

CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED BALANCE SHEET FOR THE PERIODS ENDED 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| ASSETS | Notes | 31 December 2009 | 31 December 2008 |
|--|--------------|------------------|------------------|
| NON-CURRENT ASSETS: | | | |
| Tangible assets | 10 | 2,781,177,575 | 2,507,943,036 |
| Intangible assets | 11 | 440,038,498 | 440,299,161 |
| Investment properties | 12 | 1,676,623,981 | 1,683,441,521 |
| Investment properties in progress | 12 | 119,846,837 | 158,561,052 |
| Goodwill | 13 | 746,340,691 | 697,267,362 |
| Associated investments | 6 | 74,649,393 | 142,663,495 |
| Other investments | 7, 9 and 14 | 18,127,492 | 12,978,175 |
| Deferred tax assets | 21 | 230,214,508 | 206,954,689 |
| Other non-current assets | 9 and 15 | 21,176,312 | 21,283,515 |
| Total Non-Current Assets | | 6,108,195,287 | 5,871,392,006 |
| CURRENT ASSETS: | | | |
| Inventories | 16 | 603,003,189 | 560,433,179 |
| Trade account receivables | 9 and 17 | 208,066,473 | 215,062,609 |
| Other debtors | 9 and 18 | 163,392,565 | 145,992,505 |
| Taxes recoverable | 19 | 55,070,469 | 89,597,166 |
| Other current assets | 20 | 183,987,418 | 165,902,105 |
| Investments | 9 and 14 | 57,679,031 | 63,556,763 |
| Cash and cash equivalents | 9 and 22 | 172,229,871 | 184,360,904 |
| Total Current Assets | | 1,443,429,016 | 1,424,905,231 |
| Assets available for sale | | - | 9,893,174 |
| TOTAL ASSETS | | 7,551,624,303 | 7,306,190,411 |
| EQUITY AND LIABILITIES | | | |
| EQUITY: | | | |
| Share capital | 23 | 2,000,000,000 | 2,000,000,000 |
| Own shares | 23 | (136,911,861) | (138,568,275) |
| Legal reserve | | 163,229,581 | 161,705,974 |
| Reserves and retained earnings | | (896,913,017) | (952, 178, 592) |
| Profit/(Loss) for the year attributable to the equity holders of Sonae | | 93,760,817 | 80,035,669 |
| Equity attributable to the equity holders of Sonae | | 1,223,165,520 | 1,150,994,776 |
| Equity attributable to minority interests | 24 | 477,968,755 | 411,549,101 |
| TOTAL EQUITY | | 1,701,134,275 | 1,562,543,877 |
| LIABILITIES: | | | |
| NON-CURRENT LIABILITIES: | | | |
| Loans | 9 and 25 | 1,208,324,810 | 1,281,262,524 |
| Bonds | 9 and 25 | 1,671,134,222 | 1,684,214,319 |
| Obligation under finance leases | 9, 25 and 26 | 29,357,393 | 28,701,579 |
| Other loans | 9 and 25 | 35,170,709 | 22,274,691 |
| Other non-current liabilities | 9 and 28 | 240,267,403 | 155,464,158 |
| Deferred tax liabilities | 21 | 326,420,118 | 330,908,680 |
| Provisions | 33 | 50,607,367 | 57,086,975 |
| Total Non-Current Liabilities | | 3,561,282,022 | 3,559,912,926 |
| CURRENT LIABILITIES: | | | |
| Loans | 9 and 25 | 232,966,928 | 258,905,967 |
| Bonds | 9 and 25 | 64,848,660 | 99,930,567 |
| Obligation under finance leases | 9, 25 and 26 | 7,803,032 | 5,829,172 |
| Other loans | 9 and 25 | 7,935,788 | 5,405,466 |
| Trade creditors | 9 and 30 | 1,220,401,450 | 1,050,238,562 |
| Other creditors | 9 and 31 | 254,854,646 | 233,899,872 |
| Taxes and contributions payable | 19 | 86,627,709 | 71,507,795 |
| Other current liabilities | 32 | 411,152,042 | 455,647,053 |
| Provisions | 33 | 2,617,751 | 2,369,154 |
| Total Current Liabilities | | 2,289,208,006 | 2,183,733,608 |
| TOTAL LIABILITIES | | 5,850,490,028 | 5,743,646,534 |
| TOTAL EQUITY AND LIABILITIES | | 7,551,624,303 | 7,306,190,411 |
| | | | |

The accompanying notes are part of these financial statements.



CONSOLIDATED INCOME STATEMENTS FOR THE PERIODS ENDED 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| | Notes | 4 th Quarter ended 31 December 2009 (Unaudited) | 4 th Quarter ended 31 December 2008 (Unaudited) | 31 December 2009 | 31 December 2008 |
|---|-----------|--|--|------------------|------------------|
| | 140100 | | , | | |
| Sales | 36 | 1,317,452,411 | 1,224,164,092 | 4,549,719,919 | 4,168,562,332 |
| Services rendered | 36 | 281,583,829 | 295,520,414 | 1,115,457,155 | 1,184,541,613 |
| Value created on investment properties | 37 | (29,855,184) | (72,717,918) | (142,684,216) | (115,805,475) |
| Investment income | 38 | 12,064,547 | 5,797,628 | 46,568,216 | 16,056,782 |
| Financial income | 39 | 3,641,933 | 13,024,900 | 16,691,189 | 43,101,223 |
| Other income | 40 | 116,873,399 | 135,102,425 | 414,502,429 | 455,789,170 |
| Cost of goods sold and materials consumed | 16 | (1,016,369,629) | (944,780,224) | (3,580,874,024) | (3,303,986,732) |
| External supplies and services | 41 | (290, 488, 507) | (302,990,345) | (1,112,751,419) | (1,177,241,538) |
| Staff costs | 42 | (171,724,405) | (168,231,021) | (654,698,188) | (612,404,391) |
| Depreciation and amortisation | 10 and 11 | (72,762,490) | (71,945,919) | (294,133,483) | (273,819,162) |
| Provisions and impairment losses | 33 | (7,890,492) | (19,140,909) | (28,207,470) | (35,512,894) |
| Financial expense | 39 | (28, 254, 988) | (67,122,503) | (139,477,904) | (216,811,915) |
| Other expenses | 43 | (33,398,980) | (50,543,285) | (99,289,713) | (114,990,028) |
| Share of results of associated undertakings | 6 | (1,509,333) | 8,776,695 | (5,365,399) | 8,952,847 |
| Profit/(Loss) before taxation | | 79,362,111 | (15,085,970) | 85,457,092 | 26,431,832 |
| Taxation | 44 | (14,022,051) | 16,017,574 | (11,836,862) | 12,646,440 |
| Profit/(Loss) after taxation | 45 | 65,340,060 | 931,604 | 73,620,230 | 39,078,272 |
| Attributable to: | | | | | |
| Equity holders of Sonae | | 61,931,270 | 26,936,411 | 93,760,817 | 80,035,669 |
| Minority interests | | 3,408,790 | (26,004,807) | (20,140,587) | (40,957,397) |
| Profit/(Loss) per share | | | | | |
| Basic | 47 | 0.033148 | 0.014426 | 0.050192 | 0.042864 |
| Diluted | 47 | 0.033083 | 0.014426 | 0.050087 | 0.042864 |

The accompanying notes are part of these consolidated financial statements.



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| | Notes | 31 December 2009 | 31 December 2008 |
|---|-------|------------------|------------------|
| Net Profit / (Loss) for the period | 45 | 73,620,230 | 39,078,272 |
| Exchange differences arising on translation of foreign operations | | 29,981,805 | (24,389,309) |
| Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method | | 3,897,962 | (7,417,795) |
| Changes on fair value of available-for-sale financial assets | | 6,474,000 | 7,304,000 |
| Changes in hedge and fair value reserves | | (13,322,929) | (30,435,394) |
| Income tax relating to changes in hedge and fair value reserves | | 2,481,121 | 7,088,257 |
| Other comprehensive income for the period | | 29,511,959 | (47,850,241) |
| Total comprehensive income for the period | | 103,132,189 | (8,771,969) |
| Attributable to: | | | |
| Equity holders of Sonae | | 122,307,030 | 39,947,217 |
| Minority interests | | (19,174,841) | (48,719,186) |

The accompanying notes are part of these consolidated financial statements.



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| | | Attributable to Equity Holders of Sonae | | | | | | | | | | | |
|--|-------|---|---------------|------------------|------------------------------------|--------------------------------------|--------------------|--|---------------|----------------------|---------------|------------------------------------|-----------------|
| | | | _ | | | Reserves and Ret | ained Earnings | | | | | | |
| 1 | Notes | Share Capital | Own Shares | Legal Reserve | Currency Translation Reserve | Investments Fair Value Reserve | Hedging Reserve | Other Reserves and Retained Earnings | Total | Net Profit/(Loss) | Total | Minority Interests (Note 24) | Total Equity |
| Balance as at 1 January 2008 | | 2,000,000,000 | (138,568,275) | 160,880,817 | 25,481,974 | - | 4,449,821 | (1,166,627,627) | (975,815,015) | 284,044,038 | 1,169,660,748 | 448,365,507 | 1,618,026,255 |
| Total comprehensive income for the period | | - | - | - | (29,733,295) | 5,327,654 | (15,682,811) | - | (40,088,452) | 80,035,669 | 39,947,217 | (48,719,186) | (8,771,969) |
| Appropriation of profit of 2007: | | - | _ | - | _ | _ | _ | - | _ | - | - | _ | - |
| Transfer to legal reserves and retained earnings | | - | - | 825,157 | - | - | - | 283,218,881 | 284,044,038 | (284,044,038) | - | - | - |
| Dividends distributed | | - | - | - | - | - | - | (56,016,000) | (56,016,000) | - | (56,016,000) | (2,475,031) | (58,491,031) |
| Aquisitions and sales of shares of affiliated undertakings | | - | - | - | - | - | - | - | - | - | - | (20,508,575) | (20,508,575) |
| Capital increases | | - | - | - | - | - | - | - | - | - | - | 36,604,140 | 36,604,140 |
| Other changes | | - | - | - | - | - | - | (2,597,189) | (2,597,189) | - | (2,597,189) | (1,717,754) | (4,314,943) |
| Balance as at 31 December 2008 | | 2,000,000,000 | (138,568,275) | 161,705,974 | (4,251,321) | 5,327,654 | (11,232,990) | (942,021,935) | (790,472,618) | 80,035,669 | 1,150,994,776 | 411,549,101 | 1,562,543,877 |
| Balance as at 1 January 2009 | | 2,000,000,000 | (138,568,275) | 161,705,974 | (4,251,321) | 5,327,654 | (11,232,990) | (942,021,935) | (790,472,618) | 80,035,669 | 1,150,994,776 | 411,549,101 | 1,562,543,877 |
| Total comprehensive income for the period | | - | - | - | 31,921,890 | 6,474,000 | (9,849,677) | - | 28,546,213 | 93,760,817 | 122,307,030 | (19,174,841) | 103,132,189 |
| Appropriation of profit of 2008: | | _ | - | - | _ | _ | | _ | - | - | _ | _ | - |
| Transfer to legal reserves and retained earnings | | - | - | 1,523,607 | - | - | - | 78,512,062 | 80,035,669 | (80,035,669) | - | - | - |
| Dividends distributed | | - | - | - | - | - | - | (56,050,049) | (56,050,049) | - | (56,050,049) | - | (56,050,049) |
| Sales of own shares | | - | 1,656,414 | - | - | - | - | - | - | - | 1,656,414 | - | 1,656,414 |
| Share based payments | | - | - | - | - | - | - | 3,869,586 | 3,869,586 | - | 3,869,586 | 346,915 | 4,216,501 |
| Aquisition of subsidiaries | | - | - | - | - | - | - | - | - | - | - | 54,233,850 | 54,233,850 |
| Sales of shares of affiliated undertakings | | - | - | - | - | - | - | - | - | - | - | 26,133,713 | 26,133,713 |
| Other changes | | - | - | - | - | - | - | 387,763 | 387,763 | - | 387,763 | 4,880,017 | 5,267,780 |
| Balance as at 31 December 2009 | | 2,000,000,000 | (136,911,861) | 163,229,581 | 27,670,569 | 11,801,654 | (21,082,667) | (915,302,573) | (733,683,436) | 93,760,817 | 1,223,165,520 | 477,968,755 | 1,701,134,275 |

The accompanying notes are part of these consolidated financial statements.



CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| | | 31 December 2009 | 31 December 2008 |
|---|-------|------------------|------------------|
| OPERATING ACTIVITIES | Notes | | |
| Cash receipts from trade debtors | | 5,666,094,946 | 5,303,693,940 |
| Cash paid to trade creditors | | (4,264,161,794) | (4,208,396,201) |
| Cash paid to employees | | (657,642,924) | (605,764,104) |
| Cash flow generated by operations | | 744,290,228 | 489,533,635 |
| Income taxes (paid) / received | | (14,620,799) | (16,616,170) |
| Other cash receipts and (payments) relating to operating activities | | 14,923,069 | (6,692,573) |
| Net cash flow from operating activities (1) | | 744,592,498 | 466,224,892 |
| INVESTMENT ACTIVITIES | | | |
| Cash receipts arising from: | | | |
| Investments | 48 | 59,174,933 | 123,090,637 |
| Tangible assets and investment properties | | 33,009,963 | 25,714,084 |
| Intangible assets | | 375,517 | 6,209,293 |
| Interest and similar income | | 16,608,941 | 27,913,003 |
| Loans granted | | 3,516,674 | 8,612,239 |
| Dividends | | 803,489 | 554,007 |
| Others | | 4,761,606 | |
| Cash payments arising from: | | 118,251,123 | 192,093,263 |
| Investments | 48 | (51,450,921) | (76,986,407) |
| Tangible assetsand investment properties | 40 | (539,590,330) | (592,118,629) |
| Intangible assets | | (40,344,537) | (51,595,045) |
| Loans granted | | (2,696,603) | (39,149,825) |
| Others | | (1,548,360) | (6,810,325) |
| | | (635,630,751) | (766,660,231) |
| Net cash used in investment activities (2) | | (517,379,628) | (574,566,968) |
| FINANCING ACTIVITIES | | | |
| Cash receipts arising from: | | | |
| Loans obtained | | 11,750,205,223 | 7,124,370,355 |
| Capital increases, additional paid in capital and share premiums | | - | 1,608,000 |
| Others | | 73,467,788 | |
| Cash payments arising from: | | 11,823,673,011 | 7,125,978,355 |
| Loans obtained | | (11,819,240,802) | (6,669,559,059) |
| Interest and similar charges | | (161,180,023) | (193,401,577) |
| Reimbursement of capital and paid in capital | | (1,046,014) | (632,564) |
| Dividends | | (60,422,373) | (62,326,616) |
| Others | | (5,617,767) | (220,898,528) |
| | | (12,047,506,979) | (7,146,818,344) |
| Net cash used in financing activities (3) | | (223,833,968) | (20,839,989) |
| Net increase in cash and cash equivalents $(4) = (1) + (2) + (3)$ | | 3,378,902 | (129,182,065) |
| Effect of foreign exchange rate | | (2,121,363) | 3,477,519 |
| Cash and cash equivalents at the beginning of the period | 22 | 142,965,988 | 275,625,572 |
| Cash and cash equivalents at the end of the period | 22 | 148,466,253 | 142,965,988 |

The accompanying notes are part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2009

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

(Amounts expressed in euro)

1 INTRODUCTION

SONAE, SGPS, SA ("Sonae Holding"), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 7 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 50 and in the management report.

2 PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as at the consolidated financial statements issuance date.

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

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

Up to the financial statements approval date, the following Standards and Interpretations, some of which have became effective during the year 2009, have been endorsed by European Union:

Effective date (Financial years beginning or after)

With mandatory application in 2009:

| IFRS 1/IAS 27 - Amen | dments (Cost o | f an Investment in a Si | ubsidia | ry , Jointl | ly Control | lled |
|----------------------|----------------|-------------------------|---------|--------------------|------------|------|
|----------------------|----------------|-------------------------|---------|--------------------|------------|------|

| Entity or Associate) | 01/01/2009 |
|---|-------------------------------|
| IAS 39 – Amendments (Reclassification of financial assets) | 01/07/2008 |
| IFRS 2 – Amendments: Share/based Payment (Vesting conditions and cancellations) | 01/01/2009 |
| IAS 23 — Amendments: Borrowing Costs (Revised) | 01/01/2009 |
| IAS 32–IAS 1 – Amendments (Puttable Financial Instruments and Obligations Arising | |
| on Liquidation) | 01/01/2009 |
| IAS 1 – Amendments: Fist-time Adoption of International Financial Reporting | |
| standards (Revised) | 01/01/2009 |
| IFRIC 13 – Customer Loyalty Programmes | 01/07/2008 |
| IFRS 8 – Operating Segments | 01/01/2009 |
| IFRS 7 – Amendments (Improving disclosures about fair value measurements and | |
| liquidity risk) | 01/01/2009 |
| Annual improvements to International Financial Reporting | |
| standards (2007) | Several (on/after 01/01/2009) |

The adoption of the above mentioned standards has not led to material impacts to the enclosed consolidated financial statements of Sonae, with the exception of presentation and disclosure improvements as a result of the application of IAS 1 amendments and IFRS 8, as the accounting policies adopted by Sonae are already consistent with some of the new standards. Additionally, Sonae had already yearly adopted the amendments relating to IAS 40, integrated into the annual improvements to the international financial reporting standards (2007).

IAS 1 introduces changes in terminology as well as changes to the format and content of financial statements. IFRS 8 replaces the previous IAS 14 and led to a redefinition of the reportable segments of Sonae and information to report, requiring that these are reported in accordance with the reporting procedure assigned to management, and not necessarily based on geographical or business logic, as required by IAS 14.



With mandatory application after 2009:

| | years beginning or after) |
|--|---------------------------|
| IFRS 3 – Business combinations and IAS 27, consolidated and separate financial statements (revised 2008) | 01/07/2009 |
| IFRS 1 (revised) – First-time adoption of International Financial Reporting standards | 01/01/2010 |
| IFRIC 12 — Service Concession Arrangements | 01/01/2010 |

Effective date (Financial

IFRIC 15 - Agreements for the Construction of Real Estate

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

IFRIC 9 and IAS 39 – Amendments (reassessment of embedded derivatives)

IFRIC 17 – Distributions of Non-cash Assets to Owners

IAS 39 - Amendments to (Qualifying hedging instruments)

IFRIC 18 - Transfer of Assets from Customers

Financial periods beginning

01/01/2010

01/07/2009

on/after 30/06/09

01/07/2009

01/07/2009

Transfers made on or after 01/07/2009

These standards, although approved ("endorsed") by the European Union, were not adopted by Sonae in 2009, because its application is not yet mandatory, and Sonae has decided not to adopt them in advance.

No significant impacts are expected to arise in the financial statements resulting from the adoption of these standards, with the exception of the amendments of IFRS 3, and consequent amendment to IAS 27.

Changes to IFRS 3 and IAS 27 bring some changes to business combinations, including: (a) calculating goodwill; (b) the measurement of non-contracting interests (formerly known as minority interests); (c) the recognition and subsequent measurement of contingent payments; (d) the treatment of direct costs related to the concentration; (e) the registration of purchase transactions of interests in already controlled entities and sales transactions of interests without such resulting in the loss of control; and (f) calculation of the result of the sale of participation with loss of control and need of remeasurement of the interests controlled kept in the alienated participation.

Consolidation principles 2.2

The main accounting policies adopted by Sonae are as follows:

Investments in Sonae companies (subsidiaries) a)

Investments in companies in which Sonae owns, directly or indirectly, more than 50% of the voting rights at Shareholders' General Meetings or is able to establish financial and operational policies so as to benefit from its activities (definition of control normally used by Sonae), are included in the consolidated financial statements using the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption Minority interests, in the consolidated balance sheet and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Note 4.



When losses attributable to minority interests exceed the minority interest in the equity of the Sonae the excess, and any further losses attributable to minority interests, are charged against the equity holders of Sonae except to the extent that minority shareholders have a binding obligation and are able to cover such losses. If the Group subsequently reports profits, such profits are allocated to the equity holders of Sonae until the minority's share of losses previously absorbed by the equity holders of Sonae has been recovered.

Assets and liabilities of each Sonae company are measured at their fair value at the date of acquisition being that measurement concluded in twelve months. Any excess of the cost of acquisition over the Sonae's interest in the fair value of the identifiable net assets acquired is recognised as goodwill (Note 2.2.d)). Any excess of the Sonae's share in the fair value of the identifiable net assets acquired over cost is recognised as income in profit or loss for the period of acquisition in the caption "Other income", after reassessment of the estimated fair value attributed to the net assets acquired. Minority interests include their proportion of the fair value of net identifiable assets and liabilities recognised on acquisition of Sonae companies.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

Whenever Sonae has, in substance, control over other entities created for a specific purpose, even if no share capital interest is directly held in those entities, these are consolidated by the full consolidation method. Such entities, when applicable, are disclosed in Note 4.

b) Investments in jointly controlled companies

Investments in jointly controlled companies are included in the accompanying consolidated financial statements in accordance with the proportionate consolidation method as from the date joint control is acquired. In accordance with this method, the Group includes in the accompanying consolidated financial statements its share of assets, liabilities, income and expenses of these companies, on a line-by-line basis.

Any excess of the cost of acquisition over the Group's interest in the fair value of identifiable net assets acquired is recognised as goodwill (Note 2.2.d)). Any excess of the Group's share in the fair value of net assets acquired over cost is recognised as income in profit or loss for the period of acquisition after reassessment of the estimated fair value of the net assets acquired in the caption "Other operational income".

Sonae's share of inter-company balances, transactions and dividends distributed are eliminated.

Investments in jointly controlled companies are classified as such based on shareholders' agreements that establish joint control.

Companies included in the accompanying consolidated financial statements in accordance with the proportionate method are listed in Note 5.

c) Investments in associated companies

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

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



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

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

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

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

Investments in associated companies are disclosed in Note 6.

d) Goodwill

The excess of the cost of acquisition of investments in subsidiaries, jointly controlled and associated companies over Sonae's share in the fair value of the assets and liabilities of those companies at the date of acquisition is shown as Goodwill (Note 13) or as Investments in associated companies (Note 6). The excess of the cost of acquisition of investments in foreign companies over the fair value of their identifiable assets and liabilities at the date of acquisition is calculated using the functional currency of each of those companies. Translation to the Sonae's functional currency (Euro) is made using the closing exchange rate. Exchange rate differences arising from this translation are recorded and disclosed in "Other reserves and retained earnings".

Goodwill is not amortised, but it is subject to impairment tests on an annual basis. Net recoverable amount is determined based on business plans used by Sonae management or on valuation reports issued by independent entities. Impairment losses recognized in the period are recorded in the income statement under the caption "Provisions and impairment losses".

Impairment losses related with goodwill will not be reversed unless in the case of goodwill related with associated companies.

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

e) Translation of financial statements of foreign companies

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

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

Whenever a foreign company is sold (totally or partially), accumulated exchange rate differences are recorded in the income statement as a gain or loss on the disposal, in the caption Investment income.



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

| | 31 Decen | nber 2009 | 31 December 2008 | | |
|------------------|---------------|-------------------|------------------|-------------------|--|
| | End of period | Average of period | End of period | Average of period | |
| | | | | | |
| US Dollar | 0.69416 | 0.71896 | 0.71855 | 0.68350 | |
| Swiss Franc | 0.67404 | 0.66230 | 0.67340 | 0.63044 | |
| Pound Sterling | 1.12600 | 1.12324 | 1.04987 | 1.25890 | |
| Romanian New Leu | 0.23651 | 0.23606 | 0.24860 | 0.27178 | |
| Brazilian Real | 0.39820 | 0.36282 | 0.30830 | 0.37657 | |
| Polish Zloty | 0.24364 | 0.23153 | 0.24076 | 0.28570 | |

2.3 Tangible assets

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

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

Depreciation is calculated on a straight line basis, as from the date the asset is first used, over the expected useful life for each class of assets, and recorded against the income statement caption "Depreciation and amortisation".

Impairment losses detected on tangible assets are recorded in the year estimated against the income statement caption "Provisions and impairment losses".

The depreciation rates used correspond to the following estimated useful lives:

| | <u>Years</u> |
|-----------------------|--------------|
| Buildings | 10 to 50 |
| Plant and machinery | 10 to 20 |
| Vehicles | 4 to 5 |
| Tools | 4 to 8 |
| Fixture and fittings | 3 to 10 |
| Other tangible assets | 4 to 8 |

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

Tangible assets in progress represent fixed assets still under construction-development and are stated at acquisition cost net of impairment losses. These assets are depreciated from the date they are completed or become ready for use.

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



2.4 Investment properties

Investment properties consist of shopping centre buildings and other constructions that are held to earn rental income or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or for sale in the ordinary course of business.

The investment properties which do not fulfil the conditions to reliably measure their fair value are recorded at their historical or production cost, net from eventual impairment losses. Taking in concern that such investment properties are essentially fixed assets that are being qualified as investments properties in the future, they are separately classified in the caption Investments Properties in Progress on the Consolidated Balance Sheet.

The investment property in progress considered investment property, within the scope of IFRS, when they fulfil the conditions to reliably measure their fair value.

It is considered that an Investment property in progress fulfil the conditions for its fair value to be reliably measured, when a there is a high probability that the project will be concluded in a short period. This probability is high when the following events are simultaneously accomplished:

- land is acquired
- construction license is obtained
- financing contract for the property is signed
- construction works of the property have started
- lease contracts with the main anchors stores or possible lessee are signed

Investment properties are recorded at their fair value based on half-yearly valuations performed by an independent valuer. Changes in fair values of investment properties are accounted for in the period in which they occur, in the income statement under the caption Value created on Investment Properties.

The assets of Sonae which qualify as investment properties are recognized as such when they start being used or, in the case of the investment properties in progress, when their development is considered irreversible, as mentioned in the above conditions. Until the moment the asset is qualified as investment property, the same asset is booked at historical or production cost under the caption "Investment Property in progress" in the same way as a tangible asset (Note 2.3). Since that moment, the investment properties in progress are recorded at their fair value. The difference between cost (of acquisition or production) and the fair value at that date is accounted for in the consolidated income statement at the caption "Variation in fair value of investment properties".

Costs incurred with investment properties in use, such as maintenance, repairs, insurance and property taxes, are recognised in the income statement for the period to which they refer. Costs incurred with refurbishments-improvement which will generate estimated additional future economic benefits are capitalized under Investment Properties.

2.5 Intangible Assets

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

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



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

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

The expenses incurred with the acquisition of client portfolio's (attributed value relating to the allocation of the purchasing price in business activity concentration) are stated as intangible assets and amortized on a straight line bases, during the average estimated period of portfolio's client retention.

Amortisation is calculated on a straight line basis, as from the date the asset is first used, over the expected useful life which usually is between 3 and 6 years, except for property occupation rights and mobile and fixed operator licenses which are amortised over the duration of the contract which establishes these rights. It is recorded in the caption of "Amortizations and depreciations".

The property occupation rights, especially from Shopping centres segment, are being amortised on a straight line basis during the right's estimated utilization time period (time periods vary between 10 and 15 years).

Brands and patents with defined useful lives are recorded at their historical cost and are amortised on straight line basis during the estimated useful life. Brands and patents with undefined useful lives are not amortised, but are subject to impairment tests on an annual basis or when there are impairment indicators.

2.6 Accounting for leases

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

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

a) Accounting for leases where Sonae is the lessee

Assets acquired through finance lease contracts as well as the correspondent responsibilities, are posted by the financial method, posting in the balance sheet the acquired asset and the pending debts according to the contractual financial plan at fair value or, if less, at the present level of payments. Both the finance charge and the depreciation expense for depreciable assets are taken to the income statement in the period in which they are incurred.

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

b) Accounting for leases where Sonae is the lessor

Most of the cases where the Group is the lessor arise from contracts with shopping centre tenants. These contracts are usually for a period of six years and establish the payment by the tenant of a monthly fixed rent - invoiced in advance -, a variable rent, invoiced if the monthly sales of the tenant are higher than the limit established in the contract and the payment of the tenant's share in the shopping centre operational expenses. The contract with the tenant may also establish the payment of an entrance fee in the shopping centre (key money income) and some discounts (usually in the first three years of the contract) to the fixed rent. These contracts can be renewed or cancelled by any of the parties involved (the company or the tenant). If the cancellation is made by the tenant it must pay a cancellation fee to the company established in the contract. In the case of being proposed a renovation by the lessor, Sonae should pay a compensation (indenisation) to the shopkeeper.

These contracts are classified as operating leases. Rents (fixed and variable) and common charges are recognised as income in the period to which they refer. Costs (namely rent discounts and compensations) as well as entrance fees (key money) and cancellation fees arising from operating leases are recorded as expenses or income in the period in which they are incurred or earned. This is consistent with the method adopted by independent valuers who determine the fair value of investment properties to which the leasing contracts refer.

2.7 Non-current assets held for sale

The non-current assets (or disposal group) are recorded as held for sale if it is expected that the book value will be recovered through the sale and not through the use in the operations. This condition is achieved only if the sale is highly probable and the asset (or disposal group) is available for the immediate sale in the actual conditions. Additionally, there must be in progress actions that should allow concluding the sale within 12 months counting from the classification's date in this caption. The non-current assets (or disposal group) recorded as held for sale are booked at the lower amount of the historical cost or the fair value deducted from costs, not being amortized after being classified as held for sale.

2.8 Government grants

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

Grants received as compensation for expenses, namely grants for personnel training, are recognised as income in the same period as the relevant expense.

Grants related to depreciable assets are disclosed as Other non-current liabilities and are recognised as income on a straight line basis over the expected useful lives of those underlying assets.

2.9 Impairment of non-current assets, except for goodwill

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

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

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

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



2.10 Borrowing costs

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

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

2.11 Inventories

Consumer goods and raw materials are stated at the lower of cost deducted from discounts obtained and net realisable value. Cost is determined on a weighted average basis.

Differences between cost and net realisable value, if negative, are shown as expenses under the caption "Cost of goods sold and materials consumed".

2.12 Provisions

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

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

2.13 Financial instruments

Sonae classifies the financial instruments in the categories presented and conciliated with the Consolidated Balance Sheet disclosed in Note 9.

a) Investments

Investments are classified into the following categories:

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

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

The investments measured at the fair value through profit or loss include the investments held for trading that Sonae acquires with the purpose of trading in the short term. They are classified in the consolidated balance sheet as current investments.



Sonae classifies as available-for-sale investments those that are neither included as investments measured at fair value through profit or loss neither as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

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

Investments are initially measured at cost, which is the fair value of the consideration paid for them, including transaction costs apart from investment measured at fair value through results, in which the investments are initially recognised at fair value and transaction costs are recognised in the income statement.

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

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

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

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

b) Loans and non current account receivables

Loans and non current accounts receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when Sonae provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the balance sheet date, when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 9.

c) Trade accounts receivable and other accounts receivables

Trade accounts receivables and other accounts receivable are recorded at their nominal value and presented in the consolidated balance sheet net of eventual impairment losses, recognised under the allowance account Impairment losses on accounts receivable, in order to reflect its net realisable value. These captions, when classified as current, do not include interests because the effect of discounting would be immaterial.

Impairment is recognised if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each Sonae company takes into consideration market information that indicates:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;



– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

When it's not feasible to assess the impairment for every single financial asset, the impairment is assessed on a collective basis, namely in the Telecommunications segment. Objective evidence of impairment of a portfolio of receivables could include Sonae's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the discount is considered null as it is immaterial.

d) Classification as equity or liability

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

Equity instruments are contracts that evidence a residual interest in the assets of Sonae after deducting all of its liabilities. Equity instruments issued by Sonae are recorded at the proceeds received, net of direct issue costs.

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.10. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

f) Trade accounts payable

Accounts payable are stated at their nominal value, as they do not bear interests and the effect of discounting is considered immaterial.

g) Derivatives

Sonae uses derivatives in the management of its financial risks to hedge such risks and-or in order to optimise the funding costs.

Derivatives classified as cash flow hedging instruments are used by the Sonae mainly to hedge interest and exchange rate risks on loans obtained. Conditions established for these cash flow hedging instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The inefficiencies, if any, are accounted under financial expenses or financial income in the consolidated income statement.

Sonae's criteria for classifying a derivative instrument as a cash flow hedge instrument include:

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

Cash flow hedge instruments used by the Sonae to hedge the exposure to changes in interest and exchange rates of its loans are initially accounted for at cost, if any, which corresponds to its fair value, and subsequently adjusted to their corresponding fair



value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption Hedging reserves, and then recognised in the income statement over the same period in which the hedged instrument affects profit or loss.

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

Sonae also uses financial instruments with the purpose of cash flow hedging that essentially respect the exchange rate hedging ("forwards") of loans and commercial operations that, however, do not configure perfect hedging relations, and so, do not receive hedge accounting treatment, but allow the reduction, in a very significant way, of the loan and receivable-payable balance exchange variability effect, nominated in foreign currency.

Sonae also uses financial instruments with the purpose of cash flow hedging that essentially respect the exchange rate hedging ("forwards") of loans and commercial operations that, however, do not configure perfect hedging relations, and so, do not receive hedge accounting treatment, but allow the reduction, in a very significant way, of the loan and receivable-payable balance exchange volatility, nominated in foreign currency.

Derivatives, despite being entered into with the above mentioned aims (mainly exchange forwards and derivatives in the form of or including interest rate options), do not qualify for hedge accounting, thus are initially recorded by their cost, which corresponds to its fair value, and are subsequently measured at fair value through profit and loss. The derivatives fair value is estimated internally by the use of specific software.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host instruments, and this is not stated at fair value through profit or loss.

Sonae may agree to become part of a derivative transaction in order to fair value hedge some interest rate exposure. In these cases, derivatives are recorded at fair value through profit or loss and the effective portion of the hedging relationship is adjusted in the carrying amount of the hedged instrument, if not stated at fair value (namely loans recorded at amortised cost), through profit or loss.

h) Own shares

Own shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of own shares are recorded in Reserves and retained earnings.

i) Cash and cash equivalents

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

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

All the amounts included in this caption can be reimbursed at demand as there are no pledges or guarantees over these assets.

2.14 Share-based payments

Share-based payments result from deferred performance bonus plans that are referenced to Sonae share price and/or that of its publicly listed affiliated companies (Sonae Sierra uses the "Net Asset Value" as a reference) and vest within a period of 3 years after being granted.

When the plans set out by Sonae are settled through the delivery of its own shares, the value of this responsibility is determined at the time of assignment based on the fair value of shares allotted and recognized during the period of deferment of each plan. The fair value of stock options is determined based on the model of "Black-Scholes". The responsibility is posted in equity, in the caption "Other revenues and retained earnings" against staff costs.

When the settlement is made in cash, the value of these responsibilities is determined at the time of assignment (usually in March of each year) and subsequently updated at the end of each reporting period depending on the number of shares or options on shares allotted and the fair value of the reporting date. The responsibility is registered on staff costs and other liabilities, linearly between the date of assignment and expiration date, in proportion to the time between those dates, in the case of shares or share options redeemable in cash.

2.15 Contingent assets and liabilities

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

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

2.16 Income tax

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

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

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

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

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

2.17 Revenue recognition and accrual basis

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

Revenue from services rendered is recognised in the income statement taking into consideration the stage of completion of the transaction at the balance sheet date and include fixed and variable rents billed to shopkeepers, recoverable common expenses from shopkeepers, exploration revenue from car parks and commissions arising from insurance mediation.

Revenue from admission rights and store transfer taxes are recognised in the consolidated income statement under "Other income" and under Services rendered, respectively, when billed to the tenant. Costs from discounts given over the rent and compensations are recognised in the consolidated income statement under Services Rendered and "Other expenses", respectively, when granted to the tenant.

With regards to services rendered by travel agencies, revenue is recognized with the issuance of invoice. At balance sheet date, adjustments are made under Other current assets and Other current liabilities in order to accrue for revenue of the services already rendered but whose billing had not occurred yet, as well as for the associated subcontract expenditures.

Revenue from Telecommunications services is recognised in the period in which it occurs. Such services are invoiced on a monthly basis. Revenues not yet invoiced, from the last invoicing cycle to the end of the month, are estimated and recorded based on actual traffic. Differences between the estimated and actual amounts, which are usually not material, are recorded in the following period.

The income related to prepaid cards is recognised whenever the minutes are used. At the end of each period the minutes still to be used are estimated and the amount of income associated with those minutes is deferred.

The income related to the commissions generated by the insurance mediation activity is recorded at the moment of the premium payment by the policyholder. No premium is accounted before it has been received. In that moment, Sonae posts a liability related with the obligation to transfer the insurance premium net of commissions, to the respective insurance company.

In cases where the premium is directly paid to the insurance company, Sonae records it's commission in the moment in which is informed of the premium payment by the policyholder to the insurance company.

The deferral of revenue related with the customer loyalty programmes by the attribution of points or discounts in future purchases, in the Retail and Telecommunications segments, are quantified having in account the probability of their exercise and are deducted to the revenue at the moment of his generation. The corresponding liability is presented in the caption "Other creditors".

The income arising from the services rendered are recognized in the income statement with reference to the stage of completion of the services rendered at the balance sheet date.

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

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

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

2.18 Balances and transactions expressed in foreign currencies

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

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

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



When Sonae wants to reduce currency exposure, it negotiates hedging currency derivatives (Note 2.13.g)).

2.19 Subsequent events

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

2.20 Judgement and estimates

The most significant accounting estimates reflected in the consolidated income statements include:

- a) Useful lives of the tangible and intangible assets;
- b) Impairment analysis of goodwill and of tangible and intangible assets;
- c) Recognition of adjustments on assets and provisions;
- d) Assessment of responsibilities associated with customers' loyalty programs;
- e) Determining the fair value of investment properties and derivative financial instruments;
- f) Recoverability of deferred tax assets.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on best knowledge of past and present events. Although future events are neither controlled by the Sonae nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8, using a prospective methodology.

The main estimates and assumptions in relation to future events included in the preparation of consolidated financial statements are disclosed in the correspondent notes.

2.21 Insurance and reinsurance contracts

In order to optimise insurance costs, Sonae, through a wholly owned subsidiary, enters into reinsurance operations over non-life insurance contracts entered into by subsidiaries and related of the Efanor Group.

The subsidiary of Sonae acts like an intermediate in the assurance operations as a way to optimise insurance coverage and retention levels in accordance with the needs of each business, ensuring effective insurance management worldwide. The retained risk is immaterial in the context of reinsurance carried out.

Premiums written on non-life insurance contracts and associated acquisition costs are recognised as income and cost on a prorata basis over the term of the related risk periods, through changes in the provision for unearned premiums.

The provision for unearned premiums (Note 33) reflects the portion of non-life insurance premiums written attributable to future years, namely the portion corresponding to the period between the balance sheet date and the end of the period to which the premium refers. It is calculated, for each contract in force.



The Provision for claims (Note 33) reflects the estimated amounts payable for claims, including claims that have been incurred but not reported and future administrative costs to be incurred on the settlement of claims under management. Provisions for claims recorded by Sonae are not discounted.

Reinsurer's share of technical provisions (Assets – Note 15) are determined by applying the above described criteria for direct insurance, taking into account the percentages ceded, in addition to other clauses existing in the treaties in force.

At each balance sheet date, Sonae assess the existence of evidence of impairment on assets originated by insurance or reinsurance contracts.

2.22 Segment information

Information regarding operating segments identified is included in Note 50.

2.23 Legal reserves, other reserves and transited results

Legal reserves:

Portuguese commercial legislation requires that at least 5% of annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in the case of liquidation of the Company, but it may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Hedging reserve:

The Hedging reserve reflects the changes in fair value of "cash flow" hedging derivates that are considered as effective (Note 2.13.q)) and is not distributable or used to cover losses.

Currency translation reserve:

The currency translation reserve corresponds to exchange differences relating to the translation from the functional currencies of the Sonae's foreign subsidiaries and joint ventures into Euro, in accordance with the accounting policy described in Note 2.2.e)

Fair value reserve:

This reserve arises on the revaluation of available-for-sale financial assets as mentioned in Note 2.13.a).

3 FINANCIAL RISK MANAGEMENT

3.1 Introduction

The ultimate purpose of financial risk management is to support Sonae in the achievement of its strategy, reducing unwanted financial risk and volatility and mitigate any negative impacts in the income statement arising from such risks. Sonae's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not enter into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Due to its diversified nature Sonae is exposed to a variety of financial risks, consequently each Sub-holding is responsible for, where applicable, for setting its own financial risk management policies, to monitor their own exposure and to implement their approved policies. Therefore for some risks there are not Sonae global risk management policies, but rather, where appropriate,

customised risk management policies at Sub-holding level, existing, however, common guiding principles. Financial risk management policies are approved by each Executive Committee and exposures are identified and monitored by each Sub-holding Finance Department. Exposures are also monitored by the Finance Committee as mentioned in the Corporate Governance Report.

The Finance Committee coordinates and reviews, amongst other responsibilities, global financial risk management policies. The Finance Department of Sonae Holding is responsible for consolidating and measuring the Company's financial risk exposure, being also responsible for assisting each Sub-holding in managing their own currency, interest rate, liquidity and refinancing risks trough the Corporate Dealing Desk. Exposures are recorded in a main system (Treasury Management System). Risk control and reporting is carried out both at Sub-holding level, on a daily basis and on a consolidated basis for the monthly Finance Committee meeting.

3.2 Credit risk

Credit risk is defined as the probability of a counterparty defaulting on its contractual obligations resulting in a financial loss. It is shown in two main ways:

3.2.1) Credit risk arising from Financial Instruments

The credit risk in what Financial Instruments is concerned arises mainly from holding cash and cash equivalents instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities or from its lending activities to subsidiaries and associates in order to reduce the probability of counterpart default Sonae transactions (short term investments and derivatives) are only contracted in accordance with the following principles:

- Only carry out transactions (short term investments and derivatives) with counterparties that have at least a credit rating of BBB from Moody's and/or Baa2 from Standard & Poor's or equivalent (this information is supplied trough independent market information systems);
- Sonae only enters into eligible and approved financial instruments. The definition of the eligible instruments, for the investment of temporary excess of funds or derivatives, was made in a conservative approach (essentially consisting in short term monetary instruments, in what excess of funds is concerned and instruments that can be split into components and that can be properly fair valued, with a loss cap);
- In relation to excess funds: i) those are preferentially used, whenever possible and when more efficient to repay debt, or invested preferably in instruments issued by existing relationships banks in order to reduce exposure on a net basis, and ii) may only be applied in pre approved instruments;
- In some cases Sub-holdings can define more strict rules regarding counterparty exposure or more conservative policies;
- Any departure from the above mentioned policies needs to be pre approved by the respective Executive Committee/Board of Directors of each Sub-holding.

Given the above mentioned policies and the minimum credit ratings Sonae does not expect any material failure in contractual obligation from its external counterparties nevertheless exposure to each counterparty resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Sub-holding Finance Department and any departure is promptly reported to the respective Executive Committee/Board of Directors and to the Sonae Finance Committee.



3.2.2) Credit risk in operational and commercial activities of each business

In this case due to each business characteristics and consequently of different credit risk typology, each sub-holding determines the most appropriate policy, as described above. However the policies follow the same wide principles of: prudence, conservatism, and the implementation of control mechanisms.

- Retail

The credit risk in the scope of its current operational activity is controlled through a system of gathering financial and qualitative information from independent entities that supply risk information, in order to allow the assessment of credit risk from debtors. Credit risk is mainly originated by sales to other retail operators and by advances made to or discounts billed to suppliers.

- Shopping Centres

The credit risk results essentially of the risk of credit of the tenants of the commercial centres managed by Sub-holding and of the other debtors. Shopping Centre storekeepers credit risk monitoring is made by the adequate assessment of risk before the storekeepers are accepted and by the establishment of conservative credit limits for each storekeeper.

- Telecommunications

The Sub-holding exposure to credit risk is mainly associated with the accounts receivable related to current operational activities. The credit risk management purpose is to guarantee that the amounts owed by debtors are effectively collected within the periods negotiated without impacting the financial health of the Sub-holding. Sonaecom uses credit rating agencies and has specific departments responsible for risk control, collections and management of processes in litigation, which all contribute to the mitigation of credit risk.

- Investment Management

The credit risk in the context of the current operating activity is controlled through a system of collecting qualitative and financial information provided by recognized entities that supply information of risks, which allow to evaluate the viability of the of customers in fulfilling their obligations, aimed at reducing the risk of concession credit, fundamentally originated by the rendering of travel agencies services.

- Sonae Holding

Sonae Holding is a company without any relevant commercial or trade activity, other than the normal activities of a portfolio manager. As such, it is only exposed, on a regular basis, to credit risk resulting from its investing activities (holding cash and cash equivalents instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities) in accordance with the principles mentioned in point 3.2.1.

Additionally Sonae Holding may also be exposed to credit risk as a result of it's portfolio manager activities (buying or selling investments), but in those exceptional situations risk reducing mechanisms and actions are implemented on a case by case basis under the supervision of the Executive Committee (requesting bank guarantee, escrow accounts, obtaining collaterals, amongst others).

The amount related to customers, other debtors and other assets presented in Financial Statements, which are net of impairment losses represent Sonae exposure to credit risk.

3.3 Liquidity risk

Sonae has the need, regularly, to raise external funds to finance its activities and investing plans. It holds a diversified loan portfolio, essentially made of long term bonds, long term project finance, mutual's, structured facilities, but which also includes a



variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2009 the total gross debt was 3.258 million euro (3.387 million euro as at 31 December 2008).

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy. Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining with its relationship banks, a combination of short and medium term committed credit facilities, commercial paper programme with sufficiently comfortable previous notice cancellation periods with a range that goes up to 360 days;
- Maintenance of programs with different periods and terms, that allow, in some cases, to place the debt directly in institutional investors;
- Detailed rolling annual financial planning, with monthly, weekly and daily cash adjustments in order to forecast cash requirements;
- Diversification of financing sources and counterparties;
- Ensuring an adequate debt average maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. At the end of 2009, Sonae's average debt maturity (considering 100% of Sonae Sierra's debt) was approximately 5.1 years (5.7 years as at December 2008);
- Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination;
- Where possible, by prefinancing forecasted liquidity needs;
- Management procedures of short term applications, assuring that the maturity of the applications will match with foreseen liquidity needs, including a margin to hedge forecasting deviations. The margin of error needed in the treasury department prediction, will depend on the confidence degree and it will be determined by the business. The reliably of the treasury forecasts is an important variable to determinate the amounts and the periods of the market applications-borrowings.

The maturity table of each major class of financial liabilities is presented in Notes 25, 26, 28, 29, 30,31 and 32, based on the undiscounted cash flows of financial liabilities based on the earliest date on which Sonae can be required to pay ("worst case scenario").

A liquidity reserve in form of credit lines with its relationship banks is maintained by Sonae, to ensure the ability to meet its commitments without having to refinance itself in unfavourable terms. The value of loans maturing in 2010 is of 314 million euro (365 million euro maturing in 2009) and as at 31 December 2009 Sonae had undrawn committed credit facilities of 784 million euro (605 million euro in 2008) cancellable within a previous notice of less than one year and 339 million euro (259 million euro in 2008) cancellable with a previous notice of no less than 360 days.

Additionally, Sonae held, as at 31 December 2009, cash and cash equivalents and current investments amounting to 230 million euro (248 million euro as at 31 December 2008). Consequentially, Sonae expects to meet all its obligations by means of its operating cash flows and its financial assets as well as from drawing existing available credit lines, if needed.



3.4 Interest rate risk

3.4.1) Policies

As each Sub-holding operates in different markets and in different business environments, there is no single policy applicable to Sonae, but rather policies adjusted to each Sub-holding exposure which one described below. As previously mentioned, Sonae exposure is regularly monitored by the Finance Committee, at a group level, and at each Sub-holding level. Although there is no wide risk management interest rate policy in what concerns the derivatives negotiation, there are principles that have to be followed by all the companies and that are referred below:

- Sonae hedging activities do not constitute a profit-making activity and derivatives are entered into without any speculation purpose;
- For each derivative or financial instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be consistent with the settlement dates of the hedging instruments to avoid any mismatch and hedging inefficiencies;
- Perfect match between the base rates: the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility / transaction;
- Since the beginning of the transaction, the maximum cost of the hedging operation is known and limited, even in scenarios of extreme change in market interest rates, so that the resulting interest rates are within the cost of the funds considered in Sonae's business plans (or in extreme scenarios are not worse than the underlying cost of the floating rate underlying);
- The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, as described in 3.2. above / Credit Risk Management. It is Sonae policy that, when contracting such instruments, preference should be given to financial institutions that form part of Sonae's relationships, whilst at the same time obtaining quotes from a sufficient large sample of banks to ensure optimum conditions;
- In determining the fair value of hedging operations Sonae uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates, foreign exchange rates, volatility among others prevailing at the balance sheet date. Comparative financial institution quotes for specific or similar instruments are used as benchmark for the valuation;
- All transactions have to be documented under ISDA's Agreements (International Swaps and Derivatives Association);
- All transactions which do not follow the rules mentioned above have to be individually approved by the respective Executive Committee/ Board of Directors, and reported to Finance Committee, namely transactions entered into with the purpose of optimising the cost of debt when deemed appropriate according to prevailing financial market conditions.

- Retail

Sub-holding exposure to interest rates arises mainly from long term loans which bear interests at Euribor plus spread.

Sonae Investimentos purpose is to limit cash-flows volatility and results, considering the profile of its operational activity, by using an appropriate mix of fixed and variable interest rate debt. Sonae Group policy allows the use of interest rate derivatives to decrease the exposure to Euribor fluctuations but does not allow for trading purposes.

- Shopping Centres

Sonae Sierra's income and operating cash-flows are substantially independent of changes in market interests rates, as its cash and cash equivalents and its financing granted to other companies of the Group are dependent only of the evolution of the interest rates in Euro, which have had a minimum change.

In relation to long-term borrowings and in order to hedge the volatility of long term interest rates, Sonae Sierra uses, whenever appropriate, cash flow hedge instruments in the form of swaps or zero cost collars, which represent perfect hedges of those long-term borrowings. In certain long-term borrowings Sonae Sierra chose to have a fixed interest rate in the first years of the financing agreement and study afterwards the possibility to negotiate interest rate swaps or zero cost collars for the remaining period.

- Telecommunications

Sonaecom's total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group result or on its shareholders' equity is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility of using interest rate hedging derivative instruments, as mentioned below; (iii) possible correlation between the market interest rates levels and economic growth, the latter having a positive effect on other lines of the Sub-holding consolidated results (namely operational), thus partially offsetting the increase of financial costs ("natural hedge"); and (iv) the availability of consolidated liquidity or cash, also bearing interests at variable rates.

Sonaecom only uses derivatives or similar transactions to hedge those interest rate risks considered significant. Sonaecom respects the same principles adopted by Sonae in determining and using instruments to hedge interest rate risks.

As all Sonaecom's borrowings (Note 50) bear interests at variable rates, interest rate swaps and other derivatives are used to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under interest rate swaps, the Company agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

Sonaecom's Board of Directors approves the terms and conditions of the funding with a significant impact on Sonaecom, based on an analysis of the debt structure, the inherent risks and the different options in the market, particularly as regards the type of interest rate (fixed / variable). Under this policy, the Executive Committee is responsible for decisions regarding the contracting of occasional interest rate hedging derivative financial instruments, through monitoring the conditions and alternatives that exist in the market.

- Investment management

The operating segment exposure to interest rate arises essentially from short-term bank loans or loans payable to shareholders, which bears interests at Euribor market rates. The impact of this volatility on income or equity is mitigated by the following factors: (i) controlled financial leverage with conservative use of bank lending; (ii) possible correlation between the market interest rate levels and economic growth, the latter having a positive effect on other lines of the operating segment results (namely operational), thus partially offsetting the increased financial costs ("natural hedge").

- Sonae Holding

Sonae Holding is exposed to cash flow interest rate risk in respect of items in the balance sheet (Loans and Short Term Investments) and to fair value interest rate risk as a result of interest rate derivatives (swaps, FRA's and options). All Sonae Holding debt bears variable interest rates, and interest rate derivatives may be entered into to convert part of the variable rate debt into fixed rate (usually through interest rate swaps or Forward Rate agreements), or to limit the maximum rate payable (usually through zero cost collars or purchased caps).

Sonae Holding mitigates interest rate risk by adjusting the proportion of its debt that bears fixed interest to that which bears floating interest although without a fixed goal or percentage to achieve, since hedging interest rate risk usually has an opportunity cost associated. Therefore a more flexible approach is considered preferable to a more strict traditional approach. Part of the risk is also mitigated by the fact that Sonae Holding grants loans to its subsidiaries as part of its normal activities and thus there may be some degree of natural hedging on a company basis, since if interest rates increase the additional interest paid would be partially offset by additional interest received.



Sonae Holding hedging activities do not constitute a profit-making activity and derivatives are deemed to be entered into without any speculation purpose. Strict rules are observed in relation to any derivative transaction entered into.

3.4.2.) Sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, these instruments are included in the calculation of income-related sensitivities;
- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity;
- Changes in the market interest rate of interest rate derivatives that are not part of a hedging relationship as set out in IAS 39 affect other financial income or expense and are therefore taken into consideration in the sensitivity calculations for changes in interest rate;
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;
- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under these assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the consolidated net profit before tax of Sonae for the period ended as at 31 December 2009 would decrease by approximately 15 million euro, (10 million euro decrease as at 31 December 2008). The impact in equity (including minorities interests and excluding net income), as a consequence of interest rate change effect according to interest rate risk, would be an increase of, approximately, 16 million euro (increase by approximately 16 million euro in 2008).

3.5 Exchange rate risk

3.5.1) Policies

Sonae operates at an international level, having subsidiaries that operate in different jurisdictions, and so it is exposed to foreign exchange rate risk. As each Sub-holding operates in different markets and in different business environments, there is no standard policy for Sonae, but rather individual policies for each Sub-holding which are stated below. Sonae's currency exposures are divided into two levels: transaction exposures (foreign exchange exposures relating to contracted cash flows and balance sheet items where changes in exchange rates will have an impact on earnings and cash flows) and translation exposure (equity in foreign subsidiaries). Although there is not global management exchange rate risk policy in what concerns hiring derivatives to managing exchange interest risk, it also applies to all group companies, with the necessary adaptations, the principles referred at 3.4.1).



- Retail

The impact on the financial statements of changes in exchange rate is immaterial, as the most part of the transactions are denominated in euro. Sonae Investimentos is only exposed to foreign exchange risk due to inventories imports made and denominated in US Dollars.

The exchange risk management purpose is to provide a stable decision platform when deciding and negotiating the purchases of inventories establishing fixed exchange rates. The hedging accompanies all the purchase process, since procurement up to the formal agreement of purchase.

The exchange risk exposure is monitored through the purchase of forwards with the goal of minimising the negative impacts of volatility in exposure level as a consequence of changes of the amounts of imports denominated in other currencies rather than euro.

- Shopping Centres

The main activity of each company is developed inside its country of origin and consequently the majority of the company transactions are maintained in its functional currency. The policy to hedge this specific risk is to avoid, if possible, the contracting of services in foreign currency.

- Telecommunications

The sub-holding operates internationally, having subsidiaries that operate in Brazil, United Kingdom, Poland, United States of America, Mexico, Australia, Egypt, Malaysia and Ireland and so it is exposed to foreign exchange rate risk.

Foreign exchange risk management seeks to minimise the volatility of investments and transactions made in foreign currency and contributes to reduce the sensitivity of Sonaecom results to changes in foreign exchange rates.

Whenever possible, the Sonaecom uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such procedure is not possible, the Sonaecom adopt derivatives financial hedging instruments.

Sonaecom exposure to exchange rate risk results mainly from the fact that some of its subsidiaries report in currencies other than the Euro, the risk relating to the operations being insignificant.

- Investment management

The impact on the financial statements of changes in exchange rate is immaterial, as most part of the transactions are denominated in euro.

Insurance brokerage activity is developed in different countries. When transactions are made in a different currency than the one in the country where the entity operates, exposure to exchange rate risk is minimized by hiring hedging derivatives.

Sonae Holding

Due to the nature of holding company, Sonae Holding, has very limited transaction exposure to foreign exchange risk. Normally, when such exposures arise foreign exchange risk management seeks to minimize the volatility of such transactions made in foreign currency and to reduce the impact on the Profit and loss of exchange rate fluctuations. When significant material exposures occur with a high degree of certainty, Sonae Holding hedges such exposures mainly through forward exchange rate contracts. For uncertain exposures, options may be considered, subject to previous approval from the company's Executive Committee.



3.5.2) Exposure and Sensivity analysis

As at 31 December 2009 and 2008 the assets and liabilities denominated in a currency different from the subsidiary functional currency where the following (amounts in euro):

| | As | sets | Liabilities | | | |
|------------------|------------------|------------------|------------------|------------------|--|--|
| | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 | | |
| Euro | _ | _ | 926,516 | 127,595 | | |
| Brazilian Real | 4,855,304 | 13,746,578 | 8,426,783 | 1,972,126 | | |
| British Pound | 693,369 | 592,721 | 3,812,122 | 3,549,021 | | |
| US Dollar | 2,183,739 | 6,499,470 | 7,266,004 | 7,556,866 | | |
| Other Currencies | 479,603 | 113,439 | 245,033 | 20,169 | | |

The amounts presented above, only include assets and liabilities expressed in different currency than the functional currency used by the affiliated or jointly controlled company. Therefore it does not represent any risk of financial statements translation. Considering the exposure above, which is considered immaterial, no sensitivity analysis is disclosed.

3.6 Price and capital markets risk

Sonae is exposed to equity price risk arising from equity investments, held for strategic rather than for trading purposes as the group does not actively trade these investments, which are disclosed in Note 7.

In 2007, Sonae entered into a Total Return Swap (TRS) with Sonae Holding shares as underlying. As explained in Note 23 the Total Return Swap precluded the derecognition of those own shares, and as such a change in the Sonae Holding, and Sonae Capital, SGPS, SA share price will have an impact on the cash flows by means of TRS cash settlements. If Sonae price had been 1% higher/lower, it would have 1.3 million euro additional receiving/payments (at 31 December 2008 the impact would be 0.7 million euro).

4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by the Sonae as at 31 December 2009 and 2008 are as follows:

Percentage of capital held

| | | | 31 December 2009 | | 31 December 2008 | |
|--------------------|----|----------------|------------------|---------|------------------|---------|
| COMPANY | | Head Office | Direct | Total | Direct | Total |
| Sonae, SGPS, S.A. | | Maia | HOLDING | HOLDING | HOLDING | HOLDING |
| Retail | | | | | | |
| Arat Inmuebles, SA | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |



| | | Azulino Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
|--|----|---|----|------------------|---------|---------|---------|---------|
| | 1) | BB Food Service, SA | a) | Maia | 100.00% | 100.00% | - | - |
| | | Bertimóvel - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Best Offer - Prestação de Informações por Internet, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Bikini, Portal de Mulheres, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | 1) | Bom Momento - Comércio Retalhista, SA | a) | Maia | 100.00% | 100.00% | - | - |
| | | Canasta - Empreendimentos Imobiliários, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Carnes do Continente - Industria e Distribuição Carnes, SA | a) | Santarém | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Chão Verde - Sociedade de Gestão Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Citorres - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Contibomba - Comércio e Distribuição de Combustíveis, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Contimobe - Imobiliária de Castelo de Paiva, SA | a) | Castelo de Paiva | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Continente Hipermercados, SA | a) | Lisbon | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Cumulativa - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Difusão - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Edições Book.it, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Efanor - Design e Serviços, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Estevão Neves - Hipermercados da Madeira, SA | a) | Madeira | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Farmácia Selecção, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Fozimo - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Fozmassimo - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | 2) | Fundo de Investimento Imobiliário Fechado Imosede | a) | Maia | 54.55% | 54.55% | 49.00% | 49.00% |
| | | Fundo de Investimento Imobiliário Imosonae Dois | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | | Global S - Hipermercado, Lda | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |

| 1) | Good and Cheap - Comércio Retalhista, SA | a) | Matosinhos | 100.00% | 100.00% | - | - |
|----|--|----|-----------------------|---------|---------|---------|---------|
| 1) | Hipotética - Comércio Retalhista, SA | a) | Matosinhos | 100.00% | 100.00% | - | - |
| 3) | Sonaerp – Retail Properties, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| | Igimo - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Iginha - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Imoconti - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Imoestrutura - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Imomuro - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Imoresultado - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Imosistema - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Infofield - Informática, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Inventory - Acessórios de Casa, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| 1) | Just Sport - Comércio de Artigos de Desporto, SA | a) | Matosinhos | 100.00% | 100.00% | - | - |
| | Marcas MC, zRT | a) | Budapest (Hungary) | 100.00% | 100.00% | 100.00% | 100.00% |
| | MJLF - Empreendimentos Imobiliários, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| 1) | MC - SGPS, SA | a) | Matosinhos | 100.00% | 100.00% | - | - |
| | Modalfa - Comércio e Serviços, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| 1) | Modalloop – Vestuário e Calçado, SA | a) | Matosinhos | 100.00% | 100.00% | - | - |
| | Modelo Continente Hipermercados,SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Modelo Continente Seguros - Sociedade Mediação, SA | a) | Porto | 100.00% | 87.50% | 100.00% | 100.00% |
| | Modelo Hiper Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Modelo Hipermercados Trading, SA | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| | Modelo.com - Vendas p/ Correspond., SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | NA - Comércio de Artigos de Desporto, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | NA - Equipamentos para o Lar, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Peixes do Continente - Indústria e Distribuição de Peixes, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |



| | Pharmacontinente - Saúde e Higiene, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
|----|---|----|--------------------------------|---------|---------|---------|---------|
| 5) | Pharma Concept – Actividades em Saúde, SA | a) | Matosinhos | 100,00% | 100,00% | - | - |
| | Predicomercial - Promoção Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Selifa - Empreendimentos Imobiliários de Fafe, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sempre à Mão - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sesagest - Proj.Gestão Imobiliária, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| | Socijofra - Sociedade Imobiliária, SA | a) | Gondomar | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sociloures - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Soflorin, BV | a) | Amsterdam (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |
| | Solaris Supermercados, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sonae Capital Brasil, Lda | a) | São Paulo (Brazil) | 100.00% | 100.00% | 100.00% | 100.00% |
| 1) | Sonae Center Serviços II, SA | a) | Maia | 100,00% | 100,00% | - | - |
| 6) | Sonae Investimentos, SGPS, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | SIAL Participações, Ltda | a) | São Paulo (Brazil) | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sonae Retalho España - Servicios Generales, SA | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| 4) | Sonae Specialized Retail, SGPS, SA | a) | Matosinhos | 100,00% | 100,00% | 100,00% | 100,00% |
| | Sondis Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sontária - Empreendimentos Imobiliários, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sonvecap, BV | a) | Amsterdam (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sport Zone - Comércio de Artigos de Desporto, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sport Zone España - Comércio de Articulos de Deporte, SA | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| 5) | Têxtil do Marco, SA | a) | Marco de Canaveses | 80,37% | 80,37% | - | - |
| | Tlantic Portugal - Sistemas de Informação, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Tlantic Sistemas de Informação, Ltda | a) | Porto Alegre (Brazil) | 100.00% | 100.00% | 100.00% | 100.00% |



| | Todos os Dias - Com. Ret. Expl. C. Comer., SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
|-----|---|----|------------------|---------|---------|---------|---------|
| | Valor N, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| 1) | Well W - Electrodomésticos e Equipamentos, SA | a) | Matosinhos | 100.00% | 100.00% | - | - |
| | Worten - Equipamento para o Lar, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Worten España Distribución, S.L. | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| 7) | Zippy – Comércio e Distribuição, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| 8) | Zippy - Comércio Y Distribución, SA | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| | Telecommunications | | | | | | |
| | Be Artis - Concepção, Construção e Gestão de Redes de Comunicações, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | Be Towering – Gestão de Torres de Telecomunicações, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| 9) | We Do Technologies Australia PTY Limited | a) | Australia | 100.00% | 54.23% | 100.00% | 53.95% |
| 10) | We Do Poland Sp.Z.o.o. | a) | Posnan (Poland) | 100.00% | 54.23% | 100.00% | 53.95% |
| 11) | Cape Tecnologies (U.K) Limited | a) | Cardiff (U.K.) | 100.00% | 54.23% | 100.00% | 53.95% |
| | Cape Tecnologies Limited | a) | Dublin (Irland) | 100.00% | 54.23% | 100.00% | 53.95% |
| | Digitmarket - Sistemas de Informação, SA | a) | Maia | 75.10% | 40.72% | 75.10% | 40.52% |
| | Lugares Virtuais, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | M ₃ G - Edições Digitais, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | Magma - Operação de Titularização de Créditos | c) | Portugal | 100.00% | 54.23% | 100.00% | 53.95% |
| | Mainroad Serviços em Tecnologias de Informação, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | Miauger - Org. Gestão Leilões Electronicos, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | Per-Mar - Sociedade de Construções, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | Praesidium Services Limited | a) | Berkshire (U.K.) | 100.00% | 54.23% | 100.00% | 53.95% |
| | Praesidium Tecnologies Limited | a) | Berkshire (U.K.) | 100.00% | 54.23% | 100.00% | 53.95% |
| | Público - Comunicação Social, SA | a) | Porto | 100.00% | 54.23% | 100.00% | 53.95% |



| | Saphety Level - Trusted Services, SA | a) | Maia | 86.99% | 47.17% | 86.99% | 46.93% |
|-----|--|----|--------------------------------|---------|--------|---------|--------|
| | Sonae Telecom, SGPS, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | Sonaecom - Serviços de Comunicação, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | Sonaecom - Sistemas de Informação, SGPS, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | Sonaecom BV | a) | Amsterdam (The Netherlands) | 100.00% | 54.23% | 100.00% | 53.95% |
| | Sonaecom, SGPS, SA | a) | Maia | 55.12% | 54.23% | 53.95% | 53.95% |
| | Sonaetelecom, BV | a) | Amsterdam (The Netherlands) | 100.00% | 54.23% | 100.00% | 53.95% |
| | Tecnológica Telecomunicações Ltda | a) | Rio de Janeiro (Brazil) | 99.99% | 54.17% | 99.99% | 53.89% |
| 12) | Telemilénio - Telecomunicações Soc.Unipessoal, Lda | a) | Lisbon | 100.00% | 54.23% | 100.00% | 53.95% |
| | We Do Brasil - Soluções Informáticas, Ltda | a) | Rio de Janeiro (Brazil) | 99.91% | 54.28% | 99.91% | 53.90% |
| 14) | We Do Cape Tecnologies Americas, Inc. | a) | Miami (USA) | 100.00% | 54.23% | 100.00% | 53.95% |
| | We Do Consulting - Sistemas de Informação, SA | a) | Maia | 100.00% | 54.23% | 100.00% | 53.95% |
| | We Do Technologies (UK) Limited | a) | Berkshire (U.K.) | 100.00% | 54.23% | 100.00% | 53.95% |
| | We Do Technologies BV | a) | Amsterdam (The Netherlands) | 100.00% | 54.23% | 100.00% | 53.95% |
| | We Do Technologies Egypt Limited Liability Company | a) | Cairo (Egypt) | 100.00% | 54.23% | 100.00% | 53.95% |
| | We Do Technologies Mexico S. de RL | a) | Mexico City | 100.00% | 54.23% | 100.00% | 53.95% |
| | Investment Management | | | | | | |
| 13) | ADD Avaliações Engenharia de Avaliações e Perícias, Ltda | a) | Brazil | 100.00% | 50.00% | - | - |
| 13) | ADDmakler Administração e Corretagem de Seguros, Ltda | a) | Brazil | 99.98% | 50.00% | - | - |
| 13) | ADDmakler Administradora, Corretora de Seguros Partic. Ltda | a) | Brazil | 100.00% | 50.00% | - | - |

| 13) | Fontana Corretora de Seguros Ltda | a) | Brazil | 99.99% | 50.01% | - | - |
|-----|--|----|--------|---------|--------|---------|---------|
| 13) | Herco Consultoria de Risco e Corretora de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | - | - |
| 13) | Larim Corretora de Resseguros Ltda | a) | Brazil | 99.99% | 50.01% | - | - |
| 13) | Lazam-mds Correctora Ltda | a) | Brazil | 100.00% | 50.01% | 45.00% | 45.00% |
| | MDS - Corretor de Seguros, SA | a) | Porto | 100.00% | 50.01% | 100.00% | 100.00% |
| 15) | MDS, SGPS, SA | a) | Maia | 50.01% | 50.01% | 100.00% | 100.00% |
| 1) | MDS, Consultores, SA | a) | Maia | 100.00% | 50.01% | - | - |
| 13) | Miral Administração e Corretagem de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | - | - |
| | Modelo - Distribuição de Materiais de Construção, SA | b) | Maia | 50.00% | 50.00% | 50.00% | 50.00% |
| 13) | RSI Corretora de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | - | - |
| 13) | Terra Nossa Corretora de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | - | - |
| | | | | | | | |

Others

| Libra Serviços, Lda | a) | Funchal | 100.00% | 100.00% | 100.00% | 100.00% |
|--|----|--------------------------------|---------|---------|---------|---------|
| Sonae Investments, BV | a) | Amsterdam (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |
| Sonae RE, SA | a) | Luxembourg | 99.92% | 99.92% | 100.00% | 100.00% |
| Sonaecenter Serviços, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Sonaegest-Soc.Gest.Fundos Investimentos, SA | a) | Maia | 80.00% | 70.00% | 80.00% | 70.00% |
| Sontel, BV | a) | Amsterdam (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |

- Companies created in the period;
- 2) Subsidiary included in the consolidation by the equity method in previous periods, is now being included in the consolidation through the full consolidation method, since there was a change in the % held with the capital increase operation as at 26 May 2009, which was fully subscribed by the Group;
- 3) Ex IGI Investimento Imobiliário, SA;
- 4) Ex Modelo Continente Operações de Retalho SGPS, SA;

- 5) Company acquired in the period;
- 6) Ex Sonae Distribuição, SGPS, SA;
- 7) Ex Efanor Indústria de Fios, SA;
- 8) Ex Sonaecor Comércio Y Distribución, SA;
- 9) Ex Cape Asia Pac Pty Limited;
- 10) Ex Cape Poland Sp.Z.o.o.;
- 11) Company settled on exercise;
- 12) Company merged into Sonaecom Sistemas de Informação, SGPS, SA;
- 13) Acquisition of 55% shareholding on July 22, 2009, gaining control over that company and subsidiaries thus being consolidated from that date onwards by the full consolidation method;
- 14) Ex Cape Tecnologies Americas Inc;
- 15) Reduction of percentage of detention with maintenance of control as a result of the sale of shares of MDS SGPS, SA and the capital increase carried out in the subsidiary, fully endorsed by the business associate.
- a) Majority of voting rights;
- b) Management control;
- c) Control determined in accordance with SIC 12 Special purpose entities.

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

5 JOINTLY CONTROLLED COMPANIES

Jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 31 December 2009 and 2008 are as follows:

Percentage of capital held

| | | 31 December 2009 | | 31 Decemb | er 2008 |
|--------------------------|-------------------------|------------------|--------|-----------|---------|
| COMPANY | Head Office | Direct | Total | Direct | Total |
| Shopping Centres | | | | | |
| 3DO Holding GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| 3DO Shopping Centre GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |

| | 3shoppings – Holding, SGPS, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
|----|---|--------------------------------|---------|--------|---------|--------|
| | Aegean Park, SA | Athens (Greece) | 100.00% | 25.00% | 100.00% | 25.00% |
| | Airone - Shopping Centre, Srl | Milan (Italy) | 100.00% | 25.05% | 100.00% | 25.05% |
| | ALEXA Administration GmbH | Berlin (Germany) | 100.00% | 25.00% | 100.00% | 25.00% |
| | ALEXA Holding GmbH | Dusseldorf (Germany) | 50.00% | 25.00% | - | - |
| 1) | ALEXA Asset GmbH & Co | Dusseldorf (Germany) | 50.00% | 25.00% | 50.00% | 25.00% |
| | ALEXA Shopping Centre GmbH | Dusseldorf (Germany) | 100.00% | 25.00% | 100.00% | 25.00% |
| | Algarveshopping - Centro Comercial, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| | Arrábidashopping - Centro Comercial, SA | Maia | 50.00% | 12.53% | 50.00% | 12.53% |
| | Avenida M-40, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| 2) | Avenida M-40, SA | Madrid (Spain) | 100.00% | 25.05% | 100.00% | 25.05% |
| | Cascaishopping - Centro Comercial, SA | Maia | 50.00% | 12.53% | 50.00% | 12.53% |
| | Cascaishopping Holding I, SGPS, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| | Centro Colombo - Centro Comercial, SA | Maia | 100.00% | 12.53% | 100.00% | 12.53% |
| | Centro Vasco da Gama - Centro Comercial, SA | Maia | 50.00% | 12.53% | 50.00% | 12.53% |
| | Clérigoshopping - Gestão do Centro Comercial, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Coimbrashopping - Centro Comercial, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| | Colombo Towers Holding, BV | The Hague (The Netherlands) | 50.00% | 25.00% | 50.00% | 25.00% |
| | Craiova Mall BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Dortmund Tower GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Dos Mares - Shopping Centre, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| | Dos Mares - Shopping Centre, SA | Madrid (Spain) | 100.00% | 25.05% | 100.00% | 25.05% |
| | El Rosal Shopping, SA | Madrid (Spain) | 70.00% | 35.00% | 70.00% | 35.00% |

| | Estação Viana - Centro Comercial, SA | Viana do Castelo | 100.00% | 25.05% | 100.00% | 25.05% |
|----------|---|--------------------------------|---------|--------|---------|--------|
| | Freccia Rossa - Shopping Centre, Srl | Milan (Italy) | 50.00% | 25.00% | 50.00% | 25.00% |
| 1) | Fundo I.I. Parque Dom Pedro Shopping Center, SA | São Paulo (Brazil) | 50.00% | 3.99% | - | - |
| | Fundo Investimento Imob. Shopping Parque D. Pedro Shopping, SA | São Paulo (Brazil) | 100.00% | 21.25% | 100.00% | 24.36% |
| | Gaiashopping I - Centro Comercial, SA | Maia | 50.00% | 12.53% | 50.00% | 12.53% |
| | Gaiashopping II - Centro Comercial, SA | Maia | 100.00% | 12.53% | 100.00% | 12.53% |
| 3) | Gli Orsi - Shopping Centre, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Gli Orsi 1 Shopping Centre, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Guimarãeshopping - Centro Comercial, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| 4) | Harvey Dos Iberica, SL | Madrid (Spain) | 50.00% | 12.53% | - | - |
| 5) 4) | Le Terrazze – Shopping Centre 1, Srl | Milan (Italy) | 50.00% | 25.00% | - | - |
| | Le Terrazze - Shopping Centre, Srl | Milan (Italy) | 50.00% | 25.00% | 50.00% | 25.00% |
| | Iberian Assets, SA | Madrid (Spain) | 49.78% | 12.48% | 49.78% | 12.48% |
| | Inparsa - Gestão de Galeria Comerc, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | loannina Development of Shopping Centres, SA | Athens (Greece) | 100.00% | 50.00% | 100.00% | 50.00% |
| | KLC Holdings XII, SA | Luxembourg | 100.00% | 50.00% | 100.00% | 50.00% |
| | La Farga - Shopping Centre, SL | Madrid (Spain) | 100.00% | 12.48% | 100.00% | 12.48% |
| | Larissa Development of Shopping Centres, SA | Athens (Greece) | 100.00% | 25.00% | 100.00% | 25.00% |
| | Lembo Services Ltd | Cyprus | 100.00% | 50.00% | 100.00% | 50.00% |
| | Loop 5 - Shopping Centre Gmbh | Dusseldorf (Germany) | 50.00% | 25.00% | 50.00% | 25.00% |
| | Luz del Tajo - Centro Comercial, SA | Madrid (Spain) | 100.00% | 25.05% | 100.00% | 25.05% |
| | Luz del Tajo, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| | Madeirashopping - Centro Comercial, SA | Funchal (Madeira) | 50.00% | 12.53% | 50.00% | 12.53% |
| | Maiashopping - Centro Comercial, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| | MC Property Management, SA | Athens (Greece) | 75.00% | 18.75% | 75.00% | 18.75% |

| Münster Arkaden, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
|---|--------------------------------|---------|--------|---------|--------|
| Norte Shopping Retail and Leisure Centre, BV | Amsterdam (The Netherlands) | 50.00% | 12.53% | 50.00% | 12.53% |
| Norteshopping - Centro Comercial, SA | Maia | 100.00% | 12.53% | 100.00% | 12.53% |
| Pantheon Plaza BV | Amsterdam (The Netherlands) | 50.00% | 25.00% | 50.00% | 25.00% |
| Paracentro - Gestão de Galerias Comerciais, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| Park Avenue Developement of Shopping Centers, SA | Athens (Greece) | 100.00% | 25.00% | 100.00% | 25.00% |
| Parque Atlântico Shopping - Centro Comercial SA | Ponta Delgada (Azores) | 50.00% | 12.53% | 50.00% | 12.53% |
| Parque D. Pedro 1, BV Sarl | Luxembourg | 100.00% | 25.00% | 100.00% | 25.00% |
| Parque D. Pedro 2, BV Sarl | Luxembourg | 100.00% | 25.00% | 100.00% | 25.00% |
| Parque de Famalicão - Empreendimentos Imobiliários, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| Parque Principado, SL | Madrid (Spain) | 50.00% | 12.53% | 50.00% | 12.53% |
| Pátio Boavista Shopping, Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Pátio Goiânia Shopping, Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Pátio Londrina Empreendimentos e Participações, Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Pátio Penha Shopping, Ltda | São Paulo (Brazil) | 99.99% | 23.91% | 99.99% | 23.76% |
| Pátio São Bernardo Shopping Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Pátio Sertório Shopping Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Pátio Uberlândia Shopping Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Plaza Eboli - Centro Comercial, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| Plaza Eboli, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Plaza Mayor Holding, SGPS, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| Plaza Mayor Parque de Ócio, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| Plaza Mayor Parque de Ócio, SA | Madrid (Spain) | 100.00% | 25.05% | 100.00% | 25.05% |

| Plaza Mayor Shopping, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 50.00% |
|---|--------------------------------|---------|--------|---------|--------|
| Plaza Mayor Shopping, SA | Madrid (Spain) | 75.00% | 18.79% | 75.00% | 37.50% |
| Ploi Mall BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Pridelease Investments, Ltd | Cascais | 100.00% | 50.00% | 100.00% | 50.00% |
| Project 4, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project SC 1, BV | Amsterdam (The Netherlands) | 50.00% | 25.00% | 50.00% | 25.00% |
| Project SC 2, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 1 - Shopping Centre, GmbH | Vienna (Austria) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 2, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 5, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 6, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 7 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 8 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 9 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 10 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra Brazil 1, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra Four SA | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra Germany 2 (two), Shopping Centre GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra Germany 3 (three), Shopping Centre. GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |



| | Project Sierra Germany 4 (four), Shopping Centre. GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
|----|--|--------------------------------|---------|--------|---------|--------|
| | Project Sierra Germany Shopping Centre 1 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Germany Shopping Centre 2 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| 6) | Project Sierra Holding Portugal V, SGPS, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Italy 1 - Shopping Centre, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Italy 2 - Development of Shopping Centres, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Italy 3 - Shopping Centre, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Italy 5 - Development of Shopping Centres Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra One Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Portugal I - C.Comercial, SA | Maia | 50.00% | 25.00% | 50.00% | 25.00% |
| | Project Sierra Portugal II - Centro Comercial, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Portugal IV - Centro Comercial, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| 3) | Project Sierra Portugal V - Centro Comercial, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Portugal VI - Centro Comercial, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Portugal VII - Centro Comercial, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Portugal VIII - Centro Comercial, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 1, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 2 - Centro Comercial, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 2, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 3 - Centro Comercial, SA | Madrid (Spain) | 50.00% | 25.00% | 50.00% | 25.00% |



| | Project Sierra Spain 3, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
|----|---|--------------------------------|---------|--------|---------|--------|
| | Project Sierra Spain 6 - Centro Comercial, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 6, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 7 - Centro Comercial, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 7, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| 3) | Project Sierra Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Three Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Two Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | River Plaza BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | River Plaza Mall, Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | S.C. Microcom Doi Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | SC Aegean, BV | Amsterdam (The Netherlands) | 50.00% | 25.00% | 50.00% | 25.00% |
| | SC Mediterranean Cosmos, BV | Amsterdam (The Netherlands) | 50.00% | 12.53% | 50.00% | 12.53% |
| | Shopping Centre Colombo Holding, BV | Amsterdam (The Netherlands) | 50.00% | 12.53% | 50.00% | 12.53% |
| | Shopping Centre Parque Principado, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| | Sierra Asset Management - Gestão de Activos, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Brazil 1, BV | Amsterdam (The Netherlands) | 100.00% | 25.00% | 100.00% | 25.00% |
| | Sierra Charagionis Development of Shopping Centers, SA | Athens (Greece) | 50.00% | 25.00% | 50.00% | 25.00% |
| | Sierra Charagionis Property Management, SA | Athens (Greece) | 50.00% | 25.00% | 50.00% | 25.00% |



| Sierra Corporate Services - Apoio à Gestão, SA | Lisbon | 100.00% | 50.00% | 100.00% | 50.00% |
|---|--------------------------------|---------|--------|---------|--------|
| Sierra Corporate Services Holland, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Development of Shopping Centres Greece, SA | Athens (Greece) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments - Serviços de Promoção Imobiliária, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments Germany GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments Germany Holding, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments Holding, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments Iberia 1. Promoção Imobiliária, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments Italy, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments Romania SRL | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments Spain - Promociones de Centros Comerciales, SL | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Developments, SGPS, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Enplanta, Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Sierra European Retail Real Estate Assets Holdings, BV | Amsterdam (The Netherlands) | 50.10% | 25.05% | 50.10% | 25.05% |
| Sierra GP, Limited | Guernesey (U.K.) | 100.00% | 49.99% | 100.00% | 49.99% |
| Sierra Investimentos Brasil Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Sierra Investments (Holland) 1, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Investments (Holland) 2, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Investments Holding, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Investments SGPS, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |

7)

1)

| Sierra Italy Holding, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
|--|--------------------------------|---------|--------|---------|--------|
| Sierra Management Germany, GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Management II - Gestão de Centros Comerciais, SA | Lisbon | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Management Italy, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Management New Tech.Bus Serv.Comu.CC, SA | Lisbon | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Management Portugal - Gestão de Centros Comerciais, SA | Lisbon | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Management Spain - Gestión de Centros Comerciales, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Management, SGPS, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Property Management Greece, SA | Athens (Greece) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sierra Property Management, Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| Sonae Sierra Brasil, Ltda. | São Paulo (Brazil) | 95.20% | 23.91% | 94.54% | 23.76% |
| Sonae Sierra Brazil. BV Sarl | Luxembourg | 50.00% | 25.00% | 50.00% | 25.00% |
| Sonae Sierra, SGPS, SA | Maia | 50.00% | 50.00% | 50.00% | 50.00% |
| SPF - Sierra Portugal | Luxembourg | 100.00% | 50.00% | 100.00% | 50.00% |
| SRP - Parque Comercial de Setúbal, SA | Maia | 50.00% | 25.00% | 50.00% | 25.00% |
| Torre Ocidente – Imobiliária, SA | Maia | 50.00% | 12.50% | 50.00% | 12.50% |
| Torre Oriente – Imobiliária, SA | Maia | 50.00% | 12.50% | 50.00% | 12.50% |
| Unishopping Administradora, Ltda | São Paulo (Brazil) | 100.00% | 23.91% | 100.00% | 23.76% |
| Unishopping Consultoria Imobiliária, Ltda | São Paulo (Brazil) | 99.98% | 23.91% | 99.98% | 23.76% |
| Valecenter, Srl | Milan (Italy) | 100.00% | 25.05% | 100.00% | 25.05% |
| Via Catarina - Centro Comercial, SA | Maia | 50.00% | 12.53% | 50.00% | 12.53% |
| Vuelta Omega, S.L. | Madrid (Spain) | 100.00% | 12.53% | - | - |
| Weiterstadt Shopping BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Zubiarte Inversiones Inmobiliarias, SA | Madrid (Spain) | 49.83% | 12.48% | 49.83% | 12.48% |
| | | | | | |



| | Telecommunications | | | | | |
|----------|--|-------------------|--------|--------|--------|--------|
| | Unipress - Centro Gráfico, Lda | Vila Nova de Gaia | 50.00% | 27.11% | 50.00% | 26.97% |
| | Vipu ACE | Lisbon | 50.00% | 27.11% | 50.00% | 26.97% |
| | Investment Management | | | | | |
| | Equador & Mendes - Agência de Viagens e Turismo, Lda | Lisbon | 50.00% | 37.50% | 50.00% | 37.50% |
| 3) | Geotur - Viagens e Turismo, SA | Lisbon | 50.00% | 50.00% | 50.00% | 50.00% |
| | Marcas do Mundo - Viagens e Turismo. Sociedade Unipessoal, Lda | Lisbon | 50.00% | 50.00% | 50.00% | 50.00% |
| | Movimentos Viagens - Viagens e Turismo. Sociedade Unipessoal, Lda | Lisbon | 50.00% | 50.00% | 50.00% | 50.00% |
| | Nova Equador Internacional. Agência de Viagens e Turismo, Lda | Lisbon | 50.00% | 37.50% | 50.00% | 37.50% |
| 4) | Puravida - Viagens e Turismo, Lda | Lisbon | 50.00% | 50.00% | - | - |
| | Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda | Lisbon | 50.00% | 37.50% | 50.00% | 37.50% |
| | Raso SGPS, SA | Lisbon | 50.00% | 50.00% | 50.00% | 50.00% |
| 8) 3) | Raso - Viagens e Turismo, SA | Lisbon | 50.00% | 50.00% | 50.00% | 50.00% |
| | Viagens y Turismo de Geotur España, S.L. | Madrid (Spain) | 50.00% | 50.00% | 50.00% | 50.00% |
| 1 | .) Companies created in the period: | | | | | |

- Companies created in the period;
- 2) Company for which it was requested to insolvency;
- 3) Companies merged in the period;
- 4) Company acquired in the period;
- 5) Ex Helios Property, Srl.;
- 6) Company merged into River Plaza Mall, Srl with efects at April 1, 2009;
- 7) Company disposed in the period;
- 8) Company that created in the merger between a Geotur Viagens e Turismo, SA and Star Viagens e Turismo, SA.

These entities are consolidated using the proportionate consolidation method as referred to in Note 2.2.b).

Aggregate amounts excluding intra-group eliminations corresponding to the percentage of capital held in these jointly controlled companies included in the financial statements for the period using the proportional consolidation method can be summarised as follows:

| | 31 December 2009 | 31 December 2008 |
|-------------------------|------------------|------------------|
| | | |
| Non-current assets | 4,508,730,523 | 4,540,862,267 |
| Current assets | 256,002,590 | 512,569,665 |
| Non-current liabilities | 1,652,852,079 | 1,749,706,883 |
| Current liabilities | 375,513,257 | 561,933,408 |
| | · | _ |
| | 31 December 2009 | 31 December 2008 |
| Income | 218,136,156 | 184,557,267 |
| Expenses | 304,508,331 | 296,759,268 |
| | | |

Additionally the information related with Shopping Centres in Note 50 corresponds to the contribute to the consolidated financial statements of the companies referred above which are consolidated in accordance with proportionate method.

6 INVESTMENTS IN ASSOCIATED COMPANIES

Associated companies, their head offices and the percentage of share capital held as at 31 December 2009 and 2008 are as follows:

| Percentage of capital held | | | | | | | | |
|--|----------------------|----------|-----------|----------|-----------|------------------|------------------|--|
| | | 31 Decen | nber 2009 | 31 Decer | nber 2008 | Book value | | |
| COMPANY | Head Office | Direct | Total | Direct | Total | 31 December 2009 | 31 December 2008 | |
| Retail | | | | | | | | |
| 2) Fundo de Investimento Imobiliário Fechado Imosede | Maia | 54.55% | 54.55% | 49.00% | 49.00% | - | 62,813,335 | |
| Sempre a Postos - Produtos Alimentares e Utilidades, Lda | Lisbon | 25.00% | 25.00% | 25.00% | 25.00% | 1,551,585 | 1,142,245 | |
| Shopping Centres | | | | | | | | |
| 1) 8ª Avenida Centro Comercial, SA | Maia | 100.00% | 21.00% | 100.00% | 21.00% | - | - | |
| 1) Arrábidashopping - Centro Comercial, SA | Maia | 50.00% | 10.50% | 50.00% | 10.50% | - | - | |
| Campo Limpo Lda | S. Paulo (Brazil) | 20.00% | 4.70% | 20.00% | 4.70% | 1,712,614 | 1,136,276 | |
| 1) Gaiashopping I - Centro Comercial, SA | Maia | 50.00% | 10.50% | 50.00% | 10.50% | - | - | |
| 1) Gaiashopping II - Centro Comercial, SA | Maia | 100.00% | 21.00% | 100.00% | 21.00% | - | - | |
| Loureshopping - Centro Comercial, SA | Maia | 100.00% | 21.00% | 100.00% | 21.00% | - | - | |
| Mediterranean Cosmos Shop. Centre Investments, SA | Athens (Greece) | 39.90% | 5.00% | 39.90% | 5.00% | 3,376,307 | 3,557,098 | |
| 1) Oeste Retail Park - Gestão de G.Comer., SA | Maia | 50.00% | 10.50% | 50.00% | 10.50% | - | - | |
| 1) Rio Sul - Centro Comercial, SA | Lisbon | 50.00% | 10.50% | 50.00% | 10.50% | - | - | |
| 1) Serra Shopping - Centro Comercial, SA | Covilhã | 50.00% | 10.50% | 50.00% | 10.50% | - | - | |
| 4) SIC Indoor - Gest. Suportes Publicitários, SA | Lisbon | 35.00% | 17.50% | 35.00% | 17.50% | - | - | |
| 1) Sol Retail Park - Gestão de G. Comerc., SA | Maia | 50.00% | 10.50% | 50.00% | 10.50% | - | - | |
| SPF - Sierra Portugal Real Estate, Sarl | Luxembourg | 42.00% | 21.00% | 42.00% | 21.00% | 32,013,766 | 38,597,922 | |
| Telecommunications | | | | | | | | |
| SIRS - Sociedade Independente de Radiodifusão Sonora, SA | Porto | 45.00% | 24.40% | 45.00% | 24.37% | - | - | |
| Investment Management | | | | | | | | |
| Cooper Gay (Holding) Limited | U.K. | 32.12% | 16.06% | 32.12% | 32.12% | 35,995,121 | 33,863,022 | |
| 3) Lazam Corretora, Ltda | Brazil | 100.00% | 50.01% | 45.00% | 45.00% | - | 1,553,597 | |
| Total | | | | | | 74,649,393 | 142,663,495 | |
| | | | | | | | 0.0 | |

Nil balances result from the application of the equity method over the consolidated financial statements of Sierra Portugal Real Estate, which holds these participations;



- 2) Capital increase at 26th May 2009, totally subscribed by the Group. From that date, the Group holds the subsidiary control and includes it by the Full consolidation method (Note 8);
- 3) Shares acquisition representative of 55% of share capital, on 22nd July 2009. From that date, the Group holds the subsidiary control and includes it by the Full consolidation method (Note 8);
- 4) Company extinguished during the period ended as at 31 December 2009.

Associated companies are consolidated using the equity method as referred to in Note 2.2.c).

As at 31 December 2009 and 2008 aggregated values of main financial indicators of associated companies are as follows:

| | 31 December 2009 | 31 December 2008 |
|-------------------|------------------|------------------|
| | | |
| Total Assets | 1,189,131,004 | 1,144,530,713 |
| Total Liabilities | 945,768,301 | 758,543,421 |
| Income | 194,580,395 | 312,438,219 |
| Expenses | 206,996,722 | 287,264,367 |

During the periods ended as at 31 December 2009 and 2008 movements in Investments in associated companies are made up as follows:

| | 31 December 2009 | | | 31 December 2008 | | | |
|---|----------------------|-------------|---------------------|----------------------|-------------|---------------------|--|
| | Proportion on equity | Goodwill | Total of investment | Proportion on equity | Goodwill | Total of investment | |
| Investments in associated companies | | | | | | | |
| Initial balance as at January,1 | 105,402,825 | 37,260,670 | 142,663,495 | 51,468,671 | 22,079,969 | 73,548,640 | |
| Capital increase in associated companies | 6,955,606 | - | 6,955,606 | 33,095,032 | - | 33,095,032 | |
| Disposals during the period | (1,718,550) | - | (1,718,550) | (2,567,481) | - | (2,567,481) | |
| Capital reduction in associated companies | (733,808) | - | (733,808) | (4,167,889) | - | (4,167,889) | |
| Change of consolidation method (Note 8) | (69,027,699) | (1,439,401) | (70,467,100) | 37,315,321 | 8,384,445 | 45,699,766 | |
| Goodwill recognised during the period | - | - | - | (13,701,796) | 13,701,796 | - | |
| Equity method | | | | | | | |
| Effect in net income | (5,365,399) | - | (5,365,399) | 8,952,847 | - | 8,952,847 | |
| Effect in equity capital and minority interests | (2,288,892) | 5,604,041 | 3,315,149 | (4,338,872) | (4,151,833) | (8,490,705) | |
| Investments impairment in associated companies | - | - | - | (168,690) | (1,765,850) | (1,934,540) | |
| Transfers | - | - | - | (484,318) | (987,857) | (1,472,175) | |
| | 33,224,083 | 41,425,310 | 74,649,393 | 105,402,825 | 37,260,670 | 142,663,495 | |

The amount disclosed above related with consolidation method change corresponds in 2009 to: (i) the acquisition of Fundo de Investimento Fechado Imosede and (ii) subsidiaries acquisitions participation of insurance companies in Brazil (Lazam, according to note 8). In 2008 corresponds to the disposal of the companies constituting the Sierra Portugal Fund.



7 GROUP COMPANIES. JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES EXCLUDED FROM CONSOLIDATION AND OTHER NON CURRENT INVESTMENTS

Group companies, jointly controlled companies and associated companies excluded from consolidation, their head offices, percentage of share capital held and book value as at 31 December 2009 and 2008 are as follows:

| | | | | Percentage of capital held | | | | |
|----|--|------------------|---------|----------------------------|----------|-----------|------------------|------------------|
| | | | 31 Dece | mber 2009 | 31 Decer | mber 2008 | Book | value |
| _ | COMPANY | Head Office | Direct | Total | Direct | Total | 31 December 2009 | 31 December 2008 |
| | Retail | | | | | | | |
| | Dispar - Distrib. de Participações, SGPS, SA | Lisbon | 7.14% | 7.14% | 7.14% | 7.14% | 4,988 | 4,988 |
| | Insco - Insular de Hipermerc., SA | Ponta Delgada | 10.00% | 10.00% | 10.00% | 10.00% | 748,197 | 748,197 |
| | Shopping Centres | | | | | | | |
| | Ercasa Cogeneracion SA | Grancasa (Spain) | 10.00% | 1,25% | 10.00% | 1,25% | 23,949 | 23,949 |
| | Telecommunications | | | | | | | |
| | Altitude, SGPS, SA | Lisbon | 11.54% | 6.26% | 11.54% | 6.23% | 1,000,000 | 1,000,000 |
| | Lusa - Agên. de Notícias de Portugal, SA | Lisbon | 1.38% | 0.75% | 1.38% | 0.88% | 197,344 | 197,344 |
| | Investments Management | | | | | | | |
| 1) | Puravida - Viagens e Turismo, Lda | Lisbon | 50.00% | 50.00% | 50.00% | 50.00% | - | 1,584,193 |
| | Other investments | | | | | | 16,153,014 | 9,419,504 |
| | Total (Note 14) | | | | | | 18,127,492 | 12,978,175 |

1) Subsidiary included by the proportionate method in the period.

As at 31 December 2009, the caption "Other Investments" includes 13,778,000 euro (7,304,000 euro as at 31 December 2008) related to the fair value of Sonae Capital, SGPS, S.A. shares attributable to Sonae Holding and not derecognized as explained in Note 23.

Additionally, with the exception of investments mentioned above, all other are registered at acquisition cost less impairment losses, as they represent investments in unlisted companies.



8 CHANGES IN CONSOLIDATION PERIMETER

8.1 Main acquisitions of Companies over the period ended 31 December 2009 are as follows (Note 4 and 5):

| | | | Percentage of capital held | | | |
|----|---|----------------|----------------------------|---------|--|--|
| | | | At acquisition date | | | |
| | COMPANY | Head Office | Direct | Total | | |
| | | | | | | |
| | Retail | | | | | |
| | Fundo de Investimentos Imobiliário Fechado Imosede | Maia | 54.55% | 54.55% | | |
| | Pharma Concept - Actividades em Saúde, SA | Matosinhos | 100.00% | 100.00% | | |
| | Têxtil do Marco, SA | Marco de | 80.37% | 80.37% | | |
| | | Canaveses | | | | |
| | Shopping Centres | | | | | |
| | Harvey Dos Iberica, SL | Madrid (Spain) | 50.00% | 12.53% | | |
| | Le Terrazze - Shopping Centre 1, Srl | Milan (Italy) | 50.00% | 25.00% | | |
| | Investments Management | | | | | |
| a) | ADD Avaliações Engenharia de Avaliações e Perícias, Ltda | Brazil | 100.00% | 50.00% | | |
| a) | ADDmakler Administração e Corretagem de Seguros, Ltda | Brazil | 99.98% | 50.00% | | |
| a) | ADDmakler Administradora, Corretora de Seguros Partic. Ltda | Brazil | 100.00% | 50.00% | | |
| a) | Fontana Corretora de Seguros Ltda | Brazil | 99.99% | 50.01% | | |
| a) | Herco Consultoria de Risco e Corretora de Seguros, Ltda | Brazil | 100.00% | 50.01% | | |
| a) | Larim Corretora de Resseguros Ltda | Brazil | 99.99% | 50.01% | | |
| a) | Lazam/mds Correctora Ltda | Brazil | 100.00% | 50.01% | | |
| a) | Miral Administração e Corretagem de Seguros, Ltda | Brazil | 100.00% | 50.01% | | |
| | Puravida - Viagens e Turismo, SA | Lisbon | 50.00% | 50.00% | | |
| a) | RSI Corretora de Seguros, Ltda | Brazil | 100.00% | 50.01% | | |
| a) | Terra Nossa Corretora de Seguros, Ltda | Brazil | 100.00% | 50.01% | | |

a) The insurance area of Investment Management operating segment, whose main company is MDS, SGPS, SA, was extended during the current period through a concentration process which resulted from the roll-up of participation in Lazam/MDS – Corretora, Ltda., originating the control assumption over this company and it's subsidiaries, most of them acquired in the end of the first half of 2009, and a decrease on the shareholding over MDS, SGPS, SA.

Taking into account that the process of acquisition of Lazam was only concluded in the second half of 2009 and that it was necessary to re-express the financial statements of subsidiaries acquired to IFRS, the process of imputation of the fair value of the assets was not completed, liabilities and contingent liabilities acquired, including intangible assets acquired and unrecognized. This way, the goodwill established with this acquisition is expressed as provisional, based on the financial statements of subsidiaries acquired being expected the finalization of the calculation until the end of 2010.



Acquisitions mentioned above had the following impact on the consolidated financial statements for the period ended as at 31 December 2009:

| | - | 31 December 2009 | | | |
|---|--------------|---------------------------|---------------------|--------------|--------------|
| | Retail | Management Investments | Shopping Centres | Total | Total |
| Acquired net assets | | | | | |
| Tangible and intangible assets (Note 10 and 11) | 148,261,419 | 3,242,527 | - | 151,503,946 | 200,383,628 |
| Investment properties | - | - | 9,131,609 | 9,131,609 | 9,131,609 |
| Inventories | 759,076 | - | - | 759,076 | 759,076 |
| Deferred tax assets | 153,728 | - | - | 153,728 | 153,728 |
| Other assets | 11,667,237 | 2,442,239 | 8,500,391 | 22,609,867 | 12,644,686 |
| Cash and cash equivalents | 7,984,499 | 2,278,028 | 501,512 | 10,764,039 | 1,292,730 |
| Loans | - | (74,063) | - | (74,063) | (8,959,576) |
| Deferred tax liabilities | (3,119,234) | - | (1,083,090) | (4,202,324) | (4,061,142) |
| Other liabilities | (24,794,944) | (28,538,968) | (12,493,149) | (65,827,061) | (42,859,909) |
| | 140,911,781 | (20,650,237) | 4,557,273 | 124,818,817 | 168,484,830 |
| Goodwill (Note 13 and 40) | 145,131 | 53,095,700 | 1,204,488 | 54,445,319 | |
| Transfers from associated companies (Note 6) | (61,384,427) | (9,082,673) | - | (70,467,100) | |
| Shareholders loans | 1,977,451 | 84,193 | - | 2,061,644 | |
| Minority Interests | (63,575,392) | 7,919,350 | 1,422,192 | (54,233,850) | |
| Acquisition price | 18,074,544 | 31,366,333 | 7,183,953 | 56,624,830 | |
| Payments made | 17,402,534 | 29,782,140 | 7,183,953 | 54,368,627 | |
| Costs related to the acquisitions | 117,000 | - | - | 117,000 | |
| Advances | - | 1,584,193 | - | 1,584,193 | |
| Amounts not paid | 555,010 | - | - | 555,010 | |
| | 18,074,544 | 31,366,333 | 7,183,953 | 56,624,830 | |
| Net cash outflow arising on acquisition | | | | | |
| Payments made | 17,402,534 | 31,366,333 | 7,183,953 | 55,952,820 | |
| Cash and cash equivalents acquired | (7,984,499) | (2,278,028) | (501,512) | (10,764,039) | |
| | 9,418,035 | 29,088,305 | 6,682,441 | 45,188,781 | |

The Goodwill generated on the Investment Management operating segment is justified by the fact that the process of fair value allocation to assets and liabilities acquired was not completed, as well as by the fact that such investment represents the assumption of control of the operations of the group in Brazil, in locations where, previously, Lazam/MDS did not have operations, which promotes the creation of value through synergies and business growth, which cannot be separated from goodwill as they do not meet the criteria for intangible assets recognition.

The impacts of the above acquisitions on the income statement can be described as follows:

| 31 December 2009 | | | | | | |
|------------------|--|--|--|--|--|--|
| Retail | Investment Management | Shopping Centres | Total | | | |
| 6,061,153 | 9,897,677 | - | 15,958,830 | | | |
| (1,688,736) | (9,227,537) | (13,169) | (10,929,442) | | | |
| (51,909) | (17,383) | (185,635) | (254,927) | | | |
| 4,320,508 | 652,756 | (198,804) | 4,774,460 | | | |
| (1,295,301) | (398, 196) | (124,479) | (1,817,976) | | | |
| 3,025,207 | 254,560 | (323,283) | 2,956,484 | | | |
| | 6,061,153 (1,688,736) (51,909) 4,320,508 (1,295,301) | Retail Investment Management 6,061,153 9,897,677 (1,688,736) (9,227,537) (51,909) (17,383) 4,320,508 652,756 (1,295,301) (398,196) | Retail Investment Management Shopping Centres 6,061,153 9,897,677 - (1,688,736) (9,227,537) (13,169) (51,909) (17,383) (185,635) 4,320,508 652,756 (198,804) (1,295,301) (398,196) (124,479) | | | |

Had the above acquisitions been reported to 1 January 2009, operational income would have increased by approximately 28,500,000 euro.

8.2 Exclusion of consolidated accounts

At the end of 2009 and following the non-acceptance by the bank of the plans proposed by Avenida M40 to renegotiate it's debt, the Board of Directors of this subsidiary decided to request the insolvency of Avenida M40 to the court. In the sequence of this request, Sonae considered that the control over this subsidiary was lost and decided to derecognize it from the consolidated accounts with effect on 31 December 2009. The impact of this de-recognition may be analyzed as follows:

| | Avenida M40 |
|--|--------------|
| Acquired net assets | |
| Investment properties (Note 12) | 11,528,388 |
| Other assets | 853,697 |
| Cash and cash equivalents | 140,894 |
| Loans | (19,546,556) |
| Deferred tax liabilities | - |
| Other liabilities | (27,173,267) |
| | (34,196,844) |
| Impairment of assets | 26,263,623 |
| Gains / (losses) on de-recognition (Note 38) | 7,933,221 |
| Sale price | |
| Net cash-flow | (140,894) |

8.3 The main disposals of companies that have occurred in the period ended as at 31 December 2009 were the following:

| | | Percentage of capital held | | |
|---|-----------------|----------------------------|--------|--|
| | | At alienation | n date | |
| COMPANY | Head Office | Direct | Total | |
| | | | | |
| Shopping Centres | | | | |
| Torre Oriente - Imobiliária, SA | Maia | 50.00% | 12.50% | |
| Disposals effects may be analyzed as follows: | | | | |
| | Shopping Centre | es | | |
| Disposed net assets | | <u>—</u> | | |
| Investment properties (Note 12) | 8,887,00 | 0 | | |
| Other assets | 448,77 | '8 | | |
| Cash and cash equivalents | 40,66 | 3 | | |
| Loans | | - | | |
| Deferred tax liabilities | (961,57 | 7) | | |
| Other liabilities | (5,047,66 | 66) | | |
| | 3,367,19 | 8 | | |
| Profit / (Loss) in the disposal | 706,75 | 55 | | |
| Disposal price | 4,073,95 | <u>3</u> | | |
| Net cash-flow arising from disposal | | | | |
| Effective cash payment received | 4,073,95 | 3 | | |
| Cash and cash equivalents disposed | (40,66 | 3) | | |
| | 4,033,29 | 0 | | |
| | | | | |



9 FINANCIAL INSTRUMENTS BY CLASS

The financial instruments classification according to policies disclosed in note 2.13. is as follows:

Financial assets

| | Notes | Assets at fair value through profit or loss (Note 27) | Loans and accounts receivable | Available for sale | Hedging derivatives (Note 27) | Sub-total | Assets not within scope of IFRS 7 | Total |
|----------------------------------|----------|--|-------------------------------------|---|-------------------------------------|--|-----------------------------------|-------------|
| As at 31 December 2009 | | | | | | | | |
| Non-current assets | | | | | | | | |
| Other investments | 7 and 14 | - | - | 18,127,492 | - | 18,127,492 | - | 18,127,492 |
| Other non-current assets | 15 | | 15,088,439 | | 12,991 | 15,101,430 | 6,074,882 | 21,176,312 |
| | | | 15,088,439 | 18,127,492 | 12,991 | 33,228,922 | 6,074,882 | 39,303,804 |
| Current assets | | | | | | | | |
| Trade receivables | 17 | - | 208,066,473 | - | - | 208,066,473 | - | 208,066,473 |
| Other debtors | 18 | - | 163,392,565 | - | - | 163,392,565 | - | 163,392,565 |
| Investments | 14 | 365,122 | 57,313,909 | - | - | 57,679,031 | - | 57,679,031 |
| Cash and cash equivalents | 22 | | 172,229,871 | | | 172,229,871 | | 172,229,871 |
| | | 365,122 | 601,002,819 | | | 601,367,941 | | 601,367,941 |
| | | 365,122 | 616,091,258 | 18,127,492 | 12,991 | 634,596,863 | 6,074,882 | 640,671,745 |
| As at 31 December 2008 | | | | | | | | |
| Non-current assets | | | | | | | | |
| Other investments | 7 and 14 | - | | 12,978,175 | | 12,978,175 | | 12,978,175 |
| Other non-current assets | 15 | | 12,394,378 | | 75,002 | 12,469,380 | 8,814,135 | 21,283,515 |
| | | | 12,394,378 | 12,978,175 | 75,002 | 25,447,555 | 8,814,135 | 34,261,690 |
| Current assets | | | | | | | | |
| Trade receivables | 17 | - | 215,062,609 | - | - | 215,062,609 | - | 215,062,609 |
| Other debtors | 18 | - | 145,992,505 | - | - | 145,992,505 | - | 145,992,505 |
| Investments | 14 | 72,483 | 60,956,604 | - | 2,527,676 | 63,556,763 | - | 63,556,763 |
| Cash and cash equivalents | 22 | | 184,360,904 | | | 184,360,904 | | 184,360,904 |
| | | 72,483 72,483 | 606,372,622 | 12,978,175 | 2,527,676 2,602,678 | 634,420,336 | 8,814,135 | 608,972,781 |
| | | 72,400 | 010,707,000 | 12,370,173 | 2,002,070 | 004,420,000 | 0,014,133 | 040,204,471 |
| Financial liabilities | Notes | Liabilities at fair value through profit or loss (Note 27) | Hedging derivatives (Note 27) | Financial liabilities recorded at amortised cost | Sub-total | Liabilities not within scope of IFRS 7 | Total | |
| As at 31 December 2009 | | | | | | | | |
| Non-current liabilities | | | | | | | | |
| Bank loans | 25 | _ | _ | 1,208,324,810 | 1,208,324,810 | _ | 1,208,324,810 | |
| Bonds | 25 | - | _ | 1,671,134,222 | 1,671,134,222 | - | 1,671,134,222 | |
| Obligations under finance leases | 25 | _ | _ | 29,357,393 | 29,357,393 | - | 29,357,393 | |
| Other loans | 25 | _ | 34,584,190 | 586,519 | 35,170,709 | - | 35,170,709 | |
| Other non-current liabilities | 28 | _ | - | 206,187,331 | 206,187,331 | 34,080,072 | 240,267,403 | |
| | | | 34,584,190 | 3,115,590,275 | 3,150,174,465 | 34,080,072 | 3,184,254,537 | |
| Current liabilities | | | | · | | | · | |
| Bank loans | 25 | _ | _ | 232,966,928 | 232,966,928 | - | 232,966,928 | |
| Bonds | 25 | - | _ | 64,848,660 | 64,848,660 | - | 64,848,660 | |
| Obligations under finance leases | 25 | - | - | 7,803,032 | 7,803,032 | - | 7,803,032 | |
| Other loans | 25 | 79,039 | 7,823,283 | 33,466 | 7,935,788 | - | 7,935,788 | |
| Trade creditors | 30 | - | <u>-</u> | 1,220,401,450 | 1,220,401,450 | - | 1,220,401,450 | |
| Other creditors | 31 | - | - | 254,854,646 | 254,854,646 | - | 254,854,646 | |
| | | 79,039 | 7,823,283 | 1,780,908,182 | 1,788,810,504 | - | 1,788,810,504 | |
| | | 79,039 | 42,407,473 | 4,896,498,457 | 4,938,984,969 | 34,080,072 | 4,973,065,041 | |
| | | | | | | _ | | |



| | | Liabilities at | | | | | |
|----------------------------------|-------|--|-------------------------------------|---|---------------|--|---------------|
| | Notes | fair value through profit or loss (Note 27) | Hedging derivatives (Note 27) | Financial liabilities recorded at amortised cost | Sub-total | Liabilities not within scope of IFRS 7 | Total |
| As at 31 December 2008 | | | | | | | |
| Non-current liabilities | | | | | | | |
| Bank loans | 25 | - | - | 1,281,262,524 | 1,281,262,524 | - | 1,281,262,524 |
| Bonds | 25 | - | - | 1,684,214,319 | 1,684,214,319 | - | 1,684,214,319 |
| Obligations under finance leases | 25 | - | - | 28,701,579 | 28,701,579 | - | 28,701,579 |
| Other loans | 25 | - | 21,646,496 | 628,195 | 22,274,691 | - | 22,274,691 |
| Other non-current liabilities | 28 | | - | 96,875,210 | 96,875,210 | 58,588,948 | 155,464,158 |
| | | - | 21,646,496 | 3,091,681,827 | 3,113,328,323 | 58,588,948 | 3,171,917,271 |
| Current liabilities | | | | | | | |
| Bank loans | 25 | - | - | 258,905,967 | 258,905,967 | - | 258,905,967 |
| Bonds | 25 | - | - | 99,930,567 | 99,930,567 | - | 99,930,567 |
| Obligations under finance leases | 25 | - | - | 5,829,172 | 5,829,172 | - | 5,829,172 |
| Other loans | 25 | 475,849 | 4,894,131 | 35,486 | 5,405,466 | - | 5,405,466 |
| Trade creditors | 30 | - | - | 1,050,238,562 | 1,050,238,562 | - | 1,050,238,562 |
| Other creditors | 31 | | - | 233,899,872 | 233,899,872 | | 233,899,872 |
| | | 475,849 | 4,894,131 | 1,648,839,626 | 1,654,209,606 | | 1,654,209,606 |
| | | 475,849 | 26,540,627 | 4,740,521,453 | 4,767,537,929 | 58,588,948 | 4,826,126,877 |

As at 31 December 2009 and 2008 the financial instruments at fair value through profit/loss are the only derivatives that do not qualify as hedging derivatives (Note 27).

Financial instruments recognized at fair value

The table below details the financial instruments that are measured subsequent to initials recognition at fair value, grouped into 3 levels base on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices;

Level 2: fair value measurements are determined from valuation techniques. The main inputs of the models are observable on the market;

Level 3: fair value measurements are those derived from valuation techniques, whose main inputs are not based on observable market data.

31 December 2009

| | Level 1 | Level 2 | Level 3 |
|--|------------|------------|---------|
| Financial assets measured at fair value | | | |
| Investments | 13,778,000 | 365,122 | - |
| Derivates | - | 12,991 | - |
| | 13,778,000 | 378,113 | - |
| Financial liabilities measured at fair value | | | |
| Derivates | - | 42,486,512 | - |
| | - | 42,486,512 | - |



10 TANGIBLE ASSETS

During the periods ended as at 31 December 2009 and 2008 movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

| Land and Buildings | | | | | | | | |
|--|---------------|---------------|-------------|--------------|-------------|---------------|---------------|--|
| Gross costs: Buildings Machinery Vehicles Fittings Others in progress of | Total | Tangible | | | | | | |
| Gross costs: Opening balance as at 1 January 2008 1,603,905,322 hd,456,158,023 hd,466,111 208,858 hd,411,112 208,858 hd,413,124,39 at 2,634,963 dd,5447,110 208,858 hd,5312,439 at 2,634,963 dd,5447,110 208,858 hd,546 ld,552,539 (61,556,162) (1,1418,48) (2,362,161) 208,963 ld,544,131 (825,536) (61,556,162) (1,086,418) (131,074) (144,083) 208,854,131 (202,399) (208,081) (1,173) (144,083) 208,854,165 ld,544,131 (202,399) (208,081) (1,173) (144,083) 208,854,165 ld,544,131 (202,399) (208,081) (1,173) (144,083) 209,854 ld,544,131 (202,399) (208,081) (1,173) (144,083) 209,854 ld,544,131 (202,394) (208,081) (1,173) (208,081) (1,174,081) (208,081) (1,174,081) (208,081) (1,174, | Tangible | assets | | Fixtures and | | Plant and | Land and | |
| Opening balance as at 1 January 2008 1,603,905,332 1,456,158,023 17,782,684 248,965,168 32,171,873 165,234,836 Capital expenditure 16,264,040 6,464,011 208,658 15,312,439 2,2534,963 455,447,110 Acquisitions of subsidiaries 43,991,035 15,769,030 335,931 2,083,407 306,838 1,090,768 Disposals of subsidiaries (19,832,796) (61,558,448) (796,515) (15,556,162) (1,418,448) (2,362,161) Disposals of subsidiaries (348,113) (825,536) (620) (1,086,418) (131,074) (144,083) Exchange rate effect (73,196) (268,412) (27,999) (208,081) (173) - Transfers 98,584,185 198,540,292 2,221,279 14,213,870 4,401,250 (335,318,433) Opening balance as at 1 January 2009 1,742,490,487 1,614,278,960 19,723,618 263,704,223 37,865,229 283,948,037 Capital expenditure 13,949,905 10,872,945 802,676 17,961,269 226,473 370,033,084 | Assets | in progress | Others | Fittings | Vehicles | Machinery | Buildings | |
| Capital expenditure 16,264,040 6,464,011 208,858 15,312,439 2,534,963 455,447,110 Acquisitions of subsidiaries 43,991,035 15,769,030 335,931 2,063,407 306,838 1,090,768 Disposals (19,832,796) (61,556,448) (766,515) (15,556,162) (14,18,448) (2,362,161) Disposals of subsidiaries (348,113) (825,536) (620) (1,086,418) (131,074) (144,083) Exchange rate effect (73,196) (268,412) (27,999) (200,081) (173) 4,012,50 (335,318,433) Opening balance as at 1 January 2009 1,742,490,487 1,614,278,960 19,723,618 263,704,223 37,865,229 283,948,037 Capital expenditure 13,949,905 10,872,945 802,676 17,961,269 226,473 370,033,084 Acquisitions of subsidiaries (7,900,878) (25,046,955) (1,202,300) (6,184,663) (1,280,053) (26,957,655) Exchange rate effect 85,614 384,504 114,067 465,875 528 528 52,8 | | | | | | | | Gross costs: |
| Acquisitions of subsidiaries 43,991,035 15,769,030 335,931 2,063,407 306,838 1,090,768 Disposals of Subsidiaries (19,832,796) (61,558,448) (796,515) (15,566,162) (1,418,448) (2,362,161) Disposals of Subsidiaries (348,113) (825,536) (620) (1,086,418) (131,074) (144,083) Exchange rate effect (73,196) (268,412) (27,999) (208,081) (173) (144,083) Transfers 98,584,185 199,540,292 2,221,279 14,213,870 4,401,250 (355,318,43) Opening balance as at 1 January 2009 1,742,490,487 1,614,278,960 19,723,618 263,704,223 37,665,229 228,443 370,033,084 Acquisitions of subsidiaries 94,389,008 13,326,170 258,281 1,225,668 54,726 52,149,670 Disposals (7,900,878) (25,046,955) (1,202,300) (6,184,663) (1,200,053) (26,995,765) Exchange rate effect 85,614 384,504 114,067 465,875 528 - | 3,524,217,916 | 165,234,836 | 32,171,873 | 248,965,168 | 17,782,684 | 1,456,158,023 | 1,603,905,332 | Opening balance as at 1 January 2008 |
| Disposals (19,832,796) (61,558,488) (796,515) (15,556,162) (1,418,448) (2,362,161) (2,362,161) (2,362,161) (2,362,161) (2,362,161) (3,418,48) (4,408) | 496,231,421 | 455,447,110 | 2,534,963 | 15,312,439 | 208,858 | 6,464,011 | 16,264,040 | Capital expenditure |
| Disposals of subsidiaries | 63,557,009 | 1,090,768 | 306,838 | 2,063,407 | 335,931 | 15,769,030 | 43,991,035 | Acquisitions of subsidiaries |
| Exchange rate effect (73,196) (268,412) (27,999) (208,081) (173) (37 - 17 - 18 - 18 - 18 - 18 - 18 - 18 - 1 | (101,524,530) | (2,362,161) | (1,418,448) | (15,556,162) | (796,515) | (61,558,448) | (19,832,796) | Disposals |
| Transfers 98,584,185 198,540,292 2,221,279 14,213,870 4,401,250 (335,318,433) Opening balance as at 1 January 2009 1,742,490,487 1,614,278,960 19,723,618 263,704,223 37,865,229 283,948,007 Capital expenditure 13,949,905 10,872,945 802,676 17,961,269 226,473 370,33,084 Acquisitions of subsidiaries 94,389,008 1,326,170 258,281 1,225,668 54,726 52,149,670 Disposals (7,900,878) (25,046,955) (1,202,300) (6,184,663) (1,280,053) (26,995,765) Exchange rate effect 85,614 384,504 114,067 465,875 528 - Transfers 143,838,999 307,891,520 1,932,954 14,619,921 6,384,479 (486,750,547) Closing balance as at 31 December 2009 1,986,853,135 1,909,707,144 21,629,296 291,792,293 43,251,382 192,384,479 Accumulated depreciation and impairment losses 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - <t< td=""><td>(2,535,844)</td><td>(144,083)</td><td>(131,074)</td><td>(1,086,418)</td><td>(620)</td><td>(825,536)</td><td>(348,113)</td><td>Disposals of subsidiaries</td></t<> | (2,535,844) | (144,083) | (131,074) | (1,086,418) | (620) | (825,536) | (348,113) | Disposals of subsidiaries |
| Opening balance as at 1 January 2009 1,742,490,487 1,614,278,960 19,723,618 263,704,223 37,865,229 283,948,037 Capital expenditure 13,949,905 10,872,945 802,676 17,961,269 226,473 370,033,084 Acquisitions of subsidiaries 94,389,008 1,326,170 258,281 1,225,668 54,726 52,149,670 Disposals (7,900,878) (25,046,955) (1,202,300) (6,184,663) (1,280,053) 626,995,765) Exchange rate effect 85,614 384,504 114,067 465,875 528 - Transfers 143,838,999 307,891,520 1,932,954 14,619,921 6,384,479 (486,750,547) Closing balance as at 31 December 2009 1,986,853,135 1,909,707,144 21,629,296 291,792,293 43,251,382 192,384,479 Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Accumulated depreciation and impairment losses 35,151,938 | (577,861) | - | (173) | (208,081) | (27,999) | (268,412) | (73,196) | Exchange rate effect |
| Capital expenditure 13,949,905 10,872,945 802,676 17,961,269 226,473 370,033,084 Acquisitions of subsidiaries 94,389,008 1,326,170 258,281 1,225,668 54,726 52,149,670 Disposals (7,900,878) (25,046,955) (1,202,300) (6,184,663) (1,280,053) (26,995,765) Exchange rate effect 85,614 384,504 114,067 465,875 528 - Transfers 143,838,999 307,891,520 1,932,954 14,619,921 6,384,479 (486,750,547) Closing balance as at 31 December 2009 1,986,853,135 1,909,707,144 21,629,296 291,792,293 43,251,382 192,384,479 Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Depreciation and impairment losses 35,151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 22 | (17,357,557) | (335,318,433) | 4,401,250 | 14,213,870 | 2,221,279 | 198,540,292 | 98,584,185 | Transfers |
| Acquisitions of subsidiaries 94,389,008 1,326,170 259,281 1,225,668 54,726 52,149,670 Disposals (7,900,878) (25,046,955) (1,202,300) (6,184,663) (1,280,053) (26,995,765) Exchange rate effect 85,614 384,504 114,067 465,875 528 - Transfers (143,838,999 307,891,520 1,332,954 14,619,921 6,384,479 (486,750,547) Closing balance as at 31 December 2009 1,986,853,135 1,909,707,144 21,629,296 291,792,293 43,251,382 192,384,479 Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Depreciation and impairment losses 35,151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Disposals of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals of subsidiaries (177,254) (228,724) (680,753) (14,758,363) (1,313,171) - Disposals of subsidiaries (177,254) (228,724) (620) (704,909) (62,731) - Exchange rate effect (3,991,682) 1,374,419 (4,050) (45,360) (17,491) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Depreciation and impairment losses (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Disposals (1,036,872) - Company and impairment losses (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Disposals (1,076,677) (19,622,267) (11,263) (800,017) (31,955) - Company and the pair and the | 3,962,010,554 | 283,948,037 | 37,865,229 | 263,704,223 | 19,723,618 | 1,614,278,960 | 1,742,490,487 | Opening balance as at 1 January 2009 |
| Disposals (7,900,878) (25,046,955) (1,202,300) (6,184,663) (1,280,053) (26,995,765) Exchange rate effect 85,614 384,504 114,067 465,875 528 - Transfers 143,838,999 307,891,520 1,932,954 14,619,921 6,384,479 (486,750,547) Closing balance as at 31 December 2009 1,986,853,135 1,909,707,144 21,629,296 291,792,293 43,251,382 192,384,479 Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Depreciation and impairment losses 35,151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals of subsidiaries (Note 8) (177,254) (228,724) (680,753) (14,758,363) (1,311,171) - Exchange rate effect (39,116) (101,719) (9,368) | 413,846,352 | 370,033,084 | 226,473 | 17,961,269 | 802,676 | 10,872,945 | 13,949,905 | Capital expenditure |
| Exchange rate effect 85,614 384,504 114,067 465,875 528 - Transfers 143,838,999 307,891,520 1,932,954 14,619,921 6,384,479 (486,750,547) Closing balance as at 31 December 2009 1,986,853,135 1,909,707,144 21,629,296 291,792,293 43,251,382 192,384,479 Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Depreciation and impairment losses 35,151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals (6,376,485) (54,062,247) (680,753) (14,758,363) (1,313,171) - Disposals of subsidiaries (1777,254) (228,724) (680,753) (14,758,363) (1,313,171) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | 149,403,523 | 52,149,670 | 54,726 | 1,225,668 | 258,281 | 1,326,170 | 94,389,008 | Acquisitions of subsidiaries |
| Transfers 143,838,999 307,891,520 1,932,954 14,619,921 6,384,479 (486,750,547) Closing balance as at 31 December 2009 1,986,853,135 1,909,707,144 21,629,296 291,792,293 43,251,382 192,384,479 Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Depreciation and impairment losses 35,151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals of subsidiaries (6,376,485) (54,062,247) (680,753) (14,758,363) (1,313,171) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,01 | (68,610,614) | (26,995,765) | (1,280,053) | (6,184,663) | (1,202,300) | (25,046,955) | (7,900,878) | Disposals |
| Accumulated depreciation and impairment losses 1,986,853,135 1,909,707,144 21,629,296 291,792,293 43,251,382 192,384,479 Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Depreciation and impairment losses 35,151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals of subsidiaries (6,376,485) (54,062,247) (680,753) (14,758,363) (1,313,171) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 | 1,050,588 | - | 528 | 465,875 | 114,067 | 384,504 | 85,614 | Exchange rate effect |
| Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Depreciation and impairment losses 35,151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals (6,376,485) (54,062,247) (680,753) (14,758,363) (1,313,171) - Disposals of subsidiaries (177,254) (228,724) (620) (704,909) (62,731) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 | (12,082,674) | (486,750,547) | 6,384,479 | 14,619,921 | 1,932,954 | 307,891,520 | 143,838,999 | Transfers |
| Opening balance as at 1 January 2008 292,325,609 790,101,234 13,757,122 185,249,882 22,627,904 - Depreciation and impairment losses 35,151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals (6,376,485) (54,062,247) (680,753) (14,758,363) (1,313,171) - Disposals of subsidiaries (177,254) (228,724) (620) (704,909) (62,731) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) | 4,445,617,729 | 192,384,479 | 43,251,382 | 291,792,293 | 21,629,296 | 1,909,707,144 | 1,986,853,135 | Closing balance as at 31 December 2009 |
| Depreciation and impairment losses 35, 151,938 144,352,824 1,628,180 31,095,643 5,219,204 - Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals (6,376,485) (54,062,247) (680,753) (14,758,363) (1,313,171) - Disposals of subsidiaries (177,254) (228,724) (620) (704,909) (62,731) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,26 | | | | | | | | Accumulated depreciation and impairment losses |
| Acquisitions of subsidiaries (Note 8) 2,747,299 8,502,660 224,023 1,274,273 213,158 - Disposals (6,376,485) (54,062,247) (680,753) (14,758,363) (1,313,171) - Disposals of subsidiaries (177,254) (228,724) (620) (704,909) (62,731) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 | 1,304,061,751 | - | 22,627,904 | 185,249,882 | 13,757,122 | 790,101,234 | 292,325,609 | Opening balance as at 1 January 2008 |
| Disposals (6,376,485) (54,062,247) (680,753) (14,758,363) (1,313,171) - Disposals of subsidiaries (177,254) (228,724) (620) (704,909) (62,731) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017 | 217,447,789 | - | 5,219,204 | 31,095,643 | 1,628,180 | 144,352,824 | 35,151,938 | Depreciation and impairment losses |
| Disposals of subsidiaries (177,254) (228,724) (620) (704,909) (62,731) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | 12,961,413 | - | 213,158 | | 224,023 | 8,502,660 | 2,747,299 | · |
| Disposals of subsidiaries (177,254) (228,724) (620) (704,909) (62,731) - Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | (77,191,019) | - | (1,313,171) | (14,758,363) | (680,753) | (54,062,247) | (6,376,485) | Disposals |
| Exchange rate effect (39,116) (101,719) (9,368) (97,581) (20) - Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | (1,174,238) | - | | | | | | • |
| Transfers (3,097,892) 1,374,419 (4,050) (45,360) (17,491) - Opening balance as at 1 January 2009 320,534,099 889,938,447 14,914,534 202,013,585 26,666,853 - Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | (247,804) | - | | | | | | • |
| Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | (1,790,374) | - | , , | | | | | • |
| Depreciation and impairment losses 36,556,747 160,521,582 2,044,367 33,416,170 5,901,520 - Acquisitions of subsidiaries (Note 8) 18,325 1,035,558 169,007 764,447 50,899 - Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | 1,454,067,518 | | 26,666,853 | 202,013,585 | 14,914,534 | 889,938,447 | 320,534,099 | Opening balance as at 1 January 2009 |
| Disposals (1,076,677) (19,622,267) (865,798) (5,639,386) (1,036,872) - Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | 238,440,386 | - | 5,901,520 | 33,416,170 | 2,044,367 | 160,521,582 | 36,556,747 | Depreciation and impairment losses |
| Exchange rate effect 47,514 161,201 60,277 201,567 528 - Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | 2,038,236 | - | 50,899 | 764,447 | 169,007 | 1,035,558 | 18,325 | Acquisitions of subsidiaries (Note 8) |
| Transfers (22,689) (1,470,149) (11,263) (800,017) (31,955) - | (28,241,000) | - | (1,036,872) | (5,639,386) | (865,798) | (19,622,267) | (1,076,677) | Disposals |
| | 471,087 | - | 528 | 201,567 | 60,277 | 161,201 | 47,514 | Exchange rate effect |
| | (2,336,073) | - | (31,955) | (800,017) | (11,263) | (1,470,149) | (22,689) | Transfers |
| Glosing Balance as at 61 Beschiber 2000 | 1,664,440,154 | - | 31,550,973 | 229,956,366 | 16,311,124 | 1,030,564,372 | 356,057,319 | Closing balance as at 31 December 2009 |
| Carrying amount | | | | | | | | Carrying amount |
| As at 31 December 2008 1,421,956,388 724,340,513 4,809,084 61,690,638 11,198,376 283,948,037 | 2,507,943,036 | 283.948.037 | 11.198.376 | 61.690.638 | 4.809.084 | 724.340.513 | 1.421.956.388 | |
| As at 31 December 2009 1.630,795,816 879,142,772 5.318,172 61,835,927 11,700,409 192,384,479 | 2,781,177,575 | | | | | | | |



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

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Refurbishment and expansion of stores in the retail businesses located in Portugal | 42,956,387 | 146,344,713 |
| Refurbishment and expansion of stores in the retail businesses located in Spain | 4,787,987 | 5,575,577 |
| Projects of "Modelo" and "Continente" stores for which advance payments were made | 13,005,347 | 45,435,160 |
| Construction in Progress in Maia (Business Park) | 30,981,983 | - |
| Development of mobile network | 34,617,636 | 62,159,389 |
| Development of fixed network | 56,587,660 | 19,471,996 |
| Others | 9,447,479 | 4,961,145 |
| | 192,384,479 | 283,948,037 |

The value of disposals in "Tangible assets in progress" includes 24,633,750 euro of advances from the operating segments of retail for acquisition of land made in previous years whose development projects have been stopped, having been received the amounts advanced.

During the 2009 period, the Board of Directors of the Telecommunications operating segment proceeded, with prospective effects, to the revision of estimated useful life of a set of assets related to telecommunication networks (fixed and mobile), which resulted in a decrease of depreciations of about 15 million euro, compared with what would result if it had used the previously estimated useful life.

As at 31 December 2009 and 2008, the telecommunications operating segment, presents a value of commitments assumed whith third parties relating to investments to be made, as follows:

| | 31 December 2009 | 31 December 2008 |
|--|-------------------------|------------------|
| Technical Investments Investments in information systems | 17,282,698 3.451.214 | 26,750,521 |
| investments in information systems | 20,733,912 | 3,022,223 |



11 INTANGIBLE ASSETS

During the periods ended as at 31 December 2009 and 2008, movements in intangible assets as well as amortisation and accumulated impairment losses are made up as follows:

| | - | | | Intangible | Total |
|---|----------------------------|--------------|-------------|---------------------------|-----------------------|
| | Datanta and ather | | | • | |
| Cross consts: | Patents and other | Software | Others | assets | Intangible |
| Gross assets: Opening balance as at 1 January 2008 | similar rights 274,917,793 | 321,099,387 | 19,434,580 | in progress 20,054,687 | Assets 635,506,447 |
| | | | | | |
| Capital expenditure | 99,281,740 | 2,813,484 | 168,961 | 42,743,396 | 145,007,581 |
| Acquisitions of subsidiaries | 922,565 | 998,542 | 5,456,647 | (0.4.0. ===0) | 7,377,754 |
| Disposals | (188,864) | (14,813,905) | (352,472) | (913,753) | (16,268,994) |
| Disposals of subsidiaries | (364,185) | (1,282,959) | (1,067,256) | (327,837) | (3,042,237) |
| Exchange rate effect | (425) | (579,689) | - | (4,828) | (584,942) |
| Transfers | 8,077,244 | 30,202,203 | (2,568) | (29,929,545) | 8,347,334 |
| Opening balance as at 1 January 2009 | 382,645,868 | 338,437,063 | 23,637,892 | 31,622,120 | 776,342,943 |
| Capital expenditure | 15,265,519 | 2,697,826 | 255,138 | 34,259,293 | 52,477,776 |
| Acquisitions of subsidiaries | 2,571,227 | 229,990 | 1,586,837 | 7,455 | 4,395,509 |
| Disposals | (143,707) | (3,761,520) | (1,049,897) | (343,398) | (5,298,522) |
| Exchange rate effect | 1,108 | 739,188 | 486,428 | 3,013 | 1,229,737 |
| Transfers | 4,067,691 | 29,139,757 | - | (34,269,322) | (1,061,874) |
| Closing balance as at 31 December 2009 | 404,407,706 | 367,482,304 | 24,916,398 | 31,279,161 | 828,085,569 |
| Accumulated depreciation and impairment losses Opening balance as at 1 January 2008 | 54,460,087 | 219,358,734 | 15,441,982 | - | 289,260,803 |
| Depreciation of the period | 23,054,285 | 32,606,424 | 710,664 | _ | 56,371,373 |
| Acquisitions of subsidiaries | 697,432 | 881,559 | 5,404,247 | - | 6,983,238 |
| Disposals | (66,143) | (14,777,300) | (352,472) | - | (15,195,915) |
| Disposals of subsidiaries | (89,895) | (768,135) | (839,027) | - | (1,697,057) |
| Exchange rate effect | - | (181,275) | - | - | (181,275) |
| Transfers | 499,504 | 115 | 2,996 | - | 502,615 |
| Opening balance as at 1 January 2009 | 78,555,270 | 237,120,122 | 20,368,390 | - | 336,043,782 |
| Depreciation of the period | 20,695,818 | 34,371,166 | 626,113 | - | 55,693,097 |
| Acquisitions of subsidiaries | 32,804 | 100,342 | 123,704 | - | 256,850 |
| Disposals | (71,233) | (3,245,844) | (881,057) | - | (4,198,134) |
| Exchange rate effect | 6 | 304,779 | 37,144 | - | 341,929 |
| Transfers | (66,263) | (24,190) | - | - | (90,453) |
| Closing balance as at 31 December 2009 | 99,146,402 | 268,626,375 | 20,274,294 | - | 388,047,071 |
| Carrying amount | | | | | |
| As at 31 de December de 2008 | 304,090,598 | 101,316,941 | 3,269,502 | 31,622,120 | 440,299,161 |
| As at 31 de December de 2009 | 305,261,304 | 98,855,929 | 4,642,104 | 31,279,161 | 440,038,498 |

Intangible assets in progress as at 31 December 2009 were mainly composed of software projects and software development.

As at 31 December 2009 and 2008 Sonae kept recorded under the caption "Patents and other similar rights" the amounts of 202,090,404 euro and 197,381,992 euro, respectively which correspond to the investment net of depreciations made in the development of the UMTS network. This includes: (i) 63,006,050 euro (66,006,338 euro in 2008) related with the license; (ii) 21,052,631 euro (22,055,138 euro in 2008) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators in Portugal with UMTS licenses; (iii) 6,465,899 euro (6,773,799 euro in 2008) related to a contribution to the "Fundação para as Comunicações Móveis" established in 2007, under an agreement entered with Ministry of Public Works, Transports and Communications ("Ministério das Obras Públicas Transportes e Comunicações") and the three mobile telecommunication operators in Portugal; and (iv) 106,182,551 euro (96,907,100 euro in 2008) related with the "Initiatives E" program, these last two commitments assumed by the Group in the scope of "Information Society" (Note 51).

Additionally this heading also includes the fair value attributed to a group of brands with indefinite useful lives among which the "Continente" brand amounts to 75,000,000 euro (the same amount as at December 2008).



12 INVESTMENT PROPERTIES

The movement in Investment Properties during the periods ended as at 31 December 2009 and 2008 are as follows:

| | | Investment Pr | roperties | |
|---|-----------------|---------------|---------------|---------------|
| | In Operation | Fit Out | In progress | Total |
| Opening balance as at 1 January 2008 | 1,864,634,551 | 4,021,510 | 193,472,865 | 2,062,128,926 |
| Increases | 21,738,803 | 275,000 | 105,772,145 | 127,785,948 |
| Write-offs | <u>-</u> | - | (26,518,956) | (26,518,956) |
| Reimbursements of Fit - Out | - | (398,689) | - | (398,689) |
| Transfers | 419,822 | 870,740 | (8,045,901) | (6,755,339) |
| Transfers from investment properties in progress: | | | | |
| Construction and other costs | 149,979,571 | 700,000 | (151,855,403) | (1,175,832) |
| Adjustment to fair value (Note 37) | 18,716,720 | (64,750) | 7,579,782 | 26,231,752 |
| Change in fair value of investment properties | | | | |
| between periods (Note 37): | | | | |
| - Gains | 16,724,908 | 61,052 | - | 16,785,960 |
| - Losses | (158, 127, 074) | (696,113) | - | (158,823,187) |
| Business Combinations | - | - | 45,722,364 | 45,722,364 |
| Disposal of joint ventures | (211,934,750) | (1,003,250) | (23,916) | (212,961,916) |
| Other | - | - | - | - |
| Exchange rate effect | (22,476,530) | - | (7,541,928) | (30,018,458) |
| Opening balance as at 1 January 2009 | 1,679,676,021 | 3,765,500 | 158,561,052 | 1,842,002,573 |
| Increases | 13,062,049 | 49,333 | 67,945,991 | 81,057,373 |
| Write-offs | <u>-</u> | - | (3,239,766) | (3,239,766) |
| Reimbursements of Fit - Out | - | (527,756) | - | (527,756) |
| Transfers of assets available for sale | - | - | 5,782,500 | 5,782,500 |
| Disposals | - | - | (3,150,000) | (3,150,000) |
| Transfers | (419,826) | - | (6,929,908) | (7,349,734) |
| Transfers from investment properties in progress: | | | | |
| Construction and other costs | 114,953,689 | (614,750) | (114,338,939) | - |
| Adjustment to fair value (Note 37) | 6,034,792 | - | 2,448,507 | 8,483,299 |
| Change in fair value of investment properties | | | | |
| between periods (Note 37): | | | | |
| - Gains | 20,356,854 | 150,110 | - | 20,506,964 |
| - Losses | (171,478,680) | (195,799) | - | (171,674,479) |
| Business Combinations | <u>-</u> | - | 9,131,609 | 9,131,609 |
| Subsidiary excluded from consolidation (Note 8) | (11,174,000) | (354,388) | - | (11,528,388) |
| Disposals of subsidiaries (Note 8) | (8,887,000) | - | - | (8,887,000) |
| Other | - | - | - | - |
| Exchange rate effect | 32,227,832 | - | 3,635,791 | 35,863,623 |
| Closing balance as at 31 December 2009 | 1,674,351,731 | 2,272,250 | 119,846,837 | 1,796,470,818 |

Fit out contracts correspond to agreements with tenants under which the Group pays part of the expenses incurred with the fit out of stores and the tenant assumes the responsibility to reimburse the amount invested to the Sonae over the period of the lease. The accounting treatment of fit outs is the same as the one used for investment properties.



As at 31 December 2009 and 2008 Investment properties in operation including fit-outs correspond to the fair value of the Group's share of shopping centres which can be detailed as follows:

| 31 December 2009 | | | - | 31 December 2008 | | |
|------------------|-----------------------------|---------------|---------------|-----------------------------|---------------|---------------|
| | 10 years "discount rate" | Yields | Amount | 10 years "discount rate" | Yields | Amount |
| Portugal | 8,25% e 10,55% | 6,00% e 8,30% | 726,662,623 | 7,30% e 9,75% | 5,40% e 7,50% | 790,389,750 |
| Spain | 8,90% e 11,55% | 6,40% e 9,05% | 351,937,238 | 8,70% e 12,35% | 5,70% e 9,35% | 413,726,365 |
| Italy | 8,00% e 9,50% | 6,00% e 7,70% | 149,810,250 | 8,00% e 8,70% | 5,80% e 7,70% | 183,216,750 |
| Germany | 6,50% e 6,75% | 6,00% e 6,25% | 234,425,638 | 6.50% | 5,75% e 6,00% | 163,875,827 |
| Brazil | 12,75% e 14,00% | 8,25% e 9,50% | 180,277,982 | 13,45% e 14,95% | 8,25% e 9,75% | 91,665,330 |
| Greece | 10.75% | 7.00% | 18,529,750 | 10.75% | 7.00% | 21,796,500 |
| Romania | 10.75% | 9.00% | 14,980,500 | 9.75% | 8.00% | 18,770,999 |
| | | | 1,676,623,981 | | | 1,683,441,521 |

The fair value of fit out contracts was determined by valuations as at 31 December 2009 and 2008 performed by an independent specialized entity. The methodology used to compute the fair value of the fit out contracts consisted in determining the discounted estimated cash flows of each one of the fit out contracts at closing date using a discounted market rate similar to the one used in determining the fair value of the investment properties to which each fit out contract relates.

The valuation of these investment properties was made in accordance with the Practice Statements of the RICS Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors ("Red Book") located in the United Kingdom.

The methodology used to compute the market value of the investment properties consists in preparing 10 year projections of income and expenses of each shopping mall which are then discounted to the balance sheet date using a discount market rate. Projections are intended to reflect the actual best estimate of the valuators regarding future revenues and costs of each shopping mall. The residual amount at the end of year 10 is computed by applying a return rate ("Exit Yield" or "Cap Rate") on the projected net income of year 11. Both the return rate and discount rate are defined in accordance to the real estate local and institutional market conditions being the reasonability of the market value thus obtained tested in terms of initial gain.

In the valuation of investment properties some assumptions that in accordance with the Red Book are considered to be special, were additionally considered, namely in the case of recently inaugurated shopping malls, in which the possible costs still to be incurred were not considered, as the accompanying financial statements already include a provision for them.

The open market value of the investment properties under development as at the reporting date is calculated by subtracting from the open market value at opening calculated using the methodology described above the investment necessary to finish the project and weighted by a risk factor defined by the valuer.

Uncertainty of Market

According to the valuer whenever some uncertainty exists which may affect its opinion on the fair value of the property, the object and the degree of uncertainty associated should be properly disclosed.

Since September 2008 some events have been observed without precedence in the past, such as the bankruptcy of banks with a considerable dimension, nationalization of some banks and substantial reductions of interest rates. The global crisis in the financial markets and the consequent effect on the world economy has caused high levels of volatility in property markets, a greater lack of liquidity and a smaller volume of transactions.

Consequently, the evidence of market reduced significantly, by the degree of judgement used by the valuer has increased.

According to the valuer, despite the recent transactions may be considered to be "forced", it is inappropriate to conclude that all transactions occurring in the recent past have been forced. The lack between supply and demand (less buyers than sellers) is not always synonymous of forced transactions. A seller can be pressed to sell, but continues to have an active market, if there is more than a buyer and a temporal space to sell. Similarly, transactions initiated in insolvency procedures, should not be automatically assumed as forced.

According to the valuer, the valuers in common continue to have a range of values in which they base their evaluation. This range is usually higher in a non-liquid market, where inherent uncertainty and thus the degree of judgement would be greater. Therefore, assessments must be followed in the future, and must anticipate a temporal space higher than usual in the past, because there is the possibility of selling some property.

As at 31 December 2009 and 2008 Investment properties can be detailed as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Investment Properties in progress at cost: | | |
| Portugal: | | |
| Alverca | 3,066,099 | 3,005,342 |
| GuimarãeShopping - expansion | | 104,310 |
| Centro Bordalo | 1,685,228 | 1,430,192 |
| Cacém Shopping | - | 1,084,960 |
| Parque de Famalicão | 1,498,232 | 627,500 |
| Setubal Retail Park | - | 733,266 |
| Others | 519,902 | - |
| Germany: | | |
| Alexa (Torre) | 7,320,992 | - |
| Garbsen | 867,053 | 229,810 |
| Others | - | 120,648 |
| Brazil: | | |
| Goiânia Shopping | 3,770,303 | 2,332,966 |
| Uberlândia Shopping | 2,294,093 | 1,416,375 |
| Boulevard Londrina Shopping | 1,348,853 | 112,582 |
| Pátio Boavista | - | 646,176 |
| Others | 22,867 | - |
| Spain: | | |
| Alfaz del Pi | 9,575,000 | 9,724,204 |
| Pulianas Shopping | 103,105 | 6,393,375 |
| Los Barrios | - | 3,201,064 |
| Dos Mares - expansion | 1,404,902 | 1,404,902 |
| Others | 37,868 | - |
| Greece: | | |
| loannina | 13,531,277 | 12,425,240 |
| Galatsi Shopping | 5,771,370 | 4,077,148 |
| Aegean Park | 4,925,052 | 4,881,606 |
| Pantheon Plaza | 889,064 | 882,672 |
| Italy: | | |
| Le Terraze | 3,261,195 | 3,817,792 |
| Caldogno | 4,937,831 | 4,662,500 |
| Pavia | · · · · - | 3,755,236 |
| Others | 257,365 | 6,457 |
| Romania: | ,,,,,,, | -, - |
| Craiova Shopping | 17,615,979 | 12,345,625 |
| Ploiesti Shopping | 7,415,770 | 6,726,158 |
| 3 | 92,119,400 | 86,148,106 |
| | | |
| Risk assets impairment | (6,537,230) | - |
| Investment Properties in progress at fair value: Portugal: | | |
| Leiria Shopping | 24,597,667 | 5,705,415 |
| Torres Oriente and Ocidente | - | 3,310,285 |
| Brazil: | | -,, |
| Manauara Shopping | _ | 17,942,521 |
| Germany: | | ,- ,- |
| Loop 5 | _ | 45,454,725 |
| Italy: | | 10,101,720 |
| Le Terraze | 9,667,000 | = |
| LO IGNAZO | 34,264,667 | 72,412,946 |
| | ,,,,,,, | 455 |
| | 119,846,837 | 158,561,052 |

Investment properties in progress include borrowing expenses incurred during the construction period. As at 31 December 2009 and 2008 total borrowing expenses capitalised amounted to 2,223,179 euro and 8,543,570 euro respectively.

During the periods ended as at 31 December 2009 and 2008 the income (fixed rents - net of possible discounts- variable rents, common spaces rents, key income and transfer fees) and the corresponding direct operating expenses (property tax, insurance expense, maintenance expense, management fee and asset management fee and other direct operating expenses), relating the investment properties of the Group had the following detail:

| | Rents | | Operational direct expenses | | |
|----------|------------------|------------------|-----------------------------|------------------|--|
| | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 | |
| Portugal | 52,466,368 | 59,498,236 | 3,415,593 | 3,048,116 | |
| Spain | 27,413,536 | 28,001,533 | 865,982 | 2,073,938 | |
| Brazil | 13,242,110 | 9,888,944 | 706,158 | 280,120 | |
| Germany | 9,862,045 | 8,831,179 | 822,476 | 370,613 | |
| Italy | 9,900,151 | 7,806,619 | 711,163 | 1,182,306 | |
| Romania | 1,374,196 | 1,519,603 | 231,544 | 160,022 | |
| Greece | 445,476 | 775,489 | 630,259 | 105,051 | |
| | 114,703,882 | 116,321,601 | 7,383,175 | 7,220,165 | |

At 31 December 2009 the following investment properties had been given in guarantee of bank loans:

Airone Loop 5 Alexa Luz del Tajo Algarveshopping Madeirashopping Maiashopping Alverca Arrabidashopping Manauara Shopping Max Center Cascaishopping Centro Colombo Munster Arkaden Centro Vasco da Gama Norteshopping Coimbrashopping Parque Atlântico Dos Mares Parque Principado El Rosal Plaza Éboli Estação Viana Plaza Mayor Freccia Rossa Plaza Mayor Shopping River Plaza Mall Gaiashopping Gli Orsi Torre Ocidente Grancasa Valecenter



Guimarãeshopping Valle Real

La Farga Viacatarina

Leiria Zubiarte

At 31 December 2009 and 2008 there were no material contractual obligations to purchase construct or develop investment properties or for repairs or maintenance other than those referred to above.

13 GOODWILL

Goodwill is allocated to each one of the operating segments and within to each one of the homogeneous groups of cash generating units as follows:

- Retail Goodwill is allocated to each one of the segment business concepts (Continente, Modelo , Worten, Sport Zone among others) explored by Food based Retail, being after allocated to each one business concept stores of the segment;
- Shopping Centres Goodwill was allocated to each of the own investment properties and to the management and development of investment properties business;
- Telecommunications Goodwill is allocated by each operating segment type (Telecommunications, Multimedia and Information Systems);
- Investment Management This segment's Goodwill is mainly related with the insurance business. Goodwill from:(i) this operating segment is related to the insurance clients portfolio, which was acquired previously to the adoption of IFRS, therefore explaining the non recognition as an Intangible asset; (ii) assets acquired in 2009, namely travel companies and Lazam/MDS;

At 31 December 2009 and 2008, the caption "Goodwill" was as follows:

| | 31 December 2009 | 31 December 2008 |
|-----------------------|------------------|------------------|
| | | |
| Food based retail | 564,854,379 | 564,365,889 |
| Shopping centres | 58,040,038 | 58,703,923 |
| Telecommunications | 43,811,359 | 44,091,691 |
| Investment management | 79,634,915 | 30,105,858 |
| | 746,340,691 | 697,267,362 |



During the years ended 31 December 2009 and 2008, movements in goodwill as well as in the corresponding impairment losses, are as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Gross value: | | |
| Opening balance | 709,012,583 | 707,303,376 |
| New companies in the consolidation perimeter | 54,788,678 | 14,053,298 |
| Increases | 317,522 | 18,714,449 |
| Decreases | (4,332,109) | (16,363,744) |
| Transfers | - | (8,384,445) |
| Write-off | | (6,310,351) |
| Closing balance | 759,786,674 | 709,012,583 |
| Accumulated impairment | | |
| losses: | | |
| Opening balance | 11,745,221 | 9,912,998 |
| Increases (Note 33) | 1,700,762 | 8,142,574 |
| Write-off | - | (6,310,351) |
| Closing balance | 13,445,983 | 11,745,221 |
| Carrying amount: | 746,340,691 | 697,267,362 |

The caption "Transfers" relates to the 42% goodwill of Sierra Portugal Fund (SPF) transferred to the caption "Investments in associated companies" measured in accordance with the equity method.

Sonae does annual impairment tests of Goodwill and whenever there are indications of goodwill impairment. During the reporting periods ended at 31 December 2009 and 2008, Sonae has tested the goodwill impairment, having as a result of that analysis, recognized impairment losses as follows:

| | 31 December 2009 | 31 December 2008 |
|-----------------------|------------------|------------------|
| | | |
| Food based retail | - | 1,039,423 |
| Shopping centres | 1,700,762 | 6,375,724 |
| Investment management | <u> </u> | 727,427 |
| | 1,700,762 | 8,142,574 |

The recoverable value of cash units generators is determined based on its value in use, which is calculated taking into consideration the last approved plans which are prepared using cash flow projections for periods of 5 years.

The main assumptions used in mentioned business plans are detailed as follows for each one of Sonae businesses.

Retail

For this purpose the segment uses the internal valuation results of its business concepts, using annual planning methologies, supported in business plans that consider cash flow projections for each unit which depend on detailed assumptions based properly supported. These plans take in consideration the impact of the main actions that will be carried out by each business concept as well as a study of the resources allocation of the company.

The case scenarios are elaborated with an average capital cost of 7 to 10% depending on the market and business concept. Perpetuity growth rate was considered to be between 0 and 1%.

Shopping Centres

The goodwill related with the Shopping Centre segment is allocated to each one of the companies that owns investment properties. The impairment tests of goodwill are based on the Net Asset value (NAV), at the balance sheet date, of the financial investments.



"Net Asset Value" is measured by the investment property valuation at market values (Open Market Value), not including the deferred taxes over the gains obtained. The assumptions related with investment properties valuation are detailed in Note 12.

Telecommunications

For this purpose the segment uses the internal valuation results of its business areas, using annual planning methologies, supported in business plans that consider cash flow projections for each unit which depend on detailed assumptions based on historical performance of each business.

The discount rates used were based on the estimated weighted average cost of capital, which depends of the operating segment of each subsidiary, as indicated in the table below. In perpetuity, the Group considered a growth rate of circa 3%.

The discount rates used are:

| - Telecommunications | 9.00% |
|-----------------------|--------|
| - Multimedia | 9.45% |
| - Information Systems | 11.22% |

Investment Management

Goodwill was exclusively allocated to business insurance clients portfolio, as consequence, the impairment analysis is made using the estimated profitability of the mentioned portfolio, being the main assumptions as follows:

| Insurance | Portugal | Brazil |
|---|----------|--------|
| Sales Increase rate during the projected period | 1% | 13.5% |
| Perpetuity growth rate | 1% | 3.7% |
| Discount rate used | 9% | 11.75% |



14 OTHER INVESTMENTS

As at 31 December 2009 and 2008, this caption is made up as follows:

| | 31 December 2009 | | 31 December 2008 | | |
|--|------------------|--------------|------------------|-------------|--|
| | Non current | Current | Non current | Current | |
| Investments in group companies, jointly controlled companies | | | | | |
| or associated companies excluded from consolidation | | | | | |
| Opening balance as at 1 January | 3,012,637 | - | 9,376,193 | - | |
| Acquisitions in the period | 122,904 | - | 458,596 | - | |
| Changes in consolidation perimeter | (1,584,193) | - | 1,598,800 | - | |
| Disposals in the period | - | - | - | - | |
| Transfers | (625,579) | - | (8,420,952) | - | |
| Closing balance as at 31 December | 925,769 | - | 3,012,637 | - | |
| Accumulated impairment losses | - | - | - | - | |
| | 925,769 | - | 3,012,637 | - | |
| Other investments: | | | | | |
| Fair value (net of impairment losses) as at 1 January | 9,965,538 | 60,956,604 | 2,678,964 | 56,093,108 | |
| Acquisitions in the period | 22,873 | 7,243,466 | 19,750 | 6,029,043 | |
| Disposals in the period | - | (10,902,651) | (25,000) | (1,165,547) | |
| Increase/(Decrease) in fair value | 6,474,000 | - | 7,304,000 | - | |
| Transfers | 739,312 | 16,490 | (12,176) | - | |
| Fair value (net of impairment losses) as at 31 December | 17,201,723 | 57,313,909 | 9,965,538 | 60,956,604 | |
| Other Investments (Note 7) | 18,127,492 | 57,313,909 | 12,978,175 | 60,956,604 | |
| Derivative financial instruments (Note 27) | | ١. | 1. | | |
| Fair value as at 1 January | - | 2,600,159 | - | 3,976,816 | |
| Acquisitions in the period | - | 365,121 | - | 72,494 | |
| Disposals in the period | - | (72,494) | - | (296,968) | |
| Increase/(Decrease) in fair value | - | (2,527,664) | - | (1,152,183) | |
| Fair value as at 31 December | | 365,122 | | 2,600,159 | |
| | 18,127,492 | 57,679,031 | 12,978,175 | 63,556,763 | |

The financial investments in group companies, jointly controlled companies or associated companies excluded from consolidation are recorded at the acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate could be made as there is no market data available for these investments. The heading of Investments available for sale includes 3,423,724 euro (2,661,538 euro in 31 December 2008) of investments recorded at the cost net of impairment losses for the same reasons.

The investments available for sale are net impairment losses (Note 33) amounting 67,925 euro (13,157 euro in 31 December 2008).

Under the caption other financial investments is recorded an amount of 45,121,122 euro (56,042,299 euro as at 31 December 2008) related to deposited amounts on an Escrow Account which are invested in investment funds with superior rating and guarantee contractual liabilities assumed by Sonae which may arise from the sale of Sonae Distribuição Brasil, S.A. and for which provisions were recorded.

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn't happen as there are some points of disagreement on how to use the Escrow Account, namely as to whether or not, to return the Escrow Account for ongoing fiscal procedures have not yet decided (Note 34). It is the understanding of the Board of Directors, based in the legal opinions of Brazilian and Portuguese lawyers, that this amount shall be entirely received up to 31 December 2010, and that there are legal means that may be operated so as to compel the buyer to authorize the return of the Escrow account. If the negotiations currently under way between the two parties do not accomplish in results, it is the intention of the Board to make use of such legal means.



15 OTHER NON-CURRENT ASSETS

As at 31 December 2009 and 2008, Other non-current assets are detailed as follows:

| | | 31 December 2009 | | 31 December 2008 | | |
|---|-------------|---|--------------------|------------------|---|--------------------|
| | Gross Value | Accumulated impairment losses (Note 33) | Carrying Amount | Gross Value | Accumulated impairment losses (Note 33) | Carrying Amount |
| Loans granted to related parties | 1,312,071 | - | 1,312,071 | 294,089 | (160,125) | 133,964 |
| Trade accounts receivable and other debtors | | | | | | |
| Legal deposits | 819,480 | - | 819,480 | 634,470 | - | 634,470 |
| Cautions | 2,949,266 | - | 2,949,266 | 1,638,456 | - | 1,638,456 |
| Lisbon Town Council | 3,888,477 | - | 3,888,477 | 3,888,477 | - | 3,888,477 |
| Malaga Town Council | 824,948 | - | 824,948 | 512,108 | - | 512,108 |
| Rent deposits from tenants | 4,036,717 | - | 4,036,717 | 3,740,456 | - | 3,740,456 |
| Others | 1,399,468 | (141,988) | 1,257,480 | 1,977,893 | (131,446) | 1,846,447 |
| | 13,918,356 | (141,988) | 13,776,368 | 12,391,860 | (131,446) | 12,260,414 |
| Non-current derivatives | 12,991 | - | 12,991 | 75,002 | - | 75,002 |
| Total financial instruments (Note 9) | 15,243,418 | (141,988) | 15,101,430 | 12,760,951 | (291,571) | 12,469,380 |
| Reinsurer's' share of technical provisions | 5,396,067 | - | 5,396,067 | 8,763,158 | - | 8,763,158 |
| Other non-current assets | 678,815 | | 678,815 | 50,977 | <u>-</u> _ | 50,977 |
| | 21,318,300 | (141,988) | 21,176,312 | 21,575,086 | (291,571) | 21,283,515 |
| | | | | | | |

Loans granted to related parties bear interests at usual market rates and do not have a defined maturity. The fair value of these loans is estimated to be similar to its carrying amount.

The amount of 3,888,477 Eero due by Lisbon Town Council, relates to works developed by a jointly controlled company of Shopping Centres segment developed on behalf of Lisbon Town Council ("CML") in accordance with protocols signed in the end of 2001. On the other hand, the caption "Other non-current liabilities", as at 31 December 2009 and 2008 includes the amount of 1,621,687 euro relating to works developed by CML on behalf of the joint controlled company and licenses. A legal action against CML was presented in 2001, claiming the totality of the improvements made by Colombo on account of CML and corresponding interests and other expenses incurred. Sonae believes that the legal action will be favourable to the Group and consequently did not record any impairment loss to face eventual losses on this account receivable.

The amount of 4,036,717 euro (3,740,456 euro as at December 2008) relates to the deposit in official entities of rents deposits received from tenants of shopping centres located in Spain. The rent deposits received from tenants are classified under "Other non-current liabilities" and "Other liabilities".

The Reinsurer's' share of technical provisions refer to non-life insurance ceded to reinsurance companies by a captive subsidiary. The provision can be detailed as follows: Provision for unearned premiums 3,582,953 euro (3,597,343 euro as at December 2008) and Provisions for outstanding claims 1,688,969 euro (5,156,815 euro as at December 2008) (Note 33).



16 INVENTORIES

As at 31 December 2009 and 2008, Inventories are as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| | | |
| Raw materials and consumables | 1,109,140 | 1,659,166 |
| Goods for resale | 633,189,711 | 588,557,727 |
| Finished and intermediate goods | 202,575 | - |
| Work in progress | 146,535 | - |
| | 634,647,961 | 590,216,893 |
| Accumulated impairment losses on Inventories (Note 33) | (31,644,772) | (29,783,714) |
| | 603,003,189 | 560,433,179 |
| | | |

Cost of goods sold as at 31 December 2009 and 2008 amounted to 3,580,874,024 euro and 3,303,986,732 euro, respectively, and may be detailed as follows:

| | 31 December 2009 | 31 December 2008 |
|------------------------------------|------------------|------------------|
| | | |
| Opening balance | 590,216,893 | 506,662,632 |
| Changes in consolidation perimeter | 759,076 | 6,626,869 |
| Purchases | 3,651,137,843 | 3,383,129,620 |
| Adjustments | (29,518,161) | (6,415,488) |
| Closing balance | 634,647,961 | 590,216,893 |
| | 3,577,947,690 | 3,299,786,740 |
| Impairment losses (Note 33) | 8,411,520 | 10,856,498 |
| Reversal of impairment losses | (5,485,186) | (6,656,506) |
| | 3,580,874,024 | 3,303,986,732 |

a) The line adjustments includes 23 million euro (14 million euro at 31 December 2008) relating essentially to telecommunications terminal transfers from stocks Fixed Assets under contracts of lending agreements with customers of Telecommunications segment.

17 TRADE ACCOUNTS RECEIVABLE

As at 31 December 2009 and 2008, trade accounts receivable are detailed as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Trade accounts receivable | | |
| Retail | 33,530,469 | 32,407,651 |
| Shopping Centres | 28,908,566 | 24,227,509 |
| Telecommunications | 220,854,930 | 241,908,462 |
| Investments management | 10,555,411 | 12,408,563 |
| Sonae Holding | 982,280 | 796,899 |
| | 294,831,656 | 311,749,084 |
| Accumulated impairment losses on Trade Debtors (Note 33) | (86,765,183) | (96,686,475) |
| | 208,066,473 | 215,062,609 |

Sonae's exposition to credit risk is attributed to accounts receivable relating the operating activity of the Group. The amounts presented on the face of the balance sheet are net of impairment losses which were estimated based on Sonae's past experience



and on the assessment of present economic conditions. As a result, amounts disclosed in Trade Debtors are considered to reflect their fair value.

As at 31 December 2009 there is no indication that the debtors of trade accounts receivable not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognised.

As at 31 of December of 2009 and 2008 pro-forma, the ageing of the trade receivables are as follows:

| | | | Trade Rec | eivables | | |
|----------------------|------------|---------------------|------------------------------|---------------------------|----------|-------------|
| 31 December 2009 | Retail | Shopping Centres | Telecommunications | Investments Management | Others | Total |
| Not due | 12,137,691 | 6,525,055 | 54,453,780 | 5,956,405 | 675,928 | 79,748,859 |
| Due but not impaired | | _ | | , | | |
| 0 - 30 days | 5,548,922 | 3,724,054 | 26,258,873 | 1,213,406 | 245,068 | 36,990,323 |
| 30 - 90 days | 7,838,363 | 3,642,067 | 9,859,150 | 1,118,968 | 48,286 | 22,506,834 |
| + 90 days | 977,475 | 4,797,664 | 43,235,363 | 761,826 | 12,998 | 49,785,326 |
| Total | 14,364,760 | 12,163,785 | 79,353,386 | 3,094,200 | 306,352 | 109,282,483 |
| Due and impaired | | _ | | , | | |
| 0 - 90 days | 45,873 | 1,008,627 | 2,952,382 | 38,324 | - | 4,045,206 |
| 90 - 180 days | 46,342 | 858,683 | 3,589,051 | 4,500 | - | 4,498,576 |
| 180 - 360 days | 449,406 | 2,007,699 | 5,016,947 | 43,917 | - | 7,517,969 |
| + 360 days | 6,486,397 | 6,344,717 | 75,489,385 | 1,418,065 | - | 89,738,564 |
| Total | 7,028,018 | 10,219,726 | 87,047,764 | 1,504,806 | - | 105,800,314 |
| | 33,530,469 | 28,908,566 | 220,854,931 | 10,555,411 | 982,280 | 294,831,656 |
| 31 December 2008 | Retail | Shopping Centres | Trade Rec Telecommunications | Investments | Others | Total |
| 0. B000 | | - Chiopping Control | | Management | | |
| Not due | 11,503,739 | 3,458,036 | 65,648,380 | 2,668,157 | 170,600 | 83,448,912 |
| Due but not impaired | | | | | | |
| 0 - 30 days | 1,542,815 | 4,754,801 | 18,043,737 | 2,564,490 | 262,509 | 27,168,352 |
| 30 - 90 days | 6,487,369 | 4,492,848 | 9,460,068 | 2,505,180 | 102,712 | 23,048,177 |
| + 90 days | 1,641,757 | 2,666,326 | 53,902,941 | 2,613,895 | 261,078 | 61,085,997 |
| Total | 9,671,941 | 11,913,975 | 81,406,746 | 7,683,565 | 626,299 | 111,302,526 |
| Due and impaired | | | | | | |
| 0 - 90 days | 127,988 | 603,977 | 5,444,803 | 79,543 | - | 6,256,311 |
| 90 - 180 days | 105,314 | 473,947 | 4,667,974 | 289,665 | - | 5,536,900 |
| 180 - 360 days | 318,903 | 3,082,340 | 4,371,783 | 291,101 | - | 8,064,127 |
| + 360 days | 10,679,766 | 4,695,234 | 80,368,775 | 1,396,533 | <u> </u> | 97,140,308 |
| Total | 11,231,971 | 8,855,498 | 94,853,335 | 2,056,842 | - | 116,997,646 |
| | 32,407,651 | 24,227,509 | 241,908,461 | 12,408,564 | 796,899 | 311,749,084 |

In determining the recoverability of a trade receivable, Sonae considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large. Accordingly, it is considered that the risk of not recovering the trade receivable is not higher than the allowance for doubtful debts.

Sonae considers that the maximum exposition to the credit risk is the amount presented in the consolidate balance sheet.



18 OTHER DEBTORS

As at 31 December 2009 and 2008, Other debtors are as follows:

| | 31 December 2009 | 31 December 2008 |
|---|------------------|------------------|
| | <u> </u> | |
| Granted loans to related companies | 8,339 | 4,269,936 |
| Other debtors | | |
| Trade creditors - debtor balances | 58,251,461 | 65,799,273 |
| Special regime for payment of tax and social security debts | 13,999,945 | 14,576,052 |
| VAT recoverable on real estate assets | 20,698,211 | 7,461,293 |
| Vouchers and gift cards | 1,308,743 | 2,347,902 |
| Accounts receivable from the disposal of fixed assets | 5,210,484 | 9,484,451 |
| Cash Settled Equity Swap | - | 3,452,800 |
| Advances for the acquisiton of a real estate project | 7,967,500 | 7,500,000 |
| Termination of the contract of acquisition of land in Pulianas | 5,382,500 | - |
| Revocation of contracts for acquisition of stores | 11,131,667 | 389,871 |
| Advances to suppliers | 15,905,764 | 12,458,873 |
| Advances to agents | 1,004,492 | 2,271,495 |
| Reinsurance operations | 3,351,186 | 4,051,296 |
| Other current assets | 36,395,501 | 24,825,971 |
| | 180,607,454 | 154,619,277 |
| Accumulated impairment losses in receivables accounts (Note 33) | (17,223,228) | (12,896,708) |
| Total of Financial Instruments (Note 9) | 163,392,565 | 145,992,505 |
| | | |

Granted loans to related companies earn interests at market rates and do not have defined maturity but are deemed to be received within 12 months.

The amounts disclosed as 'Trade creditors - debtor balances' relates with commercial discounts billed to suppliers to be net settled with future purchases - mainly in the Retail segment.

The amount disclosed as 'Special regime for payment of tax and social security debts' corresponds to taxes which were disputed and subject to reimbursement claims. The Board of Directors is confident of the arguments presented by Sonae and expects court decisions to be in favour of Sonae.

In 2008, a company of Sonae Sierra made an advance to purchase land in Pulianas to build a shopping. The acquisition of that land was subject to fulfillment by selling a set of conditions acquisition made a bank guarantee for advance. As a result of non-compliance with the conditions agreed Sonae ran the bank guarantee which has not yet been met, as a result of a lawful action brought by the seller. According to the legal advice obtained, the Group believes that this amount is fully recoverable.

Other Dehtors

At as 31 December 2009 and 2008, the ageing of other debtors are as follows:

| | Other Debtors | | |
|----------------------|------------------|------------------|--|
| | 31 December 2009 | 31 December 2008 | |
| Not due | 80,700,480 | 39,499,120 | |
| | 80,700,400 | 39,499,120 | |
| Due but not impaired | - | - | |
| 0 - 30 days | 28,915,142 | 43,946,973 | |
| 30 - 90 days | 27,168,792 | 31,183,504 | |
| + 90 days | 25,066,851 | 25,284,060 | |
| Total | 81,150,785 | 100,414,537 | |
| Due and impaired | | | |
| 0 - 90 days | 1,305,871 | 1,755,989 | |
| 90 - 180 days | 136,019 | 360,306 | |
| 180 - 360 days | 2,460,437 | 2,336,907 | |
| + 360 days | 14,853,862 | 10,252,418 | |
| Total | 18,756,189 | 14,705,620 | |
| | 180,607,454 | 154,619,277 | |
| | | | |

As at 31 December 2009 there is no indication that the debtors not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

The carrying amount of other debtors is estimated to be approximately its fair value.

19 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2009 and 2008, Taxes recoverable and taxes and contributions payable are made up as follows:

| 31 December 2009 | 31 December 2008 |
|------------------|---|
| | |
| 10,950,005 | 20,949,102 |
| 42,533,733 | 67,366,251 |
| 1,586,731 | 1,281,813 |
| 55,070,469 | 89,597,166 |
| | |
| 34,365,203 | 12,207,801 |
| 34,317,472 | 40,807,861 |
| 3,252,893 | 3,383,806 |
| 11,993,953 | 11,981,403 |
| 2,698,188 | 3,126,924 |
| 86,627,709 | 71,507,795 |
| | 10,950,005 42,533,733 1,586,731 55,070,469 34,365,203 34,317,472 3,252,893 11,993,953 2,698,188 |

20 OTHER CURRENT ASSETS

As at 31 December 2009 and 2008, Other current assets are made up as follows:

| 31 December 2009 | 31 December 2008 |
|------------------|--|
| | |
| 57,394,646 | 64,755,143 |
| 75,145,779 | 39,317,881 |
| 14,211,921 | 19,482,183 |
| 1,368,173 | 1,269,874 |
| 4,204,847 | 4,206,320 |
| 18,096,233 | 16,404,435 |
| 13,565,819 | 20,466,269 |
| 183,987,418 | 165,902,105 |
| | 57,394,646 75,145,779 14,211,921 1,368,173 4,204,847 18,096,233 13,565,819 |

The caption invoices to be issued relates, basically with telecommunications operating segment and accounts for invoices to be issued to customers and other telecommunications operators.



21 DEFERRED TAX

Deferred tax assets and liabilities as at 31 December 2009 and 2008 are as follows, split between the different types of temporary differences:

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---------------------|------------------|--------------------------|------------------|
| | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 |
| Difference between fair value and acquisition cost | 3,700,884 | 4,565,926 | 258,974,803 | 273,169,996 |
| Harmonisation adjustments | 46,211 | 33,376 | 43,461,567 | 34,974,182 |
| Provisions and impairment losses not accepted for tax purposes | 15,627,931 | 15,593,155 | - | - |
| Write off of tangible and intangible assets | 58,633,429 | 64,320,965 | - | - |
| Write off of deferred costs | 36,005,911 | 43,052,099 | 1,362,430 | 1,500,154 |
| Valuation of hedging derivatives | 7,180,175 | 5,484,534 | 100,654 | 496,557 |
| Temporary differences arising from the securitization of receivable operation | 12,880,000 | 16,100,000 | - | - |
| Amortisation of Goodwill for tax purposes | - | - | 13,960,032 | 6,980,016 |
| Non taxed exchange differences | - | - | 928,553 | 5,326,355 |
| Revaluation of tangible assets | - | - | 2,131,967 | 2,281,496 |
| Tax losses carried forward | 94,364,809 | 54,525,172 | - | - |
| Reinvested capital gains/(losses) | - | - | 2,768,248 | 2,939,833 |
| Others | 1,775,158 | 3,279,462 | 2,731,864 | 3,240,091 |
| | 230,214,508 | 206,954,689 | 326,420,118 | 330,908,680 |

During the periods ended 31 December 2009 and 2008, movements in Deferred tax assets and liabilities are as follows:

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---------------------|------------------|--------------------------|------------------|
| | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 |
| Opening balance | 206,954,690 | 149,323,388 | 330,908,680 | 348,408,863 |
| Effects in net income: | | | | |
| Difference between fair value and acquisition cost | (870,449) | (5,044,606) | (23, 252, 384) | (14,246,452) |
| Amortisation and Depreciation harmonisation adjustments | 26,935 | (1,686,181) | 8,464,839 | 9,869,360 |
| Provisions and impairment losses not accepted for tax purposes | (399,556) | 3,169,630 | (26,495) | (70,763) |
| Write-off of tangible and intangible assets | (5,702,292) | 4,242,447 | (228) | 798,102 |
| Write-off of deferred costs | (7,092,466) | 2,027,199 | (49,998) | 192,768 |
| Revaluation of tangible assets | - | - | (149,436) | (236, 149) |
| Tax losses carried forward | 38,081,299 | 16,718,637 | - | - |
| Temporary differences arising from the securitization of receivable operation | (3,220,000) | 16,100,000 | - | - |
| Amortization of Goodwill for tax purposes | - | - | 6,980,016 | 6,980,016 |
| Non taxed exchange differences | - | - | (5,422,220) | 6,462,069 |
| Reinvested capital gains/(losses) | - | - | (155,523) | (136,246) |
| Changes in tax rates | - | - | (153,687) | 107 |
| Others | (87,939) | 2,688,741 | (418,850) | 130,616 |
| | 20,735,532 | 38,215,867 | (14,183,966) | 9,743,428 |
| Effects in equity: | | | | |
| Valuation of hedging derivatives | 1,806,117 | 5,715,366 | (471,332) | (757,317) |
| Exchange rate effect | 1,045,771 | (1,110,020) | 6,592,197 | (5,786,745) |
| Change in tax rate | - | - | - | (181) |
| Others | (429,313) | (6,326) | 333,892 | 311,384 |
| | 2,422,575 | 4,599,020 | 6,454,757 | (6,232,859) |
| Changes in the percentages of jointly controlled companies | - | - | - | - |
| Acquisitions of subsidiaries (Note 8) | 153,728 | 26,105 | - | - |
| Disposals of subsidiaries (Note 8) | (52,017) | (1,868,508) | (961,577) | (30,792,483) |
| Allocation of fair value on companies acquisitions (Note 8) | | 16,658,818 | 4,202,324 | 9,781,731 |
| Closing balance | 230,214,508 | 206,954,690 | 326,420,218 | 330,908,680 |

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The recognition of deferred tax amounting to approximately 16.1 million euro in Telecommunications segment follows the securitization of future receivables completed in December 2008. As a result of this operation and in accordance with the provisions of 100 million euro from this operation was added for purposes of determining the taxable income for the year 2008, thereby generating a temporary difference between accounting and taxable amounts, having been registered deferred tax assets to the extent that its use was, with reasonable safety likely. Until the maturity of the operation, a gradual reversion of the corresponding deferred tax assets shall occur, by deduction, in the determination of the taxable income of each year, of the revenue associated to the securitized receivables. In 2009, It was reverted an amount of 3.2 million euro, corresponding to the reversal of the temporary difference in exercise.

During 2008, companies of specialized retail operating segment recognized deferred tax assets amounting 18,240,000 euro were recorded related to tax losses carried forward from the subsidiary Worten España, S.A. generated in the current and in past years (11,829,000 euro were previous to the acquisition. and therefore had impact in the calculated negative goodwill). In the year ending 31 December 2009, were accrued deferred tax assets related to the damage caused in the exercise of 9,144,723 euro in Worten España, S.A. and 6,635,228 euro in Sport Zone España, S.A..The deferred tax losses calculation is supported by the Company business plan that estimates its use in a period from 6 to 8 years (the last in a more conservative perspective). In Spain the deadline for reporting tax losses is 15 years.

As at 31 December 2009 and 2008, in Portuguese companies the tax rate used to calculate the deferred tax assets arising from tax losses carried forward was 25%. For the deferred tax assets arising from temporary differences, the considered rate was 26.5%. The companies located in other countries have used their tax.

As at 31 December 2009 and 2008, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

| | 31 December 2009 | | | | 31 December 2008 | | | |
|--------------------------------------|----------------------------|---------------------|------------|----------------------------|---------------------|------------|--|--|
| | Tax losses carried forward | Deferred tax assets | Time limit | Tax losses carried forward | Deferred tax assets | Time limit | | |
| With limited time use | | | | | | | | |
| Generated in 2003 | - | - | 2009 | 1,077,065 | 269,266 | 2009 | | |
| Generated in 2004 | 171,630 | 42,907 | 2010 | 2,658,095 | 664,524 | 2010 | | |
| Generated in 2005 | 1,454,441 | 363,610 | 2011 | 1,508,454 | 377,114 | 2011 | | |
| Generated in 2006 | 1,953,506 | 488,376 | 2012 | 1,138,251 | 284,562 | 2012 | | |
| Generated in 2007 | 15,775,143 | 3,943,786 | 2013 | 23,759,138 | 5,939,785 | 2013 | | |
| Generated in 2008 | 4,136,674 | 1,034,169 | 2014 | 4,651,622 | 1,162,908 | 2014 | | |
| Generated in 2009 | 50,067,344 | 12,516,838 | 2015 | - | - | | | |
| | 73,558,738 | 18,389,686 | | 34,792,625 | 8,698,159 | | | |
| Without limited time use | 18,581,710 | 5,096,472 | | 10,346,392 | 3,126,514 | | | |
| With a time limit different from the | 236,619,705 | 70,878,651 | | 142,929,494 | 42,700,499 | | | |
| above mentioned | 255,201,415 | 75,975,123 | | 153,275,886 | 45,827,013 | | | |
| | 328,760,153 | 94,364,809 | | 188,068,511 | 54,525,172 | | | |

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As at 31 December 2009 and 2008, deferred tax assets resulting from tax losses carried forward were re-assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which may be offset against available tax losses or against deductible temporary differences.

As at 31 December 2009, there were tax losses carried forward, amounting to 639,018,631 euro (761,693,530 euro in 2008) for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarised as follows:

| | 31 December 2009 | | | 31 December 2008 | | | |
|--------------------------------------|--------------------|---------------------|------------|--------------------|---------------------|------------|--|
| | Tax losses carried | Deferred tax credit | Time limit | Tax losses carried | Deferred tax credit | Time limit | |
| With limited time use | , | | | | | | |
| Generated in 2003 | - | - | 2009 | 7,840,316 | 1,960,080 | 2009 | |
| Generated in 2004 | 7,026,627 | 1,756,656 | 2010 | 7,284,015 | 1,821,004 | 2010 | |
| Generated in 2005 | 46,474,629 | 11,618,658 | 2011 | 31,838,954 | 7,959,738 | 2011 | |
| Generated in 2006 | 60,520,774 | 15,130,192 | 2012 | 69,678,529 | 17,419,632 | 2012 | |
| Generated in 2007 | 60,518,585 | 15,129,647 | 2013 | 79,771,355 | 19,942,840 | 2013 | |
| Generated in 2008 | 13,091,128 | 3,272,783 | 2014 | 17,458,087 | 4,364,521 | 2014 | |
| Generated in 2009 | 12,670,496 | 3,167,650 | 2015 | | | | |
| | 200,302,239 | 50,075,586 | | 213,871,256 | 53,467,815 | | |
| | 38,617,859 | 10,737,954 | | 31,496,303 | 8,383,429 | | |
| Without limited time use | | | | | | | |
| | 400,098,533 | 102,943,995 | | 516,325,971 | 149,725,560 | | |
| With a time limit different from the | | | | | | | |
| above mentioned | 639,018,631 | 163,757,535 | | 761,693,530 | 211,576,804 | | |

22 CASH AND CASH EQUIVALENTS

As at 31 December 2009 and 2008, Cash and cash equivalents are as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| | | |
| Cash at hand | 6,412,073 | 6,243,465 |
| Bank deposits | 140,227,780 | 140,335,695 |
| Treasury applications | 25,590,018 | 37,781,744 |
| Cash and cash equivalents on the balance sheet | 172,229,871 | 184,360,904 |
| Bank overdrafts (Note 25) | (23,763,618) | (41,394,916) |
| Cash and cash equivalents on the statement of cash flows | 148,466,253 | 142,965,988 |

Bank overdrafts are disclosed in the balance sheet under Current bank loans.



23 SHARE CAPITAL

As at 31 December 2009, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

On 15 November 2007, Sonae Holding sold. 132,856,072 Sonae Holding shares directly owned by the Company. The shares were sold in a market operation at the unit price of 2.06 euro per share and resulted on a cash inflow (net of brokerage commissions) of 273,398,877 euro.

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132,800,000 Sonae Holding shares, representative of 6.64% of its capital.

This transaction has a maximum maturity of three years and a strictly financial liquidation, without any duty or right for the Company or any of its associated companies in the purchase of these shares. This transaction allows Sonae to totally maintain the economic exposure to the sold shares.

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer. Sonae Holding did not derecognize their own shares, recording a liability in the caption Other non-current liabilities (Note 28). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

Consequently, Sonae maintains the deduction from Equity amounting to the acquisition cost of the 132,800,000 shares (138,568,275 euro), and has accounted for the consideration received for the above mentioned sale of own shares in the caption Other non-current liabilities (273,568,000 euro).

Due to the detach of Sonae Capital SGPS. SA demerger rights attributable to the 132,800,000 Sonae SGPS. SA shares subject to the above mentioned agreement, the Group recognized an asset measured at its' fair value. This asset as not been derecognized as the Group also entered into a Cash Settled Equity Swap over the Sonae Capital SGPS, SA shares, and therefore a liability was recognized. Consequently, and in relation with this operation the full liability amount can be detailed as follows: market value of Sonae SGPS. SA shares amounting to 112,905,322 euro, and market value of Sonae Capital SGPS, SA shares amounting to 13,778,000 euro, after demerged at 28 January 2008.

These liabilities are adjusted at the end of each month by the effect in Sonae Holding or Sonae Capital, SGPS, S.A. share price, as applicable, being recognized an asset/liability in order to present the right/obligation related to the cash settlement of the operation that resets monthly (Notes 18, 28 and 31).

Additionally, the costs related to the "floating amount" based on Euribor 1 month are recorded in the income statement.

During the year, the Sonae acquired 1,134,965 own shares at an average price of € 0.614/share, taking the Sonae proceeded to advance and partial cancellation of that derived to 1,134,965 shares at the same price. Such actions were delivered to employees of Sonae under deferred performance plan currently underway (Note 29).



The value to get established on the basis of dividends distributed by Sonae is credited in equity to offset the charge of the distribution.

The amount of dividends on Sonae SGPS, SA during the year ending 31 December 2009 amounted to 3,949,951 euro that were credited to equity.

The number of shares taken into consideration to calculate earnings per share includes the shares referred to above as a deduction to the shares issued by the Company (Note 47).

At 31 December 2009, the following entities held more than 20% of the subscribed share capital:

Entity %

Efanor Investimentos. SGPS. SA and subsidiaries 52.98

The capital structure is analysed in the Management Report section titled "Business Performance".

24 MINORITY INTERESTS

Movements in minority interests during the periods ended as at 31 December 2009 and 2008 are as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| | | |
| Opening balance as at 1 January | 411,549,101 | 448,365,507 |
| Dividends | (38,140) | (2,475,031) |
| Exchange rate effect | 2,515,177 | (890,857) |
| Acquisition of subsidiaries (Note 8) | 54,233,850 | - |
| Disposal of subsidiaries | - | (5,370,066) |
| Increase of capital and premium on subsidiaries | 4,912,947 | 36,604,140 |
| Increased shareholding by acquisitions | - | (11,887,804) |
| Decreased shareholding by disposals | 26,133,713 | (3,299,989) |
| Changes in hedge and fair value reserves | (1,549,431) | (7,761,789) |
| Others | 352,125 | (777,613) |
| Profit for the period attributable to minority interests | (20,140,587) | (40,957,397) |
| Closing balance as at 31 December | 477,968,755 | 411,549,101 |



25 BORROWINGS

As at 31 December 2009 and 2008, Borrowings are made up as follows:

| Part | | 31 December 2009 | | 31 December 2008 | | | |
|--|---|------------------|-------------|------------------|--------------|-------------|---------------|
| Sonae SGPS, SA - commercial paper \$35,000,000 \$24,950,000 \$71,000,000 \$35,000,000 \$20,000,000 \$30,00 | | | Outstandir | ng amount | | Outstandin | ng amount |
| Sonae SGPS, SA - commercial paper \$50,000,000 \$24,950,000 \$50,000,000 \$30,000,000 \$20,00 | | Amount limit | Current | Non Current | Amount limit | Current | Non Current |
| Sonale Investimentos, SGPS, S.A commercial paper (ap), Sonale Sierra affiliated companies (428,00796) 462,800,796 16,621,638 385,833,442 471,190,131 26,844,447 382,135,505 435,505 30,000,000 20,000,000 436,505,205 30,000 417,190,526 61,288,733 377,516,148 430,867,643 71,153,557 415,552,220 a) 0,000 30,000 30,000 31,719,526 11,119,119,119,119,119,119,119,119,119, | Bank loans | | | | | | |
| a)b S onae Sierra affiliated companies 470,086,920 16,621,638 385,383,442 471,190,318 26,444,47 382,135,505 a)b C Sonae Sierra affiliated companies 442,830,786 61,286,733 377,516,488 430,867,643 7,153,557 415,653,220 a) b Sonae Sierra affiliated companies 12,185,116 8,179,211 3,435,116 41,097,065 13,670,597 22,516,460 a) blyd) Sonae Sierra affiliated companies 12,185,116 8,179,211 50,000,000 320,000,000 15,000,000 320,000,000 2,25,16,460 Sonaecom SGPS, SA Commercial paper 20,000,000 55,000,000 15,000,000 8,000,000 4,73,000 -2,210,000,000 Continente Hipermercados SA - commercial paper 30,000,000 1,23,348 8,000,000 7,572,291 6,977,246 Bank wordrafts (Note 22) 22,763,618 1,23,348,928 8,000,000 7,572,291 1,282,822,431 Bank loans 23 23,763,618 1,283,889,928 2,283,338,921 1,283,282,233 1,283,282,233 1,283,282,233 1,283,282,233 1,283,282,233 1,283,282,233 1,283,282,233 | Sonae, SGPS, SA - commercial paper | 350,000,000 | 24,950,000 | - | 350,000,000 | 138,200,000 | - |
| Simple Sones Sierra affiliated companies 442,830,796 61,288,733 377,516,488 430,867,643 7,153,557 415,653,220 2)(b)(d) Sones Sierra affiliated companies 11,1779,526 8,179,211 3,435,116 41,097,005 13,670,597 22,516,460 3)(b)(d) Sones Sierra affiliated companies 12,185,116 8,179,211 3,435,116 41,097,005 13,670,597 22,516,460 3)(b)(d) Sones Sierra affiliated companies 320,000,000 55,000,000 150,000,000 320,000,000 4,873,000 | Sonae Investimentos, SGPS, S.A commercial paper | 692,500,000 | - | 271,000,000 | 563,000,000 | 20,000,000 | 230,000,000 |
| a) Sonae Sierra affiliated companies 11,179,526 11,179,526 11,179,526 11,070,507 22,516,460 a) Sonae Sierra affiliated companies 12,185,116 8,179,211 3,435,116 41,097,065 13,670,597 22,516,460 a) Sonaecom SGPS, SA commercial paper 320,000,000 18,585,252 - | a)b) Sonae Sierra affiliated companies | 470,086,920 | 16,621,638 | 385,383,442 | 471,190,318 | 26,844,447 | 382,135,505 |
| Sonae Sierra affiliated companies 12,185,116 8,179,211 3,435,116 41,097,005 13,670,597 22,516,406 a)joly Sonae Sierra SGPS, SA commercial paper 320,000,000 55,000,000 150,000,000 320,000,000 4,873,000 231,000,000 50,000,000 150,000,000 320,000,000 4,873,000 320,000,000 4,873,000 30,000,000 4,873,000 30,000,000 4,873,000 30,000,000 4,873,000 30,000,000 4,873,000 30,000,000 4,873,000 30,000,000 4,873,000 30,000,000 4,873,000 30,000,000 30,000,000 4,873,000 30,000,000 30, | a)b)c) Sonae Sierra affiliated companies | 442,830,796 | 61,288,733 | 377,516,488 | 430,867,643 | 7,153,557 | 415,653,220 |
| Sonae Sierra SGPS, SA commercial paper 320,000,000 55,000,000 15,000,000 15,000,000 - 15,000,000 - 231,000,000 - 20,000,000 | a)b)d) Sonae Sierra affiliated companies | 11,179,526 | - | 11,179,526 | - | - | - |
| Sonaecom SGPS, SA commercial paper 320,000,000 55,000,000 150,000,000 320,000,000 4,873,000 231,000,000 500,000 15,000,000 4,873,000 - 231,000,000 - | a) Sonae Sierra affiliated companies | 12,185,116 | 8,179,211 | 3,435,116 | 41,097,065 | 13,670,597 | 22,516,460 |
| Sonaecom SGPS, SA 26,500,000 3,500,000 15,000,000 4,873,000 | a)b)d) Sonae Sierra SGPS, SA | 83,919,000 | 18,585,252 | - | - | - | - |
| Continente Hipermercados SA - commercial paper 30,000,000 - 80,000,000 - </td <td>Sonaecom SGPS, SA commercial paper</td> <td>320,000,000</td> <td>55,000,000</td> <td>150,000,000</td> <td>320,000,000</td> <td>-</td> <td>231,000,000</td> | Sonaecom SGPS, SA commercial paper | 320,000,000 | 55,000,000 | 150,000,000 | 320,000,000 | - | 231,000,000 |
| Others 21.887,012 15.374,366 7,572,291 6,977,246 Bank overdrafts (Note 22) 23.763,618 1218,318,889,288 141,394,916 | Sonaecom SGPS, SA | 26,500,000 | 3,500,000 | - | 15,000,000 | 4,873,000 | - |
| Bank overdrafts (Note 22) 21,011,846 1,213,888,928 21,831,3892 1,288,282,431 Up-front fees beard with the issuance of borrowings (808,536) (5,564,118) (802,841) (7,019,007) Bank loans 232,966,928 1,208,324,810 258,905,967 1,281,262,524 Bonds Sonae / 05 - 100,000,000 - 100,000,000 Bonds Sonae 2006/2011 - 250,000,000 - 250,000,000 Bonds Modelo Continente / 2003 - 150,000,000 - 250,000,000 Bonds Modelo Continente / 2004 - 200,000 - 40,000,000 Bonds Modelo Continente / 2005 / 2010 64,925,000 - 100,000,000 - 64,925,000 Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - 64,925,000 - 64,925,000 - 64,925,000 - 64,925,000 - - 20,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 | Continente Hipermercados SA - commercial paper | 30,000,000 | - | - | 80,000,000 | - | - |
| Bank overdrafts (Note 22) 23,763,618 - 41,394,916 - Up-front fees beard with the issuance of borrowings (808,536) (5,564,118) (802,841) (7,019,907) Bank loans 232,966,928 1,208,324,810 258,905,967 1,281,262,524 Bonds Bonds Sonae / 05 - 100,000,000 - 250,000,000 Bonds Sonae 2007/2014 - 250,000,000 - 250,000,000 Bonds Modelo Continente / 2003 - 82,000,000 - 82,000,000 Bonds Modelo Continente / 2004 - 150,000,000 - 64,925,000 Bonds Modelo Continente / 2005 / 2010 64,925,000 - - 64,925,000 Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - - 64,925,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - < | Others | | 21,887,012 | 15,374,356 | | 7,572,291 | 6,977,246 |
| Purper P | | | 210,011,846 | 1,213,888,928 | | 218,313,892 | 1,288,282,431 |
| Bank loans 232,966,928 1,208,324,810 258,905,967 1,281,262,524 Bonds Bonds Sonae / 05 - 100,000,000 - 250,000,000 Bonds Sonae 2006/2011 - 250,000,000 - 250,000,000 Bonds Modelo Continente / 2003 - 82,000,000 - 100,000,000 Bonds Modelo Continente / 2004 - 100,000,000 - 100,000,000 Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2007 / 2012 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 310,000,000 Bonds Sonae Sierra 2008/2013 - 150,000,000 - 37,500,000 Derivative instruments (blota 2008/2013 - 37,500,000 - 37,500,000 Bonds Sonae Sierra 2008/2013 - 37,500,000 - 39,930,567 1,684,214,319 | Bank overdrafts (Note 22) | | 23,763,618 | - | | 41,394,916 | - |
| Bonds Bonds Sonae 005 - 100,000,000 - 250,000,000 Bonds Sonae 2006/2011 - 250,000,000 - 250,000,000 Bonds Sonae 2007/2014 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2003 - 82,000,000 - 100,000,000 Bonds Modelo Continente / 2004 - 100,000,000 - 150,000,000 Bonds Modelo Continente / 2005 / 2010 64,925,000 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2007 / 2015 - 200,000,000 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 50,000,000 - 50,000,000 - 50,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 50,000,000 - 50,000,000 Bonds Sonaes Sierra 2008/2013 - 37,500,000 - 37,500,000 - 37,500,000 Bonds Sonae Sierra 2008/2013 - 37,500,000 | Up-front fees beard with the issuance of borrowings | | (808,536) | (5,564,118) | | (802,841) | (7,019,907) |
| Bonds Sonae 05 | Bank loans | | 232,966,928 | 1,208,324,810 | | 258,905,967 | 1,281,262,524 |
| Bonds Sonae 2006/2011 - 250,000,000 - 250,000,000 Bonds Sonae 2007/2014 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2003 - 82,000,000 - 82,000,000 Bonds Modelo Continente / 2004 100,000,000 - 64,925,000 Bonds Modelo Continente / 2005 / 2010 64,925,000 64,925,000 Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2007 / 2012 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 150,000,000 Bonds Sonaes Sonae Sierra 2008/2013 - 37,500,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds - 34,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 <td< td=""><td>Bonds</td><td></td><td></td><td></td><td></td><td></td><td></td></td<> | Bonds | | | | | | |
| Bonds Sonae 2006/2011 - 250,000,000 - 250,000,000 Bonds Sonae 2007/2014 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2003 - 82,000,000 - 82,000,000 Bonds Modelo Continente / 2004 100,000,000 - 64,925,000 Bonds Modelo Continente / 2005 / 2010 64,925,000 150,000,000 - 150,000,000 Bonds Modelo Continente / 2007 / 2012 - 150,000,000 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - 200,000,000 - 310,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 150,000,000 - 150,000,000 Bonds Sonaecom / 2005 - 37,500,000 - 37,500,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds - 37,500,000 - 37,500,000 - 37,500,000 - 37,500,000 - 37,500,000 - 37,500,000 - 37,500,000 - 37,500,000 - 37,500,000 - 37,500,000 - 37,500,000 <td>Bonds Sonae / 05</td> <td></td> <td>_</td> <td>100,000,000</td> <td></td> <td>_</td> <td>100,000,000</td> | Bonds Sonae / 05 | | _ | 100,000,000 | | _ | 100,000,000 |
| Bonds Modelo Continente / 2003 - 82,000,000 - 82,000,000 Bonds Modelo Continente / 2004 - - - 100,000,000 - Bonds Modelo Continente / 2005 / 2010 64,925,000 - - 64,925,000 Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2007 / 2012 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 310,000,000 Bonds Sonaes Sierra 2008/2013 - 150,000,000 - 150,000,000 Bonds Sonae Sierra 2008/2013 - 37,500,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative in | Bonds Sonae 2006/2011 | | - | 250,000,000 | | - | 250,000,000 |
| Bonds Modelo Continente / 2004 - - - - 64,925,000 - - 64,925,000 - 64,925,000 - 64,925,000 - 64,925,000 - 64,925,000 - 64,925,000 - 64,925,000 - 64,925,000 - 64,925,000 - 150,000,000 - 150,000,000 - 150,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 200,000,000 - 310,000,000 - 310,000,000 - 310,000,000 - | Bonds Sonae 2007/2014 | | - | 150,000,000 | | - | 150,000,000 |
| Bonds Modelo Continente / 2005 / 2012 - 64,925,000 Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2007 / 2012 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 310,000,000 Bonds Sonaecom / 2005 - 150,000,000 - 150,000,000 Bonds Sonae Sierra 2008/2013 - 37,500,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 < | Bonds Modelo Continente / 2003 | | - | 82,000,000 | | - | 82,000,000 |
| Bonds Modelo Continente / 2005 / 2012 - 150,000,000 - 150,000,000 Bonds Modelo Continente / 2007 / 2012 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 150,000,000 Bonds Sonaes Sierra 2008/2013 - 150,000,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds Modelo Continente / 2004 | | - | - | | 100,000,000 | - |
| Bonds Modelo Continente / 2007 / 2012 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 150,000,000 Bonds Sonaes Sierra 2008/2013 - 150,000,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds Modelo Continente / 2005 / 2010 | | 64,925,000 | - | | - | 64,925,000 |
| Bonds Sonae Distribuição / 2007 / 2015 - 200,000,000 - 200,000,000 Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 150,000,000 Bonds Sonaecom / 2005 - 150,000,000 - 37,500,000 Bonds Sonae Sierra 2008/2013 - 37,500,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds Modelo Continente / 2005 / 2012 | | - | 150,000,000 | | - | 150,000,000 |
| Bonds Sonae Distribuição / 2007 / 2015 - 310,000,000 - 310,000,000 Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - 150,000,000 Bonds Sonaecom / 2005 - 150,000,000 - 37,500,000 Bonds Sonae Sierra 2008/2013 - 37,500,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds Modelo Continente / 2007 / 2012 | | - | 200,000,000 | | - | 200,000,000 |
| Bonds Sonae Distribuição / 2009 / 2014 - 50,000,000 - | Bonds Sonae Distribuição / 2007 / 2015 | | - | 200,000,000 | | - | 200,000,000 |
| Bonds Sonaecom / 2005 - 150,000,000 - 150,000,000 Bonds Sonae Sierra 2008/2013 - 37,500,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds Sonae Distribuição / 2007 / 2015 | | - | 310,000,000 | | - | 310,000,000 |
| Bonds Sonae Sierra 2008/2013 - 37,500,000 - 37,500,000 Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds Sonae Distribuição / 2009 / 2014 | | - | 50,000,000 | | - | - |
| Up-front fees bearded with the issuance of borrowings (76,340) (8,365,778) (69,433) (10,210,681) Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds Sonaecom / 2005 | | - | 150,000,000 | | - | 150,000,000 |
| Bonds 64,848,660 1,671,134,222 99,930,567 1,684,214,319 Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds Sonae Sierra 2008/2013 | | - | 37,500,000 | | - | 37,500,000 |
| Other loans 33,466 586,519 35,485 628,196 Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Up-front fees bearded with the issuance of borrowings | | (76,340) | (8,365,778) | | (69,433) | (10,210,681) |
| Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Bonds | | 64,848,660 | 1,671,134,222 | | 99,930,567 | 1,684,214,319 |
| Derivative instruments (Note 27) 7,902,322 34,584,190 5,369,980 21,646,496 Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | Other loans | | 33,466 | 586,519 | | 35,485 | 628,196 |
| Other loans 7,935,788 35,170,709 5,405,465 22,274,692 Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | | | | • | | | • |
| Obligations under finance leases (Note 26) 7,803,032 29,357,393 5,829,172 28,701,579 | , , | | | | | | |
| | Obligations under finance leases (Note 26) | | | | | | |
| | - , , , | | 313,554,408 | | | | |

- a) These amounts are proportionate considering the percentage held by Sonae;
- b) These loans are guaranteed by mortgages of investment properties held by these affiliated companies;
- c) These loans are guaranteed by a pledge of shares held in the those affiliated companies;
- d) These loans are guaranteed by bank guarantees.

The interest rate at 31 December 2009 of bonds and loans were in average 1.72% (5.27% 31 December 2008).

Bank loans bear interests at market rates based on Euribor for each interest payment term therefore the fair value of bank loans is estimated to be similar to their market value.

The derivative instruments are recorded at fair value (Note 27).



The face value loans maturities and interests are as follows (including obligations under financial leases):

| | 31 Decemb | ber 2009 | 31 December 2008 | | |
|-----------|---------------|-------------------|------------------|-------------|--|
| | Capital | Capital Interests | | Interests | |
| | | | | | |
| N+1 a) | 306,536,962 | 59,249,205 | 365,573,466 | 160,445,963 | |
| N+2 | 369,170,365 | 54,034,205 | 218,420,062 | 139,770,421 | |
| N+3 | 561,016,180 | 47,483,356 | 359,930,980 | 127,575,596 | |
| N+4 | 549,823,566 | 38,181,113 | 537,232,284 | 105,852,723 | |
| N+5 | 492,562,407 | 20,709,627 | 506,240,050 | 82,086,426 | |
| After N+5 | 950,760,322 | 39,538,308 | 1,390,213,829 | 154,813,311 | |
| | 3,229,869,802 | 259,195,814 | 3,377,610,671 | 770,544,440 | |

a) Includes amounts drawn under commercial paper programs.

The maturities above were estimated in accordance with the contractual terms of loans, and taking into account best expectation of Sonae regarding fulfilment ratios that some loans are issued.

All loans with "covenants" were analysed at the balance sheet date and in situations where they were breached the corresponding debt was reclassified for the current liabilities. Negotiations are in progress with banks for a renegotiation of debt.

As at 31 December 2009 and 2008, the available credit facilities are as follows:

| | 31 Decen | nber 2009 | 31 December 2008 | | |
|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| | Commitments of less than one year | Commitments of more than one year | Commitments of less than one year | Commitments of more than one year | |
| Unused credit facilities amounts | | | | | |
| Retail | 348,517,927 | 204,000,000 | 330,372,762 | 170,000,000 | |
| Shopping Centres | 42,718,579 | - | 53,781,154 | - | |
| Telecommunications | 142,000,000 | - | 14,978,667 | 89,000,000 | |
| Investment management | 10,948,727 | - | 11,311,787 | - | |
| Sonae Holding | 324,907,000 | | 194,783,894 | | |
| | 869,092,233 | 204,000,000 | 605,228,264 | 259,000,000 | |
| Agreed credit facilities amounts | | | | | |
| Retail | 362,870,074 | 475,000,000 | 346,888,524 | 400,000,000 | |
| Shopping Centres | 71,682,081 | - | 70,309,185 | - | |
| Telecommunications | 200,500,000 | 150,000,000 | 19,851,688 | 320,000,000 | |
| Investment management | 24,481,550 | - | 24,481,550 | - | |
| Sonae Holding | 330,057,000 | | 340,067,000 | | |
| | 989,590,705 | 625,000,000 | 801,597,947 | 720,000,000 | |



26 OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2009 and 2008, Obligations under finance leases are as follows:

| Obligations under finance leases | Minimum finance | lease payments | Present value of minimum finance lease payments | | |
|--|------------------|------------------|---|------------------|--|
| Amounts under finance leases: | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 | |
| N+1 | 9,345,010 | 7,405,130 | 7,803,032 | 5,829,172 | |
| N+2 | 4,783,299 | 6,425,872 | 3,725,414 | 5,145,609 | |
| N+3 | 4,585,949 | 3,474,514 | 3,597,303 | 2,407,047 | |
| N+4 | 3,748,523 | 3,046,952 | 2,886,380 | 2,094,646 | |
| N+5 | 2,825,942 | 2,658,765 | 2,054,445 | 1,796,321 | |
| After N+5 | 20,508,879 | 21,298,915 | 17,093,851 | 17,257,956 | |
| | 45,797,602 | 44,310,148 | 37,160,425 | 34,530,751 | |
| Interests | (8,637,177) | (9,779,397) | | | |
| | 37,160,425 | 34,530,751 | | | |
| Current obligations under finance leases | | | 7,803,032 | 5,829,172 | |
| Non-current obligations under finance leases | | | 29,357,393 | 28,701,579 | |

Finance leases are contracted at market interest rates, have defined useful lives and include an option for the acquisition of the related assets at the end of the period of the contract (except for medium and long term agreements with suppliers of fibre optic network capacity).

The medium and long term agreements made with the suppliers of the fibre optic network capacity, under which Sonae has the right to use that network, which is considered as a specific asset, are recorded as finance leases in accordance with IAS 17 – "Leases" and IFRIC 4 – "Determining whether an arrangement contains a Lease". These contacts have a maturity between 15 and 20 years.

As at 31 December 2009 and 2008, the fair value of finance leases is close to its accounting value.

Obligations under finance leases are guaranteed by related assets.

As at 31 December 2009 and 2008, accounting net value of assets acquired under finance leases can be detailed as follows:

| | 31 December 2009 | 31 December 2008 |
|--------------------------------------|------------------|------------------|
| Assets acquired under finance leases | | |
| Lands and buildings | 30,956,605 | 31,389,745 |
| Plant and machinery | 21,161,109 | 18,583,456 |
| Vehicles | 87,424 | 89,349 |
| Fixture and Fittings | 5,447,197 | 4,974,377 |
| Total tangible assets | 57,652,335 | 55,036,927 |
| Investment properties | | 2,261,077 |
| | 57,652,335 | 57,298,004 |
| | | |

As at 31 December 2009, the acquisition cost of Tangible assets amounted to 80,001,497 euro (73,474,043 euro as at 31 December 2008).



27 DERIVATIVES

Exchange rate derivatives

Sonae uses exchange rate derivatives, essentially to hedge future cash flows.

Sonae contracted several exchange rate forwards and options in order to manage its exchange rate exposure.

As at 31 December 2009, the fair value of exchange rate derivatives witch haven't been considered hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is of 79,039 euro included in liabilities (475,848 euro as at 31 December 2008) and 365,121 euro included in assets (72,494 euro as at 31 December 2008).

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

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

Interest rate derivatives

As at 31 December 2009, derivatives used by Sonae refer essentially to swaps and interest rate options ("cash flow hedges"). These were negotiated to hedge the interest rate risk of loans amounting to 948,629,817 euro (1,510,850,147 euro as at 31 December 2008). The net fair value of these derivatives amounts to -42,394,481 euro (-19,091,434 euro as at 31 December 2008), and is disclosed as assets amounting to 12,992 euro (2,602,678 euro as at 31 December 2008) and as liabilities 42,407,473 euro (21,694,112 euro as at 31 December 2008).

The derivatives were valuated considering the estimated future cash-flows, assuming the exercise of the cancellation options by the counterparties when the forward interest rates are higher than the established fixed interest rate. Sonae intends to keep these derivatives until their expiration date, therefore, this valuation is considered to be the most appropriate to estimate the future cash flows off these instruments.

These interest rate derivatives are valued at fair value, at the balance sheet date, based on valuations performed by Sonae using specific software and on external valuations when this software does not deal with specific instruments. The fair value of swaps was calculated, as at the balance sheet date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg. The calculation of the fair value of options was based on the "Black-Scholes" and similar models.

Interest rate and exchange rate derivatives

As at 31 December 2009 no contracts existed related to interest rate and exchange rate derivatives.

Fair value of derivatives

The fair value of derivatives is detailed as follows:



| | Ass | sets | Liabilities | | |
|--------------------------------------|------------------|------------------|------------------|------------------|--|
| | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 | |
| Derivatives not qualified as hedging | | | | | |
| Exchange rate | 365,121 | 72,494 | 79,039 | 475,849 | |
| Interest rate | - | - | - | 4,846,515 | |
| Hedging derivatives | | | | | |
| Exchange rate | - | - | - | - | |
| Interest rate | 12,992 | 2,602,678 | 42,407,473 | 21,694,112 | |
| Interest and exchange rate | - | - | - | - | |
| Other derivatives | | | | | |
| | 378,113 | 2,675,172 | 42,486,512 | 27,016,476 | |

28 OTHER NON-CURRENT LIABILITIES

As at 31 December 2009 and 2008 Other non-current liabilities are made up as follows:

| | 31 December 2009 | 31 December 2008 |
|-----------------------------------|------------------|------------------|
| | | |
| Shareholders loans | 47,276,787 | 17,409,765 |
| Fixed assets suppliers | 2,440,330 | 3,041,799 |
| Other non-current liabilities | 156,470,214 | 76,423,646 |
| Financial instruments (Note 9) | 206,187,331 | 96,875,210 |
| "E-Initiatives" Program (Note 51) | 32,923,892 | 56,772,000 |
| Accruals and deferrals | 1,156,180 | 1,816,948 |
| Other non-current liabilities | 240,267,403 | 155,464,158 |

The caption Shareholder loans relates to loans in affiliated undertakings in the Retail, Shopping Centres and Investment Management operating segments. These liabilities have a defined vesting date and bear interest at variable market rates.

The caption Other non-current liabilities includes the amount of 126,683,322 euro (65,453,108 euro as at 31 December 2008) related to the fair value of the derivative on Sonae Holding and Sonae Capital SGPS, SA, shares referred to in Note 23.

The Board of Directors believes that the fair value of Other non-current liabilities is similar to its carrying amount.

29 SHARE-BASED PAYMENTS

In 2009 and in previous years, Sonae granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost, three years after they were attributed to the employee, or based on share options with the exercise price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

In 2009 Sonae Holding change the way of payment of share options in the past they was usually paid in cash, now Sonae Holding paid in shares. The share options payment are accounted in the balance sheet under "other reserves" and in the Profit and Loss statement under caption "staff costs", having such a transfer is made with reference to 31 December 2009, the fair value of shares determined at 31 December 2009.

The plans that continue to be settled in cash, continue to be recorded in the balance sheet, in the figure other liabilities and in staff costs figure related to the income statement.



As at 31 December 2009 and 2008, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

| | Grant | Vesting | Number of | Fair value | |
|---------------|-------|---------|--------------|------------------|------------------|
| | year | year | participants | 31 December 2009 | 31 December 2008 |
| <u>Shares</u> | | | | | |
| | 2006 | 2009 | 441 | - | 2,981,061 |
| | 2007 | 2010 | 464 | 4,554,430 | 3,102,734 |
| | 2008 | 2011 | 484 | 5,703,916 | 3,357,478 |
| | 2009 | 2012 | 461 | 7,568,676 | - |
| <u>Total</u> | | | | 17,827,022 | 9,441,273 |

As at 31 December 2009 and 2008 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

| | 31 December 2009 | 31 December 2008 |
|----------------------------------|------------------|------------------|
| Staff costs | 7,588,472 | (1,112,886) |
| Recorded in previous years | 3,678,193 | 8,226,971 |
| | 11,266,665 | 7,114,085 |
| Recorded in other liabilities | 7,050,164 | 7,114,085 |
| Recorded value in Other reserves | 4,216,501 | - |
| | 11,266,665 | 7,114,085 |
| | | |

30 TRADE CREDITORS

As at 31 December 2009 and 2008, Trade creditors are as follows:

| | | Payable to | |
|------------------------------------|------------------|---------------|-------------------|
| | 31 December 2009 | up to 90 days | more than 90 days |
| Trade creditors - current account | | | |
| Retail | 886,011,261 | 885,946,640 | 64,621 |
| Shopping Centres | 13,008,816 | 10,191,004 | 2,817,812 |
| Telecommunications | 144,238,227 | 144,238,227 | - |
| Investment Management | 19,249,964 | 19,057,972 | 191,992 |
| Sonae Holding | 660,114 | 474,209 | 185,905 |
| | 1,063,168,382 | 1,059,908,052 | 3,260,330 |
| Trade creditors - Invoice Accruals | 157,233,068 | 156,760,035 | 473,033 |
| | 1,220,401,450 | 1,216,668,087 | 3,733,363 |
| | 31 December 2008 | | able to |
| Trade creditors - current account | 31 December 2008 | up to 90 days | more than 90 days |
| Retail | 655,153,542 | 653,826,037 | 1,327,505 |
| Shopping Centres | 13,678,175 | 11,995,539 | 1,682,636 |
| Telecommunications | , , | , , | 1,062,030 |
| | 130,010,572 | 130,010,572 | 4 000 044 |
| Investment Management | 17,297,082 | 15,427,471 | 1,869,611 |
| Sonae Holding | 980,469 | 865,253 | 115,216 |
| | 817,119,840 | 812,124,872 | 4,994,968 |
| | 233,118,722 | 230,822,879 | 2,295,843 |
| Trade creditors - Invoice Accruals | 1,050,238,562 | | |



As at 31 December 2009 and 2008 this account includes amounts payable to suppliers resulting from Sonae operating activity. The Board of Directors believes that the fair value of their balances doesn't differ significantly from the book value and the effect of updating their amount is not material.

The balances above include approximately 40 million euro for statements confirmed financial institutions by Sonae under contracts of "confirming" being that trade creditor can write off discount of payments in early date.

31 OTHER CREDITORS

As at 31 December 2009 and 2008, Other creditors are as follows:

| | _ | | Payable to | |
|-----------------------|------------------|---------------|----------------|--------------------|
| | 31 December 2009 | up to 90 days | 90 to 180 days | more than 180 days |
| | | | | |
| Fixed asset suppliers | 125,829,938 | 121,718,311 | 1,760,018 | 2,351,609 |
| Other debts | 123,496,868 | 104,312,000 | 5,245,653 | 13,939,215 |
| | 249,326,806 | 226,030,311 | 7,005,671 | 16,290,824 |
| Related undertakings | 5,527,840 | | | |
| | 254,854,646 | | | |
| | | | | |
| | | | | |
| | _ | | Payable to | |
| | 31 December 2008 | up to 90 days | 90 to 180 days | more than 180 days |
| Fixed asset suppliers | 155,062,698 | 139,841,612 | 3,267,122 | 11,953,964 |
| Other debts | 71,581,443 | 41,733,907 | 10,124,094 | 19,723,441 |
| | 226,644,141 | 181,575,519 | 13,391,216 | 31,677,405 |
| Related undertakings | 7,255,731 | | | |
| · · | 233,899,872 | | | |
| | | | | |

The caption Other debts includes:

- 2,862,235 euro (as at 31 December 2008 the value was nil) relating to the amount payable to "Fundação para as Comunicações Móveis", under the programme "Initiatives E" (Note 51);
- 17,236,223 euro (11,135,042 euro as at 31 December 2008) of attributed discounts not yet used related to loyalty card "Cartão Cliente";
- 10,483,469 euro (8,235,402 euro as at 31 December 2008) related to means of payments owned by clients, as vouchers, gift cards and discount tickets;
- 5,973,902 euro (11,050,444 euro as at 31 December 2008) related to payable amounts to Sonae Distribuição Brasil. S.A. buyer as a result of responsibilities assumed with that entity. These amounts were fully provided for (Note 33);

As at 31 December 2009 and 2008, this caption includes payables amounts to other creditors and fixed assets suppliers that do not bear interest. The Board of Directors believes that the fair value of these payables is approximately its book value and the actualization is not material.



32 OTHER CURRENT LIABILITIES

As at 31 December 2009 and 2008, Other current liabilities are made up as follows:

| | 31 December 2009 | 31 December 2008 |
|--------------------------------------|------------------|------------------|
| | | |
| Property investments accruals | 11,315,293 | 17,195,145 |
| Fixed assets accrued costs | 14,472,472 | 52,666,464 |
| Holiday pay and bonuses | 124,087,431 | 116,989,003 |
| Interest payable | 14,528,300 | 39,631,328 |
| Invoices to be issued | 42,253,540 | 52,237,364 |
| Commissions | 6,049,967 | 7,352,747 |
| Marketing expenses | 22,938,341 | 14,265,989 |
| Information society (b) | 55,426,396 | 25,702,090 |
| Other external supplies and services | 49,901,884 | 49,814,557 |
| Accrued income - trade debtors (a) | 31,257,499 | 40,552,618 |
| Accrued income - rents | 4,929,704 | 4,931,720 |
| Others | 33,991,215 | 34,308,028 |
| | 411,152,042 | 455,647,053 |

- (a) Essentially from Telecommunications segment;
- (b) Includes 21,946,029 euro related to amounts to be delivered to "Fundação para as Comunicações Móveis" and 33,480,367 euro related to the current portion of unpaid estimate associated with the commitments made by Sonaecom, under the program "Initiatives E".

33 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 31 December 2009 and 2008 are as follows:

| Caption | Balance as at 31 December 2008 | Increase | Decrease | Changes in consolidation perimeter | Balance as at 31 December 2009 |
|--|-----------------------------------|------------|--------------|------------------------------------|-----------------------------------|
| | | | | | |
| Accumulated impairment losses on investments (Note 14) | 13,157 | 50,871 | - | 3,897 | 67,925 |
| Accumulated impairment losses on other non current assets (Note 15) | 291,571 | 10,542 | (160,125) | - | 141,988 |
| Accumulated impairment losses on trade account receivables (Note 17) | 96,686,475 | 21,135,371 | (30,666,532) | (390,131) | 86,765,183 |
| Accumulated impairment losses on other debtors (Note 18) | 12,896,708 | 5,028,969 | (705,502) | 3,055 | 17,223,230 |
| Accumulated impairment losses on inventories (Note 16) | 29,783,714 | 8,914,226 | (7,185,776) | 132,608 | 31,644,772 |
| Non current provisions | 57,086,975 | 4,137,655 | (10,617,263) | - | 50,607,367 |
| Current provisions | 2,369,154 | 904,272 | (655,675) | - | 2,617,751 |
| | 199,127,754 | 40,181,906 | (49,990,873) | (250,571) | 189,068,216 |



| Caption | Balance as at 31 December 2007 | Increase | Decrease | Changes in consolidation perimeter | Balance as at 31 December 2008 |
|--|-----------------------------------|------------|--------------|--|-----------------------------------|
| | | | | | |
| Accumulated impairment losses on investments (Note 14) | 26,314 | - | - | (13,157) | 13,157 |
| Accumulated impairment losses on other non current assets (Note 15) | 301,571 | - | (10,000) | - | 291,571 |
| Accumulated impairment losses on trade account receivables (Note 17) | 85,985,340 | 23,115,177 | (12,226,277) | (187,765) | 96,686,475 |
| Accumulated impairment losses on other debtors (Note 18) | 9,250,508 | 3,884,296 | (866,539) | 628,443 | 12,896,708 |
| Accumulated impairment losses on inventories (Note 16) | 24,759,431 | 11,512,101 | (7,312,110) | 824,292 | 29,783,714 |
| Non current provisions | 109,305,995 | 5,344,758 | (60,739,295) | 3,175,517 | 57,086,975 |
| Current provisions | 2,551,957 | - | (113,252) | (69,551) | 2,369,154 |
| | 232,181,116 | 43,856,332 | (81,267,473) | 4,357,779 | 199,127,754 |
| | | | | | |

Changes in consolidation perimeter, in provisions and impairment losses, during 2009 and 2008 are as follows:

| | 31 December 2009 | 31 December 2008 |
|--------------------------|------------------|------------------|
| Disposal of companies | (449,355) | (1,047,849) |
| Acquisition of companies | 198,784 | 5,405,628 |
| Others | - | - |
| | (250,571) | 4,357,779 |

As at 31 December 2009 and 2008 increases in Provisions and impairment losses are as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------------|--------------------------|
| Provisions and impairment losses Impairment losses not included in this note | 28,207,470 | 35,512,894 |
| Goodwill (Note 13) | (1,700,762) | (8,142,574) |
| Investment Properties Account receivables, Impairment Losses | 190,412 | (1,820,992) 1,428,904 |
| | | , , |
| Provisions for dismantling telecommunication sites (a) | 1,601,580 | 2,091,500 |
| Provision for inventories impairments | | |
| Recorded in cost of goods sold (Note 16) Others | 8,411,520 3,471,686 | 10,856,498 3,930,102 |
| Others | 40,181,906 | 43,856,332 |
| | | |

As at 31 December 2009 and 2008, the provisions detail is as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Technical provisions on reinsurance | 9,118,524 | 12,008,857 |
| Future liabilities relating to subsidiaries of retail in Brazil sold | 5,447,923 | 6,016,688 |
| Dismantling of telecommunication sites | 22,208,721 | 20,591,640 |
| Judicial claims | 9,133,101 | 17,942,992 |
| Others | 7,316,849 | 2,895,952 |
| | 53,225,118 | 59,456,129 |
| | | |

Amounts included in "Technical provisions on reinsurance" relate to a group captive company that operates in the non-life reinsurance industry. The provision amount can be detailed as follows: 4,318,576 euro (4,799,050 euro as at 31 December 2008) related to provisions for non-acquired insurance premiums and 4,799,948 euro (7,209,807 euro as at 31 December 2008) related to provisions for claims outstanding. The amount to be recovered from the reinsurance companies is recorded in the caption Reinsurer's share of technical provisions (Note 15) Other Debtors (Note 18).

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



34 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2009 and 2008, major Contingent liabilities were guarantees given are as follows:

| | 31 December 2009 | 31 December 2008 |
|---------------------|------------------|------------------|
| Guarantees given: | | |
| on tax claims | 266,974,945 | 129,494,243 |
| on judicial claims | 659,048 | 2,021,086 |
| on municipal claims | 8,998,481 | 23,255,089 |
| others | 42,776,282 | 69,834,195 |

Others include the following guarantees:

- 9,250,883 euro (15,904,712 euro as at 31 December 2008) to guarantee part of the debt of Sonae Sierra affiliates related with the purchase sale and exchange of Land;
- 687,243 euro (10,576,961 euro as at 31 December 2008) related to VAT reimbursement requests.

In 2009, one of the retail subsidiaries Modelo Continente Hipermercados, SA, has granted a guarantee in favor of tax administration associated with a process for VAT amounting to 30,260,721.33 euro, which was presented their impugnation. Additionally, the shareholder of subsidiary referred to above, a guarantee amounting to 46,893,361.33 euro in order to ensure the payment of VAT, debt on who can become chargeable concerning additional tax settlement. Sonae will present the relevant appeal and believes, based on the opinion of their tax advisers, the sentence will be favorable to the company.

During the period ended 31 December 2009, a Retail segment company in Brazil granted a guarantee of approximately 28,971,147 euro (72,755,267 Brazilian real) on a tax claim, which is being judged by tax courts 70,892,539 brazilian real as at 31 December 2008.

As a consequence of the sale of a subsidiary company in Brazil, Sonae guaranteed the buyer all the losses incurred by that company arising on unfavourable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2009, the amount claimed by the Brazilian Tax Authorities concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, amount to near 38 million euro, including processes paid under recovery program Brazilian State taxes ("REFIS") in the amount of 22 million euro (56 million brazilian real).

Furthermore, there are other tax lawsuits totalling 42 million euro for which the Board of Directors, based on the lawyers' assessment, understands will not imply future losses to the old subsidiary.

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

35 OPERATIONAL LEASES

Minimum lease payments (fixed income) arising from operational leases, in which the Group acts as a lessor, recognised as income during the period ended 31 December 2009 and 2008 amounted to 107,125,140 euro and 105,702,189 euro, respectively.



Additionally, as at 31 December 2009 and 2008, Sonae had operational lease contracts, as a lessor, fundamentally in the Shopping Centres segment, whose minimum lease payments (fixed income) had the following payment schedule:

| | 31 December 2009 | 31 December 2008 |
|---------------------------|------------------|------------------|
| Due in: | | |
| N+1 automatically renewal | 2,554,818 | 982,169 |
| N+1 | 109,813,951 | 101,354,687 |
| N+2 | 101,000,486 | 90,091,077 |
| N+3 | 90,399,781 | 79,011,410 |
| N+4 | 77,955,113 | 68,789,212 |
| N+5 | 62,494,863 | 56,516,724 |
| After N+5 | 51,026,559 | 43,177,561 |
| | 495,245,571 | 439,922,840 |

Rents arising from operational leases, in which the Sonae acts as a lessee, during the period ended 31 December 2009 amounted to 108,744,712 euro (104,297,554 euro as at 31 December 2008).

Additionally, as at 31 December 2009 and 2008, Sonae had operational lease contracts, as a lessee, whose minimum lease payments had the following payment schedule:

| | 31 December 2009 | 31 December 2008 |
|---------------------------|------------------|------------------|
| Due in: | | |
| N+1 automatically renewal | 19,658,295 | 19,266,686 |
| N+1 | 97,164,346 | 78,793,722 |
| N+2 | 88,561,911 | 74,801,157 |
| N+3 | 79,544,150 | 67,661,514 |
| N+4 | 70,396,851 | 61,321,705 |
| N+5 | 58,862,001 | 55,431,819 |
| After N+5 | 226,569,544 | 144,126,354 |
| | 640,757,098 | 501,402,957 |

36 TURNOVER

As at 31 December 2009 and 2008, Turnover is made up as follows:

| | 31 December 2009 | 31 December 2008 | |
|-------------------|------------------|------------------|--|
| | | | |
| Sale of goods | 4,532,588,111 | 4,149,749,990 | |
| Sale of products | 17,131,808 | 18,812,342 | |
| | 4,549,719,919 | 4,168,562,332 | |
| Services rendered | 1,115,457,155 | 1,184,541,613 | |
| Turnover | 5,665,177,074 | 5,353,103,945 | |

37 VALUE CREATED ON INVESTMENT PROPERTIES

As at 31 December 2009 and 2008, Value created on investment properties is made up as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| | | |
| Properties previously under development and opened during the period (Note 12) | 6,034,792 | 18,716,720 |
| Changes in fair value of investment properties in operation (Note 12) | 2,448,507 | 7,579,782 |
| Variation in fair value on "fit-out" contracts (Note 12) | (45,689) | (699,811) |
| Variation in fair value in investment properties in operation (Note 12) | | |
| Gains | 20,356,854 | 18,024,012 |
| Losses | (171,478,680) | (159,426,178) |
| | | |
| | (142,684,216) | (115,805,475) |

38 GAINS OR LOSSES ON INVESTMENTS

As at 31 December 2009 and 2008, Investment income is as follows:

| | 31 December 2009 | 31 December 2008 |
|---|------------------|------------------|
| Dividends | 378,624 | 375,121 |
| Sale of 49,9 % of insurance business | 29,580,737 | - |
| Partial sale or participating units on FII Shopping Parque D. Pedro and FII Parque D. Pedro Shopping Center | 3,628,091 | - |
| Exclusion by insolvency of the Avenue M40 | 7,933,221 | |
| Partial sale or participating units on Sierra PTF | - | 10,708,784 |
| Sale of 50 % of travel business | - | 4,674,685 |
| Sale of shares in Sonaecom | 1,045,260 | 651,721 |
| Others | 4,111,161 | 765,455 |
| Gains / (losses) on the sale of investments in subsidiaries | 46,298,470 | 16,800,645 |
| Gains / (losses) on the sale of investments on available for sale | - | 810,746 |
| Others | (42,722) | |
| Impairment losses on investments at subsidiaries | (66,156) | 4,809 |
| Impairment losses on investments at associated companies | - | (168,689) |
| Impairment losses on investments available for sale | - | (1,765,850) |
| Impairment reversal/(losses) on investments | (66,156) | (1,929,730) |
| | 46,568,216 | 16,056,782 |



39 NET FINANCIAL EXPENSES

As at 31 December 2009 and 2008, Net financial expenses are as follows:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Expenses | | |
| Interest payable | | |
| related with bank loans and overdrafts | (41,118,822) | (75,234,793) |
| related with non convertible bonds | (53,964,652) | (97,512,565) |
| related with financial leases | (1,339,276) | (1,566,000) |
| related with hedge derivatives | (14,961,206) | (93,535) |
| others | (9,109,042) | (11,699,999) |
| | (120,492,998) | (186,106,892) |
| Exchange losses | (4,831,565) | (9,031,784) |
| Fair value adjustment of investments | - | (8,341,676) |
| Losses on fair value of hedge derivatives | - | (814,941) |
| Up front fees and commissions related to loans | (6,102,664) | (4,595,046) |
| Others | (8,050,677) | (7,921,576) |
| | (139,477,904) | (216,811,915) |
| Income | | |
| Interest receivable | | |
| related with bank deposits | 766,712 | 3,388,712 |
| others | 8,938,720 | 24,423,197 |
| | 9,705,432 | 27,811,909 |
| Exchange gains | 6,450,081 | 11,034,644 |
| Payments discounts received | 3,994 | 161,171 |
| Fair value adjustment of investments | - | 1,428,137 |
| Hedge inefficiency | - | 814,941 |
| Other financial income | 531,682 | 1,850,421 |
| | 16,691,189 | 43,101,223 |
| | | - |
| Net financial expenses | (122,786,715) | (173,710,692) |
| | | |

40 OTHER INCOME

As at 31 December 2009 and 2008, Other income are as follows:

| | 31 December 2009 | 31 December 2008 |
|-----------------------------|------------------|------------------|
| | | |
| Supplementary income | 359,050,431 | 373,451,675 |
| Own work capitalised | 19,558,948 | 25,652,913 |
| Gains on sales of assets | 3,052,427 | 19,162,839 |
| Negative Goodwill (Note 8) | 343,359 | 9,864,000 |
| Impairment losses reversals | 1,971,057 | 3,605,668 |
| Key money | 2,281,478 | 2,498,222 |
| Subsidies | 799,536 | 398,525 |
| Taxes refunded | 2,843,707 | 123,500 |
| Others | 24,601,486 | 21,031,828 |
| | 414,502,429 | 455,789,170 |

 $Supplementary\ income\ includes\ mainly\ income\ related\ with\ the\ share\ of\ suppliers\ in\ promotional\ campaigns\ in\ the\ retail\ business.$

41 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2009 and 2008, External supplies and services are as follows:

| 31 December 2009 | 31 December 2008 |
|------------------|--|
| | |
| 362,355,999 | 447,159,905 |
| 114,139,805 | 119,553,347 |
| 155,599,490 | 153,166,000 |
| 119,983,029 | 105,143,717 |
| 51,398,768 | 45,847,951 |
| 51,671,907 | 46,097,161 |
| 57,641,232 | 57,486,013 |
| 33,520,579 | 35,899,576 |
| 27,661,211 | 27,373,830 |
| 26,228,269 | 24,698,728 |
| 8,733,495 | 10,109,386 |
| 12,699,322 | 11,100,082 |
| 11,637,617 | 8,978,656 |
| 79,480,696 | 84,627,186 |
| 1,112,751,419 | 1,177,241,538 |
| | 362,355,999 114,139,805 155,599,490 119,983,029 51,398,768 51,671,907 57,641,232 33,520,579 27,661,211 26,228,269 8,733,495 12,699,322 11,637,617 79,480,696 |

42 STAFF COSTS

As at 31 December 2009 and 2008, Staff costs are as follows:

| | 31 December 2009 | 31 December 2008 |
|-------------------------------|------------------|------------------|
| | | |
| Salaries | 521,453,218 | 486,458,558 |
| Social security contributions | 102,583,717 | 97,417,066 |
| Insurance | 10,346,021 | 10,173,927 |
| Welfare | 2,405,492 | 2,404,497 |
| Other staff costs | 17,909,740 | 15,950,343 |
| | 654,698,188 | 612,404,391 |



43 OTHER EXPENSES

As at 31 December 2009 and 2008, Other expenses are as follows:

| | 31 December 2009 | 31 December 2008 |
|------------------------------------|------------------|------------------|
| | | |
| ATM expenses | 26,143,352 | 23,842,612 |
| Other taxes | 18,577,015 | 19,501,934 |
| Write-off of investment properties | 3,430,178 | 26,518,956 |
| Exchange differences | 11,786,731 | 13,428,818 |
| Losses on the sale of assets | 6,556,875 | 6,375,143 |
| Municipal Property tax | 5,800,622 | 6,285,854 |
| Donations | 7,223,812 | 6,473,836 |
| Doubtful debts written-off | 1,439,490 | 1,587,256 |
| Others | 18,331,638 | 10,975,619 |
| | 99,289,713 | 114,990,028 |

44 TAXATION

As at 31 December 2009 and 2008, Taxation is as follows:

| | 31 December 2009 | 31 December 2008 |
|------------------------|------------------|------------------|
| | | - |
| Current tax | 46,756,360 | 24,656,511 |
| Deferred tax (Note 21) | (34,919,498) | (37,302,951) |
| | 11,836,862 | (12,646,440) |

At December 2008 deferred taxation includes 8,830,512 euro, relating to a withholding tax credit on income received from participation units in the Real Estate Investment Trusts.

The reconciliation between the profit before taxation and the tax charge for the periods ended 31 December 2009 and 2008 is summarised as follows:



| | 31 December 2009 | 31 December 2008 |
|---|------------------|------------------|
| Profit before income tax | 85,457,092 | 26,431,832 |
| Difference between capital (losses)/gains for accounting and tax purposes | (48,297,272) | (19,444,825) |
| Results of associated undertakings | 5,365,400 | (9,419,371) |
| Impairment of goodwill | 1,700,762 | 7,806,839 |
| Provisions and impairment losses not accepted for tax purposes | 9,148,321 | (2,084,940) |
| Permanent differences | 42,857,447 | (16,773,306) |
| Taxable Profit | 96,231,750 | (13,483,771) |
| Use of tax losses that have not originated deferred tax assets | (76,233,489) | (168,348,265) |
| Recognition of tax losses that have not originated deferred tax assets | 59,685,719 | 308,106,748 |
| | 79,683,980 | 126,274,712 |
| Income tax rate in Portugal | 25.00% | 25.00% |
| | 19,920,995 | 31,568,678 |
| Effect of different income tax rates in other countries | (6,256,553) | (1,022,148) |
| Effect of change in tax income rate in the calculation of deferred taxes | 5,524,359 | (1,923,964) |
| Effect of increases or decreases in deferred taxes | (7,743,313) | (39,403,313) |
| Under/(over) taxation estimates | (2,967,003) | (3,306,940) |
| Autonomous taxes and tax benefits | 775,391 | (2,647,246) |
| Municipality surcharge | 2,582,986 | 4,088,493 |
| Income tax | 11,836,862 | (12,646,440) |

45 RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 31 December 2009 and 2008, the reconciliation of consolidated net profit is as follows:

| | 31 December 2009 | 31 December 2008 |
|---|------------------|------------------|
| | | |
| Aggregate net profit | 37,309,705 | 326,656,822 |
| Use of the proportionate method | 14,460,158 | 3,781,170 |
| Harmonisation adjustments | (107,747,143) | 156,359,114 |
| Elimination of intragroup dividends | (201,784,010) | (478,520,374) |
| Elimination of intragroup capital gains and losses | (28,918,557) | (116,562,876) |
| Elimination of intragroup provisions | 292,051,001 | 120,638,760 |
| Equity method | (6,616,324) | 9,600,021 |
| Consolidation adjustments to gains/(losses) on sales of investments | 62,112,918 | 16,502,915 |
| Others | 12,752,482 | 622,720 |
| Consolidated net profit for the period | 73,620,230 | 39,078,272 |



46 RELATED PARTIES

Balances and transactions with related parties during the periods ended 31 December 2009 and 2008 are as follows:

| | Sales and serv | ices rendered | Purchases and se | ervices obtained |
|--|---|--|---|---|
| <u>Transactions</u> | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 |
| | | | | |
| Parent Company | 140,796 | 101,014 | - | - |
| Jointly controlled companies | 11,214,048 | 12,514,431 | 18,621,099 | 16,724,063 |
| Associated companies | 34,392,308 | 19,975,645 | 2,172,809 | 12,746,169 |
| Other partners in Group companies | 67,506,776 | 64,248,351 | 39,815,041 | 47,403,811 |
| | 113,253,928 | 96,839,441 | 60,608,949 | 76,874,043 |
| | Interest | income | Interest ex | xnenses |
| Transactions | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 |
| | | | | |
| Parent Company | - | - | - | - |
| Jointly controlled companies | 137,303 | 268,731 | 9,127 | 3,215 |
| Associated companies | - | - | - | 138,531 |
| Other partners in Group companies | 77,771 | 78,816 | 1,296,894 | 1,794,312 |
| | 215,074 | 347,547 | 1,306,021 | 1,936,058 |
| | | | | |
| | | | A · · · - 4 | |
| | Accounts | receivable | Account | s payable |
| <u>Balances</u> | Accounts 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 |
| | 31 December 2009 | 31 December 2008 | | 31 December 2008 |
| Parent Company | 31 December 2009 42,212 | 31 December 2008 97,899 | 31 December 2009 | 31 December 2008 85,057 |
| | 31 December 2009 | 31 December 2008 | | 31 December 2008 |
| Parent Company Jointly controlled companies | 31 December 2009 42,212 2,633,332 | 31 December 2008 97,899 2,287,227 | 31 December 2009 - 5,803,997 | 31 December 2008 85,057 15,458,421 |
| Parent Company Jointly controlled companies Associated companies | 31 December 2009 42,212 2,633,332 2,044,450 | 31 December 2008 97,899 2,287,227 7,105,542 | 31 December 2009 - 5,803,997 1,655,097 | 31 December 2008 85,057 15,458,421 2,459,698 |
| Parent Company Jointly controlled companies Associated companies | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 | 31 December 2009 - 5,803,997 1,655,097 14,523,536 | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 |
| Parent Company Jointly controlled companies Associated companies | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 24,744,092 | 31 December 2009 - 5,803,997 1,655,097 14,523,536 | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 |
| Parent Company Jointly controlled companies Associated companies | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 23,073,785 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 24,744,092 | 31 December 2009 5,803,997 1,655,097 14,523,536 21,982,630 ans | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 |
| Parent Company Jointly controlled companies Associated companies | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 23,073,785 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 24,744,092 | 31 December 2009 5,803,997 1,655,097 14,523,536 21,982,630 ans | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 37,888,114 |
| Parent Company Jointly controlled companies Associated companies Other partners in Group companies Balances | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 23,073,785 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 24,744,092 Loained | 31 December 2009 5,803,997 1,655,097 14,523,536 21,982,630 ans | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 37,888,114 |
| Parent Company Jointly controlled companies Associated companies Other partners in Group companies Balances Parent Company | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 23,073,785 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 24,744,092 Loained 31 December 2008 | 31 December 2009 5,803,997 1,655,097 14,523,536 21,982,630 ans Gra 31 December 2009 | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 37,888,114 anted 31 December 2008 |
| Parent Company Jointly controlled companies Associated companies Other partners in Group companies Balances Parent Company Jointly controlled companies | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 23,073,785 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 24,744,092 Loained | 31 December 2009 5,803,997 1,655,097 14,523,536 21,982,630 ans | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 37,888,114 |
| Parent Company Jointly controlled companies Associated companies Other partners in Group companies Balances Parent Company Jointly controlled companies Associated companies | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 23,073,785 Obta 31 December 2009 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 24,744,092 Loained 31 December 2008 | 31 December 2009 5,803,997 1,655,097 14,523,536 21,982,630 ans Gra 31 December 2009 | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 37,888,114 anted 31 December 2008 |
| Parent Company Jointly controlled companies Associated companies Other partners in Group companies Balances Parent Company Jointly controlled companies | 31 December 2009 42,212 2,633,332 2,044,450 18,353,791 23,073,785 | 31 December 2008 97,899 2,287,227 7,105,542 15,253,424 24,744,092 Loained 31 December 2008 | 31 December 2009 5,803,997 1,655,097 14,523,536 21,982,630 ans Gra 31 December 2009 | 31 December 2008 85,057 15,458,421 2,459,698 19,884,938 37,888,114 anted 31 December 2008 |

The caption other partners in Group companies include Sonae Indústria, SGPS, SA and Sonae Capital, SGPS, SA affiliated, associated and jointly controlled companies, and also other shareholders of affiliated companies or jointly controlled companies of Sonae, as well as other affiliated companies of the parent company Efanor Investimentos, SGPS, SA.

In 2009 were disposed to administrators of Sonae or entities/persons related 51 Notes Magma N.º 1 Securitization Notes held by Sonae Holding by the value of 2,245,000 euro.



Members of the Board of Directors and strategic direction were attributed the following remuneration in 2009 and 2008:

| | 31 Decer | 31 December 2009 | | 31 December 2008 | | |
|-----------------------------------|--------------------|-------------------------|--------------------|-------------------------|--|--|
| | Board of Directors | Strategic direction (a) | Board of Directors | Strategic direction (a) | | |
| Fixed remuneration | 2,288,363 | 5,759,789 | 2,272,750 | 5,463,640 | | |
| Variable remuneration Short Term | 1,119,300 | 2,560,400 | 1,011,500 | 2,502,329 | | |
| Variable remuneration Middel Term | 1,066,500 | 2,083,400 | 980,900 | 2,060,342 | | |
| | 4,474,163 | 10,403,589 | 4,265,150 | 10,026,311 | | |

a) Include contributors with responsibility for the strategic management of the main companies of Sonae (excluding members of the Board of Directors of Sonae Holding).

47 EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2009 and 2008, were calculated taking into consideration the following amounts:

| | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Net profit | | |
| Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period) | 93,760,817 | 80,035,669 |
| Effect of dilutive potential shares Interest related to convertible bonds (net of tax) | - | - |
| Net profit taken into consideration to calculate diluted earnings per share | 93,760,817 | 80,035,669 |
| Number of shares | | |
| Weighted average number of shares used to calculated basic earnings per share | 1,868,037,206 | 1,867,200,000 |
| Effect of dilutive potential ordinary shares from convertible bonds | - | - |
| Outstanding shares related with share based payments | 9,166,614 | - |
| Shares related to performance bonus that can be bought at market price | (5,232,866) | - |
| Weighted average number of shares used to calculated diluted earnings per share | 1,871,970,954 | 1,867,200,000 |
| Earnings per share | | |
| Basic | 0.050192 | 0.042864 |
| Diluted | 0.050087 | 0.042864 |

The calculation of 2009 average number of shares considered the effect of 131,962,794 Sonae Holding shares underlying the derivative in Note 23 as own shares.



48 CASH RECEIPTS-PAYMENTS RELATED TO INVESTMENTS

As at 31 December 2009 and 2008, cash receipts and cash payments related to investments are as follows:

| 31 December 2009 | 31 December 2008 |
|------------------|--|
| | |
| 4,033,290 | - |
| 6,092,025 | - |
| 9,290,495 | - |
| 26,510,469 | - |
| - | 67,140,700 |
| - | 30,113,103 |
| - | 15,700,000 |
| 13,248,654 | 10,136,834 |
| 59,174,933 | 123,090,637 |
| | |
| 31 December 2009 | 31 December 2008 |
| | |
| 29,268,014 | - |
| 380,878 | 28,731,527 |
| 15,000,063 | 14,878,381 |
| - | 12,028,500 |
| 6,801,966 | 21,347,999 |
| 51,450,921 | 76,986,407 |
| | 4,033,290 6,092,025 9,290,495 26,510,469 - - 13,248,654 59,174,933 31 December 2009 29,268,014 380,878 15,000,063 - 6,801,966 |

49 DIVIDENDS

In the Shareholders Annual General Meeting held on 20 April 2009, the payment of a gross dividend of 0.03 euro per share (0.03 euro per share in 2008) corresponding to a total of 60,000,000.00 euro (60,000,000.00 euro at 2008) was approved. On the 20 April 2009 the value of the dividends of the derivatives underlying shares mentioned in Note 23, amounted 3,949,951 euro (3,984,000 euro in 2008) and were credited in the caption equity.

For 2009, the Board of Directors will propose a gross dividend of 0.0315 euro per share corresponding to a total of 63,000,000 euro. This dividend is subject to approval by shareholders in the Shareholders Annual Meeting.

50 SEGMENT INFORMATION

Sonae adopted this period for the first time IFRS 8 - Operating Segments, which requires segment information to be disclosed based on internally information used by all Sonae Group management.

As described with more detail in the Management Report the operating segments used by the Group management are as follows:

Food based retail

Specialised retail



Retail real estate

Shopping Centres

Telecommunications

Investment Management

The amounts reported below, are calculated, when applicable, excluding contributions to indirect income as explained in Note 53.

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

| | 31 December 2009 | Inter-segment | 31 December 2008 | Inter-segment |
|------------------------------|------------------|---------------|------------------|---------------|
| Turnover | | | | |
| Food based retail | 3,239,177,441 | (5,038,602) | 3,081,018,275 | (7,199,133) |
| Ex-Fuel | 3,106,023,672 | (5,038,602) | 2,929,735,617 | (7,199,133) |
| Fuel | 133,153,769 | - | 151,282,658 | - |
| Specialised retail | 1,132,040,059 | - | 928,294,963 | - |
| Retail real estate | 123,117,232 | (116,137,275) | 109,440,712 | (102,048,623) |
| Shopping centres | 155,595,000 | (13,066,383) | 157,580,005 | (13,554,252) |
| Telecommunications | 949,400,327 | (23,347,848) | 976,219,970 | (22,429,292) |
| Investment management | 192,362,423 | (339,393) | 221,272,968 | (297,006) |
| Eliminations and adjustments | (126,515,408) | (4,453,919) | (120,722,948) | (2,189,491) |
| Total direct consolidated | 5,665,177,074 | (162,383,420) | 5,353,103,945 | (147,717,797) |
| EBITDA | | | | |
| Food based retail | 198,707,702 | | 186,803,377 | |
| Specialised retail | 48,104,311 | | 52,015,207 | |
| Retail real estate | 110,938,755 | | 110,095,656 | |
| Shopping centres | 90,127,000 | | 89,930,602 | |
| Telecommunications | 175,668,783 | | 160,385,470 | |
| Investment management | 30,250,744 | | 6,757,748 | |
| Eliminations and adjustments | 13,373,301 | | 14,274,099 | |
| Total direct consolidated | 667,170,596 | | 620,262,159 | |
| EBIT | | | | |
| Food based retail | 124,026,421 | | 123,512,742 | |
| Specialised retail | 9,873,941 | | 27,503,824 | |
| Retail real estate | 83,071,313 | | 87,654,242 | |
| Shopping centres | 89,017,500 | | 88,558,059 | |
| Telecommunications | 23,894,513 | | 2,809,803 | |
| Investment management | 24,511,198 | | 1,424,127 | |
| Eliminations and adjustments | (5,111,939) | | 155,459 | |
| Total direct consolidated | 349,282,947 | | 331,618,256 | |



| | 31 December 2009 | 31 December 2008 |
|----------------------------------|------------------|------------------|
| Investment (CAPEX) | | |
| Food based retail | 137,222,765 | 132,830,028 |
| Specialised retail | 97,443,316 | 88,200,326 |
| Retail real estate | 90,470,545 | 130,876,346 |
| Shopping centres | 97,993,884 | 184,789,552 |
| Telecommunications | 153,122,327 | 299,042,265 |
| Investment management | 33,848,094 | 11,106,496 |
| Eliminations and adjustments (1) | 4,342,523 | 39,323,808 |
| Total direct consolidated | 614,443,454 | 886,168,821 |
| | 31 December 2009 | 31 December 2008 |
| Invested capital | | |
| Food based retail | 483,969,819 | 546,161,687 |
| Specialised retail | 249,684,220 | 175,597,561 |
| Retail real estate | 1,523,249,390 | 1,411,291,922 |
| Shopping centres | 1,660,873,322 | 1,684,193,742 |
| Telecommunications | 751,867,339 | 746,745,744 |
| Investment management | 150,752,432 | 138,574,040 |
| Eliminations and adjustments (1) | (38,989,061) | 18,847,399 |
| Total direct consolidated | 4,781,407,461 | 4,721,412,093 |
| Total net debt ⁽²⁾ | | |
| Retail businesses | 1,188,231,638 | 1,186,354,238 |
| Shopping centres | 926,594,447 | 888,885,820 |
| Telecommunications | 375,961,568 | 399,731,657 |
| Investment management | 93,490,195 | 103,563,977 |
| Holding (1) | 495,839,008 | 580,332,523 |
| Total consolidated | 3,080,116,856 | 3,158,868,215 |

- Includes Sonae Individual accounts;
- 2. Includes shareholders loans.

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

| | Turnover | | EBITDA | | EE | BIT |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 |
| Inter-segment income | (162,383,420) | (147,717,797) | 5,875,726 | 2,678,944 | (862,529) | (3,562,627) |
| Adjustment on telecommunications provisions (1) | - | - | 16,417,432 | 19,266,114 | - | - |
| Entrance fees (key money) (2) | 679,718 | 1,950,497 | - | - | - | - |
| Recovery of entrance fees | - | - | (1,317,802) | 940,658 | (1,317,802) | 940,658 |
| Offset of the recovery of common expenses (2) | 43,580,189 | 37,417,230 | - | - | - | - |
| Turnover of participated companies considered for management purposes by different consolidation | (8,362,156) | (5,271,985) | (5,594,585) | (3,140,779) | (5,589,863) | (3,136,693) |
| Tax related to interest and dividends | - | - | (931,305) | (990,769) | (931,305) | (990,769) |
| Others | (29,739) | (7,100,893) | (1,076,165) | (4,480,069) | 3,589,560 | 6,904,890 |
| Eliminations and adjustments | (126,515,408) | (120,722,948) | 13,373,301 | 14,274,099 | (5,111,939) | 155,459 |

- 1. The sub holding considers provisions as EBITDA.
- 2. The amounts are presented at net value.



| Investment | | Invested capital | |
|------------------|---|---|--|
| 31 December 2009 | 31 December 2008 | 31 December 2009 | 31 December 2008 |
| 3,835,095 | 8,872,351 | 93,147,018 | 83,165,082 |
| - | 28,770,251 | - | - |
| - | - | (132,711,536) | (63,876,800) |
| 507,428 | 1,681,206 | 575,457 | (440,883) |
| 4,342,523 | 39,323,808 | (38,989,061) | 18,847,399 |
| | 31 December 2009 3,835,095 - 507,428 | 31 December 2009 31 December 2008 3,835,095 8,872,351 - 28,770,251 - 507,428 1,681,206 | 31 December 2009 31 December 2008 31 December 2009 3,835,095 8,872,351 93,147,018 - 28,770,251 - - (132,711,536) 507,428 1,681,206 575,457 |

3. Financial Instrument reported in Note 18.

Glossary:

Invested capital = Gross real estate assets + other fixed assets (including Goodwill) - amortizations and impairment losses + financial investments + working capital (includes non-current assets and non-current liabilities excluding total net debt); all figures at book value with the exception of Shopping Centres building block;

Total Net debt = Bonds + bank loans + other loans + shareholders loans + finance leases - cash, bank deposits and current investments;

EBITDA = Turnover + other revenues -impairment reversion – badwill - operating costs + profit/losses on disposals of subsidiaries (excluding indirect income contributions);

Eliminations and adjustments = Includes the Holding company figures and consolidation adjustments;

CAPEX = Investments in tangible and intangible assets, investment properties and acquisitions of subsidiaries;

Direct income excludes contributions to indirect income;

Indirect Income includes the Shopping Centre segment contributions net of taxes to consolidated income statement, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and; provision for Development Funds at Risk.

Turnover and profit/(loss) before taxation by geographic segment are as follows:

| | 31 December 2009 | | 31 December 2008 | |
|--------------------------|--------------------------------|---|--------------------------------|---|
| | Turnover by destination market | Operational profit/(loss) before taxation | Turnover by destination market | Operational profit/(loss) before taxation |
| Portugal | 5,321,723,218 | 186,052,031 | 5,136,445,409 | 172,663,122 |
| Spain | 196,818,358 | (76,507,134) | 82,349,160 | (80,498,458) |
| France | 13,403,031 | - | 14,827,603 | - |
| United Kingdom | 12,260,683 | (1,635,266) | 13,729,924 | (3,867,699) |
| Germany | 17,205,966 | (643,874) | 16,092,023 | (11,978,200) |
| Brazil | 34,949,665 | 25,259,270 | 19,786,228 | 45,890,675 |
| Italy | 16,561,445 | (34,379,889) | 12,105,508 | (5,465,135) |
| Other European countries | 35,669,548 | (12,474,260) | 35,397,009 | (90,559,413) |
| Rest of the world | 16,585,160 | (213,786) | 22,371,081 | 246,940 |
| | 5,665,177,074 | 85,457,092 | 5,353,103,945 | 26,431,832 |



Headcount are as follows:

| | 31 December 2009 | 31 December 2008 | |
|-----------------------|------------------|------------------|--|
| | | | |
| Retail | 29,221 | 27,677 | |
| Shopping Centres | 908 | 856 | |
| Telecommunications | 2,081 | 1,983 | |
| Investment management | 1,799 | 1,323 | |
| Sonae Holding | 52 | 61 | |
| | 34,061 | 31,900 | |

51 COMMITMENTS ASSOCIATED TO "INFORMATION SOCIETY"

Under the agreed terms resulting from the grant of the UMTS License, Optimus (now Sonaecom – Serviços de Comunicações) assumed commitments in the area of promotion of the Information Society, totalling 274 million euro, to be complied with up to the end of the licence period (2015).

In accordance with the Agreement established on 5 June 2007 with the Ministry of Public Works, Transport and Communications ("MOPTC"), part of these commitments, up to 159 million euro will be realised through own projects which qualify as contributions to the Information Society and incurred under the normal activities of Sonaecom – Serviços de Comunicações, S.A. (investment in the network and technology not resulting from the need to comply with the obligations assumed when the UMTS Licence was granted, and activities relating to research, development and promotion of services, contents and applications) which must be recognised by the MOPTC and by entities created especially for that purpose. As at 31 December 2009 the total amount was already incurred and validated by the above referred entities, so at this date there are no additional responsibilities related to these commitments. These charges were recorded in the financial statements at the moment the projects were carried out and the estimated costs became known.

The remaining commitments, up to the amount of around 116 million euro, will be realised as agreed between Sonaecom-Serviços de Comunicações and MOPTC, through contributions to the "Initiatives E" project (offer of modems, discounts on tariffs, cash contributions, among others, relating to the widespread use of broadband internet by students and teachers), the contributions being made through an Open fund called Information Society Fund (Fundo para a Sociedade de Informação) now known as the "Fundação para as Comunicações Móveis" (Foundation for Mobile Communications), to be created by the three mobile operators operating in Portugal. The success of this project, initiated in the end of 2007, depended on the beneficiaries' participation to the various initiatives (e-opportunities, e-school and e-teacher) and could have been subject to revision during the a period of 12 months, i.e., until June 2008. Due to these facts, it was not possible, at 31 December 2007, to estimate in a reliable way the success of this project, and therefore, at that date it was not possible to produce a secure and reliable estimate of the responsibilities to be recognised.

Taking into consideration the success of the project during 2008, Sonaecom considered that conditions to produce a reliable estimate of the total responsibilities associated with "Initiatives E" project were in place. Therefore, such responsibilities were recorded, at 31 December 2009, as an added cost of the UMTS license, against an entry in the captions 'Other non-current liabilities' (Note 28) and 'Other current liabilities' (Note 32). At the end of 2009 this responsabilities were all recorded in the financial statements.

During the third quarter of 2008, taking into account important facts occurred in recent months, namely that: incumbent operators weren't allowed to take part in the 4th license tendering process; and current national and international practice of extension, without costs, of GSM licenses and the renewal of UMTS licenses; Sonae Board of Directors decided to revise the useful life of the UMTS license, extending the amortisation period of 2015 until 2030 of UMTS, given the high probability of its renewal and the high probability of such renewal being granted without significant costs. Therefore, in accordance with IAS 8, the impacts of the estimated useful life revision were recorded prospectively.



On 31 December 2009 net exposure of Sonae with the "Foundation for mobile communications" under the program "Initiatives E" corresponded to an amount receivable 20,337,515 euro (23,717,066 euro on 31 December 2008) which can be detailed as follows:

| | 31.December.2009 | 31.December.2008 |
|-------------------------------------|------------------|------------------|
| Other current assets (Note 20) | 75,145,779 | 39,317,818 |
| Other creditors (Note 31) | (32,862,235) | - |
| Other current liabilities (Note 32) | (21,946,029) | (15,600,815) |
| | 20,337,515 | 23,717,003 |

Additionally, in 2010, and until the date of approval of the financial statements have been received from "Fundação para as Comunicações Móveis" (Foundation for Mobile Communications) the amount of approximately 13.3 million euro.

52 COMMITMENTS ARISING ON THE SALE OF ASSETS REGARDING CONTINGENT SALE PRICES ADJUSTMENTS

Following the sale of 49,9% of the share capital of Sierra Holdings BV to a group of Investors, Sonae Sierra has agreed to revise the sale price of such shares if certain of the shopping malls are sold by any of the participating companies of Sierra Holdings BV. The price revision can occur whether with a sale of the asset (investment property in the case) or with a sale of the shares of the company that is directly or indirectly the owner of such asset. The price revision shall occur if either the sale is made for a lower price than the Market Value or Net Asset Value of the shares of the company that owns the asset ("price difference").

In that case, the price revision will correspond to the maximum potential income tax on the profit that would arise if, instead of the contribution or sale of the shares of the company that owns the asset of Sierra Holdings BV, the contribution or sale of the asset had occurred.

The price revision shall be computed considering the Investors' ownership percentage of the asset and is limited to:

- (i) in the case of the asset sale, to a maximum amount of 119,341,000 euro (59,670,500 euro attributable to Sonae Holding);
- (ii) in the case of a sale of shares of the company that directly or indirectly owns the asset, to a maximum amount of 59,670,000 euro (29,835,000 euro attributable to Sonae Holding); the price revision will only take place if the price difference will cannot be attributed to other reason than deferred income taxes;
- (iii) in either case, the price revision cannot result in a new price that is greater than the Market Value or the Net Asset Value, as applicable, of the transfer of the asset or of the shares respectively.

These guarantees are valid while the current agreements with the other shareholders of Sierra BV maintained.

Furthermore, Sonae Sierra has the right to make a proposal for the acquisition of the asset or the shares in stake before the same are offered for purchase to a third party.

Sonae believes that the direct sale of the asset is not an attractive solution for this kind of operations as it is subject to certain encumbrances which do not exist in the sale of the shares of the asset's owner.



53 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

In the Management Report, and for the purposes of calculating financial indicators as EBITDA, EBIT and as well for operating segments income presentation purposes, the income statement is divided between Direct Income and Indirect Income, according to common practice in the Shopping Centre operating segment.

The Indirect Income includes the contribution of the Shopping Centre operating segment to the consolidated income statement, net of taxes, that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and provisions for "Development Funds at Risk".

The value of EBITDA and Recurrent EBITDA is only calculated in the direct income, excluding the indirect contributions.

The reconciliation between consolidated income and direct-indirect income for the periods ended 31 December 2009 and 2008 can be summarised as follows:

| _ | 31 December 2009 | | | 31 December 2008 | | |
|--|------------------|-----------------|---------------|------------------|-----------------|---------------|
| | Consolidated | Indirect income | Direct income | Consolidated | Indirect income | Direct income |
| Operational income | | | | | | |
| Sales | 4,549,719,919 | - | 4,549,719,919 | 4,168,562,332 | - | 4,168,562,332 |
| Services rendered | 1,115,457,155 | - | 1,115,457,155 | 1,184,541,613 | - | 1,184,541,613 |
| Value created on investment properties | (142,684,216) | (142,684,216) | - | (115,805,475) | (115,805,475) | - |
| Investment income | - | - | - | - | - | - |
| Dividends | 378,624 | - | 378,624 | 375,121 | - | 375,121 |
| Other (Note 38) | 46,189,592 | 12,493,557 | 33,696,035 | 15,681,661 | 12,180,521 | 3,501,140 |
| Other income | | | | | | |
| Badwill | 343,359 | - | 343,359 | 9,864,000 | - | 9,864,000 |
| Reversion of impairment losses | 2,599,594 | - | 2,599,594 | 3,605,668 | - | 3,605,668 |
| Other | 411,559,476 | <u>-</u> | 411,559,476 | 442,319,502 | | 442,319,502 |
| Total income | 5,983,563,503 | (130, 190, 659) | 6,113,754,162 | 5,709,144,422 | (103,624,954) | 5,812,769,376 |
| Total cost (a) | 5,769,954,297 | 5,861,706 | 5,764,092,591 | 5,517,954,745 | 37,178,747 | 5,480,775,998 |
| Depreciation and amortisation | 294,133,483 | - | 294,133,483 | 273,819,162 | - | 273,819,162 |
| Provisions and impairment losses | 28,207,470 | 1,510,350 | 26,697,120 | 35,512,894 | 7,218,486 | 28,294,408 |
| Profit before financial results and share of results of associated | 213,609,206 | (136,052,365) | 349,661,571 | 191,189,677 | (140,803,701) | 331,993,378 |
| Financial profit/(loss) | (122,786,715) | - | (122,786,715) | (173,710,692) | - | (173,710,692) |
| Share of results of associated undertakings | (5,365,399) | (6,983,718) | 1,618,319 | 8,952,847 | (5,588,408) | 14,541,255 |
| Profit before income tax | 85,457,092 | (143,036,083) | 228,493,175 | 26,431,832 | (146,392,109) | 172,823,941 |
| Income tax | (11,836,862) | 26,539,044 | (38,375,906) | 12,646,440 | 14,530,359 | (1,883,919) |
| Net profit for the period | 73,620,230 | (116,497,038) | 190,117,269 | 39,078,272 | (131,861,750) | 170,940,022 |
| - attributable to equity holders of Sonae | 93,760,817 | (76,988,786) | 170,749,603 | 80,035,669 | (79,067,142) | 159,102,811 |
| - attributable to minority interests | (20,140,587) | (39,508,253) | 19,367,666 | (40,957,397) | (52,794,608) | 11,837,211 |
| EBITDA (b) | | | 667,170,596 | | | 620,262,159 |

- (a) The amount recorded in Direct income relates mainly to the reduction of investment properties value, accruals for "Development Funds at Risk" and recognized impairment losses;
- (b) EBITDA is computed as Turnover + Other Income Badwill Impairment losses reversal Operational expenses + Gains/(losses) in disposals.



54 SUBSEQUENT EVENTS

On 16 February 2010 Union Investment concluded the agreement with Sonae Sierra and Foncière Euris-Rally to become the new majority holder of Alexa in Berlin city centre. Each investor had a 50% interest in property, and the property investment fund managing company located in Hamburg purchased 91% of the minority participation in Shopping Center Alexa. The price of the transaction has been fixed on the basis of asset valuation in 316 million euro approximately. The Sonae Sierra that will remain responsible for the management of the Shopping Center, intends to hold exclusively the remaining 9% ownership of Alexa in the future.

The Sonae Sierra Brasil SA, the jointly controlled entity by Sonae Sierra, presented on 2 of March of 2010, to the Brazilian Securities Commission (CVM), a preliminary prospectus for a public offer of shares, under conditions to be defined together with the banks coordinators – Credit Suisse and Itaú-BBA.

In February 2010 Sonaecom issued a new bond loan amounting to 30 million euro with a maturity of 3 years.

55 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 16 March 2010, nevertheless they are still subject to approval at the Shareholders Annual General Meeting.

| The Board of Directors |
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| |
| Belmiro de Azevedo, Chairman of the Board of Directors |
| |
| |
| Álvaro Cuervo Garcia, member of the Board of Directors |
| |
| |
| Bernd Bothe, member of the Board of Directors |
| |
| |
| Christine Cross, member of the Board of Directors |
| |
| |
| Michel Marie Bon, member of the Board of Directors |
| Michel Marie Borry member of the Board of Birectors |
| |
| José Novas Adalina, mambar af the Board of Directors |
| José Neves Adelino, member of the Board of Directors |



| Duarte Paulo Teixeira de Azevedo, CEO |
|--|
| |
| Álvaro Carmona e Costa Portela, member of the Executive Committee |
| |
| Ângelo Gabriel Ribeirinho dos Santos Paupério, member of the Executive Committee |
| |
| |
| Nuno Manuel Moniz Trigoso Jordão, member of the Executive Committee |

INDIVIDUAL FINANCIAL STATEMENTS



SONAE, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| ASSETS | Notes | 31.December.2009 | 31.December.2008 | |
|-------------------------------------|-------|------------------|------------------|--|
| NON-CURRENT ASSETS: | | | | |
| Tangible assets | 6 | 265.384 | 181.497 | |
| Intangible assets | 7 | 5.776 | 1.242 | |
| Investments in affiliated companies | 4, 8 | 2.991.917.733 | 3.070.652.704 | |
| Other investments | 4, 9 | 77.489.880 | 100.049.880 | |
| Other non-current assets | 4, 10 | 543.934.785 | 598.542.161 | |
| Total Non-Current Assets | | 3.613.613.558 | 3.769.427.484 | |
| CURRENT ASSETS: | | | | |
| Trade account receivables | 4, 11 | 1.767.521 | 1.626.676 | |
| Other debtors | 4, 12 | 7.890.064 | 31.391.881 | |
| Taxes recoverable | 13 | 1.387.264 | 2.263.726 | |
| Other current assets | 4, 14 | 648.644 | 237.082 | |
| Investments held for trading | | - | 576.934 | |
| Cash and cash equivalents | 4, 15 | 2.769.998 | 418.450 | |
| Total Current Assets | | 14.463.491 | 36.514.749 | |
| TOTAL ASSETS | | 0.000.077.040 | 2.005.040.000 | |
| TOTAL ASSETS | | 3.628.077.049 | 3.805.942.233 | |
| EQUITY AND LIABILITIES | | | | |
| EQUITY: | | | | |
| Share capital | 16 | 2.000.000.000 | 2.000.000.000 | |
| Legal reserves | 17 | 163.229.582 | 161.705.974 | |
| Hedge and fair value reserves | 18 | 832.780.717 | 962.614.622 | |
| Retained earnings | | 322.737 | 322.737 | |
| Profit for the period | | 91.729.048 | 30.472.155 | |
| TOTAL EQUITY | | 3.088.062.084 | 3.155.115.488 | |
| LIABILITIES: | | | | |
| NON-CURRENT LIABILITIES: | | | | |
| Bonds | 4, 20 | 498.238.077 | 497.619.441 | |
| Other loans | 4, 20 | 12.218.451 | 4.846.515 | |
| Total Non-Current Liabilities | | 510.456.528 | 502.465.956 | |
| CURRENT LIABILITIES: | | | | |
| Bank loans | 4, 20 | 24.950.000 | 138.209.277 | |
| Trade accounts payable | 4 | 985.568 | 1.116.009 | |
| Other creditors | 4 | 78.307 | 171.430 | |
| Taxes and contributions payable | 13 | 349.693 | 603.578 | |
| Other current liabilities | 4, 21 | 3.194.869 | 8.260.495 | |
| Total Current Liabilities | | 29.558.437 | 148.360.789 | |
| TOTAL EQUITY AND LIABILITIES | | 3.628.077.049 | 3.805.942.233 | |

The accompanying notes are part of these individual financial statements.

The Board of Directors



SONAE, SGPS, SA

INDIVIDUAL INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| | Notes | 4 th Quarter ended 31 December 2009 (Unaudited) | 4 th Quarter ended 31 December 2008 (Unaudited) | 31.December.2009 | 31.December.2008 |
|--------------------------------|-------|--|--|------------------|------------------|
| Services rendered | 25 | 1.885.121 | 383.839 | 4.603.363 | 2.273.584 |
| Gains or losses on investments | 26 | - | (87.275.000) | 94.981.321 | 7.691.335 |
| Financial income | 27 | 4.900.952 | 11.664.922 | 25.654.428 | 67.426.621 |
| Other income | | 15.515 | (4.985) | 40.263 | 56.774 |
| External supplies and services | 28 | (1.426.252) | (1.182.690) | (3.730.551) | (3.692.492) |
| Staff costs | 29 | (1.153.800) | (955.090) | (4.834.681) | (4.194.547) |
| Depreciation and amortisation | 6, 7 | (12.672) | (14.926) | (56.363) | (45.437) |
| Financial expense | 27 | (4.608.783) | (15.590.947) | (24.557.052) | (38.334.504) |
| Other expenses | | (173.176) | (94.508) | (353.584) | (263.330) |
| Profit/(Loss) before taxation | | (573.095) | (93.069.385) | 91.747.144 | 30.918.004 |
| Taxation | 30 | (26.744) | (445.849) | (18.096) | (445.849) |
| Profit/(Loss) after taxation | | (599.839) | (93.515.234) | 91.729.048 | 30.472.155 |
| Profit/(Loss) per share | | | | | |
| Basic | 31 | (0,000300) | (0,046758) | 0,045865 | 0,015236 |
| Diluted | 31 | (0,000300) | (0,046758) | 0,045858 | 0,015236 |

The accompanying notes are part of these individual financial statements.

The Board of Directors



SONAE, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AT 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| | Notes | 31.December.2009 | 31.December.2008 |
|--|-------|------------------|------------------|
| Net Profit / (Loss) for the period | | 91.729.048 | 30.472.155 |
| Changes on fair value of available-for-sale financial assets | 8 | (93.025.072) | (148.598.428) |
| Changes in hedging reserve | 18 | (6.114.413) | 144.296 |
| Other compreensive income for the period | | (99.139.485) | (148.454.132) |
| Total compreensive income for the period | | (7.410.437) | (117.981.977) |

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE, SGPS, SA

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED AS AT 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| | | | | | Reserves and Retained Earnings | | | | | | | |
|---|----------|---------------|------------|---------------|--------------------------------|-----------------|------------------------------|-------------------|----------------------|--|-----------------------------|-------------------------|
| | Notes | Share Capital | Own Shares | Legal Reserve | Fair value Reserve | Hedging Reserve | Share based payments Reserve | Other Reserves | Retained Earnings | Total Reserves and Retained Earnings | Net Profit/(Loss) | Total |
| Balance as at 1 January 2008 | | 2.000.000.000 | - | 160.880.817 | 730.528.037 | 162.774 | - | 424.699.965 | 322.737 | 1.316.594.330 | 16.503.135 | 3.333.097.465 |
| Total comprehensive income for the period | | - | - | - | (148.598.428) | 144.296 | - | - | - | (148.454.132) | 30.472.155 | (117.981.977) |
| Appropriation of profit of 2007: Transfer to legal reserves Dividends distributed | 17 | | - | 825.157 - | - | - | - | - (44.322.022) | - | 825.157 (44.322.022) | (825.157) (15.677.978) | - (60.000.000) |
| Balance as at 31 December 2008 | | 2.000.000.000 | | 161.705.974 | 581.929.609 | 307.070 | | 380.377.943 | 322.737 | 1.124.643.333 | 30.472.155 | 3.155.115.488 |
| Balance as at 1 January 2009 | | 2.000.000.000 | - | 161.705.974 | 581.929.609 | 307.070 | - | 380.377.943 | 322.737 | 1.124.643.333 | 30.472.155 | 3.155.115.488 |
| Total comprehensive income for the period | | - | - | - | (93.025.072) | (6.114.413) | - | - | - | (99.139.485) | 91.729.048 | (7.410.437) |
| Appropriation of profit of 2008: Transfer to legal reserves Dividends distributed Share based payments | 17 19 | | - | 1.523.608 | - | - | - - 357.033 | (31.051.453) - | - - | 1.523.608 (31.051.453) 357.033 | (1.523.608) (28.948.547) | (60.000.000) 357.033 |
| Purchase of own shares | | - | (696.429) | - | - | - | - | - | - | - | - | (696.429) |
| Disposal / attribution to employees of own shares | | - | 696.429 | - | - | - | - | - | ٠, | | - | 696.429 |
| Balance as at 31 December 2009 | | 2.000.000.000 | | 163.229.582 | 488.904.537 | (5.807.343) | 357.033 | 349.326.490 | 322.737 | 996.333.036 | 91.729.048 | 3.088.062.084 |

The accompanying notes are part of these individual financial statements.

The Board of Directors



SONAE, SGPS, SA

INDIVIDUAL CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

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

(Amounts expressed in euro)

| | Notes | 31.December.2009 | 31.December.2008 |
|---|-------|------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Cash receipts from trade debtors | | 4.447.853 | 2.039.760 |
| Cash paid to trade creditors | | (3.783.211) | (3.113.120) |
| Cash paid to employees | | (4.318.525) | (5.136.990) |
| Cash flow generated by operations | | (3.653.883) | (6.210.350) |
| Income taxes (paid) / received | | 322.953 | (343.865) |
| Other cash receipts and (payments) relating to operating activities | | 403.067 | (784.741) |
| Net cash flow from operating activities (1) | | (2.927.863) | (7.338.956) |
| INVESTMENT ACTIVITIES | | | |
| Cash receipts arising from: | | | |
| Investments | 32 | 26.758.062 | 3.579.042 |
| Tangible and intangible assets | | 6.679 | - |
| Interest and similar income | | 40.783.605 | 73.527.427 |
| Dividends | | 93.516.449 | 94.979.579 |
| Loans granted | | 838.603.328 | 1.314.820.280 |
| | | 999.668.123 | 1.486.906.328 |
| Cash Payments arising from: | | | |
| Investments | 32 | (4.210.227) | (842.085.478) |
| Tangible assets | | (276.434) | (585.135) |
| Intangible assets | | (4.523) | (399) |
| Loans granted | | (789.006.199) | (771.561.000) |
| | | (793.497.383) | (1.614.232.012) |
| Net cash used in investment activities (2) | | 206.170.740 | (127.325.684) |
| FINANCING ACTIVITIES | | | |
| Cash receipts arising from: | | | |
| Loans obtained | | 1.390.025.000 | 1.015.221.000 |
| Sale of own shares | | 637.113 | |
| | | 1.390.662.113 | 1.015.221.000 |
| Cash Payments arising from: | | | |
| Loans obtained | | (1.503.275.000) | (877.021.000) |
| Interest and similar charges | | (27.586.245) | (29.829.089) |
| Dividends | | (59.986.491) | (59.993.240) |
| Purchase of own shares | | (696.429) | |
| | | (1.591.544.165) | (966.843.329) |
| Net cash used in financing activities (3) | | (200.882.052) | 48.377.671 |
| Net increase in cash and cash equivalents $(4) = (1) + (2) + (3)$ | | 2.360.825 | (86.286.969) |
| Cash and cash equivalents at the beginning of the period | | 409.173 | 86.696.142 |
| Cash and cash equivalents at the end of the period | 15 | 2.769.998 | 409.173 |
| | | | |

The accompanying notes are part of these individual financial statements.

The Board of Directors



SONAE, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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

In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

1 INTRODUCTION

SONAE, SGPS, SA ("the Company" or "Sonae"), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

The individual financial statements are presented as required by Commercial Companies Code. According to Decree-Law 35/2005 of 17 February, the company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying individual financial statements are as follows:

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union effective as at 1 January 2009. This standards were issued by the International Accounting Standards Board ("IASB") and interpretations issued by International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), that have been adopted by the European Union.

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

The accompanying financial statements have been prepared from the books and accounting records on a going concern basis and under the historical cost convention, except for financial instruments and investment properties which are stated at fair value.



New accounting standards and their impact in the financial statements

Up to the approval date of these financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions, some of which have become effective during the year 2009:

| With mandatory application in 2009: | Effective Date (for financial years beginnig on/after) |
|--|--|
| IFRS 1 / IAS 27 – Amendments (Cost of an investment in a subsidiary, jointly-controlled entity or associate) | 01-01-2009 |
| IAS 39 – Amendments (Reclassification of Financial Assets) | 01-07-2008 |
| IFRS 2 – Share-based Payments - Amendments (Vesting conditions and cancellations) | 01-01-2009 |
| IAS 23 — Borrowing costs (revised) | 01-01-2009 |
| IAS 32 / IAS 1 – Amendments (Puttable financial instruments and obligations arising on liquidation) | 01-01-2009 |
| IAS 1 – Presentation of financial statements (revised) | 01-01-2009 |
| IFRIC 13 –Customer loyalty programmes | 01-07-2008 |
| IFRS 8 – Operating segments | 01-01-2009 |
| IFRS 7 – Amendments (Improving disclosures about fair value measurements and liquidity risk) | 01-01-2009 |
| Improvements to the International Financial Reporting Standards (2007) | Several (on/after 01-01-2009) |

The adoption, during the 2009 of the above mentioned Standards did not produce material impacts on the Company financial statements , with the exception of presentation and disclosure improvements, as a result of the adoption of revised version of IAS 1.

The IAS 1 (Revised) changed the terminology, as well as the format and content of the financial statements.

| With mandatory application after 2009: | Effective Date (for financial years beginnig on/after) |
|--|--|
| IAS 32 – Amendments (Classification of right issues) | 01-02-2010 |
| IAS 39 – Amendments (Eligible hedged items) | 01-07-2009 |
| IFRS 3 – Business Combination e IAS 27 – Consolidated and Separate Financial Statements (revised 2008) | 01-07-2009 |
| IFRS 1 (Revised) – First-time adoption of International Reporting Standards | 01-01-2010 |
| IFRIC 12 — Service Concession Arrangements | 01-01-2010 |
| IFRIC 15 – Agreements for the Construction of Real Estate | 01-01-2010 |
| IFRIC 16 – Hedges of a Net Investment in a Foreign Operation | 01-07-2009 |



IFRIC 9 e IAS 39 - Amendments (Reassessment of Embedded Derivates)

Financial years beginning on/after30-06-09

IFRIC 17 – Distributions of Non-cash as-sets to owners

01-07-2009

IFRIC 18 - Transfers of Assets from Customers

Transfers made on/after 01-07-09

The above mentioned endorsed standards were not adopted by Sonae in 2009, because its application is not mandatory for this financial year, and Sonae decided not to make an early adoption of the standards.

It is not expected that material impacts will arise on the adoption of the above mentioned standards.

2.2 Tangible assets

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

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption Depreciation and amortization.

The impairment losses in the realisable value of tangible assets are recorded in the year they arise in the caption of the Income Statement - "Impairment losses.

2.3 Intangible assets

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

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption Depreciation and amortization.

2.4 Borrowing costs

Borrowing costs are usually recognised as an expense in the period in which they are incurred on an accruals basis in accordance with effective interest rate method.

2.5 Non-current assets held for sale

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

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

2.6 Financial instruments

The Company classifies the financial instruments in the categories presented and conciliated with the Balance Sheet disclosed in Note 4.



a) Investments

Investments are classified into the following categories:

Held to maturity

Investments measured at fair value through profit or loss

Available for sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the balance sheet date. Investments classified as held to maturity have defined maturities and the Group has the intention and ability to hold them until the maturity date. Investments measured at fair value through profit or loss are classified as current assets. Available for sale investments are classified as non-current assets.

Equity Investments in subsidiaries and associates are classified as Available for sale.

The investments measured at fair value through profit or loss include the investments held for trading that the company acquires for sale in a short period of time, and are classified in the balance sheet as current assets.

The Company classifies as available for sale those investments that are neither included as investments measured at fair value through profit or loss nor as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

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

Investments are initially measured at fair value, which is considered to be the fair value of the consideration paid for them, including transaction costs, in the case of available for sale investments.

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

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

Gains or losses arising from a change in fair value of investments measured at fair value through profit or loss are recorded in the Income statement captions Financial expenses or Financial income.

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

b) Loans and accounts receivable

Loans and accounts receivable are recorded at amortised cost using the effective rate method net of accumulated impairment losses, in order to reflect its realisable value.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when the Company provides money or services directly to a debtor with no intention of trading the receivable.



Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the balance sheet date, situations when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 4.

c) Trade accounts receivable

Receivables are stated at net realisable value corresponding to their nominal value less impairment losses (recorded under the caption Impairment losses in accounts receivable).

Impairment is recognised if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the discount is considered null as it is immaterial.

d) Classification as Equity or Liability

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

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments.

Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.8. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

f) Trade accounts payable

Trade accounts payable are stated at their nominal value.

g) Derivatives

The Company uses derivatives in the management of its financial risks to hedge such risks and/or in order to optimise funding costs, in accordance with Management interest rate risk policy described in point 3.4.1.

Derivatives classified as cash flow hedge instruments are used by the Company mainly to hedge interest rate risks on loans obtained. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The gain or loss relating to the ineffective portion of the hedge, if any, is recorded in the Income Statement under Financial Income or Expenses.

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

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



Cash flow hedge instruments used by the Company to hedge the exposure to changes in interest of its loans are initially accounted for at cost, if any which corresponds to its fair value, and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption Hedging reserves, and then recognised in the income statement over the same period in which the hedged instrument affects profit or loss.

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

Derivatives entered into in accordance with Interest rate risk management policy described in point 3.4.1 and not eligible for hedge accounting (mainly interest rate option), are initially recorded at cost, which corresponds to fair value at inception, and then, remeasured at fair value through profit and loss under financial income or expenses captions.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host instruments, and this is not stated at fair value through profit or loss.

h) Own shares

Own shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of own shares are recorded in Other reserves.

i) Cash and cash equivalents

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

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

i) Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period.

k) Impairment

Financial assets, other than Investments measured at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For non-quoted equity instruments determining whether the investment is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the entity and a suitable discount rate in order to calculate present value.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For investments of non-quoted subsidiaries, which are measured at acquisition cost less impairment (equity investments and loans granted) the impairment analysis is based on the fair value estimate of its net assets, mainly equity investments in other Company's subsidiaries.



The above mentioned estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models.

It is the Board of Directors understanding that the use of the above mentioned methodology is adequate to conclude on the eventual existence of financial investments impairment as it incorporates the best available information as at the date of the financial statements.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of equity available for sale securities, impairment losses previously recognised through profit or loss are not reversed. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

2.7 Contingent assets and liabilities

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

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

2.8 Revenue recognition and accrual basis

Revenue from services rendered is recognised in the income statement in the period they are performed.

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

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

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

2.9 Subsequent events

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

2.10 Judgements and estimates

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

- a) Record of adjustments to the value of assets and provisions
- b) Impairment analysis of financial investments and loans granted to affiliated and associated companies

Estimates used are based on the best information available during the preparation of these financial statements and are based on the best knowledge of past and present events. Although future events, are not controlled by the Company are not foreseeable, some could occur and have impact on the estimates. Therefore and due to this uncertainty the outcome of the transactions being estimated may differ from the initial estimate. Changes to the estimates used by management that occur after the approval date of these consolidated financial statements, will be recognised in net income prospectively, in accordance with IAS 8.



The main estimates and assumptions in relation to future events included in the preparation of these financial statements are disclosed in the correspondent notes, if applicable.

2.11 Share-based payments

Deferred Performance Bonus Plans are indexed to Sonae share price and are classified as share-based payments. These bonus plans vest within a period of 3 years after being granted.

Share-based payments are measured at fair value on the date they are granted (usually in March of each year).

When the plans are equity settled, by the delivery of Sonae shares, the value of the plan is determined as at the grant date based on fair value of shares granted and recognized rateably during the period of each plan. The fair value of the plan is recognized as staff costs against equity.

When settlement is made in cash the value of such liabilities shall be determined at the grant date and subsequently updated at the end of each reporting period based on the number of shares and the corresponding fair value at the closing date. These obligations are recognized as staff costs and other current liabilities, and are recorded on a straight-line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates.

2.12 Income tax

Current income tax is determined in accordance with tax rules in force in Portugal, considering the taxable profit for the period.

Deferred taxes are calculated using the balance sheet liability method. Deferred tax assets are recognised only when its use is probable.

3 FINANCIAL RISK MANAGEMENT

3.1 Introduction

The ultimate purpose of financial risk management is to support the Company in the achievement of its strategy by reducing unwanted financial risk and volatility and mitigate any negative impacts in the profit or loss statement arising from such risks.

The Group's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not enter into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Financial risk management policies are approved by the Sonae Executive Committee. Exposures are identified and monitored by the Finance Department. Exposures are also monitored by the Finance Committee as noted in the Corporate Governance Report.

3.2 Credit Risk

Credit risk is defined as the probability of a counterparty defaulting on its payment contractual obligations resulting in a financial loss. Sonae is a Holding company without any relevant commercial or trade activity, other than the normal activities of a portfolio manager. As such, it is only exposed, on a regular basis, to credit risk resulting from its investing activities (holding cash and cash equivalent instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities) or from its lending activities to subsidiaries.



Additionally, Sonae may sometimes also be exposed to credit risk as a result of its portfolio management activities (buying or selling investments), but in those exceptional situations risk reducing mechanisms and actions are implemented on a case by case basis under the supervision of the Executive Committee. In order to reduce the probability of counterparties default Sonae transactions (short term investments and derivatives) are only concluded in accordance with the following principles:

- Only carry out transactions (short term investments and derivatives) with counterparties that have at least a credit rating of BBB from Standard & Poor's and/or Baaz from Moody's or equivalent (this information is supplied through independent information systems);
- Sonae should only enter into previously authorized financial instruments. The definition of the eligible instruments, for the investment of temporary excess of funds or derivatives, was made with a conservative approach (essentially consisting in short term monetary instruments, in what excess of funds is concerned and instruments that can be split into components and that can be properly fair valued, with a loss cap);
- In relation to excess funds: i) those are preferentially used, whenever possible and when more efficient to repay debt, or invested preferably in instruments issued by relationship banks in order to reduce exposure on a net basis, and ii) may only be applied on pre approved instruments;
- Any departure from the above mentioned policies needs to be pre-approved by the Executive Committee.

Given the above mentioned policies and the minimum credit ratings management does not expect any material failure in contractual obligations from its external counterparties. Nevertheless, exposure to individual counterparties resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Financial Department and any departure is promptly reported to the Executive Committee and Finance Committee.

Settlement risk is also a risk faced by Sonae, which is managed through the rigorous selection of its brokers which must be highly rated counterparties.

In relation to credit risk resulting from loans granted to subsidiaries, there is no specific risk management policy as the financing of its subsidiaries is part of the main operations of a holding company.

3.3 Liquidity risk

Sonae needs to raise external funds to finance its activities and investing plans. It holds a diversified loan portfolio, essentially made up of long term bond financing, but which also includes a variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2009 the total gross debt was 535 million euro (641 million euro as at 31 December 2008).

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy.

Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining, with its relationship banks, a combination of short and medium term committed credit facilities, commercial paper programme with sufficiently comfortable previous notice cancellation periods within a range between 30 and 360 days;
- Maintenance of commercial paper with different periods, that allow, in some cases, to place the debt directly in institutional investors;
- Detailed rolling annual financial planning, with monthly, weekly and daily cash adjustments in order to forecast cash requirements;
- Diversification of financing sources and counterparties;



- Ensuring an adequate debt average maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. As at 31 December 2009 Sonae debt average life maturity was 2.5 years (3 years in 31 December 2008);
- Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination;
- Where possible, by prefinancing forecasted liquidity needs;
- Management procedures of short term applications, assuring that the maturity of the applications will match
 with foreseen liquidity needs, including a margin to hedge forecasting deviations. The reliability of the treasury
 forecasts are an important variable to determine the amounts and the periods of the market
 applications/borrowings.

Sonae maintains a liquidity reserve in the form of credit lines with its relationship banks, to ensure the ability to meet its commitments without having to refinance itself on unfavourable terms. Sonae has a total of 266 million euro committed credit facilities, of which only 11.4% are cancellable with a notice period of 6 months and the remainder with no less than a 360 days notice period (261 million euro in 2008). Sonae expects to meet all its obligations by means of its operating cash flows and from its financial assets as well as from drawing existing available credit lines, if needed.

3.4 Interest rate risk

3.4.1. Policy

Sonae is exposed to cash flow interest rate risk in respect of items in the balance sheet (Loans and Short Term Investments) and to fair value interest rate risk as a result of interest rate derivatives (swaps, FRA's and options). All Sonae debt bears variable interest rates, and interest rate derivatives may be entered into to convert part of the variable rate debt into fixed rate (usually through interest rate swaps or Forward Rate agreements), or to limit the maximum rate payable (usually through zero cost collars or the purchased caps).

Sonae mitigates interest rate risk by adjusting the proportion of its debt that bears fixed interest to that which bears floating interest although without a fixed goal or percentage to achieve since hedging interest rate risk usually has an opportunity cost associated. Therefore a more flexible approach is considered preferable to a more strict traditional approach. Part of the risk is also mitigated by the fact that Sonae grants loans to its subsidiaries as part of its usual activities and thus there may be some degree of natural hedging on a company basis, since if interest rates increase the additional interest paid would be partially offset by additional interest received.

Sonae hedging activities do not constitute a profit-making activity and derivatives are deemed to be entered into without any speculation purpose. Strict rules are observed in relation to any derivative transaction entered into:

- For each derivative or instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be the same as the settlement dates of the hedging instrument to avoid any mismatch and hedging inefficiency;
- Perfect match between the base rates (the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility / transaction);
- The maximum cost of the hedging operation is known and limited, even in scenarios of extreme change in market interest rates, so that the resulting interest rates are within the cost of the funds considered in Sonae's business plans (or in extreme scenarios are not worse than the underlying cost of the floating rate);
- The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, as described in 3.2. above Credit Risk Management. It is Group policy that, when contracting such instruments, preference should be given to financial institutions that form part of Sonae's existing relationships, whilst at the same time obtaining quotes from a sufficient large sample of banks to ensure optimum conditions;



- In determining the fair value of hedging operations Sonae uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates, foreign exchange rates, volatility among others prevailing at the balance sheet date. Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation;
- All transactions are documented under ISDA's Agreements;
- All transactions which do not follow the Rules above have to be individually approved by the Executive Committee, and reported to the Financial Committee, namely transactions entered into with the purpose of optimising the cost of debt when deemed appropriate according to prevailing financial market conditions.

3.4.2. Sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, they are included in the calculation of income-related sensitivities;
- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculations;
- Changes in the market interest rate of interest rate derivatives that are not part of a hedging relationship as set out in IAS 39 affect other financial income or expense and are therefore taken into consideration in the incomerelated sensitivity calculations;
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;
- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under the previously mentioned assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the company net profit before tax as at 31 December 2009 (individual statements) would increase by approximately 3 million euro (at 31 December 2008 would increase 10 million euro). Total equity, as at 31 December 2009, (not considering the impact over net profit) would increase by about 5 million euro as a result of the effect of changing interest rate up 75 basis points.

3.5 Foreign Exchange Risk.

Due to its nature of Holding company, Sonae, has very limited transaction exposure to foreign exchange risk. Normally, when such exposures arise Foreign exchange risk management seeks to minimise the volatility of such transactions made in foreign currency and to reduce the impact on the income statement of exchange rate fluctuations. When significant material exposures occur with a high degree of certainty, Sonae hedges such exposures mainly through forward exchange



rate contracts. For uncertain exposures, options may be considered, subject to pre-approval from the company's Executive Committee.

Sonae does not have any material foreign exchange rate exposure at holding level, since almost all equity and loans to subsidiaries are denominated in Euros.

3.6 Price Risk and Market Risk

The Group is exposed to equity price risks arising from equity investments, maintained for strategic rather than for trading purposes as the group does not actively trade these investments. These investments are presented in Notes 8.

FINANCIAL INSTRUMENTS BY CLASS AND FAIR VALUE

The accounting policies disclosed in note 2.6 have been applied to the line items below:

632.061.243

| Financial | A cooto |
|-----------|---------|
| | |

| Financial Assets | | | | 31.December.20 | 00 | | |
|---|--------------|---|----------------------------------|--|---|--|--|
| | Notes | Loans and accounts receivable | Available for sale | Derivatives used for cash flow hedging | Sub Total | Assets not w ithin scope of IFRS 7 | Total |
| Non-Current Assets | | | | | | | |
| Investments in affiliated companies | 8 | - | 2.991.917.733 | - | 2.991.917.733 | - | 2.991.917.733 |
| Other investments | 9 | - | 77.489.880 | - | 77.489.880 | - | 77.489.880 |
| Other non-current assets | 10 | 543.934.785 | | | 543.934.785 | | 543.934.785 |
| | | 543.934.785 | 3.069.407.613 | | 3.613.342.398 | | 3.613.342.398 |
| Current Assets | | | | | | | |
| Trade Accounts Receivables | 11 | 1.767.521 | - | - | 1.767.521 | - | 1.767.521 |
| Other debtors | 12 | 7.890.064 | - | - | 7.890.064 | - | 7.890.064 |
| Other current assets | 14 | 501.873 | - | - | 501.873 | 146.771 | 648.644 |
| Cash and cash equivalents | 15 | 2.769.998 | | | 2.769.998 | | 2.769.998 |
| | | 12.929.456 | | | 12.929.456 | 146.771 | 13.076.227 |
| | | 556.864.241 | 3.069.407.613 | | 3.626.271.854 | 146.771 | 3.626.418.625 |
| | | | | | | | |
| | | | | 31.December.20 | 008 | | |
| | Notes | Loans and accounts receivable | Available for sale | Derivatives used for cash flow | 008 Sub Total | Assets not within scope of IFRS 7 | Total |
| Non-Current Assets | Notes | accounts | Available for sale | Derivatives used | | within scope of | Total |
| Non-Current Assets Investments in affiliated companies | Notes 8 | accounts | Available for sale 3.070.652.704 | Derivatives used for cash flow | | within scope of | Total 3.070.652.704 |
| | | accounts | | Derivatives used for cash flow | Sub Total | within scope of | |
| Investments in affiliated companies | 8 | accounts | 3.070.652.704 | Derivatives used for cash flow | Sub Total 3.070.652.704 | within scope of | 3.070.652.704 |
| Investments in affiliated companies Other investments | 8 | accounts receivable | 3.070.652.704 | Derivatives used for cash flow hedging | Sub Total 3.070.652.704 100.049.880 | within scope of | 3.070.652.704 100.049.880 |
| Investments in affiliated companies Other investments | 8 | accounts receivable | 3.070.652.704 100.049.880 | Derivatives used for cash flow hedging | 3.070.652.704 100.049.880 598.542.161 | within scope of | 3.070.652.704 100.049.880 598.542.161 |
| Investments in affiliated companies Other investments Other non-current assets | 8 | accounts receivable | 3.070.652.704 100.049.880 | Derivatives used for cash flow hedging | 3.070.652.704 100.049.880 598.542.161 | within scope of | 3.070.652.704 100.049.880 598.542.161 |
| Investments in affiliated companies Other investments Other non-current assets Current Assets | 8 9 10 | accounts receivable - - 598.542.161 598.542.161 | 3.070.652.704 100.049.880 | Derivatives used for cash flow hedging | 3.070.652.704 100.049.880 598.542.161 3.769.244.745 | within scope of | 3.070.652.704 100.049.880 598.542.161 3.769.244.745 |
| Investments in affiliated companies Other investments Other non-current assets Current Assets Trade Accounts Receivables | 8 9 10 | accounts receivable - 598.542.161 598.542.161 1.626.676 | 3.070.652.704 100.049.880 | Derivatives used for cash flow hedging | 3.070.652.704 100.049.880 598.542.161 3.769.244.745 | within scope of | 3.070.652.704 100.049.880 598.542.161 3.769.244.745 |
| Investments in affiliated companies Other investments Other non-current assets Current Assets Trade Accounts Receivables Other debtors | 8 9 10 | accounts receivable 598.542.161 598.542.161 1.626.676 31.391.881 | 3.070.652.704 100.049.880 | Derivatives used for cash flow hedging | 3.070.652.704 100.049.880 598.542.161 3.769.244.745 1.626.676 31.391.881 | within scope of IFRS 7 | 3.070.652.704 100.049.880 598.542.161 3.769.244.745 1.626.676 31.391.881 |
| Investments in affiliated companies Other investments Other non-current assets Current Assets Trade Accounts Receivables Other debtors Other current assets | 8 9 10 | accounts receivable 598.542.161 598.542.161 1.626.676 31.391.881 | 3.070.652.704 100.049.880 | Derivatives used for cash flow hedging | 3.070.652.704 100.049.880 598.542.161 3.769.244.745 1.626.676 31.391.881 82.075 | within scope of IFRS 7 | 3.070.652.704 100.049.880 598.542.161 3.769.244.745 1.626.676 31.391.881 237.082 |

3.170.702.584

576.934

3.803.340.761



Financial Liabilities

| | 31.December.2009 | | | | | | |
|---------------------------|------------------|--|--|-----------------------------|-------------|---|-------------|
| | Notes | Liabilities at fair value through profit or loss | Derivatives used for cash flow hedging | Other financial liabilities | Sub Total | Liabilities not w ithin scope of IFRS 7 | Total |
| Non-Current Liabilities | | | | | | | |
| Bonds | 20.1 | - | - | 498.238.077 | 498.238.077 | - | 498.238.077 |
| Other loans | 20.2 | | 12.218.451 | | 12.218.451 | | 12.218.451 |
| | | | 12.218.451 | 498.238.077 | 510.456.528 | | 510.456.528 |
| Current Liability | | | | | | | |
| Bank loans | 20.3 | - | - | 24.950.000 | 24.950.000 | - | 24.950.000 |
| Trade accounts payable | | - | - | 985.568 | 985.568 | - | 985.568 |
| Other payables accounts | | - | - | 78.307 | 78.307 | - | 78.307 |
| Other current liabilities | 21 | | | 1.673.465 | 1.673.465 | 1.521.404 | 3.194.869 |
| | | | | 27.687.340 | 27.687.340 | 1.521.404 | 29.208.744 |
| | | | 12.218.451 | 525.925.417 | 538.143.868 | 1.521.404 | 539.665.272 |

| | | 31.December.2008 | | | | | |
|---------------------------|-------|--|--|-----------------------------|-------------|---|-------------|
| | Notes | Liabilities at fair value through profit or loss | Derivatives used for cash flow hedging | Other financial liabilities | Sub Total | Liabilities not w ithin scope of IFRS 7 | Total |
| Non-Current Liabilities | | | | | | | |
| Bonds | 20.1 | - | - | 497.619.441 | 497.619.441 | - | 497.619.441 |
| | 20.2 | 4.846.515 | | | 4.846.515 | | 4.846.515 |
| | | 4.846.515 | | 497.619.441 | 502.465.956 | | 502.465.956 |
| Current Liability | | - | - | - | - | - | - |
| Bank loans | 20.3 | - | - | 138.209.277 | 138.209.277 | - | 138.209.277 |
| Trade Accounts payable | | - | - | 1.116.009 | 1.116.009 | - | 1.116.009 |
| Other payables accounts | | - | - | 171.430 | 171.430 | - | 171.430 |
| Other current liabilities | 21 | | | 6.884.750 | 6.884.750 | 1.375.745 | 8.260.495 |
| | | | | 146.381.466 | 146.381.466 | 1.375.745 | 147.757.211 |
| | | 4.846.515 | | 644.000.907 | 648.847.422 | 1.375.745 | 650.223.167 |

Financial Instruments at fair value

The table below details the financial instruments that are measured at fair value after initial recognition, grouped into 3 levels according to the possibility of observing its fair value on the market:

Level 1: fair value is determined based on market prices for assets

Level 2: fair value is determined based on valuation techniques. The main inputs of the valuation models are observable in the market;

Level 3: fair value is determinated based on valuation models, whose main inputs are not observable in the market.

| | 31.December.2009 | | | |
|-------------------------------------|------------------|-------------|---------|--|
| | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair values | | | | |
| Investments in affiliated companies | 1.620.270 | 614.248.500 | - | |
| | 1.620.270 | 614.248.500 | - | |
| Financial liabilities at fair value | | | | |
| Derivatives | | 12.218.451 | - | |
| | | 12.218.451 | - | |

5 CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the year there were no material changes in accounting policies or prior period errors.

6 TANGIBLE ASSETS

As at 31 December 2009 and 2008 tangible assets movements are as follows:

| Gross cost | Plant and machinery | Vehicles | Fixtures and fittings | Others | In progress | Total |
|--|------------------------|----------|-----------------------|--------|-------------|-----------|
| Opening balance as at 1 January 2008 | 17.352 | 194.768 | 2.404.297 | 723 | | 2.617.140 |
| Increase | - | - | - | - | 696.865 | 696.865 |
| Decrease | - | - | (5.046) | - | (563.757) | (568.803) |
| Transfers and write-offs | | | 113.646 | | (114.659) | (1.013) |
| Opening balance as at 1 January 2009 | 17.352 | 194.768 | 2.512.897 | 723 | 18.449 | 2.744.189 |
| Increase | - | - | - | - | 159.131 | 159.131 |
| Decrease | - | - | (336.222) | - | - | (336.222) |
| Transfers and write-offs | 4.696 | | 55.580 | | (63.158) | (2.882) |
| Closing balance as at 31 December 2009 | 22.048 | 194.768 | 2.232.255 | 723 | 114.422 | 2.564.216 |
| Accumulated depreciation | | | | | | |
| Opening balance as at 1 January 2008 | 17.352 | 194.768 | 2.309.839 | 608 | - | 2.522.567 |
| Increase | - | - | 45.241 | 28 | - | 45.269 |
| Decrease | - | - | (5.046) | - | - | (5.046) |
| Transfers and write-offs | | | (98) | _ | | (98) |
| Opening balance as at 1 January 2009 | 17.352 | 194.768 | 2.349.936 | 636 | - | 2.562.692 |
| Increase | 587 | - | 53.077 | 28 | - | 53.692 |
| Decrease | | <u> </u> | (317.552) | | | (317.552) |
| Closing balance as at 31 December 2009 | 17.939 | 194.768 | 2.085.461 | 664 | | 2.298.832 |
| Carrying amount | | | | | | |
| As at 31 December 2008 | | | 162.961 | 87 | 18.449 | 181.497 |
| As at 31 December 2009 | 4.109 | | 146.794 | 59 | 114.422 | 265.384 |

7 INTANGIBLE ASSETS

As at 31 December 2009 and 2008 intangible assets movements are as follows:

| | Softw are | In progress | Total intangible assets | |
|--|-----------|-------------|-------------------------|--|
| Gross cost | | | | |
| Opening balance as at 1 January 2008 | - | - | - | |
| Increase | - | 399 | 399 | |
| Transfers and write-offs | 1.410 | (399) | 1.011 | |
| Opening balance as at 1 January 2009 | 1.410 | - | 1.410 | |
| Transfers and write-offs | 7.205 | - | 7.205 | |
| Closing balance as at 31 December 2009 | 8.615 | - | 8.615 | |
| Accumulated depreciation | | | | |
| Opening balance as at 1 January 2008 | - | - | - | |
| Increase | 168 | - | 168 | |
| Opening balance as at 1 January 2009 | 168 | - | 168 | |
| Increase | 2.671 | - | 2.671 | |
| Closing balance as at 31 December 2009 | 2.839 | - | 2.839 | |
| Carrying amount | | | | |
| As at 31 December 2008 | 1.242 | - | 1.242 | |
| As at 31 December 2009 | 5.776 | _ | 5.776 | |



8 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2009 and 2008, the Company held investments in the following subsidiaries:

| | 31.December.2009 | | | | | | | | |
|--------------------------------------|------------------|-----------------|------------|-----------|-----------------------|-----------------|--|--|--|
| Companies | % Held | Opening balance | Increase | Decrease | Changes in fair value | Closing balance | | | |
| Interlog, SGPS, SA | 1,02% | 106.686 | - | - | - | 106.686 | | | |
| MDS, SGPS, SA | 45,71% | 17.800.000 | 12.813.065 | 2.733.191 | - | 27.879.874 | | | |
| Sonae Investimentos, SGPS, SA (a)(b) | 82,48% | 1.690.800.661 | - | - | - | 1.690.800.661 | | | |
| Sonae Investments, BV | 100,00% | 550.000.000 | - | - | - | 550.000.000 | | | |
| Sonae RE, SA | 99,92% | 500 | 3.671.559 | - | - | 3.672.059 | | | |
| Sonae Sierra SGPS, SA (c) | 50,00% | 708.051.000 | - | - | (93.802.500) | 614.248.500 | | | |
| Sonaecom, SGPS, SA | 0,23% | 842.842 | - | - | 777.428 | 1.620.270 | | | |
| Sonaegest, SA | 20,00% | 159.615 | - | - | - | 159.615 | | | |
| Sonaecenter Serviços, SA | 100,00% | 50.000 | 538.668 | - | - | 588.668 | | | |
| Sontel, BV | 42,86% | 191.341.400 | | | | 191.341.400 | | | |
| Total | | 3.159.152.704 | 17.023.292 | 2.733.191 | (93.025.072) | 3.080.417.733 | | | |
| Impairment | | 88.500.000 | | | | 88.500.000 | | | |
| Total | | 3.070.652.704 | 17.023.292 | 2.733.191 | (93.025.072) | 2.991.917.733 | | | |

| | 31.December.2008 | | | | | |
|--------------------------------------|------------------|-----------------|-------------|-----------|-----------------------|-----------------|
| | % Held | Opening balance | Increase | Decrease | Changes in fair value | Closing balance |
| Interlog, SGPS, SA | 1,02% | 106.686 | - | | | 106.686 |
| MDS, SGPS, SA | 89,00% | 20.000.000 | - | 2.200.000 | - | 17.800.000 |
| Sonae Investimentos, SGPS, SA (a)(b) | 82,48% | 1.690.800.661 | - | - | - | 1.690.800.661 |
| Sonae Investimentos America Latina | 0,00% | 25.684 | - | 25.684 | - | - |
| Sonae Investments, BV | 100,00% | 18.151 | 549.981.849 | - | - | 550.000.000 |
| Sonae RE, SA | 0,04% | 500 | - | - | - | 500 |
| Sonae Sierra SGPS, SA (c) | 50,00% | 856.602.000 | - | - | (148.551.000) | 708.051.000 |
| Sonaecom, SGPS, SA | 0,23% | 78.041 | 812.229 | - | (47.428) | 842.842 |
| Sonaegest, SA | 20,00% | 159.615 | - | - | - | 159.615 |
| Sonaecenter Serviços, SA | 100,00% | - | 50.000 | - | - | 50.000 |
| Sontel, BV | 42,86% | 100.000 | 191.241.400 | <u> </u> | | 191.341.400 |
| | | 2.567.891.338 | 742.085.478 | 2.225.684 | (148.598.428) | 3.159.152.704 |
| Impairment | | | 88.500.000 | - | | 88.500.000 |
| Total | | 2.567.891.338 | 653.585.478 | 2.225.684 | (148.598.428) | 3.070.652.704 |

(a) Former Sonae Distribuição, SGPS, SA

- b) The value of this investment is the price paid in the public tender offer for de-listing occurred in 2006. Since that date no change in the value of the investment was recorded.
- (c) Market value was determined based on an independent valuation as at 31 December 2008 of assets held by this affiliated company, after deduction of associated net debt and of the share attributable to minority interests. The major assumptions used for the purpose of estimating the fair value of the assets are disclosed on the consolidated financial statements.

In July 2009, Sonae signed an agreement for the roll-up of the Feffer family's shareholding in Lazam-MDS in exchange for shares owned by Sonae in MDS and for new shares in the enlarged share capital of MDS. Under this agreement, Sonae has



reduced its direct shareholding in MDS, SGPS to 45.71%. During the year there was also a capital increase of that subsidiary by conversion of shareholder loans into capital.

During the year the Company acquired 99.88% of the shares representing the share capital of Sonae, RE, SA.

During the year ended 31 December 2008, the Company recorded an impairment loss over the financial investment held in Sontel B.V. amounting to 88,500,000 euro (Note 26) as a result of applying the accounting policy mentioned in 2.6 k) and according to a valuation made by the use of discounted cash flow models, in order to estimate the value in use of those investments. As at 31 December 2009 the Company performed a similar exercise and determined that the amount of impairment is still adequate.

9 OTHER INVESTMENTS

As at 31 December 2009 and 2008 other investments available for sale are as follows:

| | 31.December.2009 | | | | |
|----------------------------------|------------------|-------------|------------|--------------------|--|
| Companies | Opening balance | Increase | Decrease | Closing balance | |
| Associação Escola Gestão Porto | 49.880 | - | - | 49.880 | |
| Magma No. 1 Securitisation Notes | 100.000.000 | | 22.560.000 | 77.440.000 | |
| Total | 100.049.880 | | 22.560.000 | 77.489.880 | |
| Companies | 31.December.2008 | | | | |
| Companies | Opening balance | Increase | Decrease | Closing balance | |
| Associação Escola Gestão Porto | 49.880 | - | - | 49.880 | |
| Total | _ _ | 100.000.000 | <u> </u> | 100.000.000 | |
| | 49.880 | 100.000.000 | | 100.049.880 | |
| | | | | | |

In December 2008, the Company has completed the subscription of securitized assets, through a private offering, in the amount of approximately 100 million euro, issued by Tagus - Sociedade de Titularização de Créditos, SA named "MAGMA Nº 1 Securitisation Notes".

These bonds have a maturity of 5 years (2009/2013), and are amortized in equal quarterly instalments, having as underlying asset the future receivables to be generated under a portfolio of existing corporate customer contracts of Sonaecom - Serviços de Comunicações, SA, with a comfortable over colaterization, which strongly minimize this investment credit risk.

During 2009, the decrease amounting to 22,560,000 euro corresponds to reimbursements totaling 19,777,500 euro and to the sale of bonds with a carrying amount of 2,782,500 euro.



10 OTHER NON-CURRENT ASSETS

As at 31 December 2009 and 2008 other non-current assets are as follows:

| | 31.December.2009 | 31.December.2008 |
|-----------------------------------|------------------|------------------|
| Loans granted to group companies: | | |
| MDS, SGPS, SA | 30.119.075 | 69.410.000 |
| Sonae Investments, BV | 478.427.710 | 495.856.978 |
| Sontel, BV | 35.388.000 | 33.271.000 |
| | 543.934.785 | 598.537.978 |
| Guarantee deposits | <u> </u> | 4.183 |
| | 543.934.785 | 598.542.161 |

Loans granted to group companies earn interest at variable market rates indexed to Euribor and do not mature within one year.

There are no past due or impaired receivable balances as at 31 December 2009 and 2008. The eventual impairment of loans granted to group companies is assessed in accordance with note 2.6.k). The fair value of loans granted to group companies is considered to be similar to its carrying amount.

11 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable amounted to 1,767,521 euro and 1,626,676 euro as at 31 December 2009 and 2008 respectively, and include balances arising solely from services rendered to group companies.

As at the balance sheet dates there is no accounts receivable past due, and no impairment loss was recorded, as there are no indications as of the reporting date that the debtors will not meet their payment obligations.

12 OTHER DEBTORS

As at 31 December 2009 and 2008 other debtors are as follows:

| | 31.December.2009 | 31.December.2008 |
|-------------------------------------|------------------|------------------|
| Group companies - Short term loans: | | |
| MDS, SGPS, SA | - | 7.510.000 |
| Sonaecenter, Serviços, SA | 440.000 | 737.000 |
| | 440.000 | 8.247.000 |
| Group companies - Interest: | | |
| MDS, SGPS, SA | 556.946 | 1.660.159 |
| Sonae Investments, BV | 5.664.753 | 19.218.665 |
| Sontel, BV | 416.539 | 1.027.220 |
| | 7.078.238 | 30.153.044 |
| Other debtors | | |
| Others | 811.826 | 1.238.837 |
| | 7.890.064 | 31.391.881 |

Loans granted to group companies return interest at variable market rates indexed to Euribor and have a maturity less than one year.

There were no assets impaired or past due. The fair value of loans granted is similar to its carrying amount.

13 TAXES

As at 31 December 2009 and 2008 taxes balances are as follows:

Assets

| | 31.December.2009 | 31.December.2008 |
|------------------|------------------|------------------|
| Advance payments | 29.305 | 23.958 |
| Taxes withheld | 1.357.959 | 2.175.667 |
| Recoverable VAT | | 64.101 |
| | 1.387.264 | 2.263.726 |

Liabilities

| | 31.December.2009 | 31.December.2008 |
|--------------------------------|------------------|------------------|
| Income tax charge for the year | 26.744 | 445.849 |
| Taxes withheld | | |
| Staff | 61.539 | 50.130 |
| Services | 149 | 197 |
| Capital | - | 52.192 |
| Other | 32 | - |
| Value added tax | 210.029 | 8.876 |
| Social security contributions | 49.693 | 46.279 |
| Stamp duty | 1.507 | 55 |
| | 349.693 | 603.578 |

14 OTHER CURRENT ASSETS

As at 31 December 2009 and 2008 other current assets are as follows:

| | 31.December.2009 | 31.December.2008 |
|----------------|------------------|------------------|
| Accrued income | 501.873 | 82.075 |
| Prepayments | 146.771 | 155.007 |
| | 648.644 | 237.082 |



15 CASH AND CASH EQUIVALENTS

As at 31 December 2009 and 31 December 2008 cash and cash equivalents are as follows:

| | 31.December.2009 | 31.December.2008 |
|---|------------------|------------------|
| Cash in hand | 7.042 | 4.300 |
| Bank deposits | 2.762.956 | 414.150 |
| Cash and cash equivalents on the balance sheet | 2.769.998 | 418.450 |
| Bank overdrafts (Note 20.3) Cash and cash equivalents on the cash flow | - | 9.277 |
| statement | 2.769.998 | 409.173 |

As at 31 December 2009 bank deposits include short term deposits amounting to 2,705,000 euro (378,000 euro as at 31 December 2008) withdrawn at beginning of 2010 (2009).

16 SHARE CAPITAL

As at 31 December 2009 and 2008 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

As at 31 December 2009 and 2008 Efanor Investimentos, SGPS, SA and affiliated companies held 52.983% of Sonae's share capital.

17 LEGAL RESERVE

The company has set up legal reserves in accordance with Commercial Companies Code. In 2009 and 2008, respectively, 1,523,608 euro and 825,157 euro was transferred from profit for the year to legal reserves.

18 FAIR VALUE RESERVE, HEDGING RESERVE AND OTHER RESERVES

As at 31 December 2009 and 2008 reserves are as follows:

| 31.December.2009 | 31.December.2008 |
|------------------|--|
| 349.326.490 | 380.377.943 |
| (5.807.343) | 307.070 |
| 488.904.537 | 581.929.609 |
| 357.033 | |
| 832.780.717 | 962.614.622 |
| | 349.326.490 (5.807.343) 488.904.537 357.033 |

Movements occurred in 2009 and 2008 in these reserves are detailed in the Company Statement of changes in equity.

Hedging Reserves corresponds to the effective portion of changes in fair value of derivatives that qualify for cash flow hedge accounting.

Fair value reserves correspond to changes in the fair value of the financial instruments classified as available for sale.

The Share-based payments reserve relates to equity-share based payments under the deferred performance bonuses.



19 SHARE-BASED PAYMENTS

In 2009 and in previous years, Sonae granted deferred performance bonuses to its directors and eligible employees. These are based on shares to be acquired at nil cost, three years after they were attributed to the employee. These rights can only be exercised if the employee still works for the Sonae on the vesting date.

During the year ended 31 December 2009, Sonae changed the settlement method of the share based plans. Up to 2009, the plans were being settled in cash although the company had the choice to settle in cash or in shares. As at 31 December 2009, the plans are being accounted for as equity settled under the assumption that the plans will be settled in shares. This change resulted in an increase of Share-based payment plans in shares amounting to 357,033 euro.

As at 31 December 2009, the outstanding plans were as follows:

| | Vesting | Vesting period | | |
|-----------|---------------|----------------|------------------------|------------------|
| | Year of grant | Vesting year | Number of participants | Number of shares |
| Plan 2007 | 2008 | 2011 | 1 | 340.844 |
| Plan 2008 | 2009 | 2012 | 1 | 570.258 |

During the year the movements occurred can be detailed as follows:

| | Number of shares |
|--------------------------------|------------------|
| Balance as at 31.December.2008 | 340.844 |
| Changes during the year: | |
| Attributed | 570.258 |
| Vested | _ |
| Balance as at 31.December.2009 | 911.102 |

20 BORROWINGS

20.1 Bonds

As at 31 December 2009 and 2008 this caption included the following loans:

| | 31.December.2009 | 31.December.2008 |
|---|------------------|------------------|
| Bonds | 500.000.000 | 500.000.000 |
| Up-front fees not yet charged to income statement | (1.761.923) | (2.380.559) |
| | 498.238.077 | 497.619.441 |

Bonds Sonae / 05 amounting to 100,000,000 euro, repayable after 8 years, in one installment, on 31 March 2013. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

Bonds Sonae 2006/2011 amounting to 250,000,000 euro, repayable after 5 years, in one installment, on 10 May 2011. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly. The company has the option to make whole or partial reimbursements, with no extra cost, on the date of the 6th and 8th coupons.

Bonds Sonae 2007/2014 amounting to 150,000,000 euro, repayable after 7 years, in one installment, on 11 April 2014. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly. The company has the option to make whole or partial reimbursements, with no extra cost, on the date of the 10th and 12th coupons.



The above mentioned loans are unsecured and its estimated fair value is considered to be near its carrying amount, as they bear interests at variable market rates.

20.2 Other loans

The financial instruments considered to be hedging instruments are, mainly variable to fixed interest rates swaps entered into for the purposes of hedging interest rate risk of borrowings amounting to 250 million euro (same amount as at 31 December 2008) which fair value amounted to -12,218,451 euro (-4,846,515 euro as at 31 December 2008).

These interest rate derivatives are valued at fair value, at the balance sheet date, based on valuations performed by the Group using specific software. The fair value of swaps was calculated, as at the balance sheet date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg of the derivative, estimated at interest rate setting dates based on yield curves from Bloomberg.

As at 31 December 2009 and 2008, derivatives have the following estimated cash flows:

| | 31.December.2009 | 31.December.2008 |
|-----|------------------|------------------|
| N+1 | (6.209.007) | 221.084 |
| N+2 | (3.777.261) | (3.433.695) |
| N+3 | (1.753.523) | (1.020.834) |
| N+4 | (645.278) | (611.221) |
| N+5 | (95.829) | (289.458) |
| N+6 | - | (35.212) |

20.3 Current bank loans

As at 31 December 2009 and 2008 this caption included the following loans:

| | 31.December.2009 | 31.December.2008 |
|---------------------------|------------------|------------------|
| Commercial paper (a) | 24.950.000 | 138.200.000 |
| Bank overdrafts (Note 15) | <u> </u> | 9.277 |
| | 24.950.000 | 138.209.277 |

(a) Short term commercial paper programme, privately placed, launched on 23 August 2004, valid for a ten year period, which may be extended at the option of the company, with a maximum limit of 350,000,000 euro.

The above mentioned loans are unsecured and its estimated fair value is considered to be near its carrying amount, as they bear interests at variable market rates.

20.4 Maturity of Borrowings

As at 31 December 2009 and 2008 the analysis of the maturity of loans are as follows:

| | 31.December.2009 | | 31.December.2008 | |
|-----------|------------------|-----------|------------------|------------|
| | Nominal value | Interests | Nominal value | Interests |
| N+1 | 24.950.000 | 8.603.837 | 138.209.277 | 31.356.675 |
| N+2 | 250.000.000 | 6.447.146 | - | 28.885.188 |
| N+3 | - | 4.378.433 | 250.000.000 | 22.111.688 |
| N+4 | 100.000.000 | 3.409.425 | - | 15.456.700 |
| N+5 | 150.000.000 | 1.225.467 | 100.000.000 | 12.297.625 |
| after N+5 | - | - | 150.000.000 | 4.586.400 |

The interest amount was calculated considering the applicable interest rates for each loan at 31 December



Interest rate as at 31 December 2009 of the bonds and bank loan was, in average, 1.67% (5.54% as at 31 December 2008).

21 OTHER CREDITORS

As at 31 December 2009 and 2008 other creditors are as follows:

| | 31.December.2009 | 31.December.2008 |
|-------------|------------------|------------------|
| Accruals: | | |
| Staff costs | 1.434.816 | 1.364.550 |
| Interest | 1.673.465 | 6.884.750 |
| Others | 86.588 | 11.195 |
| | 3.194.869 | 8.260.495 |

22 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2009 and 2008, contingent liabilities were guarantees given are as follows

| | 31.December.2009 | 31.December.2008 |
|---|------------------|------------------|
| Guarantees given: | | |
| on tax claims | 216.835 | 1.776.135 |
| on judicial claims | 74.490 | 425.965 |
| | | |
| Guarantee given in the name of a subsidiary | 256.137 | - |

23 OPERATIONAL LEASES

As at 31 December 2009 and 2008, the company had operational lease contracts, as a lessee, whose minimum lease payments had the following schedule:

| | 31.December.2009 | 31.December.2008 |
|------------------------------|------------------|------------------|
| Due in | | |
| 2009 automatically renewable | - | 261.978 |
| 2010 automatically renewable | 261.978 | - |
| 2009 | - | 155.174 |
| 2010 | 157.324 | 131.309 |
| 2011 | 73.709 | 41.995 |
| 2012 | 33.916 | 6.046 |
| 2013 | 1.331 | |
| | 528.258 | 596.502 |
| | | |

During the year ended 31 December 2009 the Company recognized costs on operational leases 357,549 euro (438,882 euro during 2008).



24 RELATED PARTIES

As at 31 December 2009 and 2008 balances and transactions with related parties are as follows:

| | 31.December.2009 | 31.December.2008 |
|-----------------------------------|------------------|------------------|
| Transactions | | |
| Group companies | 3.794.149 | 1.922.557 |
| Jointly controlled companies | 709.215 | 338.460 |
| Other partners in group companies | 100.000 | 12.567 |
| Services rendered | 4.603.364 | 2.273.584 |
| Group companies | 710.725 | 852.481 |
| Jointly controlled companies | - | 375 |
| Other partners in group companies | 474.282 | 762.866 |
| Purchases and services obtained | 1.185.007 | 1.615.722 |
| Group companies | 19.588.244 | 64.527.232 |
| Interest income | 19.588.244 | 64.527.232 |
| Group companies | 16.853 | 665.365 |
| Interest expenses | 16.853 | 665.365 |
| Group companies | 93.516.449 | 94.979.579 |
| Dividend income (Note 26) | 93.516.449 | 94.979.579 |
| Group companies | | 3.437.439 |
| Disposal of investments | | 3.437.439 |
| Group companies | 4.210.227 | 700.000 |
| Acquisition of investments | 4.210.227 | 700.000 |
| Balance | | |
| Group companies | 8.927.985 | 24.041.601 |
| Jointly controlled companies | 483.632 | 101.195 |
| Other partners in group companies | 133.710 | 27.551 |
| Accounts receivable | 9.545.327 | 24.170.347 |
| Group companies | 547.244 | 403.809 |
| Jointly controlled companies | - | 3.636 |
| Other partners in group companies | 106.775 | 144.492 |
| Accounts payable | 654.019 | 551.937 |
| Group companies | 544.374.785 | 606.784.978 |
| Loans granted (Note 35) | 544.374.785 | 606.784.978 |

All Sonae, SGPS, S.A. subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements. All Efanor Investimentos, SGPS, SA, subsidiaries, including the ones of Sonae Indústria, SGPS, SA and of Sonae Capital, SGPS, SA are also considered related parties.

The remuneration of the Board of Directors for the years ended 31 December 2009 and 2008 is detailed as follows:

| | 31.December.2009 | 31.December.2008 |
|------------------------|------------------|------------------|
| Fixed | 1.207.223 | 1.167.390 |
| Variable - short term | 328.700 | 297.100 |
| Variable - Medium term | 313.200 | 288.100 |
| | 1.849.123 | 1.752.590 |

In 2009 and 2008 no loans were granted to the Company's Directors.



During 2009 51 Magma No1 Securitisation Notes (Note 9) were sold to Company's Directors or related entities / persons for the amount of 2.245.000 euro.

As at 31 December 2009 and 2008 no balances existed with the Company's Directors.

25 SERVICES RENDERED

Services rendered amounted to 4,603,363 euro and 2,273,584 euro, in 31 December 2009 and 2008, respectively. Services rendered include management fees over subsidiaries in accordance with Holding companies law.

26 GAINS OR LOSSES RELATED TO INVESTMENTS

As at 31 December 2009 and 2008 investment income are as follows:

| | 31.December.2009 | 31.December.2008 |
|--|------------------|------------------|
| Dividends received (Note 24) | 93.516.449 | 94.979.579 |
| Gains/(Losses) on sale of investments (Note 8) | 1.464.872 | 1.211.756 |
| Impairment losses (Note 8) | <u> </u> | (88.500.000) |
| | 94.981.321 | 7.691.335 |

Dividends were received from Sonae Sierra, SGPS, SA (23,410,080 euro) and Sonae Distribuição, SGPS, SA (70,106,369 euro).

27 FINANCIAL INCOME / LOSSES

As at 31 December 2009 and 2008 net financial expenses are as follows:

| | 31.December.2009 | 31.December.2008 |
|--|------------------|------------------|
| Interest arising from: | | |
| Bank loans | (2.895.198) | (2.532.611) |
| Bonds | (16.211.768) | (27.929.993) |
| Other | (4.095.738) | (675.462) |
| Exchange losses | - | (107) |
| Changes in fair value | - | (6.192.312) |
| Up front fees on the issuance of debt | (729.655) | (618.636) |
| Other financial expenses | (624.693) | (385.383) |
| Interest payable and similar expenses | (24.557.052) | (38.334.504) |
| Interest income | 25.652.860 | 65.497.493 |
| Changes in fair value | - | 1.428.137 |
| Exchange gains | 1.568 | 991 |
| Others | | 500.000 |
| Interest receivable and similar income | 25.654.428 | 67.426.621 |
| Net financial expenses | 1.097.376 | 29.092.117 |

28 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2009 and 2008 external supplies and services are as follows:

| | 31.December.2009 | 31.December.2008 |
|-------------------|------------------|------------------|
| Subcontracts | 905.888 | 479.364 |
| Operational rents | 598.075 | 640.903 |
| Services obtained | 1.387.303 | 1.607.581 |
| Others | 839.285 | 964.644 |
| | 3.730.551 | 3.692.492 |

29 STAFF COSTS

As at 31 December 2009 and 2008 staff costs are as follows:

| | 31.December.2009 | 31.December.2008 |
|-------------------|------------------|------------------|
| Salaries | 4.201.903 | 3.457.447 |
| Social costs | 470.085 | 431.134 |
| Other staff costs | 162.693 | 305.966 |
| | 4.834.681 | 4.194.547 |

As at 31 December 2009 and 2009, the number of employees was 46 and 55, respectively.

30 INCOME TAX

Income tax charge for the year amounted to 18,096 euro and 445,849 euro, in 31 December 2009 and 2008, respectively.

30.1 Reconciliation of effective tax rate

The reconciliation between the profit before taxation and the tax charge for the years ended 31 December 2009 and 2008 are summarized as follows:

| | 31.December.2009 | 31.December.2008 |
|--|------------------|------------------|
| Profit before taxes | 91.747.144 | 30.918.004 |
| (Decrease) / Increase to net income for tax purposes | (94.817.645) | (2.797.671) |
| Taxable income | (3.070.501) | 28.120.333 |
| Use of carried forward tax losses | - | (28.120.333) |
| Tax losses for w hich no deferred tax assets were recognized | 3.070.501 | <u> </u> |
| Net taxable income | - | - |
| Tax charge @ 25% | - | - |
| Excesso of income tax estimate | (8.648) | - |
| Autonomous taxation | 26.744 | 24.044 |
| Municipal surcharge | | 421.805 |
| Tax charge | 18.096 | 445.849 |
| Effective average tax rate | 0,020% | 1,442% |



30.2 Carried forward tax losses

During 2009, tax losses amounting to 3,070,501 were recognized which may be carried forward until 2015.

31 EARNINGS PER SHARE

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

| | 31.December.2009 | 31.December.2008 |
|---|------------------|------------------|
| Net profit | | |
| Net profit taken into consideration to calculate basic earnings per share (Net profit for the period) | 91.729.048 | 30.472.155 |
| Effect of dilutive potential shares | | |
| Interest related to convertible bonds (net of tax) | | |
| Net profit taken into consideration to calculate diluted earnings per share Number of shares | 91.729.048 | 30.472.155 |
| Weighted average number of shares used to calculated basic earnings | 2.000.000.000 | 2.000.000.000 |
| Effect of dilutive potential ordinary shares from convertible bonds | - | - |
| Outstanting shares related with Deferred Performance Bonus | 911.102 | - |
| Number of shares that could be acquired at average market price | (606.519) | |
| Weighted average number of shares used to calculated diluted earnings per share | 2.000.304.583 | 2.000.000.000 |
| Profit/(Loss) per share | | |
| Basic | 0,045865 | 0,015236 |
| Diluted | 0,045858 | 0,015236 |

32 RECEIPTS / PAYMENTS OF INVESTMENTS

During 2009 and 2008, the following receipts and payments occurred:

| | 31.December.2009 | | | |
|--------------------------------|------------------|-----------------|-------------|-------------|
| | Receipts | | Payments | |
| Companies | Total price | Amount received | Total price | Amount paid |
| Sonae RE, SA | - | - | 3.671.559 | 3.671.559 |
| Sonaecenter, Serviços, SA | - | - | 538.668 | 538.668 |
| Magma № 1 Securitisation Notes | 22.560.000 | 22.560.000 | - | - |
| MDS, SGPS, SA | 4.198.062 | 4.198.062 | | |
| | 26.758.062 | 26.758.062 | 4.210.227 | 4.210.227 |



31.December.2008

| | Rece | ipts | Payme | ents |
|------------------------------------|-------------|-----------------|-------------|-------------|
| Companies | Total price | Amount received | Total price | Amount paid |
| Sonaecom, SGPS, SA | - | - | 812.229 | 812.229 |
| Sonae Investments, BV | - | - | 549.981.849 | 549.981.849 |
| Sontel, BV | - | - | 191.241.400 | 191.241.400 |
| Sonaecenter, Serviços, SA | - | - | 50.000 | 50.000 |
| Magma Nº 1 Securitisation Notes | - | - | 100.000.000 | 100.000.000 |
| MDS, SGPS, SA | 3.425.000 | 3.425.000 | - | - |
| Sonae Investimentos America Latina | 12.439 | 12.439 | | |
| | 3.437.439 | 3.437.439 | 842.085.478 | 842.085.478 |

Amounts received on disposals of investments disclosed in the 2008 cash flow statement include 141,603 euro relating to disposals in prior years.

33 DIVIDENDS

In the Shareholders Annual Meeting held on 20 April 2009, payment of a gross dividend of 0.03 euro per share was approved. These dividends were paid on 20 May 2009, totalling 60,000,000 euro.

For 2009, the Board of Directors proposed a gross dividend of 0.0315 euro per share, totalling 63,000,000 euro. This dividend is subject to approval by shareholders in the Shareholders Annual Meeting.

34 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors on 16 March 2010. These financial statements will be presented to the Shareholders' General Meeting for final approval.

35 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the twelve months ended 31 December 2009 shareholders' loan contracts were entered into with the following companies:

MDS, SGPS, SA

Sontel, BV

Sonae Investments, BV

In 2009 short-term loan contracts were entered into with the following companies:

Edições Book It, SA

Farmácia Selecção, SA

Fozmassimo – Sociedade Imobiliária, SA

Modelo Continente Seguros, Lda

Modelo Hiper – Imobiliária, SA



 ${\sf Modelo.com-Vendas\ por\ Correspond\^encia,\ SA}$

Sonaecenter, Serviços, SA

Sonae Investimentos, SGPS, SA

Sonae Specialized Retail, SGPS, SA

Sonaecom, SGPS, SA

Tlantic Portugal – Sistemas de Informação, SA

Valor N, SA

As at 31 December 2009 amounts owed by subsidiaries can be detailed as follows:

| Companies | Closing Balance | |
|---------------------------|-----------------|--|
| MDS, SGPS, SA | 30.119.075 | |
| Sonae Investments, BV | 478.427.710 | |
| Sonaecenter, Serviços, SA | 440.000 | |
| Sontel, BV | 35.388.000 | |
| | 544.374.785 | |

As at 31 December 2009 there was no amounts owed to affiliated undertakings.

The Board of Directors

Belmiro de Azevedo, Chairman of the Board of Directors

Álvaro Cuervo Garcia, member of the Board of Directors

Bernd Bothe, member of the Board of Directors

Christine Cross, member of the Board of Directors



| Michel Marie Bon, member of the Board of Directors |
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| José Neves Adelino, member of the Board of Directors |
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| |
| Duarte Paulo Teixeira de Azevedo, CEO |
| |
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| |
| Álvaro Carmona e Costa Portela, member of the Executive Committee |
| |
| |
| Ângela Cabriel Bibairinha des Cantes Baugária mambar af the Evecutive Committee |
| Ângelo Gabriel Ribeirinho dos Santos Paupério, member of the Executive Committee |
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| Nuno Manuel Moniz Trigoso Jordão, member of the Executive Committee |
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STATUTORY AUDITOR AND AUDITOR'S REPORT

STATUTORY AUDIT AND AUDITORS' REPORT

(This is a translation of a report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

Introduction

1. In compliance with applicable legislation we hereby present our Statutory Audit and Auditors' Report on the consolidated and individual financial information contained in the Report of the Board of Directors, and the consolidated and individual financial statements of Sonae, S.G.P.S., S.A. ("Company") for the year ended 31 December 2009, which comprise the Consolidated and Individual Balance Sheets (that present a total of 7,551,624,303 Euro and 3,628,077,049 Euro, respectively, and consolidated and individual equity of 1,701,134,275 Euro and 3,088,062,084 Euro, respectively, including consolidated net profit attributable to the Company's Equity Holders of 93,760,817 Euro and an individual net profit of 91,729,048 Euro), the Consolidated and Individual Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding notes.

Responsibilities

- 2. The Board of Directors is responsible for: (i) the preparation of consolidated and individual financial statements that present a true and fair view of the financial position of the Company and of the companies included in the consolidation, the consolidated and individual results of their operations, comprehensive income, changes in equity and cash flows; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control; and (iv) informing any significant facts that have influenced the operations of the Company and companies included in the consolidation, their financial position and results of operations and comprehensive income.
- 3. Our responsibility is to examine the financial information contained in the documents referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

Our examination was performed in accordance with the Auditing Standards issued by the Portuguese Institute of Statutory Auditors, which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Such an examination includes verifying, on a test basis. evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the significant estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Such an examination also includes verifying the consolidation procedures, the application of the equity method and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting principles used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, verifying the adequacy of the overall presentation of the consolidated and individual financial statements and assessing that, in all material respects, the consolidated and individual financial information is complete, true, timely, clear, objective and licit. Our examination also includes verifying that the consolidated and individual financial information included in the Report of the Board of Directors is consistent with the consolidated and individual financial statements. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly in all material respects, the consolidated and individual financial position of Sonae, S.G.P.S., S.A. as of 31 December 2009, the consolidated and individual results of its operations, consolidated and individual comprehensive income, changes in consolidated and individual equity and its consolidated and individual cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the information contained therein is, in terms of the definitions included in the auditing standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Porto, 16 March 2010

DELOITTE & ASSOCIADOS, SROC S.A. Represented by Luís Augusto Gonçalves Magalhães

REPORT AND OPINION OF STATUTORY AUDIT BOARD

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

(Translation of a Report and Opinion originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

To the Shareholders

1 - Report

1.1 - Introduction

In compliance with the applicable legislation and in accordance with the terms of our mandate, the Statutory Audit Board issues the present report over the supervision performed and its Opinion, which covers the Management Report and the individual and consolidated financial statements for the year ended 31 December 2009.

1.2 - Supervision

During the year under analysis, the Statutory Audit Board accompanied, within the scope of its competencies, the management of the Company and its subsidiaries. The Statutory Audit Board has also oversaw, with the scope considered adequate under the circumstances, the evolution of the operations, the adequacy of the accounting records, the appropriateness regarding the process of preparation and disclosure of financial information, corresponding accounting policies, valuation criteria used and the compliance with legal and regulatory requirements.

For that purpose, the Board met five times during the year, some of which with the presence of Directors, managers responsible for the departments of Planning and Control, Administrative and Accounting, Tax, Internal Audit and Risk Management and the Statutory Auditor and external auditor, Deloitte & Associados, SROC, S.A. Additionally, the Statutory Audit Board participated in the Board of Directors meeting where the Management Report and the financial statements of 2009 were approved.

The Statutory Audit Board oversaw the effectiveness of the risk management and internal control, having appreciated the planning and results of the internal and external auditors' activities.

The Statutory Audit Board was made aware of the communication of irregularities and has met with the Sonae's Ombudsman and has reviewed its reports.

The Statutory Audit Board examined, with special attention, the accounting treatment of transactions that had material economic or financial impacts in the development of operations, reflected in the financial statements under analysis, and, in accordance with its duties, verified the qualification and independence of the Statutory Auditor and External Auditor. In the fulfillment of its duties, the Statutory Audit Board reviewed the Management Report and the individual and consolidated financial statements, concluding that these information was prepared in accordance with the applicable legislation and accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and its affiliates included in the consolidation. Additionally, it has reviewed the Statutory Audit and Auditors' Report issued by the Statutory Auditor and agreed with their content.

2 - Opinion

Considering the above, in the opinion of the Statutory Audit Board, the Management Report, the consolidated and individual financial statements and the net result appropriation proposal, presented by the Board of Directors, are in accordance with the accounting, legal and statutory requirements and consequently recommends that those should be approved by the Shareholders' General Meeting.

3 - Responsibility Statement

In accordance with paragraph a), number 1 of article 8° of the Regulation of CMVM nr. 5/2008 and with the terms defined in paragraph c) n° 1 of the article 245° of the Portuguese Securities Market Code, the members of the Statutory Audit Board declare that, to their knowledge, the information contained in the Management Report and the remaining financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of the Sonae, S.G.P.S., S.A. and companies included in the consolidation. Also it is their understanding that the Management Report faithfully describes the business evolution, performance and financial position of Sonae, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 25 March 2010

The Statutory Audit Board

Daniel Bessa Fernandes Coelho

Arlindo Dias Duarte Silva

Jorge Manuel Felizes Morgado



SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that 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 at Sonae's institutional website www.sonae.pt

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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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