Net debt/EBITDA (last 12 months)	11.2 x	11.2 x	0x	11.2 x	11.2 x	0x
EBITDA/interest expenses (last 12 months) [7]	1.8 x	1.6 x	-0.2x	1.8 x	1.6 x	-0.2x
Gross Debt/(Gross Debt+Total equity) [8]	49.5%	63.8%	14.4pp	49.5%	63.8%	14.4pp
CAPEX [9]	131	55	-58.5%	445	260	-41.4%

(1) EBITDA margin = EBITDA / Turnover; (2) EBITDA Developments = EBITDA + value created in projects; (3) Capital gains (losses) with shopping centres disposals; (4) Increase (decrease) in the valuation of the shopping centres; (5) Net income attributable to Sonae Sierra shareholders; (6) Net debt / (investment properties + properties under development); (7) Interest cover; (8) Net gearing; (9) CAPEX does not include investments in acquisitions; (10) 4Q07 and 4Q08 financial figures are unaudited.

6.3. Shopping centres market yields

%

MARKET YIELDS [1]	2007			2008			y.o.y			9M08			Δ		
	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min
Portugal	7.0%	5.3%	4.9%	7.5%	5.8%	5.4%	0.5pp	0.6pp	0.5pp	7.2%	5.5%	5.1%	0.4pp	0.3pp	0.4pp
Spain	6.9%	5.6%	5.0%	9.4%	6.5%	5.7%	2.5pp	1,0pp	0.7pp	7.8%	6.1%	5.4%	1.6pp	0.4pp	0.3pp
Italy	6.2%	5.6%	5.5%	7.7%	6.4%	5.8%	1.6pp	0.8pp	0.3pp	6.4%	5.7%	5.6%	1.3pp	0.7pp	0.3pp
Germany	5.5%	5.5%	5.5%	6.0%	5.9%	5.8%	0.5pp	0.4pp	0.3pp	5.5%	5.5%	5.5%	0.5pp	0.4pp	0.3pp
Romania	6.8%	6.8%	6.8%	8.0%	8.0%	8.0%	1.3pp	1.3pp	1.3pp	7.0%	7.0%	7.0%	1,0pp	1,0pp	1,0pp
Brazil	9.5%	8.7%	8.5%	9.8%	8.6%	8.3%	0.3pp	-0.1pp	-0.3pp	9.3%	8.2%	8.0%	0.5pp	0.4pp	0.3pp

(1) 9M08 financial figures are unaudited.

6.4. Telecom main highlights

OPERATING REVIEW [7]	4Q07	4Q08	y.o.y	2007	2008	y.o.y
Mobile						
Customers (EOP) ('000)	2,894	3,192	10.3%	2,894	3,192	10.3%
ARPU (euros) [1]	18.1	16.1	-10.9%	18.2	16.8	-7.6%
Wireline						
Total accesses (EOP) [2]	775,623	592,900	-23.6%	775,623	592,900	-23.6%
Direct accesses (EOP)	470,673	455,027	-3.3%	470,673	455,027	-3.3%
Average revenue per access - retail [3]	21.6	22.4	3.7%	23.1	21.5	-6.8%
Media						
Average paid circulation [4]	39,615	42,566	7.4%	41,767	42,345	1.4%
Market share of advertising (%) [5]	13.9%	13.2%	-0.7pp	13.8%	12.5%	-1.3pp
SSI						
IT service revenues / employee ('000 euros) [6]	27.3	32.5	19.1%	110.9	120.6	8.7%
Total employees	1,961	1,968	0.4%	1,961	1,968	0.4%

(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) 4Q08= December YTD; (6) Excluding employees dedicated to equipment sales; (7) The financial information regarding 4Q07 and 4Q08 was not audited.

Million euros

FINANCIAL REVIEW [7]	4Q07	4Q08	y.o.y	2007	2008	y.o.y
Turnover	**248**	**249**	**0.4%**	893	976	**9.4%**
Mobile	164	161	-2.4%	619	629	1.6%
Wireline	78	71	-8.4%	255	291	14.1%
Media	10	8	-15.5%	33	32	-2.2%
SSI	26	34	32.1%	80	120	51.1%
Others & eliminations	-29	-25	15.1%	-95	-97	-2.2%
Other revenues	2	5	117.0%	6	10	63.4%
EBITDA [1]	**41**	**43**	**5.0%**	162	160	**-1.0%**
EBITDA margin (%) [2]	16.7%	17.4%	0.8pp	18.1%	16.4%	-1.7pp
Mobile	36	37	3.6%	154	142	-7.3%
Wireline	5	6	2.9%	10	14	43.8%
Media	0	0	-	-3	-3	1.6%
SSI	0	2	-	5	7	55.3%
Others & eliminations	0	0	-	-3	0	-
EBIT	3	4	41.7%	22	3	-87.2%
Net financial results	-4	-5	-40.6%	-21	-18	17.3%
Net income [3]	**34**	**13**	**-61.3%**	**37**	**5**	**-86.4%**
Gross debt	394	405	3.0%	394	405	3.0%
Net debt	310	400	29.0%	310	300	-3.3%
Net debt/EBITDA (last 12 months)	1.9 x	2.5 x	0.6x	1.9 x	2.5 x	0.6x
EBITDA/interest expenses (last 12 months) [4]	5.9 x	8.1 x	2.2x	5.9 x	8.1 x	2.2x
Gross Debt/(Gross Debt+Total equity) [5]	29.6%	30.4%	0.8pp	29.6%	30.4%	0.8pp
CAPEX	77	79	2.8%	236	290	22.8%
Operating CAPEX [6]	52	78	48.5%	163	192	18.0%
EBITDA minus Operating CAPEX	-11	-34	-	-1	-32	-
Free Cash Flow	4	85	-	60	14	-76.4%

(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; (7) the financial information regarding 4Q07 and 4Q08 was not audited.

6.5. Insurance brokerage main highlights

Million euros

INSURANCE BROKERAGE BUSINESS [1]	4Q07	4Q08	y.o.y	2007	2008	y.o.y
Operating income	**5.1**	**4.7**	**-8.7%**	**13.6**	**18.7**	**37.0%**
Turnover	5.1	5.1	0.0%	13.6	18.3	34.8%
Other revenues	0.1	-0.4	-	0.1	0.4	-
Operating costs	**4.7**	**5.5**	**19.1%**	**11.4**	**17.7**	**55.5%**
Staff	3.0	1.3	-58.6%	6.0	4.7	-21.2%
External Supply and Services	1.3	3.3	146.3%	4.5	11.2	151.4%
Other Operating Costs	0.3	1.0	-	1.0	1.8	85.0%
EBITDA	**0.5**	**-0.9**	**-**	**2.2**	**0.9**	**-59.0%**
EBIT	**0.4**	**-1.4**	**-**	**1.9**	**0.1**	**-95.5%**
Net financial results	-0.2	-1.1	-	-0.5	-2.4	-
Share of results of associated undertakings	0.0	-1.7	-	0.0	-0.8	-
Investment income [2]	2.1	0.2	-89.3%	2.1	0.2	-89.3%
EBT	**2.3**	**-4.0**	**-**	**3.5**	**-2.8**	**-**
Total employees	**118.0**	**122.0**	**3.4%**	**118.0**	**122.0**	**3.4%**

(1) Includes MDS, an insurance brokerage firm (100% owned), and Sonae RE, a captive reinsurance firm (100% owned); the shareholding in the reinsurance brokerage company Cooper Gay (31.12%) and in the insurance brokerage company Lazam (45%) is accounted by the equity method; Sonae Re included from the 4Q07; financial information regarding 4Q07 and 4Q08 was not audited. (2) Capital gains (losses) with financial investments + dividends received.

6.6. Corporate centre net costs

Million euros

HOLDING NET COSTS [1]	4Q07	4Q08	y.o.y	2007	2008	y.o.y
Operating income	**1.3**	**0.9**	**-31.6%**	**2.7**	**3.6**	**31.1%**
Turnover	1.2	0.9	-27.2%	**2.3**	**3.5**	**52.4%**
Other revenues	0.0	0.0	-	0.4	0.0	-89.0%
Operating costs	**3.6**	**2.6**	**-27.8%**	**11.0**	**9.8**	**-11.0%**
Staff	2.5	1.2	-50.7%	6.6	4.9	-25.7%
External Supply and Services	1.1	1.3	21.1%	3.7	4.6	23.3%
Other Operating Costs	0.1	0.1	22.1%	0.6	0.3	-57.6%
EBITDA	**-2.4**	**-1.8**	**25.8%**	**-8.2**	**-6.2**	**24.9%**
Total employees	**46.0**	**48.0**	**4.3%**	**46.0**	**48.0**	**4.3%**

(1) The financial information regarding 4Q07 and 4Q08 was not audited.

6.7. Net debt at the holding level

Million euros

HOLDING NET DEBT	2007 (R)	2008	y.o.y
Loans obtained	**402**	**648**	**61.4%**
Bank debt	503	657	30.5%
Cash and equivalentes	-102	-9	91.5%
Intercompany short term loans obtained	0	0	-
Retail	0	0	-
Shopping Centres	0	0	-
Telecoms	0	0	-
Services	0	0	-
Others	0	0	-100.0%
Loans granted	**-2**	**0**	**100.0%**
Intercompany short term loans granted	0	0	-
Retail	0	0	-
Shopping Centres	0	0	-
Telecoms	0	0	-
Services	0	0	-
Others	-2	0	-
Total holding net debt	**400**	**648**	**62.2%**

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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.

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

Report available atin Sonae's institutional website
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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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