SONAE

INVESTOR PRESENTATION

September 2011

1. SONAE OVERVIEW

Group Structure

A RETAIL COMPANY

- Market leader in Portugal in food and specialized retail formats
- Board control of a Shopping Centre and a Telecommunications business

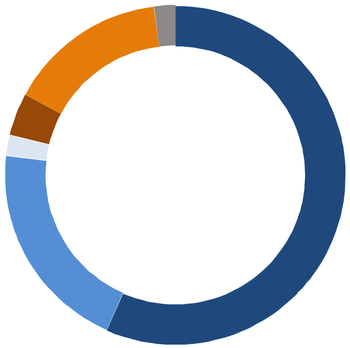
SONAE

100%	100%	100%	50%	53%	
SONAE MC Food Retail	SONAE SR Specialised Retail	SONAE RP Retail Properties	SONAE SIERRA Shopping Centres	SONAECOM Telco	INVESTMENT MANAGEMENT
Hypers and Supers	Non-Food Retail formats: sports, fashion and electronics	Retail real estate assets	Shopping centre developer, owner and manager	Integrated telecom provider	Insurance Brokerage DIY Retail
CORE BUSINESSES		RELATED BUSINESSES	CORE PARTNERSHIPS		ACTIVE INVESTMENTS
RETAIL & RELATED BUSINESSES					

Group Breakdown

BREAKDOWN PER BUSINESS

TURNOVER BREAKDOWN
% Total Turnover ex: Fuel



- **56%** | Sonae MC
- **20%** | Sonae SR
- **2%** | Sonae RP
- **4%** | Sonae Sierra
- **15%** | Sonaecom
- **2%** | Investment Management

RECURRENT EBITDA (1H11)
% Turnover

Sonae	**10.6%**
Sonae MC	5.2%
Sonae SR	-2.0%
Sonae RP	90.4%
Sonae Sierra	46.2%
Sonaecom	25.0%
Investment Management	4.3%

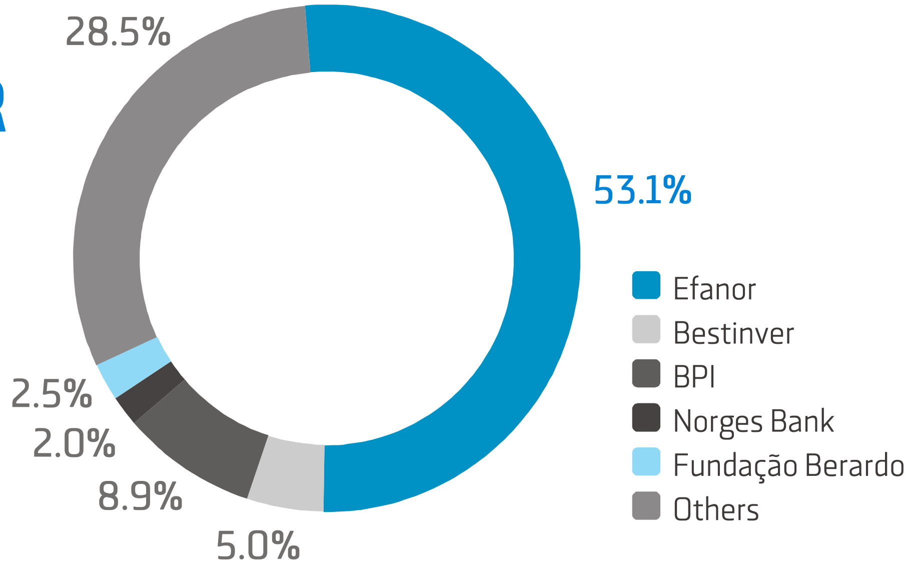
RETURN ON CAPITAL EMPLOYED
(EBIT/ Invested Capital)

	2009	2010
Sonae	**7.3%**	**8.7%**
Sonae MC	25.6%	30.6%
Sonae SR	4.0%	0.1%
Sonae RP	5.5%	8.3%
Sonae Sierra	4.9%	5.7%
Sonaecom	3.2%	8.2%
Investment Management	16.3%	-1.3%

Shareholdings

A STABLE SHAREHOLDER STRUCTURE

Reference shareholder, **Efanor**, a family holding company



FREE FLOAT OF CIRCA 47%

* including BPI equity swap

SHARE CAPITAL
2,000 million

AVERAGE DAILY VOLUME (2010)
~6 million shares;
5.2 million euros

MARKET CAPITALIZATION
(as of 31 Aug 11)
1.1 billion euros

BPI stake includes **equity swap**
of circa **130 million Sonae shares**
(~7% of share capital)

Human Capital

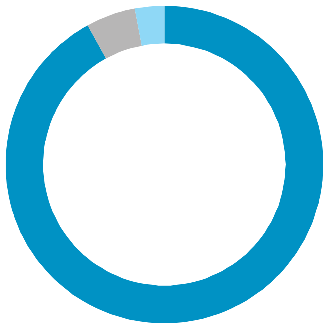
SONAE IS THE **BIGGEST** PORTUGUESE PRIVATE **EMPLOYER**

At 1H11

+41.4 thousand employees

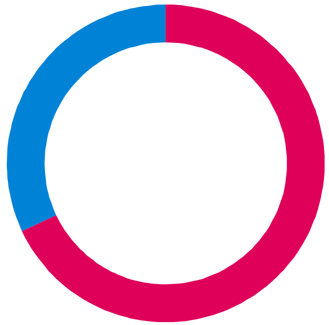
EMPLOYEES PROFILE (YE10)

EMPLOYEES BY **SEGMENT**



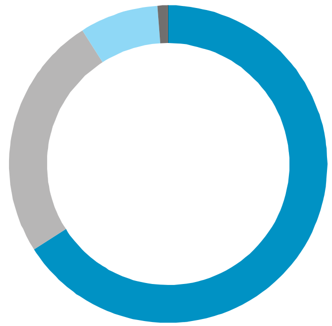
92% | Retail
5% | Telecom
3% | Shopping Centres

HUMAN CAPITAL BY **GENDER**



68% | Women
32% | Men

EMPLOYEES BY **AGE**



66% | 18-34
25% | 35-44
8% | 45-54
1% | 55-64
0.05% | >65

Strategy

VALUE CREATION THROUGH **INTERNATIONAL EXPANSION** AND THE **STRENGTHENING OF THE CORE BUSINESSES**

CORPORATE STRATEGIC PILLARS

GO INTERNATIONAL	DIVERSIFY INVESTMENT STYLE	LEVERAGE EXCEPTIONAL ASSET BASE IN PORTUGAL
• THE MAIN STRATEGIC PRIORITY • DILUTION OF COUNTRY RISK • NEW GROWTH AVENUES	• ADOPT THE MOST APPROPRIATE INVESTMENT STYLE • WHOLLY OWNED BUSINESSES • PARTNERSHIPS • MINORITY STAKES	• INNOVATE • GENERATE NEW BUSINESSES • STRENGTHEN OUR COMPETITIVE POSITION
PORTUGAL IS A SMALL COUNTRY • Current core business with leader formats in mature markets • Widens competences, knowledge and experience pool • New sources of value creation	• Use capital light models (renting vs. owning; partnerships vs. full control) • Release capital from real estate • Accelerate growth while minimizing indebtedness level • Minimizes risk	• Capitalize on assets and competencies in base market to launch new projects in adjacent areas • Reinforce the asset base and protect core markets

Strategy

CORPORATE STRATEGY REFLECTED IN EACH RETAIL BUSINESS STRATEGY

SONAE MC

FOCUS ON LEADERSHIP AND PROFITABILITY

- Consolidate market leadership
- Explore new adjacent business opportunities leveraging on a strong management team and know-how in retail
- Manage the business in Portugal as a sustainable cash flow generator
- Look for international opportunities of growth

SONAE SR

FOCUS ON GROWTH AND INTERNATIONALIZATION

- Configure an international operation, with a strong expansion in Spain
- Explore franchising and/o joint-venture opportunities as means to accelerate growth
- Consolidate market leadership in Portugal and improve profitability.
- Continue to use Portugal as a test plant for new formats, leveraging on a strong management team and know-how in retail

SONAE RP

ASSET MONETIZATION

- Plan to release invested capital freehold ownership of sales area in food retail
- Focus on Asset Management
- Seek Property Development opportunities

SONAE

Strategy

CORPORATE STRATEGY MATERIALISED IN MLT FINANCIAL GOALS

Deliver growth in turnover and profitability, while pursuing a long term strategy of **internationalization** and **strengthening of core businesses**, and gradually **reduce debt level**, improving leverage ratios

PROFITABLE GROWTH	INTERNATIONAL EXPANSION	REDUCE DEBT LEVEL
ROE **>15%**	**25%** of turnover and **35%** of assets in international operations	Deleveraging over time in absolute and relative terms
Turnover growth rate **>10%**	**~1/3** of invested capital in partnerships without full control	Aim for Investment grade profile over time

2. OPERATIONAL REVIEW

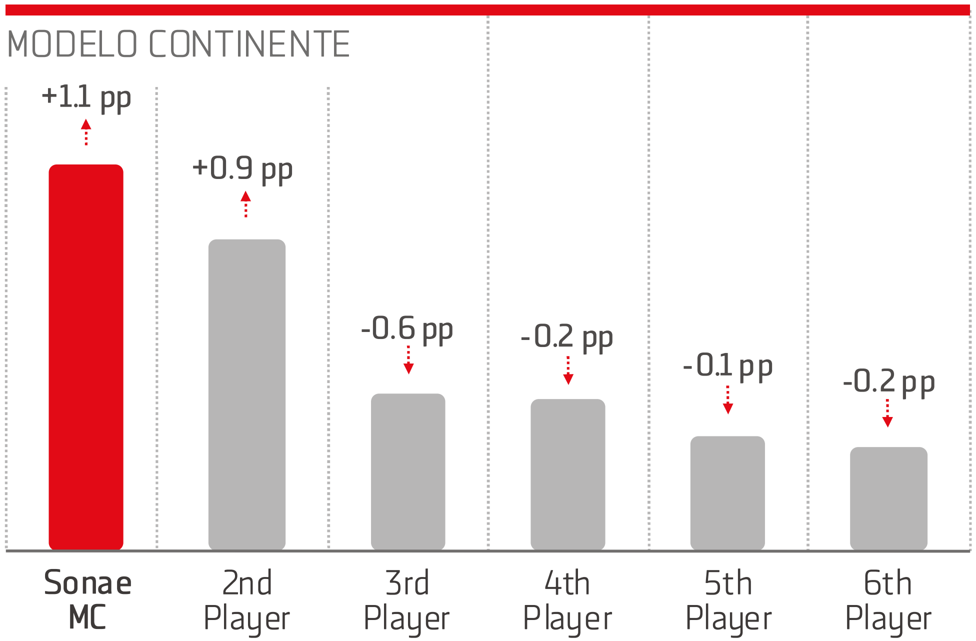
SONAE MC

STRENGHENING OF FOOD MARKET LEADERSHIP AND CONTINUOUS ASSESSMENT OF NEW ADJACENT BUSINESS OPORTUNITIES

Market Share Growth

1H11
REINFORCEMENT OF LEADERSHIP IN THE PORTUGUESE FOOD RETAIL MARKET

FOOD MARKET SHARES - 1H11



INCREASE IN LfL SALES (+1.3%) ABOVE COMPETITORS, driven by volume growth and despite prevaling trading down

Source: Homescan Nielsen, YTD 2011 until 3 July

SONAE MC

Brand Recognition

CONTINENTE
A LEADING BRAND IN PORTUGAL

SINGLE BRANDING OF SONAE MC STORES UNDER "CONTINENTE" COMPLETED DURING THE 1H11

Cost and **revenue synergies** now being explored

Continente is repeatedly considered one of the **most trusted brand in Portugal** by consumers (survey "Trusted Brands" carried out by Reader's Digest)

#1 in Marktest's "Reputation Index Large Distributors", among 18 brands operating in Portugal

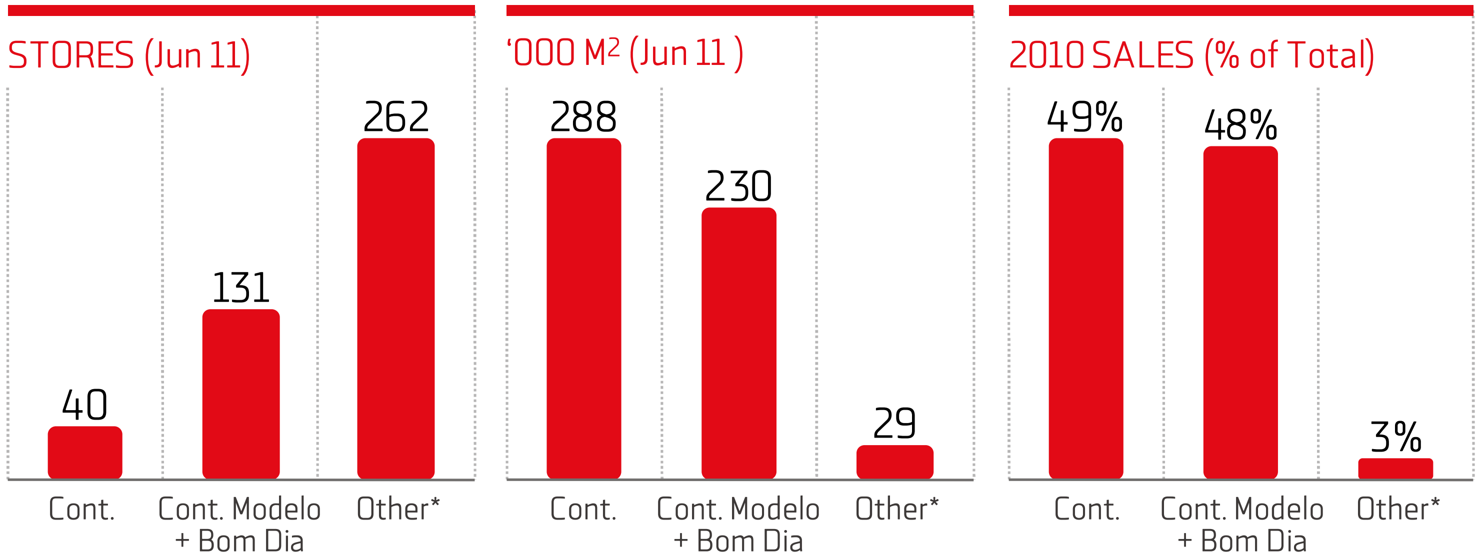
A **strong involvement with the community** and a number of **on-going projects** in areas such as **health, education and environment**

Retail Area

563,000 M2 OF RETAIL SPACE, DISTRIBUTED BETWEEN HYPERS AND SUPERS

* Includes parapharmacy, cofee shops, books

SONAE MC RETAIL SPACE BY FORMAT (Jun 2011)



+ 12 Stores (16,000 M2) under francishing, including the first 2 **"Meu Super"** Stores

Formats

CONTINENTE
A LEADING BRAND IN PORTUGAL

CONTINENTE HYPERS

- First mover advantage, prime locations
- 40 stores (of which 24 are anchored with leading shopping centers) - limited growth oportunities
- Average 7.2 thousand m^2
- Price and Diversity (~70 thousand SKUs)
- Average Net Sales per m^2: €5.6 thousand
- Light Bazaar + Textile representing ~15% of sales

CONTINENTE MODELO AND CONTINENTE BOM DIA SUPERS

- Location and Covenience
- 131 stores, average 1.8k m^2
- # SKUs well above competitors
- Average Net Sales per m^2: € 7.1 thousand
- Light Bazar representing less than 10% of sales (no textiles)

Loyalty Card

PERFORMANCE LEVERAGES ON THE **VALUE** AND **SUCESS** OF THE **LOYALTY PROGRAM**

SUPERIOR CUSTOMER INSIGHT IN PORTUGAL

- Targeted promotions, with discounts provided as “credit” in repeated purchase
- Customer profiling and consumer habits

NUMBER OF CLIENTS WITH LOYALTY CARD	2.7 million (> 25% of Portuguese population)

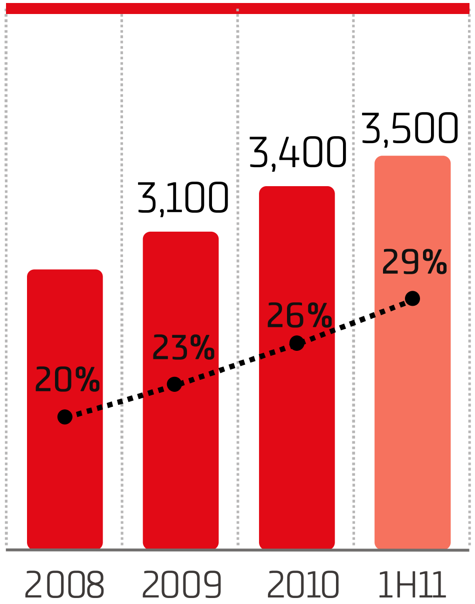
A **differentiating tool** among retailers in the **Portuguese market**

% OF SALES ASSOCIATED WITH CARD (YTD 2011)	+ 85%

Private Label

PERFORMANCE REFLECTS THE **STRONG** AND **CONTINUOUS INVESTMENT** IN PRIVATE LABEL

OWN REFERENCES AND % FMCG SALES



OWN LABEL PROGRAMME IS MANAGED INTERNALLY AND NOW COMPRISES MOST PRODUCT CATEGORIES

INVESTMENT IN OWN BRAND

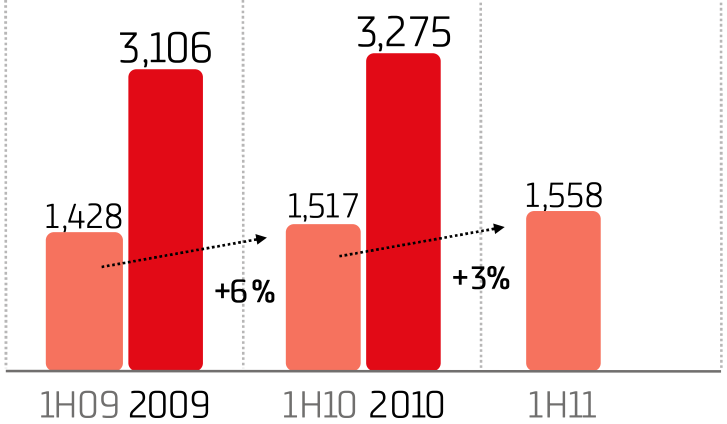
- **Broadening of the Own Brand range**
- **Own Brands include:**
  - The Continente brand (20% cheaper than the sales category leader)
  - 1st price brands (best price on the market)
  - Controlled brands (gourmet, selection, etc.)
- **An important offer within the current adverse consumer environment**
- Larger volumes and increased know-how in terms of procurement and category management alow for upside on private label commercial margins

Growth

LEADERSHIP HAS ENABLED **GROWTH** AND BENCHMARK **PROFITABILITY**

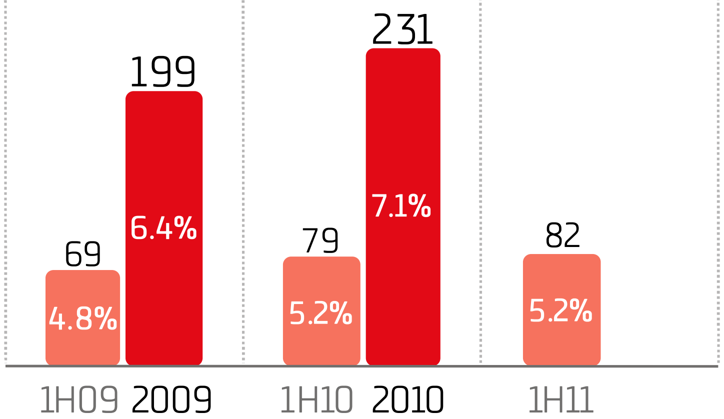
SALES ON A LIKE FOR LIKE BASIS IN 2011 ABOVE COMPETITORS
Benefiting from a clear value focused offering

TURNOVER (M€)



1H11E EBITDA MARGINS IN LINE WITH 2010, thanks a rigorous cost control, high efectivenss of promotions through the loyalty card and optimisation of supply chain

EBITDA (M€) AND EBITDA MARGIN



SONAE MC

New adjacent business opportunities

LEVERAGE ON **KNOW-HOW IN RETAIL**

- **Coffe shops and small snack-bars**, tipically next to Sonae MC hypers and supers
- Variety and quality with a fast service and great price
- 95 stores (June 2011)

wells SAÚDE·ÓPTICA

- **Health and well-being**
- Parapharmacy, beauty products, health and well-being care
- Eyeglasses and optical services
- 140 stores (June 2011)

book.it

- **Book Shop, Stationery** and **Tobacco**
- 300 m² of average store size typically for Shopping Centres
- 18 stores (June 2011)

Discounts available on **Continente**'s **Loyalty Card**

SONAE MC

New adjacent business opportunities

LEVERAGE ON **KNOW-HOW IN RETAIL**

Meu super

- **Franchised** local food retail stores
- Convenience business
- Between 150 m^2 and 999 m^2
- Located mainly in residential areas
- Partners with guaranteed competitive prices, access to own brand Continente and other suppliers' products

CONTINENTE HORECA

- **Reinforcement of the existing wholesale business** (since 2008 supplier to a number of petrol station convenience stores)
- Satisfy the needs of professional customers who operate in the hotel and restaurant sectors supplying public and private institutions
- Own sales force, making deliveries to the customer's door

JV to **explore** the **nascent modern food market in Angola** announced during the 1H11

(pending regulatory aprovals)

SONAE SR

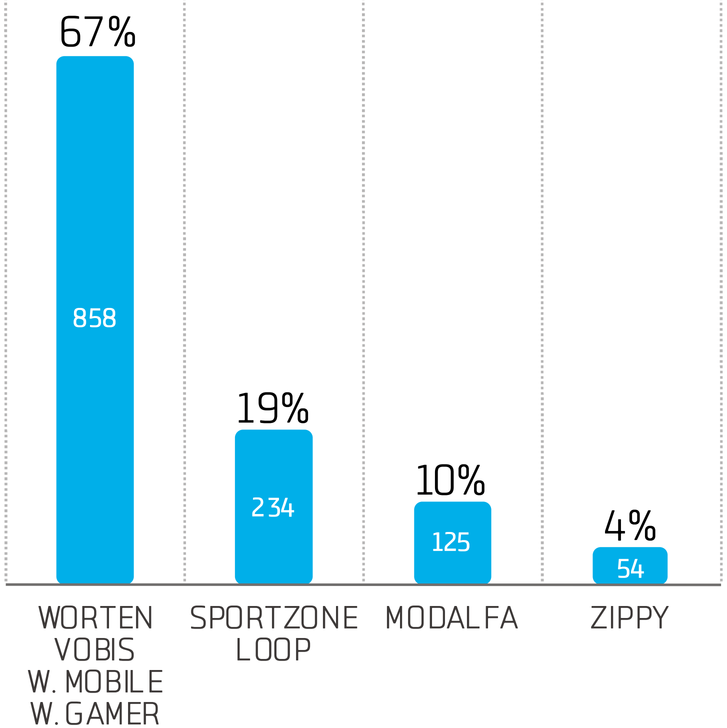
INTERNATIONAL EXPANSION AND CONSOLIDATION OF MARKET LEADERSHIP IN PORTUGAL

SONAE SR

Formats

BREAKDOWN OF SONAE SR PER RETAIL FORMAT

REVENUES FY10 and % of Total



		1H11	Total '000m2	Average Store Size
WORTEN; VOBIS WORTEN MOBILE WORTEN GAMER	Portugal	190	129	679
	Spain	32	74	2,313
SPORTZONE LOOP	Portugal	87	67	770
	Spain	33	39	1,182
MODALFA	Portugal	107	58	542
ZIPPY	Portugal	45	14	311
	Spain	43	15	349
	Turkey	1	-	450
	other international	5	2	333
TOTAL	Portugal	429	268	
	Spain	108	128	
TOTAL SONAE SR		543	397	

SONAE SR

Leading position in Portugal

SUSTAINED PROFITABILITY

IN PORTUGAL DESPITE DIFICULT TRADING CONDITIONS

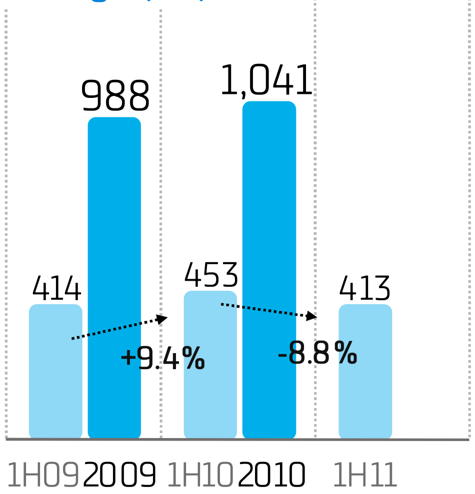
Strengthening of leadership position in the consumer electronics and sports goods sectors

SPORTZONE **#1** in Portugal
WORTEN **#1** in Portugal

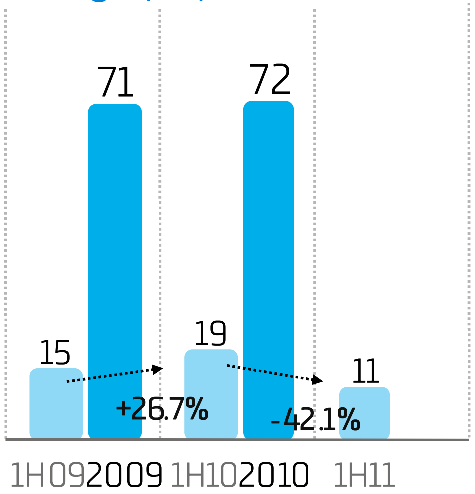
Good performance by the textiles formats

MODALFA
ZIPPY

TURNOVER
Portugal (M€)



EBITDA
Portugal (M€)



NEW STORES:
YTD until Jun11

+5 stores
+9,000 m²

STORES
429

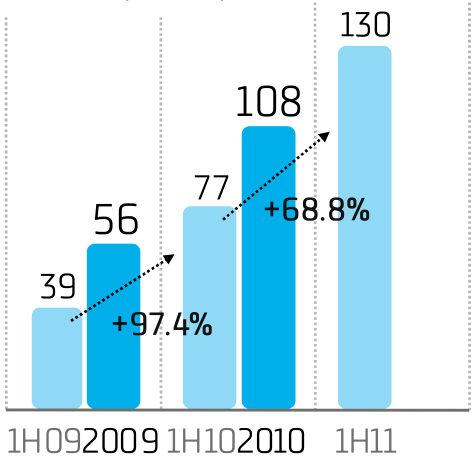
SALES AREA
268,000 M²
AS AT END OF 1H11

International Expansion

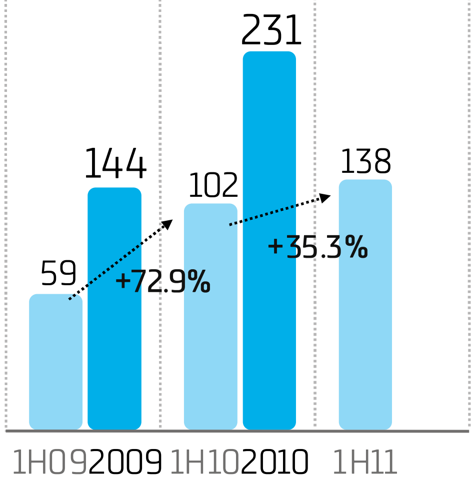
HIGH **INTERNATIONAL GROWTH**, WITH FINANCIAL PERFORMANCE IMPACTED BY NEGATIVE CONSUMER ENVIRONMENT IN SPAIN

SPORTZONE = **23** (+5) | WORTEN = **32** (+7) | ZIPPY = **49** (+13)

INTERNATIONAL ORGANIC GROWTH
Sales area ('000 m^2)



TURNOVER
International (M€)



NEW STORES:
YTD until Jun11

+22 stores
+20,000m^2

STORES
114

SALES AREA
130,000 M^2
AS AT END OF 1H11

SONAE SR

International Expansion

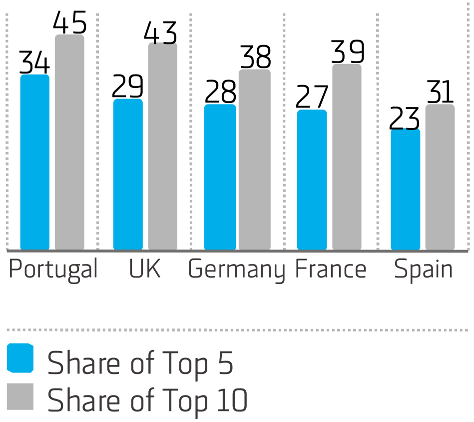
WHY SPAIN
FOR THE INITIAL STAGE OF INTERNATIONALISATION?

Building a **relevant market position** in Iberia

- **Spain** is a **sizeable oportunity** for Sonae SR's formats, with market representing 4-5x the size of the local Portuguese markets…
  … still very fragmented
  … and with relevant consolidation oportunities
- **Spain is close to Portugal**, not only in geography but also in terms of language, culture, currency and tax system
- **Entry** is being achieved via a **"capital light"** approach, with access to attractive locations and good deals for store rentals
- **Synergies being explored** at the level of logistics, procurement, personnel and other costs
- In key areas such as **electronics, suppliers and competitors** are already acting on an Iberian basis

ENTERTAINMENT, ELECTRONICS AND OFFICE

Market Share of Top 5 and 10 (%)



Source: BAML research, August 2011

SONAE SR

International Expansion

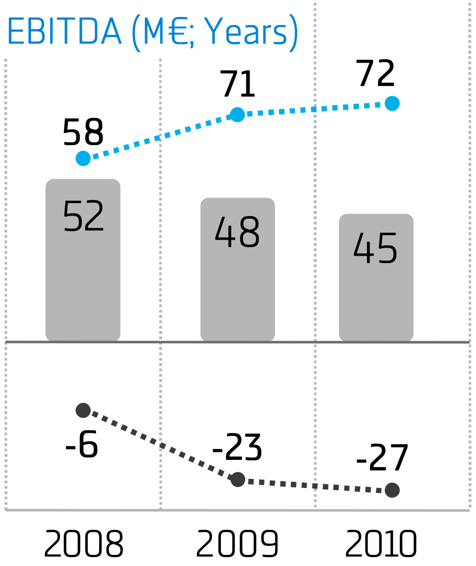
INTERNATIONALIZATION BASED ON NEW EXPANSION MODELS: JOINT-VENTURES AND FRANCHISING

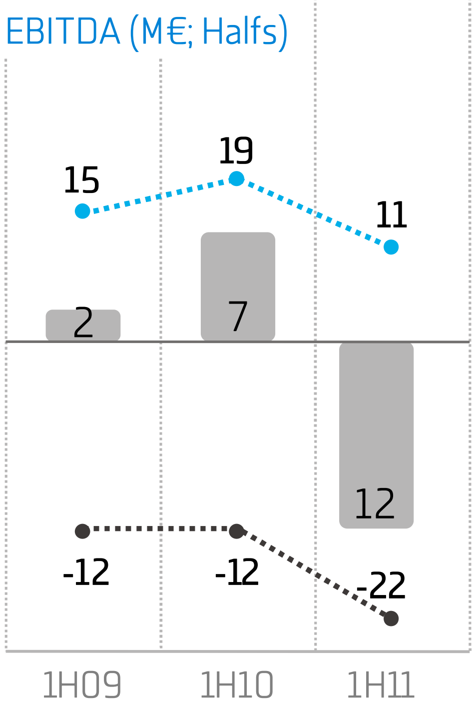
1ST JOINT-VENTURES	1ST FRANCHISING CONTRACTS	> 110 STORES **10 COUNTRIES**
Worten **Canary Islands** SportZone **Canary Islands**	Zippy **Canary Islands** Zippy **Middle East**	Spain (*) Kingdom of Saudi Arabia (*) United Arab Emirates Jordan Egypt (*) Lebanon Qatar Behrain Kuwait Kazakhstan (*)

(*) Stores already opened by 1H11

Recent Performance

CONSUMER RETRACTION AND INTERNATIONAL EXPANSION EFFORT IMPACTING PROFITABILITY





Sonae SR
Sonae SR Portugal
Sonae SR International

SONAE SR EBITDA REFLECTING:

- **Market entry costs** in terms of:
  - Store openings
  - Brand awareness
  - Training
- **Negative trading enviornment** in Iberia, particularly felt in discretionary purchases

SONAE RP

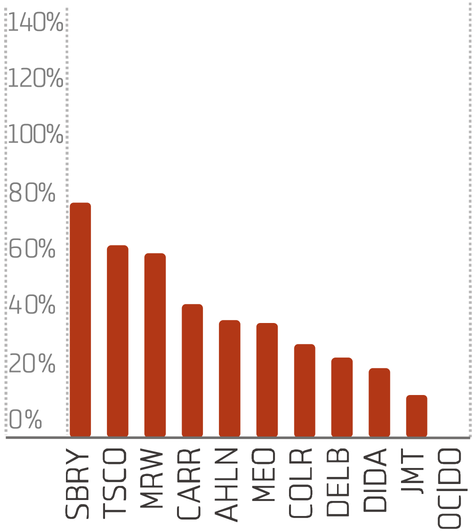
ASSET MONETIZATION

SONAERP

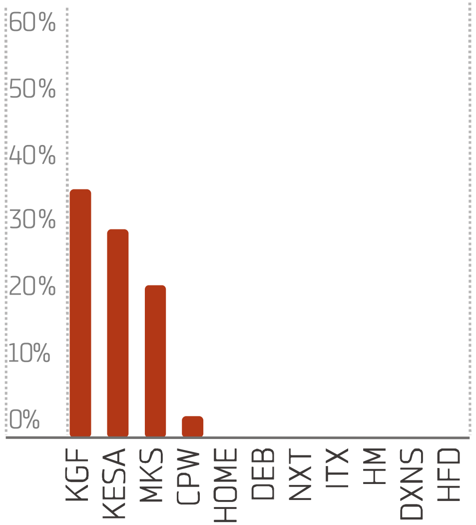
Asset Monetization

REAL ESTATE IS NOW BEING SEEN AS A **"DEFENSIVE SUPPORT" FOR RETAIL VALUATIONS** IN AN ECONOMIC UNCERTAIN ENVIRONMENT

FOOD RETAIL
Property as a % of EV



GENERAL RETAIL
Property as a % of EV



Real Estate / EV

Despite transactions carried out in the last 2 years, **Sonae** still **has** at the end of 1H11 a **level of freehold retail real estate well above other retailers in Europe**

SONAE MC
78% freehold

SONAE SR
29% freehold

Source: Barclays Capital, "European Retail - Searching for Safety", August 2011

SONAE RP

Asset Monetization

RETAIL PROPERTIES BUSINESS UNIT

DESPITE THE NEGATIVE SENTIMENT TOWARDS REAL ESTATE IN PORTUGAL, MAY BE AN IMPORTANT SOURCE OF CAPITAL

INVESTED CAPITAL
(June 2011)

1.4 Billion Euros
(Net book value)

HYPERMARKETS

Continente
33 stores owned
83% total sales area

SUPERMARKETS

Continente Modelo
98 stores owned
75% total sales area

OTHER PROPERTIES

8 SALE & LEASE BACK TRANSACTIONS COMPLETED (2010/2011)

Total Cash-In = **153 million €**
Capital Gain = **56 million €**

Azambuja logistics platform
Value - 33 million €

2 Modelos stores
Value - 12 million €

6 Modelos stores;
1 Continente; 1 Worten;
1 SportZone
Value - 65 million €

1 Continente/ 1 Worten
Value - 42 million €

3.

CORE PARTNERSHIPS

SONAE SIERRA (Shopping Centers)

50% onwership

SONAECOM (Telecoms)

53% onwership

SONAE SIERRA

Positive Performance

A **SELF SUSTAINABLE COMPANY** AND A DIVIDEND PAYER ON A **REGULAR BASIS**

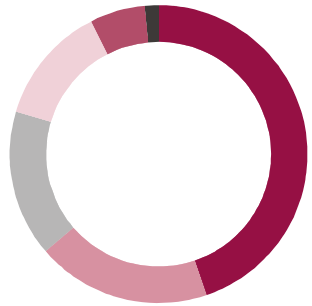
IN 1H11:
- **Occupancy** rate = **96.5%**
- Tenant Sales in the Portfolio under management **grow 0.9%** (LfL)
- **Expansion restricted in Europe** but partially offset by greater development activity in Brazil

AN INTERNATIONAL SHOPPING CENTRE SPECIALIST, 50% OWNED JOINT-VENTURE WITH GROSVENOR

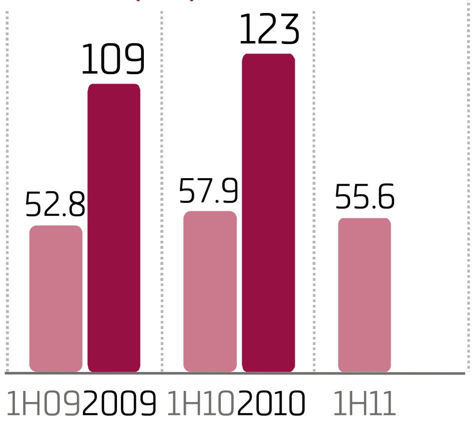
- With presence in Portugal, Brazil, Spain, Italy, Germany, Greece and Romania
- Owning 49 Shopping centres with open market value of ~6.4 billion euros

OMV BREAKDOWN
(100% basis) – FY10:

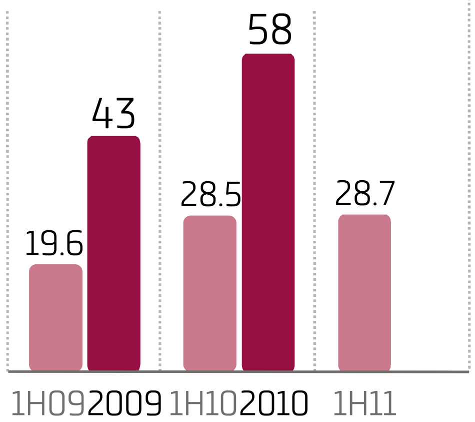
- **45%** | Portugal
- **19%** | Brazil
- **16%** | Spain
- **13%** | Germany
- **6%** | Italy
- **1.5%** | Other



EBITDA (M€)



DIRECT PROFITS (M€)



EBITDA PERFORMANCE REFLECTING **ONGOING EFICIENCY MEASURES** AND **OPERATIONAL IMPROVEMENTS**

MARKET VALUATIONS:
After a material deterioration in 2007-2010, average yields now stabilising in most markets

SONAE SIERRA

Growth Avenues

GROW IN EMERGENT MARKETS AND SERVICES BUSINESS

IPO of Sonae Sierra Brazil completed during 1H11: **~30% of share capital, raising BRL 465m** (~€ 200m) for future developments in the region

GROW IN PROMISING MARKETS:

- Speed up expansion in Brazil, so as to capitalize on the country´s rapid economic growth
- **Reinforce emergent markets** presence
- **Grow in services** to third parties, profiting from the expertise as retail property developers and property and asset managers

CONTINUE TO MAKE **OPERATIONAL IMPROVEMENTS**, in spite of the fall in consumption in certain sectors in Europe

NEW APPROACH TOWARDS EUROPE ASSET PORTFOLIO

- Shift to a more capital light approach in Iberia, concentrating on key assets
- Prepare the company for European recovery in selected countries, freeing up capital and starting with the best projects

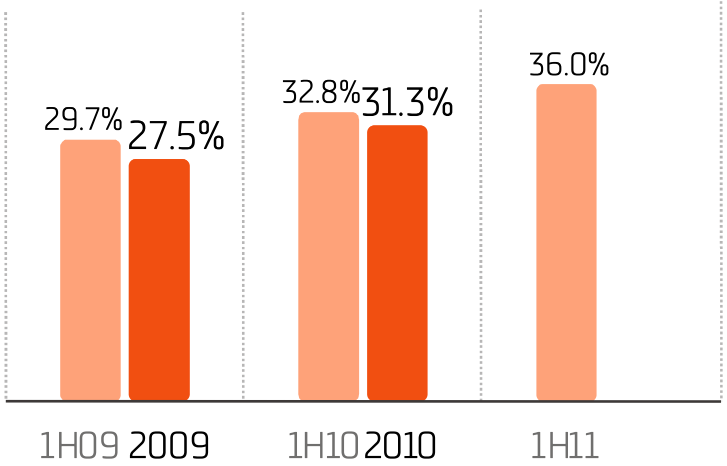
SONAECOM

Positive Performance

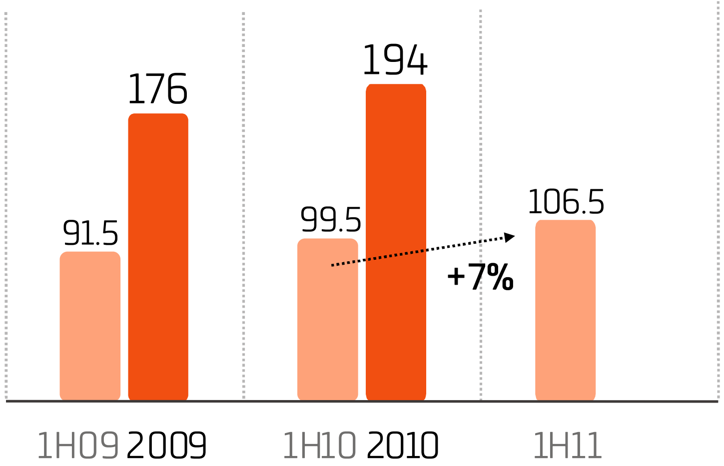
A SUSTAINABLE BUSINESS, WITH GROWING CASH FLOW GENERATION

- **Growth** in mobile customers and customer revenues: growing market share; sustaining good margins
- **Good performing wholesale** and **Corporate** business
- **Fully integrated** telecom's structure and convergent market approach
- **Comfortable capital structure**
- **Strong management** team
- **Cost control** policies
- **Strict investment** management

MOBILE EBITDA MARGIN



SONAECOM CONSOLIDATED EBITDA (M€)



SONAECOM

Focus going Forward

GROW IN MOBILE, SETTING THE PACE IN THE MARKET THROUGH **INOVATION AND QUALITY OF SERVICE**

FOCUS

On the **growth** of the **mobile business**, leading mobile market share gains, particularly in the mobile data segment

On **cash-generation**, reinforcing efficiency programs

Sonaecom distributed the first dividends in its history during 1H11 (in relation to 2010 results)

4. RECENT FINANCIAL PEFORMANCE

Overview

Market share gains allowing for **sustained turnover**

Profitability maintaned and **financial structure** further **strengthened**

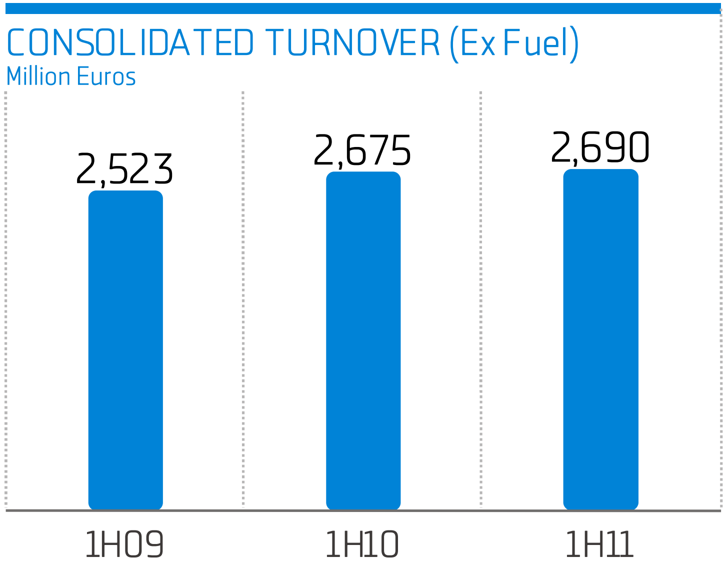
KEY FINANCIALS 1H11

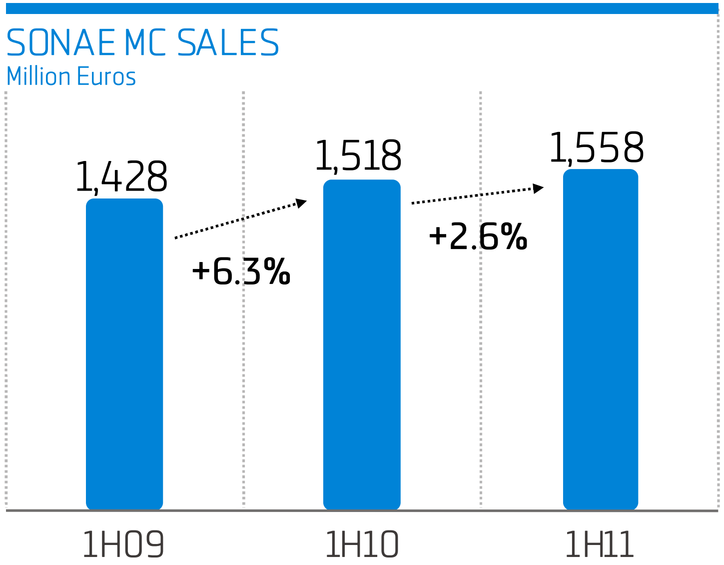
TURNOVER (ex fuel)	EBITDA MARGIN	TURNOVER FOOD RETAIL	NET GEARING
+1%	11%	+3%	61%

Turnover

DESPITE THE SHARP DECLINE IN PRIVATE CONSUMPTION ALREADY FELT DURING 1H11 IN IBERIA, **CONSOLIDATED TURNOVER GROWS BY 1% TO 2,690 M€**

.... WITH **SONAE MC SALES GROWING BY 3% YOY** (1% ON A "LFL" BASIS), THANKS TO **MARKET SHARE GAINS**



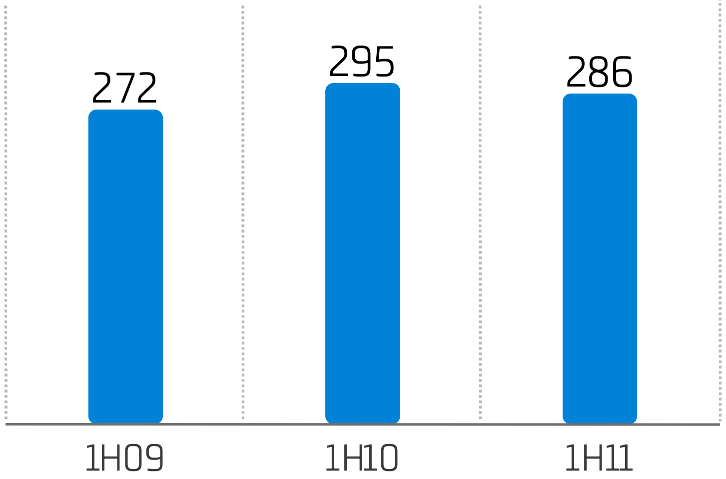


Ebitda

IN A DIFFICULT MACRO ENVIRONMENT, **GROUP'S RECURRENT EBITDA MARGIN IS MAINTAINED AT 10.6%**

.... SUPPORTED BY THE **IMPLEMENTATION** OF **OPERATIONAL EFFICIENCY PROGRAMMES**

RECURRENT EBITDA
Million Euros



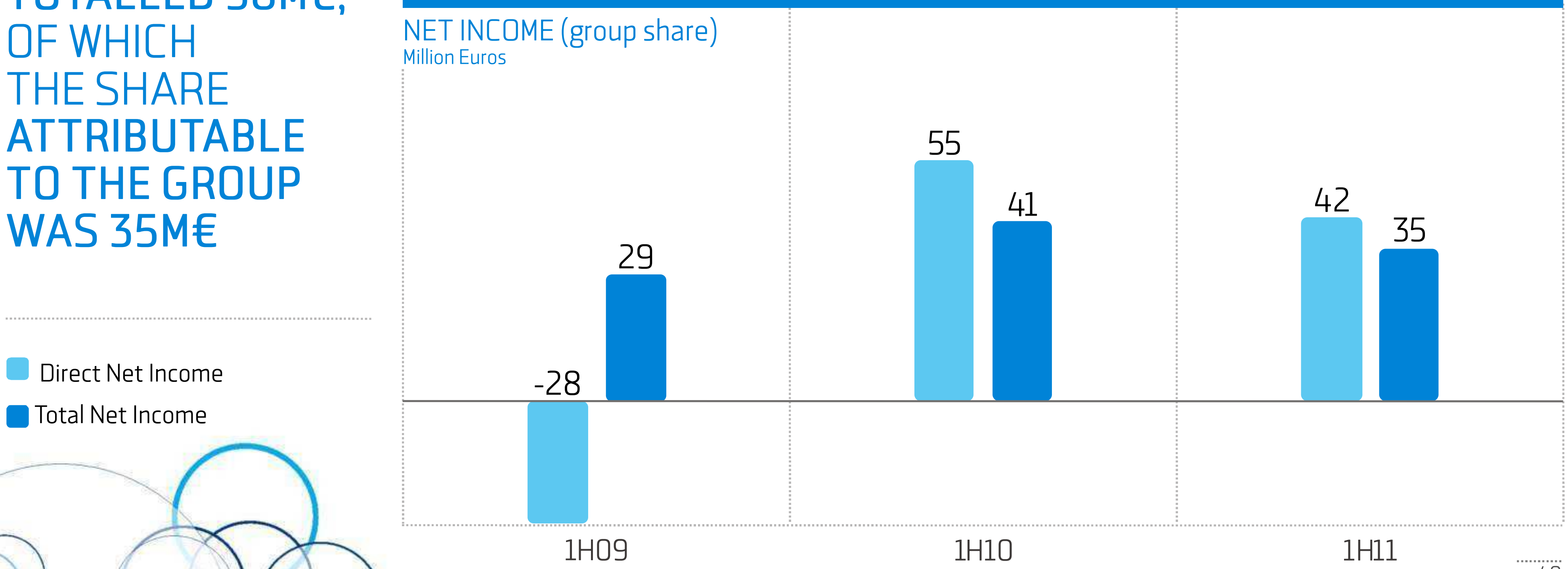
RECURRENT EBITDA
% of Turnover

	1H10	1H11	VAR
SONAE	**10.8%**	**10.6%**	**-0.2 pp**
SONAE MC	5.2%	5.2%	0.0 pp
SONAE SR	1.3%	-2.0%	-3.3 pp
SONAE RP	90.6%	90.4%	-0.2 pp
SONAE SIERRA	47.6%	46.2%	-1.4 pp
SONAECOM	22.1%	25.0%	2.9 pp
INVEST.MANAGEMENT	1.9%	4.3%	2.4 pp

Net Income

NET RESULTS FOR THE 1H11 **TOTALLED 58M€,** OF WHICH THE SHARE **ATTRIBUTABLE TO THE GROUP WAS 35M€**

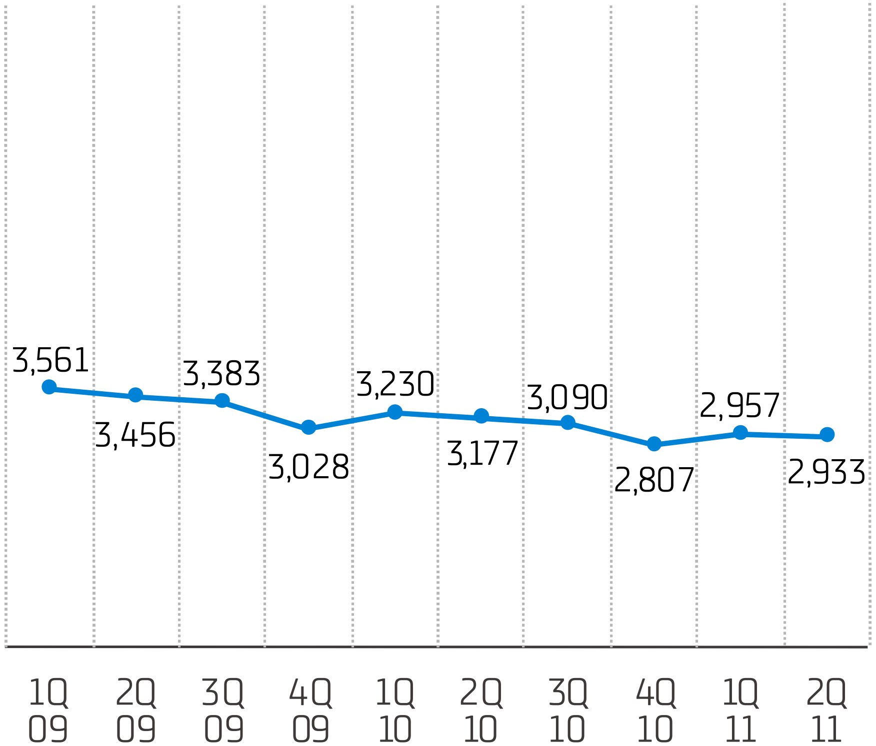
.... WITH **SIGNIFICANTLY IMPROVED INDIRECT RESULTS**, RELATIVE TO CHANGES IN THE VALUATION OF THE SHOPPING CENTRES PORTFOLIO OF SONAE SIERRA



Capital Structure

SONAE HAS ACHIEVED A **SIGNIFICANT DELEVERAGE SINCE 2009**

CONSOLIDATED FINANCIAL NET DEBT



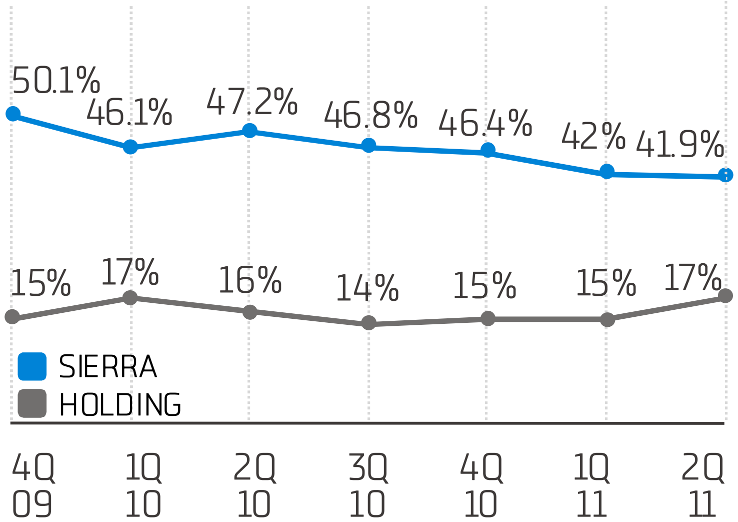
NET DEBT
2,933M€
now **representing 61% of invested capital** (vs 65% at 1H10)

Cumulative reduction of
~628M€

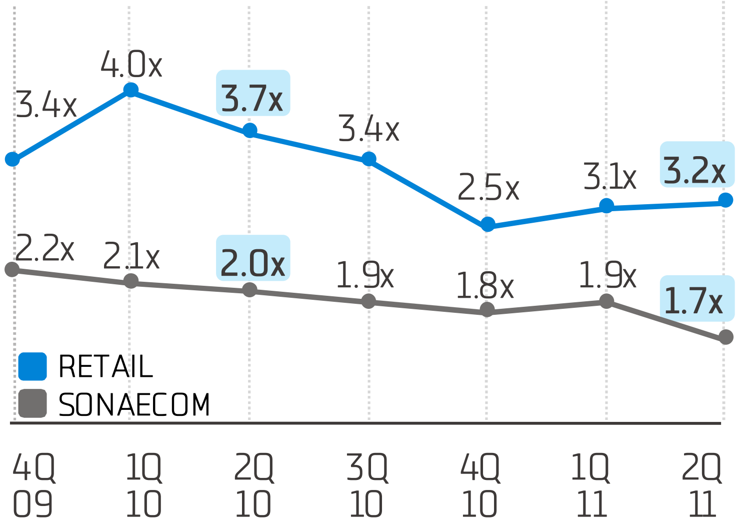
Capital Structure

AN APPROPRIATE CAPITAL STRUCTURE IN EACH BUSINESS TO SUPPORT FUTURE GROWTH PLANS

SHOPPING CENTRES AND HOLDING LOAN TO VALUE



RETAIL AND TELECOM NET DEBT/EBITDA



Shareholder Remuneration

DIVIDEND PAYER ON A REGULAR BASIS

OBJECTIVE TO MAINTAIN THE SHAREHOLDER REMUNERATION POLICY

The resilience of the cash flows generated gives confidence on the ability to maintain shareholder remuneration policy

3.31 Cents	6.1%	39%
DIVIDEND PER SHARE 2010	DIVIDEND YIELD	PAY OUT RATIO
+5% vs 2009	Considering 2011.08.31 Share Price (€0.547)	Considering 2010 Total Net Profits attributable to equity holders

SONAE

AN ATTRACTIVE INVESTMENT OPPORTUNITY

- **Resilience** in the face of adverse macroeconomic conditions
- **Growing** our **leading market position** in the core businesses, while protecting profitability
- A **clear** and **ambitious internationalisation strategy** that will enable for future growth and value creation
- **Experienced** management teams
- **Strong culture** and **values**

SONAE

INVESTOR PRESENTATION

September 2011