SONAE

JPM 2009 RETAIL CONFERENCE

June 2009

SONAE

50 YEARS AHEAD.

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Latest Corporate Developments

1Q09 Results

SONAE

SONAE 50 YEARS AHEAD.

- 2008 **TURNOVER**: **5.4 BILLION EUROS**
- 2008 **EBITDA**: **617 MILLION EUROS**
- 2008 **INVESTED CAPITAL: 4.4 BILLION EUROS**
- **MARKET CAP: 1.5 BILLION EUROS (as of 28 may 2009)**
- **MARKET LEADER** IN FOOD BASED AND VARIOUS SPECIALISED RETAIL FORMATS
- **RETAIL REPRESENTING 62% OF SONAE GROSS ASSET VALUE**

A Retail company
with *Board control* of Sonae Sierra and Sonaecom

SONAE

100%	100%	100%	50%	53%	…
Food Based Retail	**Specialised Retail**	**Retail Real Estate**	**Sonae Sierra**	**Sonaecom**	**Investment Manag.**
Hipers and supers	Non-Food Retail formats: sports, textiles and electronics.	Retail real estate assets	Shopping centre developer, owner and manager	Integrated telecom provider	Businesses with M&A activity: Insurance, Travel and DIY
55% Sales **31%** EBITDA **11%** Inv. Capital	**18%** Sales **9%** EBITDA **4%** Inv. Capital	**2%** Sales **18%** EBITDA **30%** Inv. Capital	**3%** Sales **15%** EBITDA **36%** Inv. Capital	**18%** Sales **26%** EBITDA **16%** Inv. Capital	**4%** Sales **1%** EBITDA **3%** Inv. Capital

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Presence in 16 countries
and employing around 37,000 people

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Modelo Continente:
food retail leader in Portugal

Hypermakets
Continente

- **38** stores
- **278,000** m^2 (sales area)
- Average sales area >**7,300**m^2

Supermarkets
Modelo

- **116** stores
- **202,000** m^2 (sales area)
- Average sales area <**2,000**m^2

Cofee-Shops
Bom Bocado

- **50** stores
- **3,000** m^2 (sales area)

Beauty&Health
Área Saúde

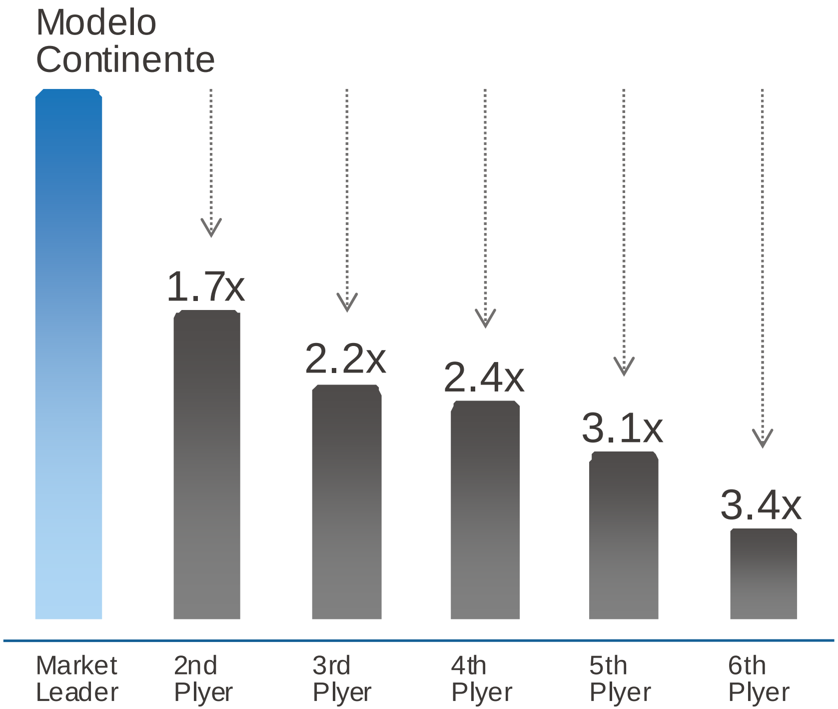
- **88** stores
- **8,000** m^2 (sales area)

Bookshop
Book.it

- **4** stores
- **1,000** m^2 (sales area)

- **297 STORES**
- **494,000 m^2 SALES AREA**
- **2.9 B€ TURNOVER** (2008)
- **187 M€ EBITDA** (2008)

Modelo Continente:
format with key differentiating factors



UNIQUE POSITIONING:
of price and variety

LARGE ASSORTMENT:
70,000 SKU's (Continente); 40,000 (Modelo)

PRIME LOCATIONS OF STORES:
unique and difficult to replicate

STRONG BRANDS:
with the highest levels of awareness

LOYALTY CARD:
strengthens the relationship with the customer

HIGH PRODUCTIVITY LEVELS

SIGNIFICANT PRIVATE LABEL WEIGTH:
~23% sales (FMCG)

PERISHABLES:
~40% sales

Non-food retail:
Development of unique concepts

Sports
SportZone

- **67** stores
- **53,000 m²** (sales area)
- **170 M€** turnover (2008)

Home Apliances & Electronics
Worten

- **125** stores
- **102,000 m²** (sales area)
- **563 M€** turnover (2008)

Apparel
Modalfa

- **87** stores
- **41,000 m²** (sales area)
- **102 M€** turnover (2008)

Kids Apparel
Zippy

- **29** stores
- **11,000 m²** (sales area)
- **28 M€** turnover (2008)

Others

- **Loop**: Casual Footwear
- **Worten Mobile**: Mobile telecom equipments
- **Vobis**: Computer appliances

- **7 FORMATS**
- **393 STORES; 17 IN SPAIN**
- **252,000 m² SALES AREA**
- **928 M€ TURNOVER** (2008)
- **52 M€ EBITDA** (2008)

Expected to be **an important source of capital**

RATIONALE

- MANAGE ASSETS MORE PROACTIVELY
- BUILD RETAIL REAL ESTATE COMPETENCIES
- PARTIAL RELEASE OF INVESTED CAPITAL

2008 INVESTED CAPITAL: 1.4 BILLION EUROS (book value)

SALES AREA OWNED: 582,000 m^2

- 72% OF TOTAL RETAIL SALES AREA (food & non-food)
- 87% OF TOTAL FOOD SALES AREA

2008 TURNOVER: 109 MILLION EUROS (Rents)

Leading shopping centre specialist with an integrated approach

Development

Responsible for development of shopping centres;

Role of overseeing the procurement and design process.

Investment

Owns Sonae Sierra's assets - shopping centres;

51% control of Sierra investment property fund (Sept 2003);

42% control of Sierra Portugal fund (August 2008);

Asset management services.

Management

Responsible for day to day management of shopping centres (property management);

Operational management of Sierra's assets and others owned by third parties.

Brazil

Similar business structure in Brazil;

Fully dedicated local management team and partnership with DDR (Developers Diversified Realty).

- **INTEGRATED APPROACH:** MANAGEMENT AS COMPLEMENT TO "DEVELOP AND HOLD"
- **JOINT-VENTURE:** SONAE (50%) & GROSVENOR (50%)
- **PIPELINE: 14 PROJECTS UNDER DEVELOPMENT**
  Loop 5.Germany (2009) | Leiria Shopping, Portugal (2010)

International business
owning 51 shopping centres

Leading integrated alternative Telco

Mobile

Mobile communications in Portugal: traditional voice; data; range of mobile solutions; wholesale services;

Innovative convergent fixed-mobile products (Home; Kanguru).

Wireline

Triple play services (Voice, Internet & IPTV) to residential, SME and corporate client bases;

Voice, data capacity and connectivity services to telco operators worldwide.

Media

Reference newspaper in Portugal;

#3 in paid circulation;

#3 in advertising.

SSI

Information system and Technology products provider;

Wedo: world leader in Revenue Assurance software integration market

IT/IS Consultancy.

PORTUGUESE TELECOM MARKET: #3 WITH 13% MARKET SHARE
MOBILE: #3 WITH 20% MARKET SHARE (~3 MILLION CUSTOMERS)
BROADBAND: #3 WITH 13% MARKET SHARE
VOICE: #3 WITH 19% MARKET SHARE

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Corporate strategic guidelines
were disclosed

GO INTERNATIONAL
- Top strategic objective;
- Target growth geographies and mature markets;
- Use concepts believed to be distinctive and with a clear edge over competitors.

DIVERSIFY INVESTMENT STYLE
- Adopt the most appropriate investment style on each business;
- Accept non-controlling stakes (minority stakes) when Sonae would benefit from the contribution of partners to create value.

LEVERAGE EXCEPTIONAL ASSET BASE IN PORTUGAL
- Continue to explore new business oportunities that leverage Sonae’s exceptional asset base in Portugal;
- New ventures should have potential to become a large business in the medium term and with a clear path to internationalization.

Corporate strategic guidelines were disclosed

REORGANIZE RETAIL INTO 3 SEPARATE BUSINESSES

- 2 core businesses: Food based retail and Specialised retail;
- 1 related business: Retail real estate;
- New structure took into account different internationalization expansion opportunities of each core unit.

INTEGRATE RETAIL&HOLDING CORPORATE CENTRES

- Release resources necessary for new corporate developments without increasing headcount;
- More focus on retail and retail related businesses.

INCORPORATE A NEW INVESTMENT MANAGEMENT AREA

- Create a support unit within the newly integrated corporate centre;
- Unit with M&A expertise and focused on the retail sector.

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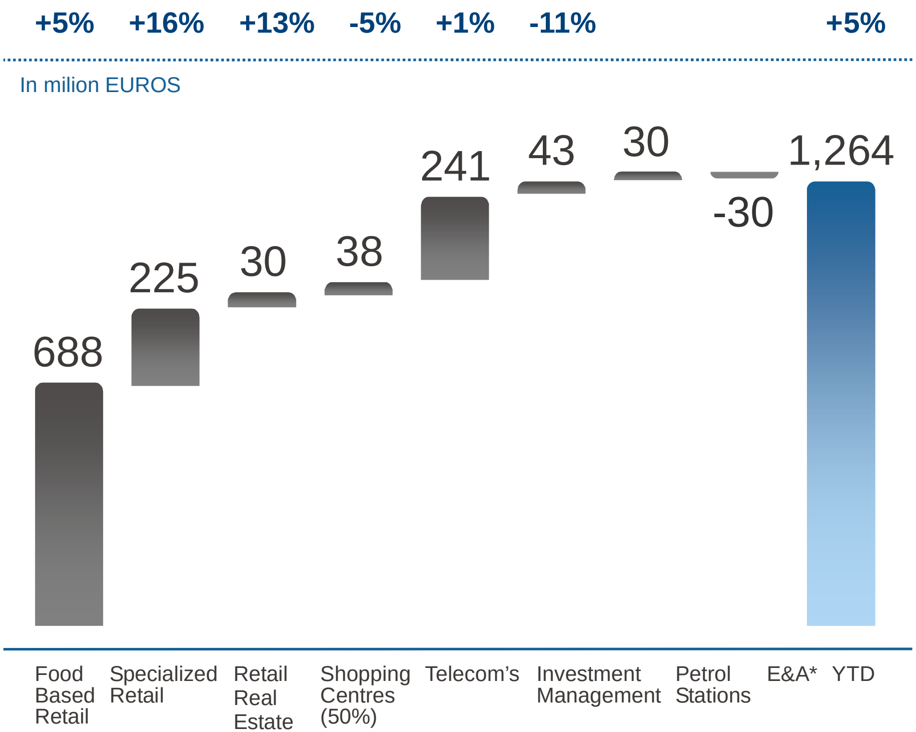
GROWTH ▸ Δ %LY



Resilient performance through all segments;

Food Retail growing steadily and in line with expectations; significant 1%LfL, in view of negative calendar effect and trading down phenomenon;

Specialized Retail with double digit growth figures positively impacted by the aggressive organic growth; despite negative 9% LfL, reflecting lower consumption of discretionary categories and the exceptionally high 7% LfL in 1Q08;

Turnover of Shopping Centres influenced by the dilution of the Sierra Portugal Fund (42% vs 100%);

Telecoms turnover up 1%, with sustained growth in mobile subscribers, a clear sign of the success of the strong investment effort made in the last 12 months (brand and network).

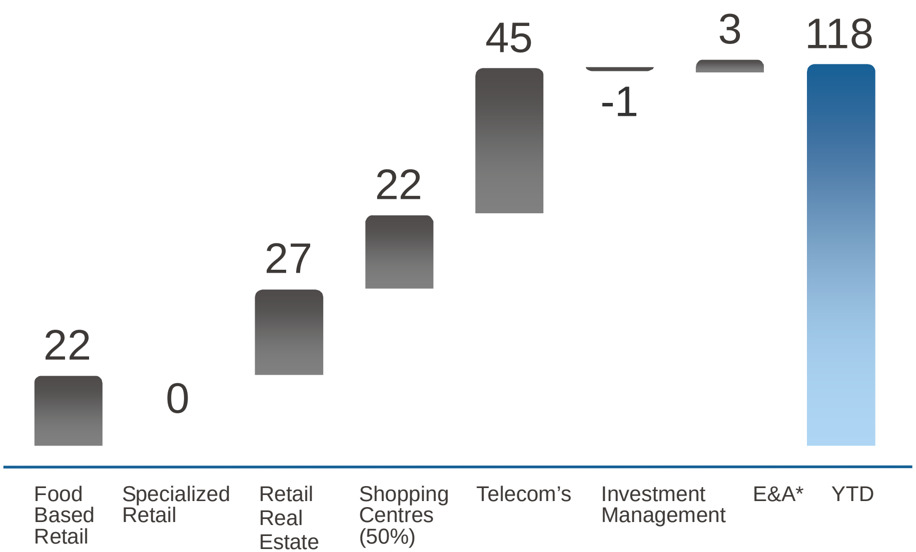
SONAE 50 YEARS AHEAD.

EBITDA

GROWTH ▸ Δ %LY

+95%	-	-20%	-7%	+33%	-	+11%

in million EUROS



EBITDA MARGIN ▸

+3.1%	-0.2%	+89.9%	+58.5%	+18.8%	-3.0%	+9.3%

EBITDA reached double digit growth figures, notwithstanding last year´s real estate extraordinary gain and the unfavorable calendar effect;

If excluding capital gain with the sale of a Brazilian site in 1Q08, EBITDA increased by ~22%;

Food Retail improved profitability vs LY (+1,4p.p);

Specialized retail conditioned by the investment for growth efforts in Spain (including conversion of the acquired consumer electronics stores portfolio to the Worten concept and branding);

Shopping Centres penalized by the dilution of SPF and higher provisions for rents;

Telecom's considerably improving EBITDA through a significant lowering of costs (namely M&S).

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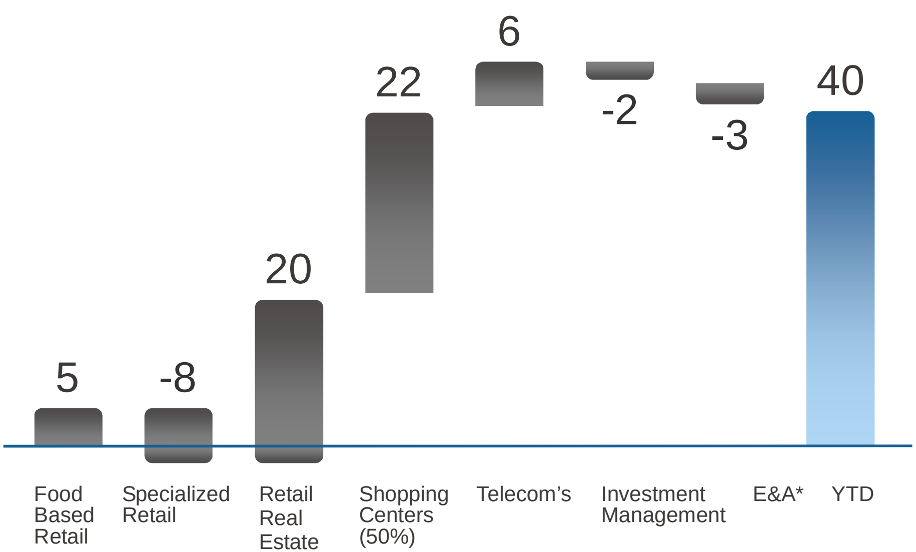
EBIT

GROWTH ▸ Δ %LY

+205% -352% -27% -7% +287% - - -9%

in million EUROS



EBITDA MARGIN ▸

+1% -3% +69% +58% -6% +3%

Sonae's EBIT margin impacted by the investment for growth efforts namely regarding Specialized Retail and Telecoms;

EBIT decreased by 9% compared to LY mainly due to a considerable increase in depreciations and amortizations, reflecting:

- Sonae's ambitious investment plan during 2008, which involved the expansion of the retail store network; and
- extension of the mobile and wireline network in Telecommunications;

... both driving up depreciation and amortization charges but not yet fully contributing to Sonae's operational profitability.

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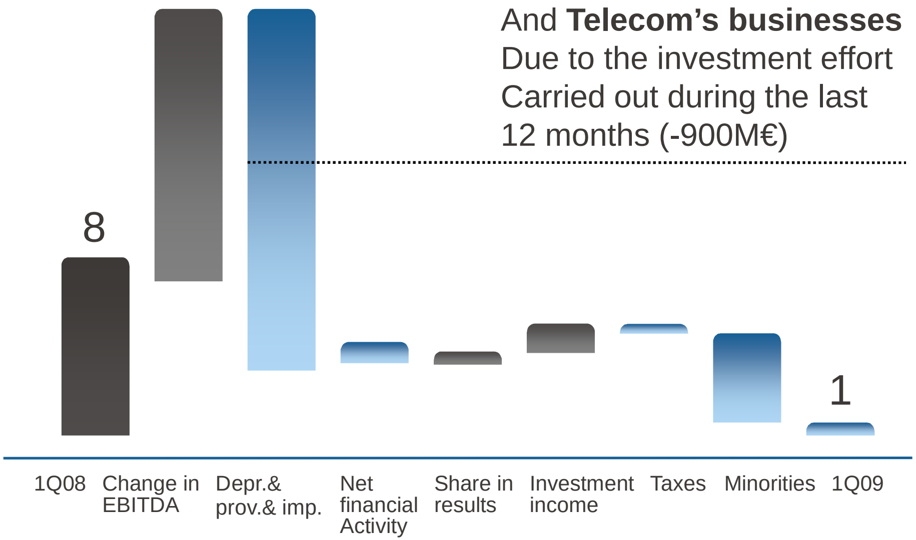
DIRECT NET INCOME

in million EUROS



Higher amortizations
& **depreciations** in **Retail**
And **Telecom's businesses**
Due to the investment effort
Carried out during the last
12 months (-900M€)

Sonae's share of direct net income decreased to 1 million euros;

If we exclude last year's non recorrent gain, net income was higher than that posted in 1Q08.

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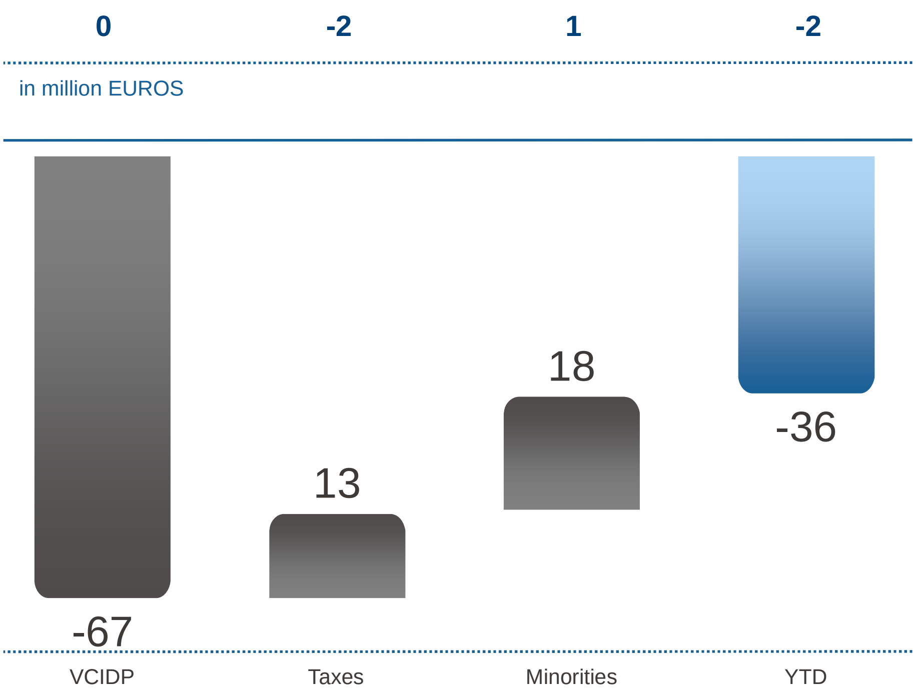
LAST YEAR (M€)



In 1Q09, Sonae Sierra began reflecting the impact of quarterly independent valuations of its entire portfolio of assets under management, previously only carried out every six months;

Shopping Centres indirect income continued to penalize Sonae's net results by a negative 36M€;

Investment properties decreased in value as a result of the additional increase in yields across Europe (exception of Greece and Germany) with an impact on Sierra accounts of 131M€ (65M€ at Sonae level);

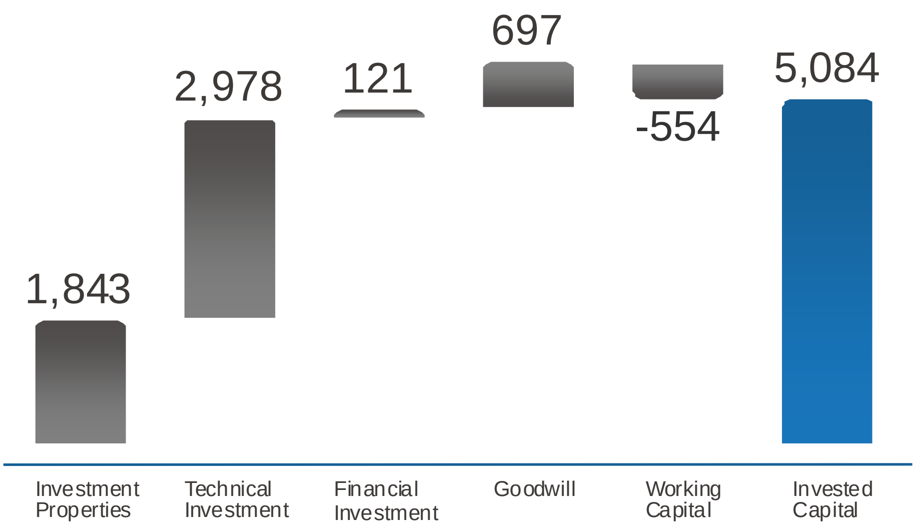
The trend of value created on investment properties was the main responsible for the reduction of total net income (group share) to negative 36M€.

CAPITAL EMPLOYED

% OF TOTAL

Investment Properties	Technical Investment	Financial Investment	Goodwill	Working Capital	Invested Capital
36%	59%	2%	14%	-11%	100%

in million EUROS



ΔYE (M€)

Investment Properties	Technical Investment	Financial Investment	Goodwill	Working Capital	Invested Capital
-45	+20	+11	-1	+377	+363

Sonae invested capital increased in 1Q09 vs. YE08, explained mainly by the seasonal and one off increase in working capital of the Retail businesses;

Investment properties in the quarter were affected by the general yield increase in Europe and resulting decrease in the value of the European shopping centres in the portfolio;

Compared to 1Q08, invested capital increase was mainly explained by a combination of the following:

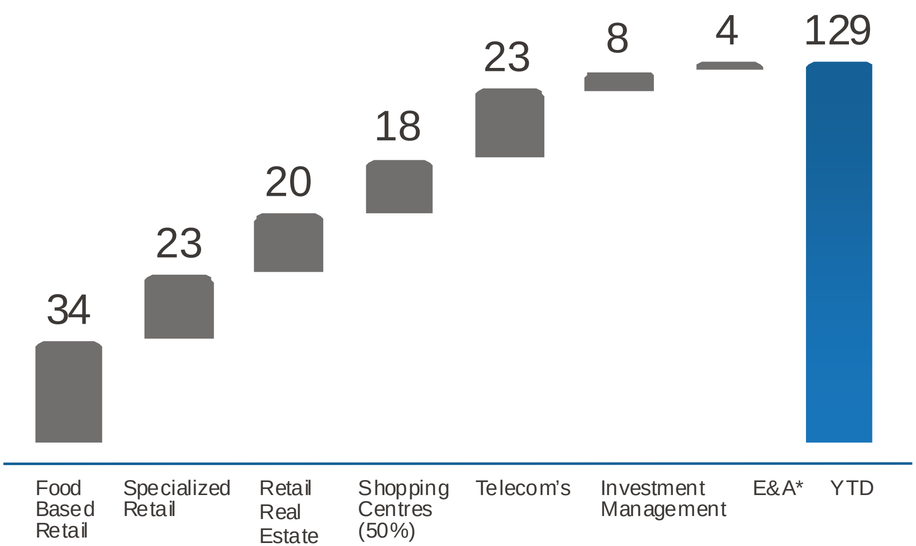
- Reduction in investment properties due to yields increase and the sale of 58% of the Sierra Portugal Fund (now registered as financial investment);
- Net technical Investment considerably above last year due to the investment for growth efforts in the Retail and Telecom businesses.

CAPITAL EXPENDITURE

% OF TOTAL

Food Based Retail	Specialized Retail	Retail Real Estate	Shopping Centres (50%)	Telecom's	Investment Management	E&A*	YTD
27%	18%	15%	14%	18%	6%	3%	100%

in million EUROS



% OF TURNOVER

Food Based Retail	Specialized Retail	Retail Real Estate	Shopping Centres (50%)	Telecom's	Investment Management	E&A*	YTD
5%	10%	66%	48%	10%			100%

Sonae continued to invest steadily across its businesses, in spite of the increase in minimum internal hurdle rates of all projects;

Food based Retail CAPEX was allocated mainly to store refurbishment and to the continued development of the logistics infrastructure;

Specialised Retail CAPEX was mainly directed towards the expansion plan in progress, the conversion of the acquired consumer electronics stores in Spain to the Worten concept, and preparation work for future openings;

Shopping Centres CAPEX reflected progress in the development of the disclosed projects in the pipeline (namely Manauara, Loop5 and Leiria);

Telecommunications' CAPEX comprised mainly investment in the Mobile division.

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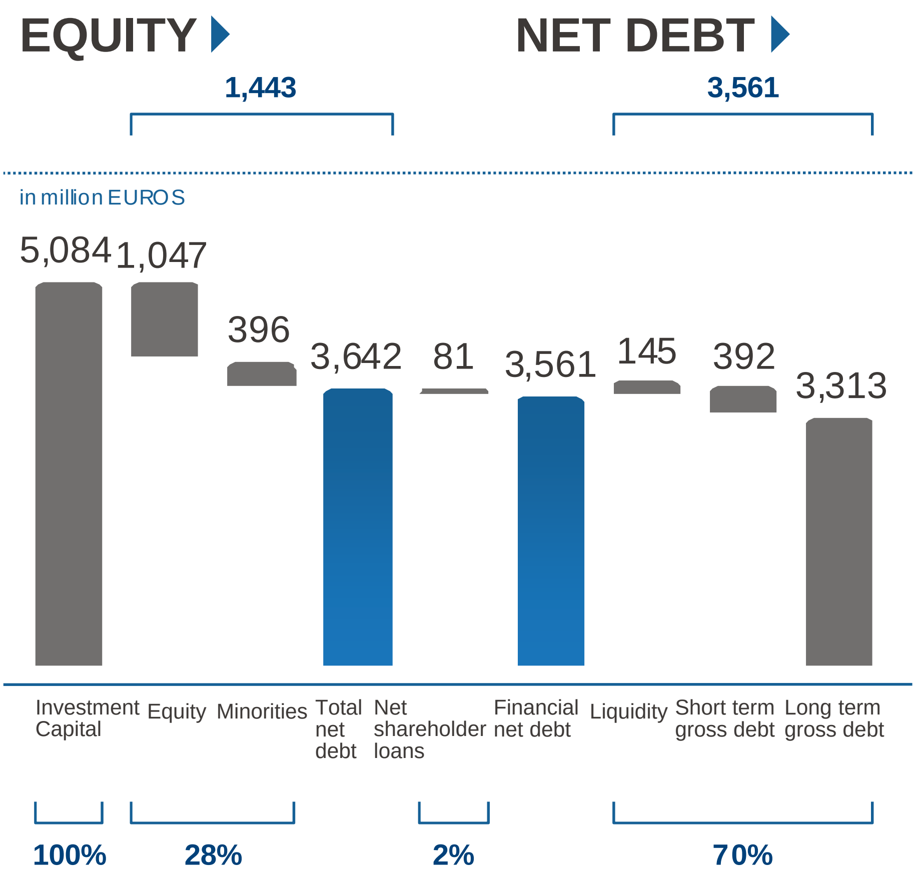
SOURCES OF FINANCING



Sonae sources of financing at end 1Q09 reflect the following breakdown:

- Equity: 28%
- Financing debt: 70%
- Other: 2% (namely associated with dividends to be paid by Sonae)

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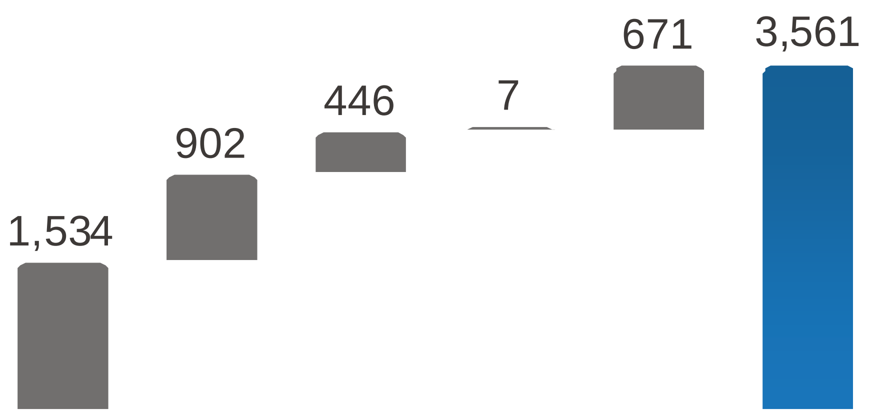
NET DEBT PER SEGMENT

% OF TOTAL

in million EUROS



	Retail (format & Real Estate)	Shopping Centres (50%)	Telecom's	Investment Management	Holding	Total Net Debt
% OF TOTAL	43%	25%	13%	0%	19%	100%
ΔYE (M€)	+328	+26	+45	+1	+19	+422

Sonae's net debt has evolved in line with expectations in all businesses, maintaining levels considered clearly adequate for each activity;

Overall, Sonae's debt facilities have long average maturities with no major debt repayments in the short term and no financial covenants, with the exception of shopping centres;

Retail formats & Retail Real Estate net debt increased by 328 million euros, reflecting investment in organic growth, store refurbishment and the funding of the seasonal increase in working capital in the quarter;

Sonae's debt weighted average maturity stood at approximately 5.5 years;

Sonae's liquidity risk was maintained at a low level, with the sum of cash and unused credit facilities standing at 695 million euros.

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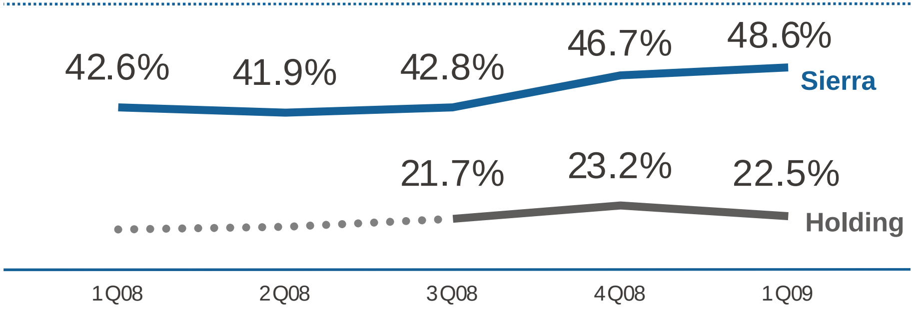
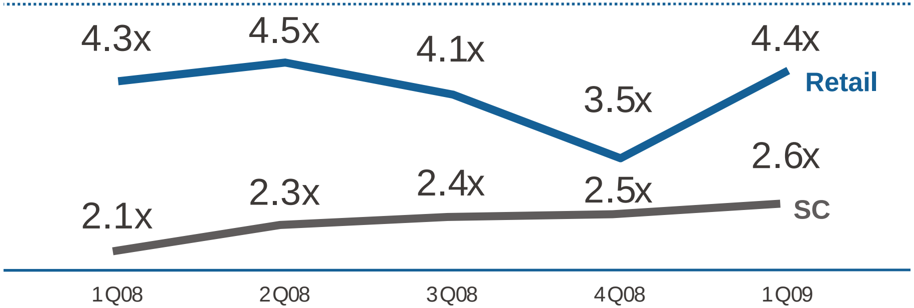
Sonae Sierra and Holding Loan to Value



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



Retail formats & Retail Real Estate Net Debt to EBITDA (last 12 months) was slightly higher when compared to 1Q08 at 4.4x, with the increased net debt being partially off-set by the higher EBITDA level in the preceding 12 month period;

Shopping Centres maintained a loan to value ratio below the industry average at a conservative 49%; loans at Sierra are non-recourse project finance;

Telecommunications' reached an acceptable level of leverage of 2.6x, excluding the proceeds from the securitization transaction;

Holding loan measured against Sonae's gross asset value based on market multiples reached 22.5%, a level considered comfortable.

MAINTENANCE OF LAST YEAR'S DIVIDEND POLICY

DIVIDEND PER SHARE:
3 CENTS

DIVIDEND YIELD: 6.9%

CONSIDERING 2008.12.31 SHARE PRICE

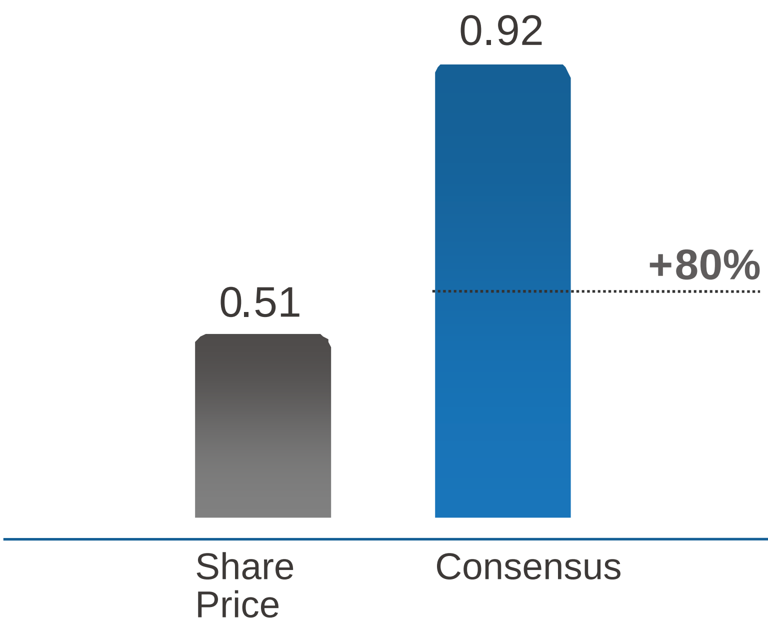
ANALYSTS CONSENSUS TARGET PRICE
80% ABOVE SHARE PRICE

MARKET MULTIPLES BASED VALUATION
127% ABOVE SHARE PRICE

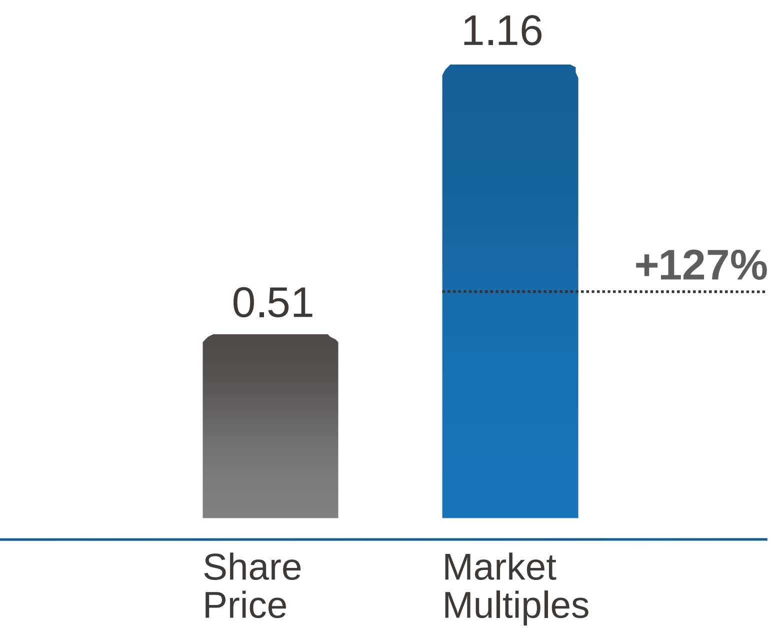
90% OF AVAILABLE RESEARCH ANALYSTS WITH A "BUY" RECOMMENDATION ON THE STOCK

Share Price vs **Consensus**

Euros



Share Price vs **Market Multiples**



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