

**SONAE INVESTIMENTOS, SGPS, SA**

**Head Office: Rua João Mendonça, 529 – 4464-501 Senhora da Hora**

**Share Capital 1.000.000.000 Euro**

**Porto Commercial Registry and Fiscal Number 501 532 927**

**REPORT AND ACCOUNTS**

**30 June 2010**

## Management Report

## Management Report

### Sonae Investimentos – S.G.P.S., S.A.

Under the terms of the Law and Company Statutes, we hereby present Sonae Investimentos - S.G.P.S., S.A Management Report for the first semester of 2010.

#### 1 MAIN HIGHLIGHTS

---

During the course of the first six months of 2010, the consolidated turnover of Sonae Investimentos totalled 2.226 million Euro, which corresponds to an increase of 9% compared to the same period in the previous year. Of the overall amount realised in the first half of the year, circa 70 million Euro corresponds to petrol sales.

In the same period, the Company's operating cash-flow (EBITDA) reached 154 million Euro. This figure represents an increase of 27 million Euro in relation to the same period in 2009, or +21%, and reflects the strengthening of 0.7 percentage points in the operating profitability margin of the Company to 6.9%.

In terms of operating results (EBIT), the consolidated figure reached 75 million Euro in the period, which represents an increase of 15 million Euro compared to the first half of 2009.

During this period, Sonae Investimentos consolidated net result totalled 41 million Euro, 14 million Euro above the total realised in the first half of 2009. The Company's good performance once again confirms the progresses that were attained and the value of the defined strategy.

At the end of June, Sonae Investimentos detained an overall portfolio of 964 stores, corresponding to a sales area of 923.000 m<sup>2</sup>. At this time, the Company's store portfolio in Spain consisted of 56 units with 77.000 m<sup>2</sup> worth of sales area – corresponding to more than 8% of the overall referential.

During the first 6 months of 2010, the Company strengthened its presence in Portugal opening 23 units representing an additional 8.000 m<sup>2</sup> of sales area. In the Spanish market, the Company continued its strong pace of store openings, having inaugurated an additional 21.000 m<sup>2</sup> worth of sales area, corresponding to an increase of circa 40% compared to the referential of December 2009, divided amongst 18 new units.

The effort to modernise the existing store portfolio was not neglected, and in parallel the effort to develop the business support infrastructure was continued, with particular highlight to what concerns the logistics infrastructure. On the whole, during the first half of the year, the Company invested a total of circa 100 million Euro.

## 2 MAIN CORPORATE DEVELOPMENT HIGHLIGHTS

---

In the period under analysis, Sonae Investimentos concluded the first phase of the monetisation process planned for its retail real estate assets, involving assets valued at 45.4 million Euro. Two operations were structured in the scope of sale and leaseback, and generated capital gains of circa 10 million Euro. The transactions include:

The sale and leaseback of the Azambuja logistics platform to international investors. This transaction was carried out via the sale of the Azambuja logistics platform, and subsequent leasing of the property for an initial period of 20 years. The property was valued at 33.2 million Euro.

The sale of two Modelo stores valued at 12.2 million Euro, and subsequent leasing of the property for an initial period of 15 years.

These transactions were carried out in line with the strategy of freeing up invested capital, maintaining an adequate level of operating leeway.

## 3 CAPITAL STRUCTURE

---

On 30th June 2010, Sonae Investimentos consolidated net debt totalled 1.436 million Euro. This figure, which represents a decrease compared to the 1.535 million Euro reported at the end of the first half of 2009, is directly impacted by the capacity to generate cash-flow witnessed in the first half of the year, in addition to the completion of the aforementioned investments.

On the same date, Sonae Investimentos consolidated net capital employed totalled 2.457 million Euro. Thus, net debt corresponded to less than 60% of the referred referential of the period. At the end of June, the ratio between the net debt and the Company's shareholder's funds (corresponding to the gearing ratio) reached 1.4 times.

#### 4 OUTLOOK

---

Sonae Investimentos strategic guidelines privilege growth and the strengthening of the value proposition based on a continued investment in efficiency and innovation. This positioning, consistently adopted by the Company, has allowed for the combination of strong growth rhythms with strong profitability benchmarks, and once again will be at the basis of the Company's performance during the course of the next months.

Matosinhos, 25th August 2010

The Board of Directors,

---

Duarte Paulo Teixeira de Azevedo

---

Ângelo Gabriel Ribeirinho dos Santos Paupério

---

Nuno Manuel Moniz Trigoso Jordão

## Glossary

### **Turnover (t)**

sale of articles + services rendered.

### **Operating Cash-flow (EBITDA)**

turnover + gains or losses relative to investments + other income – negative consolidation differences– reversal of losses by impairment – operating costs

### **Operating results (EBIT)**

consolidated net profit for the period – income tax + profits/losses of associated companies – net financial expenses.

### **Net Investment**

increase in gross fixed assets (tangible and intangible) + changes in perimeter (as a result of acquisitions and disposals) + disposals in gross fixed assets (tangible and intangible) + increases in consolidation differences. To calculate the investment in acquisitions (measured by changes occurred in consolidation perimeter) the net accumulated amortizations were considered

### **Net debt**

current borrowings + noncurrent borrowings + financial leasing creditors – cash and cash equivalents – other current financial investments + borrowings from participating and/or participated companies – borrowings to participating and/or participated companies

### **Gearing**

ratio between net financial debt and the company's shareholder's funds

### **Net Capital Employed**

gross real estate assets + other gross real estate assets (including Goodwill) + amortisations and impairment losses + financial investments + working capital

STATEMENT UNDER THE TERMS OF ARTICLE 246, PARAGRAPH 1, C) OF THE PORTUGUESE  
SECURITIES CODE

---

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

Matosinhos, 25th August 2010

The Board of Directors,

---

Duarte Paulo Teixeira de Azevedo

---

Ângelo Gabriel Ribeirinho dos Santos Paupério

---

Nuno Manuel Moniz Trigoso Jordão

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

Date	Additions		Reductions		Balance as of 30.06.2010
	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
<b>Duarte Paulo Teixeira de Azevedo (*) (**) (****)</b>					
					1
					1,969,996
					3,293 (a)
<b>Ângelo Gabriel Ribeirinho dos Santos Paupério (*)</b>					
					250,000
Date	Additions		Reductions		Balance as of 30.06.2010
Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
<b>(1) Efanor Investimentos, SGPS, SA</b>					
					659,650,000
					2,000,000
<b>(2) Pareuro, BV</b>					
					400,000,000
<b>(3) Sonae, SGPS, SA</b>					
					2,000,000
					824,780,810
<b>(4) Sonae Investments BV</b>					
					175,219,190
<b>(5) Migracom, SGPS, SA</b>					
					1,485,000
					150,000
<b>(6) Imparfin, SGPS, SA</b>					
					4,105,280

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

(\*\*) Member of the Board of Directors of Sonae, SGPS, SA (directly and indirectly dominant company) (3)

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

(\*\*\*\*) Member of the Board of Directors of Imparfin, SGPS, SA (6)

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



**Qualified holdings**

Shares held and voting rights of companies owning more than 2% of the share capital of the company.

As required by article 9 nr.1 c) of Securities Market Regulation Board (CMVM) regulation 05/2008.

Shareholder	Nr. of shares	% Share Capital	% of Voting Rights
Efanor Investimentos, SGPS, SA			
By Sonae, SGPS, SA	824,780,810	82.48%	82.48%
By Sonae Investments, BV	175,219,190	17.52%	17.52%
<b>Total attributable to Efanor Investimentos, SGPS, SA</b>	<u>1,000,000,000</u>	<u>100.00%</u>	<u>100.00%</u>

**Condensed consolidated  
financial statements**

## SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2010 AND 2009  
AND AS AT 31 DECEMBER 2009

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

In case of discrepancies the Portuguese version prevails.)

*(Amounts expressed in euro)*

ASSETS	Notes	30 June 2010	30 June 2009	31 December 2009
<b>NON-CURRENT ASSETS:</b>				
Tangible assets	9	2,184,197,237	2,156,929,299	2,198,493,423
Intangible assets	10	156,068,586	163,690,718	162,320,303
Goodwill	11	520,275,996	523,174,276	519,885,038
Investment Associates	6	1,643,960	2,060,562	2,376,473
Other investments	7	763,618	774,777	763,866
Deferred tax assets	15	99,526,983	77,128,252	90,471,037
Other non-current assets	13	5,447,695	2,630,616	4,336,556
<b>Total Non-Current Assets</b>		<b>2,967,924,075</b>	<b>2,926,388,500</b>	<b>2,978,646,696</b>
<b>CURRENT ASSETS:</b>				
Inventories		593,502,655	565,709,359	588,968,421
Trade accounts receivable and other current assets	14	254,210,683	275,368,760	226,094,606
Investments	12	62,805,789	52,859,402	57,659,791
Cash and cash equivalents	16	42,597,713	49,125,276	111,407,067
<b>Total Current Assets</b>		<b>953,116,840</b>	<b>943,062,797</b>	<b>984,129,885</b>
<b>TOTAL ASSETS</b>		<b>3,921,040,915</b>	<b>3,869,451,297</b>	<b>3,962,776,581</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	17	1,000,000,000	1,000,000,000	1,000,000,000
Reserves and retained earnings		(96,550,924)	(166,607,428)	(165,954,941)
Profit/(Loss) for the period attributable to the equity holders of the parent company		41,145,813	28,512,203	138,171,091
Equity attributable to the equity holders of the parent company		944,594,889	861,904,775	972,216,150
Equity attributable to non-controlling interests		74,589,175	73,805,478	74,344,125
<b>TOTAL EQUITY</b>		<b>1,019,184,064</b>	<b>935,710,253</b>	<b>1,046,560,275</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	18	1,434,668,401	1,432,072,884	1,282,197,164
Other non-current liabilities	20	24,214,792	13,566,621	16,222,928
Deferred tax liabilities	15	105,536,315	85,882,198	96,744,418
Provisions	23	13,090,590	11,547,638	9,263,092
<b>Total Non-Current Liabilities</b>		<b>1,577,510,098</b>	<b>1,543,069,341</b>	<b>1,404,427,602</b>
<b>CURRENT LIABILITIES:</b>				
Loans	18	87,471,850	195,066,473	103,930,898
Trade creditors and other current liabilities	22	1,235,061,863	1,193,936,242	1,405,368,923
Provisions	23	1,813,040	1,668,988	2,488,883
<b>Total Current Liabilities</b>		<b>1,324,346,753</b>	<b>1,390,671,703</b>	<b>1,511,788,704</b>
<b>TOTAL LIABILITIES</b>		<b>2,901,856,851</b>	<b>2,933,741,044</b>	<b>2,916,216,306</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,921,040,915</b>	<b>3,869,451,297</b>	<b>3,962,776,581</b>

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

The Board of Directors

## SONAE INVESTIMENTOS, SGPS, SA

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

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

In case of discrepancies the Portuguese version prevails.)

(Amounts expressed in euro)

	Notes	2nd Quarter 2010 (unaudited)	2nd Quarter 2009 (unaudited)	30 June 2010	30 June 2009
Sales		1,105,351,359	1,033,657,548	2,160,910,503	1,990,123,055
Services rendered		36,177,423	31,284,031	64,903,605	57,794,981
Investment income	8	6,033,071	1,680,051	6,038,022	1,680,051
Financial income		408,319	1,254,026	881,268	3,015,296
Other income		110,631,383	110,418,656	206,525,535	205,699,478
Cost of goods sold and materials consumed		(842,632,962)	(809,055,265)	(1,685,163,165)	(1,569,144,052)
Changes in stocks of finished goods and work in progress		191,136	-	296,497	-
External supplies and services		(155,298,423)	(140,723,677)	(288,348,656)	(271,344,156)
Staff costs		(135,160,464)	(125,186,619)	(267,633,808)	(249,907,715)
Depreciation and amortisation	9 and 10	(38,851,910)	(33,994,298)	(77,446,763)	(65,519,192)
Provisions and impairment losses	23	(5,776,008)	(1,891,065)	(6,789,453)	(2,359,948)
Financial expense		(12,393,111)	(14,470,400)	(23,694,283)	(34,950,292)
Other expenses		(21,447,060)	(19,237,470)	(38,379,070)	(35,532,437)
Share of results of associated undertakings	6	326,333	(1,643,942)	390,470	(1,230,244)
Profit/(Loss) before taxation		47,559,086	32,091,576	52,490,702	28,324,825
Taxation	26	(9,658,800)	(5,170,576)	(10,997,134)	(646,030)
Profit/(Loss) after taxation		37,900,286	26,921,000	41,493,568	27,678,795
Attributable to:					
Equity holders of the parent company		37,749,790	27,097,308	41,145,813	28,512,203
Non-controlling interests		150,496	(176,308)	347,755	(833,408)
Profit/(Loss) per share					
Basic	27	0.037750	0.027097	0.041146	0.028512
Diluted	27	0.037750	0.027097	0.041146	0.028512

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

The Board of Directors

## SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED  
30 JUNE 2010 AND 2009

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

In case of discrepancies the Portuguese version prevails.)

*(Amounts expressed in euro)*

	2nd Quarter 2010 (unaudited)	2nd Quarter 2009 (unaudited)	30 June 2010	30 June 2009
Net Profit / (Loss) for the period	37,900,286	26,920,999	41,493,568	27,678,795
Exchange differences arising on translation of foreign operations	112,044	46,100	321,589	112,019
Changes in hedge and fair value reserves	1,046,166	812,889	1,413,874	(2,832,747)
Deferred tax related to changes in fair value reserves	(277,233)	(123,186)	(374,676)	1,022,298
Other comprehensive income for the period	880,977	735,803	1,360,787	(1,698,430)
Total comprehensive income for the period	38,781,263	27,656,802	42,854,355	25,980,365
Attributable to:				
Equity holders of the parent company	38,630,767	27,833,110	42,506,600	26,813,773
Non-controlling interests	150,496	(176,308)	347,755	(833,408)

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

The Board of Directors

## SONAE INVESTIMENTOS, SGPS, SA

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 JUNE 2010 AND 2009

(Translation condensed consolidated financial statements originally issued in Portuguese.

In case of discrepancies the Portuguese version prevails.)

*(Amounts expressed in euro)*

Notes	Attributable to Equity Holders of The Parent Company Reserves and Retained Earnings						Net Profit/(Loss)	Total	Non- Controlling Interests	Total Equity
	Share Capital	Legal Reserve	Currency Translation Reserve	Hedging Reserve	Other Reserves and Retained Earnings	Total				
Balance as at 1 January 2009	1,000,000,000	99,300,000	3,666	(3,316,342)	(346,889,834)	(250,902,510)	170,993,512	920,091,002	11,201,548	931,292,550
Total comprehensive income for the period	-	-	112,019	(1,810,449)	-	(1,698,430)	28,512,203	26,813,773	(833,408)	25,980,365
Appropriation of profit of 2008:										
Transfer to legal reserves and retained earnings	28	14,700,000	-	-	156,293,512	170,993,512	(170,993,512)	-	-	-
Dividends distributed		-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)	(4,169)	(85,004,169)
Others		-	-	-	-	-	-	-	63,441,507	63,441,507
Balance as at 30 June 2009	<u>1,000,000,000</u>	<u>114,000,000</u>	<u>115,685</u>	<u>(5,126,791)</u>	<u>(275,596,322)</u>	<u>(166,607,428)</u>	<u>28,512,203</u>	<u>861,904,775</u>	<u>73,805,478</u>	<u>935,710,253</u>
Balance as at 1 January 2010	1,000,000,000	114,000,000	82,609	(4,441,228)	(275,596,322)	(165,954,941)	138,171,091	972,216,150	74,344,125	1,046,560,275
Total comprehensive income for the period	-	-	321,589	1,039,198	-	1,360,787	41,145,813	42,506,600	347,755	42,854,355
Appropriation of profit of 2009:										
Transfer to legal reserves and retained earnings	28	3,087,918	-	-	135,083,173	138,171,091	(138,171,091)	-	-	-
Dividends distributed		-	-	-	(70,000,000)	(70,000,000)	-	(70,000,000)	-	(70,000,000)
Aquisitions of shares of affiliated undertakings		-	-	-	(67,249)	(67,249)	-	(67,249)	(102,359)	(169,608)
Others		-	-	3	(60,615)	(60,612)	-	(60,612)	(346)	(60,958)
Balance as at 30 June 2010	<u>1,000,000,000</u>	<u>117,087,918</u>	<u>404,198</u>	<u>(3,402,027)</u>	<u>(210,641,013)</u>	<u>(96,550,924)</u>	<u>41,145,813</u>	<u>944,594,889</u>	<u>74,589,175</u>	<u>1,019,184,064</u>

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

The Board of Directors

## SONAE INVESTIMENTOS , SGPS, S.A.

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

	Notes	2nd Quarter 2010 (unaudited)	2nd Quarter 2009 (unaudited)	30 June 2010	30 June 2009
<b>OPERATING ACTIVITIES</b>					
Net cash from operating activities (1)		116,966,617	199,397,662	(61,161,052)	9,850,808
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments		33,354,387	-	33,359,587	1,000,000
Tangible and intangible assets		2,804,460	2,916,569	17,103,124	3,756,673
Interests and similar income		201,153	1,057,300	500,543	3,559,360
Loans granted		1,000,000	10,972,814	2,665,000	11,972,814
Dividends		1,332,982	200,000	1,333,149	200,000
Others		9,800,158	-	9,800,158	-
		48,493,140	15,146,683	64,761,561	20,488,847
Cash Payments arising from:					
Investments		(1,391,443)	(8,242,704)	(3,480,116)	(15,629,636)
Tangible and intangible assets		(34,733,867)	(65,768,134)	(125,841,961)	(171,361,503)
Loans granted		-	(7,577,250)	(1,665,000)	(9,703,500)
Others		-	(1,426)	-	(1,426)
		(36,125,310)	(81,589,514)	(130,987,077)	(196,696,065)
Net cash used in investment activities (2)		12,367,830	(66,442,831)	(66,225,516)	(176,207,218)
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		1,615,555,750	3,565,300,588	3,171,965,750	5,388,224,838
		1,615,555,750	3,565,300,588	3,171,965,750	5,388,224,838
Cash Payments arising from:					
Loans obtained		(1,672,874,743)	(3,570,933,098)	(3,011,025,781)	(5,141,951,213)
Interests and similar charges		(5,182,259)	(13,360,966)	(18,188,989)	(43,667,764)
Dividends	28	(70,000,000)	(85,004,170)	(70,000,000)	(85,004,170)
Others		(69,635)	(105,484)	(207,937)	(213,630)
		(1,748,126,637)	(3,669,403,718)	(3,099,422,707)	(5,270,836,777)
Net cash used in financing activities (3)		(132,570,887)	(104,103,130)	72,543,043	117,388,061
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(3,236,440)	28,851,701	(54,843,525)	(48,968,349)
Effect of foreign exchange rate		(50,520)	(76,707)	(102,406)	(142,157)
Cash and cash equivalents at the beginning of the period	16	36,786,583	14,115,459	88,341,782	91,870,059
Cash and cash equivalents at the end of the period	16	33,600,663	43,043,867	33,600,663	43,043,867

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

The Board of Directors

# SONAE INVESTIMENTOS, SGPS, S.A.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 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

---

SONAE INVESTIMENTOS, SGPS, S.A. ("the Company" or "Sonae Investimentos"), with head office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, is the Parent-company of a group of companies, as detailed in Notes 4, 5 and 6 ("Sonae Investimentos Group"), which business activity is described in the 29th note.

### 2 PRINCIPAL ACCOUNTING POLICIES

---

The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the period ended as at 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 Company, subsidiaries and joint ventures, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for financial instruments which are stated at fair value.

### 3 CHANGES IN ACCOUNTING POLICIES

---

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 June 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 minority 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

The subsidiaries included in the consolidated financial statements, its head offices and percentage of capital held as at 30 June 2010 and 31 December 2009 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30.June.2010		31.December.2009	
		Direct	Total	Direct	Total
<b>Sonae Investimentos- SGPS, S.A.</b>	Matosinhos	HOLDING	HOLDING	HOLDING	HOLDING
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 - Industria e Distribuição Carnes, SA	a)	Santarém	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
c) Difusão - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Edições Book.it, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Efanor - Design e Serviços, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Estevão Neves - Hipermercados da Madeira, SA	a)	Madeira	100.00%	100.00%	100.00%	100.00%
Farmácia Selecção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fozmassimo - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
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%
Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Infofield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Inventory - Acessórios de Casa, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Just Sport - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
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 - Distribuição de Materiais de Construção, SA	b)	Maia	50%	50%	50%	50%
Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente Seguros - Sociedade Mediação, SA	a)	Porto	75.00%	75.00%	75.00%	75.00%
Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Hipermercados Trading, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Modelo.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
NA - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
NA - Equipamentos para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Peixes do Continente - Indústria e Distribuição de Peixes, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
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)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Solaris Supermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sonaecenter Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Retalho Espanha - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sontária - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonvecap, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Sport Zone - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sport Zone Espanã - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses	90.37%	90.37%	80.37%	80.37%
Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	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 España 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%
	a)	Control held by majority of voting rights;				
	b)	Control held by management control;				
	c)	Subsidiary disposed on 30 April 2010.				

These entities are consolidated using the full consolidation method, considering that they are controlled by Sonae Investimentos SGPS, S.A..

## 5 JOINTLY CONTROLLED COMPANIES

The jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held as at 30 June 2010 and 31 December 2009 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30.June.2010		31.December.2009	
		Direct	Total	Direct	Total
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%
Viajens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%

These entities were consolidated using the proportionate consolidation method.

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

	30 June 2010	31 December 2009
Non-current assets	35,154,378	35,087,564
Current assets	37,180,607	30,936,870
Non-current liabilities	3,538,823	3,577,682
Current liabilities	42,543,728	35,666,824
	30 June 2010	30 June 2009
Income	49,640,970	48,394,564
Expenses	50,111,094	49,931,104

## 6 INVESTMENTS IN ASSOCIATES

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

COMPANY	Head Office	Percentage of capital held				Book value	
		30 June 2010		31 December 2009		30 June 2010	31 December 2009
		Direct	Total	Direct	Total		
Sonaegest - Soc. Gestora de Fundos de Investimento, SA	Maia	40.00%	40.00%	40.00%	40.00%	461,602	824,888
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,182,358	1,551,585
						<b>Total</b>	<b>2,376,473</b>

Associated companies were consolidated using the equity method.

The aggregated values of main financial indicators of associated companies can be summarized as follows:

	30 June 2010	30 December 2009
Total Assets	14,832,117	18,725,950
Total Liabilities	8,948,679	10,446,448
	30 June 2010	30 June 2009
Income	32,711,606	32,782,443
Expenses	31,293,983	32,073,202

During the periods ended 30 June 2010 and 2009, movements in investments in associated companies, are made up as follows:

	30 June 2010	30 June 2009
<b>Investments in associated companies</b>		
Balance as at 1 January	2,376,473	64,671,483
Change of consolidation method	-	(61,380,677)
Equity method		
Effect in net income	390,470	(1,230,244)
Dividends	(1,122,983)	-
	<u>1,643,960</u>	<u>2,060,562</u>

The amount disclosed above related with the change of consolidation method corresponds, in 2009, to the acquisition of Fundo de Imobiliário Fechado Imosede. This company consolidates in Sonae Investimentos since the 1st Half of 2009, using the full consolidation method.

## 7 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, proportion of capital held and value of the balance sheet as at 30 June 2010 and 31 December 2009 are as follows:

COMPANY	Head Office	Percentage of capital held				Book value	
		30 June 2010		31 December 2009		30 June 2010	31 December 2009
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	7.14%	7.14%	7.14%	7.14%	9,976	9,976
Insc - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Other investments						5,445	5,693
						<u>763,618</u>	<u>763,866</u>

During the periods ended as at 30 June 2010 and 2009, movements in other non-current investments, are made up as follows:

	30 June 2010	30 June 2009
<b>Investments in other companies</b>		
Opening balance as at 1 January	841,053	787,936
Disposals in the period	(36,953)	-
Transfers	-	-
Closing balance as at 30 June	804,100	787,936
Accumulated impairment losses (Note 23)	(40,482)	(13,159)
	<u>763,618</u>	<u>774,777</u>
<b>Financial investments advance:</b>		
Opening balance as at 1 January	-	1,584,193
Transfers	-	(1,584,193)
Closing balance as at 30 June	-	-
	<u>763,618</u>	<u>774,777</u>

The value of investments in other companies corresponds mainly to investments in unlisted companies and whose fair value was not estimated because it is not reliably measurable, remain at cost less any impairment losses.

## 8 CHANGES TO THE CONSOLIDATION PERIMETER

The detail of disposals over the period ended as at 30 June 2010, is as follows:

COMPANY	Head Office	Direct	Total
<b>Retail Properties</b>			
Difusão Sociedade imobiliária, SA	Maia	100.00%	100.00%

The assets and liabilities of the disposed company as at the disposal date were as follows:

	Date of disposal	31 December 2009
Disposal net assets		
Tangible assets (Note 9)	26,237,804	26,438,088
Deferred tax assets	45,191	45,884
Other assets	1,775,423	1,563,968
Cash and cash equivalents	258,238	519
Deferred tax liabilities	(554,498)	(498,241)
Other liabilities	(26,012,429)	(26,129,176)
	<u>1,749,729</u>	<u>1,421,042</u>
Shareholder's loans, other loans and interests	25,166,711	
Costs related to the disposal	644,896	
Profit / (Loss) in disposal	5,816,838	
Disposal price	<u>33,378,174</u>	
Effective cash payment received	33,378,174	
Cash payment received related to shareholder's loans and interests	375,263	
Effective cash payment related to the disposal costs	(147,046)	
Cash and cash equivalents disposed	(258,238)	
	<u>33,348,153</u>	

The impacts of the above disposals in the income statement can be described as follows:

	Date of disposal
Operational income	853,445
Operational costs	(245,749)
Financial net income	(192,870)
Earnings before taxes	414,826
Taxes	(86,139)
Net income	<u>328,687</u>

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).



## 9 TANGIBLE ASSETS

During the six months period ended 30 June 2010 and 2009, movements in Tangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Tangible assets				Total Tangible Assets
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	
<b>Gross assets:</b>					
<b>Opening balance as at 1 January 2010</b>	1,724,171,225	948,112,682	168,570,680	92,462,861	2,933,317,448
Acquisitions	7,038,099	520,422	1,014,659	85,817,094	94,390,274
Disposals of subsidiaries (Note 8)	(31,096,814)	(250,482)	-	-	(31,347,296)
Disposals	(14,794,374)	(17,997,134)	(4,838,139)	(1,266,975)	(38,896,622)
Exchange rate effect	21,382	145,890	121,456	-	288,728
Transfers	47,609,399	73,408,714	4,756,879	(127,875,777)	(2,100,785)
<b>Closing balance as at 30 June 2010</b>	<b>1,732,948,917</b>	<b>1,003,940,092</b>	<b>169,625,535</b>	<b>49,137,203</b>	<b>2,955,651,748</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Opening balance as at 1 January 2010</b>	218,182,843	398,544,190	118,096,992	-	734,824,025
Depreciation and impairment losses	14,017,348	43,549,530	9,875,261	-	67,442,139
Disposals of subsidiaries (Note 8)	(5,040,880)	(68,612)	-	-	(5,109,492)
Disposals	(5,181,529)	(15,074,097)	(4,741,413)	-	(24,997,039)
Exchange rate effect	12,385	76,499	46,633	-	135,517
Transfers	-	(492,512)	(348,127)	-	(840,639)
<b>Closing balance as at 30 June 2010</b>	<b>221,990,167</b>	<b>426,534,998</b>	<b>122,929,346</b>	<b>-</b>	<b>771,454,511</b>
<b>Carrying amount As at 30 June 2010</b>	<b>1,510,958,750</b>	<b>577,405,094</b>	<b>46,696,189</b>	<b>49,137,203</b>	<b>2,184,197,237</b>
<b>Gross assets:</b>					
<b>Opening balance as at 1 January 2009</b>	1,496,938,520	717,639,990	150,509,335	195,762,509	2,560,850,354
Acquisitions	8,692,169	483,774	1,651,988	149,442,467	160,270,398
Acquisitions of subsidiaries	94,326,259	-	-	51,140,432	145,466,691
Disposals	(2,100)	(8,355,813)	(1,498,195)	(935,336)	(10,791,444)
Exchange rate effect	53,092	150,635	109,265	-	312,992
Transfers	20,397,242	108,900,548	9,655,867	(154,183,281)	(15,229,624)
<b>Closing balance as at 30 June 2009</b>	<b>1,620,405,182</b>	<b>818,819,134</b>	<b>160,428,260</b>	<b>241,226,791</b>	<b>2,840,879,367</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>Opening balance as at 1 January 2009</b>	192,480,780	340,961,819	103,106,486	-	636,549,085
Depreciation and impairment losses	12,398,930	34,772,390	10,446,591	-	57,617,911
Disposals	(231)	(7,347,290)	(1,367,252)	-	(8,714,773)
Exchange rate effect	29,071	63,871	38,115	-	131,057
Transfers	(91)	(1,004,651)	(628,470)	-	(1,633,212)
<b>Closing balance as at 30 June 2009</b>	<b>204,908,459</b>	<b>367,446,139</b>	<b>111,595,470</b>	<b>-</b>	<b>683,950,068</b>
<b>Carrying amount As at 30 June 2009</b>	<b>1,415,496,723</b>	<b>451,372,995</b>	<b>48,832,790</b>	<b>241,226,791</b>	<b>2,156,929,299</b>

The most significant values included in the caption "Tangible assets in progress" refer to the following projects:

	30 June 2010	30 June 2009
Refurbishment and expansion of stores in the retail businesses located in Portugal	30,302,650	136,882,511
Refurbishment and expansion of stores in the retail businesses located in Spain	1,690,378	10,280,126
Construction in progress in Maia (Business Park)	6,286,979	58,910,612
Projects of stores for which advance payments were made	9,573,231	34,347,426
Others	1,283,966	806,116
	<u>49,137,203</u>	<u>241,226,791</u>

## 10 INTANGIBLE ASSETS

During the six months period ended 30 June 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 assets</b>				
<b>Opening balance as at 1 January 2010</b>	100,024,071	154,435,898	11,463,185	265,923,154
Acquisitions	1,189,073	102,043	3,894,735	5,185,851
Disposals	(426)	(1,117,744)	(2,156)	(1,120,326)
Exchange rate effect	-	26,019	-	26,019
Transfers	(192,275)	3,194,448	(4,367,811)	(1,365,638)
<b>Closing balance as at 30 June 2010</b>	<u>101,020,443</u>	<u>156,640,664</u>	<u>10,987,953</u>	<u>268,649,060</u>
<b>Accumulated depreciation and impairment losses</b>				
<b>Opening balance as at 1 January 2010</b>	11,122,066	92,480,785	-	103,602,851
Depreciation and impairment losses	1,783,900	8,220,724	-	10,004,624
Disposals	(426)	(1,024,642)	-	(1,025,068)
Exchange rate effect	-	20,326	-	20,326
Transfers	(22,231)	(28)	-	(22,259)
<b>Closing balance as at 30 de June 2010</b>	<u>12,883,309</u>	<u>99,697,165</u>	<u>-</u>	<u>112,580,474</u>
<b>Carrying amount</b>				
As at 30 de June 2010	<u>88,137,134</u>	<u>56,943,499</u>	<u>10,987,953</u>	<u>156,068,586</u>

	Intangible assets			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
<b>Gross assets</b>				
<b>Opening balance as at 1 January 2009</b>	93,146,363	141,148,617	20,204,279	254,499,259
Acquisitions	199,046	2,342	7,617,868	7,819,256
Acquisitions of subsidiaries	31,051	998	-	32,049
Disposals	-	(33,550)	-	(33,550)
Exchange rate effect	-	26,997	-	26,997
Transfers	805,395	1,944,920	(3,303,163)	(552,848)
<b>Closing balance as at 30 June 2009</b>	<b>94,181,855</b>	<b>143,090,324</b>	<b>24,518,984</b>	<b>261,791,163</b>
<b>Accumulated depreciation and impairment losses</b>				
<b>Opening balance as at 1 January 2009</b>	8,010,594	82,199,309	-	90,209,903
Depreciation and impairment losses	1,476,905	6,424,376	-	7,901,281
Acquisitions of subsidiaries	25,062	-	-	25,062
Disposals	-	(2,496)	-	(2,496)
Exchange rate effect	-	15,595	-	15,595
Transfers	(47,020)	(1,880)	-	(48,900)
<b>Closing balance as at 30 June 2009</b>	<b>9,465,541</b>	<b>88,634,904</b>	<b>-</b>	<b>98,100,445</b>
<b>Carrying amount</b>				
As at 30 June 2009	<b>84,716,314</b>	<b>54,455,420</b>	<b>24,518,984</b>	<b>163,690,718</b>

The value of "Intangible assets in progress" relates mainly to IT projects and software development.

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 GOODWILL

As at 30 June 2010 and 31 December 2009, goodwill is made up as follows:

	30 June 2010	31 December 2009
Food based retail	404,760,044	404,754,156
Specialised retail	84,569,098	84,184,028
Investment management	20,884,949	20,884,949
Retail Real Estate	3,751,392	3,751,392
Others	6,310,513	6,310,513
	<b>520,275,996</b>	<b>519,885,038</b>

During the period ended on 30 June 2010 and 31 December 2009, movements in goodwill, as well as in corresponding impairment losses, were made up as follows:

	30 June 2010	31 December 2009
<b>Gross value:</b>		
Opening balance	528,076,621	529,211,677
New companies in the consolidation perimeter	-	2,297,794
Increases	390,958	-
Decreases	-	(3,432,850)
Closing balance	<u>528,467,579</u>	<u>528,076,621</u>
<b>Accumulated impairment losses:</b>		
Opening balance	8,191,583	8,191,583
Increases	-	-
Closing balance	<u>8,191,583</u>	<u>8,191,583</u>
<b>Carrying amount:</b>	<u>520,275,996</u>	<u>519,885,038</u>

## 12 OTHER INVESTMENTS

As at 30 June 2010 and 2009 movements in this caption can be detailed as follows:

	30 June 2010	30 June 2009
<b>Other investments:</b>		
Opening balance as at 1 January	57,294,670	60,956,595
Increases in the period	2,864,730	2,683,522
Decreases in the period	-	(10,780,843)
Closing balance as at 30 June	<u>60,159,400</u>	<u>52,859,274</u>
Accumulated impairment losses	-	-
	<u>60,159,400</u>	<u>52,859,274</u>
<b>Derivative financial instruments</b>		
Fair value as at 1 January	365,121	1,849,128
Acquisitions in the period	-	128
Disposals in the period	-	(72,494)
Increase/(Decrease) in fair value	<u>2,281,268</u>	<u>(1,776,634)</u>
Fair value as at 30 June	<u>2,646,389</u>	<u>128</u>
<b>Other Investments</b>	<u>62,805,789</u>	<u>52,859,402</u>

Under the caption "Other financial investments" is recorded an amount of 45,119,240 euro (45,139,650 euro as of 30 June 2009) related to deposited amounts on an Escrow Account which are applied in investment funds with superior rating and guarantee contractual liabilities assumed by the Group which may arise from the sale of Sonae Distribuição Brasil, S.A. and for which provisions were recorded (Note 23).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn't happen as there are some points of disagreement on the use of the Escrow Account, namely as to whether or not, to retain the Escrow Account for ongoing fiscal procedures that have not yet been decided. It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers, that 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 do not succeed, it is the intention of the Board to make use of such legal means.

## 13 OTHER NON-CURRENT ASSETS

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

	30 June 2010	31 December 2009
Trade accounts receivable and other debtors		
Bails	3,951,107	2,949,266
Legal deposits (Note 20)	931,968	819,480
	<u>4,883,075</u>	<u>3,768,746</u>
Other non-current assets	564,620	567,810
	<u>5,447,695</u>	<u>4,336,556</u>

## 14 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2010 and 31 December 2009, "Trade accounts receivable and other current assets" are made up as follows:

	30 June 2010	31 December 2009
Trade accounts receivable	44,025,931	44,872,052
Taxes recoverable	32,472,634	28,379,704
Granted loans to related companies	7,975	1,008,193
Other debtors		
Trade suppliers - debtor balances	80,078,100	70,708,453
Credit sales sold to third parties	1,429,180	1,275,849
Special regime for settlement of tax and social security debts	12,382,502	13,999,945
VAT recoverable on real estate assets	7,092,591	17,696,916
Accounts receivable from the disposal of tangible fixed assets	1,176,318	4,957,938
Advances on suppliers	10,200,000	14,642,280
Other debtors	17,369,097	21,044,317
	<u>129,727,788</u>	<u>144,325,698</u>
Other current assets		
Commercial Discounts	48,002,646	13,001,652
Interests to be received	1,704,819	1,674,227
Commissions to be received	1,368,476	1,640,164
Rents	4,626,049	3,916,650
Condominiums management fee's	1,725,336	1,702,948
Insurance premiums paid in advance	5,352,414	3,054,380
Other current assets	8,955,326	7,548,121
	<u>71,735,066</u>	<u>32,538,142</u>
Accumulated impairment losses (Note 23)	<u>(23,758,710)</u>	<u>(25,029,183)</u>
	<u>254,210,683</u>	<u>226,094,606</u>

## 15 DEFERRED TAX

Deferred tax assets and liabilities as at 30 June 2010 and 31 December 2009 are as follows, taking into consideration its temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Difference between fair value and acquisition cost	3,563,998	3,450,247	30,661,891	29,131,447
Harmonisation adjustments	115,602	29,142	52,779,546	47,638,444
Provisions and impairment losses not accepted for tax purposes	5,971,962	5,308,282	-	-
Write-off of tangible and intangible assets	7,071,144	7,811,377	-	-
Write-off of deferred costs	-	-	12,574	21,922
Valuation of hedging derivatives	1,267,378	1,622,203	737,293	96,757
Amortisation of Goodwill for tax purposes	-	-	17,450,040	13,960,032
Non taxed exchange differences	-	-	-	928,553
Revaluation of tangible assets	-	-	2,100,837	2,129,663
Tax losses carried forward	78,525,399	72,114,888	-	-
Reinvested capital gains/(losses)	-	-	1,422,818	2,102,270
Others	3,011,500	134,898	371,316	735,330
	<u>99,526,983</u>	<u>90,471,037</u>	<u>105,536,315</u>	<u>96,744,418</u>

As at 30 June 2010, and 31 December 2009, and in accordance with tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	30 June 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	372,453	93,113	2010	159,844	39,961	2010
Generated in 2005	297,248	74,312	2011	509,857	127,464	2011
Generated in 2006	-	-	2012	-	-	2012
Generated in 2007	3,500,266	875,067	2013	15,270,805	3,817,701	2013
Generated in 2008	3,551,911	887,978	2014	3,571,591	892,898	2014
Generated in 2009	10,166,757	2,541,689	2015	10,454,096	2,613,524	2015
Generated in 2010	3,738,627	934,705	2014	-	-	
	<u>21,627,262</u>	<u>5,406,864</u>		<u>29,966,194</u>	<u>7,491,549</u>	
Without limited time use	-	-		940,305	319,704	
With a time limit different from the above mentioned	243,728,449	73,118,535		214,345,452	64,303,636	
	<u>243,728,449</u>	<u>73,118,535</u>		<u>215,285,757</u>	<u>64,623,339</u>	
	<u>265,355,711</u>	<u>78,525,399</u>		<u>245,251,950</u>	<u>72,114,888</u>	

As at 30 June 2010 and 31 December 2009, deferred tax assets resulting from tax losses were assessed and only recognized to the extent it was probable that sufficient taxable profits will be available in the future against which the deferred tax assets can be used, or when taxable temporary differences are recognized by the same entity and expected to reverse in the same period. This assessment was based on business plans of Sonae Investimentos companies, which are periodically reviewed and updated, and on identified and available tax planning opportunities.

As at 30 June 2010 tax losses carried forward, have not originated deferred tax assets for prudential reasons. These may be summarized as follows:

	30 June 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	292,987	73,247	2010	292,987	73,247	2010
Generated in 2005	22,523	5,631	2011	22,523	5,631	2011
Generated in 2006	337,684	84,420	2012	337,684	84,420	2012
Generated in 2007	819,543	204,886	2013	819,543	204,886	2013
Generated in 2008	5,191,322	1,297,831	2014	5,191,322	1,297,831	2014
Generated in 2009	3,393,263	848,316	2015	3,391,900	847,975	2015
Generated in 2010	1,459,140	364,785	2014	-	-	
	<u>11,516,462</u>	<u>2,879,116</u>		<u>10,055,959</u>	<u>2,513,990</u>	
Without limited time use	10,358,333	3,521,833		5,871,991	1,996,477	
With a time limit different from the above mentioned	15,054,811	3,779,985		14,975,938	3,756,324	
	<u>36,929,606</u>	<u>10,180,934</u>		<u>30,903,888</u>	<u>8,266,791</u>	

## 16 CASH AND CASH EQUIVALENTS

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

	30 June 2010	31 December 2009
Cash at hand	6,082,648	6,120,299
Bank deposits	36,502,397	105,275,640
Treasury applications	12,668	11,128
Cash and cash equivalents on the balance sheet	<u>42,597,713</u>	<u>111,407,067</u>
Bank overdrafts (Note 18)	<u>(8,997,050)</u>	<u>(23,065,285)</u>
Cash and cash equivalents on the statement of cash flows	<u>33,600,663</u>	<u>88,341,782</u>

Bank overdrafts, are recorded in the balance sheet under the caption Current bank loans.

## 17 SHARE CAPITAL

As at 30 June 2010, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares which do not hold right to any fixed income, with a nominal value of 1 Euro each.

As at 30 June 2010, the subscribed share capital was held as follows:

Entity	%
Sonae, SGPS, S.A.	82.48%
Sonae Investments, BV	17.52%

As at 30 June 2010, Efanor Investimentos S.G.P.S., S.A. and its subsidiaries held 52.98% of the share capital of Sonae, SGPS, S.A..

## 18 LOANS

As at 30 June 2010 and 31 December 2009, loans are made up as follows:

	30 June 2010			31 December 2009		
	Amount limit	Outstanding amount		Amount limit	Outstanding amount	
		Current	Non-Current		Current	Non-Current
<b>Bank loans</b>						
Sonae Investimentos, SGPS, SA - commercial paper	682,500,000	-	425,000,000	692,500,000	-	271,000,000
Continente Hipermercados, SA - commercial paper	30,000,000	-	-	30,000,000	-	-
Others		3,333,334	13,333,333		3,333,333	15,000,000
		3,333,334	438,333,333		3,333,333	286,000,000
Bank overdrafts (Note 16)		8,997,050	-		23,065,285	-
Up-front fees beard with the issuance of loans		(7,667)	(85,300)		(7,667)	(105,107)
<b>Bank loans</b>		12,322,717	438,248,033		26,390,951	285,894,893
<b>Bonds</b>						
Bonds Modelo Continente / 2003		-	82,000,000		-	82,000,000
Bonds Modelo Continente / 2005/2010		64,925,000	-		64,925,000	-
Bonds Modelo Continente / 2005/2012		-	150,000,000		-	150,000,000
Bonds Modelo Continente / 2007/2012		-	200,000,000		-	200,000,000
Bonds Sonae Distribuição / 2007/2015		-	200,000,000		-	200,000,000
Bonds Sonae Distribuição / 2007/2015		-	310,000,000		-	310,000,000
Bonds Sonae Distribuição / 2009/2014		-	50,000,000		-	50,000,000
Up-front fees beard with the issuance of loans		(3,644)	(3,812,423)		(25,511)	(4,516,975)
<b>Bonds</b>		64,921,356	988,187,577		64,899,489	987,483,025
<b>Other loans</b>		24,953	189,252		33,466	198,853
Derivative instruments (Note 19)		6,620,596	-		7,902,322	-
<b>Other loans</b>		6,645,549	189,252		7,935,788	198,853
Obligations under finance leases		3,582,228	8,043,539		4,704,670	8,620,393
		87,471,850	1,434,668,401		103,930,898	1,282,197,164

The interest rate at 30 June 2010 of bonds and loans was approximately 1.55% (1.65% on 31 December 2009). It is estimated that the fair value of these loans does not differ significantly from its market value.

The derivative instruments are recorded at fair value (Note 19).



The repayment schedule of the nominal value of borrowings (including bank loans and obligations under finance leases) is summarized as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
N+1 <sup>a)</sup>	80,862,565	96,061,754
N+2	302,682,344	95,469,679
N+3	175,563,724	370,883,410
N+4	202,268,554	205,263,112
N+5	399,052,177	255,078,237
After N+5	<u>358,999,325</u>	<u>360,124,809</u>
	<u>1,519,428,689</u>	<u>1,382,881,001</u>

a) Includes the amounts used of the commercial paper programs.

The maturities above were estimated in accordance with the contractual terms of loans and contracts, which do not include financial covenants.

## 19 DERIVATIVES

### Exchange rate derivatives

In what concerns financial risk management policy, Sonae Investimentos uses exchange rate derivatives, essentially to hedge future cash flows.

As at 30 June 2010, the fair value of the exchange rate derivatives, calculated taking into consideration the present market value of equivalent financial instruments, is estimated as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Assets (Note 12)	2,646,389	365,121
Liabilities (Note 18)	<u>(150,175)</u>	<u>(79,039)</u>
	<u>2,496,214</u>	<u>286,082</u>

Gains or losses for the period arising from changes in the fair value of derivative financial instruments amounted (2,210,132) Euro (346,090 Euro at 30 June 2009) and were recorded directly in the income statement in the caption "Other expenses".

### Interest rate derivatives

As at 30 June 2010, the financial instruments of interest rate used by the Group, essentially refer to "swaps" and zero cost collars in the case of liabilities. In accordance with the accounting policies adopted, these derivatives satisfy the requirements to be designated as hedging instruments of interest rate risk.

Its fair value amounts to:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Assets (Note 12)	-	-
Liabilities (Note 18)	<u>(6,470,422)</u>	<u>(7,823,283)</u>
	<u>(6,470,422)</u>	<u>(7,823,283)</u>

These interest rate derivatives are valued at fair value, at the balance sheet date, based on valuations performed by Sonae Investimentos 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.

Fair value of derivatives

The fair value of the derivatives is detailed as follows:

	Assets		Liabilities	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Derivatives not qualified as hedging				
Exchange rate	2,646,389	365,121	150,175	79,039
Interest rate	-	-	-	-
Hedging derivatives				
Exchange rate	-	-	-	-
Interest rate	-	-	6,470,422	7,823,283
Interest and exchange rate	-	-	-	-
Other derivatives	-	-	-	-
	<u>2,646,389</u>	<u>365,121</u>	<u>6,620,597</u>	<u>7,902,322</u>

## 20 OTHER NON-CURRENT LIABILITIES

As at 30 June 2010 and 31 December 2009, the caption "Other non-current liabilities" was made up as follows:

	30 June 2010	31 December 2009
Shareholder loans	18,991,255	10,931,827
Tangible assets suppliers	1,262,500	1,287,500
Share based payments (Note 21)	1,973,046	2,069,462
Other non-current liabilities	976,591	858,717
Accruals and deferrals	1,011,400	1,075,422
Other non-current liabilities	<u>24,214,792</u>	<u>16,222,928</u>

As at 30 June 2010 and 31 December 2009, the caption "Other liabilities" refers mainly to the estimated amounts to fulfill the legal and tax obligations of a Brazilian subsidiary which is considered appropriate to face future losses on lawsuits and for which legal deposits exist, which are recorded under the caption "Other non-current assets" (Note 13), with no defined maturity.

The amount payable related with Shareholder loans refers to a loan granted by a minority shareholder to a subsidiary which bears interests at market rates. The fair value of this loan is similar to its book value, with no defined maturity.

## 21 SHARE BASED PAYMENT PLANS

In 2010 and in previous years, Sonae Investimentos Group granted deferred performance bonuses to its directors and eligible employees. These are based on shares to be acquired at nil cost, three years after they were attributed to the employee. The purchase can be exercised during the period between the third anniversary of the grant date and the end of that year. The company has the choice to settle its responsibilities in cash instead of shares. The option can only be exercised if the employee still works for Sonae Group on the vesting date.

Liabilities arising from deferred performance bonuses as at 30 June 2010 and 31 December 2009 are made up as follows:

	Grant year	Vesting year	Number of participants	Fair value	
				30 June 2010	31 December 2009
<b>Shares</b>					
	2007	2010	40	-	891,596
	2008	2011	43	1,453,461	1,468,048
	2009	2012	43	3,172,784	3,272,289
	2010	2013	46	2,024,040	-
<b>Total</b>				<u>6,650,285</u>	<u>5,631,933</u>

As at 30 June 2010 and 31 December 2009 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	30 June 2010	31 December 2009
Staff costs	1,277,495	2,666,299
Recorded in previous years	1,870,950	294,759
	<u>3,148,445</u>	<u>2,961,058</u>
Other non-current liabilities (Note 20)	1,973,046	2,069,462
Other current liabilities (Note 22)	1,175,399	891,596
	<u>3,148,445</u>	<u>2,961,058</u>

The share based payment plan costs are recognized during the years between the grant and vesting date as staff costs.

## 22 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2010 and 31 December 2009 the caption "Trade creditors and other current liabilities" can be detailed as follows:

	30 June 2010	31 December 2009
Trade creditors	920,777,551	1,062,040,575
Taxes payable	43,033,742	65,634,240
Other creditors		
Tangible asset suppliers	48,867,662	76,905,111
Related undertakings	854,936	100
Other debts	50,956,463	56,253,410
	<u>100,679,061</u>	<u>133,158,621</u>
Other current liabilities		
Staff costs	96,282,954	86,486,304
Interest payable	6,651,372	6,631,919
Marketing expenses	10,669,886	7,543,181
Other external supplies and services	27,022,500	27,026,280
Accrued income - rents	7,208,179	4,670,177
Real Estate Municipality tax	3,855,066	3,889,818
Share based payments (Note 21)	1,175,399	891,596
Others	17,706,153	7,396,212
	<u>170,571,509</u>	<u>144,535,487</u>
	<u>1,235,061,863</u>	<u>1,405,368,923</u>

The caption "Other debts" includes

- 24,461,462 Euro (17,236,223 Euro as at 31 December 2009), of attributed discounts not yet used related with loyalty projects, referring to "Cartão Cliente" card;
- 6,700,235 Euro (10,483,469 Euro as at 31 December 2009) related to means of payments owned by clients as vouchers, gift cards and discount tickets.

## 23 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and impairment losses", for the six months period ended as at 30 June 2010 and 31 December 2009, were as follows:

Caption	Balance as at 31 December 2009	Increase	Decrease	Balance as at 30 June 2010
Accumulated impairment losses on investments (Note 7)	77,185	-	(36,703)	40,482
Accumulated impairment losses on trade accounts receivable (Note 14)	8,540,926	748,926	(3,449,680)	5,840,172
Accumulated impairment losses on other debtors (Note 14)	16,488,257	2,999,227	(1,568,946)	17,918,538
Accumulated impairment losses on inventories	18,954,690	4,437,150	(2,764,668)	20,627,172
Non-current provisions	9,263,092	3,888,323	(60,825)	13,090,590
Current provisions	2,488,883	-	(675,843)	1,813,040
	<u>55,813,033</u>	<u>12,073,626</u>	<u>(8,556,665)</u>	<u>59,329,995</u>

Caption	Balance as at 31 December 2008	Increase	Decrease	Balance as at 30 June 2009
Accumulated impairment losses on investments	13,159	-	-	13,159
Accumulated impairment losses on trade accounts receivable	12,717,269	573,877	(217,347)	13,073,799
Accumulated impairment losses on other debtors	12,140,408	2,095,997	(41,474)	14,194,931
Accumulated impairment losses on inventories	18,510,507	2,239,516	(5,341,407)	15,408,616
Non-current provisions	12,953,754	766,235	(2,172,351)	11,547,638
Current provisions	2,314,563	-	(645,575)	1,668,988
	<u>58,649,660</u>	<u>5,675,625</u>	<u>(8,418,154)</u>	<u>55,907,131</u>

The caption "Non-current provisions" includes 6,195,747 Euro (5,447,923 Euro as at 31 December 2009) relating to contingencies assumed by the company, on the sale of the subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are being incurred.

## 24 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2010 and 31 December 2009, the major Contingent liabilities were guarantees given, which can be detailed as follows:

	30 June 2010	31 December 2009
Guarantees given:		
on tax claims	251,779,937	251,357,651
on municipal claims	7,608,846	8,998,481
guarantees provided by Sonae SGPS	66,536,193	-
Others	29,494,682	27,298,016

- Includes guarantees amounting to 202,570,064 Euro (133,891,206 Euro as at 31 December 2009) and 111,415,934 Euro (111,279,306 Euro as at 31 December 2009) related to appeals against additional corporate Income Tax and VAT assessments, respectively.
- Guarantees given to the taxation authorities for the purpose of suspension of tax claims.
- Includes guarantees of 37,280 Euro (687,243 Euro as at 31 December 2009) related to VAT reimbursement requests.

During the period ended 31 December 2009, one of the subsidiaries of the Food based Retail segment has granted a guarantee in favour of the Portuguese Tax Administration, associated with a tax claim for VAT of 2004, amounting to EUR 30,260,721.33, for which the Company has presented an impugnation.

Additionally, Sonae Investimentos SGPS, SA has granted a guarantee on behalf of the subsidiary referred to above, amounting 46,893,361.33 euro in order to ensure an additional payment of VAT, related to the year of 2005. Sonae will present an appeal and believes, based on the opinion of its tax advisers, that the sentence will be favorable to the group.

A Retail segment company in Brazil granted a guarantee of approximately 33,547,318 Euro (74,078,784 Brazilian real), on a tax claim, which is being judged by a tax court (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 unfavorable 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 30 June 2010, the amount claimed by the Brazilian Tax Authorities concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, amounts 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 which total 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.

No provision has been recorded in order to face up to possible risks arising from these contingencies, as the Board of Directors believes that they will be solved without arising additional liabilities to the Group.

## 25 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
Parent company	574,898	220,126	825	806,682
Jointly controlled companies	388,842	415,685	1,549,019	1,012,598
Associated companies	16,090,345	15,174,855	482,822	157,782
Participated companies	27,864,285	24,865,903	-	-
Other related parties <sup>(1)</sup>	5,400,334	2,921,600	39,716,363	44,341,400
	<u>50,318,704</u>	<u>43,598,169</u>	<u>41,749,029</u>	<u>46,318,462</u>

  

Transactions	Interest income		Interest expenses	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
Parent company	324	-	346,443	136,710
Jointly controlled companies	-	88,629	16	2,162
Associated companies	-	-	-	-
Participated companies	-	-	-	-
Other related parties <sup>(1)</sup>	9,397	-	261,613	159,409
	<u>9,721</u>	<u>88,629</u>	<u>608,072</u>	<u>298,281</u>

  

Balances	Accounts receivable		Accounts payable	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Parent company	2,067,212	535,294	958,090	1,688,040
Jointly controlled companies	648,088	125,975	333,493	202,093
Associated companies	4,578,964	1,446,962	72,315	87,091
Participated companies	11,293,111	14,169,568	47,519	40,932
Other related parties <sup>(1)</sup>	8,637,945	10,493,463	38,318,975	32,646,869
	<u>27,225,320</u>	<u>26,771,262</u>	<u>39,730,392</u>	<u>34,665,025</u>

  

Balances	Loans			
	Obtained		Granted	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Parent company	-	-	-	-
Jointly controlled companies	-	-	-	-
Associated companies	-	-	-	-
Participated companies	-	-	-	-
Other related parties <sup>(1)</sup>	19,493,398	10,802,648	-	1,000,000
	<u>19,493,398</u>	<u>10,802,648</u>	<u>-</u>	<u>1,000,000</u>

1) Other related parties are considered to be related party affiliates or companies under joint control of Efanor SGPS, SA that are not included in Sonae Investimentos, including companies belonging to the Sonae Group, Sonae Indústria and Sonae Capital.

The recorded amounts as Obtained Loans from participating companies refer to loans granted to subsidiaries by its shareholders, which bear interests at market rates.

## 26 INCOME TAX

Income tax for the six months period ended on 30 June 2010 and 2009 is detailed as follows:

	30 June 2010	30 June 2009
Current tax	11,137,150	7,846,595
Deferred tax	(140,016)	(7,200,565)
	<u>10,997,134</u>	<u>646,030</u>

## 27 EARNINGS PER SHARE

Earnings per share for the six months period ended on 30 June 2010 and 2009 were calculated taking into consideration the following amounts:

	30 June 2010	30 June 2009
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	41,145,813	28,512,203
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>41,145,813</u>	<u>28,512,203</u>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	1,000,000,000	1,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>Earnings per share (basic and diluted)</b>	<u>0.041146</u>	<u>0.028512</u>

On 30 June 2010 and 2009 there is no dilutive effect on the number of shares outstanding.

## 28 DIVIDENDS

In the Shareholders Annual General Meeting held on 26 April 2010, the payment of a gross dividend of 0.07 euro per share (0.085 euro per share in 2009) corresponding to a total of 70,000,000 euro (85,000,000 at 2009) was approved.

## 29 SEGMENT INFORMATION

The contribution of the main segments for the six months period ended on 30 June 2010 and 2009 can be detailed as follows:

	Food based Retail	Specialised Retail	Investment Management	Retail Real Estate	Eliminations and adjustments	Total
<b>30 June 2010</b>						
Turnover	1,586,766,253	554,480,678	80,211,472	64,195,245	(59,839,540)	2,225,814,108
Ex-Fuel	1,517,409,731	554,480,678	80,211,472	64,195,245	(59,839,540)	2,156,457,586
Fuel	69,356,522	-	-	-	-	69,356,522
EBITDA	78,980,683	7,245,252	589,924	67,074,577	(248,087)	153,642,349
EBIT	39,265,427	(14,078,392)	(1,426,557)	51,078,946	73,823	74,913,247
Invested capital	531,710,792	369,550,702	77,284,366	1,488,435,042	(9,975,269)	2,457,005,633
Sales area [000 m <sup>2</sup> ]	531	327	65	-	-	923
<b>30 June 2009</b>						
Turnover	1,490,745,621	473,094,205	82,525,874	59,914,108	(58,361,772)	2,047,918,036
Ex-Fuel	1,428,157,957	473,094,205	82,525,874	59,914,108	(58,361,772)	1,985,330,372
Fuel	62,587,664	-	-	-	-	62,587,664
EBITDA	69,263,055	1,996,767	(1,364,366)	56,826,389	-	126,721,845
EBIT	33,721,128	(14,318,655)	(3,589,737)	43,997,278	-	59,810,014
Invested capital	566,549,512	308,111,757	83,565,056	1,512,208,199	-	2,470,434,524
Sales area [000 m <sup>2</sup> ]	499	266	67	-	-	832

**Food based retail**

Includes the contribution of Group's activity related with the insignias of food based retail (Continente, Modelo, Bom Bocado, Área Saúde and Book.it) and fuels (which is operated under the brand Continente).

**Specialized Retail**

Includes the contribution of Group activity related with the insignia of non-food retail (Worten, Worten Mobile, Worten Gamer, Vobis, Sport Zone, Loop, Modalfa and Zippy).

**Investment Management**

Includes the Group's activity associated with Maxmat and travel agencies.

**Retail Real Estate**

Includes real estate assets owned and managed by Sonae Investimentos, namely commercial galleries associated to units Continente and Modelo.

**Elimination and adjustments**

Include consolidation adjustments and eliminations of intra-group balances and contribution from other companies not included in the previous segments. These values refer, mainly, to the elimination of rents invoiced by the Real Estate Segment to other Segments, presented in the turnover caption.

**Operational Cash-flow (EBITDA)**

Turnover + Investment income+ Other income – Negative Goodwill – Reversal of impairment losses – Operational costs

**Capital employed**

Gross real estate assets + other fixed assets (including Goodwill) - amortisations and impairment losses + financial investments + working capital



## 30 APPROVAL OF THE FINANCIAL STATEMENTS

---

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 25 August 2010.

Matosinhos, 25 August 2010

The Board of Directors,

---

Duarte Paulo Teixeira de Azevedo

---

Ângelo Gabriel Ribeirinho dos Santos Paupério

---

Nuno Manuel Moniz Trigoso Jordão

## Condensed individual financial statements

## SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL BALANCE SHEETS AS AT 30 JUNE 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.June.2010	30.June.2009	31.December.2009
<b>NON-CURRENT ASSETS:</b>				
Tangible assets		1,990	3,637	2,786
Intangible assets		166,788	8,263	7,160
Investments	4	2,722,681,845	2,345,770,104	2,349,634,766
Deferred tax assets	5	1,226,581	3,105,500	1,736,158
Other non-current assets	6	1,350,893,032	1,159,661,488	1,000,150,633
Total Non-Current Assets		4,074,970,236	3,508,548,992	3,351,531,503
<b>CURRENT ASSETS:</b>				
Trade accounts receivable and other current assets	7	311,623,578	368,140,096	322,687,037
Cash and cash equivalents	8	687,473	2,375,197	51,973,423
Total Current Assets		312,311,051	370,515,293	374,660,460
<b>TOTAL ASSETS</b>		<b>4,387,281,287</b>	<b>3,879,064,285</b>	<b>3,726,191,963</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	9	1,000,000,000	1,000,000,000	1,000,000,000
Reserves and retained earnings		933,582,984	940,099,855	940,785,421
Profit for the period		368,378,456	2,922,066	61,758,365
TOTAL EQUITY		2,301,961,440	1,943,021,921	2,002,543,786
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	10	1,426,435,610	1,421,173,225	1,273,377,918
Deferred tax liabilities	5	1,403	1,448	1,379
Total Non-Current Liabilities		1,426,437,013	1,421,174,673	1,273,379,297
<b>CURRENT LIABILITIES:</b>				
Loans	10	73,246,622	176,355,298	68,686,914
Trade creditors and other current liabilities	11	585,636,212	338,512,393	381,581,966
Total Current Liabilities		658,882,834	514,867,691	450,268,880
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,387,281,287</b>	<b>3,879,064,285</b>	<b>3,726,191,963</b>

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

The Board of Directors

## SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL INCOME STATEMENTS FOR THE PERIODS ENDED 30 JUNE 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	2 <sup>nd</sup> Quarter 2010 (Unaudited)	2 <sup>nd</sup> Quarter 2009 (Unaudited)	30.June.2010	30.June.2009
Services rendered		417,569	394,395	807,187	791,797
Gains or losses on investments	14	362,730,547	-	372,280,793	1,050,859
Financial income	15	8,551,644	23,453,721	15,928,673	40,870,365
Other income		139,285	272,314	1,002,408	1,637,016
External supplies and services		(111,806)	(322,469)	(318,505)	(860,095)
Staff costs		20,449	(352,060)	(286,559)	(587,150)
Depreciation and amortisation		(833)	(1,113)	(1,884)	(2,259)
Financial expenses	15	(11,026,618)	(14,035,400)	(20,692,374)	(36,770,825)
Other expenses		(212,699)	(578,411)	(1,689,279)	(1,727,031)
Profit/(Loss) before taxation		360,507,538	8,830,977	367,030,460	4,402,677
Taxation		669,576	(2,877,408)	1,347,996	(1,480,611)
Profit/(Loss) after taxation	16	361,177,114	5,953,569	368,378,456	2,922,066
Earnings per share		0.3612	0.0060	0.3684	0.0029

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

The Board of Directors

## SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED AT 30 JUNE 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)*

	Notes	2 <sup>nd</sup> Quarter 2010 (Unaudited)	2 <sup>nd</sup> Quarter 2009 (Unaudited)	30.June.2010	30.June.2009
Net Profit / (Loss) for the period	16	361,177,114	5,953,569	368,378,456	2,922,066
Changes in hedging and fair value reserves		768,932	812,888	1,039,198	(2,832,747)
Other comprehensive income for the period		-	(123,186)	-	1,022,298
		768,932	689,702	1,039,198	(1,810,449)
Total comprehensive income for the period		361,946,046	6,643,271	369,417,654	1,111,617

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

The Board of Directors

## SONAE INVESTIMENTOS, SGPS, SA

## CONDENSED INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED AT 30 JUNE 2010 AND 2009

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

*(Amounts expressed in euro)*

	Reserves and Retained Earnings					Net Profit/(Loss)	Total
	Share Capital	Legal Reserve	Hedging Reserve	Other Reserves and Retained Earnings	Total Reserves and Retained Earnings		
Balance as at 1 January 2009	1,000,000,000	99,300,000	(3,316,342)	664,814,565	760,798,223	266,112,081	2,026,910,304
Total comprehensive income for the period	-	-	(1,810,449)	-	(1,810,449)	2,922,066	1,111,617
Appropriation of profit of 2008:							
Transfer to legal reserves and retained earnings	-	14,700,000	-	251,412,081	266,112,081	(266,112,081)	-
Dividends distributed	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)
Balance as at 30 June 2009	<u>1,000,000,000</u>	<u>114,000,000</u>	<u>(5,126,791)</u>	<u>831,226,646</u>	<u>940,099,855</u>	<u>2,922,066</u>	<u>1,943,021,921</u>
Balance as at 1 January 2010	1,000,000,000	114,000,000	(4,441,225)	831,226,646	940,785,421	61,758,365	2,002,543,786
Total comprehensive income for the period	-	-	1,039,198	-	1,039,198	368,378,456	369,417,654
Appropriation of profit of 2009:							
Transfer to legal reserves and retained earnings	-	3,087,918	-	58,670,447	61,758,365	(61,758,365)	-
Dividends distributed	-	-	-	(70,000,000)	(70,000,000)	-	(70,000,000)
Balance as at 30 June 2010	<u>1,000,000,000</u>	<u>117,087,918</u>	<u>(3,402,027)</u>	<u>819,897,093</u>	<u>933,582,984</u>	<u>368,378,456</u>	<u>2,301,961,440</u>

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

The Board of Directors

## SONAE INVESTIMENTOS, SGPS, SA

## CONDENSED INDIVIDUAL CASH FLOW STATEMENTS FOR THE PERIODS ENDED 30 JUNE 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	2 <sup>nd</sup> Quarter 2010 (Unaudited)	2 <sup>nd</sup> Quarter 2009(Unaudited)	30.June.2010	30.June.2009
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		<u>(19,462,398)</u>	<u>7,238,698</u>	<u>(19,442,892)</u>	<u>7,495,610</u>
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments	4	1,117,589,417	-	1,147,994,417	-
Tangible and intangible assets		10	-	10	-
Interests and similar income		605,191	8,345,092	45,997,802	54,456,342
Dividends		10,447,148	440,859	10,447,148	440,859
Loans granted		347,945,940	745,228,412	877,509,784	1,129,774,412
		<u>1,476,587,706</u>	<u>754,014,363</u>	<u>2,081,949,161</u>	<u>1,184,671,613</u>
Cash Payments arising from:					
Investments	4	(600,305,000)	(15,000,063)	(1,128,305,000)	(17,172,063)
Tangible and intangible assets		(366)	-	(366)	-
Loans granted		(804,098,256)	(582,267,577)	(1,267,669,296)	(1,075,325,620)
		<u>(1,404,403,622)</u>	<u>(597,267,640)</u>	<u>(2,395,974,662)</u>	<u>(1,092,497,683)</u>
Net cash used in investment activities (2)		<u>72,184,084</u>	<u>156,746,723</u>	<u>(314,025,501)</u>	<u>92,173,930</u>
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		<u>2,152,677,486</u>	<u>3,986,572,533</u>	<u>4,148,739,131</u>	<u>6,332,136,033</u>
		<u>2,152,677,486</u>	<u>3,986,572,533</u>	<u>4,148,739,131</u>	<u>6,332,136,033</u>
Cash Payments arising from:					
Loans obtained		(2,134,522,743)	(4,050,065,923)	(3,784,328,410)	(6,348,538,723)
Interests and similar charges		(4,722,280)	(12,510,254)	(16,766,119)	(45,871,456)
Dividends		(70,000,000)	(85,000,000)	(70,000,000)	(85,000,000)
		<u>(2,209,245,023)</u>	<u>(4,147,576,177)</u>	<u>(3,871,094,529)</u>	<u>(6,479,410,179)</u>
Net cash used in financing activities (3)		<u>(56,567,537)</u>	<u>(161,003,644)</u>	<u>277,644,602</u>	<u>(147,274,146)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(3,845,851)</u>	<u>2,981,777</u>	<u>(55,823,791)</u>	<u>(47,604,606)</u>
Cash and cash equivalents at the beginning of the period		<u>(466,277)</u>	<u>(636,212)</u>	<u>51,511,663</u>	<u>49,950,171</u>
Cash and cash equivalents at the end of the period	8	<u>(4,312,128)</u>	<u>2,345,565</u>	<u>(4,312,128)</u>	<u>2,345,565</u>

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

The Board of Directors

# SONAE INVESTIMENTOS, SGPS, SA

## NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 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

---

SONAE Investimentos, SGPS, SA, "the Company" or "Sonae Investimentos", is a Portuguese corporation, whose head office is in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.

Its main activity is the management of investments (Note 4).

### 2 BASIS OF PREPARATION

---

The interim condensed Financial Statements are presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting".

### 3 PRINCIPAL ACCOUNTING POLICIES

---

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



## 4 INVESTMENTS

As at 30 June 2010 and 31 December 2009, the detail of investments is as follows:

Company	30.June.2010		31.December.2009	
	% held	Final balance	% held	Final balance
Azulino - Imobiliária, SA	100.00%	498,025	100.00%	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	1,845,000	100.00%	1,845,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	1,669,375	100.00%	1,669,375
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	2,244,591	100.00%	2,244,591
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	100.00%	477,848
Contibomba - Comércio e Distribuição de Combustíveis, SA	100.00%	452,000	100.00%	452,000
Contimobe - Imobiliária Castelo Paiva, SA	100.00%	231,318,722	100.00%	231,318,722
Cumulativa - Sociedade Imobiliária, SA	100.00%	2,315,191	100.00%	2,285,191
Difusão - Sociedade Imobiliária, SA	-	-	100.00%	50,000
Edições Book.it - SA	-	-	100.00%	1,000,000
Farmácia Seleção, SA	89.00%	89,000	89.00%	89,000
Fozirno - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Fozmassimo - Sociedade Imobiliária, SA	100.00%	6,264,902	100.00%	6,264,902
Fundo de Investimento Imobiliário Fechado Imosedo	54.55%	64,415,021	54.55%	64,415,021
Fundo de Investimento Imobiliário Imosonae Dois	100.00%	158,410,389	100.00%	158,410,389
Igimo - Sociedade Imobiliária, SA	100.00%	220,000	100.00%	220,000
Iginha - Sociedade imobiliária, SA	100.00%	1,259,000	100.00%	959,000
Imoconti - Sociedade Imobiliária, SA	100.00%	380,000	100.00%	380,000
Imoestrutura - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	799,940	100.00%	799,940
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	100.00%	109,736
Imosistema - Sociedade Imobiliária, SA	100.00%	280,000	100.00%	280,000
Marcas MC, ZRT	100.00%	72,784,761	100.00%	72,784,761
MJLF - Empreendimentos Imobiliários, SA	100.00%	1,809,397	100.00%	1,809,397
Modelo Continente Hipermercados, SA	-	-	56.00%	284,190,240
Modelo Continente Seguros - Sociedade de Mediação, Lda	75.00%	3,161,250	75.00%	3,161,250
Modelo.Com - Vendas por Correspondência, SA	100.00%	12,637,016	100.00%	12,637,016
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	100.00%	6,372,293
Raso, SGPS, SA	50.00%	24,500,000	50.00%	24,500,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	1,513,379	100.00%	1,488,379
Sempre à Mão - Sociedade Imobiliária, SA	100.00%	1,530,558	100.00%	1,530,558
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	25.00%	249,399	25.00%	249,399
Sesagest - Projectos e Gestão Imobiliária, SA	100.00%	36,677,088	100.00%	36,677,088
Socijofra - Sociedade Imobiliária, SA	100.00%	550,000	100.00%	550,000
Sociloures - Sociedade Imobiliária, SA	100.00%	10,000,000	100.00%	10,000,000
Soflorin, BV	100.00%	257,309,037	100.00%	257,309,037
Sonae - Specialized Retail, SGPS, SA	100.00%	1,050,000,000	100.00%	1,050,000,000
Sonae Capital Brasil, SA	37.00%	23,334,858	37.00%	23,334,858
Sonae Center Serviços II, SA	100.00%	58,032,319	100.00%	50,000
Sonae MC - Modelo Continente, SGPS, SA	100.00%	600,000,000	100.00%	50,000
Sonae Retalho Espanha, SA	100.00%	2,549,831	100.00%	2,549,831
Sonae gest - Soc. Gest. de Fundos de Investimentos, SA	20.00%	159,615	20.00%	159,615
Sonaerp - Retail properties, SA	100.00%	114,495,350	100.00%	114,495,350
Sondis Imobiliária, SA	100.00%	474,940	100.00%	474,940
Sontária - Empreendimentos Imobiliários, SA	100.00%	10,600,000	100.00%	10,600,000
Sonvecap, BV	100.00%	3,000,000	100.00%	3,000,000
Tlantic Portugal - Sistemas de Informação, SA	100.00%	443,316	100.00%	443,316
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA	100.00%	1,180,000	100.00%	1,180,000
Valor N, SA	100.00%	2,087,315	100.00%	2,087,315
		<u>2,768,550,342</u>		<u>2,395,503,263</u>
Impairment of investments		<u>(45,868,497)</u>		<u>(45,868,497)</u>
		<u>2,722,681,845</u>		<u>2,349,634,766</u>

During the period Sonae Investimentos disposed of the following subsidiaries: Modelo Continente Hipermercados, SA, Edições Book.it, SA and Difusão – Sociedade Imobiliária, SA (Note 14).

During the period Sonae Investimentos fully subscribed a share capital increase of its subsidiary Sonae MC – Modelo Continente, SGPS, SA. Additionally, part of Modelo Continente Hipermercados, SA acquisition cost was allocated to Sonae Center Serviços II, SA following the demerger of Modelo Continente Hipermercados, SA into Sonae Center Serviços II, SA.

## 5 DEFERRED TAX

Deferred tax assets and liabilities as of 30 June 2010 and 31 December 2009, taking into consideration the temporary differences that generated them, can be detailed as follows:

	Assets	
	30.June.2010	31.December.2009
Derivatives	1,226,581	1,601,258
Impairment losses of assets not accepted for tax purposes	-	134,900
	<u>1,226,581</u>	<u>1,736,158</u>
	Liabilities	
	30.June.2010	31.December.2009
Differences between amortisations for accounting and tax purposes	1,403	1,379
	<u>1,403</u>	<u>1,379</u>

## 6 OTHER NON-CURRENT ASSETS

As at 30 June 2010 and 31 December 2009 other non-current assets are detailed as follows (Note 19):

	30.June.2010	31.December.2009
Loans granted to group companies	1,350,893,032	1,000,150,633

These loans bear interests at usual market rates and do not have a defined maturity.

## 7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2010 and 31 December 2009 trade account receivables and other current assets are detailed as follows:

	30.June.2010	31.December.2009
Trade accounts receivable	126,793	1,319,180
Group companies	285,828,771	310,119,510
Other debtors	5,639,195	6,242,723
Taxes recoverable	758,311	668,567
Other current assets	<u>19,270,508</u>	<u>4,337,057</u>
	<u>311,623,578</u>	<u>322,687,037</u>

The heading group companies includes: (i) the amount of 252,020,000 euro (157,125,888 euro in 31 December 2009) related to short term loans to group companies (Note 19); (ii) the amount of 52,835 euro related to interests receivable (44,472,734 euro in 31 December 2009) (iii) the amount of 33,755,936 euro (21,753,472 euro in 31 December 2009) related to income tax calculated by group companies taxed in accordance with the Special Regime for Taxing Group Companies.

The heading other debtors includes 5,113,681 euro (5,214,780 euro in 31 December 2009), related to tax claims of tax assessments paid to tax authorities. No provision or impairment was recorded in order to face possible losses as it is understood by the Board of Directors that the outcome of these claims will be favourable to the Company.

The caption "Other current assets" includes mainly receivables relating to interests, from loans granted to group companies.

## 8 CASH AND CASH EQUIVALENTS

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

	30.June.2010	31.December.2009
Cash	505	813
Bank deposits	686,968	51,972,610
Cash and cash equivalents on the balance sheet	<u>687,473</u>	<u>51,973,423</u>
Bank overdrafts (Note 10)	(4,999,601)	(461,760)
Cash and cash equivalents on the cash flow statement	<u>(4,312,128)</u>	<u>51,511,663</u>

Bank overdrafts are recorded in the balance sheet under the caption "Current loans" (Note 10).

## 9 SHARE CAPITAL

As at 30 June 2010 and 31 December 2009, the share capital, which is fully subscribed and paid for, is made up of 1,000,000,000 ordinary shares with a nominal value of 1 euro each.

As at 30 June 2010 and 31 December 2009, the share capital was held as follows:

	30.June.2010	31.December.2009
Sonae, SGPS, SA	82.48%	82.48%
Sonae Investments BV	17.52%	17.52%

## 10 LOANS

As at 30 June 2010 and 31 December 2009 loans are made up as follows:

	30.June.2010	31.December.2009
Nominal value of bond loans	992,000,000	992,000,000
Up-front fees not yet charged to income statement	(3,812,423)	(4,516,975)
Bond loans	988,187,577	987,483,025
Commercial paper	425,000,000	271,000,000
Other bank loans	13,333,333	15,000,000
Up-front fees not yet charged to income statement	(85,300)	(105,107)
Bank loans	438,248,033	285,894,893
<b>Non current loans</b>	<b>1,426,435,610</b>	<b>1,273,377,918</b>
Nominal value of bond loans	64,925,000	64,925,000
Up-front fees not yet charged to income statement	(3,644)	(25,511)
Bond loans	64,921,356	64,899,489
Other bank loans	3,333,333	3,333,333
Up-front fees not yet charged to income statement	(7,668)	(7,668)
Bank overdrafts (Note 8)	4,999,601	461,760
Bank loans	8,325,266	3,787,425
<b>Current loans</b>	<b>73,246,622</b>	<b>68,686,914</b>

**Non-current loans**

Bonds Modelo Continente 2003 amounting to 82,000,000 euro, repayable after 8 years, in one installment, on 15 October 2011. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

Bonds Modelo Continente 2005/2012 amounting to 150,000,000 euro, repayable after 7 years, in one installment, on 2 August 2012. 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 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> coupons.

Bonds Modelo Continente 2007/2012 amounting to 200,000,000 euro, repayable after 5 years, in one installment, on 30 April 2012. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

Bonds Sonae Distribuição 2007/2015 amounting to 200,000,000 euro, repayable after 8 years, in one installment, on 10 August 2015. 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 10<sup>th</sup>, 12<sup>th</sup> and 14<sup>th</sup> coupons.

Bonds Sonae Distribuição September 2007/2015 amounting to 310,000,000 euro, repayable in two installments of 50% each, on 10 September 2013 and 10 September 2015. 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 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> coupons.

Bonds Sonae Distribuição 2009/2014 amounting to 50,000,000 euro, repayable in 6 half yearly successive according to the redemption plan as follows: i) 8,000,000 euro, on the 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> interest payment date; ii) 10,000,000 euro, on the 10<sup>th</sup> interest payment date. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

Commercial paper programs are committed by financial institutions for a period of 4 years.

As the Company intends to keep these loans for a period superior to one year, those were classified as non-current.

## Current loans

The Bonds Modelo Continente 2005/2010, amounting to 64,925,000 euro, have already been partially repaid, and are repayable at 3 August 2010. Interest rate is variable, indexed to Euribor 6 months, with interests paid half-yearly.

The interest rate as at 30 June 2010 of the bonds and bank loans was, on average, 1.55% (1.65% as at 31 December 2009).

## 11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

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

	30.June.2010	31.December.2009
Trade accounts payable	3,275	261,857
Group companies	560,314,442	342,971,182
Other accounts payable	502,271	8,151
Tax and contributions payable	7,534,085	21,559,067
Derivatives	6,470,421	7,823,283
Other current liabilities	10,811,718	8,958,426
	<u>585,636,212</u>	<u>381,581,966</u>

The heading group companies includes: (i) the amount of 550,155,766 euro (338,078,379 euro as at 31 December 2009) related to short term loans from group companies (Note 19); (ii) the amount of 9,925,546 euro (4,659,673 euro as at 31 December 2009) related to income tax computed by the group companies taxed in accordance with the Special Regime for Taxing Groups of Companies; (iii) the amount of 233,130 euro (same amount as at 31 December 2009) related with the request for reimbursement claim of the 2003 special payment on account of income tax paid by the companies taxed according with the Special Regime for Taxing Groups of Companies.

The caption "Other current liabilities" mainly includes accrued interests not yet due relating to loans obtained.

## 12 CONTINGENT ASSETS AND LIABILITIES

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

		30.June.2010	31.December.2009
Guarantees rendered:			
related to tax claims awaiting outcome	(a)	162,150,255	95,643,815
related to local and municipal claims awaiting outcome		289,380	289,380
others		10,761,324	10,761,324
Guarantees given in favour of a subsidiary	(b)	46,992,246	46,893,361

a) Includes the amount of 160,162,874 euro (93,656,434 euro as at 31 December 2009) referring to corporate income tax claims awaiting outcome and the amount of 1,985,386 euro (same amount as at 31 December 2009) relating to stamp duty claims.

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

No provision has been recognized for these tax additional assessments, to which some guarantees were made, as the Board of Directors expects their outcome to be favorable to the Company with no additional liability.

Following the disposal of a Brazilian subsidiary company, the group guaranteed to that subsidiary company buyer all the losses it will have as consequence of tax additional assessments as it is described in the Note of Contingent Assets and Liabilities in the Consolidated financial statements.

## 13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	30.June.2010	30.June.2009
<b>Transactions:</b>		
Group companies	499,998	499,998
Associated companies	307,189	291,799
Services rendered	807,187	791,797
Group companies	5,000	5,001
Jointly controlled companies	-	6,938
Other related parties	23,016	5,540
Purchases and services obtained	28,016	17,479
Parent company	545	-
Group companies	439,315	1,335,870
Other income	439,860	1,335,870
Parent company	324	-
Group companies	15,809,256	39,880,410
Jointly controlled companies	75,179	177,258
Interest income	15,884,759	40,057,668
Parent company	346,443	137
Group companies	3,702,641	8,274,027
Jointly controlled companies	33	4,324
Interest expenses	4,049,117	8,278,488
Group companies	9,550,246	1,050,859
Associated companies	896,902	-
Dividend income	10,447,148	1,050,859
Group companies	934,525,000	11,000
Disposal of investments	934,525,000	11,000
Group companies	451,000,000	-
Acquisition companies	451,000,000	-
	30.June.2010	31.December.2009
<b>Balance:</b>		
Parent company	16,161	15,837
Group companies	50,207,255	154,762,925
Jointly controlled companies	75,179	111,531
Associated companies	181,920	165,716
Other related parties	192	192
Accounts receivable	50,480,707	155,056,201
Parent company	792,523	447,617
Group companies	13,674,836	6,597,394
Jointly controlled companies	600	9,678
Other related parties	21,622	142
Accounts payable	14,489,581	7,054,831
Group companies	1,599,663,032	1,151,916,978
Jointly controlled companies	3,250,000	5,359,543
Loans granted (Note 19)	1,602,913,032	1,157,276,521
Group companies	550,155,766	338,040,379
Jointly controlled companies	-	38,000
Loans obtained (Note 19)	550,155,766	338,078,379

All Sonae, SGPS, SA and Efanor Investimentos SGPS, SA subsidiaries, associates and joint ventures are considered related parties and are identified in the Consolidated Financial Statements.

## 14 GAINS OR LOSSES ON INVESTMENTS

As at 30 June 2010 and 2009, investment income can be detailed as follows:

	30.June.2010	30.June.2009
Dividends	10,447,148	1,050,859
Gains on disposal of investments	361,833,645	-
	<u>372,280,793</u>	<u>1,050,859</u>

The amount recorded as gains on disposal of investments is related to the disposal of the companies Modelo Continente Hipermercados, SA (352,517,079 euro), Edições Book.it, SA (1,800,000 euro) and Difusão - Sociedade Imobiliária, SA (7,516,566 euros).

## 15 FINANCIAL INCOME / LOSSES

As at 30 June 2010, this caption includes the amount of 15,928,673 euro (40,870,365 euro as at 30 June 2009) related to receivable interests and the amount of 18,012,109 euro (35,504,961 euro as at 30 June 2009) related to payable interests.

## 16 EARNINGS PER SHARE

As at 30 June 2010 and 31 December 2009, earnings per share were calculated taking into consideration the following amounts:

	30.June.2010	30.June.2009
<b>Net Profit</b>		
Net profit taken into consideration to calculate basic earnings per share (net profit for the period)	368,378,456	2,922,066
Net profit taken into consideration to calculate diluted earnings per share	368,378,456	2,922,066
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	1,000,000,000	1,000,000,000
Weighted average number of shares used to calculate diluted earnings	1,000,000,000	1,000,000,000
Earnings per share (basic and diluted)	<u>0.3684</u>	<u>0.0029</u>

## 17 DIVIDENDS

In the annual General Meeting held on 26 April 2010, have been attributed gross dividends of 0.07 euro per share (0.085 euro per share in 2009), corresponding to a total of 70,000,000 euro (85,000,000 euro in 2009).

## 18 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 25 August 2010.

---

## 19 INFORMATION REQUIRED BY LAW

---

### Decree-Law nr 318/94 art 5 nr 4

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

Soflorin, BV

Sonae MC – Modelo Continente, SGPS, SA

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

Canasta – Empreendimentos Imobiliários, SA

Chão Verde - Sociedade de Gestão Imobiliária, SA

Citorres - Sociedade Imobiliária, SA

Contibomba - Comércio e Distribuição de Combustíveis, SA

Cumulativa - Sociedade Imobiliária, SA

Estevão Neves – Hipermercados da Madeira, SA

Imomuro – Sociedade Imobiliária, SA

MJLF – Empreendimentos Imobiliários, SA

Pharmaconcept – Actividades em Saúde, SA

Pharmacontinente – Saúde e Higiene, SA

Raso SGPS, SA

Selifa – Sociedade de Empreendimentos Imobiliários, SA

Sonae Center Serviços II, SA

Sonae MC – Modelo Continente, SGPS, SA

Sonae - Specialized Retail, SGPS, SA



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

Non-current (Note 6) and current (Note 7) granted loans

<b>Company</b>	<b>30.June.2010</b>
Azulino - Imobiliária, SA	3,929,388
BB Food Service, SA	1,725,000
Bertimóvel - Sociedade Imobiliária, SA	19,559,000
Canasta - Empreendimentos Imobiliários, SA	2,586,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	64,000
Citorres - Sociedade Imobiliária, SA	3,425,000
Contibomba - Comércio e Distribuição de Combustíveis, SA	26,000
Contimobe - Imobiliária Castelo Paiva, SA	62,072,000
Continente Hipermercados, SA	142,854,000
Cumulativa - Sociedade Imobiliária, SA	2,769,000
Edições Book.it - SA	3,590,000
Farmácia Seleção, SA	2,850,000
Fozimo – Sociedade Imobiliária, SA	1,774,000
Fozmassimo - Sociedade Imobiliária, SA	2,470,000
Good and Cheap - Comércio Retalhista, SA	15,099,000
Hipotética - Comércio Retalhista, SA	12,259,000
Igimo – Sociedade Imobiliária, SA	651,000
Iginha – Sociedade Imobiliária, SA	12,724,500
Imoconti – Sociedade Imobiliária, SA	16,304,659
Imoestrutura - Sociedade Imobiliária, SA	413,078
Imomuro - Sociedade Imobiliária, SA	4,133,897
Imoresultado – Sociedade Imobiliária, SA	442,000
Imosistema - Sociedade Imobiliária, SA	4,283,060
MJLF - Empreendimentos Imobiliários, SA	3,520,000
Modelo Continente Seguros - Sociedade de Mediação, Lda	2,987,250
Pharmaconcept - Actividades em Saúde, SA	56,000
Pharmacontinente - Saúde e Higiene, SA	11,946,000
Predicomercial - Promoção Imobiliária, SA	10,008,340
Raso, SGPS, SA	3,250,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	3,684,926
Sempre à Mão - Sociedade Imobiliária, SA	48,148,128
Sesagest - Projectos e Gestão Imobiliária, SA	32,034,348
Socijofra - Sociedade Imobiliária, SA	7,503,145
Sociloures - Sociedade Imobiliária, SA	27,742,118
Soflorin, BV	330,438,610
Sonae Center Serviços II, SA	9,230,000
Sonae MC - Modelo Continente, SGPS, SA	524,456,000
Sonae Retalho Espanha, SA	200,046
Sonaerp - Retail Properties, SA	239,839,000
Sondis Imobiliária, SA	24,844,159
Sontária - Empreendimentos Imobiliários, SA	2,968,380
Tlantic Portugal - Sistemas de Informação, SA	40,000
Valor N, SA	4,013,000
	<u>1,602,913,032</u>

As at 30 June 2010 amounts owed to affiliated undertakings can be summarized as follows:

Current obtained loans (Note 11)

<b>Company</b>	<b>30.June.2010</b>
Contibomba - Comércio e Distribuição de Combustíveis, SA	26,743
Chão Verde - Sociedade de Gestão Imobiliária, SA	2,971,023
Efanor - Design e Serviços, SA	2,876,000
Estevão Neves - Hipermercados da Madeira, SA	3,558,000
Modelo Continente Hipermercados, SA	137,760,000
Modelo Hiper - Imobiliária, SA	2,140,000
Modelo.Com - Vendas por Correspondência, SA	11,331,000
Solaris - Supermercados, SA	6,858,000
Sonae - Specialized Retail SGPS, SA	347,937,000
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA	943,000
Worten - Equipamentos para o Lar, SA	33,755,000
	<u>550,155,766</u>

The Board of Directors

---

Duarte Paulo Teixeira de Azevedo

---

Ângelo Gabriel Ribeirinho dos Santos Paupério

---

Nuno Manuel Moniz Trigo Jordão

## LIMITED REVIEW REPORT

LIMITED REVIEW REPORT PREPARED BY THE AUDITOR REGISTERED WITH  
CMVM ON HALF-YEAR FINANCIAL INFORMATION

(Translation of a report originally issued in Portuguese.  
In case of discrepancies the Portuguese version prevails)

**Introduction**

1. In accordance with the Securities Market Code, we hereby present our Limited Review Report on the financial information of Sonae Investimentos SGPS, S.A. (“Company”) for the half-year ended 30 June 2010 included in: the Report of the Board of Directors, the Condensed Consolidated and Condensed Individual Balance Sheets (that reflect a total assets of 3,921,040,915 Euro and 4,387,281,287 Euro, respectively, and a Consolidated and Individual equity of 1,019,184,064 Euro and 2,301,961,440 Euro respectively, including a consolidated net profit attributable to the Company’s equity holders of 41,145,813 Euro and a individual net profit of 368,378,456 Euro), the Condensed Consolidated and Condensed Individual Statements of Profit and loss, Comprehensive Income, Changes in equity and Cash flows for the half-year then ended and the related notes.
2. The amounts in the consolidated and individual financial statements, as well as the additional financial information, are in accordance with the accounting records of the companies included on consolidation, adjusted in the consolidation process to be in compliance with International Financial Reporting Standards as adopted by the European Union.

**Responsibilities**

3. The Company’s Board of Directors is responsible for: (i) the preparation of Consolidated and Individual financial information that present a true and fair view of the financial position of the Company and of the companies included in the consolidation and the consolidated and individual results of their operations, comprehensive income, changes in equity and cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union for the purposes of interim financial reporting (IAS 34) and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria; (iv) the maintenance of an appropriate internal control system; and (v) informing any significant facts that have influenced its operations and the operations of the companies included on consolidation, its financial position, comprehensive income or results.
4. Our responsibility is to review the financial information contained in the above mentioned documents, namely verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and to issue a moderate assurance, professional and independent report on that financial information based on our work.

**Scope**

5. The objective of our work was to obtain moderate assurance as to whether the above mentioned financial information is free of material misstatement. Our work was performed in accordance with the Auditing Standards issued by the Portuguese Institute of Statutory Auditors, was planned in accordance with that objective, and consisted essentially of enquiries and analytical procedures with the objective of reviewing: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting principles used, taking into consideration the circumstances and the consistency of their application; (iii) the applicability, or not, of the going concern concept; (iv) the presentation of the financial information; and (v) whether, in all material respects, the consolidated and individual financial information is complete, true, timely, clear, objective and licit as required by the Securities Market Code.

6. Our work also included verifying that the consolidated and individual financial information included in the Report of the Board of Directors is consistent with the other above mentioned financial information.
7. We believe that our work provides a reasonable basis for issuing the present limited review report on the half-year financial information.

**Opinion**

8. Based on our work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated and individual financial information for the half-year ended 30 June 2010 referred to in paragraph 1 above of Sonae Investimentos, S.G.P.S., S.A. is not exempt from material misstatement that affects its conformity with International Financial Reporting Standards as adopted by the European Union for the purposes of interim financial reporting (IAS 34) and that, in terms of the definitions included in the Auditing Standards referred to in paragraph 5 above, it is not complete, true, timely, clear, objective and licit.

Porto, 25 August 2010

Deloitte & Associados, SROC S.A.  
Represented by António Manuel Martins Amaral