

SONAE  
RESULTS  
9M10/



# 1 MAIN HIGHLIGHTS

## Sonae reinforced growth and profitability, with net profit increasing to 98 million euros.

- On a comparable basis<sup>1</sup>, turnover increased by 6%, reinforcing the past quarters growth trend;
  - Profitability continued to increase, with Recurrent EBITDA up by 12%, generating a margin of 11% on sales;
  - Direct net income (equity holders) increased by 17% to 113 million euros;
  - Net debt fell by 300 million euros (-9%) compared to end 9M09.
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- Sonae MC further strengthened its market leadership, with turnover up 6%, while also improving profitability, reaching an EBITDA margin on sales of 6.3% (+90bp);
  - Sonae SR maintained double digit growth of 15%;
  - Sonae Sierra once more demonstrated its resilience, with improved direct results and high occupancy rates;
  - Sonaecom again performed above expectations with strong improvements in EBITDA and FCF.

### Message from the CEO, Paulo Azevedo

This was yet another quarter of growth which saw improvements in return and progress towards meeting our strategic targets. I am particularly happy that we have been able to keep an ambitious target of investment, international expansion and job creation, at the same time that we were able to make sufficient savings to reduce our debt. Importantly, we will end the year with more than 2,000 new jobs in Portugal and 1,000 in Spain, two economies that are struggling to generate employment.

Our ability to provide customers with value and savings has allowed us to continue to grow in Retail market share. Retail turnover (Sonae MC and Sonae SR) grew by 8% and we continued our international expansion not only in Spain but also in Saudi Arabia where the first franchised stores were officially opened.

Sonaecom and Sonae Sierra once again posted significant and improved figures in EBITDA. Importantly, Sonaecom also made gains in mobile market share while Sonae Sierra accelerated the growth into new countries with supplying development services.

In total, annualised return on equity increased by 9pp and net debt fell by 300 million euros compared to the same quarter of last year.

I am very proud of the results that our team is consistently delivering in the pursuit of such an ambitious set of objectives.

<sup>1</sup> Excludes petrol stations, which operation was transferred to third parties in 2Q10

## 2 INCOME STATEMENT HIGHLIGHTS

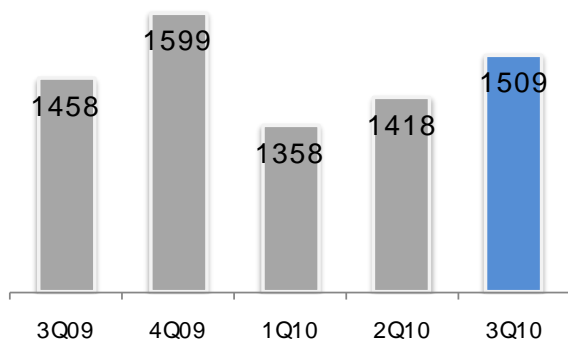
### Turnover

Million euros

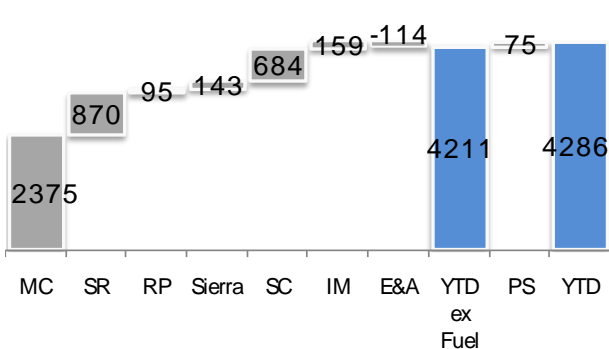
	9M09	9M10	y.o.y
<b>Sonae excl.petrol stations</b>	<b>3,968</b>	<b>4,211</b>	<b>6.1%</b>
Sonae MC	2,238	2,375	6.1%
Sonae SR	756	870	15.0%
Sonae RP	91	95	4.6%
Sonae Sierra <sup>(1)</sup>	133	143	7.0%
Sonaecom	717	684	-4.5%
Investment mngmt.	147	159	8.0%
Elimin.& adjust.	-115	-114	0.4%
Petrol stations	98	75	-24.2%
<b>Sonae</b>	<b>4,066</b>	<b>4,286</b>	<b>5.4%</b>

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

Turnover quarterly trend (million euros)



Turnover breakdown (million euros)



MC – food based retail; SR– specialised retail; RP – retail property; Sierra – shopping centres; SC – telecommunications; IM-Investment management; E&A – Eliminations & Adjust.; PS – Petrol stations.

### Turnover

- On a comparable basis, excluding petrol stations<sup>2</sup>, **Sonae's** turnover increased by 6%.
- **Sonae MC** continued to strengthen its market leadership, with turnover up 6%, higher than the rate of market growth. Like for like sales increased by 3% (4% in 3Q10), benefiting from a clear value focused offering, driven by: (i) a successful private label programme, with own brands equal to 26% of FMCG category sales for the 9 month period; (ii) and the effectiveness of the loyalty card, based on a segmentation of the promotional activity. Average unit price per article was marginally negative in 9M10, with the 3Q10 figure already positive due to the impact of market inflation as from March 2010, despite the prevailing trend of trading down.
- **Sonae SR's** turnover continued to grow strongly by 15%, with a 2% like-for-like growth. **Sonae SR Portugal** sales were up 8%, with 2% like-for-like growth, while **Sonae SR International** sales were up 62%, reflecting a like-for-like sales increase of 2%. Worthy of mention were the gains in market share of Worten and SportZone in Portugal and Spain, and the resilience of the fashion formats, which are clearly in tune with market demand for value for money products.
- **Sonae Sierra** continued to perform well in face of challenging conditions with turnover increasing by 7%, despite the sale of 45% of the Shopping Centre Alexa, in Germany, reflecting: (i) shopping centre openings in 2009 and 2010; (ii) continued high occupancy rates (96%); and (iii) a strong increase in total rents collected on a like for like basis (+5%).
- **Sonaecom** turnover was down by 5%; growth in mobile customer revenues did not entirely offset the impact of further reductions in Mobile Termination Rates and in Product Sales, the later impacted by the slowdown in the e-initiatives programme in Portugal.

<sup>2</sup> During 2Q10, Sonae transferred the operation of 8 petrol stations to a third party.

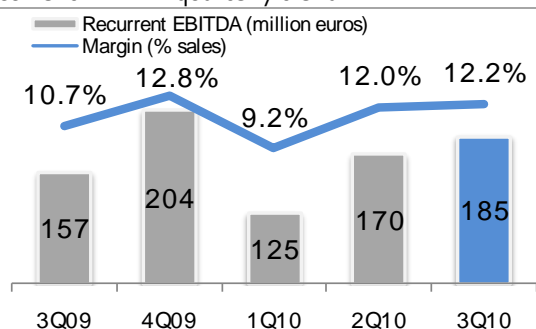
Recurrent EBITDA <sup>(1)</sup>			
Million euros			
	9M09	9M10	y.o.y
<b>Sonae</b>	<b>429</b>	<b>480</b>	<b>11.9%</b>
Sonae MC	120	149	24.3%
Sonae SR	11	16	50.4%
Sonae RP	85	85	0.4%
Sonae Sierra <sup>(2)</sup>	63	69	9.8%
Sonaecom	137	149	9.1%
Investment mngmt.	2	4	55.6%
Elimin.& adjust.	11	8	-33.7%

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

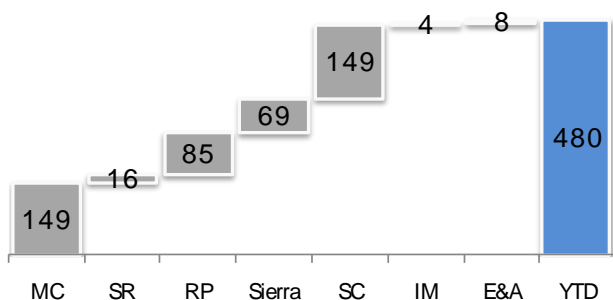
Recurrent EBITDA <sup>(1)</sup>			
as a % of turnover			
	9M09	9M10	y.o.y
<b>Sonae</b>	<b>10.6%</b>	<b>11.2%</b>	<b>0.7pp</b>
Sonae MC	5.4%	6.3%	0.9pp
Sonae SR	1.4%	1.9%	0.4pp
Sonae RP	93.2%	89.5%	-3.7pp
Sonae Sierra <sup>(2)</sup>	47.4%	48.7%	1.3pp
Sonaecom	19.1%	21.8%	2.7pp
Investment mngmt.	1.6%	2.3%	0.7pp

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

### Recurrent EBITDA quarterly trend



### Recurrent EBITDA breakdown (million euros)



MC – food based retail; SR – specialised retail; RP – retail property; Sierra – shopping centres; SC – telecommunications; IM – Investment management; E&A – Eliminations & Adjust.

### Recurrent EBITDA

- **Sonae** continued to improve its recurrent EBITDA, which increased by 12%, with margins up by 70bp to 11% of turnover, despite Portugal's deteriorating macroeconomic environment.
- **Sonae MC's** recurrent EBITDA increased by 24%, equal to a margin on sales of 6% (+0.9pp), with margins further increasing in 3Q10 (+1.9pp) compared to 3Q09. These improvements reflect: (i) continued gains in market share; (ii) major efforts made to improve operations towards a more cost-effective model; (iii) the success of ongoing measures to improve internal operating efficiency; (iv) increased international sourcing for private label products; and (v) greater effectiveness of promotional campaigns launched using the loyalty card.
- **Sonae SR's** recurrent EBITDA improved by 5 million to 16 million euros, equal to a margin on sales of 2% (+0.4pp), reflecting the sustained increase in profitability of Portuguese operations and the progressively lower negative contribution from International operations. **Sonae SR Portugal** increased EBITDA by a significant 20%, reaching a higher margin of 4.9% (+0.5pp), achieved through improved efficiency of the more recent formats and the commercial success of the own brand products. **Sonae SR International** posted a negative EBITDA of 18 million euros, on track with its goal of achieving positive EBITDA in 2012 and becoming a key retail player in Spain.
- **Sonae Sierra's** recurrent EBITDA increased by 10%, reflecting the increase of the portfolio of assets and ongoing efforts to optimize operational efficiency.
- **Sonaecom's** recurrent EBITDA improved by 9%, clearly reflecting the impact of the cost control initiatives implemented in the Telco unit, the goal of which is to increase efficiency across all its business divisions and support functions.



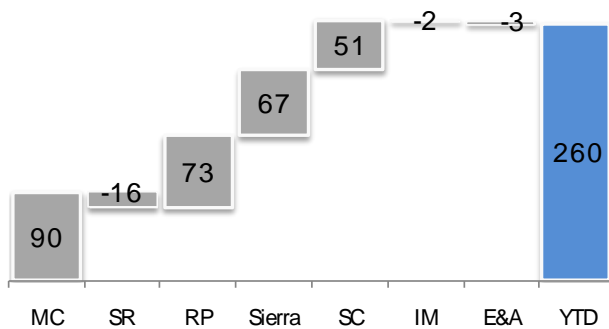
**Direct net income**

Million euros

	9M09	9M10	y.o.y
<b>Recurrent EBITDA</b>	<b>429</b>	<b>480</b>	<b>11.9%</b>
<b>EBITDA</b>	<b>462</b>	<b>493</b>	<b>6.6%</b>
P&I losses <sup>(1)</sup>	-17	-15	15.3%
D&A <sup>(2)</sup>	-221	-218	1.5%
<b>EBIT</b>	<b>224</b>	<b>260</b>	<b>16.3%</b>
Net financial results	-98	-78	20.7%
Other income <sup>(3)</sup>	2	0	-84.3%
<b>EBT</b>	<b>128</b>	<b>183</b>	<b>42.8%</b>
Taxes	-20	-42	-115.0%
<b>Direct net income</b>	<b>108</b>	<b>141</b>	<b>29.8%</b>
<b>Equity holders</b>	<b>96</b>	<b>113</b>	<b>17.4%</b>
Minority interests	13	28	124.7%

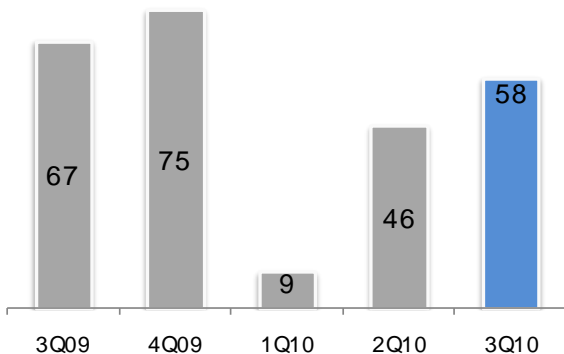
(1) Provisions and impairment losses including reversion of impairments and badwill; (2) Depreciation & Amortizations; (3) Share of results of associated undertakings + dividends.

## EBIT breakdown (million euros)



MC – food based retail; SR – specialised retail; RP – retail property; Sierra – shopping centres; SC – telecommunications; IM – Investment management; E&A – Eliminations & Adjust.

## Net income – equity holder's quarterly trend (million euros)

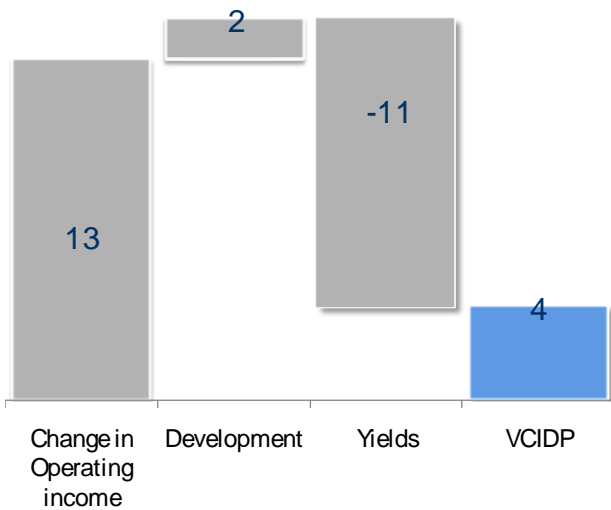
**Direct net income – equity holders**

- **Sonae's** EBITDA increased by 7% to 493 million euros, despite the capital gains of 33 million euros recognized in 9M09.
- EBITDA was 13 million euros higher than recurrent EBITDA, reflecting the gains generated by the planned real estate monetization process. A highlight was the conclusion of further sale & leaseback transactions during 3Q10, involving 3 Modelo supermarkets, generating a capital gain of 3 million euros.
- **Sonae's** total direct net income increased by 33 million euros to 141 million euros, with the share of equity holders totalling 113 million euros, 17 million euros higher than 9M09. This increase mainly reflects a strong EBITDA performance. The fall in net financial expenses was annulled by the higher taxation charges in the 9M10.
- Net financial results improved by 21% compared to 9M09, mainly reflecting a fall in net interest expenses of 24 million euros, due to: (i) the lower average total debt in the period; and (ii) the lower average cost of debt, as a result of the general decrease in market Euribor rates.
- The taxation charge for the period was 42 million euros, compared to 20 million euros in 9M09, mainly explained by the strong increase in EBT. The effective corporate tax rate was 23%.

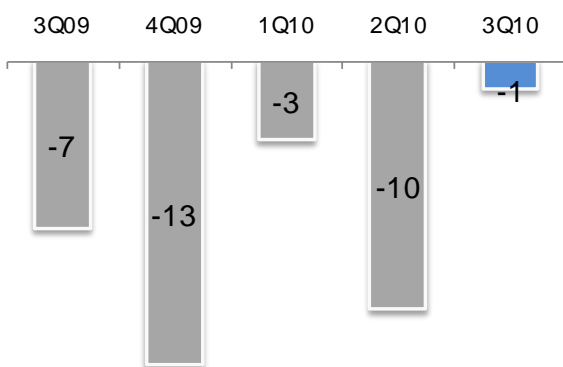
<b>Shopping centres indirect net income <sup>(1)</sup></b>			
Million euros			
	<b>9M09</b>	<b>9M10</b>	<b>y.o.y</b>
VCIDP <sup>(2)</sup>	-76	4	-
Others	-2	-4	-83.1%
Taxes	15	-14	-
<b>Indirect net income</b>	<b>-64</b>	<b>-15</b>	<b>76.8%</b>
<b>Equity holders</b>	<b>-64</b>	<b>-15</b>	<b>76.8%</b>
Minority interests	0	0	-

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

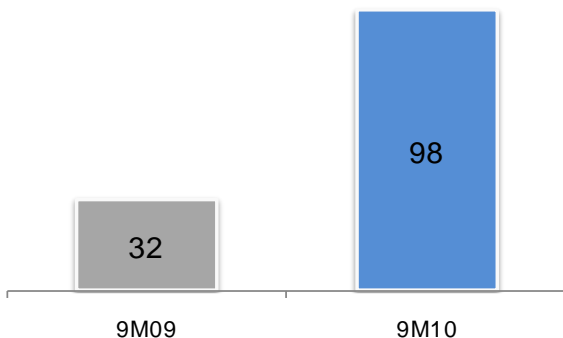
VCIDP breakdown (million euros)



Indirect net income – quarterly trend (million euros)



Total income – equity holders – YTD trend (million euros)



**Shopping centres indirect income**

- Equity holders' share of consolidated indirect income was negative 15 million euros, compared to negative 64 million euros in 9M09, with this indirect component of net income already stabilising in 3Q10, reflecting the positive performance of the VCIDP starting from 2Q10.
- VCIDP in the shopping centres business was 4 million, reflecting the improved performance of shopping centres owned and 2 million euros of value recognized on development activity (Le Terrazze and Uberlândia Shopping centres), compensating for the higher capitalization yields in Greece and Portugal.
- The latest quarterly valuation of assets implies that average yields increased in Greece by 125bp compared to 2Q10, while those in other countries remained flat. It should be noted that Sierra only owns 1 shopping centre in Greece, or less than 2% of the value of its portfolio of 53 shopping centres
- The taxation line shows a cost of 14 million euros, mainly due to the recognition of additional deferred tax liabilities in 2Q10. These were generated by a corporation tax increase (+2.5pp) in Portugal and its application to possible capital gains on the sale of properties owned.

**Total income – equity holders**

- Total income attributable to equity holders improved by 66 million euros, from 32 million euros in 9M09 to 98 million euros in 9M10, despite the one-off capital gains of 33 million euros recognized in 9M09, as compared to a 13 million euros capital gain in 9M10.
- The sound operational and financial performance in the period and the stabilization of yields explain the significant improvement in total income, which generated an annualised return on equity close to the target rate of 15%.

# 3 INVESTMENT

## CAPEX

Million euros

	9M09	9M10	y.o.y
<b>Sonae</b>	<b>462</b>	<b>278</b>	<b>-39.8%</b>
as a % of turnover	11.4%	6.5%	-4.9pp
Sonae MC	96	58	-39.7%
Sonae SR	72	59	-17.7%
Sonae RP	78	18	-77.2%
Sonae Sierra <sup>(1)</sup>	74	41	-44.8%
Sonaecom	103	88	-15.3%
Investment mngmt.	32	13	-59.5%
Elimin.& adjust.	6	2	-71.7%
Rec. EBITDA - CAPEX	-33	202	-

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

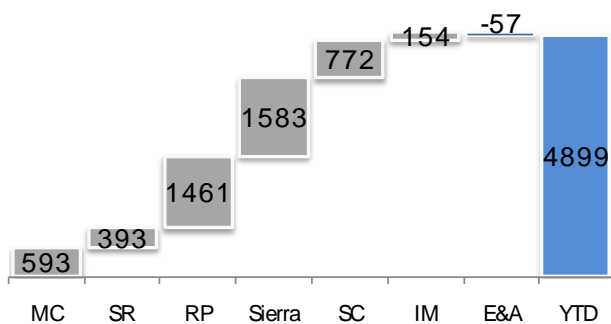
## Invested capital

Million euros

	9M09	9M10	y.o.y
<b>Sonae</b>	<b>5,023</b>	<b>4,899</b>	<b>-2.5%</b>
Investment properties <sup>(1)</sup>	1,866	1,770	-5.2%
Technical investment <sup>(2)</sup>	3,199	3,189	-0.3%
Financial investment	37	44	18.4%
Goodwill	706	734	4.0%
Working capital	-786	-838	-6.6%

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

Invested capital breakdown (million euros)



MC – food based retail; SR – specialised retail; RP – retail property; Sierra – shopping centres; SC – telecommunications; IM – Investment management; E&A – Eliminations & Adjust.

## CAPEX

- **Sonae's total CAPEX** in 9M10 totalled 278 million euros (6% of turnover), significantly lower than in 9M09. This fall is consistent with the company's capital light strategy, and occurred despite the strong push to increase its presence in the Spanish market with the Worten, SportZone and Zippy specialised retail formats.
- **Sonae MC's CAPEX** of 58 million euros was mainly spent on store refurbishment, logistics, the opening of 2 Modelo stores and preparatory work for future openings.
- **Sonae SR's CAPEX** totalled 59 million euros, of which 30 million euros was for the internationalization, 8 million euros to further increase the geographical coverage of stores in Portugal, and the remaining allocated to refurbishment, IT/IS and the expansion of the logistics infrastructure.
- **Sonae RP's CAPEX** amounted to 18 million euros, 77% below that in 9M09, a clear indication of the capital light strategy being followed (leasing instead of owning) for new retail sales area, particularly for Modelo stores.
- **Sonae Sierra CAPEX** included: (i) the conclusion of the shopping centre in Leiria, Portugal (opened in March); (ii) progress on the development of projects in the pipeline already announced and scheduled for 2011, namely Le Terrazze, in Italy and Uberlândia, in Brazil; and scheduled for 2012, namely Londrina, in Brazil; and (iii) progress on the expansion of Parque D. Pedro, in Brazil.
- **Sonaecom CAPEX** reflects ongoing investment in network capacity, both in the core and in the backhaul, which will ensure performance improvements and lead to future OPEX savings.

# 4 CAPITAL STRUCTURE

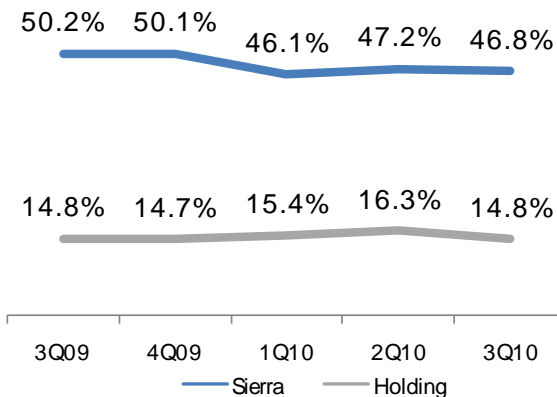
## Capital structure

Million euros

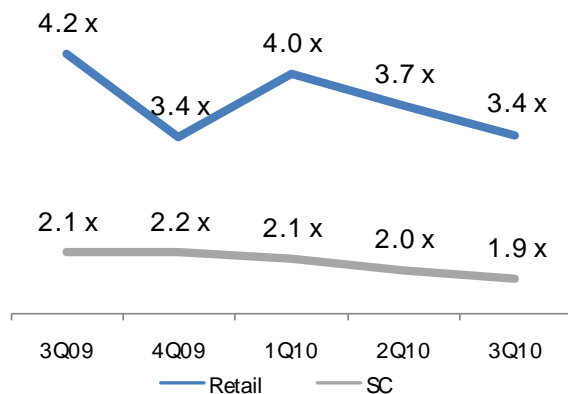
	9M09	9M10	y.o.y
<b>Net debt inc. SH loans</b>	<b>3,436</b>	<b>3,136</b>	<b>-8.8%</b>
Retail businesses <sup>(1)</sup>	1,503	1,356	-9.8%
Sonae Sierra <sup>(2)</sup>	957	842	-12.1%
Sonaecom <sup>(3)</sup>	386	354	-8.4%
Investment mngmt.	90	74	-18.0%
Holding <sup>(4)</sup>	500	511	2.1%

(1) includes Sonae MC, Sonae SR and Sonae RP; (2) Shopping centres are proportionally consolidated (50%); (3) excludes securitization transaction; (4) includes Sonae's individual accounts.

### Sonae Sierra and Holding Loan to value



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



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

## Capital structure

- **Sonae's** net debt fell by 9%, in line with the company's objective of deleveraging over time in absolute and relative terms. This performance was due to: (i) strong cash flow generated; (ii) the sale of property assets owned coupled with a capital light approach to growth; and was achieved despite dividends being paid amounting to 63 million euros (vs 60 million euros in 9M09).
- **Sonae's** weighted average maturity stood at approximately 4.7 years, with no major debt repayments expected over the next 12 months.
- **Retail business'** net debt as at end 9M10 mainly reflects its improved (EBITDA-CAPEX) performance over the last 12 months, as well as inflows from the proceeds of sale & leaseback operations concluded, amounting to 66 million euros. Compared to end 9M09, Net Debt to EBITDA (last 12 months) improved to 3.4x, explained by a combination of lower net debt and a higher level of EBITDA in the prior 12 month period.
- **Sonae Sierra's** net debt was 12% lower than that at end 9M09, including the inflow from the sale of a majority stake of Alexa to Union Investment and the sale of Leiria Shopping to the Sierra Portugal Fund. Loan to value decreased to 47%, despite the fall in value of European Shopping centres in the portfolio over the last 12 months.
- **Sonaecom's** net debt<sup>3</sup> stood at 354 million euros, primarily reflecting the positive FCF performance. Net Debt to EBITDA (last 12 months) improved to 1.9x, as a result of both a decrease in net debt and improved EBITDA performance over the last 12 months.
- **Holding's** net debt increased by 11 million euros, with loan to value standing at 14.8%.

<sup>3</sup> Excluding the proceeds from the securitization transaction



# 5 CORPORATE INFORMATION

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## Quarterly corporate developments

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- Sonae announced the extension of the maturity of its Cash Settled Equity Swap, originally signed on 15 November 2007 covering a total of 130 million shares, corresponding to 6.5% of its share capital.

The transaction has been extended for an additional maturity of up to 3 years until November 2013 and continues to be a strictly financial settlement, with no obligations or rights that entitle Sonae to acquire the underlying asset.

This transaction allows Sonae to maintain full economic exposure to the price trend of the shares underlying the Equity Swap, which the Board of Directors considers to be in the best interest of the Company under present market conditions.

## Subsequent events

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- Sonae further completed 3 sale & lease back transactions, including the sale of 2 Modelo supermarkets and 3 stores (Continente, SportZone, and Worten) within Leiria Shopping.

## Outlook

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- Sonae remains cautious about the overall economic situation and the uncertainty existing concerning unemployment and consumer demand in Iberia.

We will continue to pursue international growth, maintaining operational profitability and reducing relative and absolute debt levels.

# 6 ADDITIONAL INFORMATION

The consolidated financial information contained in this report is unaudited and based on financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

## Organizational structure



## Glossary

<b>ARPU</b>	Average revenue per user
<b>CAPEX</b>	Investments in tangible and intangible assets, investment properties and acquisitions; Gross CAPEX, not including cash inflows from the sale of assets
<b>Direct income</b>	Direct income excludes contributions to indirect income
<b>EBITDA</b>	Turnover + other revenues - impairment reversal - bad will - operating costs (based on direct net income) + gain/losses from sales of companies; includes capital gains on the sale of shareholdings since 2008
<b>EBITDA margin</b>	EBITDA / Turnover
<b>Eliminations &amp; others</b>	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments
<b>EOP</b>	End of period
<b>Free Cash Flow (FCF)</b>	EBITDA – operating capex-change in working capital-financial investments-financial results-income taxes
<b>FMCG</b>	Fast Moving Consumer Goods
<b>Financial net debt</b>	Total net debt excluding shareholders loans
<b>Indirect income</b>	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.
<b>Investment properties</b>	Shopping centres in operation owned by Sonae Sierra
<b>Liquidity</b>	Cash & equivalents + current investments
<b>Like for Like sales</b>	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
<b>Loan to value Holding</b>	Holding Net debt/ Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies
<b>Loan to value shopping centres</b>	Net debt / (investment properties + properties under Development)
<b>Net invested capital</b>	Gross real estate assets + other tangible and intangible assets - amortizations and impairment losses + financial investments + working capital (including other assets & liabilities such as deferred taxes); all figures at acquisition cost, with the exception of Sonae Sierra's assets.
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities
<b>Net debt</b>	Bonds + bank loans + other loans + financial leases – cash, bank deposits and current investments
<b>Other income</b>	Share of results of associated undertakings + dividends
<b>Other loans</b>	Bonds, leasing and derivatives
<b>Open market value (OMV)</b>	Fair value of properties in operation and under development (100%), provided by an independent entity
<b>RoIC (Return on invested capital)</b>	EBIT(12 months) /Net invested capital
<b>Recurrent EBITDA</b>	EBITDA excluding non-recurrent items, namely gains in sales of investments and other movements that distort comparability
<b>Shopping Centre Services business</b>	Asset management services + property management services
<b>Technical investment</b>	Tangible assets + intangible assets + other fixed assets – depreciations and amortizations
<b>Value created on investment and development properties (VCIDP)</b>	Increase (decrease) in the valuation of shopping centres in operation and under development; shopping centres under development are only included if a high degree of certainty concerning their conclusion and opening exists

## Consolidated income statement

Consolidated income statement <sup>(1)</sup>						
Million euros						
	3Q09	3Q10	y.o.y	9M09	9M10	y.o.y
<b>Direct income</b>						
Turnover	1,458	1,509	3.5%	4,066	4,286	5.4%
Recurrent EBITDA <sup>(2)</sup>	157	185	17.9%	429	480	11.9%
Recurrent EBITDA margin	10.7%	12.2%	1.5pp	10.6%	11.2%	0.7pp
EBITDA	186	188	1.1%	462	493	6.6%
EBITDA margin	12.7%	12.4%	-0.3pp	11.4%	11.5%	0.1pp
Provisions and impairment losses <sup>(3)</sup>	-4	-5	-30.5%	-17	-15	15.3%
Depreciations and amortizations	-76	-72	5.7%	-221	-218	1.5%
<b>EBIT</b>	<b>106</b>	<b>111</b>	<b>5.0%</b>	<b>224</b>	<b>260</b>	<b>16.3%</b>
Net financial results	-26	-27	-3.0%	-98	-78	20.7%
Other income <sup>(4)</sup>	1	0	-	2	0	-84.3%
<b>EBT</b>	<b>81</b>	<b>84</b>	<b>4.1%</b>	<b>128</b>	<b>183</b>	<b>42.8%</b>
Taxes	-9	-17	-89.6%	-20	-42	-115.0%
Direct net income	72	67	-6.6%	108	141	29.8%
<b>Attributable to equity holders</b>	<b>67</b>	<b>58</b>	<b>-13.6%</b>	<b>96</b>	<b>113</b>	<b>17.4%</b>
Attributable to minority interests	5	9	91.7%	13	28	124.7%
<b>Shoppings indirect income</b>						
Indirect net income <sup>(5)</sup>	-13	1	-	-100	-24	75.9%
<b>Attributable to equity holders</b>	<b>-7</b>	<b>-1</b>	<b>86.3%</b>	<b>-64</b>	<b>-15</b>	<b>76.9%</b>
Attributable to minority interests	-6	2	-	-36	-9	74.1%
<b>Total net income</b>						
Total net income	59	68	16.6%	8	117	-
<b>Attributable to equity holders</b>	<b>60</b>	<b>57</b>	<b>-5.1%</b>	<b>32</b>	<b>98</b>	<b>-</b>
Attributable to minority interests	-1	11	-	-24	19	-

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



## Consolidated balance sheet

<b>Balance sheet</b>					
Million euros					
	<b>9M09</b>	<b>9M10</b>	<b>y.o.y</b>	<b>2009</b>	<b>YTD</b>
<b>TOTAL ASSETS</b>	<b>7,510</b>	<b>7,382</b>	<b>-1.7%</b>	<b>7,552</b>	<b>-2.2%</b>
<b>Non current assets</b>	<b>6,044</b>	<b>6,018</b>	<b>-0.4%</b>	<b>6,108</b>	<b>-1.5%</b>
Tangible and intangible assets	3,193	3,189	-0.1%	3,221	-1.0%
Goodwill	706	734	4.0%	746	-1.6%
Investment properties in operation	1,632	1,617	-0.9%	1,677	-3.6%
Investment properties under development	194	101	-47.8%	120	-15.4%
Other investments	77	96	24.0%	93	3.4%
Deferred tax assets	219	235	7.4%	230	2.2%
Others	22	45	107.9%	21	113.9%
<b>Current assets</b>	<b>1,467</b>	<b>1,364</b>	<b>-7.0%</b>	<b>1,443</b>	<b>-5.5%</b>
Stocks	617	639	3.7%	603	6.0%
Trade debtors	206	181	-12.2%	208	-13.1%
Liquidity	161	183	13.5%	230	-20.4%
Others	483	361	-25.2%	402	-10.3%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,586</b>	<b>1,764</b>	<b>11.2%</b>	<b>1,701</b>	<b>3.7%</b>
Equity holders	1,151	1,257	9.2%	1,223	2.8%
Attributable to minority interests	435	506	16.3%	478	5.9%
<b>LIABILITIES</b>	<b>5,924</b>	<b>5,618</b>	<b>-5.2%</b>	<b>5,850</b>	<b>-4.0%</b>
<b>Non-current liabilities</b>	<b>3,790</b>	<b>3,744</b>	<b>-1.2%</b>	<b>3,561</b>	<b>5.1%</b>
Bank loans	1,424	1,315	-7.6%	1,208	8.9%
Other loans	1,740	1,811	4.1%	1,736	4.3%
Deferred tax liabilities	325	369	13.5%	326	12.9%
Provisions	63	58	-8.5%	51	14.7%
Others	237	191	-19.5%	240	-20.4%
<b>Current liabilities</b>	<b>2,134</b>	<b>1,874</b>	<b>-12.2%</b>	<b>2,289</b>	<b>-18.1%</b>
Bank loans	301	134	-55.5%	233	-42.5%
Other loans	79	13	-83.5%	81	-83.8%
Trade creditors	1,041	1,053	1.1%	1,220	-13.7%
Others	713	674	-5.5%	755	-10.7%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>7,510</b>	<b>7,382</b>	<b>-1.7%</b>	<b>7,552</b>	<b>-2.2%</b>

## Invested capital & return on invested capital (RoIC)

### Invested capital

Million euros

	9M09	9M10	y.o.y	2009	YTD
<b>Invested Capital</b>	<b>5,023</b>	<b>4,899</b>	<b>-2.5%</b>	<b>4,781</b>	<b>2.5%</b>
Investment properties <sup>(1)</sup>	1,866	1,770	-5.2%	1,836	-3.6%
Technical investment <sup>(2)</sup>	3,199	3,189	-0.3%	3,248	-1.8%
Financial investment	37	44	18.4%	53	-17.6%
Goodwill	706	734	4.0%	729	0.7%
Working capital	-786	-838	-6.6%	-1,085	22.8%
<b>Equity + Minorities</b>	<b>1,586</b>	<b>1,764</b>	<b>11.2%</b>	<b>1,701</b>	<b>3.7%</b>
<b>Total Net debt <sup>(3)</sup></b>	<b>3,436</b>	<b>3,136</b>	<b>-8.8%</b>	<b>3,080</b>	<b>1.8%</b>

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

### Return on invested capital

Million euros

	9M09	9M10	y.o.y	2009	YTD
<b>Invested capital</b>	<b>5,023</b>	<b>4,899</b>	<b>-2.5%</b>	<b>4,781</b>	<b>2.5%</b>
Sonae MC	630	593	-6.0%	484	22.5%
Sonae SR	329	393	19.7%	250	57.5%
Sonae RP	1,541	1,461	-5.2%	1,523	-4.1%
Sonae Sierra <sup>(1)</sup>	1,679	1,583	-5.8%	1,661	-4.7%
Sonaecom	753	772	2.5%	752	2.6%
Investment mngmt.	154	154	0.1%	151	2.4%
Elimin. & adjust. <sup>(2)</sup>	-63	-57	10.8%	-39	-44.9%
<b>EBIT (last 12 months)</b>	<b>359</b>	<b>386</b>	<b>7.5%</b>	<b>349</b>	<b>10.4%</b>
Sonae MC	130	149	14.8%	124	20.1%
Sonae SR	5	9	90.4%	10	-10.9%
Sonae RP	87	91	4.8%	83	9.5%
Sonae Sierra <sup>(1)</sup>	85	88	2.8%	81	7.6%
Sonaecom	22	57	160.7%	24	138.5%
Investment mngmt.	21	-5	-	25	-
Elimin. & adjust. <sup>(2)</sup>	9	-3	-	2	-
<b>RoIC</b>	<b>7.1%</b>	<b>7.9%</b>	<b>0.7pp</b>	<b>7.3%</b>	<b>0.6pp</b>
Sonae MC	20.6%	25.1%	4.5pp	25.6%	-0.5pp
Sonae SR	1.4%	2.2%	0.8pp	4.0%	-1.7pp
Sonae RP	5.6%	6.2%	0.6pp	5.5%	0.8pp
Sonae Sierra	5.1%	5.5%	0.5pp	5.0%	0.6pp
Sonaecom	2.9%	7.4%	4.5pp	3.2%	4.2pp
Investment mngmt.	13.7%	-3.1%	-16.8pp	16.3%	-19.4pp

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

## Working capital breakdown

## Working capital breakdown

Million euros

	9M09	9M10	y.o.y	2009	YTD
<b>Working capital</b>	<b>-786</b>	<b>-838</b>	<b>-6.6%</b>	<b>-1,085</b>	<b>22.8%</b>
Sonae MC	-367	-413	-12.6%	-530	22.0%
Sonae SR	41	68	65.0%	-52	-
Sonae RP	-36	-37	-1.3%	-38	2.7%
Sonae Sierra <sup>(1)</sup>	-257	-248	3.7%	-238	-4.1%
Sonaecom	-134	-117	13.2%	-150	22.4%
Investment mngmt.	6	-35	-	-21	-65.7%
Elimin. & adjust. <sup>(2)</sup>	-39	-58	-46.0%	-56	-2.1%

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

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

Retail formats & Retail real estate operating review <sup>(1)</sup>

	3Q09	3Q10	y.o.y	9M09	9M10	y.o.y
<b>Turnover growth</b>						
Sonae MC	4.9%	5.8%	0.9pp	6.6%	6.1%	-0.5pp
Sonae SR	21.5%	11.3%	-10.2pp	23.5%	15.0%	-8.5pp
<b>LFL sales growth</b>						
Sonae MC	-2.4%	3.6%	6.1pp	0.9%	2.8%	1.9pp
Sonae SR	-8.0%	0.0%	8pp	-5.0%	2.2%	7.2pp
<b>Total employees (EOP)</b>	<b>34,017</b>	<b>35,725</b>	<b>5.0%</b>	<b>34,017</b>	<b>35,725</b>	<b>5.0%</b>
Sonae MC	25,886	26,579	2.7%	25,886	26,579	2.7%
Sonae SR	8,097	9,109	12.5%	8,097	9,109	12.5%
Sonae RP	34	37	8.8%	34	37	8.8%

(1) Quarterly numbers are unaudited.

**Retail formats & Retail real estate financial review <sup>(1)</sup>**

Million euros

	3Q09	3Q10	y.o.y	9M09	9M10	y.o.y
<b>Sonae MC</b>						
Turnover	810	857	5.8%	2,238	2,375	6.1%
Recurrent EBITDA	51	70	38.3%	120	149	24.3%
EBITDA	51	70	38.3%	120	149	24.3%
EBITDA margin	6.3%	8.2%	1.9pp	5.4%	6.3%	0.9pp
CAPEX	32	17	-47.5%	96	58	-39.7%
<b>Sonae SR</b>						
Turnover	283	315	11.3%	756	870	15.0%
Portugal	245	259	5.7%	659	712	8.1%
International <sup>(2)</sup>	38	56	47.7%	98	158	61.5%
Recurrent EBITDA	9	9	2.2%	11	16	50.4%
EBITDA	9	9	2.2%	11	16	50.4%
Portugal	15	16	8.7%	29	35	19.8%
International <sup>(2)</sup>	-6	-7	-18.5%	-18	-18	-1.6%
EBITDA margin	3.1%	2.9%	-0.3pp	1.4%	1.9%	0.4pp
Portugal	6.0%	6.2%	0.2pp	4.4%	4.9%	0.5pp
International <sup>(2)</sup>	-15.5%	-12.4%	3.1pp	-18.6%	-11.7%	6.9pp
CAPEX	16	17	7.3%	72	59	-17.7%
Portugal	12	10	-21.5%	43	28	-33.6%
International <sup>(2)</sup>	4	8	98.5%	30	31	5.1%
<b>Sonae RP</b>						
Turnover	31	31	-0.3%	91	95	4.6%
Recurrent EBITDA	28	27	-3.5%	85	85	0.4%
EBITDA	28	30	6.9%	85	97	14.4%
EBITDA margin	90.1%	96.6%	6.5pp	93.2%	101.9%	8.7pp
CAPEX	16	3	-79.4%	78	18	-77.2%
Net debt including shareholder loans	1,503	1,356	-9.8%	1,503	1,356	-9.8%
Net debt	1,485	1,374	-7.5%	1,485	1,374	-7.5%
Net debt/EBITDA (last 12 months)	4.2 x	3.4 x	-0.8x	4.2 x	3.4 x	-0.8x
EBITDA/net interest expenses (last 12 months)	6.6 x	13.5 x	6.8x	6.6 x	13.5 x	6.8x
Net debt/invested capital	59.4%	56.1%	-3.3pp	59.4%	56.1%	-3.3pp

(1) Quarterly numbers are unaudited; (2) Includes wholesale operation.



## Stores and sales area

	Number of stores					Sales area('000 m <sup>2</sup> )					Area owned (%)
	31 Dec 2009	Stores opened	Banner changed	Stores closed	30 Sept 2010	31 Dec 2009	Stores opened	Banner changed	Stores closed	30 Sept 2010	
<b>Sonae MC</b>	<b>378</b>	<b>23</b>	<b>0</b>	<b>-7</b>	<b>394</b>	<b>528</b>	<b>6</b>	<b>0</b>	<b>-1</b>	<b>532</b>	<b>84%</b>
Continente	39	0	0	0	39	284	0	0	0	284	90%
Modelo <sup>(1)</sup>	125	2	0	0	127	218	4	0	0	222	79%
Área Saúde	115	11	0	-1	125	11	1	0	-1	11	76%
Bom Bocado	80	6	0	-5	81	4	0	0	0	4	76%
Book.It	14	2	0	-1	15	5	1	0	0	5	62%
Others <sup>(2)</sup>	5	2	0	0	7	5	0	0	0	6	14%
<b>Sonae SR</b>	<b>454</b>	<b>39</b>	<b>0</b>	<b>-13</b>	<b>480</b>	<b>304</b>	<b>36</b>	<b>0</b>	<b>-3</b>	<b>337</b>	<b>35%</b>
<b>COMPANY -OWNED <sup>(3)</sup></b>	<b>454</b>	<b>34</b>	<b>0</b>	<b>-13</b>	<b>475</b>	<b>304</b>	<b>34</b>	<b>0</b>	<b>-3</b>	<b>335</b>	<b>35%</b>
<b>Electronics division</b>	<b>211</b>	<b>10</b>	<b>0</b>	<b>-11</b>	<b>210</b>	<b>156</b>	<b>16</b>	<b>0</b>	<b>-3</b>	<b>169</b>	<b>42%</b>
Portugal	197	5	0	-11	191	122	3	0	-3	122	52%
Worten	132	3	0	0	135	113	3	0	0	116	54%
Vobis	17	0	0	-8	9	8	0	0	-3	5	15%
Worten Mobile	48	2	0	-3	47	1	0	0	0	1	39%
Spain	14	5	0	0	19	34	13	0	0	47	15%
Worten	14	5	0	0	19	34	13	0	0	47	15%
<b>Sports division</b>	<b>100</b>	<b>9</b>	<b>0</b>	<b>-1</b>	<b>108</b>	<b>80</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>9%</b>
Portugal	86	1	0	-1	86	62	0	0	0	63	13%
SportZone	75	0	0	0	75	61	0	0	0	61	14%
Loop	11	1	0	-1	11	2	0	0	0	2	0%
Spain	14	8	0	0	22	17	12	0	0	29	0%
Sport Zone	14	8	0	0	22	17	12	0	0	29	0%
<b>Fashion division</b>	<b>143</b>	<b>15</b>	<b>0</b>	<b>-1</b>	<b>157</b>	<b>68</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>73</b>	<b>53%</b>
Portugal	133	5	0	-1	137	64	2	0	0	66	58%
Modalfa	99	3	0	-1	101	51	2	0	0	53	70%
Zippy	34	2	0	0	36	12	0	0	0	13	6%
Spain	10	10	0	0	20	4	3	0	0	7	0%
Zippy	10	10	0	0	20	4	3	0	0	7	0%
<b>FRANCHISING</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>-</b>
<b>Fashion division</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>-</b>
Saudi Arabia	0	5	0	0	5	0	2	0	0	2	-
Zippy	0	5	0	0	5	0	2	0	0	2	-
<b>Invest. mngmt.</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>101</b>	<b>67</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>63</b>	<b>61%</b>
MaxMat	35	0	0	-2	33	63	0	0	-3	60	63%
Geostar <sup>(4)</sup>	70	0	0	-2	68	4	0	0	0	4	28%

(1) includes Modelo Bonjour; (2) includes outlet; (3) Includes joint-Ventures; (4) Includes combined Star and Geotur stores, resulting from the joint-venture between Sonae and RAR.

## Shopping centres main highlights (stand-alone figures)

Shopping centres operating review					
	9M09	9M10	y.o.y	2009	YTD
<b>Assets under management</b> (million euros) <sup>(1)</sup>	<b>6,145</b>	<b>6,567</b>	<b>6.9%</b>	<b>6,340</b>	<b>3.6%</b>
<b>Real estate NAV</b> (million euros)	<b>1,238</b>	<b>1,253</b>	<b>1.3%</b>	<b>1,228</b>	<b>2.0%</b>
Sierra Investments	689	707	2.5%	731	-3.4%
Sierra Developments	234	172	-26.5%	191	-9.9%
Sierra Brazil	268	331	23.6%	289	14.5%
Others <sup>(2)</sup>	46	43	-5.6%	17	159.5%
<b>NAV per share</b> (euros)	<b>38.1</b>	<b>38.6</b>	<b>1.3%</b>	<b>37.8</b>	<b>2.0%</b>
Openings & acquisitions (EOP)	1	1	0.0%	1	0.0%
Shopping centres owned/co-owned (EOP)	51	53	3.9%	52	1.9%
GLA owned/co-owned (thousand m2) <sup>(3)</sup>	2,057	2,081	1.2%	2,059	1.1%
Occupancy rate of GLA owned (%)	96.0%	96.4%	0.4pp	94.5%	1.8pp
Projects under development (EOP) <sup>(4)</sup>	13	11	-15.4%	12	-8.3%
GLA under development (thousand m2)	596	528	-11.4%	550	-4.0%
Shopping centres managed (EOP)	69	69	0.0%	68	1.5%
GLA under management (thousand m2)	2,280	2,306	1.2%	2,284	1.0%
<b>Total employees</b>	<b>1,146</b>	<b>1,143</b>	<b>-0.3%</b>	<b>1,147</b>	<b>-0.3%</b>

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

Shopping Centres market yields <sup>(1)</sup>																
	2009			9M10			YTD			1H10			q.o.q			
	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	
Portugal	8.3%	6.5%	6.0%	8.6%	6.7%	6.2%	0.3pp	0.17pp	0.15pp	8.6%	6.7%	6.2%	0pp	0pp	0pp	
Spain	9.1%	7.1%	6.4%	9.0%	7.1%	6.5%	-0.05pp	-0.08pp	0.05pp	9.0%	7.1%	6.5%	0pp	0.01pp	0pp	
Italy	7.7%	6.6%	6.0%	7.8%	6.7%	6.1%	0.1pp	0.05pp	0.05pp	7.8%	6.7%	6.1%	0pp	0pp	0pp	
Germany	6.3%	6.1%	6.0%	6.3%	6.1%	6.0%	0pp	0pp	0pp	6.3%	6.1%	6.0%	0pp	0pp	0pp	
Greece	7.0%	7.0%	7.0%	8.3%	8.3%	8.3%	1.25pp	1.25pp	1.25pp	7.0%	7.0%	7.0%	1.25pp	1.25pp	1.25pp	
Romania	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	0pp	0pp	0pp	9.0%	9.0%	9.0%	0pp	0pp	0pp	
Brazil	9.5%	8.5%	8.3%	9.5%	8.5%	8.3%	0pp	0pp	0pp	9.5%	8.5%	8.3%	0pp	0pp	0pp	

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

Shopping Centres financial review <sup>(1)</sup>

Million euros

	3Q09	3Q10	y.o.y	9M09	9M10	y.o.y
<b>Direct results</b>						
<b>Turnover</b>	51	58	14.5%	155	168	8.5%
Investments	32	33	4.1%	98	98	0.5%
Developments	1	3	86.8%	5	5	14.5%
Brazil	5	8	40.1%	15	22	42.8%
Services Business	10	11	14.1%	31	32	4.1%
Asset management	3	3	2.8%	9	8	-14.9%
Property management	7	8	18.1%	22	25	11.8%
Others & eliminations	2	3	61.7%	6	10	70.1%
<b>Recurrent EBITDA</b>	<b>27</b>	<b>32</b>	<b>18.2%</b>	<b>80</b>	<b>90</b>	<b>12.8%</b>
<b>EBITDA</b>	<b>27</b>	<b>32</b>	<b>18.2%</b>	<b>80</b>	<b>90</b>	<b>12.8%</b>
Investments	26	26	0.4%	78	77	-1.5%
Developments	-22	-10	52.3%	-62	-19	69.1%
Brazil	4	6	58.0%	11	18	59.9%
Services Business	2	3	68.6%	7	8	12.9%
Asset management	1	1	-4.0%	4	2	-46.5%
Property management	1	2	130.9%	3	6	85.2%
Others & eliminations	17	7	-58.6%	45	6	-86.7%
<b>EBITDA margin</b>	<b>53.5%</b>	<b>55.3%</b>	<b>1.8pp</b>	<b>51.6%</b>	<b>53.6%</b>	<b>2.1pp</b>
Net financial results	-12	-11	4.2%	-39	-32	17.0%
Current tax	-3	-4	-22.9%	-10	-11	-10.7%
<b>Direct results</b>	<b>12</b>	<b>16</b>	<b>34.0%</b>	<b>31</b>	<b>44</b>	<b>41.7%</b>
<b>Indirect results</b>						
Gains realized on investments	2	0	-77.1%	2	-4	-
Provisions for assets under development	0	-2	-	-6	-5	19.3%
VCIDP <sup>(2)</sup>	-15	7	-	-152	7	-
Deferred tax	1	-7	-	30	-28	-
<b>Indirect results</b>	<b>-12</b>	<b>-2</b>	<b>86.0%</b>	<b>-126</b>	<b>-30</b>	<b>76.5%</b>
<b>Total net results</b>						
Total net results	0	14	-	-94	15	-4.3%
<b>Attributable to equity holders</b>	<b>0</b>	<b>14</b>	<b>-</b>	<b>-94</b>	<b>15</b>	<b>-4%</b>
Net debt including shareholder loans	1,915	1,684	-12.1%	1,915	1,684	-12.1%
Net debt	1,305	1,143	-12.4%	1,305	1,143	-12.4%
Loan to Value	50.2%	46.8%	-3.4pp	50.2%	46.8%	-3.4pp
Net debt/EBITDA (last 12 months)	10.4 x	6.1 x	-4.3x	10.4 x	6.1 x	-4.3x
EBITDA/net interest expenses (last 12 months)	0.6 x	0.7 x	0.1x	0.6 x	0.7 x	0.1x
Net debt/invested capital	56.2%	52.5%	-3.7pp	56.2%	52.5%	-3.7pp
CAPEX	48	12	-75.7%	117	66	-43.6%

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

## Telecommunications main highlights (stand-alone figures)

Telecommunications operating review <sup>(1)</sup>						
	3Q09	3Q10	y.o.y	9M09	9M10	y.o.y
<b>Mobile</b>						
Customers (EOP) ('000)	3,327	3,541	6.4%	3,327	3,541	6.4%
Data as % Service Revenues	28.1%	30.3%	2.2pp	27.8%	30.0%	2.2pp
ARPU (euros) <sup>(2)</sup>	15.2	13.9	-8.8%	15.0	13.8	-8.0%
<b>Wireline</b>						
Total accesses (EOP) ('000)	514	436	-15.1%	514	436	-15.1%
Direct accesses (EOP) ('000)	426	363	-14.9%	426	363	-14.9%
Direct access as % customer revenues	75.9%	69.0%	-6.9pp	77.0%	71.5%	-5.5pp
<b>SSI</b>						
IT service revenues / employee ('000 euros)	30.9	32.3	4.5%	93.6	94.5	1.0%
<b>Total employees</b>	<b>2,003</b>	<b>2,070</b>	<b>3.3%</b>	<b>2,003</b>	<b>2,070</b>	<b>3.3%</b>

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



**Telecommunications financial review <sup>(1)</sup>**

Million euros

	3Q09	3Q10	y.o.y	9M09	9M10	y.o.y
<b>Turnover</b>	235	234	-0.5%	717	684	-4.5%
Mobile	155	153	-1.1%	453	441	-2.8%
Wireline	62	60	-2.8%	186	181	-3.1%
SSI	33	35	4.5%	116	102	-11.5%
Others & eliminations	-15	-14	5.4%	-39	-40	-2.3%
Other revenues	1	2	137.2%	3	5	49.0%
<b>Recurrent EBITDA</b>	<b>45</b>	<b>49</b>	<b>9.9%</b>	<b>137</b>	<b>149</b>	<b>9.1%</b>
<b>EBITDA</b>	<b>45</b>	<b>49</b>	<b>9.9%</b>	<b>137</b>	<b>149</b>	<b>9.1%</b>
Mobile	42	48	13.4%	131	142	8.5%
Wireline	2	1	-64.1%	3	3	-5.9%
SSI	2	2	0.6%	6	6	0.9%
Others & eliminations	-1	-1	-12.1%	-4	-3	36.7%
<b>EBITDA margin (%)</b>	<b>19.2%</b>	<b>21.2%</b>	<b>2pp</b>	<b>19.1%</b>	<b>21.8%</b>	<b>2.7pp</b>
<b>EBIT</b>	<b>5</b>	<b>18</b>	<b>-</b>	<b>18</b>	<b>51</b>	<b>187.0%</b>
Net financial results	-4	-3	21.0%	-11	-6	40.5%
Total net income	1	10	-	3	30	-
<b>Attributable to equity holders</b>	<b>1</b>	<b>10</b>	<b>-</b>	<b>3</b>	<b>30</b>	<b>-</b>
<b>Excluding the securitization transaction:</b>						
Net debt including shareholder loans	386	354	-8.3%	386	354	-8.3%
Net debt	386	354	-8.3%	386	354	-8.3%
Net debt/EBITDA (last 12 months)	2.1 x	1.9 x	-0.3x	2.1 x	1.9 x	-0.3x
EBITDA/net interest expenses (last 12 months)	11.7 x	23.1 x	11.5x	11.7 x	23.1 x	11.5x
Net debt/invested capital	51.3%	45.9%	-5.4pp	51.3%	45.9%	-5.4pp
<b>CAPEX</b>	<b>50</b>	<b>32</b>	<b>-36.9%</b>	<b>103</b>	<b>88</b>	<b>-15.3%</b>
Operating CAPEX <sup>(2)</sup>	35	31	-11.2%	88	87	-0.8%
EBITDA minus Operating CAPEX	10	18	88.2%	49	62	27.0%
Free Cash Flow	21	4	-81.6%	3	9	190.9%

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

## Investment management main highlights (stand-alone figures)

Investment management unit <sup>(1)</sup>						
Million euros						
	3Q09	3Q10	y.o.y	9M09	9M10	y.o.y
Turnover	56	60	6.3%	147	159	8.0%
Recurrent EBITDA	2	2	16.2%	2	4	55.6%
EBITDA	31	2	-92.3%	31	4	-88.3%
EBIT	30	1	-98.2%	28	-2	-
Net debt including shareholder loans	90	74	-18.0%	90	74	-18.0%
Net debt	8	5	-41.3%	8	5	-41.3%
CAPEX	24	11	-56.0%	32	13	-59.5%
<b>Total employees</b>	<b>1,040</b>	<b>1,119</b>	<b>7.6%</b>	<b>1,040</b>	<b>1,119</b>	<b>7.6%</b>

(1) Quarterly numbers are unaudited.



RESULTS 9M10

## Condensed consolidated financial statements

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2010 AND 2009  
AND AT 31 DECEMBER 2009*(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 September 2010	30 September 2009	31 December 2009 (Note 1)
<b>NON-CURRENT ASSETS:</b>				
Tangible assets	9	2,731,767,364	2,752,658,382	2,781,177,575
Intangible assets	10	457,295,105	440,730,285	467,315,297
Investment properties	11	1,717,990,241	1,826,209,830	1,796,470,818
Goodwill	12	734,272,294	706,006,096	728,945,475
Investments in associates	6	84,069,078	57,390,084	74,649,393
Other investments	7 and 13	11,824,326	19,942,309	18,127,492
Deferred tax assets	16	235,181,133	218,905,557	230,214,508
Other non-current assets	14	45,300,662	21,786,559	21,176,312
<b>Total Non-Current Assets</b>		<b>6,017,700,203</b>	<b>6,043,629,102</b>	<b>6,118,076,870</b>
<b>CURRENT ASSETS:</b>				
Inventories		639,067,374	616,501,415	603,003,189
Trade accounts receivable and other current assets	15	542,076,127	683,180,767	610,516,925
Investments	13	48,588,558	56,361,190	57,679,031
Cash and cash equivalents	17	134,362,275	104,785,106	172,229,871
<b>Total Current Assets</b>		<b>1,364,094,334</b>	<b>1,460,828,478</b>	<b>1,443,429,016</b>
Assets available for sale		-	5,782,499	-
<b>TOTAL ASSETS</b>		<b>7,381,794,537</b>	<b>7,510,240,079</b>	<b>7,561,505,886</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	18	2,000,000,000	2,000,000,000	2,000,000,000
Own shares		(135,679,489)	(136,911,861)	(136,911,861)
Reserves and retained earnings		(704,852,897)	(743,989,310)	(733,683,436)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		97,852,873	31,829,547	93,760,817
Equity attributable to the equity holders of the Parent Company		1,257,320,487	1,150,928,376	1,223,165,520
Equity attributable to non-controlling interests	19	506,228,473	435,355,599	477,968,755
<b>TOTAL EQUITY</b>		<b>1,763,548,960</b>	<b>1,586,283,975</b>	<b>1,701,134,275</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	20	3,126,358,370	3,163,869,958	2,943,987,134
Other non-current liabilities	22	191,214,931	237,465,598	240,267,403
Deferred tax liabilities	16	368,572,648	324,869,332	336,301,701
Provisions	25	58,070,949	63,464,922	50,607,367
<b>Total Non-Current Liabilities</b>		<b>3,744,216,898</b>	<b>3,789,669,810</b>	<b>3,571,163,605</b>
<b>CURRENT LIABILITIES:</b>				
Loans	20	147,002,650	380,014,162	313,554,408
Trade creditors and other current liabilities	24	1,724,937,592	1,752,475,055	1,973,035,847
Provisions	25	2,088,437	1,797,077	2,617,751
<b>Total Current Liabilities</b>		<b>1,874,028,679</b>	<b>2,134,286,294</b>	<b>2,289,208,006</b>
<b>TOTAL LIABILITIES</b>		<b>5,618,245,577</b>	<b>5,923,956,104</b>	<b>5,860,371,611</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,381,794,537</b>	<b>7,510,240,079</b>	<b>7,561,505,886</b>

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

The Board of Directors

CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE PERIODS ENDED 30 SEPTEMBER 2010 AND 2009

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

(Amounts expressed in euro)

	Notes	3 <sup>th</sup> Quarter 2010	3 <sup>th</sup> Quarter 2009	30 September 2010	30 September 2009
Sales		1,212,544,279	1,168,373,901	3,422,308,853	3,232,267,508
Services rendered		296,624,058	289,530,321	863,363,543	833,873,326
Value created on investment properties	11	7,349,803	(12,470,962)	3,391,846	(112,829,032)
Investment income		1,000,427	30,044,604	5,890,703	34,503,669
Financial income		2,281,490	4,961,844	9,073,419	13,049,256
Other income		100,318,030	80,063,665	317,592,429	297,629,030
Cost of goods sold and materials consumed		(931,604,057)	(915,044,684)	(2,669,665,305)	(2,564,504,395)
Changes in stocks of finished goods and work in progress		(176,378)	-	120,119	-
External supplies and services		(289,052,678)	(287,750,013)	(845,358,448)	(822,262,912)
Staff costs		(167,381,192)	(160,920,523)	(511,516,888)	(482,973,783)
Depreciation and amortisation	9 and 10	(71,866,576)	(76,218,947)	(217,960,920)	(221,370,993)
Provisions and impairment losses		(7,610,094)	(4,164,180)	(25,080,145)	(20,316,978)
Financial expense		(28,987,259)	(30,900,204)	(86,892,611)	(111,222,916)
Other expenses		(32,686,281)	(17,902,702)	(83,715,534)	(65,890,733)
Share of results of associated undertakings	6	(528,801)	(900,831)	(803,418)	(3,856,066)
Profit/(Loss) before taxation		90,224,771	66,701,289	180,747,643	6,094,981
Taxation	28	(21,912,949)	(8,117,785)	(64,073,429)	2,185,189
Profit/(Loss) after taxation	29	68,311,822	58,583,504	116,674,214	8,280,170
Attributable to:					
Equity holders of the Parent Company		56,913,700	59,949,851	97,852,873	31,829,547
Non-controlling interests	19	11,398,122	(1,366,347)	18,821,341	(23,549,377)
Profit/(Loss) per share					
Basic	30	0.049270	0.032092	0.052341	0.017043
Diluted	30	0.049107	0.032092	0.052147	0.017043

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

The Board of Directors



CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED  
30 SEPTEMBER 2010 AND 2009*(Translation of condensed consolidated financial statements originally issued in Portuguese.**In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

	3th Quarter 2010	3th Quarter 2009	30 September 2010	30 September 2009
Net Profit / (Loss) for the period	68,311,822	58,583,504	116,674,214	8,280,170
Exchange differences arising on translation of foreign operations	(9,395,378)	9,958,661	14,998,024	29,502,119
Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method	(1,432,673)	-	(3,794,377)	1,544,487
Changes on fair value of available-for-sale financial assets	(664,000)	4,316,000	(6,474,000)	8,134,000
Changes in hedge and fair value reserves	(2,098,270)	(2,504,449)	(9,060,175)	(15,625,587)
Deferred related to changes in fair values reserves	(232,084)	(40,345)	69,239	981,953
Others	464,984	-	(297,916)	-
Other comprehensive income for the period	(13,357,421)	11,729,867	(4,559,205)	24,536,972
Total comprehensive income for the period	54,954,401	70,313,371	112,115,009	32,817,142
Attributable to:				
Equity holders of Parent Company	46,644,022	70,311,362	93,847,109	55,808,422
Non controlling interests	8,310,379	2,009	18,267,900	(22,991,280)

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

The Board of Directors

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 31 SEPTEMBER 2010 AND 2009

*(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							Net Profit/(Loss)	Total	Minority Interests	Total Equity	
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Hedging Reserve	Investments Fair Value Reserve	Other Reserves and Retained Earnings					
Balance as at 1 January 2009	2,000,000,000	(138,568,275)	161,705,974	(4,251,321)	(1,976,346)	(11,232,990)	(934,717,935)	(790,472,618)	80,035,669	1,150,994,776	411,549,101	1,562,543,877
Total comprehensive income for the period	-	-	-	28,454,390	8,134,000	(12,609,515)	-	23,978,875	31,829,547	55,808,422	(22,991,280)	32,817,142
Appropriation of profit of 2008:												
Transfer to legal reserves and retained earnings	-	-	1,523,608	-	-	-	78,512,061	80,035,669	(80,035,669)	-	-	-
Dividends distributed	-	-	-	-	-	-	(56,450,634)	(56,450,634)	-	(56,450,634)	-	(56,450,634)
Disposal of own shares/ attribution to employees	-	1,656,414	-	-	-	-	-	-	-	1,656,414	-	1,656,414
Partial Disposal of affiliated companies	-	-	-	-	-	-	-	-	-	-	60,659,788	60,659,788
Others	-	-	-	-	-	-	(1,080,602)	(1,080,602)	-	(1,080,602)	2,375,529	1,294,927
Balance as at 31 September 2009	2,000,000,000	(136,911,861)	163,229,582	24,203,069	6,157,654	(23,842,505)	(913,737,110)	(743,989,310)	31,829,547	1,150,928,376	435,355,599	1,586,283,975
Saldo em 1 de Janeiro de 2010	2,000,000,000	(136,911,861)	163,229,582	27,670,569	11,801,654	(21,082,667)	(915,302,573)	(733,683,436)	93,760,817	1,223,165,520	477,968,755	1,701,134,275
Total comprehensive income for the period	-	-	-	12,089,461	(6,474,000)	(7,155,146)	(2,466,079)	(4,005,764)	97,852,873	93,847,109	18,267,900	112,115,009
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	-	-	-	-	-	-	(59,264,042)	(59,264,042)	-	(59,264,042)	(1,752,069)	(61,016,111)
Disposal of own shares/ attribution to employees	-	1,232,372	-	-	-	-	(693,484)	(693,484)	-	538,888	(57,894)	480,994
Share base payments	-	-	-	-	-	-	-	-	-	-	-	-
Partial Disposal of affiliated companies	-	-	-	-	-	-	748,000	748,000	-	748,000	(877,017)	(129,017)
Capital Increases	-	-	-	-	-	-	-	-	-	-	15,287,888	15,287,888
Others	-	-	-	-	-	-	(1,714,989)	(2,408,472)	-	(2,408,472)	(2,666,984)	(5,075,456)
Balance as at 30 September 2010	2,000,000,000	(135,679,489)	167,816,034	39,760,030	5,327,654	(28,237,813)	(889,518,802)	(704,852,897)	97,852,873	1,257,320,487	506,228,473	1,763,548,960

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 SEPTEMBER 2010 AND 2009

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

(Amounts expressed in euro)

	Notes	3th Quarter 2010	3th Quarter 2009	30 September 2010	30 September 2009
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		153,231,604	200,092,438	222,103,951	336,906,496
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments		3,214,294	30,404,892	59,242,424	32,559,441
Tangible, intangible assets and investments properties		35,976,477	662,025	63,811,802	9,307,264
Dividends		356,023	631,207	1,267,496	840,210
Others		1,034,842	1,175,550	17,234,629	28,469,711
		40,581,636	32,873,674	141,556,351	71,176,626
Cash Payments arising from:					
Investments		(9,048,399)	(23,078,373)	(20,104,156)	(45,988,831)
Tangible, intangible assets and investments properties		(90,870,892)	(167,969,756)	(315,146,942)	(472,620,260)
Others		(484,805)	(6,601,181)	(846,596)	(20,330,839)
		(100,404,096)	(197,649,310)	(336,097,694)	(538,939,930)
Net cash used in investment activities (2)		(59,822,460)	(164,775,636)	(194,541,343)	(467,763,304)
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		1,150,124,478	3,122,084,464	4,500,305,077	9,283,981,490
Capital increases, shareholder's loans and share premiums		67,885	22,312,407	71,500	22,312,407
Others		-	23,373,137	-	69,473,192
		1,150,192,363	3,167,770,008	4,500,376,577	9,375,767,089
Cash Payments arising from:					
Loans obtained		(1,193,222,401)	(3,245,631,783)	(4,401,625,689)	(9,161,191,995)
Interest and similar charges		(27,721,925)	(34,734,070)	(81,909,450)	(134,043,077)
Dividends		(431,774)	(108,806)	(64,742,809)	(60,279,134)
Others		13,452,456	(339,968)	(10,015,932)	(5,427,515)
		(1,207,923,644)	(3,280,814,627)	(4,558,293,880)	(9,360,941,721)
Net cash used in financing activities (3)		(57,731,281)	(113,044,619)	(57,917,303)	14,825,368
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		35,677,863	(77,727,817)	(30,354,695)	(116,031,440)
Effect of foreign exchange rate		673,296	(1,629,566)	(976,082)	(2,082,254)
Cash and cash equivalents at the beginning of the period	17	84,083,073	105,115,053	148,466,253	142,965,989
Cash and cash equivalents at the end of the period	17	119,087,640	29,016,803	119,087,640	29,016,803

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 September 2010

*(Amounts expressed in euro)*

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

*In case of discrepancies the Portuguese version prevails.)*

### 1 INTRODUCTION

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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 32.

#### Consolidation of business activities: Lazam/MDS

The process of acquisition of Lazam/MDS was only concluded in the second half of 2009, and, as disclosed in the financial statements for the period ended 31 December 2009, the process of imputation of fair value was not completed at that date. This process was completed on 30 June 2010, and a retrospective correction of the accounting effects of this business combination was made as required by IFRS 3 – Business Combinations. Consequently the consolidated balance sheet as at 31 December 2009 was restated to reflect the adjusted values of assets and liabilities. The details of these changes are disclosed in note 8.

### 2 PRINCIPAL ACCOUNTING POLICIES

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The accounting policies adopted are consistent with those followed in the preparation of annual financial statements for the year ended 31 December 2009, with the exception of those described in note 3.

#### 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 companies included in the consolidation (Notes 4 to 6) on a going concern basis and under the historical cost convention, except for investment properties and financial instruments which are stated at fair value.

### 3 CHANGES IN ACCOUNTING POLICIES

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During the period it was adopted a set of accounting standards, interpretations, amendments and revisions issued in previous periods and whose implementation became mandatory during the financial year 2010 as disclosed in the financial statements presented for the period ended as at 31 December 2009 and which, except as described below, didn't have any significant impacts on the financial statements as at 30 September 2010.

During the period it has been adopted for the first time the revised version of IFRS 3 – Business Combinations (revised 2008) and IAS 27 – Consolidated and separate financial statements (revised 2008).

These changes brought some modifications in the accounting policies of recording business combinations, in particular:

- (a) the calculation of goodwill and the measurement of non-controlling interests (previously referred to as non-controlling interests): introduced the option, on transaction-by-transaction basis, of calculating the value of non-controlling interests at fair value of assets and liabilities acquired, or their share of the identifiable net assets of the acquire. Additionally, goodwill is now calculated as the difference between the acquisition price of the participation plus the non-controlling interests and the fair value of the assets and liabilities acquired;
- (b) the recognition and subsequent accounting requirements for contingent consideration: whereas, under the previous version of the Standard, contingent consideration was recognized at the acquisition date only if it met probability and reliably measurable criteria, under the revised Standard that consideration for the acquisition always includes the fair value of any contingent consideration. Once the fair value of the contingent consideration for the acquisition date has been determined, subsequent adjustments are made against goodwill only to the extent that they reflect fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). Under the previous version of the Standard, adjustments to consideration were always made against goodwill;
- (c) the accounting treatment of acquisition-related costs: they are generally recorded as expenses in the periods in which they are incurred, and don't influence the acquisition price;
- (d) the accounting of purchase transactions of entities already controlled by the entity and sale transactions that don't imply the loss of control: until the adoption of the revised version of IAS 27 an increase in equity interests in a subsidiary implied the calculation of goodwill, and a loss on the percentage of control would give rise to a profit or loss in that period. With this new standard, transactions whereby the parent entity acquires further equity interests or disposes of equity interest but without losing control, are accounted for as equity transactions and only affect the company's equity, there is no recognition of goodwill or profit or loss in the period;
- (e) the calculation of the profit or loss associated with disposal of equity interests in a subsidiary with loss of control and subsequent accounting for a residual interest: according to the new version of the standard as a result of the loss of control, the assets and liabilities of the disposed subsidiary should be derecognised and any interest retained on the entity should be remeasured at fair value. The value received as a result of the sale plus the effect of remeasurement is registered as profit or loss of the period.



#### 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 September 2010 and 31 December 2009 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 September 2010		31 December 2009	
		Direct	Total	Direct	Total
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
<b>Retail</b>					
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%
Best Offer - Prestação de Informações por Internet, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bikini, Portal de Mulheres, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
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%
2) Difusão - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Edições Book.it, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%

Efanor - Design e Serviços, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Estevão Neves - Hipermercados da Madeira, SA	a)	Madeira	100.00%	100.00%	100.00%	100.00%
Farmácia Selecção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
3) Fashion Division, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fozmassimo - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	54.55%	54.55%	54.55%	54.55%
Fundo de Investimento Imobiliário Fechado Imosonae Dois	a)	Maia	100.00%	100.00%	100.00%	100.00%
Global S - Hipermercado, Lda	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Good and Cheap - Comércio Retalhista, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Hipotética - Comércio Retalhista, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Infocfield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Just Sport - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Marcas MC, Zrt	a)	Budapeste (Hungary)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
MC - SGPS, SA	a)	Matosinhos	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 Continente Seguros - Sociedade Mediação, SA	a)	Porto	100.00%	87.50%	100.00%	87.50%
Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Hipermercados Trading, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Modelo.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
NA - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%



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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%
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)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Solaris Supermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brazil, 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%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	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%
Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sontária - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonvecap, BV	a)	Amesterdam (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 Espanha - 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%	80.37%	80.37%
Tlantic Portugal - Sistemas de Informação, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	100.00%	100.00%	100.00%
Todos os Dias - Com. Ret. Expl. C. Comer., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
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%
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%
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Telecommunications

Be Artis - Conceção, Construção e Gestão de Redes de Comunicações, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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Be Towering – Gestão de Torres de Telecomunicações, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	54.39%	100.00%	54.23%
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Digitmarket - Sistemas de Informação, SA	a)	Maia	75.10%	40.85%	75.10%	40.72%
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Lugares Virtuais, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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M3G - Edições Digitais, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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Magma - Operação de Titularização de Créditos	c)	Portugal	100.00%	54.39%	100.00%	54.23%
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Mainroad Serviços em Tecnologias de Informação, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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Miauger - Org. Gestão Leilões Electrónicos, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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Per-Mar - Sociedade de Construções, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	54.39%	100.00%	54.23%
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Público - Comunicação Social, SA	a)	Porto	100.00%	54.39%	100.00%	54.23%
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Saphety Level - Trusted Services, SA	a)	Maia	86.99%	47.32%	86.99%	47.17%
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Sonaecom BV	a)	Amesterdam (The Netherlands)	100.00%	54.39%	100.00%	54.23%
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Sonae Telecom, SGPS, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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Sonaecom - Serviços de Comunicação, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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Sonaecom - Sistemas de Informação, SGPS, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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1) Sonaecom - Sistemas de Información España, SL	a)	Madrid	100.00%	54.39%	-	-
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Sonaecom, SGPS, SA	a)	Maia	55.42%	54.39%	55.12%	54.23%
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Sonaetelecom, BV	a)	Amesterdam (The Netherlands)	100.00%	54.39%	100.00%	54.23%
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Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	54.34%	99.99%	54.17%
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We Do Consulting - Sistemas de Informação, SA	a)	Maia	100.00%	54.39%	100.00%	54.23%
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We Do Brazil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	54.34%	99.91%	54.28%
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We Do Poland Sp.Z.o.o.	a)	Posnan (Poland)	100.00%	54.39%	100.00%	54.23%
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We Do Technologies Americas, Inc.	a)	Miami (USA)	100.00%	54.39%	100.00%	54.23%
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We Do Technologies Australia PTY Limited	a)	Australia	100.00%	54.39%	100.00%	54.23%
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We Do Technologies BV	a)	Amesterdam (The Netherlands)	100.00%	54.39%	100.00%	54.23%
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We Do Technologies BV – Sucursal Malásia	a)	Kuala Lumpur (Malaysia)	100.00%	54.39%	100.00%	54.23%
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We Do Technologies Chile, SpA	a)	Santiago (Chile)	100.00%	54.39%	100.00%	54.23%
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	We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	54.39%	100.00%	54.23%
	We Do Technologies Mexico S. de RL	a)	Mexico City	100.00%	54.39%	100.00%	54.23%
1)	We Do Technologies Panamá SA	a)	Panama City	100.00%	54.39%	-	-
1)	We Do Technologies Singapore PTE. LDT	a)	Singaporea	100.00%	54.39%	-	-
	We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	54.39%	100.00%	54.23%

### 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	100.00%	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%
	Miral Administração e Corretagem de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	Modelo - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
	RSI Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
4)	Quorum Corretora de Seguros, Ltda	a)	Brazil	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)	Amesterdam (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%
	Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia	80.00%	70.00%	80.00%	70.00%
	Sontel, BV	a)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%

- 1) Companies incorporated in the period;
- 2) Companies disposed in the period;
- 3) Ex - Inventory - Acessórios de Casa, SA;





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- 4) Companies acquired in the period;
- a) Majority of voting rights;
- b) Management control;
- c) Control determined in accordance with SIC 12 - Special purpose entities.

These group companies are consolidated using the full consolidation method.

## 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 September 2010 and 31 December 2009 are as follows:

COMPANY	Head Office	Percentage of capital held				
		30 September 2010		31 December 2009		
		Direct	Total	Direct	Total	
<b>Shopping Centres</b>						
	3DO Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	3DO Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	3shoppings - Holding, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
1)	Adlands BV	Amsterdam (The Netherlands)	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)	50.00%	25.00%	50.00%	25.00%
2)	Alexa Asset GmbH & Co	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
	ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	25.00%	100.00%	25.00%
	Algarveshopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
3)	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%
7)	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%
4)	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%



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	Clérigosshopping - Gestão do Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Coimbrashopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Colombo Towers Holding, BV	The Hague (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	Craiova Mall BV	Amesterdam (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	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	El Rosal Shopping, SA	Madrid (Spain)	70.00%	35.00%	70.00%	35.00%
	Estação Viana - Centro Comercial, SA	Viana do Castelo	100.00%	25.05%	100.00%	25.05%
	Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
	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%	21.27%	100.00%	21.25%
	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%
6)	KLC Holdings XII, SA	Luxembourg	100.00%	50.00%	100.00%	50.00%
	La Farga - Shopping Centre, SL	Madrid (Spain)	100.00%	12.48%	100.00%	12.48%
	Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
5)10)	LCC Leiriashopping – Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
6)	Lembo Services Ltd	Cyprus	100.00%	50.00%	100.00%	50.00%
	Loop 5 - Shopping Centre GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Luz del Tajo, BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Madeirashopping - Centro Comercial, SA	Funchal (Madeira)	50.00%	12.53%	50.00%	12.53%
	Maiashopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	MC Property Management, SA	Athens (Greece)	75.00%	18.75%	75.00%	18.75%



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Münster Arkaden, BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
Norte Shopping Retail and Leisure Centre, BV	Amesterdam (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	Amesterdam (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 D. Pedro 2, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia	100.00%	50.00%	100.00%	50.00%
Parque Principado, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
Pátio Penha Shopping, Ltda	São Paulo (Brazil)	99.99%	23.94%	99.99%	23.91%
Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
Pátio Sertório Shopping Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
Pátio Uberlândia Shopping Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Plaza Eboli, BV	Amesterdam (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	Amesterdam (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	Amesterdam (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	Amesterdam (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	Amesterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
Project SC 2, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
6) Project Sierra 1 - Shopping Centre, GmbH	Viena (Austria)	100.00%	50.00%	100.00%	50.00%



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Project Sierra 2, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 6, BV	Amesterdam (The Netherlands)	50.00%	25.00%	100.00%	50.00%
Project Sierra 7 BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 8 BV	Amesterdam (The Netherlands)	100.00%	25.05%	100.00%	50.00%
Project Sierra 9 BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 10 BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Brazil 1, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Four SA	Bucareste (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	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Germany Shopping Centre 2 BV	Amesterdam (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 One Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Project Sierra Portugal IV - Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
Project Sierra Portugal V - Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
Project Sierra Portugal VII - Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
Project Sierra Portugal VIII - Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
Project Sierra Spain 1, BV	Amesterdam (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	Amesterdam (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	Amesterdam (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	Amesterdam (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	Amesterdam (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	Amesterdam (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	Amesterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	SC Mediterranean Cosmos, BV	Amesterdam (The Netherlands)	50.00%	12.53%	50.00%	12.53%
	Shopping Centre Colombo Holding, BV	Amesterdam (The Netherlands)	50.00%	12.53%	50.00%	12.53%
	Shopping Centre Parque Principado, BV	Amesterdam (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	Amesterdam (The Netherlands)	100.00%	25.00%	100.00%	25.00%
9)	Sierra Central, S.A.S.	Santiago de Cali (Colombia)	100.00%	25.00%	-	-
	Sierra Charagionis Development of Shopping Centers, SA	Athens (Greece)	50.00%	25.00%	50.00%	25.00%
	Sierra Charagionis Property Management, SA	Athens (Greece)	50.00%	25.00%	50.00%	25.00%
	Sierra Corporate Services - Apoio à Gestão, SA	Lisbon	100.00%	50.00%	100.00%	50.00%
	Sierra Corporate Services Holland, BV	Amesterdam (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%
8)	Sierra Berlin Holding BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Holding, BV	Amesterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Iberia 1, Promoção Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Romania SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Spain - Promociones de Centros Comerciales, SL	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Enplanta, Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
	Sierra European Retail Real Estate Assets Holdings, BV	Amesterdam (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 Brazil Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
	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 II - Gestão de Centros Comerciais, SA	Lisbon	100.00%	50.00%	100.00%	50.00%
	Sierra Management Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Sierra Management New Tech.Bus. - Serv.Comu.CC, SA	Lisbon	100.00%	50.00%	100.00%	50.00%
	Sierra Management Portugal - Gestão de Centros Comerciais, SA	Lisbon	100.00%	50.00%	100.00%	50.00%
	Sierra Management Spain - Gestión de Centros Comerciales, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra Management, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Property Management Greece, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Property Management, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Sonae Sierra Brazil, SA	São Paulo (Brazil)	95.20%	23.94%	95.20%	23.91%
	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%
6)	SRP - Parque Comercial de Setúbal, SA	Maia	50.00%	25.00%	50.00%	25.00%
	Torre Ocidente - Imobiliária, SA	Maia	50.00%	12.50%	50.00%	12.50%
	Unishopping Administradora, Ltda	São Paulo (Brazil)	100.00%	23.94%	100.00%	23.91%
	Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	99.98%	23.94%	99.98%	23.91%
	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%
	<b>Telecommunications</b>					
	Unipress - Centro Gráfico, Lda	Vila Nova de Gaia	50.00%	27.20%	50.00%	27.11%

**Investment Management**

9)	Coral, SA	Porto	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) Companies incorporated in the period;
- 2) At 15 February 2010, 91% of this company's share capital was disposed off. Since then the entity consolidates by the equity method, as Sonae Sierra kept control over the shopping centre management;
- 3) Ex - Project Sierra Portugal I - C.Comercial, SA;
- 4) Ex - Project Sierra Portugal II - Centro Comercial, SA;
- 5) Ex - Project Sierra Portugal VI - Centro Comercial, SA;
- 6) Companies disposed in the period;
- 7) Ex - Project Sierra 5, BV;
- 8) Ex - Sierra Developments Germany Holding, BV;
- 9) Companies acquired in the period.
- 10) At 27 September 2010, disposal of the company's share capital to the investment fund Sierra Portugal Real Estate (SPF). Since then, the entity consolidates by the equity method;

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 September 2010	31 December 2009
Non-current assets	4,408,701,393	4,508,730,523
Current assets	298,807,484	256,002,590
Non-current liabilities	1,632,085,240	1,652,852,079
Current liabilities	379,106,556	375,513,257
	30 September 2010	30 September 2009
Income	278,495,330	157,696,823
Expenses	265,021,734	228,141,111

## 6 INVESTMENTS IN ASSOCIATES

Associated companies, their head offices and the percentage of share capital held as at 30 September 2010 and 31 December 2009 are as follows:

COMPANY	Head Office	Percentage of capital held				Book value	
		30 September 2010		31 December 2009		30 September 2010	31 December 2009
		Direct	Total	Direct	Total		
<b>Retail</b>							
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,182,359	1,551,585
<b>Shopping Centres</b>							
1) 8ª Avenida Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	21.00%	-	-
2) Alexa Asset GmbH & Co	Dusseldorf (Germany)	25.00%	2.25%	50.00%	25.00%	3,238,331	-
1) Arrábidasshopping - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	10.50%	-	-
Campo Limpo Lda	S. Paulo (Brazil)	20.00%	5.00%	20.00%	5.00%	2,084,268	1,712,614
1) Gaiashopping I - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	10.50%	-	-
1) Gaiashopping II - Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	21.00%	-	-
1) Loureshopping - Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	21.00%	-	-
Mediterranean Cosmos Shop. Centre Investments, SA	Athens (Greece)	39.90%	5.00%	39.90%	5.00%	3,384,096	3,376,307
1) 3) PORTCC - Portimãoshopping - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	10.50%	-	-
1) Rio Sul - Centro Comercial, SA	Lisbon	50.00%	11.88%	50.00%	10.50%	-	-
1) Serra Shopping - Centro Comercial, SA	Covilhã	50.00%	11.88%	50.00%	10.50%	-	-
1) 4) ALBCC - Albufeirashopping - Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	10.50%	-	-
1) 5) 6) LCC - LeiriaShopping - Centro Comercial, S.A.	Maia	100.00%	23.75%	100.00%	50.00%	-	-
SPF - Sierra Portugal Real estate, Sarl	Luxembourg	47.50%	23.75%	42.00%	21.00%	41,871,080	32,013,766
<b>Telecommunications</b>							
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	Porto	45.00%	24.48%	45.00%	24.40%	32,022	-
<b>Investment Management</b>							
Golden Marquee Limited	U.K.	25.10%	12.55%	32.12%	16.06%	32,276,922	35,995,121
<b>Total</b>						<b>84,069,078</b>	<b>74,649,393</b>

- 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;
- 2) At 15 February 2010, 91% of this company's share capital was disposed off. Since then the entity consolidates by the equity method as Sonae Sierra kept control over the shopping center management. At the disposal date the remaining interests in the company were remeasured and recognized at their fair value;
- 3) Ex - Oeste Retail Park - Gestão de G.Comer., SA;
- 4) Ex - Sol Retail Park - Gestão de G. Comerc., SA;
- 5) Ex-Proj.Sierra Portugal VI-C.Comercial, S.A.
- 6) At 27 September 2010, disposal of the company's share capital to the investment fund Sierra Portugal Real Estate (SPF). Since then, the entity consolidates by the equity method.

Nil balances result from the application of the equity method that reduced the acquisition value.



## RESULTS 9M10

Associated companies are included in the consolidated financial statements using the equity method. As at 30 September 2010 and 31 December 2009, aggregate values of main financial indicators of associated companies can be analysed as follows:

	<u>30 September 2010</u>	<u>31 December 2009</u>
Total Assets	1,537,802,743	845,744,918
Total Liabilities	<u>1,171,239,611</u>	<u>608,521,167</u>
	<u>30 September 2010</u>	<u>30 June 2009</u>
Income	245,361,872	128,018,856
Expenses	<u>203,026,728</u>	<u>118,310,276</u>

During the periods ended 30 September 2010 and 2009, movements in Investments in Associates, are made up as follows:

	<u>30 September 2010</u>			<u>30 September 2009</u>		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
<b>Investments in Associates</b>						
Initial balance as at January, 1	33,224,083	41,425,310	74,649,393	105,402,825	37,260,670	142,663,495
Capital increase in associated companies	14,381,368	-	14,381,368	6,955,606	-	6,955,606
Disposals during the period	-	-	-	(4,320,487)	(15,672,496)	(19,992,983)
Capital reduction in associated companies	(2,310,176)	-	(2,310,176)	(733,808)	-	(733,808)
Change of consolidation method (Note 8)	1,366,260	190,680	1,556,940	(69,027,699)	(1,439,401)	(70,467,100)
Goodwill recognised during the period	-	-	-	-	-	-
<b>Equity method</b>						
Share of result in associated companies	(803,418)	-	(803,418)	(3,856,066)	-	(3,856,066)
Other effects in the income statement	365,873	-	365,873	-	-	-
Distributed dividends	(897,450)	-	(897,450)	-	-	-
Effect in equity capital and non-controlling interests	(199,902)	(2,673,550)	(2,873,452)	339,714	2,481,226	2,820,940
	<u>45,126,638</u>	<u>38,942,440</u>	<u>84,069,078</u>	<u>34,760,085</u>	<u>22,629,999</u>	<u>57,390,084</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 September 2010 and 31 December 2009 are made up as follows:

COMPANY	Head Office	Percentage of capital held				Book value	
		30 September 2010		31 December 2009		30 September	31 December 2009
		Direct	Total	Direct	Total		
<b>Retail</b>							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	7.14%	7.14%	7.14%	7.14%	9,976	4,988
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
<b>Shopping Centres</b>							
Ercasa Cogeneracion SA	Grancasa (Spain)	10.00%	1,25%	10.00%	1,25%	23,949	23,949
<b>Telecommunications</b>							
Altitude, SGPS, SA	Lisbon	11.54%	6.27%	11.54%	6.26%	1,000,000	1,000,000
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	0.75%	1.38%	0.75%	197,344	197,344
Other investments						9,844,860	16,153,014
Total (Note 13)						11,824,326	18,127,492

As at 30 September 2010, the caption "Other Investments" includes 7,304,000 euro (13,778,000 euro as at 31 December 2009) related to the fair value of Sonae Capital, SGPS, S.A. shares attributable to Sonae SGPS, and not derecognized as explained in Note 18.

## 8 CHANGES TO THE CONSOLIDATION PERIMETER

8.1 Main acquisitions of Companies over the nine month period ended 30 September 2010 are as follows:

COMPANY	Head Office	Percentage of capital held	
		At acquisition date	
		Direct	Total
<b>Management investments</b>			
Quorum Corretora de Seguros, Ltda	Brazil	100.00%	50.01%
Coral, SA	Porto	50.00%	25.01%

Acquisitions mentioned above, had the following impact on the consolidated financial statements for the period ended 30 September 2010:

	At acquisition date Investment Management	30 September 2010 Investment Management
<b>Acquired net assets</b>		
Tangible and intangible assets (Note 9)	826,227	807,109
Other assets	1,026,274	947,837
Cash and cash equivalents	324,817	282,139
Deferred tax liabilities	(6,007)	(6,007)
Other liabilities	(905,794)	(649,137)
	<u>1,265,517</u>	<u>1,381,941</u>
Goodwill (Note 12)	3,243,892	
Non-controlling Interests	2,757,465	
	<u>7,266,874</u>	
Acquisition price	<u>7,266,874</u>	
Payments made accounted as investments	3,991,122	
Accounts Payable	3,275,752	
	<u>7,266,874</u>	
<b>Net cash outflow arising from acquisition</b>		
Cash consideration paid	3,991,122	
Cash and cash equivalents acquired	(324,817)	
	<u>3,666,305</u>	

8.2 The main disposals of companies that have occurred in the period ended as at 30 September 2010 are as follows:

COMPANY	Head Office	Percentage of capital held at disposal date	
		Direct	Total
<b>Shopping Centres</b>			
Alexa Asset GmbH & Co KG	Dusseldorf (Germany)	50.00%	25.00%
LCC - LeiriaShopping - Centro Comercial, S.A.	Maia	100.00%	50.00%
<b>Retail Properties</b>			
Difusão- Sociedade Imobiliária, SA	Maia	100.00%	100.00%

The net assets of the subsidiaries at disposal date are as follows:



	Shopping Centres	Retail Properties
Disposed net assets		
Investment properties	124,878,888	-
Tangible Assets (Note 9)	-	25,630,907
Other assets	628,962	1,775,422
Cash and cash equivalents	4,055,843	258,238
Loans	(23,589,099)	-
Deferred tax liabilities	(2,033,800)	(509,307)
Other liabilities	(70,126,616)	(26,012,428)
	<u>33,814,178</u>	<u>1,142,832</u>
Transfer to investments in associates (Note 6)	(1,556,940)	-
Goodwill (Note 12)	2,118,857	-
Shareholder's loans, other loans and interests	-	25,166,712
Costs with the disposal	-	644,896
Profit / (Loss) in the disposal	<u>(950,716)</u>	<u>6,423,734</u>
Disposal price	<u>33,425,379</u>	<u>33,378,174</u>
Effective cash payment received	24,056,853	33,378,174
Future cash receivements	9,368,526	-
	<u>33,425,379</u>	<u>33,378,174</u>
Net cash-flow arising from disposal		
Effective cash payment received	24,056,853	33,378,174
Effective cash received related to shareholder's loans and interests	-	375,263
Effective cash payment related to the disposal costs	-	(644,896)
Cash and cash equivalents disposed	(4,055,843)	(258,238)
	<u>20,001,010</u>	<u>32,850,302</u>

In 15 February 2010, Sonae, through the jointly controlled company ALEXA Shopping Centre GmbH ("Alexa Shopping"), disposed 91% of its equity interest in the company ALEXA Asset GmbH & Co, KG ("Alexa KG") (entity that owns the shopping centre "Alexa"). As a consequence of the loss of control over this company, it now consolidates by the equity method as Sonae kept a significant influence over it.

The retail real estate company referred above owns a building which has remained in use by the group after the company's disposal through an operating lease agreement, with an initial term of 20 years, (term extensions are possible).

### 8.3 Changes to the allocation of the fair value of business concentration activities made in the previous year

As the acquisition process of the Lazam/MDS was only concluded in the second half of 2009 and that it was necessary to re-express to IFRS the financial statements of the subsidiaries acquired, it was not concluded the process of allocation of fair value to the assets, liabilities and contingent liabilities acquired, namely in what refers to intangible assets acquired and not recognized until 31 December 2009. Such process was concluded during the period ended in 30 June 2010, and a restatement of the financial statements was made as required by IFRS's.

The impacts of the allocation of the fair value are as follows:

	Acquisition date			31.12.2009 Published
	Book Value	Fair Value Adjustment	Total Restated	
Net assets acquired				
Tangible and Intangible Assets (Notes 9 and 10)	3,235,540	27,276,799	30,512,339	3,235,540
Other current assets	2,776,129	-	2,776,129	2,776,129
Cash and cash equivalents	1,951,125	-	1,951,125	1,951,125
Deferred taxes	-	(9,881,583)	(9,881,584)	-
Loans	(74,063)	-	(74,063)	(74,063)
Other liabilities	(28,740,040)	-	(28,740,040)	(28,740,041)
	<u>(20,851,309)</u>	<u>17,395,216</u>	<u>(3,456,094)</u>	<u>(20,851,310)</u>
Goodwill (Note 12)		(16,347,045)	34,935,602	51,282,647
Transfers to Investments in Associates		-	(9,082,673)	(9,082,673)
Non-controlling interests		-	7,919,350	7,919,350
Acquisition price		<u>1,048,171</u>	<u>30,316,185</u>	<u>29,268,014</u>
Effective cash paid			29,268,014	29,268,014
Amount to be paid - acquisition price adjustment			<u>1,048,171</u>	-
			<u>30,316,185</u>	<u>29,268,014</u>
Net cash flow resulting from the acquisition				
Effective cash paid			29,268,014	29,268,014
Cash and cash equivalents acquired			<u>(1,951,125)</u>	<u>(1,951,125)</u>
			<u>27,316,889</u>	<u>27,316,889</u>

As of 30 September 2010, the allocation of the acquisition price changed. A total amount of 87,416,093 reais was allocated to the 'clients portfolio', that is now registered in the caption "Intangible assets" and being depreciated over a period of 12 years. This intangible asset's valuation was based on the expected profitability of the existing 'clients portfolio' at the acquisition date, considering a growth rate of 3.7%, a churn rate of 5% and a discount rate of 12.8%.

## 9 TANGIBLE ASSETS

During the nine months period ended 30 September 2010 and 2009, 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
<b>Gross costs:</b>					
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	7,497,313	4,941,055	13,251,883	168,961,914	194,652,165
Acquisitions of subsidiaries (Note 8)	763,887	-	711,975	-	1,475,862
Disposals	(35,190,999)	(36,638,578)	(7,690,348)	(1,286,237)	(80,806,162)
Disposals of subsidiaries (Note 8)	(30,071,609)	(250,482)	-	-	(30,322,091)
Exchange rate effect	26,168	148,845	217,782	27	392,822
Transfers	62,163,918	194,863,007	10,187,880	(275,884,463)	(8,669,658)
Closing balance as at 30 September 2010	1,992,041,813	2,072,770,991	373,352,143	84,175,720	4,522,340,667
<b>Accumulated depreciation and impairment losses</b>					
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	29,266,608	111,379,503	31,125,768	-	171,771,879
Acquisitions of subsidiaries (Note 8)	212,913	-	436,722	-	649,635
Disposals	(2,588,091)	(30,586,331)	(7,079,557)	-	(40,253,979)
Disposals of subsidiaries (Note 8)	(4,622,572)	(68,612)	-	-	(4,691,184)
Exchange rate effect	16,705	65,948	98,531	-	181,184
Transfers	29,612	(1,374,586)	(179,412)	-	(1,524,386)
Closing balance as at 30 September 2010	378,372,494	1,109,980,294	302,220,515	-	1,790,573,303
<b>Carrying amount</b>					
As at 30 September 2010	1,613,669,319	962,790,697	71,131,628	84,175,720	2,731,767,364
<b>Tangible assets</b>					
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	Total Tangible Assets
<b>Gross costs:</b>					
Opening balance as at 1 January 2009	1,742,490,487	1,614,278,960	321,293,070	283,948,037	3,962,010,554
Capital expenditure	12,048,655	8,962,736	13,139,409	262,375,281	296,526,081
Acquisitions of subsidiaries	94,326,259	160,363	1,021,080	51,140,432	146,648,134
Disposals	(610,774)	(11,147,244)	(4,110,131)	(10,025,506)	(25,893,655)
Exchange rate effect	71,977	326,982	475,697	-	874,656
Transfers	43,786,528	213,728,319	17,647,640	(282,446,518)	(7,284,031)
Closing balance as at 30 September 2009	1,892,113,132	1,826,310,116	349,466,765	304,991,726	4,372,881,739
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2009	320,534,099	889,938,447	243,594,972	-	1,454,067,518
Charge for the period	26,575,277	121,146,318	30,474,443	-	178,196,038
Acquisitions of subsidiaries	-	91,864	501,142	-	593,006
Disposals	(172,603)	(8,744,045)	(3,395,527)	-	(12,312,175)
Exchange rate effect	39,752	136,180	217,941	-	393,873
Transfers	(21,765)	(576,045)	(117,093)	-	(714,903)
Closing balance as at 30 September 2009	346,954,760	1,001,992,719	271,275,878	-	1,620,223,357
<b>Carrying amount</b>					
As at 30 September 2009	1,545,158,372	824,317,397	78,190,887	304,991,726	2,752,658,382

During the nine-months period ended 30 September 2010, the Board reviewed the estimated useful life of a set of assets associated with mobile telecommunications network, which was recorded on a forward-looking basis with effect from 1 January 2010 and which meant that the depreciation of the nine-month period ended 30 September 2010 was approximately 6.6 million lower than the nine-month period ended 30 September 2009.

Additionally, the comparison of the depreciation of the nine-month period ended 30 September 2010 with those of the previous year's equivalent period is also affected by a subsequent review of the estimated useful life of a set of tangible assets and software related to fixed and mobile telecommunications network, carried out in the second half of 2009, which were recorded on a forward-looking basis and which meant that the depreciation of the nine-month period ended 30 September 2010 was approximately 18 million euro and 5.7 million lower, respectively, at the nine-month period ended 30 September 2009.

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

	30 September 2010	30 September 2009
Refurbishment and expansion of stores in the retail businesses located in Portugal	30,850,500	124,925,491
Refurbishment and expansion of stores in the retail businesses located in Spain	4,078,245	-
Projects of "Modelo" and "Continente" stores for which advance payments were made	10,323,231	34,387,426
Construction in Progress in Maia (Business Park)	4,451,620	63,739,427
Deployment of mobile network	26,016,486	32,270,504
Deployment of fixed network	5,553,842	39,171,652
Others	2,901,796	10,497,226
	<u>84,175,720</u>	<u>304,991,726</u>

## 10 INTANGIBLE ASSETS

During the nine month period ended 30 September 2010 and 2009, 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	
<b>Gross costs:</b>				
Opening balance as at 1 January 2010 - published	404,407,706	392,398,702	31,279,161	828,085,569
Fair value of the acquired assets (Note8)	-	27,276,799	-	27,276,799
Opening balance as at 1 January 2010 - restated	404,407,706	419,675,501	31,279,161	855,362,368
Capital expenditure	7,838,555	1,951,318	22,200,357	31,990,230
Disposals	(1,385,769)	(1,137,031)	(261,948)	(2,784,748)
Exchange rate effect	905	2,717,133	-	2,718,038
Transfers	886,997	29,219,468	(25,476,208)	4,630,257
<b>Closing balance as at 30 September 2010</b>	<u>411,748,394</u>	<u>452,426,389</u>	<u>27,741,362</u>	<u>891,916,145</u>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2010	99,146,402	288,900,669	-	388,047,071
Charge for the period	17,442,469	28,746,572	-	46,189,041
Disposals	(3,235)	(1,024,826)	-	(1,028,061)
Exchange rate effect	69	270,922	-	270,991
Transfers	(46,780)	1,188,778	-	1,141,998
<b>Closing balance as at 30 September 2010</b>	<u>116,538,925</u>	<u>318,082,115</u>	<u>-</u>	<u>434,621,040</u>
<b>Carrying amount</b>				
As at 30 September 2010	<u>295,209,469</u>	<u>134,344,274</u>	<u>27,741,362</u>	<u>457,295,105</u>

	Intangible assets			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
<b>Gross costs:</b>				
Opening balance as at 1 January 2009	382,645,868	362,074,955	31,622,120	776,342,943
Capital expenditure	17,220,649	1,258,874	24,049,691	42,529,214
Acquisitions of subsidiaries	33,014	1,817,882	7,455	1,858,351
Disposals	(142,641)	(821,540)	(250,044)	(1,214,225)
Exchange rate effect	487	1,011,513	13,115	1,025,115
Transfers	2,092,461	15,822,080	(18,756,690)	(842,149)
<b>Closing balance as at 30 September 2009</b>	<b>401,849,838</b>	<b>381,163,764</b>	<b>36,685,647</b>	<b>819,699,249</b>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2009	78,555,270	257,488,512	-	336,043,782
Charge for the period	15,551,898	27,653,322	-	43,205,220
Acquisitions of subsidiaries	25,062	221,936	-	246,998
Disposals	(70,629)	(684,895)	-	(755,524)
Exchange rate effect	(34)	279,253	-	279,219
Transfers	(56,147)	5,416	-	(50,731)
<b>Closing balance as at 30 September 2009</b>	<b>94,005,420</b>	<b>284,963,544</b>	<b>-</b>	<b>378,968,964</b>
<b>Carrying amount</b>				
<b>As at 30 September 2009</b>	<b>307,844,418</b>	<b>96,200,220</b>	<b>36,685,647</b>	<b>440,730,285</b>

As at 30 September 2010 and 2009, Sonae kept recorded under the heading "Patents and other similar rights" the amounts of 193,628,608 euro and 204,496,242 euro, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) 60,755,834 euro (amount of 63,756,122 euro in 2009) relating to the license; (ii) 20,300,752 euro (amount of 21,303,258 euro in 2009) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators in Portugal with licenses; (iii) 6,234,974 euro (amount of 6,542,874 euro in 2009) 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) 101,146,037 euro (amount of 107,446,629 euro in 2009) relating to the "Iniciativas E" program, the latter relating to commitments assumed by Sonae in the "Fund for Information Society" (Note 33).

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 2009).



## 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 September 2010 and 31 December 2009, Investment properties are detailed as follows:

	30 September 2010	31 December 2009
Investment properties in operation	1,616,602,306	1,676,623,981
Investment properties in progress	101,387,935	119,846,837
	<u>1,717,990,241</u>	<u>1,796,470,818</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 September 2010			31 December 2009		
	10 years "discount rate"	Yields	Amount	10 years "discount rate"	Yields	Amount
Portugal	8,40% e 10,85%	6,15% e 8,60%	717,106,345	8,25% e 10,55%	6,00% e 8,30%	726,662,623
Spain	8,95% e 11,50%	6,45% e 9,00%	357,310,478	8,90% e 11,55%	6,40% e 9,05%	351,937,238
Italy	8,25% e 10,00%	6,05% e 7,80%	151,708,750	8,00% e 9,50%	6,00% e 7,70%	149,810,250
Germany	6.75%	6,00% e 6,25%	157,404,000	6,50% e 6,75%	6,00% e 6,25%	234,425,638
Brazil	12,75% e 14,00%	8,25% e 9,50%	204,940,484	12,75% e 14,00%	8,25% e 9,50%	180,277,982
Greece	11.75%	8.25%	13,409,750	10.75%	7.00%	18,529,750
Romania	10.75%	9.00%	14,722,499	10.75%	9.00%	14,980,500
			<u>1,616,602,306</u>			<u>1,676,623,981</u>

The fair value was determined by a valuation performed as at 30 September 2010 by an independent specialized entity, based on valuation criteria generally accepted in the real estate business.

Value created on investment properties over the nine - months periods ended 30 September 2010 and 2009 can be detailed as follows:

	30 September 2010	30 September 2009
Properties which were under development and were concluded during the period	2,021,543	(908,873)
Changes in fair value of investment properties in operation	1,689,795	(118,255,853)
Changes in fair value of investment properties in progress	(319,492)	6,335,694
	<u>3,391,846</u>	<u>(112,829,032)</u>



As at 30 September 2010 and 31 December 2009, Investment properties in progress can be detailed as follows:

	30 September 2010	31 December 2009
<b>Investment Properties in progress at cost:</b>		
Portugal:		
Alverca	3,067,791	3,066,099
Centro Bordalo	1,706,410	1,685,228
Parque de Fimalicão	628,500	1,498,232
Torre Ocidente	2,438,060	519,902
Germany:		
Alexa (Tower)	5,500,000	7,320,992
Garbsen	947,466	867,053
Others	7,212	-
Brazil:		
Goiânia Shopping	4,940,662	3,770,303
Uberlândia Shopping	-	2,294,093
Boulevard Londrina Shopping	1,768,458	1,348,853
Parque D. Pedro - expansion	1,666,640	
Others	167,900	22,867
Spain:		
Alfaz del Pi	-	9,575,000
Pulianas Shopping	103,105	103,105
Dos Mares - expansion	1,404,902	1,404,902
Others	61,743	37,868
Greece:		
Epirus Plaza	16,064,972	13,531,277
Galatsi Shopping	6,538,942	5,771,370
Aegean Park	4,967,357	4,925,052
Pantheon Plaza	889,064	889,064
Italy:		
Le Terraze (Hypermarket)	2,864,557	3,261,195
Caldogno	4,948,473	4,937,831
Others	262,208	257,365
Romania:		
Craiova Shopping	17,697,777	17,615,979
Ploiesti Shopping	7,348,726	7,415,770
	<u>85,990,925</u>	<u>92,119,400</u>
<b>Impairment losses</b>	<b>(6,449,000)</b>	<b>(6,537,230)</b>
	<u>79,541,925</u>	<u>85,582,170</u>
<b>Investment Properties in progress at fair value:</b>		
Portugal:		
Leiria Shopping	-	24,597,667
Brazil:		
Uberlândia Shopping	8,353,510	-
Italy:		
Le Terraze	13,492,500	9,667,000
	<u>21,846,010</u>	<u>34,264,667</u>
	<u>101,387,935</u>	<u>119,846,837</u>

As at 30 September 2010, the following investment properties were mortgaged:

Airone	Luz del Tajo
Algarveshopping	Madeirashopping
Alverca	Maiashopping
Arrabidashopping	Manauara Shopping
Cascaishopping	Max Center
Centro Colombo	Munster Arkaden
Centro Vasco da Gama	Norteshopping
Coimbrashopping	Parque Atlântico
Dos Mares	Parque Principado
El Rosal	Pátio Uberlândia
Estação Viana	Plaza Éboli
Freccia Rossa	Plaza Mayor
Gaiashopping	Plaza Mayor Shopping
Gli Orsi	River Plaza Mall
Grancasa	Torre Occidente
Guimarãeshopping	Valecenter
La Farga	Valle Real
Le Terrazze	Viacatarina
Loop 5	Zubiarte



## RESULTS 9M10

### 12 GOODWILL

During the nine month periods ended 30 September 2010 and 2009 movements in goodwill, as well as in corresponding impairment losses, were made up as follows:

	30 September 2010	30 September 2009
<b>Gross value:</b>		
Opening balance - published	759,786,674	709,012,583
Re-allocation of Goodwill (Note 8)	(17,395,216)	-
Restated opening balance (Note 8)	742,391,458	709,012,583
New companies in the consolidation perimeter (Note 8)	3,243,892	18,426,845
Increases	1,408,752	125,646
Decreases	(1,928,177)	(7,539,503)
Transfers	(190,680)	(2,274,254)
Currency translation	2,793,032	-
Write-off	(1,529,706)	-
Closing balance	746,188,571	717,751,317
<b>Accumulated impairment losses:</b>		
Opening balance	13,445,983	11,745,221
Increases	-	-
Write-off	(1,529,706)	-
Closing balance	11,916,277	11,745,221
<b>Carrying amount:</b>	<b>734,272,294</b>	<b>706,006,096</b>

### 13 OTHER INVESTMENTS

During the nine months period ended 30 September 2010 and 2009 movements in other investments were made up as follows:

	30 September 2010		30 September 2009	
	Non-current	Current	Non-current	Current
<b>Investments in group companies, jointly controlled companies or associated companies excluded from consolidation</b>				
Opening balance as at 1 January	925,769	-	3,012,637	-
Acquisitions in the period	-	-	287,910	-
Disposals in the period	-	-	-	-
Transfers	64,470	-	(1,471,768)	-
Closing balance as at 30 September	990,239	-	1,828,779	-
Accumulated impairment losses	-	-	-	-
	990,239	-	1,828,779	-
<b>Other investments:</b>				
Fair value (net of impairment losses) as at 1 January	17,201,722	57,313,909	9,965,538	60,956,604
Acquisitions in the period	105,149	2,677,225	13,992	4,708,244
Disposals in the period	(249)	(11,402,745)	-	(10,780,843)
Increase/(Decrease) in fair value	(6,474,000)	-	8,134,000	1,467,000
Transfers	1,465	-	-	-
Fair value (net of impairment losses) as at 30 September	10,834,087	48,588,389	18,113,530	56,351,005
<b>Other Investments (Note 7)</b>	<b>11,824,326</b>	<b>48,588,389</b>	<b>19,942,309</b>	<b>56,351,005</b>
<b>Derivative financial instruments (Note 21)</b>				
Fair value as at 1 January	-	365,122	-	2,600,159
Acquisitions in the period	-	-	-	10,185
Disposals in the period	-	-	-	(72,495)
Increase/(Decrease) in fair value	-	(364,953)	-	(2,527,664)
Fair value as at 30 September	-	169	-	10,185
	11,824,326	48,588,558	19,942,309	56,361,190

The financial investments in group companies, jointly controlled companies or associated companies excluded from consolidation are recorded at the acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate could be made as there is no market data available for these investments. The heading of Investments available for sale includes 3,530,087 euro (2,675,530 euro as at 30 September 2009) 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 31,757 euro (13,157 euro as at 30 September 2009).

Under the caption other financial investments is recorded an amount of 33,728,627 euro (45,123,946 euro as at 30 September 2009) related to deposited amounts on an Escrow Account which are invested in investment funds with superior rating and guarantee contractual liabilities assumed by Sonae which may arise from the sale of Sonae Distribuição Brasil, S.A., and for which provisions were recorded (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 how to use the Escrow Account, namely as to whether or not, to return the Escrow Account for ongoing fiscal procedures that have not yet been decided by Brazilian authorities (Note 26). It is the understanding of the Board of Directors, based in the legal opinions of Brazilian and Portuguese lawyers, that this amount shall be entirely received up to 31 December 2010, and that there are legal means that may be operated so as to compel the buyer to authorize the return of the Escrow account. If the negotiations currently under way between the two parties do not accomplish in results, it is the intention of the Board to make use of such legal means.

## 14 OTHER NON - CURRENT ASSETS

As at 30 September 2010 and 31 December 2009, Other non- current assets are detailed as follows:

	30 September 2010			31 December 2009		
	Gross Value	Accumulated impairment losses (Note 25)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 25)	Carrying Amount
<b>Loans granted to related parties</b>	792,168	-	792,168	1,312,071	-	1,312,071
<b>Trade accounts receivable and other debtors</b>						
Legal deposits	887,023	-	887,023	819,480	-	819,480
Recognition of an amount receivable from Carrefour	11,033,252	-	11,033,252	-	-	-
Cautions	4,020,306	-	4,020,306	2,949,266	-	2,949,266
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	3,971,087	-	3,971,087	4,036,717	-	4,036,717
Financial investments Disposals	2,367,815	-	2,367,815	-	-	-
Others	1,561,392	(141,988)	1,419,404	1,399,468	(141,988)	1,257,480
	28,554,300	(141,988)	28,412,312	13,918,356	(141,988)	13,776,368
<b>Non-current derivatives (Note 21)</b>	100,903	-	100,903	12,991	-	12,991
<b>Reinsurer's' share of technical provisions</b>	15,284,502	-	15,284,502	5,396,067	-	5,396,067
<b>Other non-current assets</b>	710,777	-	710,777	678,815	-	678,815
	45,442,650	(141,988)	45,300,662	21,318,300	(141,988)	21,176,312

## 15 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2010 and 31 December 2009, Trade account receivable and other current assets are detailed as follows:

	30 September 2010	31 December 2009
Trade accounts receivable	268,223,563	294,831,656
Taxes recoverable	49,999,295	55,070,469
Granted loans to related companies	8,200	8,339
Other debtors		
Trade creditors - debtor balances	62,390,491	58,251,461
Special regime for payment of tax and social security debts	12,382,502	13,999,945
VAT recoverable on real estate assets and discount granted	6,477,143	20,698,211
Vouchers and gift cards	1,603,481	1,308,743
Accounts receivable from the disposal of fixed assets	1,024,483	5,210,484
Disposal of financial investments	20,544,811	-
"Initiativas E" program	13,820,410	-
Advances for the acquisition of a real estate project	7,967,500	7,967,500
Termination of the contract of acquisition of land in Pulianas	-	5,382,500
Revocation of contracts for acquisition of stores	8,426,568	11,131,667
Advances to suppliers	21,365,317	15,905,764
Advances to agents	1,214,635	1,004,492
Reinsurance operations	7,839,388	3,351,186
Other current assets	28,882,747	36,395,501
	<u>193,939,476</u>	<u>180,607,454</u>
Other current assets		
Invoices to be issued	59,639,470	57,394,646
"Initiativas E" program	160,873	75,145,779
Commercial Discounts	29,694,803	14,211,921
Commissions to be received	1,289,877	1,368,173
Prepayments - Rents	5,029,704	4,204,847
Prepayments of external supplies and services	24,496,880	18,096,233
Other current assets	15,440,869	13,565,819
	<u>135,752,476</u>	<u>183,987,418</u>
Accumulated impairment losses in receivables accounts (Note 25)	(105,846,883)	(103,988,411)
	<u>542,076,127</u>	<u>610,516,925</u>

## 16 DEFERRED TAX

Deferred tax assets and liabilities as at 30 September 2010 and 31 December 2009 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Difference between fair value and acquisition cost	3,564,577	3,700,884	286,605,811	268,856,386
Harmonisation adjustments	122,761	46,211	50,026,697	43,461,567
Provisions and impairment losses not accepted for tax purposes	17,458,836	15,627,931	-	-
Write off of tangible and intangible assets	49,032,123	58,633,429	-	-
Write off of deferred costs	30,251,246	36,005,911	6,384,539	1,362,430
Valuation of hedging derivatives	7,963,803	7,180,175	64,130	100,654
Temporary differences arising from the securitization operation	10,465,000	12,880,000	-	-
Amortisation of Goodwill for tax purposes	-	-	19,195,044	13,960,032
Non taxed exchange differences	-	-	71,425	928,553
Revaluation of tangible assets	-	-	2,014,406	2,131,967
Tax losses carried forward	111,444,037	94,364,809	-	-
Reinvested capital gains/(losses)	-	-	2,103,255	2,768,248
Others	4,878,750	1,775,158	2,107,341	2,731,864
	<u>235,181,133</u>	<u>230,214,508</u>	<u>368,572,648</u>	<u>336,301,701</u>

During the period and as a result of the introduction in Portugal of "Derrama Estadual", regulated by the law "Lei n.º 12-A/2010" of 30 June, that implies an additional income tax of 2.5% applied to the taxable profit that exceeds 2,000,000 euro, in some group companies in which it is expectable that this rate will be applied, the group changed the tax rate used to calculate the corresponding deferred tax. The more relevant impacts are the increase of the deferred tax credit relating to the fair value measurement of the investment properties in the amount of approximately, 13.2 million Euro, that was recorded as an expense in profit and loss statement.

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 September 2010 and 31 December 2009, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	30 September 2010			31 December 2009		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2004	311,930	77,983	2010	171,630	42,907	2010
Generated in 2005	297,248	74,312	2011	1,454,441	363,610	2011
Generated in 2006	535,223	133,806	2012	1,953,506	488,376	2012
Generated in 2007	125,017	31,254	2013	15,775,143	3,943,786	2013
Generated in 2008	4,106,186	1,026,547	2014	4,136,674	1,034,169	2014
Generated in 2009	50,166,489	12,541,621	2015	50,067,344	12,516,838	2015
Generated in 2010	38,939,628	9,734,907	2014	-	-	
	<u>94,481,721</u>	<u>23,620,430</u>		<u>73,558,738</u>	<u>18,389,686</u>	
Without limited time use	7,577,467	2,078,357		18,581,710	5,096,472	
With a time limit different from the above mentioned	286,083,879	85,745,250		236,619,705	70,878,651	
	<u>293,661,346</u>	<u>87,823,607</u>		<u>255,201,415</u>	<u>75,975,123</u>	
	<u>388,143,067</u>	<u>111,444,037</u>		<u>328,760,153</u>	<u>94,364,809</u>	





As at 30 September 2010 and 31 December 2009, 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.

As at 30 September 2010 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 September 2010			31 December 2009		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2004	15,727,054	3,931,764	2010	7,026,627	1,756,656	2010
Generated in 2005	46,525,432	11,631,358	2011	46,474,629	11,618,658	2011
Generated in 2006	61,760,293	15,440,072	2012	60,520,774	15,130,192	2012
Generated in 2007	61,029,781	15,257,446	2013	60,518,585	15,129,647	2013
Generated in 2008	12,870,593	3,217,649	2014	13,091,128	3,272,783	2014
Generated in 2009	12,145,037	3,036,285	2015	12,670,496	3,167,650	2015
Generated in 2010	12,078,779	3,019,788	2014			
	<u>222,136,969</u>	<u>55,534,362</u>		<u>200,302,239</u>	<u>50,075,586</u>	
Without limited time use	48,426,857	12,016,876		38,617,859	10,737,954	
With a time limit different from the above mentioned	329,729,024	84,627,501		400,098,533	102,943,995	
	<u>378,155,881</u>	<u>96,644,377</u>		<u>438,716,392</u>	<u>113,681,949</u>	
	<u>600,292,850</u>	<u>152,178,739</u>		<u>639,018,631</u>	<u>163,757,535</u>	

## 17 CASH AND CASH EQUIVALENTS

As at 30 September 2010 and 31 December 2009, Cash and cash equivalents can be detailed as follows:

	30 September 2010	31 December 2009
Cash at hand	6,716,679	6,412,073
Bank deposits	81,412,393	140,227,780
Treasury applications	46,233,203	25,590,018
Cash and cash equivalents on the balance sheet	<u>134,362,275</u>	<u>172,229,871</u>
Bank overdrafts (Note 20)	<u>(15,274,635)</u>	<u>(23,763,618)</u>
Cash and cash equivalents on the statement of cash flows	<u>119,087,640</u>	<u>148,466,253</u>

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

## 18 SHARE CAPITAL

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As at 30 September 2010, 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 and 10 March 2010 Sonae Investments BV requested a partial cancellation of the Cash settled Equity Swap for 1,134,965 and 1,185,144 shares Sonae Holding respectively, passing the derivative financial instrument to 130,479,891 shares Sonae Holding.

Consequently, and in relation with this operation the full liability amount can be detailed as follows at 30 September 2010: market value of Sonae SGPS, SA shares amounting to 106,080,151 euro and market value of Sonae Capital SGPS, SA shares amounting to 7,304,000 euro, after the conversion of rights occurred on 28 January 2008.

On 19 October 2010 Sonae Investments BV has agreed with a financial institution to extend the settlement date of the Cash Settled Equity Swap involving the above mentioned Sonae Holding shares. This renewal is made by a maximum period of 3 years. The liability was transferred to non-current liabilities at 30 September 2010.

These liabilities are adjusted at the end of each month by the effect in Sonae Holding or Sonae Capital, SGPS, S.A. share price, as applicable, being recognized 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 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.

At 30 September 2010, 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 September 2010 and 2009 are as follows:

	30 September 2010	30 September 2009
Opening balance as at 1 January	477,968,755	411,549,101
Dividends	(1,752,069)	(4,169)
Exchange rate effect	1,655,818	2,592,216
Acquisition of subsidiaries	(2,757,465)	60,659,788
Increase of capital and premium on subsidiaries	15,287,888	-
Increased shareholding by acquisitions	(877,017)	-
Decreased shareholding by disposals	-	(16,237,539)
Changes in hedge and fair value reserves	(1,835,790)	(2,034,119)
Others	(282,988)	2,379,698
Profit for the period attributable to non controlling interests	18,821,341	(23,549,377)
Closing balance	506,228,473	435,355,599

## 20 LOANS

As at 30 September 2010 and 31 December 2009, Loans are made up as follows:

	30 September 2010			31 December 2009		
	Amount limit	Outstanding amount		Amount limit	Outstanding amount	
		Current	Non Current		Current	Non Current
<b>Bank loans</b>						
Sonae, SGPS, SA - commercial paper	350,000,000	21,150,000	-	350,000,000	24,950,000	-
Sonae Investimentos, SGPS, S.A. - commercial paper	682,500,000	-	445,000,000	692,500,000	-	271,000,000
a)b) Sonae Sierra affiliated companies	1,078,597,659	14,823,348	385,353,027	470,086,920	16,621,638	385,383,442
a)b)c) Sonae Sierra affiliated companies	387,453,160	38,131,148	345,488,532	442,830,796	61,288,733	377,516,488
a)b)d) Sonae Sierra affiliated companies	-	-	-	11,179,526	-	11,179,526
a) Sonae Sierra affiliated companies	5,352,722	2,693,875	2,658,847	12,185,116	8,179,211	3,435,116
Sonae Sierra SGPS, SA	93,920,000	15,544,526	-	49,460,000	18,585,252	-
Sonaecom SGPS, SA commercial paper	237,500,000	21,500,000	119,500,000	320,000,000	55,000,000	150,000,000
Sonaecom SGPS, SA	26,500,000	-	-	26,500,000	3,500,000	-
Continente Hipermercados SA - commercial paper	30,000,000	-	-	30,000,000	-	-
MDS, SGPS, SA - commercial paper	10,000,000	-	10,000,000	-	-	-
Others		5,505,686	11,952,206		21,887,012	15,374,356
		119,348,583	1,319,952,612		210,011,846	1,213,888,928
Bank overdrafts (Note 17)		15,274,635	-		23,763,618	-
Up-front fees beard with the issuance of borrowings		(712,054)	(4,642,854)		(808,536)	(5,564,118)
<b>Bank loans</b>		133,911,164	1,315,309,758		232,966,928	1,208,324,810
<b>Bonds</b>						
Bonds Sonae / 05		-	100,000,000		-	100,000,000
Bonds Sonae 2006/2011		-	-		-	250,000,000
Bonds Sonae 2007/2014		-	150,000,000		-	150,000,000
Bonds Sonae 2007/2015		-	250,000,000		-	-
Bonds Modelo Continente / 2003		-	82,000,000		-	82,000,000
Bonds Modelo Continente / 2005 / 2010		-	-		64,925,000	-
Bonds Modelo Continente / 2005 / 2012		-	150,000,000		-	150,000,000
Bonds Modelo Continente / 2007 / 2012		-	200,000,000		-	200,000,000
Bonds Sonae Distribuição / 2007 / 2015		-	200,000,000		-	200,000,000
Bonds Sonae Distribuição / 2007 / 2015		-	310,000,000		-	310,000,000
Bonds Sonae Distribuição / 2009 / 2014		-	50,000,000		-	50,000,000
Bonds Sonaecom / 2005		-	150,000,000		-	150,000,000
Bonds Sonaecom / 2010		-	30,000,000		-	-
Bonds Sonaecom / 2010		-	40,000,000		-	-
Bonds Sonae Sierra 2008/2013		-	37,500,000		-	37,500,000
Up-front fees beard with the issuance of borrowings		(54,199)	(8,699,316)		(76,340)	(8,365,778)
<b>Bonds</b>		(54,199)	1,740,800,684		64,848,660	1,671,134,222
<b>Other loans</b>		36,230	555,705		33,466	586,519
Derivative instruments (Note 21)		7,935,208	42,304,231		7,902,322	34,584,190
<b>Other loans</b>		7,971,438	42,859,936		7,935,788	35,170,709
<b>Obligations under finance leases</b>		5,174,247	27,387,992		7,803,032	29,357,393
		147,002,650	3,126,358,370		313,554,408	2,943,987,134

- 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.

The interest rate as at 30 September 2010 of bonds and loans were in average 1.92% (1.72% 31 December 2009).



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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).

All loans with financial covenants were analyzed at the balance sheet date and in situations where they were breached, the corresponding debt was reclassified to current liabilities. These situations have occurred in the case of borrowing by Zubiarte, Gli Orsi and River Plaza, subsidiaries of the segment of shopping centres, amounting to 7,200,000 euro. Negotiations are underway with the correspondent banks to obtain a debt rescheduling.

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

	<u>30 September 2010</u>	<u>31 December 2009</u>
N+1 a)	139,833,695	306,536,962
N+2	616,784,245	369,170,365
N+3	583,636,070	561,016,180
N+4	661,543,249	549,823,566
N+5	792,186,139	492,562,407
After N+5	<u>443,246,606</u>	<u>950,760,322</u>
	<u>3,237,230,004</u>	<u>3,229,869,802</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

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### 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 September 2010, 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 of 1,366,901 euro included in liabilities (79,039 euro as of 31 December 2009) and 169 euro on the caption current investments (365,121 euro as at 31 December 2009).

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.

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".

### Interest rate derivatives

As at 30 September 2010, 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 1,071,388,634 euro (948,629,817 euro as at 31 December 2009). The fair value of these derivatives amounts to - 48,771,635 euro (-42,394,481 euro as at 31 December 2009), and is disclosed as assets amounting to 100,903 euro (12,991 euro as at 31 December 2009) and as liabilities 48,872,539 euro (42,407,473 euro as at 31 de December de 2009).

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These 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 September 2010 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 September 2010	31 December 2009	30 September 2010	31 December 2009
Derivatives not qualified as hedging				
Exchange rate (Note 13)	169	365,121	1,366,901	79,039
Interest rate	-	-	-	-
Hedging derivatives				
Exchange rate	-	-	2,456,003	-
Interest rate (Note 14)	100,903	12,991	46,416,535	42,407,473
Interest and exchange rate	-	-	-	-
Other derivatives (Note 20)	-	-	-	-
	<u>101,072</u>	<u>378,112</u>	<u>50,239,439</u>	<u>42,486,512</u>

## 22 OTHER NON - CURRENT LIABILITIES

As at 30 September 2010 and 31 December 2009, "Other non-current liabilities" is detailed as follows:

	30 September 2010	31 December 2009
Shareholders loans	39,633,147	47,276,787
Fixed assets suppliers	1,579,052	2,440,330
"Iniciativas E" program	8,560,795	32,923,892
Other non-current liabilities	140,281,792	156,470,214
Accruals and deferrals	1,160,145	1,156,180
Other non-current liabilities	<u>191,214,931</u>	<u>240,267,403</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.



## 23 SHARE-BASED PAYMENTS

In 2010 and in previous years, Sonae granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost, three years after they were attributed to the employee, or based on share options with the exercise price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

In 2009, Sonae changed the way of liquidation of its share-based programmes, which were traditionally settled in cash, to an equity based settlement, in what concerns to Sonae Holding programmes. As at 30 September 2010, these plans are recognized in the captions "other reserves" and "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 September 2010 and 31 December 2009, 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 September 2010	31 December 2009
<b>Shares</b>					
	2007	2010	464	-	4,554,430
	2008	2011	461	6,089,618	5,703,916
	2009	2012	485	7,625,245	7,568,676
	2010	2013	455	3,947,291	-
<b>Total</b>				<u>17,662,154</u>	<u>17,827,022</u>

As at 30 September 2010 and 31 December 2009 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 September 2010	31 December 2009
Staff costs	4,378,770	7,588,472
Recorded in previous years	7,084,739	3,678,193
	<u>11,463,509</u>	<u>11,266,665</u>
Recorded in other liabilities	2,272,173	7,050,164
Recorded value in Other reserves	9,191,336	4,216,501
	<u>11,463,509</u>	<u>11,266,665</u>

## 24 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2010 and 31 December 2009, Trade creditors and other current liabilities were made up as follows:

	30 September 2010	31 December 2009
Trade creditors	1,052,697,876	1,220,401,450
Taxes payable	72,145,317	86,627,709
Other creditors		
Fixed asset suppliers	65,413,181	125,829,938
Related undertakings	19,851,478	5,527,840
Other debts	100,144,546	123,496,868
	<u>185,409,205</u>	<u>254,854,646</u>
Other current liabilities		
Property investments accruals	7,322,739	11,315,293
Fixed assets accrued costs	11,453,179	14,472,472
Holiday pay and bonuses	135,948,888	124,087,431
Interests payable	15,216,340	14,528,300
Invoices to be issued	42,042,851	42,253,540
Commissions	6,613,496	6,049,967
Marketing expenses	17,767,394	22,938,341
Information society	34,182,855	55,426,396
Other external supplies and services	54,805,660	49,901,884
Accrued income - trade debtors	29,298,279	31,257,499
Accrued income - rents	4,728,484	4,929,704
Others	55,305,028	33,991,215
	<u>414,685,194</u>	<u>411,152,042</u>
	<u>1,724,937,592</u>	<u>1,973,035,847</u>

## 25 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the nine months period ended 30 September 2010 and 2009 were as follows:

Caption	Balance as at 31 December 2009	Increase	Decrease	Balance as at 30 September 2010
Accumulated impairment losses on investments (Note 13)	67,925	535	(36,703)	31,757
Accumulated impairment losses on other non-current assets (Note 14)	141,988	-	-	141,988
Accumulated impairment losses on trade account receivables and other debtors (Note 15)	103,988,411	17,404,051	(15,545,579)	105,846,883
Accumulated impairment losses on inventories	31,644,772	7,042,754	(3,932,316)	34,755,210
Non-current provisions	50,607,367	7,905,526	(441,944)	58,070,949
Current provisions	2,617,751	270,708	(800,022)	2,088,437
	<u>189,068,214</u>	<u>32,623,574</u>	<u>(20,756,564)</u>	<u>200,935,224</u>



Caption	Balance as at 31 December 2008	Increase	Decrease	Balance as at 30 September 2009
Accumulated impairment losses on investments (Note 13)	13,157	-	-	13,157
Accumulated impairment losses on other non-current assets	291,571	10,542	-	302,113
Accumulated impairment losses on trade account receivables and other debtors	109,583,183	19,644,269	(18,187,462)	111,039,990
Accumulated impairment losses on inventories	29,783,714	8,680,788	(4,895,955)	33,568,547
Non-current provisions	57,086,975	10,118,829	(3,740,882)	63,464,922
Current provisions	2,369,154	73,599	(645,576)	1,797,177
	<u>199,127,754</u>	<u>38,528,027</u>	<u>(27,469,875)</u>	<u>210,185,906</u>

As at 30 September 2010 and 2009 and 31 December 2009, Provisions can be analysed as follows:

	30 September 2010	31 December 2009
Technical provisions on reinsurance	11,029,375	9,118,524
Future liabilities relating to subsidiaries of retail sold in Brazil	5,896,946	5,447,923
Dismantling of telecommunication sites	22,637,701	22,208,721
Judicial claims	9,340,349	9,133,101
Others	11,255,015	7,316,849
	<u>60,159,386</u>	<u>53,225,118</u>

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

## 26 CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2010 and 31 December 2009, major contingent liabilities were guarantees given and can be detailed as follows:

	30 September 2010	31 December 2009
Guarantees given:		
on tax claims	260,176,202	266,974,945
on judicial claims	575,115	659,048
on municipal claims	7,500,105	8,998,481
others	43,631,781	42,776,282

The heading "Others" includes the following guarantees:

- 6,931,673 euro (9,250,883 euro as at 31 December 2009) to guarantee part of the debt of Sonae Sierra affiliates related with the purchase, sale and exchange of land.

In 2009, one of the retail subsidiaries has granted a guarantee in favour of tax administration associated with a process for VAT amounting to 30,260,721 euro of the year 2004, which was presented their impugnation.

The shareholder of the subsidiary referred to above, has granted a guarantee amounting to 46,893,361 euro in order to ensure an additional payment of VAT, related to the year of 2005. Sonae will present the relevant appeal and believes, based on the opinion of their tax advisers the sentence will be favourable to the company.

Additionally to the guarantees referred above, were granted:

-by Sonae SGPS, S.A. two guarantees in favour of Sonae Investments SGPS, S.A. and Sonaecom SGPS amounting to EUR 69,366,699 for suspension of tax claims;

-by Sonaecom SGPS, S.A. a guarantee in favour of its subsidiary Optimus for ongoing tax processes up to the amount of EUR 6,935,848.

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Guarantees given on tax claims include a guarantee granted by a company of the Retail segment in Brazil, of approximately 31,929,437 euro (74,078,783 Brazilian real), which is being judged by tax courts (72,755,267 Brazilian real as at 31 December 2009).

As a consequence of the sale of a subsidiary company in Brazil, Sonae guaranteed the buyer all the losses incurred by that company arising on unfavourable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2009, the amount claimed by the Brazilian Tax Authorities concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, amount to near 40 million euro, including processes paid under recovery program Brazilian State taxes ("REFIS") in the amount of 23 million euro.

Furthermore, there are other tax lawsuits totalling 45 million euro (42 million euro as at 31 December 2009) for which the Board of Directors, based on the lawyers' assessment, understands will not imply future losses to the old subsidiary referred above.

## 27 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Parent Company	123,793	107,627	-	-
Jointly controlled companies	8,474,770	7,841,888	13,969,450	12,734,064
Associated companies	28,857,384	27,326,567	1,272,603	1,390,419
Other partners and Group companies	51,250,353	47,276,418	25,468,854	29,859,017
	<u>88,706,300</u>	<u>82,552,500</u>	<u>40,710,907</u>	<u>43,983,500</u>

Transactions	Interest income		Interest expenses	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Parent Company	-	-	-	-
Jointly controlled companies	-	116,515	3,173	6,528
Associated companies	49	-	-	-
Other partners and Group companies	67,068	58,422	146,871	445,344
	<u>67,117</u>	<u>174,937</u>	<u>150,044</u>	<u>451,872</u>

Balances	Accounts receivable		Accounts payable	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Parent Company	81,615	42,212	-	-
Jointly controlled companies	4,068,396	2,633,332	4,311,345	5,803,997
Associated companies	26,602,112	2,044,450	15,529,557	1,655,097
Other partners and Group companies	18,797,964	18,353,791	13,571,679	14,523,536
	<u>49,550,087</u>	<u>23,073,785</u>	<u>33,412,581</u>	<u>21,982,630</u>

Balances	Loans			
	Obtained		Granted	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Parent Company	-	-	-	-
Jointly controlled companies	-	-	446,254	1,214,522
Associated companies	-	-	-	-
Other partners and Group companies	11,154,628	41,740,399	248,393	-
	<u>11,154,628</u>	<u>41,740,399</u>	<u>694,647</u>	<u>1,214,522</u>

The caption "Other partners in Group companies" includes Sonae Industria, 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

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As at 30 September 2010 and 2009, income tax is detailed as follows:

	<u>30 September 2010</u>	<u>30 September 2009</u>
Current tax	37,245,303	21,300,190
Deferred tax	26,828,126	(23,485,379)
	<u>64,073,429</u>	<u>(2,185,189)</u>

## 29 RECONCILIATION OF CONSOLIDATED NET PROFIT

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As at 30 September 2010 and 2009, the reconciliation of consolidated net profit can be analysed as follows:

	<u>30 September 2010</u>	<u>30 September 2009</u>
Aggregate net profit	675,691,911	151,139,287
Proportionate method	(97,211,783)	28,784,526
Harmonisation adjustments	(7,429,802)	(47,956,906)
Elimination of intragroup dividends	(133,522,400)	(166,520,780)
Elimination of intragroup capital gains and losses	(61,487,809)	1,524,499
Elimination of intragroup provisions	(268,466,323)	7,500,000
Consolidation adjustments to gains/(losses) on sales of investments	6,058,657	26,777,993
Others	3,041,763	7,031,551
Consolidated net profit for the period	<u>116,674,214</u>	<u>8,280,170</u>

### 30 EARNINGS PER SHARE

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

	30 September 2010	30 September 2009
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	97,852,873	31,829,547
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	97,852,873	31,829,547
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	1,869,520,109	1,867,636,525
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with share based payments	12,050,889	-
Shares related to performance bonus that can be bought at market price	(5,101,577)	-
Weighted average number of shares used to calculate diluted earnings per share	1,876,469,421	1,867,636,525
<b>Earnings per share</b>		
Basic	0.052341	0.017043
Diluted	0.052147	0.017043

### 31 DIVIDENDS

In the Shareholders Annual General Meeting held on 27 April 2010, the payment of a gross dividend of 0.0315 euro per share (0.03 euro per share in 2009) corresponding to a total of 63,000,000 euro (60,000,000 euro in 2009) was approved.

### 32 SEGMENT INFORMATION

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

- Food based retail
- Specialised retail
- Retail real estate
- Shopping Centres
- Telecommunications
- Investment Management





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The amounts reported below, are calculated, when applicable, excluding contributions to indirect income as explained in Note 34.

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

	30 September 2010	Inter-segment	30 September 2009	Inter-segment
<b>Turnover</b>				
Food based retail	2,449,257,147	(4,751,733)	2,336,478,416	(3,315,295)
Ex-Fuel	2,374,671,086	(4,751,733)	2,238,061,503	(3,515,295)
Fuel	74,586,061	-	98,416,913	-
Specialised retail	869,761,764	-	756,305,029	-
Retail real estate	95,228,485	(89,061,687)	91,026,112	(85,771,946)
Shopping centres	142,655,891	(9,891,646)	133,299,827	(9,689,574)
Telecommunications	684,127,676	(14,882,131)	716,588,980	(18,573,349)
Investment management	158,766,511	(501,548)	146,990,259	(119,334)
Eliminations and adjustments	(114,125,077)	(870,214)	(114,547,789)	(2,744,726)
<b>Total direct consolidated</b>	<b>4,285,672,397</b>	<b>(119,958,959)</b>	<b>4,066,140,834</b>	<b>(120,414,224)</b>
<b>Operational cash-flow (EBITDA)</b>				
Food based retail	149,034,592		119,933,083	
Specialised retail	16,238,480		10,796,060	
Retail real estate	97,047,664		84,852,017	
Shopping centres	69,459,299		63,235,519	
Telecommunications	148,988,549		136,526,284	
Investment management	3,654,418		31,226,232	
Eliminations and adjustments	8,251,042		15,701,410	
<b>Total direct consolidated</b>	<b>492,674,044</b>		<b>462,270,605</b>	
<b>Operational profit/(loss) (EBIT)</b>				
Food based retail	89,901,154		64,982,912	
Specialised retail	(15,983,043)		(14,911,060)	
Retail real estate	72,998,732		65,113,244	
Shopping centres	67,070,131		60,898,134	
Telecommunications	50,798,688		17,698,295	
Investment management	(1,811,199)		27,541,903	
Eliminations and adjustments	(2,775,377)		2,447,719	
<b>Total direct consolidated</b>	<b>260,199,086</b>		<b>223,771,147</b>	
<b>Investment (CAPEX)</b>				
	30 September 2010		30 September 2009	
Food based retail	57,737,134		95,795,796	
Specialised retail	59,359,223		72,167,062	
Retail real estate	17,762,053		77,833,064	
Shopping centres	40,870,471		74,069,927	
Telecommunications	87,522,758		103,338,430	
Investment management	13,091,036		32,359,345	
Eliminations and adjustments (1)	1,825,830		6,440,743	
<b>Total consolidated</b>	<b>278,168,505</b>		<b>462,004,367</b>	



	30 September 2010	31 December 2009
<b>Invested capital</b>		
Food based retail	592,881,257	483,969,819
Specialised retail	393,134,586	249,684,220
Retail real estate	1,460,740,058	1,523,249,390
Shopping centres	1,582,754,281	1,660,873,322
Telecommunications	771,710,617	751,867,339
Investment management	154,372,003	150,752,432
Eliminations and adjustments (1)	(56,507,595)	(38,989,061)
<b>Total consolidated</b>	<b>4,899,085,207</b>	<b>4,781,407,461</b>
<b>Total net debt (2)</b>		
Retail businesses	1,355,795,091	1,188,231,638
Shopping centres	841,809,521	926,594,447
Telecommunications	353,877,260	375,961,568
Investment management	73,593,531	93,490,195
Holding (1)	510,535,565	495,839,007
<b>Total consolidated</b>	<b>3,135,610,968</b>	<b>3,080,116,855</b>

(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 September 2010	30 September 2009	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Inter-segment income	(119,958,959)	(120,414,224)	(866,428)	561	(1,526,324)	557
Adjustment on telecommunications provisions (1)	-	-	4,456,633	13,625,971	-	-
Others	5,833,882	5,866,435	4,660,837	2,074,878	(1,249,053)	2,447,162
<b>Eliminations and adjustments</b>	<b>(114,125,077)</b>	<b>(114,547,789)</b>	<b>8,251,042</b>	<b>15,701,410</b>	<b>(2,775,377)</b>	<b>2,447,719</b>

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

(2) Amounts offset with turnover for management purposes.

	Investment		Invested capital	
	30 September 2010	30 September 2009	30 September 2010	31 December 2009
Inter-segment balances	-	3,946,139	52,487,224	94,303,349
Cash settled equity swap (3)	-	-	(119,860,307)	(132,711,536)
Others	1,825,830	2,494,604	10,865,488	(580,874)
<b>Eliminations and adjustments</b>	<b>1,825,830</b>	<b>6,440,743</b>	<b>(56,507,595)</b>	<b>(38,989,061)</b>

(3) 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;

EBITDA = Turnover + Investment income + other income – dividends- negative goodwill -impairment reversion - operating costs;



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

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

Direct income - excludes contributions to indirect income;

Indirect Income - includes the Shopping Centre 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.

### 33 COMMITMENTS WITH "INFORMATION SOCIETY"

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Upon being given the UMTS Licence, Optimus (now Sonaecom – Serviços de Comunicações) assumed commitments in the area of promotion of the Information Society, totalling 274 million euro, to be complied with up to the end of the licence period (2015).

In accordance with the Agreement established on 5 June 2007 with the Ministry of Public Works, Transport and Communications ("MOPTC"), part of these commitments, up to 159 million euro will be realised through own projects which qualify as contributions to the Information Society and incurred under the normal activities of Sonaecom – Serviços de Comunicações, S.A. (investment in the network and technology not resulting from the need to comply with the obligations assumed when the UMTS Licence was granted, and activities relating to research, development and promotion of services, contents and applications) which must be recognised by the MOPTC and by entities created especially for that purpose. At 30 September 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 realised as agreed between Sonaecom- Serviços de Comunicações and MOPTC, through contributions to the "Iniciativas E" project (offer of modems, discounts on tariffs, cash contributions, among others, relating to the widespread use of broadband internet by students and teachers), the contributions being made through an Open fund called Information Society Fund (Fundo para a Sociedade de Informação), created by the three mobile operators operating in Portugal. The total responsibility is recognized like an additional cost of the license UMTS, by offset of the caption "Other non-current liabilities" and "Other current liabilities". In this way, as of 30 September 2010, the totality of the responsibilities with such commitments find itself fully registered in the consolidated financial statements attached.

### 34 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

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In the Management Report, and for the purposes of calculating financial indicators as EBITDA, EBIT 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 values of the EBITDA and EBIT is calculated only in the Direct Income, excluding the indirect contributions.

The reconciliation between consolidated income and direct/indirect income for the nine month periods ended 30 September 2010 and 2009 can be summarised as follows:

	30 September 2010			30 September 2009		
	Consolidated	Indirect income	Direct income	Consolidated	Indirect income	Direct income
Operational income						
Sales	3,422,308,853	-	3,422,308,853	3,232,267,508	-	3,232,267,508
Services rendered	863,363,543	-	863,363,543	833,873,326	-	833,873,326
Value created on investment properties	3,391,846	3,391,846	-	(112,829,032)	(112,829,032)	-
Investment income	-	-	-	-	-	-
Dividends	405,263	-	405,263	383,314	-	383,314
Other	5,485,440	(949,478)	6,434,918	34,120,355	875,468	33,244,887
Other income						
Badwill	-	-	-	90,051	-	90,051
Reversion of impairment losses	3,762,961	-	3,762,961	1,885,593	-	1,885,593
Other	313,949,587	-	313,949,587	295,653,386	-	295,653,386
Total income	4,612,667,493	2,442,368	4,610,225,125	4,285,444,501	(111,953,564)	4,397,398,065
Total cost (a)	4,353,297,240	3,676,463	4,349,620,777	4,177,319,794	4,076,191	4,173,243,603
Depreciation and amortisation	217,960,920	-	217,960,920	221,370,993	-	221,370,993
Provisions and impairment losses	25,080,145	2,603,500	22,476,645	20,316,978	1,212,869	19,104,109
Profit before financial results and share of results of associated	259,370,253	(1,234,095)	260,604,348	108,124,707	(116,029,755)	224,154,462
Financial profit/(loss)	(77,819,192)	-	(77,819,192)	(98,173,660)	-	(98,173,660)
Share of results of associated undertakings	(803,418)	(776,017)	(27,401)	(3,856,066)	(5,877,327)	2,021,261
Profit before income tax	180,747,643	(2,010,112)	182,757,755	6,094,981	(121,907,082)	128,002,063
Income tax	(64,073,429)	(22,126,027)	(41,947,402)	2,185,189	21,696,074	(19,510,885)
Net profit for the period	116,674,214	(24,136,139)	140,810,353	8,280,170	(100,211,007)	108,491,177
- attributable to equity holders of Sonae	97,852,873	(14,811,429)	112,664,302	31,829,547	(64,132,971)	95,962,518
- attributable to non controlling interests	18,821,341	(9,324,710)	28,146,051	(23,549,377)	(36,078,036)	12,528,659
Operational cash-flow (EBITDA) (b)			492,674,044			462,270,606

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

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

## 35 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 16 November 2010.



The Board of Directors

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Belmiro Mendes de Azevedo

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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 Trigo Jordão



**Condensed individual  
financial statements**



## SONAE, SGPS, SA

CONDENSED INDIVIDUAL BALANCE SHEETS AS AT 30 SEPTEMBER 2010 AND 2009  
AND AS AT 31 DECEMBER 2009(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.September.2010	30.September.2009	31.December.2009
<b>NON-CURRENT ASSETS:</b>				
Tangible assets		242,802	294,386	265,384
Intangible assets		1,192	6,494	5,776
Investments in affiliated companies	4	3,019,380,722	2,997,698,363	2,991,917,733
Other investments	5	61,767,380	83,859,880	77,489,880
Other non-current assets	6	553,578,871	537,984,585	543,934,785
<b>Total Non-Current Assets</b>		<b>3,634,970,967</b>	<b>3,619,843,708</b>	<b>3,613,613,558</b>
<b>CURRENT ASSETS:</b>				
Trade accounts receivable and other current assets	7	4,487,563	44,930,623	11,693,493
Cash and cash equivalents	8	81,982	191,677	2,769,998
<b>Total Current Assets</b>		<b>4,569,545</b>	<b>45,122,300</b>	<b>14,463,491</b>
<b>TOTAL ASSETS</b>		<b>3,639,540,512</b>	<b>3,664,966,008</b>	<b>3,628,077,049</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,032,798,538	1,002,145,486	996,333,036
Profit for the period		64,946,032	92,328,887	91,729,048
<b>TOTAL EQUITY</b>		<b>3,097,744,570</b>	<b>3,094,474,373</b>	<b>3,088,062,084</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	10	514,018,887	511,470,264	510,456,528
<b>Total Non-Current Liabilities</b>		<b>514,018,887</b>	<b>511,470,264</b>	<b>510,456,528</b>
<b>CURRENT LIABILITIES:</b>				
Loans	10	21,298,859	51,952,400	24,950,000
Trade creditors and other current liabilities	11	6,478,196	7,068,971	4,608,437
<b>Total Current Liabilities</b>		<b>27,777,055</b>	<b>59,021,371</b>	<b>29,558,437</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,639,540,512</b>	<b>3,664,966,008</b>	<b>3,628,077,049</b>

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 SEPTEMBER 2010 AND 2009

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

(Amounts expressed in euro)

	Notes	3 <sup>th</sup> Quarter 2010	3 <sup>th</sup> Quarter 2009	30.September.2010	30.September.2009
Services rendered		262,500	560,425	262,500	2,718,242
Investment income	14	-	1,464,872	71,616,617	94,981,321
Financial income		3,951,583	4,610,726	11,966,199	20,753,476
Other income		102,663	14,126	640,503	24,748
External supplies and services		(640,975)	(928,197)	(2,050,164)	(2,304,299)
Staff costs		(520,370)	(1,425,897)	(1,615,728)	(3,680,881)
Depreciation and amortisation		(10,276)	(15,142)	(35,925)	(43,691)
Financial expenses		(5,512,976)	(4,965,936)	(15,251,332)	(19,948,269)
Other expenses		(43,885)	(49,886)	(586,638)	(180,408)
Profit/(Loss) before taxation		(2,411,736)	(734,909)	64,946,032	92,320,239
Taxation		-	-	-	8,648
Profit/(Loss) after taxation		(2,411,736)	(734,909)	64,946,032	92,328,887
Profit/(Loss) per share					
Basic	15	(0.001206)	(0.000367)	0.032473	0.046164
Diluted	15	(0.001205)	(0.000367)	0.032461	0.046164

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 SEPTEMBER 2010 AND 2009

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

*(Amounts expressed in euro)*

	3th Quarter 2010	3th Quarter 2009	30.September.2010	30.September.2009
Net Profit / (Loss) for the period	(2,411,736)	(734,909)	64,946,032	92,328,887
Changes on fair value of available-for-sale financial assets	1,676,327	(2,052,861)	12,026,107	(85,495,843)
Changes in hedge and fair value reserves	855,717	(1,515,582)	(4,566,166)	(7,474,159)
Other comprehensive income for the period	2,532,044	(3,568,443)	7,459,941	(92,970,002)
Total comprehensive income for the period	120,308	(4,303,352)	72,405,973	(641,115)

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 SEPTEMBER 2010 AND 2009

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

*(Amounts expressed in euro)*

	Share Capital	Own Shares	Reserves and Retained Earnings				Total Reserves and Retained Earnings	Net Profit/(Loss)	Total
			Legal Reserve	Fair value Reserve	Hedging Reserve	Other Reserves and Retained Earnings			
Balance as at 1 January 2009	2,000,000,000	-	161,705,974	581,929,609	307,070	380,700,680	1,124,643,333	30,472,155	3,155,115,488
Total comprehensive income for the period	-	-	-	(85,495,843)	(7,474,159)	-	(92,970,002)	92,328,887	(641,115)
Appropriation of profit of 2008:									
Transfer to legal reserves and retained earnings	-	-	1,523,608	-	-	-	1,523,608	(1,523,608)	-
Dividends distributed	-	-	-	-	-	(31,051,453)	(31,051,453)	(28,948,547)	(60,000,000)
Purchase of own shares	-	696,429	-	-	-	-	-	-	696,429
Disposal / attribution of own shares to employees	-	(696,429)	-	-	-	-	-	-	(696,429)
Balance as at 30 September 2009	2,000,000,000	-	163,229,582	496,433,766	(7,167,089)	349,649,227	1,002,145,486	92,328,887	3,094,474,373
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	-	-	-	12,026,107	(4,566,166)	-	7,459,941	64,946,032	72,405,973
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	-	-	-	-	-	276,513	276,513	-	276,513
Balance as at 30 September 2010	2,000,000,000	-	167,816,034	500,930,644	(10,373,509)	374,425,369	1,032,798,538	64,946,032	3,097,744,570

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 SEPTEMBER 2010 AND 2009(Translation of the condensed financial statements originally issued in Portuguese.  
In case of discrepancy the Portuguese version prevails)*(Amounts expressed in euro)*

	Notes	3th Quarter 2010	3th Quarter 2009	30.September.2010	30.September.2009
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		(1,362,593)	(203,410)	(2,231,637)	(554,371)
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments		4,887,500	9,983,062	15,722,500	20,388,062
Tangible and intangible assets		80,795	-	659,186	10,123
Interest and similar income		6,832,685	11,624,028	14,593,577	38,345,983
Dividends		-	23,410,080	71,616,617	93,516,449
Loans granted		397,589,302	142,930,938	802,347,750	297,916,207
		409,390,282	187,948,108	904,939,630	450,176,824
Cash payments arising from:					
Investments		(142,877)	(1,922,959)	(142,877)	(2,461,627)
Tangible and intangible assets		(15,460)	(95,714)	(77,599)	(273,721)
Loans granted		(393,711,001)	(129,045,000)	(825,482,267)	(279,856,000)
		(393,869,338)	(131,063,673)	(825,702,743)	(282,591,348)
Net cash used in investment activities (2)		15,520,944	56,884,435	79,236,887	167,585,476
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		454,060,000	217,000,000	1,018,825,000	927,800,000
Disposal of own shares		-	-	-	637,113
		454,060,000	217,000,000	1,018,825,000	928,437,113
Cash payments arising from:					
Loans obtained		(465,885,000)	(274,600,000)	(1,022,350,000)	(1,014,850,000)
Interests and similar charges		(3,077,393)	(2,840,759)	(13,330,649)	(20,955,194)
Dividends		-	-	(62,986,476)	(59,986,491)
Purchase of own shares		-	-	-	(696,429)
		(468,962,393)	(277,440,759)	(1,098,667,125)	(1,096,488,114)
Net cash used in financing activities (3)		(14,902,393)	(60,440,759)	(79,842,125)	(168,051,001)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(744,042)	(3,759,734)	(2,836,875)	(1,019,896)
Cash and cash equivalents at the beginning of the period		677,165	3,149,011	2,769,998	409,173
Cash and cash equivalents at the end of the period 8		(66,877)	(610,723)	(66,877)	(610,723)

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 SEPTEMBER 2010

(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

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

### 2 BASIS OF PREPARATION

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

### 3 PRINCIPAL ACCOUNTING POLICIES

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The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2009.



#### 4 INVESTMENTS IN AFFILIATED COMPANIES

As at 30 September 2010 and 31 December 2009 the company held investments in the following affiliated companies:

Company	30.September.2010			
	% Held	Carrying amount	Acquisition cost	Fair Value Reserve
Sonae Investimentos SGPS, SA (a)	82.48%	1,690,800,661	1,326,729,831	364,070,830
Sonae Sierra SGPS, SA (b)	50.00%	626,707,350	490,113,339	136,594,011
Sonaecom, SGPS, SA	0.23%	1,187,527	921,724	265,803
MDS, SGPS, SA	46.92%	43,173,879	43,173,879	-
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		<u>3,019,380,722</u>	<u>2,606,950,078</u>	<u>500,930,644</u>

Company	31.December.2009			
	% Held	Carrying amount	Acquisition cost	Fair Value Reserve
Sonae Investimentos SGPS, SA (a)	82.48%	1,690,800,661	1,326,729,831	364,070,830
Sonae Sierra SGPS, SA (b)	50.00%	614,248,500	490,113,339	124,135,161
Sonaecom, SGPS, SA	0.23%	1,620,270	921,724	698,546
MDS, SGPS, SA	45.71%	27,879,874	27,879,874	-
Sontel BV	42.86%	191,341,400	191,341,400	-
Sonae Investments BV	100.00%	550,000,000	550,000,000	-
Others	-	4,527,028	4,527,028	-
Impairment		(88,500,000)	-	-
Total		<u>2,991,917,733</u>	<u>2,591,513,196</u>	<u>488,904,537</u>

- (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 September 2010 and 31 December 2009 other investments are as follows:

	30.September.2010	31.December.2009
Magma No. 1 Securitisation Notes	61,717,500	77,440,000
Others	49,880	49,880
Total	<u>61,767,380</u>	<u>77,489,880</u>

## 6 OTHER NON-CURRENT ASSETS

---

As at 30 September 2010 and 31 December 2009 other non-current assets are detailed as follows:

	<u>30.September.2010</u>	<u>31.December.2009</u>
Loans granted to group companies	553,578,871	543,934,785

## 7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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As at 30 September 2010 and 31 December 2009 trade accounts receivable and other current assets are detailed as follows:

	<u>30.September.2010</u>	<u>31.December.2009</u>
Trade accounts receivable	294	1,767,521
Group companies	-	7,078,238
Taxes and contributions receivable	688,624	1,387,264
Accrued income and prepayments	3,480,632	648,644
Others	<u>318,013</u>	<u>811,826</u>
Total	<u>4,487,563</u>	<u>11,693,493</u>

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

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As at 30 September 2010 and 31 December 2009 cash and cash equivalents are detailed as follows:

	<u>30.September.2010</u>	<u>31.December.2009</u>
Cash at hand	89	7,042
Bank deposits	<u>81,893</u>	<u>2,762,956</u>
Cash and cash equivalents on the balance sheet	<u>81,982</u>	<u>2,769,998</u>
Bank overdrafts	<u>(148,859)</u>	-
Cash and cash equivalents on the cash flow statement	<u>(66,877)</u>	<u>2,769,998</u>

## 9 SHARE CAPITAL

---

As at 30 September 2010 and 31 December 2009 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

## 10 LOANS

As at 30 September 2010 and 31 December 2009 this caption included the following loans:

	30.September.2010	31.December.2009
Nominal value of bonds	500,000,000	500,000,000
Up-front fees not yet charged to income statement	(3,061,645)	(1,761,923)
Bonds	496,938,355	498,238,077
Derivatives	17,080,532	12,218,451
Non-current loans	514,018,887	510,456,528
Commercial paper	21,150,000	24,950,000
Bank overdrafts	148,859	-
Current loans	21,298,859	24,950,000

### 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

On 16 April 2010, Sonae 2006/2011 bond loan of 250,000,000 euro was partially repaid in the amount of 220,000,000 euro. On 10 May 2010 proceeded to the early repayment of the remaining in the amount of 30,000,000.

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 September 2010 of the bonds and bank loan was, on average, 2.31% (1.67% as at 31 December 2009).

### Maturity of Borrowings

As at 30 September 2010 and 31 December 2009 the analysis of the maturity of loans is as follows:

	30.September.2010	31.December.2009
N+1	21,298,859	24,950,000
N+2	-	250,000,000
N+3	100,000,000	-
N+4	150,000,000	100,000,000
N+5	250,000,000	150,000,000

## 11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2010 and 31 December 2009, trade creditors and other current liabilities are detailed as follows:

	<u>30.September.2010</u>	<u>31.December.2009</u>
Trade creditors	916,868	985,568
Group companies	275,000	-
Taxes and contributions payable	33,438	349,693
Accrued expenses	5,163,614	3,108,281
Others	89,276	164,895
Total	<u>6,478,196</u>	<u>4,608,437</u>

## 12 CONTINGENT LIABILITIES

As at 30 September 2010 and 31 December 2009, contingent liabilities are detailed as follows:

	<u>30.September.2010</u>	<u>31.December.2009</u>
Guarantees given:		
on tax claims	307,664	216,835
on judicial claims	145,256	74,490
Guarantees given in favour of subsidiaries	69,629,364	256,137

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

## 13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	<u>30.September.2010</u>	<u>30.September.2009</u>
<b>Transactions</b>		
Group companies	534,355	2,520,749
Jointly controlled companies	150,000	-
Other partners in group companies	75,000	216,959
<b>Services rendered</b>	<u>759,355</u>	<u>2,737,708</u>
Group companies	914,772	481,655
Jointly controlled companies	31,783	63,023
Other partners in group companies	105,699	216,095
<b>Purchases and services obtained</b>	<u>1,052,254</u>	<u>760,773</u>
Group companies	9,698,909	15,932,455
<b>Interest income</b>	<u>9,698,909</u>	<u>15,932,455</u>
Group companies	331,063	-
<b>Interest expenses</b>	<u>331,063</u>	<u>-</u>
Group companies	57,960,737	70,106,369
Jointly controlled companies	13,655,880	23,410,080
<b>Dividend income (Note 14)</b>	<u>71,616,617</u>	<u>93,516,449</u>

	30.September.2010	31.December.2009
<b>Balance</b>		
Group companies	3,238,309	8,927,985
Jointly controlled companies	150,000	483,632
Other partners in group companies	79,056	133,710
<b>Accounts receivable</b>	<u>3,467,365</u>	<u>9,545,327</u>
Group companies	766,511	547,244
Jointly controlled companies	385	-
Other partners in group companies	14,244	106,775
<b>Accounts payable</b>	<u>781,140</u>	<u>654,019</u>
Group companies	553,578,871	544,374,785
<b>Loans granted (Note 18)</b>	<u>553,578,871</u>	<u>544,374,785</u>
Group companies	275,000	-
<b>Loans obtained (Note 18)</b>	<u>275,000</u>	<u>-</u>

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 September 2010 and 2009, investment income can be detailed as follows:

	30.September.2010	30.September.2009
Dividends	71,616,617	93,516,449
Gains / (losses) on sale investments	-	1,464,872
	<u>71,616,617</u>	<u>94,981,321</u>

The dividends mentioned above were distributed by the affiliates Sonae Investimentos, SGPS, SA (57,734,657 euro), Sonae Sierra, SGPS, SA (13,655,880 euro) and Sonaegest, SA (226,080 euro).

## 15 EARNINGS PER SHARE

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

	30.September.2010	30.September.2009
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	64,946,032	92,328,887
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>64,946,032</u>	<u>92,328,887</u>
<b>Number of shares</b>		
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	1,322,666	-
Number of shares that could be acquired at average market price	<u>(554,327)</u>	-
Weighted average number of shares used to calculate diluted earnings per share	<u>2,000,768,339</u>	<u>2,000,000,000</u>
<b>Profit/(Loss) per share</b>		
Basic	0.032473	0.046164
Diluted	<u>0.032461</u>	<u>0.046164</u>

## 16 DIVIDENDS

In the annual General Meeting held on 27 April 2010, were allocated a gross dividend of 0.0315 euro per share (0.03 euro per share in 2009), corresponding to a total of 63,000,000 euro (60,000,000 euro in 2009).

## 17 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 16 November 2010.

## 18 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 September 2010 shareholders' loan contracts were entered into with the following companies:

Sonaecenter Serviços, SA  
 Sonae Investments, BV  
 Sontel, BV

During the period ended 30 September 2010 short-term loan contracts were entered into with the following companies:

Sonaecom, SGPS, SA  
 Sonae Investimentos, SGPS, SA



As at 30 September 2010 amounts owed by affiliated undertakings can be summarized as follows:

<b>Companies</b>	<b>Closing Balance</b>
MDS, SGPS, SA	16,188,645
Sonae Investments, BV	500,969,959
Sonaecenter Serviços, SA	236,267
Sontel, BV	36,184,000
Total	<u>553,578,871</u>

As at 30 September 2010 amounts owed from affiliated undertakings can be summarized as follows:

<b>Companies</b>	<b>Closing Balance</b>
Sonaecenter Serviços, SA	275,000
Total	<u>275,000</u>

The Board of Directors

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Belmiro Mendes de Azevedo

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Álvaro Cuervo Garcia

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Bernd Bothe

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Christine Cross

---

Michel Marie Bon

---

José Neves Adelino



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Duarte Paulo Teixeira de Azevedo

---

Álvaro Carmona e Costa Portela

---

Ângelo Gabriel Ribeirinho dos Santos Paupério

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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 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](http://www.sonae.pt)

### Media and Investor Contacts

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

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