



SONAE/
1ST HALF
RESULTS
2011/



SONAE/
**MANAGEMENT
REPORT /**

1 HIGHLIGHTS

Market share gains allow for the maintenance of the consolidated activity

- consolidated turnover¹ grows by 1% to 2,690 M€
- share in the Portuguese food retail market increases by 1.1pp
- Sonae MC sales grow by 1% on a "Lfl" basis
- Sonae SR businesses increase their market shares in Portugal and Spain

Profitability is sustained and financial structure is further strengthened

- EBITDA reaches 299 M€ in the first six months of the year, corresponding to a margin on sales of 11%
- Sonae Sierra and Sonaecom deliver significant increases in net income
- Net result for the period totalled 58 M€, of which the share attributable to the Group was 35 M€
- Return on Equity sustained at 13%, broadly in line with 2010
- consolidated net debt decreases 242 M€ against the same period last year

"During 1H2011, there was a sharp decline in private consumption in the Iberian Peninsula, which was particularly pronounced in the discretionary market segments. In this challenging environment, Sonae clearly reinforced its commitment to being on the side of consumers. Market share gains in Portugal, obtained through the delivery of the best value proposition to the end customer, and the growing international business allowed for a sustained sales performance. During this period, thanks to the successful execution of our on-going plans to improve efficiency and optimise cost structures, it was possible to maintain the Group's profitability level almost in line with 2010.

In Portugal and Spain, uncertainties remain with regards to the austerity measures to come, and consequent impacts on consumer behaviour. Nevertheless, in light of the measures announced recently and with regards to the more cyclical segments, it is expected that markets will experience a greater contraction in sales, particularly over the Christmas season, which is a significant period in several markets. Nonetheless, we remain confident that we will continue to grow our market shares, to further strengthen our capital structure and to implement the defined medium and long term strategic guidelines, namely that of increasing our internationalisation. Despite the short-term volatility which prevails in the current economic and financial environment, we remain fully convinced that these guidelines continue to be the best way to generate more value for all of our stakeholders."

Paulo Azevedo, CEO Sonae

¹ Excluding fuel sales

2 OVERALL PERFORMANCE

Consolidated profit & loss account			
Million Euros			
	1H10	1H11	Var
Turnover ²	2.744	2.703	-2%
Turnover^(ex-fine) ²	2.675	2.690	1%
Recurrent EBITDA	295	286	-3%
Recurrent EBITDA margin	10,8%	10,6%	-0,2 pp
EBITDA	305	299	-2%
EBITDA margin	11,1%	11,0%	-0,1 pp
EBIT	149	133	-11%
Net financial activity	-51	-53	-3%
Other items	1	0	-
EBT	99	79	-20%
Taxes	-25	-13	49%
Direct results	74	67	-10%
...Group share	55	42	-23%
Indirect results	-25	-9	66%
...Group share	-14	-8	45%
Net income	48	58	20%
...Group share	41	35	-15%

Net invested capital			
Million Euros			
	1H10	1Q11	1H11
Net invested capital	4.931	4.882	4.891
Investment properties ¹	1.799	1.729	1.738
Technical investment ²	3.219	3.130	3.126
Financial investment	46	35	34
Goodwill	733	741	741
Working capital	-865	-753	-747
Total shareholders funds	1.710	1.878	1.912
Total net debt³	3.221	3.004	2.979
Net debt / Invested capital	65%	62%	61%

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

• Despite the weak economic dynamism of the Iberian market and the first effects of the recent announcement of new austerity measures in Portugal, both of which particularly penalising in terms of private consumption behaviour, **Sonae's turnover for 1H11 increased circa 1% to 2,690 M€²**. In this challenging environment, Sonae businesses achieved **gains in market share** in the first 6 months of the year, which lead to an increase in consolidated activity.

• In the first half of the year, **recurrent EBITDA amounted to 286 M€, representing 10.6% of overall turnover**. This figure was naturally impacted by the investment carried out in developing Sonae SR's international operation, but also by the effects of the consumption retraction, particularly felt in the non-food categories. Despite this, the efficiency measures carried out by our businesses and the optimisation of the cost structures have allowed for the maintenance of an EBITDA margin similar to the previous year.

• Direct net income totalled 67 M€, circa 7M€ below the figure registered in the same period last year, mainly as a result of the EBIT evolution. In the same period, the indirect result relative to the shopping centres portfolio was -9 M€, significantly better than in the previous year (-25 M€). Consequently, **net result for the period totalled 58 M€, of which the share attributable to the Group corresponds to circa 35 M€**.

• During the 1H11, **total investment for the group amounted to 153 M€,** having been mainly allocated to the development of the international operations and remodelling and maintenance of assets in Portugal.

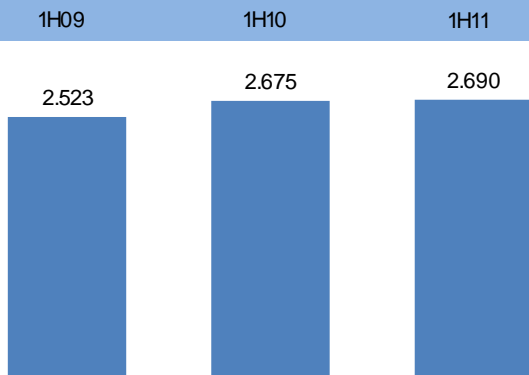
• As at 30th June, **total net debt amounted to 2,979 M€,** which represents a reduction of 242M€ compared to 1H10. The company possesses a **solid financial structure, with its debt decreasing sustainably** and representing, as at end June 2011, 61% of invested capital (vs. 65% one year ago).

² The analysis excludes the sales relative to the petrol stations (as during 2Q10 Sonae transferred the operation of 8 petrol stations to a third party), and incorporates the re-statement of Geostar's 2010 turnover, taking into account the analysis of the sector practices (see Note on Section 9 of this report).

3 TURNOVER

Tumover-Ex-fuel

Million euros



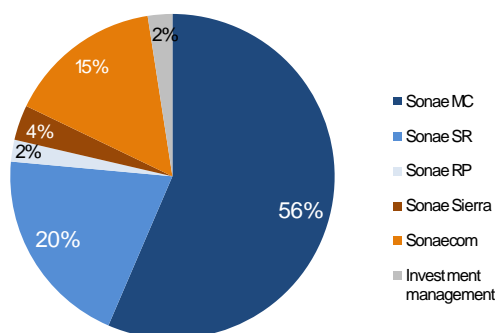
Tumover-Ex-fuel

Million euros

	1H10	1H11	Var
Tumover ²	2,744	2,703	-2%
Tumover² (ex-fuel)	2,675	2,690	1%
Sonae MC	1,517	1,558	3%
Sonae SR	554	551	-1%
Sonae RP	64	60	-7%
Sonae Sierra	95	97	2%
Sonaeacom	450	425	-6%
Investment management	67	68	1%
Eliminations & adjustments	-73	-69	6%
Petrol stations	69	13	-81%

Tumoverbreakdown (1H11)

% totalturnoverex-fuel



In 1H11, Sonae increased its consolidated turnover to **2,690 M€**³. The major contributors were as follows:

- **Sonae MC with 1,558 M€ (+41 M€ or +3%)**. This figure incorporates a **positive evolution of over +1% on a comparable store universe basis**, despite the effects of the “trading down” normally carried out by the consumers during difficult times. It is also worth highlighting that sales volumes have grown by more than 2% during the 1H11. Thus Sonae MC continued to strengthen its leadership in the market (+1.1 p.p. market share)⁴, with an important contribution coming from its private and discount labels portfolio – currently representing circa 29% of sales in the relevant categories.
- **Sonae SR with 551 M€ (-1%)**. This variation is penalised by the evolution of -13% in the comparable store universe, in light of the significant decreases felt in the overall markets during the first half of the year. Despite this less favourable performance, we estimate that our main formats attained sales performances above market average, having consequently gained market share⁵.
- **Sonae Sierra with 97 M€ (+2%)**. Within a context of lower consumption levels across most European countries, Sonae Sierra once again demonstrated the quality of its assets by increasing the average occupation rates to 97% and the volume of overall income from the shopping centres under its control – with particular reference to the contribution made by the Brazilian operation.
- **Sonaeacom with 425 M€ (-25 M€)**. The lower turnover was exclusively determined by reductions in product sales (driven by the end of the “e-initiatives” programme) and by the decrease in regulated tariffs (mobile termination rates and roaming tariffs), as Optimus was able to maintain a positive evolution at the level of mobile customer revenues and grow its revenue market share by 1.2 p.p.⁶, while SSI was able to increase its respective services revenues.

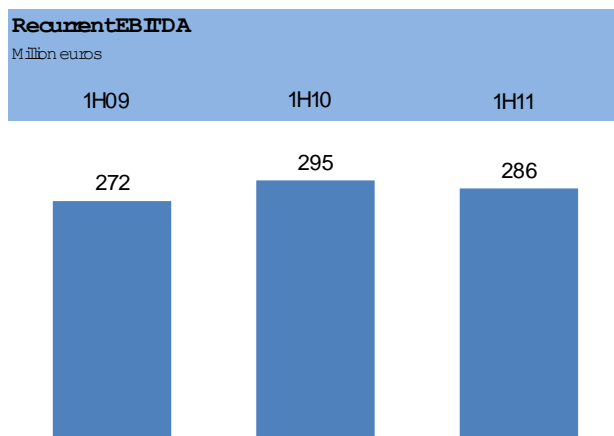
³ See initial notes

⁴ Source: A.C.Nielsen / Homescan: YTD evolution until 3rd July

⁵ Source: GfK with regards to the electronics market, internal estimates for remaining markets

⁶ Source: results published by the operators

4 RECURRENT EBITDA



Recurrent EBITDA
Million euros

	1H10	1H11	Var
Sonae	295	286	-3%
Sonae MC	79	82	3%
Sonae SR	7	-11	-
Sonae RP	58	54	-7%
Sonae Sierra	45	45	-1%
Sonaecom	100	106	7%
Investment management	1	3	127%
Eliminations & adjustments	5	7	42%

Recurrent EBITDA
% of turnover

	1H10	1H11	Var
Sonae	10.8%	10.6%	-0.2 pp
Sonae MC	5.2%	5.2%	0.0 pp
Sonae SR	1.3%	-2.0%	-3.3 pp
Sonae RP	90.6%	90.4%	-0.2 pp
Sonae Sierra	47.6%	46.2%	-1.4 pp
Sonaecom	22.1%	25.0%	2.9 pp
Investment management	1.9%	4.3%	2.4 pp

In consolidated terms, the Group's recurrent EBITDA totalled **286 M€**, representing a margin of 10.6%, practically in line with the same period last year. In a difficult macroeconomic environment, this performance was supported by the widespread implementation of projects to improve the operational efficiency in our different business areas. In terms of recurrent EBITDA, it is worth highlighting:

- **Sonae MC with 82 M€ (+3%)**, representing a profitability of 5.2% of the respective turnover (in line with the same period last year). Sonae MC was able to sustain its competitiveness during this period via a combination of relevant promotional activities, leveraged on its leading loyalty card (which was involved in over 85% of sales in the period), a rigorous cost control, gains in efficiency and in the optimisation of its supply chain.
- **Sonae SR's contribution totalled -11 M€**, which compares with a figure of +7 M€ registered in the same period last year. This evolution essentially reflects the negative sales behaviour in the Iberian market, but is also a result of the costs incurred, in terms of store openings and brand awareness, so as to constitute a relevant market position in Spain and to enter into new geographies.
- **Sonae RP with 54 M€**. This figure is slightly below that of the same period last year (-4 M€), solely due to the reduction of the asset portfolio, which resulted from the sales executed between the two periods.
- **Sonae Sierra's contribution to the Group's consolidated results was stable at 45 M€**, driven by the sustainability achieved in the operations and by the growth attained in Brazil, which translated into an EBITDA margin of 46.2% in 1H11.
- Still in the same period, **Sonaecom's contribution totalled 106 M€ (+7%)**, corresponding to an increase in profitability compared to turnover of 2.9 p.p. (to 25%), resulting from the optimisation of its cost structure and the positive performance in terms of mobile customer revenues.

5 NET RESULTS

Consolidated direct results

Million Euros

	1H10	1H11	Var
Recurrent EBITDA	295	286	-3%
Recurrent EBITDA margin	10,8%	10,6%	-0,2 pp
EBITDA	305	299	-2%
EBITDA margin	11,1%	11,0%	-0,1 pp
EBIT	149	133	-11%
Net financial activity	-51	-53	-3%
Other items	1	0	-
EBT	99	79	-20%
Taxes	-25	-13	49%
Direct results	74	67	-10%
...Group share	55	42	-23%

Indirect results

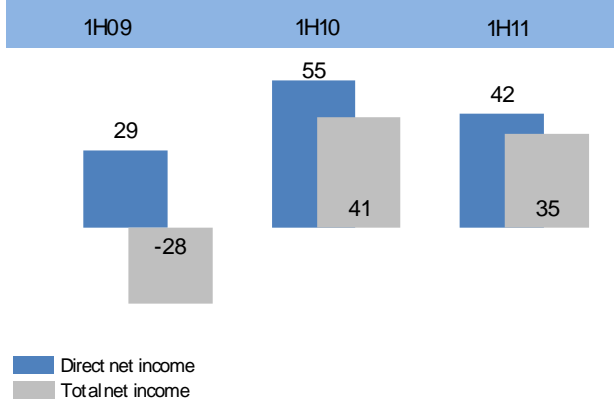
Million Euros

	1H10	1H11	Var
Indirect results	-25	-9	66%
...Group share	-14	-8	45%
VCPID ¹	0	0	-1
Other	-3	-4	0
Taxes	-11	-4	7

(1) Value created on investment and development properties; includes one-off investments. Management figures details

Net Income (group share)

Million euros



• In 1H11, consolidated EBITDA reached 299 M€. This figure represents a slight decrease of circa 6 M€ in relation to the same period last year, essentially translating the evolution of the level of recurrent EBITDA. Non-recurring gains in 1H11 reached a figure of 13 M€ (+3 M€ than the previous year), essentially due to the capital gains registered resulting from the disposals of Sonae RP real estate assets.

• In the same period, expenses relating to **depreciations and amortizations** stood at 153 M€ (+7 M€) and **net financial expenses** totalled 53 M€. This last figure is 2 M€ higher than the amount registered in the 1H10, despite the lower amount of average debt outstanding, as a result of the increase in effective interest costs, mostly explained by the higher market rates (Euribor).

• The **direct income** for the period (attributable to shareholders) totalled 42 M€, circa 13 M€ below the figure registered in 1H10, basically translating the EBIT evolution described above.

• The contribution of **indirect results**, relative to changes in the valuation of the shopping centres portfolio of Sonae Sierra, was negative by 8 M€ (which compares favourably with -14 M€ registered in the same period last year), as a consequence of an 20 bps (average) yield expansion in Portugal (bringing the cumulative increase since the end of 2008 to almost 120 bps), partially compensated by the increase in the valuation of assets in Brazil, determined exclusively by the improvement of the operational activity.

• As a result of the above described evolution, **total net result** for the period reached 58 M€, of which the amount attributable to the Group was 35 M€.

6 INVESTED CAPITAL

Capex

Million Euros

	1H10	1H11	% T
Sonae	191	153	6%
Sonae MC	41	37	2%
Sonae SR	42	42	8%
Sonae RP	15	2	4%
Sonae Sierra	32	21	22%
Sonacom	56	43	10%
Investment management	2	5	8%
Elimination & adjustments	4	2	-
Recurrent EBITDA - CAPEX	104	133	-

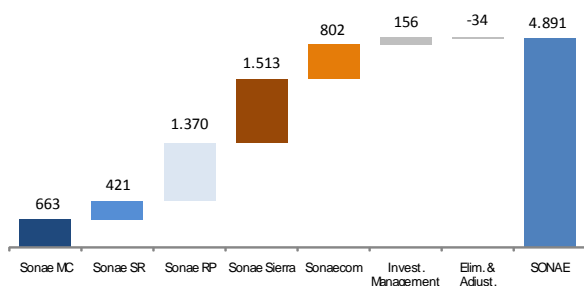
Net invested capital

Million euros

	1 st H10	4 th T10	1 st H11
Invested capital	4 931	4 714	4 891
Investment properties	1 799	1 778	1 738
Technical investment	3 219	3 191	3 126
Financial investment	46	35	34
Goodwill	733	741	741
Working capital	-865	-1 032	-747

Breakdown Invested Capital (1H11)

Million Euros



During the course of the first 6 months of 2011, Sonae carried out an **overall investment of 153 M€**, essentially distributed amongst the following projects:

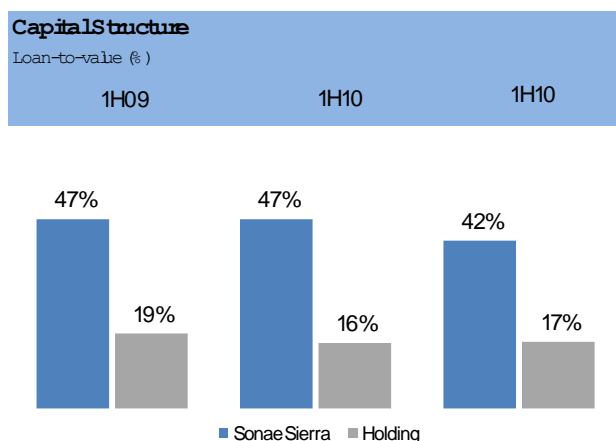
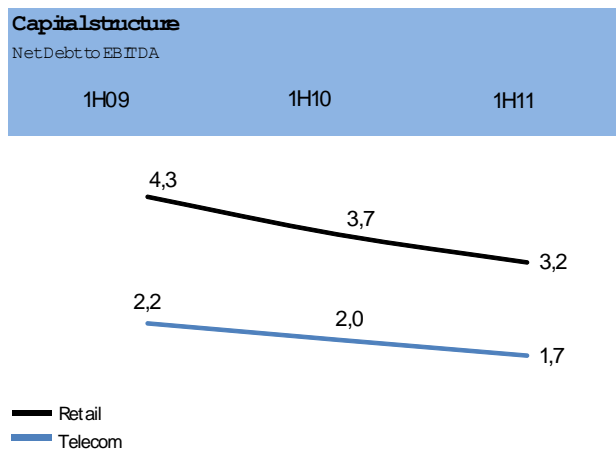
- completion of new retail projects in Portugal, including 1 new Continente Modelo store and 8 new stores for Sonae SR, of recognisable value and very positive return expectations;
- widening of Sonae SR store network in the Spanish market, with the opening of 20 thousand new sqm of sales area (22 new stores) – thus pursuing an important avenue of international growth. It is also worth highlighting that during this period Sonae SR reached a total of 100 stores in Spain;
- selective remodelling of a number of retail units so as to ensure that they remain as a reference in their respective areas of implementation;
- actively manage the attractiveness of Sonae Sierra's current shopping centres and pursue new development projects in Italy (Le Terrazze) and Brazil (Uberlândia and Londrina). It is expected that these shopping centres will open during the course of 2012. Also, Sonae Sierra announced the establishment of a joint-venture with MAB Development to develop a new shopping centre project in Solingen, Germany. Construction of this shopping is expected to begin in the next few months;
- maintain Optimus's high level of quality in mobile and fixed network, as one of Sonacom's distinctive strategic assets.

The **cash flow generation** of our businesses continues to increase, as evidenced by the 28% increase (or +29 M€) registered, in the first half of 2011, at the level of Recurrent EBITDA minus Capex.

As at 30th June, Sonae's overall **net capital employed was 4,891 M€**. Sonae Sierra's contribution to this total amount was 1,513 M€ (- 87 M€ compared to the same period last year, resulting from participation reductions in 3 shopping centres in operation in Greece and Spain). Sonae RP's net invested capital was 1,370 M€ (- 118 M€, driven by the implementation of the sale & lease back programme of retail real estate assets).

7 CAPITAL STRUCTURE

Netdebt			
Million euros			
	1H10	1H11	Var
Netdebt including shareholder bans	3 221	2 979	-242
Netdebt / Invested capital	65%	61%	-4 p.p.
Netdebt excluding shareholder bans	3 177	2 933	-244
Unidades de retaho	1.418	1.326	-91
Sonae Sierra	855	696	-159
Sonacom	362	345	-18
Investment management	1	19	19
Holding & other	541	547	6
Shareholder bans	45	47	2



As at end June 2011, Sonae's **total net debt** amounted to 2,979 M€, translating in a significant reduction (242 M€ or -8%) over the course of the last 12 months. This figure is all the more significant when valued, in accumulated terms, since 1Q09 (a total reduction of circa -600 M€), and within a context of a strong investment in international growth.

Sonae continues with the strategy of strengthening its capital structure, having already ensured the repayment of all debt facilities that mature during 2011. In June 2011, consolidated net debt represented 61% of capital employed compared to 65% at the end of 1H10.

- As at end June, the **retail units** net debt totalled 1,326 M€, 91 M€ below the same period in 2010 and corresponding to a Net Debt to EBITDA ratio of 3.2x (significantly below the figures registered at the end of 1H10). This evolution was driven by the combination of a strong cash-flow generation with the completion of a number of sale & leaseback transactions, reducing Sonae MC's level of *freehold* to approximately 78% (vs. 85% at the end of the 1H10).
- Sonae Sierra's** net debt decreased by 159 M€ to 696 M€, benefitting from the sale of participations in the "Mediterranean Cosmos", "Plaza Éboli" and "El Rosal" shopping centres, and the cash in-flow resulting from Sonae Sierra Brazil's IPO. The combination of these operations reflects the implementation of the defined capital "recycling" strategy, which enables the continued business development, while reducing leverage, as evidenced by the evolution of the loan-to-value ratio (which went from 47% in the same period last year to 42% at the end of June 2011).
- Sonacom's net debt** decreased by 18 M€ to 345 M€, mainly as a result of the increasing capacity of its businesses to generate positive free cash-flows and despite the dividends distributed in the 1H11 (the first in its history).

8 CORPORATE INFORMATION

Outlook for 2011

Uncertainties prevail over what impacts the austerity measures will have on consumer behaviour. As mentioned in the previous quarter, and as a result of the deterioration of the trading environment in Portugal, we continue to anticipate growing pressure on sales and commercial margins during the remaining months of 2011.

Thus, in light of the likely reduction in disposable income, as a result, namely, of the extraordinary tax recently approved in Portugal, it is expected that, in particular regarding the more cyclical segments, the overall markets experience a contraction in sales, namely over the Christmas season. As such, and so as to sustain the Group's solid profitability levels, the programmes which have the potential to improve productivity and efficiency will continue to be carried out.

Sonae will also continue to ensure a strong scrutiny over investment decisions and, despite the contraction of demand for Portuguese real estate, will continue to pursue its programme to free up invested capital in its retail real estate arm, whenever adequate opportunities arise, which reflect the high quality of the assets. These actions, in conjunction with the cash-flow generated by its businesses in Portugal, will enable the company to continue to promote international growth and, in parallel, to strengthen its capital structure.

Despite the exceptional economic moment and the uncertainty surrounding the markets, Sonae remains confident in the strength of its strategic guidelines which privilege the reinforcement of the value proposition of the businesses, diversification of our investment style and international growth.

2Q11 Main Corporate Events

On **15th April**, Sonae announced the signature of a partnership deal for the joint development of a retail operation in **Angola**. The project comprises the opening of a network of Continente hypermarkets and fits within Sonae's defined strategic development framework by bringing a very relevant international growth opportunity and, at the same time, enabling the diversification of investment style.

On **16th May** the company announced the completion of an agreement for the transfer to Sonae of the operation of 8 existing consumer electronics stores in **Spain**. This operation is particularly relevant as it allows Sonae to significantly strengthen its position in the Spanish market (in particular via the Worten brand) and fulfil its accelerated international growth strategy under a capital light framework.

On **20th June** Sonae informed the market of the expansion of its international activities with the opening of the first specialised retail store in **Turkey** (in Istanbul, under the Zippy format). Entry into the Turkish market was carried out via direct investment, although it followed a capital light approach with what concerns to the real estate assets.

Subsequent Events

On **5th July** and **22nd August**, the entry of Sonae in, respectively, **Egypt** and **Kazakhstan** was announced, with the opening of the first Zippy stores in their respective capital cities. These expansions were carried out under a franchise regime, via a partnership signed with Fawaz Alhokair Group, thus following the strategy of diversification of investment styles.

Sonae provides additional operating and financial information in Excel format

Please refer to our website (www.sonae.pt)

9 ADDITIONAL INFORMATION

Notes

The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The financial information regarding quarterly and semi-annual figures was not audited.

In light of the IAS 18 clarification, the information pertaining to Geostar's turnover now solely includes the component of services rendered and commissions earned. This methodological change implied the re-expression of historical financial figures with regards to turnover and costs, but does not imply any impact on the amount of cash-flow registered or balance sheet components.

Sonae consolidated turnover

Million euros

	1Q10	2Q10	3Q10	4Q10	FY10
As reported in 2010	1.358	1.418	1.509	1.628	5.914
According to the actual methodology	1.344	1.400	1.487	1.614	5.845

Glossary

CAPEX	Investments in tangible and intangible assets, investment properties and acquisitions; Gross CAPEX, not including cash inflows from the sale of assets
Direct income	Direct income excludes contributions to indirect income
EBITDA	Turnover + other revenues - impairment reversal – negative goodwill- operating costs (based on direct net income) + provisions for warranties extensions + gain/losses from sales of companies
EBITDA margin	EBITDA / Turnover
Eliminations & others	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments
EOP	End of period
Free Cash Flow (FCF)	EBITDA – operating capex-change in working capital-financial investments-financial results-income taxes
Financial net debt	Total net debt excluding shareholders loans
Indirect income	Indirect Income includes Sierra's contributions net of taxes to the consolidated income statement, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and; (iv) provision for assets at Risk; The data used for the analysis of indirect income was computed based on the proportional method for all companies owned by Sonae Sierra; for Sonae, the analysis was done using the consolidation method for each company, as stated in the consolidated financial accounts.
Net Invested capital	Total net debt + total shareholder funds
Investment properties	Shopping centres in operation owned by Sonae Sierra
Liquidity	Cash & equivalents + current investments
Like for Like sales	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods

Loan to value Holding	Holding Net debt/ Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies
Loan to value Shopping Centres	Net debt / (investment properties + properties under Development)
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities
Net Debt	Bonds + bank loans + other loans + financial leases + shareholder loans – cash, bank deposits, current investments and other long term financial applications
Other income	Share of results of associated undertakings + dividends
Other loans	Bonds, leasing and derivatives
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by an independent entity
RoIC (Return on invested capital)	EBIT(12 months) /Net invested capital
ROE (Return on Equity)	Total net income _n (equity holders)/ Shareholders' Funds _{n-1} (equity holders)
Recurrent EBITDA	EBITDA excluding non-recurrent items, namely gains in sales of investments and other movements that distort comparability
Shopping Centre Services business	Asset management services + property management services
Technical investment	Tangible assets + intangible assets + other fixed assets – depreciations and amortizations
Value created on investment and development properties (VCIDP)	Increase (decrease) in the valuation of shopping centres in operation and under development; shopping centres under development are only included if a high degree of certainty concerning their conclusion and opening exists.

Consolidated Income Statement

Consolidated profit and loss account ⁽¹⁾			
Million euros			
	1H10	1H11	Var
Direct results			
Turnover	2.744	2.703	-1,5%
Recurrent EBITDA ⁽²⁾	295	286	-3,2%
Recurrent EBITDA margin	10,8%	10,6%	-0,2 pp
EBITDA	305	299	-
EBITDA margin	11,1%	11,0%	-0,1 pp
Provisions & impairments ⁽³⁾	-10	-13	-31,1%
Depreciations & amortizations	-146	-153	-4,8%
EBIT	149	133	-11,0%
Net financial activity	-51	-53	-3,4%
Other items ⁽⁴⁾	1	0	-
EBT	99	79	-19,5%
Taxes	-25	-13	48,9%
Direct results	74	67	-9,6%
Group share	55	42	-22,6%
Minority interests	19	24	28,3%
Shopping centers indirect results			
Indirect results ⁽⁵⁾	-25	-9	66,0%
Group share	-14	-8	44,9%
Minority interests	-12	-1	91,4%
Net income			
Net income	48	58	20,0%
Group share	41	35	-15,1%
Minority interests	7	23	-

(1) Semi-annual figures are unaudited; (2) EBITDA excluding extraordinary items; (3) Includes reversion of impairments and negative goodwill; (4) Share of results of associated undertakings + dividends; (5) Statutory figures. For management purposes, Sonae uses the decomposition of the Indirect Result according to the notes to the consolidated financial statements.

Consolidated Balance Sheet

Balance sheet⁽¹⁾					
Million euros					
	1H10	1H11	Var	4Q10	Var
TOTAL ASSETS	7 400	7 414	0,2%	7 552	-1,8%
Non current assets	6 062	5 959	-1,7%	6 046	-1,4%
Tangible and intangible assets	3 219	3 125	-2,9%	3 182	-1,8%
Goodwill	733	741	1,1%	741	0,0%
Investment properties in operation	1 663	1 584	-4,8%	1 631	-2,9%
Investment properties under development	96	108	12,9%	102	6,4%
Other investments	84	112	32,2%	113	-1,7%
Deferred tax assets	230	234	1,6%	221	5,8%
Others	37	56	51,3%	56	-0,3%
Current assets	1 337	1 456	8,9%	1 506	-3,3%
Stocks	620	638	2,9%	682	-6,4%
Trade debtors	182	152	-16,2%	187	-18,6%
Liquidity	156	270	72,8%	263	2,4%
Others ⁽²⁾	379	396	4,3%	374	5,9%
SHAREHOLDERS' FUNDS	1 710	1 912	11,8%	1 862	2,7%
Equity holders	1 209	1 305	7,9%	1 337	-2,5%
Attributable to minority interests	501	607	21,3%	524	15,8%
LIABILITIES	5 690	5 503	-3,3%	5 690	-3,3%
Non-current liabilities	3 611	3 426	-5,1%	3 455	-0,9%
Bank loans	1 290	1 313	1,8%	1 128	16,5%
Other loans	1 811	1 492	-17,6%	1 712	-12,9%
Deferred tax liabilities	362	382	5,3%	371	2,8%
Provisions	60	72	20,5%	63	14,5%
Others	88	167	90,5%	181	-7,8%
Current liabilities	2 079	2 077	-0,1%	2 235	-7,1%
Bank loans	153	206	34,4%	165	24,9%
Other loans	78	224	185,8%	100	124,6%
Trade creditors	1 080	1 033	-4,3%	1 265	-18,3%
Others	768	614	-20,0%	706	-13,0%
SHAREHOLDERS' FUNDS + LIABILITIES	7 400	7 414	0,2%	7 552	-1,8%

(1) Semi-annual figures are unaudited; (2) Includes assets available for sale.

Maia, 23 August 2011

The Board of Directors

Belmiro Mendes de Azevedo

Michel Marie Bon

Álvaro Carmona e Costa Portela

José Neves Adelino

Álvaro Cuervo Garcia

Duarte Paulo Teixeira de Azevedo

Bernd Bothe

Ângelo Gabriel Ribeirinho dos Santos Paupério

Christine Cross

Nuno Manuel Moniz Trigo Jordão

SONAE/
APPENDIX /



Statement under the terms of Article 246, paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the progress of the business and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 23 August 2011

The Board of Directors

Belmiro Mendes de Azevedo

Michel Marie Bon

Álvaro Carmona e Costa Portela

José Neves Adelino

Álvaro Cuervo Garcia

Duarte Paulo Teixeira de Azevedo

Bernd Bothe

Ângelo Gabriel Ribeirinho dos Santos Paupério

Christine Cross

Nuno Manuel Moniz Trigoso Jordão

Appendix required by articles 9 nr.1, a) and 14, nr.7 of CMVM Regulation nr.05/2008

	Date	Additions		Reductions		Balance as of
		Quantity	Aver. Price €	Quantity	Aver. Price €	30.06.2011
						Quantity
Belmiro Mendes de Azevedo (*) (**)						
Efanor Investimentos, SGPS, SA (1)						49,999,996
Sonaecom, SGPS, SA						75,537
Álvaro Carmona e Costa Portela (*)						
Sonae, SGPS, SA						125,934
Sonaecom, SGPS, SA						5,000
Ângelo Gabriel Ribeirinho dos Santos Paupério (*)						
Sonae, SGPS, SA						355,233
Shares attributed under a Share Based Compensation Plan	10.03.2011	105,233	0.000			
Sonaecom, SGPS, SA						292,086
Shares attributed under a Share Based Compensation Plan	10.03.2011	67,086	0.000			
Duarte Paulo Teixeira de Azevedo (*) (**) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Migracom, SGPS, SA (4)						1,969,996
Sonae, SGPS, SA						3,293 (a)
Shares attributed under a Share Based Compensation Plan	20.05.2011	355,103	0.000			
Sale	20.05.2011			355,103	0.828	
Michel Marie Bon (*)						
Sonae, SGPS, SA						186,000
Purchase	11.05.2011	21,637	0.849			
Maria Margarida Carvalhais Teixeira de Azevedo (**) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Sonae, SGPS, SA						14,901
Maria Cláudia Teixeira de Azevedo (**) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Sonae, SGPS, SA						0
Shares attributed under a Share Based Compensation Plan	10.03.2011	21,549	0.000			
Sale	20.05.2011			21,549	0.828	
Linhacom, SGPS, SA (6)						99,996
Sonaecom, SGPS, SA						0
Shares attributed under a Share Based Compensation Plan	10.03.2011	21,369	0.000			
Sale	20.05.2011			21,369	1.600	
Sonaecom, SGPS, SA						170 (b)
Nuno Teixeira de Azevedo (**) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Sonae, SGPS, SA						10,500 (a)

	Date	Additions		Reductions		Balance as of
		Quantity	Aver. Price €	Quantity	Aver. Price €	30.06.2011
						Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA						74,400,000
Sale						
Pareuro, BV (2)						2,000,000
Sonaecom, SGPS, SA						1,000
(2) Pareuro, BV						
Sonae, SGPS, SA						985,250,000
Purchase	29.04.2011	585,250,000	0.811			
(3) Sonae, SGPS, SA						
Sonae Investments, BV						2,000,000
Sontel, BV						4,286
Sonaecom, SGPS, SA						650,000
Sale	29.04.2011			188,649	1.537	
(4) Migracom, SGPS, SA						
Sonae, SGPS, SA						1,840,103
Purchase	20.05.2011	355,103	0.828			
Sonaecom, SGPS, SA						387,342
Imparfin, SGPS, SA (5)						150,000
(5) Imparfin, SGPS, SA						
Sonae, SGPS, SA						4,105,280
(6) Linhacom, SGPS, SA						
Sonae, SGPS, SA						390,430
Purchase	20.05.2011	21,549	0.828			
Sonaecom, SGPS, SA						71,231
Purchase	20.05.2011	21,369	1.600			
Imparfin, SGPS, SA (5)						150,000
(7) Sonae Investments BV						
Sontel BV (8)						5,714
Sonaecom, SGPS, SA (9)						0
Sale	29.04.2011			10,500,000	1.537	
(8) Sontel BV						
Sonaecom, SGPS, SA (9)						194,063,119
Purchase	29.04.2011	10,688,649	1.537			

	Date	Additions		Reductions		Balance as of 30.06.2011
		Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
(9) Sonaecom SGPS, SA						
Sonaecom, SGPS, SA (own shares)						9,045,200
Sale to employees	10.03.2011			1,473,520	0.14575	
Shares attributed under a Share Based Compensation Plan				277,030	0.000	
Purchase	10.03.2011	27,000	1.472			
Purchase	11.03.2011	240,000	1.453			
Purchase	14.03.2011	169,000	1.441			
Purchase	15.03.2011	278,000	1.406			
Purchase	16.03.2011	55,000	1.402			
Purchase	17.03.2011	109,000	1.404			
Purchase	18.03.2011	93,500	1.414			
Purchase	21.03.2011	171,500	1.425			
Purchase	22.03.2011	410,000	1.442			
Sale to employees	22.06.2011			13,607	0.156	

(*) Member of the Board of Directors of Sonae, SGPS, SA

(**) Member of the Board of Directors of Efanor Investimentos SGPS, SA (directly and indirectly dominant company) (1)

(***) People closely connected with the President of the Board of Directors of Sonae Holding, Belmiro de Azevedo

(****) Member of the Board of Directors of Imparfin, SGPS, SA (5)

(a) Shares held by underage descendants under his/her charge

(b) Shares held by spouse

Note: The Independent Non-executive member of the Board of Directors, José Manuel Neves Adelino, is a member of the Statutory Audit Board of Banco BPI, SA, which holds 178,039,855 shares representing of 8.902 % of Company's share capital.

Qualified holdings

Shares held and voting rights of companies owning more than 2% of the share capital of the company, as required by article 9 nr.1 c) of Securities Market Regulation Board (CMVM) regulation 05/2008.

Shareholder	Nr. of shares	% Share Capital	% of Voting Rights
Efanor Investimentos, SGPS, SA			
Directly	74,400,000	3.720%	3.720%
By Pareuro, BV (controlled by Efanor)	985,250,000	49.263%	49.263%
By Maria Margarida Carvalhais Teixeira de Azevedo (Director of Efanor)	14,901	0.001%	0.001%
By Duarte Paulo Teixeira de Azevedo (Director of Efanor and held by descendent)	3,293	0.000%	0.000%
By Nuno Miguel Teixeira de Azevedo (Director of Efanor and held by descendent)	10,500	0.001%	0.001%
By Migracom, SGPS, SA (company controlled by Efanor's Director Duarte Paulo Teixeira de Azevedo)	1,840,103	0.092%	0.092%
By Linhacom, SGPS, SA (company controlled by Efanor's Director Maria Cláudia Teixeira de Azevedo)	390,430	0.020%	0.020%
Total attributable to Efanor Investimentos, SGPS, SA	1,061,909,227	53.095%	53.095%
Banco BPI, SA			
Banco Português de Investimento, SA	365,199	0.018%	0.018%
Fundos de Pensões do Banco BPI	40,071,372	2.004%	2.004%
BPI Vida - Companhia de Seguros de Vida, SA	4,751,416	0.238%	0.238%
Total attributable to Banco BPI, SA	178,039,855	8.902%	8.902%
Fundação Berardo, Instituição Particular de Solidariedade Social			
	49,849,514	2.492%	2.492%
Total attributable to Fundação Berardo, Instituição Particular de Solidariedade Social	49,849,514	2.492%	2.492%
Bestinver Gestión, S.A. SGIC			
Bestinver Bolsa, F.I.	16,222,727	0.811%	0.811%
Bestifond, F.I.	12,366,063	0.618%	0.618%
Bestinver Mixto, F.I.	2,784,381	0.139%	0.139%
Bestinver Global, FP	2,465,710	0.123%	0.123%
Soixa Sicav	2,373,144	0.119%	0.119%
Bestinver Bestvalue Sicav	2,169,616	0.108%	0.108%
Bestinver Ahorro, FP	1,617,575	0.081%	0.081%
Texrenta Inversiones Sicav	663,409	0.033%	0.033%
Loupri Inversiones	162,262	0.008%	0.008%
Divalsa de Inversiones Sicav, SA	113,869	0.006%	0.006%
Acciones, cup. Y Obl. Segovianas	86,821	0.004%	0.004%
Bestinver Empleo, FP	76,327	0.004%	0.004%
Abedul 1999, SA, Sicav	70,491	0.004%	0.004%
Linker Inversiones, Sicav, SA	64,270	0.003%	0.003%
Total attributable to Bestinver Gestión, S.A. SGIC	41,236,665	2.062%	2.062%
Norges Bank (Banco Central da Noruega)			
	40,100,985	2.005%	2.005%
Total attributable to Norges Bank	40,100,985	2.005%	2.005%



SONAE/
FINANCIAL
STATEMENTS /

Condensed consolidated financial statements

SONAE, SGPS, SA

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011 AND 2010
AND AT 31 DECEMBER 2010*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

ASSETS	Notes	30 June 2011	30 June 2010	31 December 2010
NON-CURRENT ASSETS:				
Tangible assets	9	2,677,594,138	2,751,068,120	2,721,492,972
Intangible assets	10	447,766,205	467,852,302	460,368,523
Investment properties	11	1,691,966,576	1,759,392,170	1,733,205,596
Goodwill	12	740,651,163	732,917,395	740,738,759
Investments in associates	6	69,885,209	71,885,051	70,031,466
Other investments	7 and 13	41,661,445	12,506,138	43,468,060
Deferred tax assets	16	233,571,437	229,914,556	220,721,455
Other non-current assets	14	55,529,123	36,710,575	55,699,300
Total Non-Current Assets		5,958,625,296	6,062,246,307	6,045,726,131
CURRENT ASSETS:				
Inventories		638,133,174	620,061,618	682,103,957
Trade accounts receivable and other current assets	15	547,327,208	561,332,679	551,237,994
Investments	13	4,376,830	62,815,687	15,653,114
Cash and cash equivalents	17	265,219,747	93,163,857	247,592,050
Total Current Assets		1,455,056,959	1,337,373,841	1,496,587,115
Assets available for sale		720,338	-	9,500,686
TOTAL ASSETS		7,414,402,593	7,399,620,148	7,551,813,932
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	18	2,000,000,000	2,000,000,000	2,000,000,000
Own shares		(131,895,330)	(135,679,489)	(135,679,489)
Reserves and retained earnings		(598,281,264)	(696,280,847)	(694,787,895)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		34,741,096	40,939,173	167,940,582
Equity attributable to the equity holders of the Parent Company		1,304,564,502	1,208,978,837	1,337,473,198
Equity attributable to non-controlling interests	19	607,079,331	500,678,707	524,088,940
TOTAL EQUITY		1,911,643,833	1,709,657,544	1,861,562,138
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	20	2,805,278,131	3,101,063,930	2,839,950,773
Other non-current liabilities	22	167,243,856	87,814,939	181,359,120
Deferred tax liabilities	16	381,596,108	362,367,811	371,308,829
Provisions	25	71,958,330	59,701,038	62,823,444
Total Non-Current Liabilities		3,426,076,425	3,610,947,718	3,455,442,166
CURRENT LIABILITIES:				
Loans	20	429,678,639	231,438,124	264,464,248
Trade creditors and other current liabilities	24	1,643,719,603	1,845,584,514	1,967,607,152
Provisions	25	3,284,093	1,992,248	2,738,228
Total Current Liabilities		2,076,682,335	2,079,014,886	2,234,809,628
TOTAL LIABILITIES		5,502,758,760	5,689,962,604	5,690,251,794
TOTAL EQUITY AND LIABILITIES		7,414,402,593	7,399,620,148	7,551,813,932

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE, SGPS, SA

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

	Notes	2 nd Quarter 2011	2 nd Quarter 2010 (Note 1)	30 June 2011	30 June 2010 (Note 1)
Sales		1,124,240,706	1,131,251,265	2,173,792,974	2,209,764,574
Services rendered		262,827,707	268,741,087	529,289,987	534,487,149
Value created on investment properties	11	(5,297,729)	(145,485)	4,088,088	(3,957,957)
Investment income		250,236	4,903,949	130,321	4,890,276
Financial income		2,571,267	3,942,427	8,781,639	6,791,929
Other income		126,905,588	116,961,280	264,689,468	217,274,399
Cost of goods sold and materials consumed		(880,374,412)	(870,096,189)	(1,726,438,708)	(1,738,061,248)
Changes in stocks of finished goods and work in progress		269,094	191,136	366,267	296,497
External supplies and services		(262,540,673)	(271,670,126)	(522,466,335)	(524,053,434)
Staff costs		(180,946,924)	(173,147,507)	(361,581,143)	(344,135,696)
Depreciation and amortisation	9 and 10	(75,782,193)	(73,198,144)	(153,143,692)	(146,094,344)
Provisions and impairment losses		(9,109,934)	(11,273,512)	(19,503,436)	(17,470,051)
Financial expense		(29,963,371)	(29,537,757)	(62,618,980)	(57,905,352)
Other expenses		(26,502,252)	(27,500,748)	(55,307,385)	(51,029,253)
Share of results of associated undertakings	6	182,135	866,240	(3,117,332)	(274,617)
Profit/(Loss) before taxation		46,729,245	70,287,916	76,961,733	90,522,872
Taxation	28	(12,531,873)	(32,919,695)	(18,907,924)	(42,160,480)
Profit/(Loss) after taxation	-	34,197,372	37,368,221	58,053,809	48,362,392
Attributable to:					
Equity holders of the Parent Company		22,938,788	35,197,188	34,741,096	40,939,173
Non-controlling interests	19	11,258,584	2,171,033	23,312,713	7,423,219
Profit/(Loss) per share					
Basic	29	0.012246	0.018827	0.018547	0.021898
Diluted	29	0.012195	0.018793	0.018475	0.021833

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010

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

(Amounts expressed in euro)

	2 nd Quarter 2011	2 nd Quarter 2010	30 June 2011	30 June 2010
Net Profit / (Loss) for the period	34,197,372	37,368,221	58,053,809	48,362,392
Exchange differences arising on translation of foreign operations	5,149,509	15,331,865	(3,143,240)	24,393,402
Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method	(746,130)	(1,153,300)	3,479,463	(2,361,704)
Changes on fair value of available-for-sale financial assets	(1,494,000)	(2,158,000)	(1,660,000)	(5,810,000)
Changes in hedge and fair value reserves	(3,123,238)	2,362,913	13,782,955	(6,961,905)
Deferred related to changes in fair values reserves	960,207	(1,415,234)	(2,440,517)	301,323
Others	282,267	(762,900)	282,267	(762,900)
Other comprehensive income for the period	1,028,615	12,205,344	10,300,928	8,798,216
Total comprehensive income for the period	35,225,987	49,573,565	68,354,737	57,160,608
Attributable to:				
Equity holders of parent company	22,689,875	45,217,095	42,139,430	47,203,087
Non controlling interests	12,536,112	4,356,470	26,215,307	9,957,521

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE, S.G.P.S., S.A.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010

*(Translation of condensed consolidated financial statements originally issued in Portuguese.**In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

	Attributable to Equity Holders of Parent Company											
	Share Capital	Own Shares	Reserves and Retained Earnings					Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 19)	Total Equity
			Legal Reserve	Currency Translation Reserve	Hedging Reserve	Investments Fair Value Reserve	Other Reserves and Retained Earnings					
Balance as at 1 January 2010	2,000,000,000	(136,911,861)	163,229,582	27,670,569	11,801,654	(21,082,667)	(915,302,573)	(733,683,435)	93,760,817	1,223,165,521	477,968,755	1,701,134,276
Total comprehensive income for the period	-	-	-	19,509,639	(5,810,000)	(4,684,591)	(2,751,134)	6,263,914	40,939,173	47,203,087	9,957,521	57,160,608
Appropriation of profit of 2009:												
Transfer to legal reserves and retained earnings	-	-	4,586,452	-	-	-	89,174,365	93,760,817	(93,760,817)	-	-	-
Dividends distributed	-	-	-	-	-	-	(58,889,883)	(58,889,883)	-	(58,889,883)	(1,314,038)	(60,203,921)
Disposal of own shares/ attribution to employees	-	1,232,372	-	-	-	-	(693,484)	(693,484)	-	538,888	(471,377)	67,511
Partial Disposal of affiliated companies	-	-	-	-	-	-	(1,238,277)	(1,238,277)	-	(1,238,277)	(822,591)	(2,060,868)
Others	-	-	-	-	-	-	(1,800,499)	(1,800,499)	-	(1,800,499)	72,549	(1,727,950)
Balance as at 30 June 2010	2,000,000,000	(135,679,489)	167,816,034	47,180,208	5,991,654	(25,767,258)	(891,501,485)	(696,280,847)	40,939,173	1,208,978,837	500,678,707	1,709,657,544
Balance as at 1 January 2011	2,000,000,000	(135,679,489)	167,816,034	46,340,054	4,829,654	(18,288,904)	(895,484,733)	(694,787,895)	167,940,582	1,337,473,198	524,088,940	1,861,562,138
Total comprehensive income for the period	-	-	-	(2,128,055)	(1,660,000)	8,958,571	2,227,818	7,398,334	34,741,096	42,139,430	26,215,307	68,354,737
Appropriation of profit of 2010:												
Transfer to legal reserves and retained earnings	-	-	19,321,614	-	-	-	148,618,968	167,940,582	(167,940,582)	-	-	-
Dividends distributed	-	-	-	-	-	-	(66,200,000)	(66,200,000)	-	(66,200,000)	(9,403,952)	(75,603,952)
Disposal of own shares/ attribution to employees	-	3,784,159	-	-	-	-	3,499,312	3,499,312	-	7,283,471	-	7,283,471
Partial disposal or acquisitions of affiliated companies	-	-	-	(5,716,515)	-	-	(10,287,931)	(16,004,446)	-	(16,004,446)	65,117,764	49,113,318
Acquisitions of affiliated companies	-	-	-	-	-	-	-	-	-	-	282,237	282,237
Others	-	-	-	-	-	-	(127,151)	(127,151)	-	(127,151)	779,034	651,884
Balance as at 30 June 2011	2,000,000,000	(131,895,330)	187,137,648	38,495,484	3,169,654	(9,330,333)	(817,753,717)	(598,281,264)	34,741,096	1,304,564,502	607,079,331	1,911,643,833

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE, S.G.P.S., S.A.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR
THE PERIODS ENDED 30 JUNE 2011 AND 2010*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

	Notes	2nd Quarter 2011	2nd Quarter 2010	30 June 2011	30 June 2010
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		<u>205,544,721</u>	<u>166,855,722</u>	<u>3,180,724</u>	<u>68,872,347</u>
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		427,471	33,798,825	11,279,060	56,028,130
Tangible, intangible assets and investments properties		11,169,108	3,960,587	133,688,989	27,835,325
Dividends		425,337	911,306	425,337	911,473
Others		3,541,416	9,618,015	15,470,734	16,199,787
		<u>15,563,332</u>	<u>48,288,733</u>	<u>160,864,120</u>	<u>100,974,715</u>
Cash Payments arising from:					
Investments		(621,156)	(5,747,233)	(10,356,407)	(11,055,757)
Tangible, intangible assets and investments properties		(94,482,374)	(84,300,953)	(198,063,060)	(224,276,050)
Others		(1,852,523)	(97,081)	(2,190,160)	(361,791)
		<u>(96,956,053)</u>	<u>(90,145,267)</u>	<u>(210,609,627)</u>	<u>(235,693,598)</u>
Net cash used in investment activities (2)		<u>(81,392,721)</u>	<u>(41,856,534)</u>	<u>(49,745,507)</u>	<u>(134,718,883)</u>
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		349,332,641	1,901,283,999	1,261,167,861	3,350,180,599
Others		-	3,615	49,967,319	3,615
		<u>349,332,641</u>	<u>1,901,287,614</u>	<u>1,311,135,180</u>	<u>3,350,184,214</u>
Cash Payments arising from:					
Loans obtained		(382,166,579)	(1,916,949,862)	(1,112,429,406)	(3,208,403,288)
Interest and similar charges		(23,537,512)	(5,821,767)	(54,255,044)	(54,187,525)
Dividends		(75,009,353)	(63,692,152)	(75,640,696)	(64,311,035)
Others		(2,225,233)	(20,649,221)	(3,437,448)	(23,468,388)
		<u>(482,938,677)</u>	<u>(2,007,113,002)</u>	<u>(1,245,762,594)</u>	<u>(3,350,370,236)</u>
Net cash used in financing activities (3)		<u>(133,606,036)</u>	<u>(105,825,388)</u>	<u>65,372,586</u>	<u>(186,022)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(9,454,036)</u>	<u>19,173,800</u>	<u>18,807,803</u>	<u>(66,032,558)</u>
Effect of foreign exchange rate		<u>(1,116,371)</u>	<u>(993,708)</u>	<u>(251,345)</u>	<u>(1,649,378)</u>
Cash and cash equivalents at the beginning of the period	17	<u>264,870,746</u>	<u>63,915,564</u>	<u>237,473,933</u>	<u>148,466,253</u>
Cash and cash equivalents at the end of the period	17	<u>256,533,081</u>	<u>84,083,073</u>	<u>256,533,081</u>	<u>84,083,073</u>

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL

STATEMENTS FOR THE PERIOD ENDED

30 JUNE 2011

(Amounts expressed in euro)

(Translation of condensed consolidated financial statements originally issued in Portuguese.

In case of discrepancies the Portuguese version prevails.)

1 INTRODUCTION

SONAE, SGPS, SA ("Sonae Holding"), has its head office at Lugar do Espido, Via Norte, Apartado 1011, 4471-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 7 ("Sonae"). Sonae's operations and operating segments are described in Note 31.

These consolidated financial statements were not subject to an audit or a limited review by the external auditor.

Revenue recognition Geostar business

According to the recent amendment to IAS 18, revenues must include the gross inflows of economic benefits received and receivable by the entity of its own. Amounts collected on behalf of third parties are not economic benefits which flow to the entity and are therefore excluded from revenue. This methodological change resulted in the restatement of turnover and related costs for the same period of 30 June 2010.

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of annual financial statements for the year ended 31 December 2010.

2.1. Basis of preparation

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

The accompanying condensed 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 some financial instruments which are stated at fair value.

3 CHANGES IN ACCOUNTING POLICIES

During the period were adopted a set of accounting standards, interpretations, amendments and revisions issued in previous years and whose implementation has become mandatory for the year 2011 as disclosed in financial statements for the year ended 31 December 2010, which did not have significant impacts on the financial statements 30 June 2011.

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 Sonae as at 30 June 2011 and 31 December 2010 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 June 2011		31 December 2010	
		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%
BB Food Service, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
2) Best Offer - Prestação de Informações por Internet, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
2) Bikini, Portal de Mulheres, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bom Momento - Comércio Retalhista, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Carnes do Continente - Indústria 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%
1) Discovery Sports, SA	a) Matosinhos	100.00%	100.00%	-	-
Edições Book.it, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
3) 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%
	Fashion Division, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Fashion Division Canárias, SL	a)	Tenerife (Spain)	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%
	Fundo de Investimento Imobiliário Fechado Imosedede	a)	Maia	54.55%	54.55%	54.55%	54.55%
	Fundo de Investimento Imobiliário Imosonaes Dois	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Global S - Hipermercado, Lda	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
2)	Good and Cheap - Comércio Retalhista, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
2)	Hipotética - Comércio Retalhista, SA	a)	Matosinhos	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%
4)	Just Sport - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	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%
	Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modalloop - Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modelo Continente International Trade, 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%
4)	NA - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
5)	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%
	Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos	100.00%	100.00%	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%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	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%
2)	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%
	Sonae Center Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonae Investimentos, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho Espanha - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
8)	Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia	100.00%	90.00%	80.00%	70.00%
	Sonaerp - Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Sport Zone Canárias, SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
	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%
	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 Espanã - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
	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%
5)	Well W - Electrodomésticos e Equipamentos, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten - Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten Espanha Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
6)	Worten Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy – Comércio e Distribuição, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
1)	ZYEvolution-Invest.Desenv.,SA	a)	Matosinhos	100.00%	100.00%	-	-

Telecommunications

Be Artis - Conceção, Construção e Gestão de Redes de Comunicações, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
Be Towering – Gestão de Torres de Telecomunicações, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	54.51%	100.00%	54.54%
Digitmarket - Sistemas de Informação, SA	a)	Maia	75.10%	40.94%	75.10%	40.96%
Lugares Virtuais, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
M3G - Edições Digitais, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
Magma - Operação de Titularização de Créditos	c)	Portugal	100.00%	54.51%	100.00%	54.54%
Mainroad Serviços em Tecnologias de Informação, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
Miauger - Org. Gestão Leilões Electrónicos, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
Optimus - Comunicações, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia	100.00%	54.51%	100,00%	54.54%
Per-Mar - Sociedade de Construções, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	54.51%	100.00%	54.54%
Público - Comunicação Social, SA	a)	Porto	100.00%	54.51%	100.00%	54.54%
Saphety Level - Trusted Services, SA	a)	Maia	86.99%	47.42%	86.99%	47.45%
Sonaecom BV	a)	Amsterdam (The Netherlands)	100.00%	54.51%	100.00%	54.54%
Sonae Telecom, SGPS, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
Sonaecom - Sistemas de Informação, SGPS, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
Sonaecom - Sistemas de Información España, SL	a)	Madrid	100.00%	54.51%	100.00%	54.54%
Sonaecom, SGPS, SA	a)	Maia	55.64%	54.51%	55.69%	54.54%
Sonaetelecom, BV	a)	Amsterdam (The Netherlands)	100.00%	54.51%	100.00%	54.54%
Sontária - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	54.51%	100,00%	54.54%
Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	54.46%	99.99%	54.49%
We Do Consulting - Sistemas de Informação, SA	a)	Maia	100.00%	54.51%	100.00%	54.54%
We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	54.46%	99.91%	54.49%
We Do Poland Sp.Z.o.o.	a)	Posnan (Poland)	100.00%	54.51%	100.00%	54.54%
We Do Technologies Americas, Inc.	a)	Miami (USA)	100.00%	54.51%	100.00%	54.54%
We Do Technologies Australia PTY Limited	a)	Australia	100.00%	54.51%	100.00%	54.54%
We Do Technologies BV	a)	Amsterdam (The Netherlands)	100.00%	54.51%	100.00%	54.54%
We Do Technologies Chile, SpA	a)	Santiago (Chile)	100.00%	54.51%	100.00%	54.54%
We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	54.51%	100.00%	54.54%
We Do Technologies Mexico S. de RL	a)	Mexico City	100.00%	54.51%	100.00%	54.54%

We Do Technologies Panamá SA	a)	Panama City	100.00%	54.51%	100.00%	54.54%
We Do Technologies Singapore PTE. LDT	a)	Singapore	100.00%	54.51%	100.00%	54.54%
We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	54.51%	100.00%	54.54%
Investment Management						
ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Brazil	100.00%	50.00%	100.00%	50.00%
ADDmakler Administração e Corretagem de Seguros, Ltda	a)	Brazil	99.98%	50.00%	99.98%	50.00%
ADDmakler Administradora, Corretora de Seguros Partic. Ltda	a)	Brazil	99.98%	50.00%	100.00%	50.00%
Fontana Corretora de Seguros Ltda	a)	Brazil	99.99%	50.01%	99.99%	50.01%
Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
Larim Corretora de Resseguros Ltda	a)	Brazil	99.99%	50.01%	99.99%	50.01%
Lazam/mds Correctora Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
MDS - Corretor de Seguros, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
MDS, SGPS, SA	a)	Maia	50.01%	50.01%	50.01%	50.01%
MDS Consultores, SA	a)	Maia	100.00%	50.01%	100.00%	50.01%
9) MDS Affinity – Sociedade de Mediação, Lda	a)	Porto	100.00%	50.01%	100.00%	50.01%
Miral Administração e Corretagem de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
7) Polinsur - Mediação de Seguros, Lda	a)	Oeiras	100.00%	50.01%	-	-
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
Quorum Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
RSI Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
7) Serenitas - Soc. Mediação Seguros, Lda	a)	Lisboa	100.00%	50.01%	-	-
Terra Nossa Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	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%	99.92%	99.92%
Sonaecenter Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sontel, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
a) Majority of voting rights;						
b) Management control;						
c) Control determined in accordance with SIC 12 - Special purpose entities.						
1) Companies created during the period;						

- 2) Companies merged into Modelo Continente Hipermercados, SA, at 1 January 2011;
- 3) Companies merged into Modalfa Comércio e Serviços, SA, at 1 January 2011;
- 4) Companies merged into Sport Zone- Comércio de Artigos de Desporto, SA, at 1 January 2011;
- 5) Companies merged into Worten – Equipamentos para o Lar, SA, at 1 January 2011;
- 6) Capital increase in the subsidiary made by non-controlling interests resulting in a dilution of interests over the subsidiary;
- 7) Subsidiary acquired during the period;
- 8) Company previously included in "Others" Segment. Reclassified to "Investment Management" segment, by acquisition of 20%;
- 9) Ex- Modelo Continente Seguros – Sociedade de Mediação, LDA.

These group companies are consolidated using the full consolidation method.

5 JOINTLY CONTROLLED COMPANIES

Jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by Sonae as at 30 June 2011 and 31 December 2010 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 June 2011		31 December 2010	
		Direct	Total	Direct	Total
Shopping Centres					
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%
Adlands BV	Amsterdam (The Netherlands)	100.00%	25.00%	50.00%	25.00%
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)	100.00%	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%
ARP Alverca Retail Park, SA	Maia	50.00%	25.00%	50.00%	25.00%
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%
Beralands BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
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%
CCCB Caldas da Rainha - Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
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%
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)	100.00%	50.00%	100.00%	50.00%
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%
Fundo I.I. Parque Dom Pedro Shopping Center, SA	São Paulo (Brazil)	50.00%	3.99%	50.00%	3.99%
Fundo Investimento Imob. Shopping Parque D. Pedro Shopping, SA	São Paulo (Brazil)	100.00%	16.90%	100.00%	21.27%
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%
Gli Orsi 1 Shopping Centre, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Guimarãesshopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Le Terrazze – Shopping Centre 1, 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%
Ioannina Development of Shopping Centres, SA	Athens (Greece)	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%
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%
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 Development 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 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%	16.66%	100.00%	23.95%
Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	23.95%
Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	23.95%
Pátio Penha Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	23.95%
Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	23.95%
Pátio Sertório Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	23.95%
Pátio Uberlândia Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	23.95%
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%	25.05%
Plaza Mayor Shopping, SA	Madrid (Spain)	75.00%	18.79%	75.00%	18.79%
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 2, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 6, BV	Amsterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
Project Sierra 7 BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 8 BV	Amsterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%

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 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%
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 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%
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 Central, S.A.S.	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	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 Berlin 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%	16.66%	100.00%	23.95%
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%	16.66%	100.00%	23.95%
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%
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 Italy, Srl	Milan (Italy)	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%
1)	Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
2)	Solingen Shopping Center GmbH	Dusseldorf (Germany)	100.00%	25.00%	-	-
	Sonae Sierra Brasil, SA	São Paulo (Brazil)	95.79%	16.66%	95.79%	23.95%
	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%
	Torre Ocidente - Imobiliária, SA	Maia	50.00%	12.50%	50.00%	12.50%
	Unishopping Administradora, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	23.95%
	Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	99.98%	16.66%	99.98%	23.95%
	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%	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%	27.20%	50.00%	27.20%
Investment Management						
	MDS Auto - Mediação de Seguros, SA	Porto	50.00%	25.01%	50.00%	25.01%
	Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
	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%
Puravida - Viagens e Turismo, Lda	Lisbon	50.00%	50.00%	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%
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) Ex- 3DO Holding GmbH;
- 2) Companies created in the period.

These entities are consolidated using the proportionate consolidation method.

Aggregate amounts, excluding intragroup eliminations, corresponding to the percentage of capital held in these jointly controlled companies included in the financial statements for the period, using the proportionate consolidation method, can be summarized as follows:

	30 June 2011	31 December 2010
Non-current assets	4,905,813,593	4,795,927,878
Current assets	418,161,517	402,831,446
Non-current liabilities	1,485,804,720	1,630,182,262
Current liabilities	444,683,034	480,960,660
	30 June 2011	30 June 2010 (Note 1)
Income	148,703,626	143,851,408
Expenses	129,603,173	144,076,330

6 INVESTMENTS IN ASSOCIATES

Associated companies, their head offices and the percentage of share capital held as at 30 June 2011 and 31 December 2010 are as follows:

COMPANY	Head Office	Percentage of capital held				Carrying amount in the statement of financial position	
		30 June 2011		31 December 2010		30 June 2011	31 December 2010
		Direct	Total	Direct	Total		
Retail							
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,182,357	1,246,672
Mundo Vip - Operadores Turisticos, SA	Lisbon	33.34%	33.34%	33.34%	33.34%	1,101,337	1,101,337
Shopping Centres							
1) 8ª Avenida Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%	-	-
Alexa Asset GmbH & Co	Dusseldorf (Germany)	9.00%	2.25%	9.00%	2.25%	3,776,341	3,550,247
1) Arrábidasshopping - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%	-	-
Campo Limpo Lda	S. Paulo (Brazil)	20.00%	4.79%	20.00%	4.79%	2,444,663	2,305,574
1) Gaiashopping I - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%	-	-
1) Gaiashopping II - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%	-	-
1) Loureshopping - Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%	-	-
1) PORTCC - Portimãoshopping - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%	-	-
1) Rio Sul - Centro Comercial, SA	Lisbon	50.00%	11.88%	50.00%	11.88%	-	-
1) Serra Shopping - Centro Comercial, SA	Covilhã	50.00%	11.88%	50.00%	11.88%	-	-
1) ALBCC - Albufeirashopping - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%	-	-
1) LCC - LeiriaShopping - Centro Comercial, S.A.	Maia	100.00%	23.75%	100.00%	23.75%	-	-
SPF - Sierra Portugal Real estate, Sarl	Luxembourg	47.50%	23.75%	47.50%	23.75%	41,034,024	41,872,289
Telecommunications							
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	Porto	45.00%	24.53%	45.00%	24.54%	-	-
Investment Management							
Cooper Gay Swett & Crawford ltd	U.K.	25.10%	12.55%	25.10%	12.55%	20,346,487	19,955,347
Total						69,885,209	70,031,466

- 1) Nil balances result from the application of the equity method over the consolidated financial statements of Sierra Portugal Real estate, which holds these participations.

Associated companies are included in the consolidated financial statements using the equity method.

As at 30 June 2011 and 31 December 2010, aggregate values of main financial indicators of associated companies can be analysed as follows:

	30 June 2011	31 December 2010
Total Assets	1,258,223,886	1,296,791,695
Total Liabilities	955,893,869	1,002,483,753
	30 June 2011	30 June 2010
Income	203,994,252	161,363,651
Expenses	195,253,243	124,017,659

During the periods ended 30 June 2011 and 2010, movements in Investments in Associates, are made up as follows:

	30 June 2011			30 June 2010		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Investments in Associates						
Initial balance as at January,1	29,328,543	40,702,923	70,031,466	33,224,083	41,425,310	74,649,393
Capital reduction in associated companies	-	-	-	(2,310,176)	-	(2,310,176)
Change of consolidation method	-	-	-	2,250,456	190,680	2,441,136
Equity method						
Share of result in associated companies	(3,117,332)	-	(3,117,332)	(274,617)	-	(274,617)
Other effects in the income statement	-	-	-	362,060	-	362,060
Distributed dividends	(401,748)	-	(401,748)	(897,540)	-	(897,540)
Effect in equity capital and non-controlling interests	2,939,121	433,702	3,372,823	(981,125)	(1,104,080)	(2,085,205)
	<u>28,748,584</u>	<u>41,136,625</u>	<u>69,885,209</u>	<u>31,373,141</u>	<u>40,511,910</u>	<u>71,885,051</u>

The effect in equity is mainly the effect of currency translation of equity and net income of associated Companies with a functional currency different from euro.

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 and other non-current investments, their head offices, percentage of share capital held and book value as at 30 June 2011 and 31 December 2010 are made up as follows:

COMPANY	Head Office	Percentage of capital held				Value in the statement of financial position	
		30 June 2011		31 December 2010		30 June 2011	31 December 2010
		Direct	Total	Direct	Total		
Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
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							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	0.75%	1.38%	0.75%	197,344	197,344
Other investments						40,681,979	42,488,594
Total (Note 13)						<u>41,661,445</u>	<u>43,468,060</u>

As at 30 June 2011 the caption "Other investments" includes:

- 33,741,150 euro (33,732,640 euro at 31 December 2010) for amounts deposited in an Escrow Account which are invested in investments funds with high credit rating and guarantee contractual liabilities assumed on the past sale of Brazil retail operation for which provisions have been recognized (Note 25);
- 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 the use of the Escrow Account, namely as whether or not, to retain the Escrow Account for ongoing tax additional assessments that have not yet been decided. It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers, that the company is acting in accordance with the agreement and that this amount shall be entirely received, and that there are legal means that may be operated so as to compel the buyer to authorize the reimbursement of the Escrow account. There are negotiations currently under way between the two parties in order to release the above mentioned amount; And

- 5,146,000 euro (6,806,000 euro in 31 December 2010) corresponding to the fair value of Sonae Capital SGPS, S.A. shares which are measured at fair value in accordance with the market price at the date of the statement of consolidated financial position.

8 CHANGES TO THE CONSOLIDATION PERIMETER

8.1 Main acquisitions of Companies over the six month period ended 30 June 2011 are as follows:

COMPANY	Head Office	Percentage of capital held	
		At acquisition date	
		Direct	Total
Management investments			
Serenitas - Soc. Mediação Seguros, Lda	Lisbon	100.00%	50.01%
Polinsur - Mediação de Seguros, Lda	Oeiras	100.00%	50.01%

Acquisitions mentioned above, had the following impact on the consolidated financial statements for the period ended 30 June 2011:

	Investment Management	
	At acquisition date	30 June 2011
Acquired net assets		
Tangible and intangible assets (Note 9)	651,036	636,686
Other assets	187,401	374,261
Cash and cash equivalents	471,712	753,668
Loans	(515,853)	(475,241)
Other liabilities	(258,434)	(670,584)
	535,862	618,790
Goodwill (Note 12)	2,332,375	
Non-controlling interests (Note 19)	(282,237)	
Acquisition price	2,586,000	
Payments made accounted as investments	1,346,000	
Accounts Payable	1,240,000	
	2,586,000	
Net cash outflow arising from acquisition		
Cash consideration paid	1,346,000	
Cash and cash equivalents acquired	(471,712)	
	874,288	

9 TANGIBLE ASSETS

During the six months period ended 30 June 2011 and 2010, movements in Tangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Tangible assets				
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	Total Tangible Assets
Gross costs:					
Opening balance as at 1 January 2011	1,956,383,060	2,100,297,445	372,674,199	83,390,472	4,512,745,176
Capital expenditure	347,114	5,165,647	8,393,439	98,409,069	112,315,269
Acquisitions of subsidiaries (Note 8)	666,625	15,936	406,591	-	1,089,152
Disposals	(32,520,086)	(52,251,347)	(6,913,451)	(747,118)	(92,432,002)
Exchange rate effect	(4,047)	(32,271)	(75,734)	(1,103)	(113,155)
Transfers	6,576,101	89,665,031	10,433,391	(110,639,001)	(3,964,478)
Closing balance as at 30 June 2011	1,931,448,767	2,142,860,441	384,918,435	70,412,319	4,529,639,962
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2011	383,552,541	1,107,784,559	299,915,104	-	1,791,252,204
Charge for the period	21,184,149	80,494,912	19,032,302	-	120,711,363
Acquisitions of subsidiaries (Note 8)	55,875	15,936	366,305	-	438,116
Disposals	(6,300,959)	(44,407,626)	(6,674,333)	-	(57,382,918)
Exchange rate effect	(775)	(18,846)	(32,930)	-	(52,551)
Transfers	7,690	(2,925,680)	(2,400)	-	(2,920,390)
Closing balance as at 30 June 2011	398,498,521	1,140,943,255	312,604,048	-	1,852,045,824
Carrying amount					
As at 30 June 2011	1,532,950,246	1,001,917,186	72,314,387	70,412,319	2,677,594,138

	Tangible assets				
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	Total Tangible Assets
Gross costs:					
Opening balance as at 1 January 2010	1,986,853,135	1,909,707,144	356,672,971	192,384,479	4,445,617,729
Capital expenditure	6,901,630	3,131,828	9,164,752	114,928,491	134,126,701
Disposals	(14,816,822)	(23,486,336)	(5,710,856)	(1,254,972)	(45,268,986)
Disposals of subsidiaries	(30,071,609)	(250,482)	-	-	(30,322,091)
Exchange rate effect	36,879	229,129	429,186	318	695,512
Transfers	55,795,750	153,462,931	6,068,853	(225,284,084)	(9,956,550)
Closing balance as at 30 June 2010	2,004,698,963	2,042,794,214	366,624,906	80,774,232	4,494,892,315
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2010	356,057,319	1,030,564,372	277,818,463	-	1,664,440,154
Charge for the period	19,435,405	75,681,806	20,866,201	-	115,983,412
Disposals	(5,201,353)	(20,456,539)	(5,249,267)	-	(30,907,159)
Disposals of subsidiaries	(4,622,572)	(68,612)	-	-	(4,691,184)
Exchange rate effect	15,570	115,231	186,420	-	317,221
Transfers	29,068	(1,279,583)	(67,734)	-	(1,318,249)
Closing balance as at 30 June 2010	365,713,437	1,084,556,675	293,554,083	-	1,743,824,195
Carrying amount					
As at 30 June 2010	1,638,985,526	958,237,539	73,070,823	80,774,232	2,751,068,120

The value of net disposals in "Tangible assets" includes 25,748,719 euro related with the Sale & Leaseback operation performed of Retail segment Continente and Worten stores located in Centro Comercial Vasco da Gama. The operation was followed by the beginning of operating lease for an initial period of 20 years, automatically renewable at the option of the lessee, for two consecutive periods of 10 years each.

During the periods ended 30 June 2011 and 30 June 2010, the Board of Directors of the Group, reviewed the estimated useful life of a set of fixed and mobile telecommunications networks assets and of all UMTS network assets. These changes in estimates were recorded prospectively from 1 January 2011. Such change in the estimates reduced the depreciation amounts for the period ended 30 June 2011 on approximately 4.8 million euro when compared with the 1st half of 2010 .

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

	30 June 2011	30 June 2010
Refurbishment and expansion of stores in the retail	27,136,221	30,302,650
Refurbishment and expansion of stores in the retail	7,414,078	1,690,378
Construction in progress in Maia (Business Park)	-	6,286,979
Projects of "Continente" stores for which advance	10,389,232	9,573,231
Deployment of mobile network	19,866,126	8,270,519
Deployment of fixed network	1,375,613	21,883,797
Others	4,231,049	2,766,678
	<u>70,412,319</u>	<u>80,774,232</u>

10 INTANGIBLE ASSETS

During the six month period ended 30 June 2011 and 2010, movements in Intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Intangible assets			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
Gross costs:				
Opening balance as at 1 January 2011	412,377,255	465,745,498	33,188,720	911,311,473
Capital expenditure	2,776,670	1,054,529	16,110,978	19,942,177
Disposals	(3,885)	(16,360)	(295,359)	(315,604)
Exchange rate effect	(851)	(721,995)	(1,954)	(724,800)
Transfers	(64,621)	24,510,818	(23,933,413)	512,784
Closing balance as at 30 June 2011	<u>415,084,568</u>	<u>490,572,490</u>	<u>25,068,972</u>	<u>930,726,030</u>
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2011	122,410,080	328,532,870	-	450,942,950
Charge for the period	10,584,177	21,848,152	-	32,432,329
Disposals	(3,157)	(3,252)	-	(6,409)
Exchange rate effect	(478)	(118,825)	-	(119,303)
Transfers	(188,107)	(101,635)	-	(289,742)
Closing balance as at 30 June 2011	<u>132,802,515</u>	<u>350,157,310</u>	<u>-</u>	<u>482,959,825</u>
Carrying amount				
As at 30 June 2011	<u>282,282,053</u>	<u>140,415,180</u>	<u>25,068,972</u>	<u>447,766,205</u>

	Intangible assets			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
Gross costs:				
Opening balance as at 1 January 2010	404,407,706	392,398,702	31,279,161	828,085,569
Acquired Assets Fair Value	-	27,276,799	-	27,276,799
Reexpressed opening balance as at 1 January 2010	404,407,706	419,675,501	31,279,161	855,362,368
Capital expenditure	6,243,033	980,127	14,622,105	21,845,265
Disposals	(3,235)	(1,136,532)	(216,768)	(1,356,535)
Exchange rate effect	2,008	4,534,986	-	4,536,994
Transfers	(191,390)	19,278,260	(12,771,502)	6,315,368
Closing balance as at 30 June 2010	410,458,122	443,332,342	32,912,996	886,703,460
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2010	99,146,402	288,900,669	-	388,047,071
Charge for the period	11,494,324	18,616,608	-	30,110,932
Disposals	(3,235)	(1,024,645)	-	(1,027,880)
Exchange rate effect	396	551,304	-	551,700
Transfers	(20,071)	1,189,406	-	1,169,335
Closing balance as at 30 June 2010	110,617,816	308,233,342	-	418,851,158
Carrying amount				
As at 30 June 2010	299,840,306	135,099,000	32,912,996	467,852,302

As at 30 June 2011 and 2010, Sonae kept recorded under the heading "Patents and other similar rights" the amounts of 186,457,179 euro and 197,278,727 euro, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) 58,505,618 euro (amount of 61,505,906 euro in 2010) relating to the license; (ii) 19,548,872 euro (amount of 20,551,378 euro in 2010) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators in Portugal with licenses; (iii) 6,004,049 euro (amount of 6,311,949 euro in 2010) related to a contribution to the Information Society Fund, established in 2007, under an agreement made between the Ministry of Public Works, Transport and Communications ("Ministério das Obras Públicas, Transportes e Comunicações") and the three mobile telecommunication operators in Portugal; and (iv) 97,399,887 euro (amount of 101,566,127 euro in 2010) relating to the "Iniciativas E" program, the latter relating to commitments assumed by Sonae in the "Fund for Information Society".

Additionally, this heading also includes the fair value attributed to a group of brands with indefinite useful lives, among which the "Continente" brand, 75,000,000 euro (the same amount as at 2010).

11 INVESTMENT PROPERTIES

Investment properties are recorded at fair value. These assets are owned by the shopping centres operating segment and are consolidated using the proportionate method.

As at 30 June 2011 and 31 December 2010, Investment properties are detailed as follows:

	30 June 2011	31 December 2010
Investment properties in operation	1,583,668,193	1,631,435,084
Investment properties in progress	108,298,383	101,770,512
	<u>1,691,966,576</u>	<u>1,733,205,596</u>

Investment properties in operation correspond to the fair value of the Sonae's share of shopping centres, which can be detailed as follows:

	30 June 2011			31 December 2010		
	10 years "discount rate"	Yields	Amount	10 years "discount rate"	Yields	Amount
Portugal and Spain	8,60% e 11,95%	6,30% e 9,45%	1,007,727,042	8,45% e 11,75%	6,20% e 9,25%	1,070,321,495
Other European Countries	6,75% e 11,85%	6,00% e 9,00%	336,622,892	6,75% e 11,75%	6,00% e 9,00%	336,848,999
Brazil	12,75% e 14,00%	8,25% e 9,50%	239,318,259	12,75% e 14,00%	8,25% e 9,50%	224,264,590
			<u>1,583,668,193</u>			<u>1,631,435,084</u>

The fair value was determined by a valuation performed as at 30 June 2011 by an independent specialized entity, based on valuation criteria generally accepted in the real estate business.

The reduction on the amount of Investment properties in progress caption results mainly of the sale of two shopping centres in Spain, El Rosal and Plaza Eboli although the Group retained the management of those properties.

Value created on investment properties over the six months periods ended 30 June 2011 and 2010 can be detailed as follows:

	30 June 2011	30 June 2010
Properties which were under development and were concluded during the period	3,131,513	2,597,101
Changes in fair value of investment properties in operation	4,467,188	(7,467,729)
Changes in fair value of investment properties in progress	(3,510,613)	912,671
	<u>4,088,088</u>	<u>(3,957,957)</u>

As at 30 June 2011 and 31 December 2010, Investment properties in progress can be detailed as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Investment Properties in progress at cost:		
Portugal:		
Alverca	3,069,494	3,068,353
Centro Bordalo	1,885,164	1,736,394
Parque de Famalicão	628,500	628,500
Others	8,455	3,375
Germany:		
Alexa (Tower)	3,000,000	3,000,000
Garbsen	960,468	959,742
Others	28,934	7,212
Brazil:		
Goiânia Shopping	5,403,582	5,308,199
Others	-	126,586
Spain:		
Dos Mares - expansion	1,404,902	1,404,902
Pulianas Shopping	103,105	103,105
Greece:		
Ioannina	8,649,802	8,630,507
Aegean Park	5,009,072	4,981,339
Pantheon Plaza	889,064	889,064
Italy:		
Le Terraze (Hypermarket)	4,557,012	3,653,700
Caldogno	4,978,881	4,957,922
Others	-	252,372
Romania:		
Craiova Shopping	16,565,185	17,674,406
Ploiesti Shopping	7,419,249	7,317,640
	<u>64,560,869</u>	<u>64,703,318</u>
Impairment losses	(2,483,000)	(2,197,000)
	<u>62,077,869</u>	<u>62,506,318</u>
Investment Properties in progress at fair value:		
Portugal:		
Torres Oriente and Ocidente	-	6,137,875
Brazil:		
Uberlândia Shopping	15,758,470	11,038,042
Boulevard Londrina Shopping	11,970,794	6,323,777
Italy:		
Le Terraze	18,491,250	15,764,500
	<u>46,220,514</u>	<u>39,264,194</u>
	<u>108,298,383</u>	<u>101,770,512</u>

As at 30 June 2011, the following investment properties were mortgaged:

Airone	Madeirashopping
Algarveshopping	Maiashopping
Alverca	Manauara Shopping
Arrabidashopping	Max Center
Cascaishopping	Munster Arkaden
Centro Colombo	Norteshopping
Centro Vasco da Gama	Parque Atlântico

Coimbrashopping	Parque Principado
Dos Mares	Pátio Londrina
Estação Viana	Pátio Uberlândia
Freccia Rossa	Plaza Mayor
Gaiashopping	Plaza Mayor Shopping
Gli Orsi	River Plaza Mall
Grancasa	Torre Ocidente
Guimarãeshopping	Valecenter
La Farga	Valle Real
Le Terrazze	Viacatarina
Loop 5	Zubiarte
Luz del Tajo	

12 GOODWILL

During the six month periods ended 30 June 2011 and 2010 movements in goodwill, as well as in corresponding impairment losses, were made up as follows:

	30 June 2011	30 June 2010
Gross value:		
Opening balance	752,655,036	759,786,674
Re-allocation of Goodwill	-	(17,395,216)
Restated opening balance	752,655,036	742,391,458
New companies in the consolidation perimeter (Note 8)	2,332,375	-
Increases	223,846	1,439,129
Decreases	(1,199,240)	(1,928,179)
Transfers	-	(190,680)
Currency translation	(840,426)	4,651,650
Write-off	-	(720,710)
Closing balance	753,171,591	745,642,668
Accumulated impairment losses:		
Opening balance	11,916,277	13,445,983
Increases	604,151	-
Write-off	-	(720,710)
Closing balance	12,520,428	12,725,273
Carrying amount:	740,651,163	732,917,395

13 OTHER INVESTMENTS

During the six months period ended 30 June 2011 and 2010 movements in other investments were made up as follows:

	30 June 2011		30 June 2010	
	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	393,447	-	925,769	-
Acquisitions in the period	-	-	-	-
Disposals in the period	-	-	-	-
Transfers	(60,000)	-	81,307	-
Closing balance as at 30 June	333,447	-	1,007,076	-
Accumulated impairment losses	-	-	-	-
	333,447	-	1,007,076	-
Other investments:				
Fair value (net of impairment losses) as at 1 January	43,074,613	15,195,954	17,201,722	57,313,909
Acquisitions in the period	17,498	481,658	105,149	2,864,730
Disposals in the period	(104,113)	(11,624,317)	(249)	(9,341)
Increase/(Decrease) in fair value	(1,660,000)	-	(5,810,000)	-
Transfers	-	-	2,440	-
Fair value (net of impairment losses) as at 30 June	41,327,998	4,053,295	11,499,062	60,169,298
Other Investments (Note 7)	41,661,445	4,053,295	12,506,138	60,169,298
Derivative financial instruments (Note 21)				
Fair value as at 1 January	-	457,160	-	365,122
Increase/(Decrease) in fair value	-	(133,625)	-	2,281,267
Fair value as at 30 June	-	323,535	-	2,646,389
	41,661,445	4,376,830	12,506,138	62,815,687

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 Other non-current investments includes 2,770,295 euro (3,517,789 euro as at 30 June 2010) of investments recorded at the cost net of impairment losses for the same reasons.

The investments available for sale are net of impairment losses (Note 25) amounting to 105,404 euro (31,757 euro as at 30 June 2010).

Under the caption other non-current financial investments is recorded an amount of 33,745,150 euro related to deposited amounts on an Escrow Account (Note 7).

14 OTHER NON - CURRENT ASSETS

As at 30 June 2011 and 31 December 2010, Other non- current assets are detailed as follows:

	30 June 2011			31 December 2010		
	Gross Value	Accumulated impairment losses	Carrying Amount	Gross Value	Accumulated impairment losses	Carrying Amount
Loans granted to related parties	9,118,608	-	9,118,608	8,862,867	-	8,862,867
Trade accounts receivable and other debtors						
Legal deposits	910,566	-	910,566	927,976	-	927,976
Recognition of an amount receivable from Carrefour (a)	11,326,435	-	11,326,435	11,543,000	-	11,543,000
Cautions	5,495,216	-	5,495,216	4,660,630	-	4,660,630
Lisbon Town Council	3,888,477	-	3,888,477	3,888,477	-	3,888,477
Malaga Town Council	824,948	-	824,948	824,948	-	824,948
Rent deposits from tenants	3,157,879	-	3,157,879	4,089,802	-	4,089,802
Financial investments Disposals	2,292,748	-	2,292,748	2,367,815	-	2,367,815
Others	2,535,395	-	2,535,395	3,134,408	-	3,134,408
	<u>30,431,664</u>	<u>-</u>	<u>30,431,664</u>	<u>31,437,056</u>	<u>-</u>	<u>31,437,056</u>
Non-current derivatives (Note 21)	1,475,098	-	1,475,098	423,774	-	423,774
Reinsurer's share of technical provisions	13,872,771	-	13,872,771	14,326,517	-	14,326,517
Other non-current assets	630,982	-	630,982	649,086	-	649,086
	<u>55,529,123</u>	<u>-</u>	<u>55,529,123</u>	<u>55,699,300</u>	<u>-</u>	<u>55,699,300</u>

a) As a result of the agreements signed in 2005 by the former subsidiary - Sonae Distribuição Brazil, SA (sold to Wal-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae assumed responsibility to compensate Carrefour for the expenses that would arise from the 10 stores licensing process, in the Brazilian state of São Paulo, that were sold to that entity. During 2010, Carrefour triggered a bank warranty "on first demand" amounting to 25,340,145.80 Brazilian real (approximately 11 million euro) for alleged expenses incurred with the mentioned stores and that, allegedly, arose from the need to remedy deficiencies cited by competent authorities for the licensing process. However no evidence of those expenses were presented to Sonae, or proof of the necessity of carrying out such costs for the licensing process as established on the mentioned agreements.

It is the understanding of the Board of Directors and the Group attorneys that the amount paid will be recovered. The company will start the legal proceedings against Carrefour Comércio e Indústria, Ltda. to recover the above mentioned amount. It's the Board of Directors and the Group attorneys understanding that the amount is recoverable, since Carrefour has never proved the existence of the costs that it claims and which validate the usage of the above mentioned warranty, or through the warranty expiration date (according with Brazilian law).

According to Group attorneys, the amount improperly received by Carrefour for which a reimbursement will be requested (25,340,145.80 Brazilian real), will earn interests at the SELIC rate, and it is the Board of Directors understanding that the legal proceedings will last up to 8 years.

15 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2011 and 31 December 2010, Trade account receivable and other current assets are detailed as follows:

	30 June 2011	31 December 2010
Trade accounts receivable	239,118,573	273,371,190
Taxes recoverable	84,808,766	96,469,674
Granted loans to related companies	360,486	41,489
Other debtors		
Trade creditors - debtor balances	68,270,754	59,155,520
Special regime for payment of tax and social security debts	12,047,567	12,282,502
VAT recoverable on real estate assets and discount granted	5,705,268	6,308,923
Vouchers and gift cards	1,828,095	1,478,041
Accounts receivable from the disposal of fixed assets	814,984	2,648,223
"Initiativas E" program	15,979,339	17,390,276
Advances for the acquisition of a real estate project	7,967,500	7,967,500
Revocation of contracts for acquisition of stores	638,700	7,080,423
Advances to suppliers	9,266,621	17,663,045
Advances to agents	962,900	1,263,597
Reinsurance operations	9,603,636	4,960,287
Other current assets	24,304,500	29,298,593
	<u>157,389,864</u>	<u>167,496,930</u>
Other current assets		
Invoices to be issued	57,235,377	59,169,355
Commercial Discounts	62,502,644	16,696,170
Commissions to be received	1,928,819	1,539,228
Prepayments - Rents	8,131,201	6,369,289
Prepayments of external supplies and services	24,796,424	19,205,197
Other current assets	18,200,612	16,664,201
	<u>172,795,077</u>	<u>119,643,440</u>
Accumulated impairment losses in receivables accounts (Note 25)	(107,145,558)	(105,784,729)
	<u>547,327,208</u>	<u>551,237,994</u>

16 DEFERRED TAX

Deferred tax assets and liabilities as at 30 June 2011 and 31 December 2010 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Difference between fair value and acquisition cost	2,626,386	2,626,386	294,696,984	291,729,664
Harmonisation adjustments	7,139,942	7,147,763	53,497,210	50,215,050
Provisions and impairment losses not accepted for tax purposes	27,094,332	19,036,149	-	-
Write off of tangible and intangible assets	42,500,680	47,390,799	-	-
Write off of deferred costs	23,577,097	26,225,648	1,996,209	2,069,556
Valuation of hedging derivatives	3,286,514	5,450,779	435,167	158,914
Temporary differences arising from the securitization operation	8,050,000	9,660,000	-	-
Amortisation of Goodwill for tax purposes	-	-	24,430,056	20,940,048
Non taxed exchange differences	-	-	-	247,167
Revaluation of tangible assets	-	-	1,799,863	1,862,802
Tax losses carried forward	115,754,026	96,392,351	-	-
Reinvested capital gains/(losses)	-	-	1,970,742	2,050,170
Others	3,542,460	6,791,580	2,769,877	2,035,458
	<u>233,571,437</u>	<u>220,721,455</u>	<u>381,596,108</u>	<u>371,308,829</u>

In accordance with the tax statements and tax estimates presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 June 2011 and 31 December 2010, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	30 June 2011			31 December 2010		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2005	296,604	74,151	2011	296,604	74,151	2011
Generated in 2006	296,731	74,183	2012	299,784	74,946	2012
Generated in 2007	1,740,323	435,081	2013	1,308,603	327,151	2013
Generated in 2008	3,541,103	885,276	2014	3,541,099	885,276	2014
Generated in 2009	34,626,954	8,656,739	2015	34,626,954	8,656,739	2015
Generated in 2010	1,302,932	325,733	2014	1,263,284	315,818	2014
Generated in 2011	33,059,220	8,264,805	2015	-	-	
	<u>74,863,867</u>	<u>18,715,968</u>		<u>41,336,328</u>	<u>10,334,081</u>	
Without limited time use	7,694,471	2,235,232		7,285,741	2,094,121	
With a time limit different from the above mentioned	316,233,113	94,802,826		280,136,743	83,964,149	
	<u>323,927,584</u>	<u>97,038,058</u>		<u>287,422,484</u>	<u>86,058,270</u>	
	<u>398,791,451</u>	<u>115,754,026</u>		<u>328,758,812</u>	<u>96,392,351</u>	

As at 30 June 2011 and 31 December 2010, 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 recognized to the extent that future taxable profits will arise which may be offset against available tax losses or against deductible temporary differences. This evaluation was based in the company's business plans, which are periodically reviewed and updated, and on identified and available tax planning opportunities.

As at 30 June 2011 there was tax losses carried forward tax losses carried forward, for which no deferred tax assets were recognized due to prudential reasons. These may be summarised as follows:

	30 June 2011			31 December 2010		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2005	7,724,177	1,931,044	2011	17,295,106	4,323,777	2011
Generated in 2006	48,105,072	12,026,267	2012	53,377,911	13,344,477	2012
Generated in 2007	56,150,777	14,037,695	2013	60,528,122	15,132,031	2013
Generated in 2008	8,638,550	2,159,639	2014	13,577,675	3,394,420	2014
Generated in 2009	19,998,654	4,999,663	2015	27,961,443	6,990,387	2015
Generated in 2010	10,761,697	2,690,425	2014	16,800,963	4,200,239	2014
Generated in 2011	4,742,726	1,185,682	2015			
	<u>156,121,653</u>	<u>39,030,415</u>		<u>189,541,220</u>	<u>47,385,331</u>	
Without limited time use	60,150,405	15,207,851		56,081,477	13,834,353	
With a time limit different from the above mentioned	359,480,688	92,302,070		333,736,403	85,332,332	
	<u>419,631,093</u>	<u>107,509,921</u>		<u>389,817,880</u>	<u>99,166,685</u>	
	<u>575,752,746</u>	<u>146,540,336</u>		<u>579,359,100</u>	<u>146,552,016</u>	

17 CASH AND CASH EQUIVALENTS

As at 30 June 2011 and 31 December 2010, Cash and cash equivalents can be detailed as follows:

	30 June 2011	31 December 2010
Cash at hand	7,108,514	7,343,569
Bank deposits	135,263,114	217,226,030
Treasury applications	122,848,119	23,022,451
Cash and cash equivalents on the balance sheet	265,219,747	247,592,050
Bank overdrafts (Note 20)	(8,686,666)	(10,118,117)
Cash and cash equivalents on the statement of cash flows	256,533,081	237,473,933

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

18 SHARE CAPITAL

As at 30 June 2011, 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 share 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 Investments BV 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 22). 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 Sonae 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, as at 4 January 2008, demerger rights attributable to the 132,800,000 Sonae SGPS, SA shares subject to the above mentioned agreement, Sonae recognized an asset measured at its' fair value . This asset has not been derecognized as Sonae also entered into a Cash Settled Equity Swap over the Sonae Capital SGPS, SA shares, and therefore a liability was recognized.

On 23 April 2009, 10 March 2010 and 28 March 2011 Sonae Investments BV requested a partial cancellation of the Cash settled Equity Swap for 1,134,965, 1,185,144 and 3,639,140 shares of Sonae Holding respectively. Consequently the derivative underlying asset was updated to 126,840,751 Sonae Holding shares.

On 19 October 2010 Sonae Investments BV has agreed with a financial institution to extend the maturity of the Cash Settled Equity Swap over the 130,479,891 Sonae Holding's shares. The renovation is done for a maximum of 3 additional years, until November 2013 and maintains the settlement mechanism of the transaction that remains strictly cash settled. The Cash Settled Equity Swap, over

shares of Sonae Capital, was not subject to extension of maturity, and Sonae acquired 16,600,000 shares in the market representing 6.6% of the capital of Sonae Capital, in result of fair value.

Therefore and for the transactions described above, the value of liabilities at the date of 30 June 2011, is 91,452,181 euro on the market value of Sonae Holding (Note 22).

These liabilities are adjusted at the end of each month by the effect in Sonae Holding share price, being recognized a current asset/liability in order to present the right/obligation related to the cash settlement of the operation that resets monthly.

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

The receivable amount arising on dividends distributed by the Company is credited to Equity in order to offset the charge of the distribution. The amount of dividends attributable to the shares Sonae SGPS, SA during the period ended 30 June 2011, amounts to 4,198,429 euro (4,110,117 euro in 2010) which was 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 29).

At 30 June 2011, the following entities held more than 20% of the subscribed share capital:

Entity	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.98

19 NON-CONTROLLING INTERESTS

Movements in non-controlling interests during the periods ended 30 June 2011 and 2010 are as follows:

	30 June 2011	30 June 2010
Opening balance as at 1 January	524,088,940	477,968,755
Dividends	(9,403,952)	(1,314,038)
Exchange rate effect	(432,913)	4,883,763
Acquisition of subsidiaries (Note 8)	282,237	-
Capital increase and share premium	1,276,562	15,287,888
Increase of capital with shareholding variation	65,117,764	-
Increased shareholding by acquisitions	-	(822,591)
Changes in hedge and fair value reserves	3,220,233	(1,975,991)
Others	(382,253)	(772,297)
Profit for the period attributable to non controlling interests	23,312,713	7,423,219
Closing balance	607,079,331	500,678,707

20 LOANS

As at 30 June 2011 and 31 December 2010, Loans are made up as follows:

	30 June 2011		31 December 2010	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae, SGPS, SA - commercial paper	45,000,000	-	61,000,000	-
Sonae Investimentos, SGPS, S.A. - commercial paper	65,000,000	450,000,000	-	292,000,000
a)b) Sonae Sierra affiliated companies	14,929,341	280,400,423	17,761,891	382,680,843
a)b)c) Sonae Sierra affiliated companies	40,221,365	377,108,597	36,525,264	342,636,063
a)b)d) Sonae Sierra affiliated companies	-	20,464,720	-	-
a) Sonae Sierra affiliated companies	-	3,304,641	5,368,935	5,979,416
a)e) Sonae Sierra affiliated companies	543,019	2,398,334	-	-
a)c)d) Sonae Sierra affiliated companies	491,622	1,679,709	-	-
Sonaecom SGPS, SA - commercial paper	22,000,000	149,950,000	28,250,000	85,000,000
MDS, SGPS, SA - commercial paper	-	10,000,000	-	10,000,000
Lazam, SA	-	11,503,960	-	-
Others	9,526,297	10,198,648	6,497,903	13,844,568
	<u>197,711,644</u>	<u>1,317,009,032</u>	<u>155,403,993</u>	<u>1,132,140,890</u>
Bank overdrafts (Note 17)	8,686,666	-	10,118,117	-
Up-front fees beard with the issuance of borrowings	(655,358)	(3,776,968)	(769,792)	(4,465,330)
Bank loans	<u>205,742,952</u>	<u>1,313,232,064</u>	<u>164,752,318</u>	<u>1,127,675,560</u>
Bonds				
Bonds Sonae / 05	-	100,000,000	-	100,000,000
Bonds Sonae 2007/2014	-	150,000,000	-	150,000,000
Bonds Sonae 2007/2015	-	250,000,000	-	250,000,000
f) Bonds Modelo Continente / 2003	-	-	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	16,000,000	34,000,000	8,000,000	42,000,000
Bonds Sonaecom / 2005/2013	-	150,000,000	-	150,000,000
Bonds Sonaecom / 2010/2013	-	30,000,000	-	30,000,000
Bonds Sonaecom / 2010/2015	-	40,000,000	-	40,000,000
Bonds Sonae Sierra / 2008/2013	-	37,500,000	-	37,500,000
Up-front fees beard with the issuance of borrowings	(228,261)	(6,138,948)	(499,580)	(7,515,653)
Bonds	<u>215,771,739</u>	<u>1,445,361,052</u>	<u>89,500,420</u>	<u>1,651,984,347</u>
Other loans	15,352	162,624	33,466	550,174
Derivative instruments (Note 21)	4,031,890	21,433,416	5,245,380	33,272,397
Other loans	<u>4,047,242</u>	<u>21,596,040</u>	<u>5,278,846</u>	<u>33,822,571</u>
Obligations under finance leases	<u>4,116,706</u>	<u>25,088,975</u>	<u>4,932,664</u>	<u>26,468,295</u>
	<u>429,678,639</u>	<u>2,805,278,131</u>	<u>264,464,248</u>	<u>2,839,950,773</u>

a) These amounts are proportionate considering the percentage held by Sonae;

b) These loans are guaranteed by mortgages of investment properties held by those affiliated companies;

c) These loans are guaranteed by a pledge of shares held by those affiliated companies;

d) These loans are guaranteed by bank guarantees;

e) Sonae Sierra Brasil, SA has guaranteed this loan;

f) On June 29, 2011 the group reacquired all its "Modelo Continente 2003" bonds amounting 82,000,000 euro, and subsequently extinguished the bond loan.

At 30 June 2011, Sonae has agreed lines of credit and commercial paper amounting to 1,499 million euro, of which 586 million with firm commitments with maturity not exceeding one year and 635 million euro with firm commitments with maturity over 1 year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, Group had 463 million credit facilities available to meet its liquidity requirements.

The interest rate as at 30 June 2011 of bonds and loans were in average 2.41% (2.04% 31 December 2010).

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

The derivative instruments are recorded at fair value (Note 21).

The repayment schedule of the nominal value of loans can be summarised as follows:

	30.Junho.2011	31.Dezembro.2010
N+1 ^{a)}	426,530,367	260,488,240
N+2	663,980,272	506,287,216
N+3	492,746,153	556,923,415
N+4	681,488,934	548,918,015
N+5	434,746,877	742,517,918
Após N+5	520,798,396	464,012,795
	<u>3,220,290,999</u>	<u>3,079,147,599</u>

a) Includes the amounts drawn under commercial paper programs.

The maturities above were estimated in accordance with the contractual terms of loans that do not include financial covenants.

21 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 30 June 2011, the fair value of exchange rate derivatives which haven't been considered hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is null in liabilities as in the caption current investments (76,618 and zero euro as of 31 December 2010)

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 of the relevant 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.

Gains and 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 caption "Net financial expenses".

Gains and losses for the period arising from fair value change of derivatives qualified as hedging instruments were recorded in the caption "Hedging reserve" of Comprehensive Income.

Interest rate derivatives

As at 30 June 2011, 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 1,022,662,848 euro (1,118,050,663 euro as at 31 December 2010). The fair value of these derivatives amounts to -22,039,105 euro (-37,139,105 euro as at 31 December 2010), and is disclosed as assets amounting to 1,475,098 euro (423,774 euro as at 31 December 2010) and as liabilities 23,514,658 euro (37,562,879 euro as at 31 de December de 2010).

Derivatives were valued 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 flow of 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, 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 30 June 2011 no contracts existed related to interest rate and exchange rate derivatives.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Derivatives not qualified as hedging				
Exchange rate (Note 13 and 20)	-	-	-	76,618
Hedging derivatives				
Exchange rate (Note 13 and 20)	323,535	457,160	1,950,648	878,280
Interest rate (Note 14 and 20)	1,475,098	423,774	23,514,658	37,562,879
	<u>1,798,633</u>	<u>880,934</u>	<u>25,465,306</u>	<u>38,517,777</u>

22 OTHER NON - CURRENT LIABILITIES

As at 30 June 2011 and 31 December 2010, "Other non-current liabilities" is detailed as follows:

	30 June 2011	31 December 2010
Shareholders loans	42,460,272	39,351,233
Fixed assets suppliers	4,788,764	4,862,095
"Iniciativas E" program	2,253,107	2,253,107
Other non-current liabilities	117,557,922	133,574,695
Accruals and deferrals	183,791	1,317,990
Other non-current liabilities	<u>167,243,856</u>	<u>181,359,120</u>

The caption Shareholders loans relates to affiliated undertakings in the retail, shopping centres and investment management segments. These liabilities do not have a defined vesting date and bear interests at variable market rates.

The caption Other non-current liabilities includes the amount of 91,452,181 euro (101,774,315 euro as at 31 December 2010) related to the fair value of the derivative on Sonae Holding shares referred to in Note 18.

23 SHARE-BASED PAYMENTS

In 2011 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.

Sonae Holding plans, are settled in shares therefore as at 30 June 2011, all Sonae Holding plans are recorded in the statement of financial position under the caption "Other reserves" with the corresponding cost being recorded as "Staff costs".

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

As at 30 June 2011 and 31 December 2010, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

	Grant year	Vesting year	Number of participants	Fair value	
				30 June 2011	31 December 2010
Shares					
	2008	2011	459	-	5,610,174
	2009	2012	483	8,896,663	8,300,686
	2010	2013	492	5,381,075	4,706,106
	2011	2014	489	4,585,926	-
Total				18,863,664	18,616,966

As at 30 June 2011 and 31 December 2010 the financial statements include the following amounts corresponding to the period elapsed between those dates and the date of granting deferred bonus plans, which have not yet vested:

	30 June 2011	31 December 2010
Staff costs	4,072,652	6,319,318
Recorded in previous years	8,432,146	7,572,574
	12,504,798	13,891,892
Recorded in other liabilities	5,853,403	7,238,557
Recorded value in Other reserves	6,651,395	6,653,335
	12,504,798	13,891,892

24 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2011 and 31 December 2010, Trade creditors and other current liabilities were made up as follows:

	30 June 2011	31 December 2010
Trade creditors	1,033,041,759	1,264,689,283
Taxes payable	74,340,163	108,704,088
Other creditors		
Fixed asset suppliers	51,596,725	101,063,532
Related undertakings	6,312,662	5,888,302
Other debts	80,342,482	83,339,503
	<u>138,251,869</u>	<u>190,291,337</u>
Other current liabilities		
Property investments accruals	3,580,800	5,556,771
Fixed assets accrued costs	4,767,604	8,803,150
Holiday pay and bonuses	126,027,806	126,653,883
Interests payable	19,170,247	16,631,751
Invoices to be issued	36,527,395	43,994,715
Commissions	5,258,412	5,618,354
Marketing expenses	23,097,054	27,054,939
Information society	22,855,017	33,219,196
Other external supplies and services	68,658,407	58,979,060
Accrued income - trade debtors	34,054,835	34,025,665
Accrued income - rents	5,265,076	5,149,995
Others	48,823,159	38,234,965
	<u>398,085,812</u>	<u>403,922,444</u>
	<u>1,643,719,603</u>	<u>1,967,607,152</u>

25 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the six months period ended 30 June 2011 and 2010 were as follows:

Caption	Balance as at 31 December 2010	Increase	Decrease	Balance as at 30 June 2011
Accumulated impairment losses on investments (Note 13)	26,769	78,718	(83)	105,404
Accumulated impairment losses on trade account receivables and other debtors (Note 15)	105,784,729	14,289,536	(12,928,707)	107,145,558
Accumulated impairment losses on inventories	35,596,931	11,401,411	(2,421,216)	44,577,126
Non-current provisions	62,823,444	9,688,437	(553,551)	71,958,330
Current provisions	2,738,228	1,454,955	(909,090)	3,284,093
	<u>206,970,101</u>	<u>36,913,057</u>	<u>(16,812,647)</u>	<u>227,070,511</u>

Caption	Balance as at 31 December 2009	Increase	Decrease	Balance as at 30 June 2010
Accumulated impairment losses on investments (Note 13)	67,925	535	(36,703)	31,757
Accumulated impairment losses on other non-current assets	141,988	-	-	141,988
Accumulated impairment losses on trade account receivables and other debtors	103,988,411	12,627,282	(12,516,869)	104,098,824
Accumulated impairment losses on inventories	31,644,772	5,637,151	(2,799,668)	34,482,255
Non-current provisions	50,607,367	9,489,145	(395,474)	59,701,038
Current provisions	2,617,751	70,315	(695,818)	1,992,248
	<u>189,068,214</u>	<u>27,824,428</u>	<u>(16,444,532)</u>	<u>200,448,110</u>

As at 30 June 2011 and 31 December 2010, Provisions can be analysed as follows:

	30 June 2011	31 December 2010
Technical provisions on reinsurance	12,101,658	8,069,284
Future liabilities relating to subsidiaries of retail sold in Brazil	10,653,275	10,856,969
Dismantling of telecommunication sites	22,771,281	22,729,081
Clients Guarantees	11,405,399	7,833,843
Judicial claims	7,747,923	7,744,369
Others	10,562,887	8,328,126
	<u>75,242,423</u>	<u>65,561,672</u>

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

26 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2011 and 31 December 2010, major contingent liabilities were guarantees given and can be detailed as follows:

	30 June 2011	31 December 2010
Guarantees given:		
on tax claims	322,024,661	270,130,723
on judicial claims	614,885	575,115
on municipal claims	6,843,703	7,011,523
others	50,999,179	54,745,874

The caption "Others" includes 6,840,092 euro (13,194,442 euro as at 31 December 2010) to guarantee part of the debt of Sonae Sierra affiliates related with the purchase, sale and exchange of land.

Companies of Retail segment provided guarantees to the tax authorities associated with processes relating to VAT, amounting to 102,100,000 million euros, for which they were made or intends to submit their disputes. This processes is a understanding of Tax Administration that the Group should credit of Value Added Tax in respect of discounts given by suppliers and calculated based on values of purchases, the Tax Administration claims alleged match services to those entities, and the relative values for the regularization in debit in Value Added Tax in favor of the group related to loyalty programs discounts offer to customers.

In addition to guarantees above were made by Sonae SGPS, SA a pledge in favour of Sonae Investimentos, SGPS, SA amounting to 122,065,143 euro (71,485,070 as at 31 December.2010) for the purpose of suspension of tax cases. The most relevant of which, amounting to about 60 million, arising as a result of judicial review lodged by the Company in respect of adjustments made by the Tax Administration to income tax for the exercise ended at 31 December 2005, corresponding to a cover losses accumulated by the subsidiary, which was brought to the costs of participation, moreover, as is understanding already signed by the Tax Administration itself, and now understood that in this case should not consider the amount of the cost of participation, including therefore to cover losses when the liquidation of the subsidiary.

Guarantees given on tax claims include a guarantee granted by a company of the Retail segment in Brazil, of approximately 32,7 million euro (74,078,784 brazilian real as at 31 December 2010) , which is being judged by tax courts.

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 2010, 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 plus the amounts already paid (27.6 million euro) related to programmes for the Brazilian State of tax recovery amount to near 39.8 million euro.

Furthermore, there are other tax lawsuits totalling 54.7 million euro for which the Board, based on the lawyers' assessment, understands will not imply future losses to the old subsidiary referred above.

At 31 December 2010, the Telecommunications segment, there are outstanding balances with national operators registered under the headings of customers and suppliers, amounting to 37,139,253 Euros and 29,913,608 euro respectively, as well as balances of "Other assets current" in the amount of 411,649 euro, and "Other current liabilities" in the amount of 6,817,553 euro, resulting from a dispute remained essentially with the TMN-Mobile Telecommunications SA on the vagueness of the interconnection prices for the year 2001, their costs and revenues were recorded in that year. The Group considered the financial statements more penalizing tariffs. First Instance in the sentence was wholly favourable to the Group. The Court of Appeal, on appeal, dismissed again rejected the attempts of TMN. However, TMN again appeal this decision, now before the Supreme Court, which upheld the Court of Appeal dismissing the thoughts of the TMN, thus concluding that the interconnection prices for 2001 were not defined. The settlement of outstanding amounts will depend on the price that will be established.

No provision has been recognized on possible risks related with the events / disputes for which guarantees were granted as in accordance with its best knowledge it is the Board understanding that the resolution of those events / disputes will not lead to any liabilities to Sonae.

27 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Parent Company	76,686	81,555	-	-
Jointly controlled companies	6,490,584	5,641,680	9,788,547	9,528,053
Associated companies	18,256,407	17,999,108	1,375,295	875,271
Other partners and Group companies	32,985,350	32,898,643	11,643,589	16,964,925
	<u>57,809,027</u>	<u>56,620,986</u>	<u>22,807,431</u>	<u>27,368,249</u>
Transactions	Interest income		Interest expenses	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Parent Company	-	-	98,654	-
Jointly controlled companies	2,518	4,220	-	15
Associated companies	193,081	49	-	-
Other partners and Group companies	43,254	44,299	876,449	99,198
	<u>238,853</u>	<u>48,568</u>	<u>975,103</u>	<u>99,213</u>

Balances	Accounts receivable		Accounts payable	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Parent Company	28,631	102,607	98,654	-
Jointly controlled companies	5,054,050	2,697,745	5,493,054	5,641,691
Associated companies	5,250,487	4,152,235	1,810,195	2,443,183
Other partners and Group companies	16,882,793	19,311,222	15,637,637	15,664,418
	<u>27,215,961</u>	<u>26,263,809</u>	<u>23,039,540</u>	<u>23,749,292</u>

Balances	Loans			
	Obtained		Granted	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Parent Company	-	-	-	-
Jointly controlled companies	-	-	143,392	85,763
Associated companies	-	-	6,960,522	7,528,812
Other partners and Group companies	45,035,489	44,819,198	262,819	248,393
	<u>45,035,489</u>	<u>44,819,198</u>	<u>7,366,733</u>	<u>7,862,968</u>

The caption "Other partners in Group companies" includes 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.

28 INCOME TAX

As at 30 June 2011 and 2010, income tax is detailed as follows:

	30 June 2011	30 June 2010
Current tax	22,215,635	20,025,212
Deferred tax	(3,307,711)	22,135,268
	<u>18,907,924</u>	<u>42,160,480</u>

29 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	30 June 2011	30 June 2010
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	34,741,096	40,939,173
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	34,741,096	40,939,173
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,873,159,249	1,869,520,109
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with share based payments	13,172,489	12,050,889
Shares related to performance bonus that can be bought at market price	(5,915,787)	(6,439,343)
Weighted average number of shares used to calculate diluted earnings per share	1,880,415,951	1,875,131,655
Earnings per share		
Basic	0.018547	0.021898
Diluted	0.018475	0.021833

30 DIVIDENDS

In the Shareholders Annual General Meeting held on 27 April 2011, the payment of a gross dividend of 0.0331 euro per share (0.0315 euro per share in 2010) corresponding to a total of 66,200,000 euro (63,000,000 euro in 2010) was approved.

31 SEGMENT INFORMATION

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

- Food based retail
- Specialized 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 33.

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

	30 June 2011	Inter-segment income	31 June 2010 (Note 1)	Inter-segment income
Turnover				
Food based retail	1,570,770,132	(2,972,797)	1,586,766,253	(3,303,955)
Ex-Fuel	1,557,668,561	(2,972,797)	1,517,409,731	(3,303,955)
Fuel	13,101,571	-	69,356,522	-
Specialized retail	551,212,961	-	554,480,678	-
Retail real estate	59,934,937	(50,588,613)	64,195,245	(59,839,540)
Shopping centres	96,726,911	(6,704,538)	94,830,862	(6,550,335)
Telecommunications	425,405,353	(10,854,344)	450,330,109	(6,891,871)
Investment management	67,601,852	(330,137)	66,913,843	(290,099)
Eliminations and adjustments	(68,569,185)	(112,400)	(73,255,267)	(503,292)
Total direct consolidated	2,703,082,961	(71,562,829)	2,744,261,723	(77,379,092)
Operational cash-flow (EBITDA)				
Food based retail	78,664,505		78,980,683	
Specialized retail	(11,872,325)		7,245,252	
Retail real estate	70,490,042		67,074,577	
Shopping centres	44,701,190		45,132,527	
Telecommunications	106,492,169		99,511,724	
Investment management	2,889,999		1,275,192	
Eliminations and adjustments	7,288,074		5,762,865	
Total direct consolidated	298,653,654		304,982,820	
Operational profit/(loss) (EBIT)				
Food based retail	32,747,099		39,265,427	
Specialized retail	(38,003,405)		(14,078,392)	
Retail real estate	55,108,731		51,078,946	
Shopping centres	43,688,476		43,008,530	
Telecommunications	44,601,697		32,673,277	
Investment management	(1,200,135)		(2,339,821)	
Eliminations and adjustments	(4,234,137)		(481,100)	
Total direct consolidated	132,708,326		149,126,867	
Investment (CAPEX)				
	30 June 2011		30 Junho.2010	
Food based retail	37,121,542		41,096,213	
Specialized retail	42,337,663		41,969,144	
Retail real estate	2,206,524		14,545,343	
Shopping centres	21,366,687		31,773,894	
Telecommunications	42,800,000		59,390,719	
Investment management	5,104,208		-	
Eliminations and adjustments (1)	2,473,047		2,510,893	
Total consolidated	153,409,671		191,286,206	

	30 June 2011	31 December 2010
Invested capital		
Food based retail	662,689,843	479,204,374
Specialized retail	420,891,208	337,037,521
Retail real estate	1,369,945,355	1,418,165,276
Shopping centres	1,513,175,273	1,576,617,718
Telecommunications	802,174,841	781,749,152
Investment management	155,657,394	155,569,048
Eliminations and adjustments (1)	(33,421,004)	(34,500,775)
Total consolidated	4,891,112,910	4,713,842,314
Total net debt (2)		
Retail businesses	1,326,465,234	1,046,670,860
Shopping centres	695,795,429	829,279,533
Telecommunications	344,600,000	348,085,829
Investment management	19,359,276	80,627,179
Holding (1)	550,156,804	547,616,771
Total consolidated	2,936,376,743	2,852,280,172

(1) Includes Sonae Individual accounts;

(2) Includes shareholders loans;

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

	Turnover		Operational cash-flow (EBITDA)		Operational profit/(loss) (EBIT)	
	30 June 2011	30 Junho.2010	30 June 2011	30 Junho.2010	30 June 2011	30 Junho.2010
Inter-segment income	(71,562,829)	(77,379,092)	(1,358,789)	(916,735)	(1,674,955)	(164,196)
Adjustment on telecommunications provisions (3)	-	-	5,473,740	3,864,272	-	-
Others	2,993,644	4,123,825	3,173,123	2,815,328	(2,559,182)	(316,904)
Eliminations and adjustments	(68,569,185)	(73,255,267)	7,288,074	5,762,865	(4,234,137)	(481,100)

(3) The sub-holding considers provisions as EBITDA.

	Investment		Invested capital	
	30 June 2011	30 Junho.2010	30 June 2011	31 December 2010
Inter-segment balances	236,624	-	55,387,345	67,339,294
Dividends	-	-	-	-
Cash settled equity swap (4)	-	-	(91,452,181)	(97,077,039)
Others	2,236,423	2,510,893	2,643,832	(4,763,030)
Eliminations and adjustments	2,473,047	2,510,893	(33,421,004)	(34,500,775)

(4) Financial Instrument reported in Note 18.

Glossary:

Invested capital = Gross real estate assets + other fixed assets (including Goodwill) - amortisations 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 + derivatives - cash, bank deposits and current investments-other long term applications;

EBITDA = Turnover + other revenues + negative Goodwill – reversion of impairment losses – operational costs - Provisions for warranty extensions + profit/losses on disposals of subsidiaries;

Eliminations and adjustments = Inter-segment + consolidation adjustments + contribution of companies not included in the segments;

CAPEX = Investments in tangible and intangible assets, investment properties and acquisitions of subsidiaries; less amounts generated over assets disposals;

Direct income - excludes contributions to indirect income;

Indirect Income - includes the Shopping Centre operating 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; (iv) provision for Development Funds at Risk.

32 COMMITMENTS WITH "INFORMATION SOCIETY"

Under the agreed terms resulting from the grant of the UMTS License, Optimus – Comunicações, S.A. 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, Transports and Communications ("MOPTC"), a part of those commitments, up to 159 million euro, will be accomplished through its own projects as contributions to qualifying Information Society and incurred in the normal activity of Sonaecom - Communications Services (investment and networking technology that does not derive from the need for compliance with obligations relating to the allocation of the UMTS license and research activities, development and promotion services, content and applications), which must be recognized by MOPTC and entities set up especially for this purpose. As at 30 June 2010, 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 fulfilled as agreed between Optimus – Comunicações, S.A. and MOPTC, through contributions to the "Iniciativas E" project (offer of modems, discounted rates, cash contributions, among others, relating to the widespread use of broadband internet by students and teachers), those e contributions being made through 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 responsibilities were recorded, at 31 December 2010, as an added cost of the UMTS license, against an entry in the captions 'Other non-current liabilities' and 'Other current liabilities'. As at 30 June 2011 these responsibilities were all recorded in the financial statements.

At 30 June 2011, the caption "Patents and other similar rights", of intangible assets includes the amount of 111.5 million euro, that correspond to the present value of the estimated responsibility with "Iniciativas E" program, recorded in June 2008 and updated September 2009.

33 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

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

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 (iv) provisions for "Development Funds at Risk".

The value of the EBITDA is calculated only in the Direct Income, excluding the indirect contributions.

The reconciliation between consolidated income and direct/indirect income for the six month periods ended 30 June 2011 and 2010 can be summarised as follows:

	30 June 2011			30 June 2010 (Note 1)		
	Consolidated	Indirect income	Direct income	Consolidated	Indirect income	Direct income
Operational income						
Sales	2,173,792,974	-	2,173,792,974	2,209,764,574	-	2,209,764,574
Services rendered	529,289,987	-	529,289,987	566,739,485	-	566,739,485
Value created on investment properties	4,088,088	4,088,088	-	(3,957,957)	(3,957,957)	-
Investment income	-	-	-	-	-	-
Dividends	232,500	-	232,500	400,492	-	400,492
Other	(102,179)	-	(102,179)	4,489,784	(1,928,392)	6,418,176
Other income						
Badwill	-	-	-	-	-	-
Reversion of impairment losses	2,240,092	-	2,240,092	3,133,942	-	3,133,942
Other	262,815,643	-	262,815,643	214,436,954	-	214,436,954
Total income	2,972,357,105	4,088,088	2,968,269,017	2,995,007,274	(5,886,349)	3,000,893,623
Total cost (a)	2,838,440,699	3,112,507	2,835,328,192	2,853,096,362	1,730,098	2,851,366,264
Depreciation and amortisation	153,143,692	-	153,143,692	146,094,344	-	146,094,344
Provisions and impairment losses	-	-	-	-	-	-
Provisions for warranty extensions	3,571,556	-	3,571,556	9,655,747	-	9,655,747
Others	15,931,880	890,151	15,041,729	7,814,304	1,434,000	6,380,304
Profit before financial results and share of results of associated	133,916,406	975,581	132,940,825	141,910,912	(7,616,447)	149,527,359
Financial profit/(loss)	(53,837,341)	(1,004,869)	(52,832,472)	(51,113,423)	-	(51,113,423)
Share of results of associated undertakings	(3,117,332)	(2,439,460)	(677,872)	(274,617)	(539,186)	264,569
Profit before income tax	76,961,733	(2,468,748)	79,430,481	90,522,872	(8,155,633)	98,678,505
Income tax	(18,907,924)	(6,150,804)	(12,757,120)	(42,160,480)	(17,205,134)	(24,955,346)
Net profit for the period	58,053,809	(8,619,552)	66,673,361	48,362,392	(25,360,766)	73,723,158
- attributable to equity holders of Sonae	34,741,096	(7,634,886)	42,375,982	40,939,173	(13,842,131)	54,781,304
- attributable to non controlling interests	23,312,713	(984,665)	24,297,378	7,423,219	(11,518,635)	18,941,854
Operational cash-flow (EBITDA) (b)			298,653,654			304,982,822

(a) The amount recorded in Indirect income relates mainly to the reduction of investment properties value, accruals for "DevelopmentFunds at Risk" and recognized impairment losses;

(b) EBITDA is computed as Turnover + Other Income + Negative goodwill – Impairment losses reversal – Operational expenses - Provisions for warranty extensions + Gains/(losses) in disposals.

34 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 23 August 2011.

The Board of Directors

Belmiro Mendes de Azevedo

Álvaro Carmona e Costa Portela

Álvaro Cuervo Garcia

Bernd Bothe

Christine Cross

Michel Marie Bon

José Neves Adelino

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigos Jordão

Condensed individual financial statements

SONAE, SGPS, SA

CONDENSED INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011 AND 2010
AND AS AT 31 DECEMBER 2010(Translation of condensed individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)*(Amounts expressed in euro)*

ASSETS	Notes	30.June.2011	30.June.2010	31.December.2010
NON-CURRENT ASSETS:				
Tangible assets		207,744	252,885	225,499
Intangible assets		94,668	1,416	118,252
Investments in affiliated companies	4	3,162,914,084	3,017,561,518	3,177,377,209
Other investments	5	52,395,880	66,654,880	63,795,880
Other non-current assets	6	795,985,198	556,650,545	808,550,697
Total non-current assets		4,011,597,574	3,641,121,244	4,050,067,537
CURRENT ASSETS:				
Trade account receivables and other current assets	7	21,699,949	8,977,709	60,651,789
Cash and cash equivalents	8	522,627	677,165	307,130
Total current assets		22,222,576	9,654,874	60,958,919
TOTAL ASSETS		4,033,820,150	3,650,776,118	4,111,026,456
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,456,036,862	1,030,174,291	1,147,143,401
Profit for the period		20,609,546	67,357,768	386,432,293
TOTAL EQUITY		3,476,646,408	3,097,532,059	3,533,575,694
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	506,707,958	514,388,654	511,140,968
Other non-current liabilities		-	-	71,727
Total non-current liabilities		506,707,958	514,388,654	511,212,695
CURRENT LIABILITIES:				
Loans	10	45,000,000	33,250,000	61,000,000
Trade creditors and other current liabilities	11	5,465,784	5,605,405	5,238,067
Total current liabilities		50,465,784	38,855,405	66,238,067
TOTAL EQUITY AND LIABILITIES		4,033,820,150	3,650,776,118	4,111,026,456

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE, SGPS, SA

CONDENSED INDIVIDUAL INCOME STATEMENTS FOR THE PERIODS ENDED 30 JUNE 2011
AND 2010

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

(Amounts expressed in euro)

	Notes	2 nd Quarter 2011	2 nd Quarter 2010	30.June.2011	30.June.2010
Services rendered		101,150	-	202,300	-
Investment income	14	50,730	226,080	11,993,439	71,616,617
Financial income		11,148,041	4,132,620	22,283,055	8,014,616
Other income		16,132	79,067	349,828	537,840
External supplies and services		(515,940)	(579,023)	(1,063,548)	(1,409,189)
Staff costs		(607,931)	(550,253)	(1,121,750)	(1,095,358)
Depreciation and amortisation		(25,618)	(15,550)	(51,424)	(25,649)
Financial expense		(5,703,165)	(5,316,286)	(11,215,164)	(9,738,356)
Other expenses		(63,490)	(45,837)	(452,871)	(542,753)
Profit/(Loss) before taxation		4,399,909	(2,069,182)	20,923,865	67,357,768
Taxation		(181,319)	-	(314,319)	-
Profit/(Loss) after taxation		4,218,590	(2,069,182)	20,609,546	67,357,768
Profit/(Loss) per share					
Basic	15	0.002110	(0.001035)	0.010305	0.033679
Diluted	15	0.002108	(0.001034)	0.010301	0.033668

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE, SGPS, SA

CONDENSED INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 30 JUNE 2011 AND 2010

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

(Amounts expressed in euro)

	<u>2nd Quarter 2011</u>	<u>2nd Quarter 2010</u>	<u>30.June.2011</u>	<u>30.June.2010</u>
Net Profit / (Loss) for the period	4,218,590	(2,069,182)	20,609,546	67,357,768
Changes on fair value of available-for-sale financial assets	(3,377,865)	21,024,889	(15,851,403)	10,349,780
Changes in hedge and fair value reserves	<u>(1,012,131)</u>	<u>(1,379,097)</u>	<u>4,609,040</u>	<u>(5,421,883)</u>
Other comprehensive income for the period	<u>(4,389,996)</u>	<u>19,645,792</u>	<u>(11,242,363)</u>	<u>4,927,897</u>
Total comprehensive income for the period	<u>(171,406)</u>	<u>17,576,610</u>	<u>9,367,183</u>	<u>72,285,665</u>

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE, SGPS, SA

CONDENSED INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED AT 30 JUNE 2011 AND 2010

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

(Amounts expressed in euro)

	Reserves and retained earnings							Net profit/(loss)	Total
	Share capital	Own shares	Legal reserve	Fair value reserve	Hedging reserve	Other reserves and retained earnings	Total reserves and retained earnings		
Balance as at 1 January 2010	2,000,000,000	-	163,229,582	488,904,537	(5,807,343)	350,006,260	996,333,036	91,729,048	3,088,062,084
Total comprehensive income for the period	-	-	-	10,349,780	(5,421,883)	-	4,927,897	67,357,768	72,285,665
Appropriation of profit of 2009:									
Transfer to legal reserves and retained earnings	-	-	4,586,452	-	-	24,142,596	28,729,048	(28,729,048)	-
Dividends distributed	-	-	-	-	-	-	-	(63,000,000)	(63,000,000)
Share based payments	-	-	-	-	-	184,310	184,310	-	184,310
Balance as at 30 June 2010	2,000,000,000	-	167,816,034	499,254,317	(11,229,226)	374,333,166	1,030,174,291	67,357,768	3,097,532,059
Balance as at 1 January 2011	2,000,000,000	-	167,816,034	612,472,662	(7,662,771)	374,517,476	1,147,143,401	386,432,293	3,533,575,694
Total comprehensive income for the period	-	-	-	(15,851,403)	4,609,040	-	(11,242,363)	20,609,546	9,367,183
Appropriation of profit of 2010:									
Transfer to legal reserves and retained earnings	-	-	19,321,614	-	-	300,910,679	320,232,293	(320,232,293)	-
Dividends distributed	-	-	-	-	-	-	-	(66,200,000)	(66,200,000)
Purchase of own shares	-	(289,862)	-	-	-	-	-	-	(289,862)
Share based payments	-	289,862	-	-	-	(96,469)	(96,469)	-	193,393
Balance as at 30 June 2011	2,000,000,000	-	187,137,648	596,621,259	(3,053,731)	675,331,686	1,456,036,862	20,609,546	3,476,646,408

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE, SGPS, SA

CONDENSED INDIVIDUAL CASH FLOW STATEMENTS FOR THE PERIODS
ENDED 30 JUNE 2011 AND 2010

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

(Amounts expressed in euro)

	Notes	2 nd Quarter 2011	2 nd Quarter 2010	30.June.2011	30.June.2010
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		(1,277,527)	(816,555)	(2,789,443)	(869,044)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		5,284,954	5,357,500	10,029,954	10,835,000
Tangible and intangible assets		(139)	557,172	1,867	578,391
Interest and similar income		17,138,451	850,357	23,296,844	7,760,892
Dividends		107,599	71,616,617	107,599	71,616,617
Loans granted		213,283,470	232,718,448	563,159,499	404,758,448
		235,814,335	311,100,094	596,595,763	495,549,348
Cash payments arising from:					
Tangible and intangible assets		(4,254)	(62,069)	(10,495)	(62,139)
Loans granted		(170,477,000)	(235,403,999)	(500,800,000)	(431,771,266)
		(170,481,254)	(235,466,068)	(500,810,495)	(431,833,405)
Net cash used in investment activities (2)		65,333,081	75,634,026	95,785,268	63,715,943
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		110,639,000	468,293,716	467,657,000	564,765,000
		110,639,000	468,293,716	467,657,000	564,765,000
Cash payments arising from:					
Loans obtained		(100,639,000)	(445,000,000)	(484,062,000)	(556,465,000)
Interest and similar charges		(7,133,367)	(7,457,311)	(9,889,001)	(10,253,256)
Dividends		(66,185,095)	(62,986,476)	(66,196,465)	(62,986,476)
Purchase of own shares		(289,862)	-	(289,862)	-
		(174,247,324)	(515,443,787)	(560,437,328)	(629,704,732)
Net cash used in financing activities (3)		(63,608,324)	(47,150,071)	(92,780,328)	(64,939,732)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		447,230	27,667,400	215,497	(2,092,833)
Cash and cash equivalents at the beginning of the period		75,397	(26,990,235)	307,130	2,769,998
Cash and cash equivalents at the end of the period	8	522,627	677,165	522,627	677,165

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED

30 JUNE 2011

(Translation of the condensed individual financial statements originally issued in Portuguese.
In case of discrepancies 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.

These individual financial statements were not subject to a limited revision carried out by the company's statutory external auditor.

2 BASIS OF PREPARATION

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

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2010.

4 INVESTMENTS IN AFFILIATED COMPANIES

As at 30 June 2011 and 31 December 2010 the company held investments in the following affiliated companies:

30.June.2011				
Company	% Held	Carrying amount	Acquisition cost	Fair value reserve
Sonae Investimentos, SGPS, SA (a)	76.86%	1,893,270,729	1,416,192,180	477,078,549
Sonae Sierra, SGPS, SA (b)	50.00%	611,174,000	490,113,339	121,060,661
Sonaecom, SGPS, SA	0.18%	958,050	650,000	308,050
Sontel, BV	42.86%	191,341,400	191,341,400	-
Sonae Investments, BV	100.00%	550,000,000	550,000,000	-
Others		4,669,905	4,669,905	-
Impairment		(88,500,000)	-	-
Total		3,162,914,084	2,652,966,824	598,447,260

31.December.2010				
Company	% Held	Carrying amount	Acquisition cost	Fair value reserve
Sonae Investimentos, SGPS, SA (a)	76.86%	1,893,270,729	1,416,192,180	477,078,549
Sonae Sierra, SGPS, SA (b)	50.00%	625,463,000	490,113,339	135,349,661
Sonaecom, SGPS, SA	0.23%	1,132,175	921,724	210,452
Sontel, BV	42.86%	191,341,400	191,341,400	-
Sonae Investments, BV	100.00%	550,000,000	550,000,000	-
Others		4,669,905	4,669,905	-
Impairment		(88,500,000)	-	-
Total		3,177,377,209	2,653,238,548	612,638,662

(a) The value of this investment is the price paid in the public tender offer for the de-listing occurred in 2006. Since that date no change in the value of the investment was recorded.

(b) Market value was determined based on an independent valuation for the period of assets held by this affiliated company, after deduction of associated net debt and of the share attributable to non-controlling interests.

5 OTHER INVESTMENTS

As at 30 June 2011 and 31 December 2010 other investments are as follows:

30.June.2011			
	Carrying amount	Acquisition cost	Fair value reserve
Magma No. 1 Securitisation Notes	47,200,000	47,200,000	-
Sonae Capital, SGPS, SA	5,146,000	6,972,000	(1,826,000)
Outros	49,880	49,880	-
Total	52,395,880	54,221,880	(1,826,000)

	31.December.2010		
	Carrying amount	Acquisition cost	Fair value reserve
Magma No. 1 Securitisation Notes	56,940,000	56,940,000	-
Sonae Capital, SGPS, SA	6,806,000	6,972,000	(166,000)
Outros	49,880	49,880	-
Total	63,795,880	63,961,880	(166,000)

6 OTHER NON-CURRENT ASSETS

As at 30 June 2011 and 31 December 2010 other non-current assets are detailed as follows:

	30.June.2011	31.December.2010
Loans granted to group companies	795,985,198	808,550,697

This caption includes a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos, SGPS, SA at market conditions. This loan was fully subscribed and paid by Sonae SGPS, SA on 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each. As at 30 June 2011 it's estimated that the carrying amount of the loan it's approximately its fair value.

7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2011 and 31 December 2010 trade accounts receivable and other current assets are detailed as follows:

	30.June.2011	31.December.2010
Trade accounts receivable	294	497,176
Group companies	19,267,286	58,499,980
Taxes and contributions receivable	1,199,716	924,706
Accrued income and prepayments	954,415	470,643
Others	278,238	259,284
Total	21,699,949	60,651,789

The caption "Accrued income and prepayments" mainly includes receivables relating to interests from loans granted to group companies (Note 6).

8 CASH AND CASH EQUIVALENTS

As at 30 June 2011 and 31 December 2010 cash and cash equivalents are detailed as follows:

	30.June.2011	31.December.2010
Cash at hand	89	89
Bank deposits	522,538	307,041
Cash and cash equivalents on the balance sheet	522,627	307,130
Cash and cash equivalents on the cash flow statement	522,627	307,130

9 SHARE CAPITAL

As at 30 June 2011 and 31 December 2010 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

10 LOANS

As at 30 June 2011 and 31 December 2010 this caption included the following loans:

	30.June.2011	31.December.2010
Nominal value of bonds	500,000,000	500,000,000
Up-front fees not yet charged to income statement	(2,426,069)	(2,849,786)
Bonds	497,573,931	497,150,214
Derivatives	9,134,027	13,990,754
Non-current loans	<u>506,707,958</u>	<u>511,140,968</u>
Commercial paper	45,000,000	61,000,000
Current loans	<u>45,000,000</u>	<u>61,000,000</u>

Non-current loans

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 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.

Bonds Sonae 2010/2015 amounting to 250,000,000 euro, repayable after 5 years, in one installment, on 16 April 2015. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

Current loans

Commercial paper - Program of issuance of short-term commercial paper, by private subscription, released on August 23, 2004, valid for a period of 10 years with an extension possibility by Company's initiative, with a maximum 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.

Interest rate as at 30 June 2011 of the bonds and bank loan was, on average, 2.9% (2.5% as at 31 December 2010).

Maturity of Borrowings

As at 30 June 2011 and 31 December 2010 the analysis of the maturity of loans is as follows:

	30.June.2011	31.December.2010
N+1	45,000,000	61,000,000
N+2	100,000,000	-
N+3	150,000,000	100,000,000
N+4	250,000,000	150,000,000
N+5	-	250,000,000

11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2011 and 31 December 2010, trade creditors and other current liabilities are detailed as follows:

	30.June.2011	31.December.2010
Trade creditors	738,609	1,193,408
Group companies	-	405,000
Taxes and contributions payable	381,518	153,684
Accrued expenses	4,150,206	3,412,195
Others	195,451	73,780
Total	<u>5,465,784</u>	<u>5,238,067</u>

12 CONTINGENT LIABILITIES

As at 30 June 2011 and 31 December 2010, contingent liabilities are detailed as follows:

	30.June.2011	31.December.2010
Guarantees given:		
on tax claims	307,664	307,664
on judicial claims	145,256	145,256
Guarantees given in favour of subsidiaries a)	124,909,412	74,329,339

a) Guarantees given to Tax Authorities in favour of subsidiaries to suspend claims from tax authorities.

13 RELATED PARTIES

Transactions and balances with related parties are detailed as follows:

Transactions	30.June.2011	30.June.2010
Group companies	85,095	-
Jointly controlled companies	102,300	-
Other partners in group companies	50,000	-
Services rendered and other income	237,395	-
Group companies	569,265	569,635
Jointly controlled companies	20,808	-
Other partners in group companies	24,897	116,620
Purchases and services obtained	614,970	686,255
Group companies	21,024,612	6,474,984
Interest income	21,024,612	6,474,984
Parent company	98,654	-
Group companies	77,751	269,757
Interest expenses	176,405	269,757
Group companies	107,599	57,960,737
Jointly controlled companies	11,867,610	13,655,880
Dividend income (Note 14)	11,975,209	71,616,617
Group companies	289,954	-
Disposal of investments	289,954	-
Balance	30.June.2011	31.December.2010
Group companies	831,198	6,107,634
Jointly controlled companies	16,163,586	219,976
Other partners in group companies	53,491	146,536
Accounts receivable	17,048,275	6,474,146
Parent company	98,654	-
Group companies	748,744	1,041,762
Jointly controlled companies	49,191	-
Other partners in group companies	16,014	13,938
Accounts payable	912,603	1,055,700
Group companies	799,191,198	861,550,697
Loans granted	799,191,198	861,550,697
Group companies	-	405,000
Loans obtained	-	405,000

All Sonae, SGPS, SA 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.

14 INVESTMENTS INCOME

As at 30 June 2011 and 30 June 2010, investment income can be detailed as follows:

	30.June.2011	30.June.2010
Dividends	11,975,209	71,616,617
Gains / (losses) on sale investments	18,230	-
	<u>11,993,439</u>	<u>71,616,617</u>

The dividends mentioned above were distributed by the affiliates Sonae Sierra, SGPS, SA (11,867,610 euro), Sonaegest, SA (75,099 euro) and Sonaecom, SGPS, SA (32,500 euro).

15 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	30.June.2011	30.June.2010
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	20,609,546	67,357,768
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>20,609,546</u>	<u>67,357,768</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings	2,000,000,000	2,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,407,223	1,322,666
Number of shares that could be acquired at average market price	<u>(664,560)</u>	<u>(664,686)</u>
Weighted average number of shares used to calculate diluted earnings per share	<u>2,000,742,663</u>	<u>2,000,657,980</u>
Profit/(Loss) per share		
Basic	0.010305	0.033679
Diluted	<u>0.010301</u>	<u>0.033668</u>

16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 23 August 2011.

17 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 June 2011 shareholders' loan contracts were entered into with the following companies:

Sonae Investments, BV

Sontel, BV

During the period ended 30 June 2011 short-term loan contracts were entered into with the following companies:

Efanor Investimentos, SGPS, SA

Sonae Specialized Retail, SGPS, SA

Sonaecenter Serviços, SA

Sonaecom, SGPS, SA

As at 30 June 2011 amounts owed by affiliated undertakings can be summarized as follows:

Companies	Closing Balance
Sonae Investimentos, SGPS, SA	3,135,000
Sonae Investments, BV	369,069,141
Sonaecenter Serviços, SA	119,267
Sontel, BV	26,867,790
Total	399,191,198

As at 30 June 2011 amounts owed from affiliated undertakings were null.

The Board of Directors

Belmiro Mendes de Azevedo

Álvaro Carmona e Costa Portela

Álvaro Cuervo Garcia

Bernd Bothe

Christine Cross

Michel Marie Bon

José Neves Adelino

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

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, and generally all recipients of this document, 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 also be accessed on Reuters under the
symbol SONP.IN and on Bloomberg under the symbol
SONPL.

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