SONAE

1st HALF RESULTS 2009

SONAE
50 YEARS AHEAD.

1 MAIN HIGHLIGHTS

Delivering growth in turnover and profitability; showing resilience in the face of challenging market conditions.

- **Turnover increased by 7%, driven by growth in both food and specialised retail businesses;**
- **EBITDA up by 12%; on a recurrent basis, EBITDA increased by 16% to 272 million euros driven by both our food retail and telecoms businesses;**
- **Improved operating margin up by 0.4pp; on a recurrent basis, increased by 0.7pp to 10.4% of turnover;**
- **Direct net profit (group share) higher than 2008 and reaching 29 million euros ;**
- **Indirect results adversely affected by continuing increases in capitalization yields for shopping centres albeit at a decreasing rate.**

Message from the CEO, Paulo Azevedo

During 1H09, Sonae achieved strong turnover growth (+7%) with improved EBITDA (+12%). I am particularly happy to be able to report these numbers, given the challenging consumer market and the unavoidable effects of our significant commitment to grow our international retailing activities.

Our food based retail division has reinforced its leadership position, with turnover up by 8% and EBITDA growing by 25%. Improvements in internal operating efficiency, sales area expansion and, particularly, a 3% like-for-like sales growth driven by both our hyper and super formats, made these results possible, and are a clear demonstration of the strength of our retail value proposition. Noteworthy was the resilience of our specialised retail division, which saw a marked improvement during 2Q09 and ended the semester with like-for-like sales down by only 3% (-9% in 1Q09), driven by the good performance of our textile formats and the seasonal effect of a late Easter. Further progress was made with our international expansion strategy, having strengthened our presence in the Spanish market, where we now have three formats; Worten, SportZone and Zippy, the latter having recently opened two stores, one in Madrid and one in Murcia. The initial signs of performance of our Spanish operations are positive giving us confidence in the significant growth potential of this strategy.

Our telecommunications business has also performed well during 1H09 with continued top line growth and with a significant improvement in EBITDA, benefiting from a reduction in operating costs, driven by the cost initiatives launched in 2008, lower marketing & sales costs and lower and asymmetric Mobile Termination Rates. The business is also showing the benefits of the significant investments made last year particularly in network, brands and customer service.

As expected, our indirect results were once again affected by the continuing increases in capitalization yields across Europe, applied when valuing our shopping centres. This increase led to a reduction in the valuation of our shopping centres and to a corresponding negative 87 million euros non-cash charge, net of tax, to results. The negative charge also included the net impact of higher estimated cash flows for our Portuguese and German portfolio and lower estimated cash flows for most of the remaining portfolio. The Portuguese portfolio saw occupancy rates kept at high levels (97%) and managed to increase total rents collected (variable + fixed) by 1% on a like-for-like basis. Worthy of note were the cost control initiatives implemented during the semester contributing to the improvement in direct results.

A number of corporate events during the semester are worthy of note (including subsequent events to the semester), aligned with our declared strategic objectives of 'internationalization', 'leveraging our exceptional asset base in Portugal' and 'diversification of our investment style', namely: the launch of our 'Continente Mobile' offer, a joint partnership between our food retail and telecommunication businesses; the opening of a new specialised retail format, the MegaModalfa store in Lisbon; and the significant growth in Brazil. During this semester, we inaugurated Manauara Shopping, the largest and most modern centre in the state of Amazonas, and acquired two insurance brokers through Lazam-MDS followed by the roll-up of our partners' interest into the insurance brokerage holding company (effectively increasing our exposure to Brazil), while closing a strategic agreement with the Feffer family to further develop the Latin American market. In addition, we completed the refinancing of our medium and long term debt facilities maturing during 2009 at the retail business, with 165 million euros in new credit facilities with an average maturity of approximately 4 years. This has enhanced the financial strength of our retail business to pursue our agreed growth strategy.

We remain cautious about the overall economy and the uncertain evolution of the markets where we operate, particularly in respect of the competitive pressures in the retail and telecoms arenas. Despite this caution, the resilience of the cash-flows generated at almost all our businesses allows us to be confident in our ability to maintain our shareholder remuneration policy.

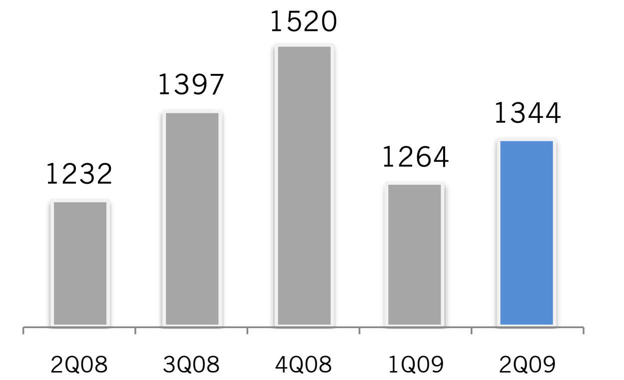
2 INCOME STATEMENT HIGHLIGHTS

Turnover
Million euros

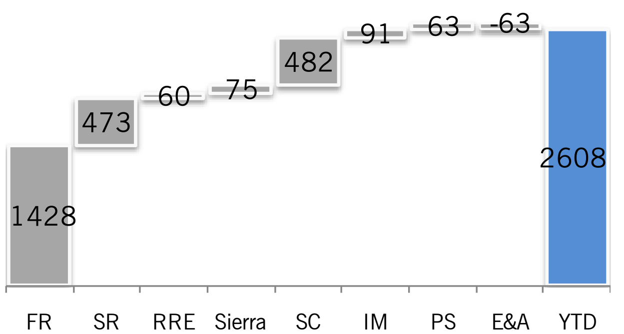
	1H08	1H09	y.o.y
Sonae	2,437	**2,608**	7.0%
Food based retail	1,328	1,428	7.6%
Specialised retail	379	473	24.7%
Retail real estate	54	60	11.8%
Shopping centres [1]	79	75	-4.2%
Telecommunications	476	482	1.3%
Investment mngmt.	106	91	-14.4%
Petrol stations	73	63	-14.4%
Elimin.& adjust.	-57	-63	-

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

Turnover quarterly trend



Turnover breakdown



Turnover

- **Sonae** turnover increased by 7% mainly driven by growth in both food and specialised retail businesses.
- **Food based retail** turnover was up by 8%, reflecting: (i) strong like-for-like growth across all formats (+3% yoy in the semester and +5% yoy in 2Q09), with higher volumes offsetting the lower average 'ticket' per consumer, the latter reflecting deflation and the prevailing trading down by customers; (ii) organic growth over the last 12 months, with additional 37 thousand m2 opened (80 new stores); (iii) the strong performance of both the private label offer, surpassing 23% of FMCG sales, and the perishables category; and (iv) success of the commercial initiatives implemented through the customer loyalty card.
- **Specialised retail** reported a 25% increase in turnover, impacted by the strong expansion of the last 12 months, with the inclusion of additional 81 thousand m2 organically and through M&A. Like-for-like sales were down 3% (strong 2% growth in 2Q09), with growth in the textile and sports formats mitigating the performance of the consumer electronics formats the latter reflecting a lower consumption of discretionary categories. Noteworthy, the sustainable reinforcement of leadership in the Portuguese consumer electronics market. The international business in Spain with Worten, SportZone and Zippy is running according to plan and during 1H09 contributed with more than 10% of sales.
- **Shopping centres** turnover fell by 4% mainly reflecting the lower ownership of the Sierra Portugal Fund at 42% which was fully consolidated in 1H08. On a comparable basis regarding the Sierra Portugal Fund, turnover was 1% higher, reflecting the maintenance of a high occupancy rate (94%), a marginally positive like-for-like growth of fixed rents and the contribution of the 4 centres opened in 2008 and 1 in 2009. These have offset the lower revenues posted by the development activity and the property and asset management services.
- **Telecommunications** turnover was up 1%, with sustained growth in mobile customer revenues, benefiting from the significant investments made last year particularly in network, brands and in customer service.

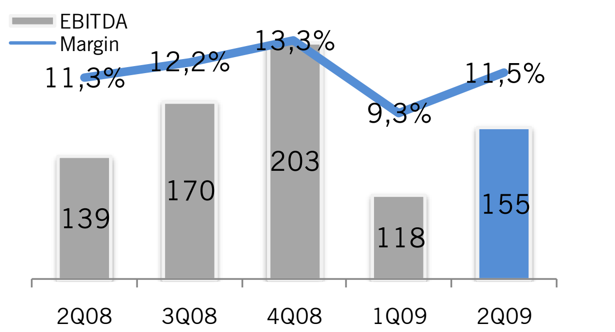
EBITDA Million euros			
	1H08	1H09	y.o.y
Sonae	244	272	11.5%
Food based retail	56	69	24.8%
Specialised retail	12	2	-83.4%
Retail real estate	57	57	0.2%
Shopping centres [1]	45	43	-4.5%
Telecommunications	69	91	33.2%
Investment mngmt.	6	0	-94.7%
Elimin.& adjust.	1	10	-

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

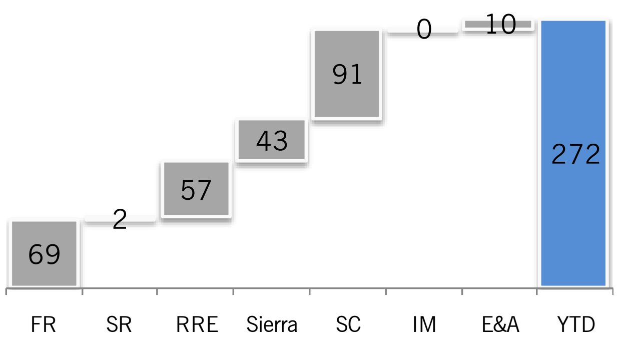
EBITDA as a % of turnover			
	1H08	1H09	y.o.y
Sonae	10.0%	10.4%	0.4pp
Food based retail	4.2%	4.8%	0.7pp
Specialised retail	3.2%	0.4%	-2.7pp
Shopping centres [1]	57.3%	57.0%	-0.2pp
Telecommunications	14.4%	19.0%	4.6pp
Investment mngmt.	5.3%	0.3%	-5pp

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

EBITDA quarterly trend



EBITDA breakdown



EBITDA

- **Sonae** EBITDA increased materially by 12% to 272 million euros, generating a margin of 10%, a 0.4pp improvement versus 1H08. On a recurrent basis and excluding capital gains in 1H08, EBITDA increased by 16%.

- **Food based retail** delivered growth while improving margins: EBITDA increased by 25%, representing a margin over sales of 5% compared to 4% in 1H08 (+ 0.7pp). EBITDA growth benefited, not only from the improved turnover performance and internal operating efficiency programmes, but also from the fact that in 1H08 significant one-off integration costs of the ex-Carrefour stores acquired were incurred.

- **Specialised retail** EBITDA reflected the strong investment in organic growth both in Portugal and in Spain. The Portuguese operation posted an increase in EBITDA and margin, driven by scale benefits mainly at the textile formats and benefits from investments in process efficiencies. The international operation, currently accounting for 39 thousand m2 in Spain, is represented by three formats, Worten, SportZone and Zippy, the latter having recently opened two stores. Internationalization costs in the period comprised mainly the conversion of the recently acquired consumer electronics stores portfolio to the Worten concept and branding, and the promotional activities implemented together with the costs associated with the launch of the Zippy format.

- **Retail real estate** generated EBITDA of 57 million euros. Excluding last year's non-recurrent gain of 9 million euros related to the sale of a Brazilian site in Florianópolis (Brazil), this represents a 19% increase in EBITDA, reflecting the enlarged asset portfolio resulting from the organic expansion of the retail operations in Portugal.

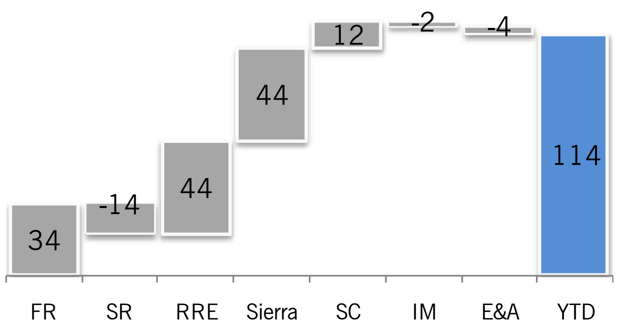
- **Shopping centres** EBITDA fell by 5%, mainly due to the lower ownership of the Sierra Portugal Fund at 42%. On a comparable basis regarding the Sierra Portugal Fund, EBITDA increased by 2%, benefiting from the efficiency and cost control initiatives implemented.

- **Telecommunications** EBITDA improved significantly by 33%, driven mainly by the mobile businesses and SSI, with reductions in interconnection costs and lower marketing & sales costs off-setting a decrease in roaming-in revenues.

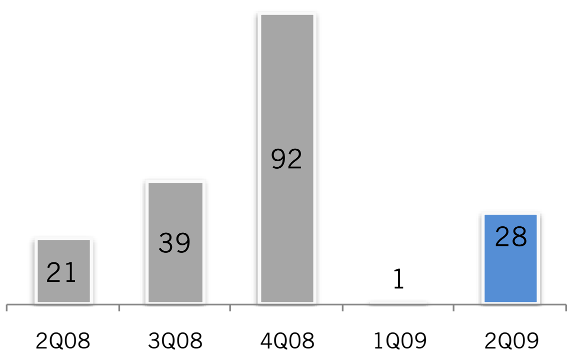
Direct net income Million euros			
	1H08	1H09	y.o.y
EBITDA	244	272	11.5%
P&I losses (1)	-9	-13	-46.9%
D&A (2)	-133	-145	-9.1%
EBIT	102	114	11.4%
Net financial results	-78	-72	6.9%
Share in results (3)	1	1	7.5%
Investment income	1	4	-
EBT	27	47	75.9%
Taxes	1	-11	-
Net income	28	37	32.1%
Group share	28	29	1.7%
Minority interests	-1	8	-

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

EBIT breakdown



Net income – group share quarterly trend



Direct net income – group share

- **Sonae's** total direct net income increased by 32%, with group share reaching a positive 29 million euros compared to 28 million euros in 1H08. On a comparable basis, excluding the previously mentioned non recurrent gain impacting 1H08 results, net income group share was 10 million euros higher than that posted in 1H08. This performance mainly reflects a much improved EBITDA performance in the period.

- Depreciation and amortization charges were up by 9%, driven by the increased asset base resulting from the expansion of the retail store network and extension of the mobile and fibre network in Telecommunications.

- Despite the higher average net debt in 1H09, net financial results were 7% better than in 1H08, mainly reflecting lower net interest expenses, down 13 million euros, as a result of a decrease in the average cost of debt driven by lower Euribor rates.

- Minority interest was positive 8 million euros compared to negative 1 million euros in 1H08, reflecting the improved net income performance at the telecommunications business, from a negative 12 million euros in 1H08, to a positive 1 million euros, and a 2% increase of direct net income at the shopping centres business.

- The tax line showed a charge of 11 million euros, compared to a benefit of 1 million euros in 1H08, mainly explained by the strong increase of EBT and lower deferred tax assets benefit recognised in 1H09, mainly in our telecommunications business.

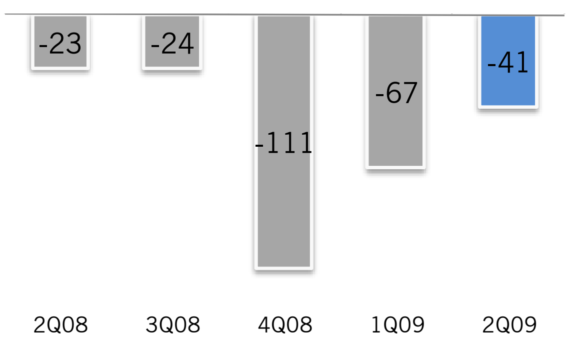
Shopping centres indirect net income

Million euros

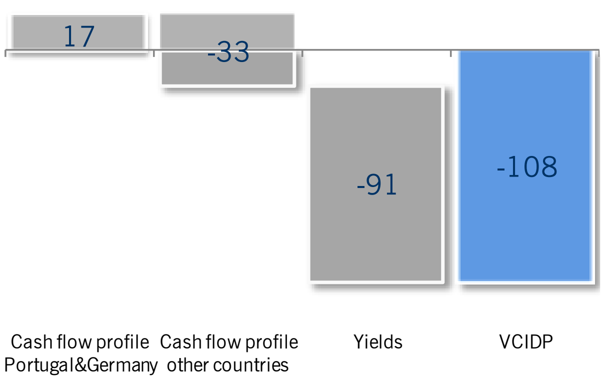
	1H08	1H09	y.o.y
VCIDP [1]	-24	-108	-
Investment income	7	0	-
Taxes	-1	21	-
Indirect net income	-18	-87	-
Group share	**-4**	**-57**	-
Minority interests	-14	-30	-119,6%

(1) Value created on investment and development properties; development properties recognised since 4Q08.

VCIDP quarterly trend



VCIDP breakdown



Shopping centres indirect income

- Consolidated indirect income group share was negative 57 million euros compared to negative 4 million euros in 1H08. This was the result of a much larger negative non-cash charge related to value created on investment and development properties (VCIDP).

- VCIDP in the shopping centres business was negative 108 million euros, reflecting: (i) 91 million euros decrease in the value of the European shopping centres in the portfolio (a non-cash impact), explained by the general increase in European capitalization yields; in 1H09, average yields increased in Portugal by 39bp, in Spain by 51bp, in Italy by 28bp, in Germany by 8bpn, in Romania by 75bp and in Greece kept flat; (ii) 17 million euros positive impact resulting from the improved estimated performance of shopping centres owned in Portugal and Germany; and (iii) 33 million euros negative impact on valuation, driven by downward adjustments of estimated future cash flow generation of shopping centres in the other countries.

- Investment income was zero in 1H09 compared to 7 million euros in 1H08, the latter including gains related to the launch of Sierra Portugal Fund in March 2008 and the corresponding sale of a 58% shareholding to reference investors. This income was primarily explained by the write-off of deferred tax liabilities related to unrealised gains in investment properties, accounted for in the balance sheet under the IFRS rules.

- The tax line showed a gain of 21 million euros, reflecting the reversal of deferred tax liabilities related to the decrease in value of properties at the end of the period.

3 INVESTMENT

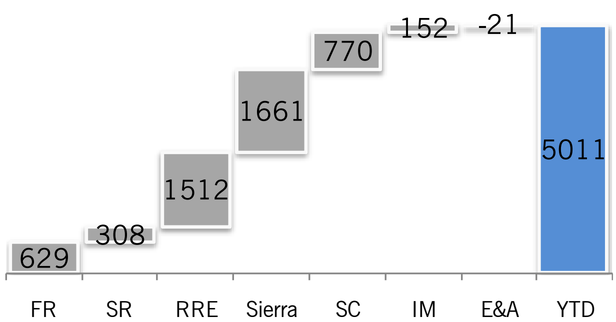
CAPEX Million euros	1H08	1H09	y.o.y
Sonae	386	**293**	-24.1%
as a % of turnover	15.8%	11.2%	-4.6pp
Food based retail	53	64	21.0%
Specialised retail	30	56	85.9%
Retail real estate	34	62	81.1%
Shopping centres (1)	81	47	-42.5%
Telecommunications	162	55	-66.0%
Investment mngmt.	3	8	181.2%
Elimin.& adjust.	22	0	-
EBITDA minus CAPEX	-141	-20	85.6%

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

Invested capital Million euros	1H08	1H09	y.o.y
Sonae	4,814	**5,011**	4.1%
Investment properties(1)	2,153	1,846	-14.2%
Technical investment(2)	2,720	3,160	16.2%
Financial investment	87	63	-27.9%
Goodwill	690	699	1.2%
Working capital	-835	-755	9.6%

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

Invested capital breakdown



CAPEX

- **Sonae's** investment in 1H09 reached 293 million euros (11% turnover), mainly reflecting the retail businesses' expansion plans, including internationalization.

- **Food based retail** CAPEX, 64 million Euros (11 million euros above 1H08), was directed towards: (i) the initial investment (excluding the real estate component) in new stores opened (7 thousand m2); (ii) the refurbishment of several stores (intervention in 70 thousand m2); (iii) the preparation work for future expansions, namely the new Modelo stores in Leça do Balio, Mem-Martins, Sesimbra and Ovar opened in July; and (iv) the upgrading of the logistic warehouse units.

- **Specialised retail** CAPEX was 56 million Euros (up 26 million euros when compared to LY), comprising: (i) the initial investment (excluding the real estate component) in 24 new stores opened in Portugal (17 thousand m2), including the new MegaModalfa concept, with its first store opened in Lisbon (ii) the continuous refurbishment and renewal investments at the store portfolio (intervention in 30 thousand m2); and (iii) investment expenses with the reinforcement of presence in Spain with the launching of an additional format, Zippy, with 2 new stores, the opening of 6 thousand m2 of Sportzone and Worten stores, and the conversion of the acquired consumer electronic stores to the Worten concept.

- **Retail real estate** CAPEX amounted to 62 million euros, reflecting the acquisition of additional retail area, and investment expenses in account for future openings.

- **Shopping centres** CAPEX reflected the conclusion of Manauara, in Brazil (opened in April), progress in the development of the disclosed projects in the pipeline, namely Loop5 (scheduled for 2009) and Leiria (scheduled for 2010), and the expansion of Guimarães Shopping (scheduled for 2009).

- **Telecommunications**' CAPEX comprised mainly investment in the mobile network, although at a slower pace than in 1H08.

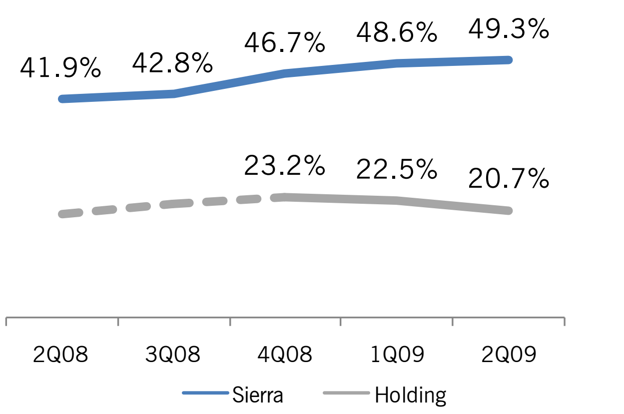
4 CAPITAL STRUCTURE

Capital structure
Million euros

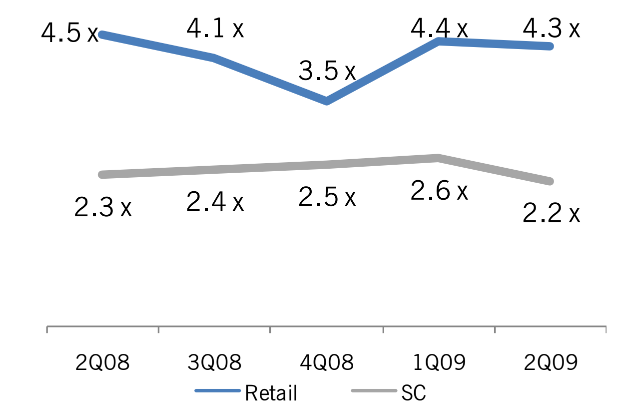
	1H08	1H09	y.o.y
Net debt inc. SH loans	3,144	**3,479**	10.7%
Retail businesses	1,348	1,495	10.9%
Shopping centres (1)	902	948	5.2%
Telecommunications	367	411	11.8%
Investment mngmt.	67	116	72.8%
Holding (2)	460	510	10.7%

(1) Shopping centres are proportionally consolidated (50%); (2) includes Sonae's individual accounts.

Sonae Sierra and Holding Loan to value



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



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

Capital structure

- **Sonae's** net debt increased by 335 million euros to 3,479 million euros, due to the investment for growth effort of the last 12 months (793 million euros), 23% higher than the EBITDA generated in the same period. This investment was mostly visible at the retail businesses that saw their net debt increase. Overall, debt facilities have long average maturities, with Sonae's weighted average maturity standing at approximately 5.3 years (considering 100% of Sonae Sierra's debt), and no major debt repayments in the short term.

- **Retail formats & retail real estate** net debt increased by 147 million euros, mainly reflecting the investments' requirements in organic growth, including internationalization; Net Debt to EBITDA (last 12 months) was slightly lower when compared to end 1H08 at 4.3x, with the increased net debt being partially off-set by the higher EBITDA level in the preceding 12 month period.

- **Shopping centres** net debt was 5% higher than that at end 1H08, with a loan to value ratio reaching 49%.When compared to end 1H08, loan to value increased mainly due to the decrease in value of the European Shopping centres in the portfolio, resulting from the increase in capitalization yields over the last quarters.

- **Telecommunications**' net debt, excluding the proceeds from the securitization transaction, stood at 411 million euros, 12% above end 1H08, primarily reflecting the investment effort of the last 12 months; Net Debt to EBITDA (last 12 months) reached a conservative level of 2.2x, determined by the improved EBITDA performance over the last 12 months.

- **Holding** net debt increased by 50 million euros to 510 million euros, including the impact from the payments under the cash settled equity swap.

- **Sonae's** liquidity risk was maintained at a low level, with the sum of cash and unused credit facilities standing at 868 million euros.

5 INVESTMENT PORTFOLIO

Analyst consensus - latest valuations [1]
euros

Broker	Date	Rating	Price
UBS	Feb 09	Buy	0.80
Goldman Sachs	Jun 09	Buy	0.94
JPMorgan	May 09	Buy	0.95
Fidentiis	Jun 09	Buy	0.85
BPI	Jun 09	Buy	1.10
BES	Apr 09	Buy	0.90
BANIF	Dec 08	Buy	1.25
Lisbon Brokers	Mar 09	Buy	1.00
Santander	Ag 09	Buy	1.00
Caixa BI	Dec 08	Buy	1.00
Equita	Jul 09	Neutral	0.83
Target share price			**0.97**
Closing price last trading day			0.67
Premium/(discount) at target [2]			43.2%

Analyst consensus

- The consensus value of Sonae's target price, based on the latest valuations released, was 0.97 euros per share, implying a premium of 43% over Sonae's closing share price of 0.67 euros as at end 1H09.
- 91% of available research analyst's reports have a 'buy' recommendation, the majority of which attributing a high premium over Sonae's stock market valuation.

Market valuation [1]
Million euros

	1H09
Retail businesses' equity value	1,841
Retail businesses enterprise value	3,235
Food retail enterprise value	1,425
Specialised retail enterprise value	297
Retail real estate invested capital (book value)	1,512
Retail businesses net debt (including shareholder loans)	1,394
Shopping centres equity value	701
Investment management equity value	73
Telecommunications equity value	342
Sonae Gross Asset Value (GAV)	**2,957**
Holding net debt (including shareholder loans)	510
Sonae Net Asset Value (NAV)	**2,447**
shares outstanding (million)	2,000
Sonae NAV/share (€)	**1.22**
Closing price last trading day (€)	0.67
Premium/(discount) at NAV [2]	81.6%

(1) unaudited; (2) Comparison to closing price on 30 June 2009.

Market valuation

- Sonae's net asset value represented 1.22 euros per share, implying a premium of 82% over the Sonae's closing share price of 0.67 euros.
- From Sonae's current portfolio, retail represented 62% of total GAV, shopping centres 24% telecommunications 12% and the investment management 2%.

6 CORPORATE INFORMATION

Quarterly corporate developments

- At Sonae's Annual general Meeting held on 20 April 2009, shareholders approved, among other changes, the following amendments to the articles of association:
  - Shareholders' General Meetings may be attended by shareholders who provide proof of share ownership to the Company, at least three business days prior to each session, by way of a certificate issued by a financial intermediary confirming their ownership and blocking of their shares;
  - Voting by electronic means and all the necessary procedures for those votes to be considered valid;
  - The assumption that shareholders who send their voting papers by registered post or by electronic means, are abstaining from voting on any proposals that are not specifically included in their voting papers, when the respective proposals had been presented before the date on which their votes were cast.
- Christopher Lawrie, formerly CFO at Sonaecom, has taken on a new role as CEO of the recently created retail real estate business unit.

Subsequent corporate developments

- Sonae retail division completed the refinancing of its medium and long term debt facilities maturing during 2009, by contracting new medium and long term credit facilities totalling 165 million euros, with an average maturity of approximately 4 years. This refinancing further enhanced Sonae's financial capacity to implement its growth strategy, by allowing it to increase the average maturity of debt and diversify sources of financing.
- Sonae's recently created investment management unit signed a strategic partnership agreement for its insurance brokerage area, representing an important strategic move for the development of its presence in the Latin American market. Under this operation, it was agreed the roll-up of the Feffer family's 55% shareholding in Lazam-mds in exchange for 49.99% of the enlarged share capital of MDS plus an up-front cash payment of 47 million euros to Sonae. A capital gain amounting to approximately 27 million euros was recognized, reflecting an underlying Enterprise Value of Sonae's insurance brokerage area of 139 million euros.

Outlook

- The uncertainty regarding future market developments remains high and, in this respect, Sonae's short term tactical decisions will be adapted as appropriate to the changing circumstances. However, Sonae's expectations for the next semester include the following:

  - The Company will continue to focus on growing its food and specialised retail businesses, by expanding its sales area by approximately 100 thousand m2 in 2009 (food retail: 40 thousand m2; specialized retail 60 thousand m2, balanced between Portugal and Spain), and reaching more than 900 thousand m2 by the end of 2009. However, given the current constraints in financial markets, we will adopt a capital light approach, with the expansion being based on operating the leasing of properties rather than their ownership.

  - The shopping centre business will open, according to plan, the new asset Loop5 in Germany, which currently has approximately 95% of its GLA commercialized to both local and international retailers. The pace of launch of the project pipeline will, as already disclosed, be slowed down, adapting to the current constraints in financial markets (only projects with financing finalised are started) and increasing minimal required return on equity for each project.

  - The telecommunications business should be able to achieve its targets for the year, despite the increased level of competition. However, the Free Cash Flow performance may continue to be negatively affected by the amounts owing from the Government Information Society Fund, linked to the "e-Initiatives" programme.

- Conscious of the current market environment together with the performance achieved during the last quarters, Sonae is confident in its capacity to continue to successfully deliver profitable growth while building a strong market position and earning the trust of its shareholders.

7 ADDITIONAL INFORMATION

Portfolio organization

Note: after 20 July 2009, MDS is 50.01% owned

Glossary

ARPU	Average revenue per user
CAPEX	Investments in tangible and intangible assets, investment properties and acquisitions
Direct income	Direct income excludes contributions to indirect income
EBITDA	Turnover + other revenues -impairment reversion - badwill- operating costs (based on direct net income)
EBITDA margin	EBITDA / Turnover
Eliminations & adjustments	Intra-groups + Holding company figures for 2008
Free Cash Flow	EBITDA – operating capex-change in working capital-financial investments-financial results-income taxes
FMCG	Fast Moving Consumer Goods are products that are sold quickly at relatively low cost
Gross Asset Value	**Food based retail & specialised retail** valuation based on sector EV/EBITDA 09 & EV/Sales 09 multiple and last 12 months Sales & EBITDA reported **Retail real estate** valuation based on net invested capital (book value) **Shopping centres** valuation includes: European and Brazilian properties in operation and under development at NAV; and Property and Asset Management businesses

	based on EV/EBITDA market multiples **Investment management** valuation based on enterprise value assessed for the insurance brokerage area during the M&A process and the percentage owned of the Maxmat and Star,Geotur businesses' book value of shareholders' funds. **Telecommunications** valuation at market prices on last trading day
Investment income	Capital gains (losses) from the sale of financial investments
Indirect income	Indirect Income includes the shopping centre segment contributions net of taxes to consolidated income statement, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and; (iv) provision for assets at Risk
Investment properties	Shopping centres in operation owned by Sonae Sierra
Liquidity	Cash & equivalents + current investments
Like for Like sales	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods
Loan to value Holding	Holding Net debt/ Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies
Loan to value shopping centres	Net debt / (investment properties + properties under Development) at book value
Net invested capital	Gross real estate assets + other tangible and intangible assets - amortizations and impairment losses + financial investments + working capital (including other assets & liabilities such as deferred taxes); all figures at book value with the exception of shopping centres' building block
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities
Net debt	Bonds + bank loans + other loans + finance leases – cash, bank deposits and current investments
Net income group share	Net income attributable to Sonae shareholders
Other loans	Bonds, leasing and derivatives
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by an independent entity

RoIC (Return on invested capital)	EBIT(12 months) /Net invested capital
Shopping Centre Services business	Asset management services + property management services
Technical investment	Tangible assets + intangible assets + other fixed assets – depreciations and amortizations
Value created on investment and development properties (VCIDP)	Increase (decrease) in the valuation of shopping centres in operation and under development; shopping centres under development are only included if a high degree of certainty concerning their conclusion and opening exists.

Consolidated income statement

Consolidated income statement [(1)]
Million euros

	2Q08	2Q09	y.o.y	1H08	1H09	y.o.y
Direct income						
Turnover	1,232	1,344	9.1%	2,437	2,608	7.0%
EBITDA	139	155	11.6%	244	272	11.5%
EBITDA margin	11.3%	11.5%	0.3pp	10.0%	10.4%	0.4pp
Provisions and impairment losses [(2)]	-11	-7	36.5%	-9	-13	-46.9%
Depreciations and amortizations	-69	-74	-6.5%	-133	-145	-9.1%
EBIT	59	74	26.2%	102	114	11.4%
Financial results	-38	-32	16.4%	-78	-72	6.9%
Share in results of associated undertakings	0	-1	-103.2%	1	1	7.5%
Investment income	1	3	156.3%	1	4	-
EBT	21	45	109.1%	27	47	75.9%
Taxes	-1	-12	-	1	-11	-
Direct net income	21	33	59.0%	28	37	32.1%
Group share	21	28	38.1%	28	29	1.7%
Attributable to minority interests	0	5	-	-1	8	-
Shoppings indirect income						
VCIDP [(3)]	-23	-41	-75.0%	-24	-108	-
Investment income	1	0	-100.0%	7	0	-100.0%
Taxes	1	8	-	-1	21	-
Indirect net income	-21	-33	-54.4%	-18	-87	-
Attributable to equity holders	-9	-21	-146.0%	-4	-57	-
Attributable to minority interests	-13	-12	5.8%	-14	-30	-119.6%
Total net income						
Total net income	-1	0	88.5%	10	-50	-
group share	12	7	-38.0%	24	-28	-
Attributable to minority interests	-13	-8	40.6%	-14	-22	-55.1%

(1) Quarterly numbers are unaudited; (2) Includes reversion of impairments and badwill; (3) Value created on investment and development properties.

Consolidated balance sheet

Balance sheet Million euros			
	2008	1H09	y.o.y
TOTAL ASSETS	**7,306**	**7,453**	**2.0%**
Non current assets	**5,871**	**6,003**	**2.2%**
Tangible and intangible assets	2,948	3,154	7.0%
Goodwill	697	699	0.2%
Investment properties in operation	1,683	1,636	-2.8%
Investment properties under development	159	169	5.9%
Other investments	156	104	-33.1%
Deferred tax assets	207	216	4.4%
Others	21	26	21.6%
Current assets	**1,435**	**1,450**	**1.0%**
Stocks	560	587	4.7%
Trade debtors	215	200	-6.8%
Liquidity	248	168	-32.4%
Others	411	495	20.2%
SHAREHOLDERS' FUNDS	**1,563**	**1,532**	**-1.9%**
Group share	1,151	1,081	-6.1%
Minority interests	412	451	9.7%
LIABILITIES	**5,744**	**5,920**	**3.1%**
Non-current liabilities	**3,560**	**3,780**	**6.2%**
Bank loans	1,281	1,418	10.6%
Other loans	1,735	1,802	3.8%
Deferred tax liabilities	331	319	-3.5%
Provisions	57	64	11.9%
Others	155	177	13.9%
Current liabilities	**2,184**	**2,140**	**-2.0%**
Bank loans	259	390	50.7%
Other loans	111	14	-87.5%
Trade creditors	1,050	1,043	-0.7%
Others	763	694	-9.1%
SHAREHOLDERS' FUNDS + LIABILITIES	**7,306**	**7,453**	**2.0%**

Invested capital & return on invested capital (RoIC)

Invested capital Million euros	1H08	1H09	y.o.y	2008	y.o.y
Invested Capital	**4,814**	**5,011**	**4.1%**	**4,721**	**6.1%**
Investment properties (1)	2,153	1,846	-14.2%	1,888	-2.2%
Technical investment (2)	2,720	3,160	16.2%	2,958	6.8%
Financial investment	87	63	-27.9%	110	-43.0%
Goodwill	690	699	1.2%	697	0.2%
Working capital	-835	-755	9.6%	-932	18.9%
Equity + Minorities	**1,670**	**1,532**	**-8.2%**	**1,563**	**-1.9%**
Total Net debt (3)	**3,144**	**3,479**	**10.7%**	**3,159**	**10.1%**

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

Return on invested capital	1H08	1H09	y.o.y	2008	y.o.y
Invested capital	**4,814**	**5,011**	**4.1%**	**4,721**	**6.1%**
Food based retail	604	629	4.3%	546	15.2%
Specialised retail	218	308	41.3%	176	75.5%
Retail real estate	1,333	1,512	13.5%	1,411	7.2%
Shopping centres (1)	1,897	1,661	-12.4%	1,684	-1.4%
Telecommunications	807	770	-4.6%	747	3.1%
Investment mngmt.	116	152	31.1%	139	9.6%
Elimin.& adjust.(2)	-160	-21	-	19	-
EBIT (last 12 months)	**301**	**340**	**12.8%**	**328**	**3.5%**
Food based retail	98	134	36.2%	124	8.6%
Specialised retail	30	12	-57.8%	28	-54.7%
Retail real estate	75	86	14.2%	88	-1.8%
Shopping centres (1)	87	88	1.7%	89	-0.6%
Telecommunications	7	24	-	3	-
Investment mngmt.	11	-4	-	1	-
Elimin.& adjust.(2)	-7	-1	-	-3	-
RoIC	**6.3%**	**6.8%**	**0.5pp**	**6.9%**	**-0.2pp**
Food based retail	16.3%	21.3%	5pp	22.6%	-1.3pp
Specialised retail	13.5%	4.0%	-9.5pp	15.7%	-11.6pp
Retail real estate	5.7%	5.7%	0pp	6.2%	-0.5pp
Shopping centres	4.6%	5.3%	0.7pp	5.3%	0pp
Telecommunications	0.8%	3.2%	2.3pp	0.4%	2.8pp
Investment mngmt.	9.5%	-2.7%	-12.2pp	1.0%	-3.8pp

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

Retail formats & retail real estate operating review

Retail formats & Retail real estate operating review [1]	2Q08	2Q09	y.o.y	1H08	1H09	y.o.y
Turnover growth						
Food based retail	21.0%	10.0%	-11pp	22.4%	7.6%	-14.8pp
Specialised retail	15.1%	34.3%	19.2pp	20.2%	24.7%	4.6pp
LFL sales growth						
Food based retail	1.8%	4.8%	3pp	1.6%	2.8%	1.2pp
Specialised retail	-2.5%	2.4%	4.9pp	2.4%	-3.2%	-5.6pp
Total employees	31,290	33,436	6.9%	31,290	33,436	6.9%
Food based retail	24,691	25,390	2.8%	24,691	25,390	2.8%
Specialised retail	6,567	8,015	22.0%	6,567	8,015	22.0%
Retail real estate	32	31	-3.1%	32	31	-3.1%

(1) Quarterly numbers are unaudited.

Retail formats business portfolio

	Number of stores					Sales area('000 m^2)					
	31 Dec 2008	Stores opened	Banner changed	Stores closed	30 Jun 2009	31 Dec 2008	Stores opened	Banner changed	Stores closed	30 Jun 2009	Area owned (%)
Food based retail	290	32	0	0	322	492	6	1	0	500	87%
Continente	37	1	1	0	39	273	2	5	0	280	88%
Modelo [1]	117	0	-1	0	116	206	0	-4	0	202	87%
Área Saúde	88	5	0	0	93	7	1	0	0	9	78%
Bom Bocado	43	21	0	0	64	3	1	0	0	4	82%
Book.It	4	5	0	0	9	1	2	0	0	3	64%
Outlet	1	0	0	0	1	2	0	0	0	2	0%
Specialized retail	389	31	0	-4	416	247	23	0	-2	265	42%
Portugal	373	24	0	-4	393	213	17	0	-2	226	44%
Worten	125	5	0	-2	128	99	8	0	-1	106	54%
Vobis	20	0	0	-1	19	9	0	0	0	8	9%
Worten Mobile	41	4	0	0	45	1	0	0	0	1	37%
SportZone	66	5	0	-1	70	51	5	0	-1	55	10%
Modalfa	87	2	0	0	89	41	2	0	0	43	87%
Zippy	29	4	0	0	33	11	1	0	0	12	6%
Loop	5	4	0	0	9	1	1	0	0	1	0%
Spain	16	7	0	0	23	34	6	0	0	39	24%
Worten	10	1	0	0	11	25	2	0	0	26	27%
Sport Zone	6	4	0	0	10	9	3	0	0	12	0%
Zippy	0	2	0	0	2	0	1	0	0	1	0%
Invest. mngmt.	114	2	0	-6	110	70	0	0	-3	67	61%
MaxMat	37	1	0	-2	36	65	0	0	-3	63	64%
Travel [2]	77	1	0	-4	74	4	0	0	0	4	22%
Total	793	65	0	-10	848	809	29	1	-5	832	70%

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

Retail formats & retail real estate financial review

Retail formats & Retail real estate financial review [1] Million euros	2Q08	2Q09	y.o.y	1H08	1H09	y.o.y
Food retail						
Turnover	673	740	10.0%	1,328	1,428	7.6%
EBITDA	44	48	7.3%	56	69	24.8%
EBITDA margin	6.6%	6.5%	-0.2pp	4.2%	4.8%	0.7pp
CAPEX	27	30	11.6%	53	64	21.0%
Specialised retail						
Turnover	185	248	34.3%	379	473	24.7%
EBITDA	9	2	-72.6%	12	2	-83.4%
EBITDA margin	4.6%	0.9%	-3.7pp	3.2%	0.4%	-2.7pp
CAPEX	18	33	84.2%	30	56	85.9%
Retail real estate						
Turnover	27	30	10.8%	54	60	11.8%
EBITDA	23	30	28.5%	57	57	0.2%
EBITDA margin	86.1%	99.8%	13.7pp	105.8%	94.8%	-11pp
CAPEX	19	43	126.5%	34	62	81.1%
Net debt including shareholder loans	1,348	1,495	10.9%	1,348	1,495	10.9%
Net debt	1,362	1,524	11.9%	1,362	1,524	11.9%
Net debt/EBITDA (last 12 months)	4.5 x	4.3 x	-0.2x	4.5 x	4.3 x	-0.2x
EBITDA/net interest expenses (last 12 months)	6.4 x	5.6 x	-0.8x	6.4 x	5.6 x	-0.8x
Net debt/invested capital	63.2%	62.2%	-1pp	63.2%	62.2%	-1pp

(1) Quarterly numbers are unaudited.

Shopping centres main highlights

Shopping centres operating review	1H08	1H09	y.o.y	2008	y.o.y
Assets under management (million euros) [1]	6,377	6,117	-4.1%	6,173	-0.9%
Real estate NAV (million euros)	1,729	1,248	-27.8%	1,416	-11.9%
Sierra Investments	1,081	678	-37.3%	960	-29.4%
Sierra Developments	336	275	-18.0%	220	25.2%
Sierra Brazil	238	240	0.7%	193	24.4%
Others [2]	74	55	-26.1%	43	27.4%
NAV per share (euros)	53.2	38.4	-27.8%	43.6	-11.9%
Openings & acquisitions (EOP)	1	1	0.0%	4	-75.0%
Shopping centres owned/co-owned (EOP)	48	51	6.3%	50	2.0%
GLA owned/co-owned (thousand m2) [3]	1,884	2,010	6.7%	1,963	2.4%
Occupancy rate of GLA owned (%)	96.3%	93.9%	-2.4pp	94.3%	-0.4pp
Projects under development (EOP) [4]	15	13	-13.3%	14	-7.1%
GLA under development (thousand m2)	685	596	-13.0%	701	-14.9%
Shopping centres managed (EOP)	61	69	13.1%	60	15.0%
GLA under management (thousand m2)	2,065	2,280	10.4%	2,163	5.4%
Total employees	1,093	1,161	6.2%	1,141	1.8%

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

Shopping Centres financial review (1)

Million euros

	2Q08	2Q09	y.o.y	1H08	1H09	y.o.y
Direct results						
Turnover	77	75	-2.5%	157	151	-4.0%
Investments	55	55	-1.1%	112	110	-1.2%
Developments	3	1	-54.1%	6	3	-57.5%
Brazil	5	6	24.0%	9	10	10.4%
Services Business	13	11	-13.6%	26	22	-14.0%
Asset management	7	5	-23.0%	13	10	-21.1%
Property management	7	6	-4.1%	13	12	-7.1%
Others & eliminations	1	2	60.0%	4	5	39.3%
EBITDA	**42**	**42**	**-0.6%**	**90**	**86**	**-4.2%**
EBITDA margin	**54.5%**	**55.6%**	**1.1pp**	**57.2%**	**57.0%**	**-0.1pp**
Services EBITDA margin	**28.2%**	**21.5%**	**-6.7pp**	**35.2%**	**24.9%**	**-10.4pp**
Investments	45	42	-5.0%	87	86	-0.9%
Developments	-40	-21	47.7%	-28	-40	-45.9%
Brazil	4	4	11.1%	7	8	7.1%
Services Business	4	2	-34.3%	9	6	-39.3%
Asset management	3	2	-41.5%	6	4	-41.1%
Property management	1	1	-11.1%	3	2	-35.1%
Others & eliminations	34	18	-46.8%	21	34	61.9%
Net financial results	-18	-22	-22.5%	-44	-42	4.0%
Direct results	**18**	**18**	**-1.9%**	**35**	**35**	**0.8%**
Indirect results						
Gains realized on investments	3	0	-89.6%	14	0	-98.1%
VCIDP (2)	-42	-81	-90.8%	-42	-213	-
Indirect results	**-40**	**-69**	**-74.5%**	**-34**	**-174**	**-**
Total net results						
Total net results	-22	-51	-138.3%	1	-139	-
group share	**-1**	**-35**	-	**17**	**-94**	-
Net debt including shareholder loans	1,803	1,896	5.2%	1,803	1,896	5.2%
Net debt	1,777	1,887	6.2%	1,777	1,887	6.2%
Loan to Value	41.9%	49.3%	7.4pp	41.9%	49.3%	7.4pp
Net debt/EBITDA (last 12 months)	10.7 x	11.6 x	0.8x	10.7 x	11.6 x	84.6pp
EBITDA/net interest expenses (last 12 months)	2.9 x	2.1 x	-0.8x	2.9 x	2.1 x	-78.3pp
Net debt/invested capital	46.9%	54.9%	7.9pp	46.9%	54.9%	7.9pp
CAPEX	78	40	-49.0%	133	69	-48.1%

(1) Quarterly numbers are unaudited; (2) Value created on investment and development properties.

Shopping Centres market yields	2008			1H09			y.o.y		
	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min
Portugal	7.5%	5.8%	5.4%	7.9%	6.2%	5.7%	0.35pp	0.39pp	0.3pp
Spain	9.4%	6.5%	5.7%	10.8%	7.1%	6.3%	1.45pp	0.51pp	0.55pp
Italy	7.7%	6.4%	5.8%	7.7%	6.6%	6.0%	0pp	0.28pp	0.2pp
Germany	6.0%	5.9%	5.8%	6.0%	6.0%	6.0%	0pp	0.08pp	0.25pp
Greece	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	0pp	0pp	0pp
Romania	8.0%	8.0%	8.0%	8.8%	8.8%	8.8%	0.75pp	0.75pp	0.75pp
Brazil	9.8%	8.6%	8.3%	9.8%	8.6%	8.3%	0pp	0pp	0pp

Telecommunications main highlights

Telecomunications operating review (1)

	2Q08	2Q09	y.o.y	1H08	1H09	y.o.y
Mobile						
Customers (EOP) ('000)	2,982	3,269	9.6%	2,982	3,269	9.6%
ARPU (euros) (2)	16.8	14.9	-11.4%	16.9	14.9	-11.7%
Wireline						
Total accesses (EOP) ('000)	716	528	-26.2%	701	528	-24.6%
Direct accesses (EOP) ('000)	483	433	-10.3%	483	433	-10.3%
Direct access as % customer revenues	71.4%	77.4%	6.1pp	68.5%	77.5%	9pp
Online & Media						
Average paid circulation ('000) (3)	42	38	-9.2%	43	39	-8.2%
Market share of advertising (%)	13.2%	11.9%	-1.3pp	12.9%	11.8%	-1.2pp
SSI						
IT service revenues / employee ('000 euros)	29.7	34.5	16.1%	57.9	62.7	8.3%
Total employees	1,921	2,002	4.2%	1,921	2,002	4.2%

(1) Quarterly numbers are unaudited; (2) Average revenues per user; (3) Estimated value updated in the following quarter.

Telecommunications financial review [1]

Million euros

	2Q08	2Q09	y.o.y	1H08	1H09	y.o.y
Turnover	238	241	1.2%	476	482	1.3%
Mobile	152	152	0.3%	303	299	-1.4%
Wireline	72	60	-17.1%	148	124	-15.8%
Media	9	8	-17.6%	17	15	-11.9%
SSI	27	42	53.9%	54	82	50.8%
Others & eliminations	-23	-21	6.7%	-47	-39	17.0%
Other revenues	3	1	-49.7%	4	2	-46.4%
EBITDA	**35**	**46**	**33.2%**	**69**	**91**	**33.2%**
EBITDA margin (%)	**14.6%**	**19.2%**	**4.6pp**	**14.4%**	**19.0%**	**4.6pp**
Mobile	29	45	55.6%	62	89	43.1%
Wireline	1	1	-30.6%	4	2	-58.3%
Media	0	-1	-111.6%	-2	-2	-9.6%
SSI	3	2	-31.4%	4	4	6.3%
Others & eliminations	2	-1	-	0	-1	-
EBIT	**-6**	**6**	**-**	**-9**	**12**	**-**
Net financial results	-4	-3	9.2%	-8	-7	7.2%
Total net income	-7	1	-	-12	2	-
group share	**-7**	**1**	**-**	**-12**	**1**	**-**
Excluding the securitization transaction:						
Net debt including shareholder loans	367	410	11.6%	367	410	11.6%
Net debt	367	410	11.6%	367	410	11.6%
Net debt/EBITDA (last 12 months)	2.3 x	2.2 x	-0.1x	2.3 x	2.2 x	-0.1x
EBITDA/net interest expenses (last 12 months)	14.5 x	11.3 x	-3.3x	14.5 x	11.3 x	-3.3x
Net debt/invested capital	45.5%	53.3%	7.8pp	45.5%	53.3%	7.8pp
CAPEX	**126**	**31**	**-75.4%**	**162**	**53**	**-67.1%**
Operating CAPEX [2]	35	31	-11.7%	68	52	-22.8%
EBITDA minus Operating CAPEX	0	15	-	1	39	-
Free Cash Flow	-25	28	-	-58	-18	69.5%

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

Investment management main highlights

Investment management unit [1]

Million euros

	2Q08	2Q09	y.o.y	1H08	1H09	y.o.y
Turnover	59	48	-17.5%	106	91	-14.4%
EBITDA	**4**	**2**	**-64.4%**	**6**	**0**	**-94.7%**
EBIT	3	0	-89.7%	3	-2	-
Net debt including shareholder loans	67	116	72.8%	67	116	72.8%
Net debt	-6	-2	62.5%	-6	-2	62.5%
CAPEX	1	1	0.9%	3	8	181.2%
Total employees	**1,122**	**1,036**	**-7.7%**	**1,122**	**1,036**	**-7.7%**

(1) Quarterly numbers are unaudited.

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This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that are not historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

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