



SONAE/  
1<sup>ST</sup> QUARTER  
RESULTS  
2010/

# 1 MAIN HIGHLIGHTS

**Sonae continued to make good progress with its strategy for profitable growth, reporting strong sales and solid margins while increasing international exposure.**

- Consolidated turnover up by 7% to 1,358 million euros;
- Consolidated EBITDA up by 8%; recurrent EBITDA increased by 6%;
- Net profit (for equity holders) totalled 6 million euros; notwithstanding the impact of a negative 3 million euros of indirect results, representing the lowest negative non-cash charge since 1Q08.
  
- Sonae MC increased turnover by 7%, with strong underlying like-for-like sales increases across all formats of 3%, based on a further increase in market share;
- Sonae SR sales were up by a very significant 22%, with increased market shares in all main formats and with international operations growing 101% in turnover.

## **Message from the CEO, Paulo Azevedo**

We are very pleased to continue to report significant increases in both turnover and earnings, at the same time that we relentlessly pursue our long term strategy goals of internationalisation and strengthening of our core businesses.

Besides the improvements in financial ratios that we have been achieving for some time, this quarter also shows a very significant decrease in debt in absolute terms compared to 1Q09.

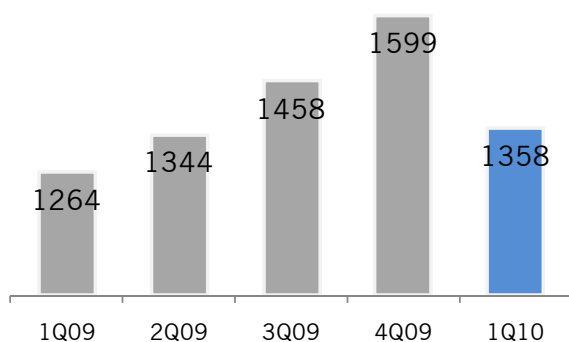
Sadly, we were not able to convince the authorities to eliminate the discrimination of opening hours and had to close our Continente banner stores on Sunday afternoons as from 1 January, creating an unjustifiable and significant loss of jobs. Continente is now the only chain in the top 5 food chains in Portugal forced to close its stores on Sunday afternoons.

# 2 INCOME STATEMENT HIGHLIGHTS

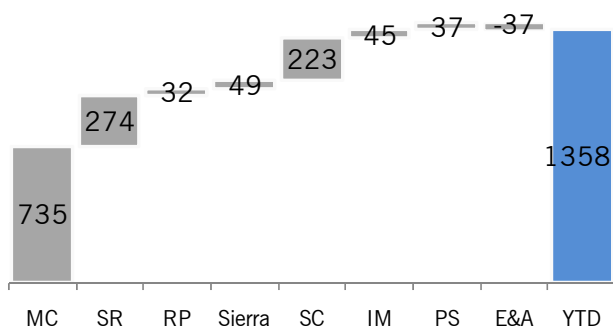
Turnover			
Million euros			
	1Q09	1Q10	y.o.y
<b>Sonae</b>	<b>1,264</b>	<b>1,358</b>	<b>7.5%</b>
Sonae MC	688	735	6.8%
Sonae SR	225	274	21.8%
Sonae RP	30	32	7.9%
Sonae Sierra <sup>(1)</sup>	45	49	7.1%
Sonaecom	241	223	-7.5%
Investment mngmt.	43	45	6.4%
Petrol stations	30	37	23.3%
Elimin.& adjust.	-38	-37	3.9%

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

## Turnover quarterly trend



## Turnover breakdown



**Sonae MC** – food based retail; **Sonae SR**– specialised retail; **Sonae RP** – retail property; **Sonae Sierra** – shopping centres; **Sonaecom** – telecommunications.

## Turnover

- **Sonae** turnover increased by 7%, with combined 10% growth in turnover of Sonae MC and Sonae SR.
- **Sonae MC** turnover increased by 7%, mainly driven by a strong 3% like-for-like growth (1% in 1Q09), benefiting from: (i) the Easter season impacting the quarter (roughly one week of sales); and (ii) the maintenance of strong volume growth (+8%), offsetting the lower average price per unit (-4%), the latter reflecting prevailing market price deflation (-4%) and trading down. Further improvements in promotions and a range of marketing activities adapted to consumer demands have all contributed to this performance. By the end of the quarter, own brand products made up 26% of total FMCG sales.
- **Sonae SR** reported growth in turnover of 22% and significant 6% growth on a like-for-like basis, with underlying performance reflecting a positive impact from Easter (roughly one week of sales). **Sonae SR Portugal** sales were up 12%, driven by: (i) a significant like-for-like sales increase of 6%, reflecting market share gains across all the main businesses; (ii) the good performance of the textile formats, in particular Zippy; and (iii) new space opened over the last 12 months, amounting to 38 thousand m<sup>2</sup> (+54 stores). **Sonae SR International** sales were up by 101%, reflecting: (i) like-for-like sales growth of more than 8%; (ii) the conversion work, of the consumer electronic stores portfolio acquired, for the Worten concept during 1Q09; and (iii) aggressive organic growth in the last 12 months, with the opening of 26 thousand m<sup>2</sup> (+23 stores).
- **Sonae Sierra** turnover increased by 7% reflecting: (i) the contribution from 2 centres opened in 2009 (loop5; Manauara); and (ii) the good performance of the Brazilian assets. These have offset the lower European Portfolio rents collected, on a like-for-like basis (-1%) and lower revenues from the development business and asset management services.
- **Sonaecom** turnover was down by 8%; the growth of mobile customer revenues, did not entirely offset the impact of reductions in Mobile Termination Rates and in Product Sales, the later impacted by the deceleration of the e-schools programme.

**Recurrent EBITDA <sup>(1)</sup>**

Million euros

	1Q09	1Q10	y.o.y
<b>Sonae</b>	<b>118</b>	<b>125</b>	<b>6.3%</b>
Sonae MC	22	22	4.4%
Sonae SR	0	0	-
Sonae RP	27	29	6.5%
Sonae Sierra <sup>(2)</sup>	22	24	7.9%
Sonaecom	45	48	5.6%
Investment mngmt.	-1	0	-
Elimin.& adjust.	4	2	-46.6%

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

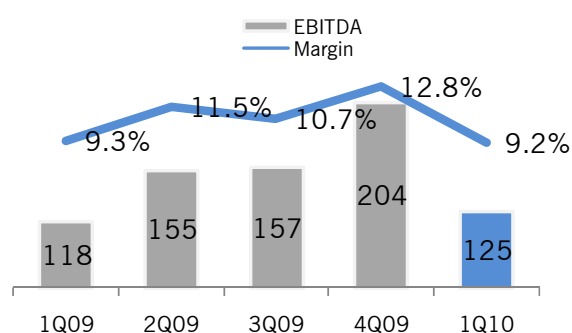
**Recurrent EBITDA <sup>(1)</sup>**

as a % of turnover

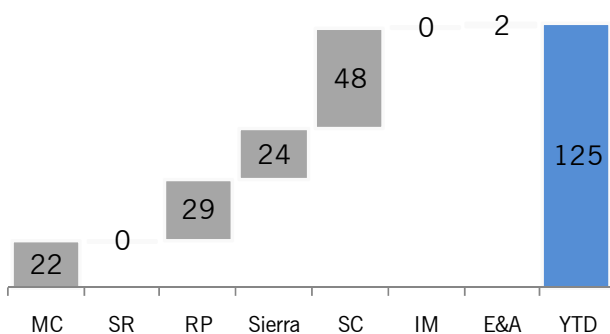
	1Q09	1Q10	y.o.y
<b>Sonae</b>	<b>9.3%</b>	<b>9.2%</b>	<b>-0.1pp</b>
Sonae MC	3.1%	3.1%	0pp
Sonae SR	-0.2%	0.1%	0.3pp
Sonae RP	89.9%	88.7%	-1.1pp
Sonae Sierra <sup>(2)</sup>	48.2%	48.5%	0.3pp
Sonaecom	18.8%	21.5%	2.7pp
Investment mngmt.	-3.0%	0.6%	3.6pp

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

## Recurrent EBITDA quarterly trend



## Recurrent EBITDA breakdown

**Recurrent EBITDA**

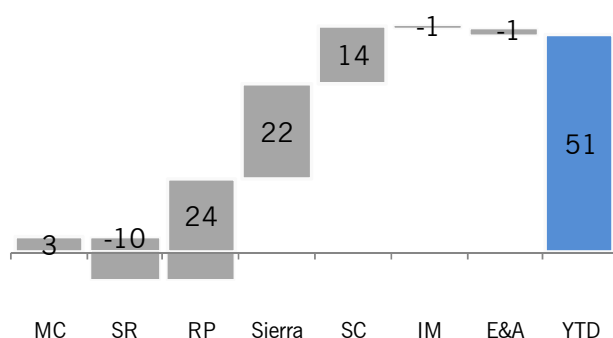
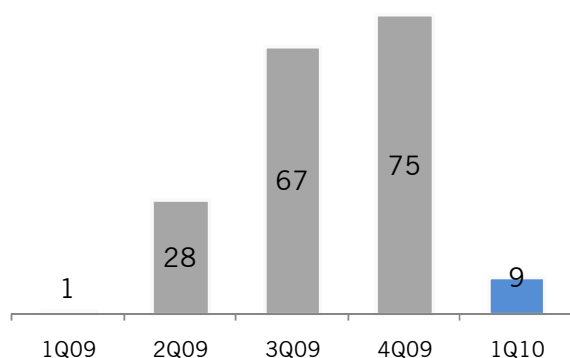
- **Sonae** recurrent EBITDA increased significantly by 6%, generating a solid margin of 9.2%.
- **Sonae MC** improved recurrent EBITDA by 4%, equal to a margin on sales of 3.1%, reflecting continued gains in market share and improvements in internal operating efficiency. This margin was significant given the background of strong competitive pressures and food price deflation in the quarter.
- **Sonae SR** recurrent EBITDA was slightly positive, equal to a margin on sales of 0.1%, reflecting the increasing importance of the Spanish operation to total turnover and the positive performance posted in both countries. **Sonae SR Portugal** continued to increase profitability, with EBITDA up by 12% and a margin of 1.9%, achieved through operational fine tuning of the most recent operations and more exposure to international outsourcing, in particular in the textile formats. **Sonae SR International** posted a negative EBITDA of 4 million euros, similar to that of 1Q09, with underlying margin improving by 9pp to negative 7.6% (1Q09 = -16.2%), in line with the goal of positive EBITDA in 2012.
- **Sonae RP** recurrent EBITDA increased 7%, explained by the greater asset portfolio resulting from the organic expansion of retail stores in Portugal, which offset the zero indexation of rents, consistent with the economic environment.
- **Sonae Sierra** recurrent EBITDA increased by 8%, benefiting from efficiency and cost control initiatives implemented.
- **Sonaecom** recurrent EBITDA improved by 6%, mainly driven by the mobile business. The efforts to optimize the cost structure more than off-set the negative impact of the end of asymmetries in Mobile Termination Rates.

**Direct net income**

Million euros

	1Q09	1Q10	y.o.y
<b>Recurrent EBITDA</b>	<b>118</b>	<b>125</b>	<b>6.3%</b>
<b>EBITDA</b>	<b>119</b>	<b>128</b>	<b>8.1%</b>
P&I losses <sup>(1)</sup>	-7	-4	-37.8%
D&A <sup>(2)</sup>	-71	-73	2.4%
<b>EBIT</b>	<b>41</b>	<b>51</b>	<b>25.9%</b>
Net financial results	-40	-26	-36.5%
Other income <sup>(3)</sup>	2	0	-
<b>EBT</b>	<b>3</b>	<b>25</b>	-
Taxes	1	-8	-
Direct net income	4	18	-
<b>Equity holders</b>	<b>1</b>	<b>9</b>	-
Minority interests	3	9	181.8%

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

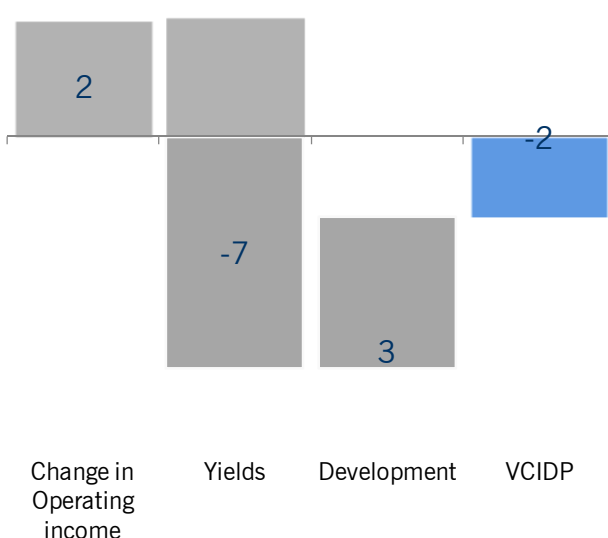
**EBIT breakdown****Net income – equity holder's quarterly trend****Direct net income – equity holders**

- Sonae's EBITDA increased by 8% to 128 million euros, 3 million euros higher than recurrent EBITDA, as a result of the gain from the sale & leaseback of 2 Modelo supers to a Portuguese investment fund.
- **Sonae's** total direct net income increased by 14 to 18 million euros, with the share of equity holders totalling 9 million euros, 8 million euros up on 1Q09. This growth mainly reflects EBITDA performance and a significant fall in net financial expenses, despite higher depreciation and tax charges.
- Depreciation and amortization charges were up by 2%, driven by the increased asset base resulting from the high levels of Capex in recent years, namely the expansion of the retail store network.
- Net financial results improved by 36% compared to 1Q09, mainly as a result of net interest expenses, which fell by 15 million euros, due to a fall in the average cost of debt resulting from the general decrease in interest rates.
- Taxation for the period shows a cost of 8 million euros, compared to a profit of 1 million euros in 1Q09, mainly explained by the strong increase in EBT.

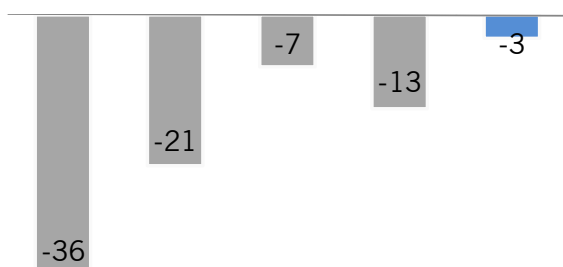
Shopping centres indirect net income <sup>(1)</sup>			
Million euros			
	1Q09	1Q10	y.o.y
VCIDP <sup>(2)</sup>	-44	-2	96.3%
Others	-3	0	91.1%
Taxes	10	-1	-
Indirect net income	-36	-3	90.7%
<b>Equity holders</b>	<b>-36</b>	<b>-3</b>	<b>90.7%</b>
Minority interests	0	0	-

(1) Management figures; (2) Value created on investment and development properties.

#### VCIDP breakdown



#### Indirect net income – quarterly trend



#### Shopping centres indirect income

- Equity holders' share of consolidated indirect income was negative 3 million euros, compared to negative 36 million euros in 1Q09, reflecting a stabilization of yields across all the countries in which Sonae Sierra is present, with the exception of Portugal.
- VCIDP in the shopping centres business was only 2 million euros negative, as a result of: (i) a 7 million euros decrease in the value of European shopping centres in the portfolio (0.5% devaluation of properties since 2009, in Europe), explained by the increase in capitalization yields in Portugal; in 1Q10, the average portfolio yield was 7.2%, compared to 7.0% in 2009; (ii) a 2 million euros increase from the estimated improved performance of shopping centres owned; and (iii) 3 million euros of value recognized on the development activity, of which 2.5 million euros of value recognized on the one property opened during the quarter (Leiria Shopping); and a 0.5 million euros increase in valuation, driven by upward adjustments on properties under development.
- During 1Q10, a deceleration of the trend of yield increases was clearly noticeable, with only those properties in Portugal suffering from the effects of yield expansion. This was reflected in the indirect results posted in the quarter, representing the lowest negative non-cash charge since 1Q08. The latest quarterly valuation of the assets implies that average yields increased in Portugal by 13bp, while yields in other countries remained relatively flat.

# 3 INVESTMENT

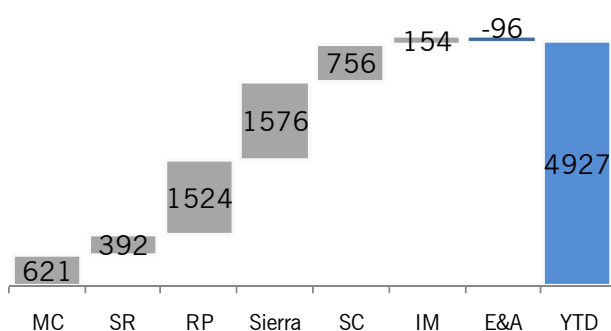
CAPEX			
Million euros			
	1Q09	1Q10	y.o.y
<b>Sonae</b>	<b>129</b>	<b>98</b>	<b>-24.1%</b>
as a % of turnover	10.2%	7.2%	-3pp
Sonae MC	34	19	-43.6%
Sonae SR	23	20	-12.9%
Sonae RP	20	11	-42.4%
Sonae Sierra <sup>(1)</sup>	18	21	16.9%
Sonaecom	23	24	2.7%
Investment mngmt.	8	0	-100.0%
Elimin.& adjust.	4	3	-29.5%
EBITDA minus CAPEX	-11	30	-

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

Invested capital			
Million euros			
	1Q09	1Q10	y.o.y
<b>Sonae</b>	<b>5,025</b>	<b>4,927</b>	<b>-1.9%</b>
Investment properties <sup>(1)</sup>	1,843	1,773	-3.8%
Technical investment <sup>(2)</sup>	2,978	3,213	7.9%
Financial investment	121	48	-60.1%
Goodwill	697	747	7.2%
Working capital	-614	-855	-39.2%

(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 total** CAPEX in 1Q10 totalled 98 million euros (7% of turnover), mainly reflecting the Company's capital light approach to growth.
- **Sonae MC** CAPEX of 19 million euros, 44% below that in 1Q09, was mainly allocated towards store refurbishment and preparation work for future openings.
- **Sonae SR CAPEX** was 20 million euros (down 3 million euros compared to LY), of which 9 million euros was for the expansion effort by **Sonae SR International** and 5 million euros for the increase in coverage of Portugal by **Sonae SR Portugal**.
- **Sonae RP** CAPEX amounted to 11 million euros, allocated to the acquisition of plots of land destined for future openings. CAPEX was 42% below that in 1Q09, already reflecting the capital light strategy adopted (leasing instead of owning) for new retail sales area, particularly in relation to Modelo stores.
- **Sonae Sierra** CAPEX included: (i) the conclusion of Leiria, in Portugal (opened in March); (ii) progress on the development of projects in the pipeline already announced and scheduled for 2011, namely Le Terrazze, in Italy and Uberlândia, in Brazil; and (iii) progress on the expansion of Parque D.Pedro, in Brazil.
- **Sonaecom** CAPEX comprised mainly investment in improving the expansion and coverage of its network, and benefited from its strategy of pursuing a 'capital light' deployment in the Wireline segment, including shared network investment agreements.

# 4 CAPITAL STRUCTURE

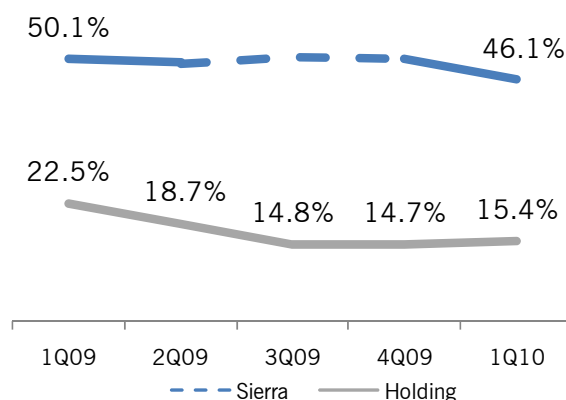
## Capital structure

Million euros

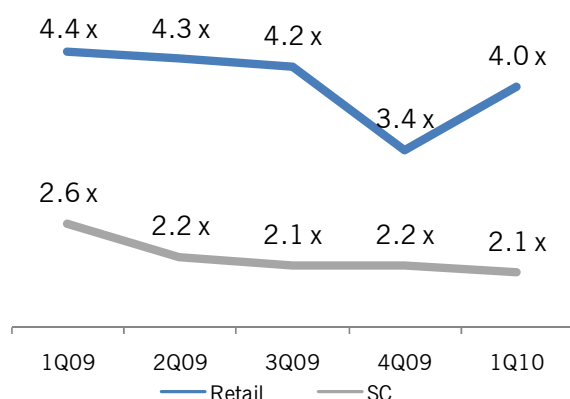
	1Q09	1Q10	y.o.y
<b>Net debt inc. SH loans</b>	<b>3,582</b>	<b>3,282</b>	<b>-8.4%</b>
Retail businesses	1,515	1,452	-4.1%
Sonae Sierra <sup>(1)</sup>	916	847	-7.5%
Sonaeacom <sup>(2)</sup>	445	370	-16.9%
Investment mngmt.	113	98	-13.2%
Holding <sup>(3)</sup>	594	515	-13.2%

(1) Shopping centres are proportionally consolidated (50%); (2) excludes securitization transaction; (3) includes Sonae's individual accounts.

### Sonae Sierra and Holding Loan to value



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



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

## Capital structure

- **Sonae's** net debt fell by 8%, in line with expectations and the objective of deleveraging over time in absolute and relative terms. Sonae's weighted average maturity stood at approximately 4.9 years, with no major debt repayments expected over the next 12 months.

- **Retail business'** net debt in the quarter mainly reflected the funding of the seasonal increase in working capital and international expansion, as well as the proceeds from the sale & leaseback of 2 Modelo supers, amounting to 12 million euros; compared to end 1Q09, Net Debt to EBITDA (last 12 months) improved to 4.0x, explained by a combination of lower net debt and a higher level of EBITDA in the prior 12 month period.

- **Sonae Sierra's** net debt was considerably lower than that at end 1Q09, with loan to value decreasing to 46%, despite the fall in value of European Shopping centres in the portfolio during the last 12 months.

- **Sonaeacom's** net debt, excluding the proceeds from the securitization transaction, stood at 370 million euros, 17% below that at the end 1Q09, primarily reflecting the positive FCF performance between the two periods; Net Debt to EBITDA (last 12 months) improved to 2.1x, as a result of both a decrease in net debt and the improved EBITDA performance over the last 12 months.

- **Holding's** net debt decreased by 79 million euros, which included the impact from inflows resulting from the cash settled equity swap. Holding loan to value stood at 15.4%, an improvement of 7.1pp compared to end 1Q09. The average maturity increased substantially to 4.1 years, after the early repayment of a loan maturing in 2011, followed by a bond issue, amounting to 250 million euros, completed in April 2010 and maturing in 2015.



# 5 CORPORATE INFORMATION

---

## Quarterly corporate developments

---

- Sonae informed about the early repayment, on 10 May 2010, of the bonds Sonae SGPS 2006/2011, totalling 250 million euros and maturing in May 2011.
- Sonae informed about the completion of a bond issue, by private placement, amounting to 250 million euros; this operation allowed for the early repayment of Sonae Holding's bonds maturing in 2011, representing half of its medium and long term debt, and for a substantial increase in the average maturity of its debt to 4.1 years, with the next refinancing only due in 2013.

## Outlook

---

- Sonae remains cautious about the overall economic situation, particularly in respect to unemployment and private consumption. However, the strong performance achieved in the 1Q10 gives us confidence in our ability to continue to successfully deliver growth and high levels of profitability.

# 6 ADDITIONAL INFORMATION

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

## Organizational structure



## Glossary

<b>ARPU</b>	Average revenue per user
<b>CAPEX</b>	Investments in tangible and intangible assets, investment properties and acquisitions
<b>Direct income</b>	Direct income excludes contributions to indirect income
<b>EBITDA</b>	Turnover + other revenues -impairment reversion - bad will- operating costs (based on direct net income) + gain/losses from sales of companies; includes capital gains in the sale of shareholdings since 2008
<b>Recurrent EBITDA</b>	EBITDA excluding non-recurrent items, namely gains in sales of investments and other movements that distort comparability.
<b>EBITDA margin</b>	EBITDA / Turnover
<b>Eliminations &amp; adjustments</b>	Intra-groups + consolidation adjustments
<b>Free Cash Flow (FCF)</b>	EBITDA – operating capex-change in working capital-financial investments-financial results-income taxes
<b>FMCG</b>	Fast Moving Consumer Goods
<b>Financial net debt</b>	Total net debt excluding shareholders loans
<b>Indirect income</b>	Indirect Income includes Sierra’s contributions net of taxes to the consolidated income statement, arising

	from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and; (iv) provision for assets at Risk
<b>Investment properties</b>	Shopping centres in operation owned by Sonae Sierra
<b>Liquidity</b>	Cash & equivalents + current investments
<b>Like for Like sales</b>	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods
<b>Loan to value Holding</b>	Holding Net debt/ Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies
<b>Loan to value shopping centres</b>	Net debt / (investment properties + properties under Development)
<b>Net invested capital</b>	Gross real estate assets + other tangible and intangible assets - amortizations and impairment losses + financial investments + working capital (including other assets & liabilities such as deferred taxes); all figures at acquisition cost, with the exception of Sonae Sierra's building block
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities
<b>Net debt</b>	Bonds + bank loans + other loans + finance leases – cash, bank deposits and current investments
<b>Net income group share</b>	Net income attributable to Sonae shareholders
<b>Other income</b>	Share of results of associated undertakings + dividends
<b>Other loans</b>	Bonds, leasing and derivatives
<b>Open market value (OMV)</b>	Fair value of properties in operation and under development (100%), provided by an independent entity
<b>RoIC (Return on invested capital)</b>	EBIT(12 months) /Net invested capital
<b>Recurrent EBITDA</b>	EBITDA excluding extraordinary items
<b>Shopping Centre Services business</b>	Asset management services + property management services
<b>Technical investment</b>	Tangible assets + intangible assets + other fixed assets – depreciations and amortizations
<b>Value created on investment and development properties (VCIDP)</b>	Increase (decrease) in the valuation of shopping centres in operation and under development; shopping centres under development are only included if a high degree of certainty concerning their conclusion and opening exists.

## Consolidated income statement

<b>Consolidated income statement <sup>(1)</sup></b>					
Million euros					
	1Q09	1Q10	y.o.y	4Q09	q.o.q
<b>Direct income</b>					
Turnover	1,264	1,358	7.5%	1,599	-15.1%
Recurrent EBITDA <sup>(2)</sup>	118	125	6.3%	204	-38.9%
Recurrent EBITDA margin	9.3%	9.2%	-0.1pp	12.8%	-3.6pp
<b>EBITDA</b>	<b>119</b>	<b>128</b>	<b>8.1%</b>	<b>205</b>	<b>-37.4%</b>
<b>EBITDA margin</b>	<b>9.4%</b>	<b>9.4%</b>	<b>0.1pp</b>	<b>12.8%</b>	<b>-3.4pp</b>
Provisions and impairment losses <sup>(3)</sup>	-7	-4	37.8%	-7	36.5%
Depreciations and amortizations	-71	-73	-2.4%	-73	-0.2%
<b>EBIT</b>	<b>41</b>	<b>51</b>	<b>25.9%</b>	<b>126</b>	<b>-59.3%</b>
Net financial results	-40	-26	36.5%	-25	-3.7%
Other income <sup>(4)</sup>	2	0	-	0	80.1%
<b>EBT</b>	<b>3</b>	<b>25</b>	<b>-</b>	<b>100</b>	<b>-74.7%</b>
Taxes	1	-8	-	-19	59.7%
Direct net income	4	18	-	82	-78.1%
<b>Attributable to equity holders</b>	<b>1</b>	<b>9</b>	<b>-</b>	<b>75</b>	<b>-87.8%</b>
Attributable to minority interests	3	9	181.8%	7	28.4%
<b>Shoppings indirect income</b>					
Indirect net income <sup>(5)</sup>	-54	-7	87.2%	-16	57.7%
<b>Attributable to equity holders</b>	<b>-36</b>	<b>-3</b>	<b>90.7%</b>	<b>-13</b>	<b>73.9%</b>
Attributable to minority interests	-18	-4	80.1%	-3	-2.9%
<b>Total net income</b>					
Total net income	-50	11	-	65	-83.2%
<b>Attributable to equity holders</b>	<b>-36</b>	<b>6</b>	<b>-</b>	<b>62</b>	<b>-90.7%</b>
Attributable to minority interests	-15	5	-	3	54.1%

(1) Quarterly numbers are unaudited; (2) EBITDA excluding extraordinary items; (3) Includes reversion of impairments and goodwill; (4) share of results of associated undertakings + dividends; (5) Statutory numbers.

## Consolidated balance sheet

<b>Balance sheet</b>					
Million euros					
	<b>1Q09</b>	<b>1Q10</b>	<b>y.o.y</b>	<b>4Q09</b>	<b>q.o.q</b>
<b>TOTAL ASSETS</b>	<b>7,288</b>	<b>7,455</b>	<b>2.3%</b>	<b>7,552</b>	<b>1.3%</b>
<b>Non current assets</b>	<b>5,869</b>	<b>6,033</b>	<b>2.8%</b>	<b>6,108</b>	<b>1.3%</b>
Tangible and intangible assets	2,969	3,210	8.1%	3,221	0.4%
Goodwill	697	747	7.2%	746	-0.1%
Investment properties in operation	1,625	1,644	1.2%	1,677	2.0%
Investment properties under development	175	90	-48.7%	120	33.3%
Other investments	163	87	-46.5%	93	6.3%
Deferred tax assets	224	233	3.8%	230	-1.2%
Others	15	21	43.1%	21	1.1%
<b>Current assets</b>	<b>1,419</b>	<b>1,423</b>	<b>0.2%</b>	<b>1,443</b>	<b>1.5%</b>
Stocks	609	622	2.0%	603	-3.0%
Trade debtors	203	189	-7.0%	208	10.3%
Liquidity	145	176	21.6%	230	30.8%
Others	462	436	-5.6%	402	-7.8%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,443</b>	<b>1,645</b>	<b>14.0%</b>	<b>1,701</b>	<b>3.4%</b>
Equity holders	1,047	1,165	11.2%	1,223	5.0%
Minority interests	396	480	21.3%	478	-0.4%
<b>LIABILITIES</b>	<b>5,845</b>	<b>5,810</b>	<b>-0.6%</b>	<b>5,850</b>	<b>0.7%</b>
<b>Non-current liabilities</b>	<b>3,847</b>	<b>3,485</b>	<b>-9.4%</b>	<b>3,561</b>	<b>2.2%</b>
Bank loans	1,507	1,320	-12.4%	1,208	-8.5%
Other loans	1,806	1,564	-13.4%	1,736	10.9%
Deferred tax liabilities	325	329	1.4%	326	-0.9%
Provisions	48	46	-4.5%	51	9.4%
Others	161	225	39.6%	240	7.0%
<b>Current liabilities</b>	<b>1,998</b>	<b>2,326</b>	<b>16.4%</b>	<b>2,289</b>	<b>-1.6%</b>
Bank loans	378	192	-49.1%	233	21.1%
Other loans	14	328	-	81	-75.5%
Trade creditors	899	1,024	14.0%	1,220	19.2%
Others	707	781	10.4%	755	-3.3%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>7,288</b>	<b>7,455</b>	<b>2.3%</b>	<b>7,552</b>	<b>1.3%</b>

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

<b>Invested capital</b>					
Million euros					
	1Q09	1Q10	y.o.y	4Q09	q.o.q
<b>Invested Capital</b>	<b>5,025</b>	<b>4,927</b>	<b>-1.9%</b>	<b>4,781</b>	<b>3.0%</b>
Investment properties <sup>(1)</sup>	1,843	1,773	-3.8%	1,836	-3.4%
Technical investment <sup>(2)</sup>	2,978	3,213	7.9%	3,221	-0.3%
Financial investment	121	48	-60.1%	53	-9.9%
Goodwill	697	747	7.2%	746	0.1%
Working capital	-614	-855	-39.2%	-1,075	20.5%
<b>Equity + Minorities</b>	<b>1,443</b>	<b>1,645</b>	<b>14.0%</b>	<b>1,701</b>	<b>-3.3%</b>
<b>Total Net debt <sup>(3)</sup></b>	<b>3,582</b>	<b>3,282</b>	<b>-8.4%</b>	<b>3,080</b>	<b>6.6%</b>

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

<b>Return on invested capital</b>					
Million euros					
	1Q09	1Q10	y.o.y	4Q09	q.o.q
<b>Invested capital</b>	<b>5,025</b>	<b>4,927</b>	<b>-1.9%</b>	<b>4,781</b>	<b>3.0%</b>
Sonae MC	673	621	-7.7%	484	28.2%
Sonae SR	352	392	11.5%	250	57.0%
Sonae RP	1,439	1,524	5.9%	1,523	0.1%
Sonae Sierra <sup>(1)</sup>	1,663	1,576	-5.2%	1,661	-5.1%
Sonaecom	802	756	-5.6%	752	0.6%
Investment mngmt.	147	154	4.5%	153	0.2%
Elimin.& adjust. <sup>(2)</sup>	-51	-96	-89.3%	-42	-
<b>EBIT (last 12 months)</b>	<b>329</b>	<b>360</b>	<b>9.4%</b>	<b>349</b>	<b>3.0%</b>
Sonae MC	133	123	-7.5%	124	-1.0%
Sonae SR	21	8	-63.4%	10	-20.8%
Sonae RP	80	86	7.8%	83	3.8%
Sonae Sierra <sup>(1)</sup>	85	83	-2.9%	81	1.8%
Sonaecom	12	32	164.9%	24	33.0%
Investment mngmt.	-1	27	-	25	10.0%
Elimin.& adjust. <sup>(2)</sup>	-1	2	-	2	-7.3%
<b>RoIC</b>	<b>6.5%</b>	<b>7.3%</b>	<b>0.8pp</b>	<b>7.3%</b>	<b>0pp</b>
Sonae MC	19.7%	19.8%	0.1pp	25.6%	-5.8pp
Sonae SR	6.1%	2.0%	-4.1pp	4.0%	-2pp
Sonae RP	5.6%	5.7%	0.1pp	5.5%	0.2pp
Sonae Sierra	5.1%	5.3%	0.1pp	4.9%	0.4pp
Sonaecom	1.5%	4.2%	2.7pp	3.2%	1pp
Investment mngmt.	-0.8%	17.5%	18.3pp	16.0%	1.5pp

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

## Working capital breakdown

Working capital breakdown					
Million euros					
	1Q09	1Q10	y.o.y	4Q09	q.o.q
<b>Working capital</b>	<b>-614</b>	<b>-855</b>	<b>-39.2%</b>	<b>-1,075</b>	<b>20.5%</b>
Sonae MC	-311	-390	-25.5%	-530	26.3%
Sonae SR	92	82	-10.0%	-52	-
Sonae RP	-27	-32	-17.1%	-38	16.1%
Sonae Sierra <sup>(1)</sup>	-251	-260	-3.6%	-238	-9.1%
Sonaecom	-84	-136	-61.5%	-150	9.6%
Investment mngmt.	1	-19	-	-21	9.1%
Elimin.& adjust. <sup>(2)</sup>	-34	-100	-197.1%	-46	-116.3%

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

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

Retail formats & Retail real estate operating review <sup>(1)</sup>					
	1Q09	1Q10	y.o.y	4Q09	q.o.q
<b>Turnover growth</b>					
Sonae MC	5.1%	6.8%	1.7pp	4.5%	2.3pp
Sonae SR	15.7%	21.8%	6.1pp	18.9%	2.9pp
<b>LFL sales growth</b>					
Sonae MC	0.8%	3.5%	2.7pp	0.8%	2.7pp
Sonae SR	-8.6%	5.6%	14.2pp	1.5%	4.1pp
<b>Total employees (EOP)</b>	<b>31,789</b>	<b>34,828</b>	<b>9.6%</b>	<b>35,171</b>	<b>-1.0%</b>
Sonae MC <sup>(2)</sup>	24,239	26,050	7.5%	26,044	0.0%
Sonae SR	7,519	8,747	16.3%	9,092	-3.8%
Sonae RP	31	31	0.0%	35	-11.4%

(1) Quarterly numbers are unaudited; (2) excludes temporary workers hired for the Christmas season.

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

Million euros

	1Q09	1Q10	y.o.y	4Q09	q.o.q
<b>Sonae MC</b>					
Turnover	688	735	6.8%	868	-15.4%
Recurrent EBITDA	22	22	4.4%	79	-71.5%
EBITDA	22	22	4.4%	79	-71.5%
EBITDA margin	3.1%	3.1%	0pp	9.1%	-6pp
CAPEX	34	19	-43.6%	41	-53.1%
<b>Sonae SR</b>					
Turnover	225	274	21.8%	376	-27.0%
Portugal	200	224	11.8%	329	-32.1%
International	25	51	100.8%	46	9.3%
Recurrent EBITDA	0	0	-	37	-99.1%
EBITDA	0	0	-	37	-99.1%
Portugal	4	4	11.6%	42	-90.0%
International	-4	-4	5.8%	-4	13.9%
EBITDA margin	-0.2%	0.1%	0.3pp	9.9%	-9.8pp
Portugal	1.9%	1.9%	0pp	12.7%	-10.8pp
International	-16.2%	-7.6%	8.6pp	-9.6%	2pp
CAPEX	23	20	-12.9%	25	-21.9%
Portugal	16	10	-36.0%	18	-42.8%
International	7	10	38.6%	8	25.2%
<b>Sonae RP</b>					
Turnover	30	32	7.9%	32	0.2%
Recurrent EBITDA	27	29	6.5%	26	9.3%
EBITDA	27	32	18.5%	26	21.6%
EBITDA margin	89.9%	98.7%	8.8pp	81.3%	17.4pp
CAPEX	20	11	-42.4%	13	-10.6%
Net debt including shareholder loans	1,515	1,452	-4.1%	1,188	22.2%
Net debt	1,534	1,469	-4.2%	1,206	21.8%
Net debt/EBITDA (last 12 months)	4.4 x	4.0 x	-0.4x	3.4 x	0.7x
EBITDA/net interest expenses (last 12 months)	5.2 x	10.5 x	5.3x	8.4 x	2.1x
Net debt/invested capital	62.3%	57.9%	-4.4pp	53.4%	4.5pp

(1) Quarterly numbers are unaudited.



## Stores and sales area

	Number of stores				Sales area('000 m <sup>2</sup> )						Area owned (%)
	31 Dec 2009	Stores opened	Banner changed	Stores closed	31 Mar 2010	31 Dec 2009	Stores opened	Banner changed	Stores closed	31 Mar 2010	
<b>Sonae MC</b>	<b>378</b>	<b>4</b>	<b>0</b>	<b>-2</b>	<b>380</b>	<b>528</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>528</b>	<b>85%</b>
Continente	39	0	0	0	39	284	0	0	0	284	90%
Modelo <sup>(1)</sup>	125	0	0	0	125	218	0	0	0	218	83%
Área Saúde	115	2	0	0	117	11	0	0	0	11	73%
Bom Bocado	80	1	0	-2	79	4	0	0	0	4	78%
Book.It	14	1	0	0	15	5	0	0	0	5	56%
Others	5	0	0	0	5	5	0	0	0	5	8%
<b>Sonae SR</b>	<b>454</b>	<b>6</b>	<b>0</b>	<b>-10</b>	<b>450</b>	<b>304</b>	<b>6</b>	<b>0</b>	<b>-3</b>	<b>307</b>	<b>38%</b>
<b>Portugal</b>	<b>416</b>	<b>4</b>	<b>0</b>	<b>-10</b>	<b>410</b>	<b>248</b>	<b>3</b>	<b>0</b>	<b>-3</b>	<b>248</b>	<b>44%</b>
Worten	132	0	0	0	132	113	0	0	0	113	52%
Vobis	17	0	0	-8	9	8	0	0	-3	5	15%
Worten Mobile	48	1	0	-1	48	1	0	0	0	1	38%
SportZone	75	0	0	0	75	61	0	0	0	61	14%
Modalfa	99	1	0	0	100	51	1	0	0	53	73%
Zippy	34	1	0	0	35	12	0	0	0	13	6%
Loop	11	1	0	-1	11	2	0	0	0	2	0%
<b>Spain</b>	<b>38</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>56</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>59</b>	<b>12%</b>
Worten	14	1	0	0	15	34	2	0	0	36	20%
Sport Zone	14	1	0	0	15	17	2	0	0	19	0%
Zippy	10	0	0	0	10	4	0	0	0	4	0%
<b>Invest. mngmt.</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>104</b>	<b>67</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>65</b>	<b>60%</b>
MaxMat	35	0	0	-1	34	63	0	0	-2	61	62%
Geostar <sup>(2)</sup>	70	0	0	0	70	4	0	0	0	4	27%
<b>Total</b>	<b>937</b>	<b>9</b>	<b>0</b>	<b>-13</b>	<b>934</b>	<b>899</b>	<b>7</b>	<b>0</b>	<b>-5</b>	<b>901</b>	<b>67%</b>

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

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

Shopping centres operating review					
	1Q09	1Q10	y.o.y	4Q09	q.o.q
<b>Assets under management</b> (million euros) <sup>(1)</sup>	<b>5,997</b>	<b>6,448</b>	<b>7.5%</b>	<b>6,340</b>	<b>1.7%</b>
<b>Real estate NAV</b> (million euros)	<b>1,331</b>	<b>1,208</b>	<b>-9.3%</b>	<b>1,228</b>	<b>-1.7%</b>
Sierra Investments	736	697	-5.4%	731	-4.7%
Sierra Developments	312	154	-50.5%	191	-19.1%
Sierra Brazil	211	304	44.1%	289	5.2%
Others <sup>(2)</sup>	71	52	-27.2%	17	-
<b>NAV per share</b> (euros)	<b>40.9</b>	<b>37.1</b>	<b>-9.3%</b>	<b>37.8</b>	<b>-1.7%</b>
Openings & acquisitions (EOP)	0	1	-	1	0.0%
Shopping centres owned/co-owned (EOP)	50	53	6.0%	52	1.9%
GLA owned/co-owned (thousand m2) <sup>(3)</sup>	1,963	2,081	6.0%	2,059	1.1%
Occupancy rate of GLA owned (%)	95.0%	95.1%	0.1pp	94.5%	0.6pp
Projects under development (EOP) <sup>(4)</sup>	14	11	-21.4%	12	-8.3%
GLA under development (thousand m2)	642	528	-17.8%	550	-4.0%
Shopping centres managed (EOP)	62	69	11.3%	68	1.5%
GLA under management (thousand m2)	2,199	2,306	4.9%	2,284	1.0%
<b>Total employees</b>	<b>1,174</b>	<b>1,131</b>	<b>-3.7%</b>	<b>1,147</b>	<b>-1.4%</b>

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

Shopping Centres market yields									
	4Q09			1Q10			q.o.q		
	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min
Portugal	8.3%	6.5%	6.0%	8.5%	6.6%	6.1%	0.2pp	0.13pp	0.1pp
Spain	9.1%	7.1%	6.4%	9.0%	7.1%	6.4%	-0.05pp	-0.02pp	0pp
Italy	7.7%	6.6%	6.0%	7.8%	6.6%	6.1%	0.1pp	-0.01pp	0.05pp
Germany	6.3%	6.1%	6.0%	6.3%	6.1%	6.0%	0pp	0pp	0pp
Greece	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	0pp	0pp	0pp
Romania	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	0pp	0pp	0pp
Brazil	9.5%	8.5%	8.3%	9.5%	8.5%	8.3%	0pp	0pp	0pp

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

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

Million euros

	1Q09	1Q10	y.o.y
<b>Direct results</b>			
<b>Turnover</b>	53	57	6.9%
Investments	29	26	-10.5%
Developments	2	2	-22.5%
Brazil	8	14	60.5%
Services Business	12	13	6.8%
Asset management	5	4	-2.5%
Property management	7	8	12.4%
Others & eliminations	2	3	65.1%
<b>Recurrent EBITDA</b>	<b>24</b>	<b>30</b>	<b>24.8%</b>
<b>EBITDA</b>	<b>24</b>	<b>30</b>	<b>24.8%</b>
<b>EBITDA margin</b>	<b>44.6%</b>	<b>52.0%</b>	<b>7.4pp</b>
<b>Services EBITDA margin</b>	<b>24.5%</b>	<b>25.9%</b>	<b>1.5pp</b>
Investments	25	26	1.8%
Developments	-8	9	-
Brazil	3	4	40.6%
Services Business	3	3	13.1%
Asset management	2	1	-26.5%
Property management	1	2	65.6%
Others & eliminations	1	-13	-
Net financial results	-12	-12	3.6%
<b>Direct results</b>	<b>7</b>	<b>14</b>	<b>92.5%</b>
<b>Indirect results</b>			
Gains realized on investments	0	0	-
Assets at risk provision	0	0	-
VCIDP <sup>(2)</sup>	-87	-3	96.3%
<b>Indirect results</b>	<b>-67</b>	<b>-7</b>	<b>90.0%</b>
<b>Total net results</b>			
Total net results	-60	7	-
<b>Attributable to equity holders</b>	<b>-60</b>	<b>7</b>	<b>-</b>
Net debt including shareholder loans	1,831	1,694	-7.5%
Net debt	1,266	1,114	-12.1%
Loan to Value	50.1%	46.1%	-4pp
Net debt/EBITDA (last 12 months)	8.1 x	9.4 x	1.3x
EBITDA/net interest expenses (last 12 months)	0.5 x	0.6 x	0.1x
Net debt/invested capital	54.3%	53.0%	-1.2pp
CAPEX	104	41	-60.8%

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

**Telecommunications main highlights** (stand-alone figures)

<b>Telecommunications operating review <sup>(1)</sup></b>					
	<b>1Q09</b>	<b>1Q10</b>	<b>y.o.y</b>	<b>4Q09</b>	<b>q.o.q</b>
<b>Mobile</b>					
Customers (EOP) ('000)	3,220	3,450	7.1%	3,433	0.5%
ARPU (euros) <sup>(2)</sup>	14.9	13.7	-8.1%	14.3	-3.9%
<b>Wireline</b>					
Total accesses (EOP) ('000)	554	464	-16.3%	484	-4.1%
Direct accesses (EOP) ('000)	442	386	-12.8%	403	-4.4%
Direct access as % customer revenues	77.6%	73.4%	-4.2pp	75.9%	-2.6pp
<b>Online &amp; Media</b>					
Average paid circulation ('000) <sup>(3)</sup>	40	33	-16.9%	34	-2.7%
Market share of advertising (%)	11.9%	10.1%	-1.8pp	12.2%	-2.1pp
<b>SSI</b>					
IT service revenues / employee ('000 euros)	28.2	29.2	3.6%	32	-9.3%
<b>Total employees</b>	<b>2,000</b>	<b>2,053</b>	<b>2.7%</b>	<b>2,013</b>	<b>2.0%</b>

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

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

Million euros

	1Q09	1Q10	y.o.y	4Q09	q.o.q
<b>Turnover</b>	241	223	-7.5%	233	-4.3%
Mobile	147	142	-3.0%	154	-7.3%
Wireline	64	61	-5.3%	59	3.7%
SSI	40	32	-18.8%	34	-5.5%
Others & eliminations	-10	-13	-28.9%	-14	6.4%
Other revenues	1	1	24.7%	4	-71.1%
<b>Recurrent EBITDA</b>	<b>45</b>	<b>48</b>	<b>5.6%</b>	<b>39</b>	<b>22.4%</b>
<b>EBITDA</b>	<b>45</b>	<b>48</b>	<b>5.6%</b>	<b>39</b>	<b>22.4%</b>
<b>EBITDA margin (%)</b>	<b>18.8%</b>	<b>21.5%</b>	<b>2.7pp</b>	<b>16.8%</b>	<b>4.7pp</b>
Mobile	44	46	6.0%	35	31.1%
Wireline	1	1	10.5%	2	-68.5%
SSI	2	2	-19.5%	3	-39.4%
Others & eliminations	-1	-1	22.6%	-1	29.7%
<b>EBIT</b>	<b>6</b>	<b>14</b>	<b>131.8%</b>	<b>6</b>	<b>123.9%</b>
Net financial results	-4	-2	49.8%	-2	-10.1%
Total net income	0	8	-	3	166.6%
<b>Attributable to equity holders</b>	<b>0</b>	<b>8</b>	<b>-</b>	<b>3</b>	<b>172.1%</b>
<b>Excluding the securitization transaction:</b>					
Net debt including shareholder loans	445	370	-16.9%	376	-1.7%
Net debt	445	370	-16.9%	378	-2.2%
Net debt/EBITDA (last 12 months)	2.6 x	2.1 x	-0.5x	2.2 x	-0.1x
EBITDA/net interest expenses (last 12 months)	10.3 x	16.0 x	5.7x	13.7 x	2.3x
Net debt/invested capital	55.5%	48.9%	-6.6pp	50.3%	-1.4pp
<b>CAPEX</b>	<b>22</b>	<b>24</b>	<b>8.8%</b>	<b>48</b>	<b>-50.3%</b>
Operating CAPEX <sup>(2)</sup>	21	24	12.0%	48	-50.2%
EBITDA minus Operating CAPEX	24	24	-0.1%	-9	-
Free Cash Flow	-46	1	-	4	-68.3%

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

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

<b>Investment management unit <sup>(1)</sup></b>					
Million euros					
	<b>1Q09</b>	<b>1Q10</b>	<b>y.o.y</b>	<b>4Q09</b>	<b>q.o.q</b>
<b>Turnover</b>	43	45	6.4%	45	-0.1%
<b>Recurrent EBITDA</b>	-1	0	-	-1	-
<b>EBITDA</b>	-1	0	-	-1	-
EBIT	-2	-1	62.2%	-3	70.0%
Net debt including shareholder loans	113	98	-13.2%	93	5.0%
Net debt	7	9	26.3%	4	117.4%
CAPEX	8	0	-100.0%	1	-100.0%
<b>Total employees</b>	<b>1,047</b>	<b>1,006</b>	<b>-3.9%</b>	<b>1,041</b>	<b>-3.4%</b>

(1) Quarterly numbers are unaudited.

## SAFE HARBOUR

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

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

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

Report available at Sonae's institutional website  
[www.sonae.pt](http://www.sonae.pt)

### Media and Investor Contacts

Miguel Rangel  
Head of Institutional Relations and Communication  
[mrangel@sonae.pt](mailto:mrangel@sonae.pt)  
Tel: + 351 22 010 4705

Patrícia Mendes  
Head of Investor Relations  
[patricia.mendes@sonae.pt](mailto:patricia.mendes@sonae.pt)  
Tel.: + 351 22 010 4794

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.

Sonae  
Lugar do Espido Via Norte  
4471-909 Maia  
Portugal  
Tel.: + 351 22 9487522  
Fax: + 351 22 940 4634