



SONAE/  
1<sup>ST</sup> HALF  
RESULTS  
2011/

# 1 HIGHLIGHTS

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## Market share gains allow for the maintenance of the consolidated activity

- consolidated turnover<sup>1</sup> grows by 1% to 2,690 M€
- share in the Portuguese food retail market increases by 1.1pp
- Sonae MC sales grow by 1% on a “Lfl” basis
- Sonae SR businesses increase their market shares in Portugal and Spain

## Profitability is sustained and financial structure is further strengthened

- EBITDA reaches 299 M€ in the first six months of the year, corresponding to a margin on sales of 11%
- Sonae Sierra and Sonaecom deliver significant increases in net income
- Net result for the period totalled 58 M€, of which the share attributable to the Group was 35 M€
- Return on Equity sustained at 13%, broadly in line with 2010
- consolidated net debt decreases 242 M€ against the same period last year

“During 1H2011, there was a sharp decline in private consumption in the Iberian Peninsula, which was particularly pronounced in the discretionary market segments. In this challenging environment, Sonae clearly reinforced its commitment to being on the side of consumers. Market share gains in Portugal, obtained through the delivery of the best value proposition to the end customer, and the growing international business allowed for a sustained sales performance. During this period, thanks to the successful execution of our on-going plans to improve efficiency and optimise cost structures, it was possible to maintain the Group’s profitability level almost in line with 2010.

In Portugal and Spain, uncertainties remain with regards to the austerity measures to come, and consequent impacts on consumer behaviour. Nevertheless, in light of the measures announced recently and with regards to the more cyclical segments, it is expected that markets will experience a greater contraction in sales, particularly over the Christmas season, which is a significant period in several markets. Nonetheless, we remain confident that we will continue to grow our market shares, to further strengthen our capital structure and to implement the defined medium and long term strategic guidelines, namely that of increasing our internationalisation. Despite the short-term volatility which prevails in the current economic and financial environment, we remain fully convinced that these guidelines continue to be the best way to generate more value for all of our stakeholders.”

Paulo Azevedo, CEO Sonae

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<sup>1</sup> Excluding fuel sales

## 2 OVERALL PERFORMANCE

Consolidated profit & loss account			
Million Euros			
	1H10	1H11	Var
Turnover <sup>2</sup>	2.744	2.703	-2%
Turnover <sup>2</sup> (ex-fuel)	2.675	2.690	1%
Recurrent EBITDA	295	286	-3%
Recurrent EBITDA margin	10,8%	10,6%	-0,2 p.p
EBITDA	305	299	-2%
EBITDA margin	11,1%	11,0%	-0,1 p.p
EBIT	149	133	-11%
Net financial activity	-51	-53	-3%
Other items	1	0	-
EBT	99	79	-20%
Taxes	-25	-13	49%
<b>Direct results</b>	<b>74</b>	<b>67</b>	<b>-10%</b>
... Group share	55	42	-23%
<b>Indirect results</b>	<b>-25</b>	<b>-9</b>	<b>66%</b>
... Group share	-14	-8	45%
<b>Net income</b>	<b>48</b>	<b>58</b>	<b>20%</b>
... Group share	41	35	-15%

Net invested capital			
Million Euros			
	1H10	1Q11	1H11
<b>Net invested capital</b>	<b>4.931</b>	<b>4.882</b>	<b>4.891</b>
Investment properties <sup>1</sup>	1.799	1.729	1.738
Technical investment <sup>2</sup>	3.219	3.130	3.126
Financial investment	46	35	34
Goodwill	733	741	741
Working capital	-865	-753	-747
<b>Total shareholders funds</b>	<b>1.710</b>	<b>1.878</b>	<b>1.912</b>
<b>Total net debt<sup>3</sup></b>	<b>3.221</b>	<b>3.004</b>	<b>2.979</b>
Net debt / Invested capital	65%	62%	61%

(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.

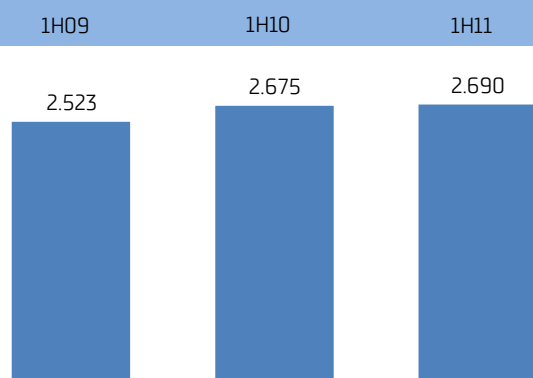
- Despite the weak economic dynamism of the Iberian market and the first effects of the recent announcement of new austerity measures in Portugal, both of which particularly penalising in terms of private consumption behaviour, **Sonae's turnover for 1H11 increased circa 1% to 2,690 M€<sup>2</sup>**. In this challenging environment, Sonae businesses achieved **gains in market share** in the first 6 months of the year, which lead to an increase in consolidated activity.
- In the first half of the year, **recurrent EBITDA amounted to 286 M€, representing 10.6% of overall turnover**. This figure was naturally impacted by the investment carried out in developing Sonae SR's international operation, but also by the effects of the consumption retraction, particularly felt in the non-food categories. Despite this, the efficiency measures carried out by our businesses and the optimisation of the cost structures have allowed for the maintenance of an EBITDA margin similar to the previous year.
- Direct net income totalled 67 M€, circa 7M€ below the figure registered in the same period last year, mainly as a result of the EBIT evolution. In the same period, the indirect result relative to the shopping centres portfolio was -9 M€, significantly better than in the previous year (-25 M€). Consequently, **net result for the period totalled 58 M€, of which the share attributable to the Group corresponds to circa 35 M€**.
- During the 1H11, **total investment for the group amounted to 153 M€,** having been mainly allocated to the development of the international operations and remodelling and maintenance of assets in Portugal.
- As at 30<sup>th</sup> June, **total net debt amounted to 2,979 M€,** which represents a reduction of 242M€ compared to 1H10. The company possesses a **solid financial structure, with its debt decreasing sustainably** and representing, as at end June 2011, 61% of invested capital (vs. 65% one year ago).

<sup>2</sup> The analysis excludes the sales relative to the petrol stations (as during 2Q10 Sonae transferred the operation of 8 petrol stations to a third party), and incorporates the re-statement of Geostar's 2010 turnover, taking into account the analysis of the sector practices (see Note on Section 9 of this report).

# 3 TURNOVER

## Turnover - Ex-fuel

Million euros



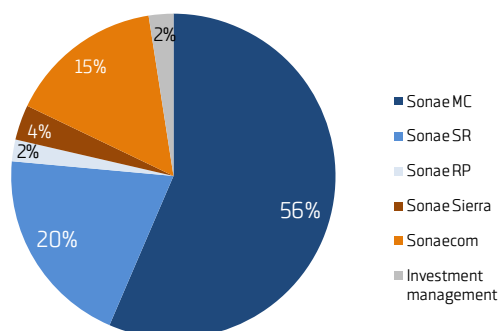
## Turnover - Ex-fuel

Million euros

	1H10	1H11	Var
Turnover <sup>2</sup>	2.744	2.703	-2%
<b>Turnover (ex-fuel)<sup>2</sup></b>	<b>2.675</b>	<b>2.690</b>	<b>1%</b>
Sonae MC	1.517	1.558	3%
Sonae SR	554	551	-1%
Sonae RP	64	60	-7%
Sonae Sierra	95	97	2%
Sonaecom	450	425	-6%
Investment management	67	68	1%
Eliminations & adjustments	-73	-69	6%
Petrol stations	69	13	-81%

## Turnover breakdown (1H11)

% total turnover ex-fuel



In 1H11, Sonae increased its consolidated turnover to **2,690 M€**<sup>3</sup>. The major contributors were as follows:

- **Sonae MC with 1,558 M€ (+41 M€ or +3%)**. This figure incorporates a **positive evolution of over +1% on a comparable store universe basis**, despite the effects of the “trading down” normally carried out by the consumers during difficult times. It is also worth highlighting that sales volumes have grown by more than 2% during the 1H11. Thus Sonae MC continued to strengthen its leadership in the market (+1.1 p.p. market share)<sup>4</sup>, with an important contribution coming from its private and discount labels portfolio – currently representing circa 29% of sales in the relevant categories.
- **Sonae SR with 551 M€ (-1%)**. This variation is penalised by the evolution of -13% in the comparable store universe, in light of the significant decreases felt in the overall markets during the first half of the year. Despite this less favourable performance, we estimate that our main formats attained sales performances above market average, having consequently gained market share<sup>5</sup>.
- **Sonae Sierra with 97 M€ (+2%)**. Within a context of lower consumption levels across most European countries, Sonae Sierra once again demonstrated the quality of its assets by increasing the average occupation rates to 97% and the volume of overall income from the shopping centres under its control – with particular reference to the contribution made by the Brazilian operation.
- **Sonaecom with 425 M€ (-25 M€)**. The lower turnover was exclusively determined by reductions in product sales (driven by the end of the “e-initiatives” programme) and by the decrease in regulated tariffs (mobile termination rates and roaming tariffs), as Optimus was able to maintain a positive evolution at the level of mobile customer revenues and grow its revenue market share by 1.2 p.p.<sup>6</sup>, while SSI was able to increase its respective services revenues.

<sup>3</sup> See initial notes

<sup>4</sup> Source: A.C.Nielsen / Homescan: YTD evolution until 3rd July

<sup>5</sup> Source: GfK with regards to the electronics market, internal estimates for remaining markets

<sup>6</sup> Source: results published by the operators

# 4 RECURRENT EBITDA

## Recurrent EBITDA

Million euros

1H09

1H10

1H11

272

295

286

## Recurrent EBITDA

Million euros

1H10

1H11

Var

<b>Sonae</b>	<b>295</b>	<b>286</b>	<b>-3%</b>
Sonae MC	79	82	3%
Sonae SR	7	-11	-
Sonae RP	58	54	-7%
Sonae Sierra	45	45	-1%
Sonaecom	100	106	7%
Investment management	1	3	127%
Eliminations & adjustments	5	7	42%

## Recurrent EBITDA

% of turnover

1H10

1H11

Var

<b>Sonae</b>	<b>10,8%</b>	<b>10,6%</b>	<b>-0,2 p.p</b>
Sonae MC	5,2%	5,2%	0,0 p.p
Sonae SR	1,3%	-2,0%	-3,3 p.p
Sonae RP	90,6%	90,4%	-0,2 p.p
Sonae Sierra	47,6%	46,2%	-1,4 p.p
Sonaecom	22,1%	25,0%	2,9 p.p
Investment management	1,9%	4,3%	2,4 p.p

In consolidated terms, the Group's recurrent EBITDA totalled **286 M€**, representing a margin of 10.6%, practically in line with the same period last year. In a difficult macroeconomic environment, this performance was supported by the widespread implementation of projects to improve the operational efficiency in our different business areas. In terms of recurrent EBITDA, it is worth highlighting:

- **Sonae MC with 82 M€ (+3%)**, representing a profitability of 5.2% of the respective turnover (in line with the same period last year). Sonae MC was able to sustain its competitiveness during this period via a combination of relevant promotional activities, leveraged on its leading loyalty card (which was involved in over 85% of sales in the period), a rigorous cost control, gains in efficiency and in the optimisation of its supply chain.
- **Sonae SR's contribution totalled -11 M€**, which compares with a figure of +7 M€ registered in the same period last year. This evolution essentially reflects the negative sales behaviour in the Iberian market, but is also a result of the costs incurred, in terms of store openings and brand awareness, so as to constitute a relevant market position in Spain and to enter into new geographies.
- **Sonae RP with 54 M€**. This figure is slightly below that of the same period last year (-4 M€), solely due to the reduction of the asset portfolio, which resulted from the sales executed between the two periods.
- **Sonae Sierra's contribution to the Group's consolidated results was stable at 45 M€**, driven by the sustainability achieved in the operations and by the growth attained in Brazil, which translated into an EBITDA margin of 46.2% in 1H11.
- Still in the same period, **Sonaecom's contribution totalled 106 M€ (+7%)**, corresponding to an increase in profitability compared to turnover of 2.9 p.p. (to 25%), resulting from the optimisation of its cost structure and the positive performance in terms of mobile customer revenues.

# 5 NET RESULTS

## Consolidated direct results

Million Euros

	1H10	1H11	Var
<b>Recurrent EBITDA</b>	295	286	-3%
Recurrent EBITDA margin	10,8%	10,6%	-0,2 p.p
<b>EBITDA</b>	305	299	-2%
EBITDA margin	11,1%	11,0%	-0,1 p.p
<b>EBIT</b>	149	133	-11%
Net financial activity	-51	-53	-3%
Other items	1	0	-
<b>EBT</b>	99	79	-20%
Taxes	-25	-13	49%
<b>Direct results</b>	74	67	-10%
... Group share	55	42	-23%

## Indirect results

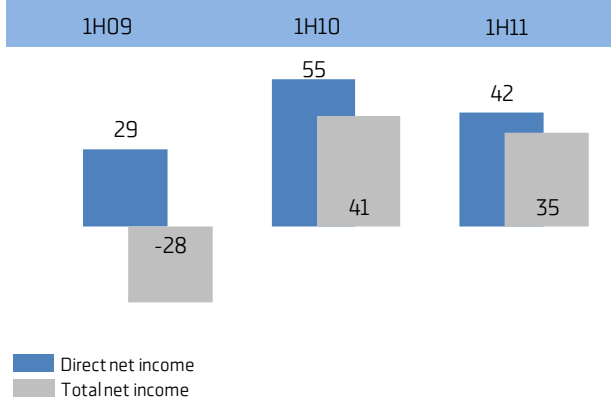
Million Euros

	1H10	1H11	Var
<b>Indirect results</b>	-25	-9	66%
... Group share	-14	-8	45%
VCPID <sup>1</sup>	0	0	-1
Other	-3	-4	0
Taxes	-11	-4	7

(1) Value created on investment and development properties; includes one-off investments. Management figures details

## Net Income (group share)

Million euros



- In 1H11, **consolidated EBITDA reached 299 M€**. This figure represents a slight decrease of circa 6 M€ in relation to the same period last year, essentially translating the evolution of the level of recurrent EBITDA. Non-recurring gains in 1H11 reached a figure of 13 M€ (+3 M€ than the previous year), essentially due to the capital gains registered resulting from the disposals of Sonae RP real estate assets.

- In the same period, expenses relating to **depreciations and amortizations** stood at 153 M€ (+7 M€) and **net financial expenses** totalled 53 M€. This last figure is 2 M€ higher than the amount registered in the 1H10, despite the lower amount of average debt outstanding, as a result of the increase in effective interest costs, mostly explained by the higher market rates (Euribor).

- The **direct income** for the period (attributable to shareholders) totalled 42 M€, circa 13 M€ below the figure registered in 1H10, basically translating the EBIT evolution described above.

- The contribution of **indirect results**, relative to changes in the valuation of the shopping centres portfolio of Sonae Sierra, was negative by 8 M€ (which compares favourably with -14 M€ registered in the same period last year), as a consequence of an 20 bps (average) yield expansion in Portugal (bringing the cumulative increase since the end of 2008 to almost 120 bps), partially compensated by the increase in the valuation of assets in Brazil, determined exclusively by the improvement of the operational activity.

- As a result of the above described evolution, **total net result** for the period reached 58 M€, of which the amount attributable to the Group was 35 M€.

# 6 INVESTED CAPITAL

## Capex

Million Euros

	1H10	1H11	% T
<b>Sonae</b>	<b>191</b>	<b>153</b>	<b>6%</b>
Sonae MC	41	37	2%
Sonae SR	42	42	8%
Sonae RP	15	2	4%
Sonae Sierra	32	21	22%
Sonaecom	56	43	10%
Investment management	2	5	8%
Emimination & adjustments	4	2	-
<b>Recurrent EBITDA - CAPEX</b>	<b>104</b>	<b>133</b>	<b>-</b>

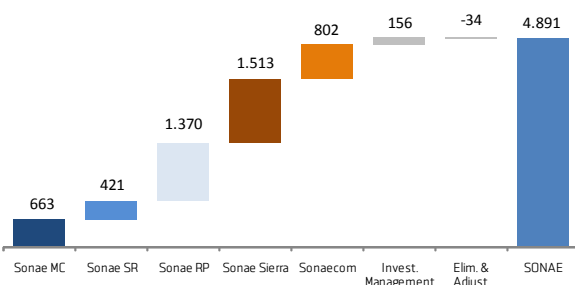
## Net invested capital

Million euros

	1 <sup>st</sup> H10	4 <sup>th</sup> T10	1 <sup>st</sup> H11
<b>Invested capital</b>	<b>4.931</b>	<b>4.714</b>	<b>4.891</b>
Investment properties	1.799	1.778	1.738
Technical investment	3.219	3.191	3.126
Financial investment	46	35	34
Goodwill	733	741	741
Working capital	-865	-1.032	-747

## Breakdown Invested Capital (1H11)

Million Euros



During the course of the first 6 months of 2011, Sonae carried out an **overall investment of 153 M€**, essentially distributed amongst the following projects:

- completion of new retail projects in Portugal, including 1 new Continente Modelo store and 8 new stores for Sonae SR, of recognisable value and very positive return expectations;
- widening of Sonae SR store network in the Spanish market, with the opening of 20 thousand new sqm of sales area (22 new stores) – thus pursuing an important avenue of international growth. It is also worth highlighting that during this period Sonae SR reached a total of 100 stores in Spain;
- selective remodelling of a number of retail units so as to ensure that they remain as a reference in their respective areas of implementation;
- actively manage the attractiveness of Sonae Sierra's current shopping centres and pursue new development projects in Italy (Le Terrazze) and Brazil (Uberlândia and Londrina). It is expected that these shopping centres will open during the course of 2012. Also, Sonae Sierra announced the establishment of a joint-venture with MAB Development to develop a new shopping centre project in Solingen, Germany. Construction of this shopping is expected to begin in the next few months;
- maintain Optimus's high level of quality in mobile and fixed network, as one of Sonaecom's distinctive strategic assets.

The **cash flow generation** of our businesses continues to increase, as evidenced by the 28% increase (or +29 M€) registered, in the first half of 2011, at the level of Recurrent EBITDA minus Capex.

As at 30th June, Sonae's overall **net capital employed was 4,891 M€**. Sonae Sierra's contribution to this total amount was 1,513 M€ (- 87 M€ compared to the same period last year, resulting from participation reductions in 3 shopping centres in operation in Greece and Spain). Sonae RP's net invested capital was 1,370 M€ (- 118 M€, driven by the implementation of the sale & lease back programme of retail real estate assets).

# 7 CAPITAL STRUCTURE

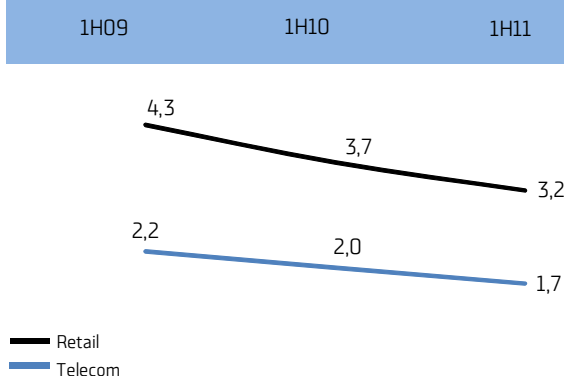
## Net debt

Million euros

	1H10	1H11	Var
<b>Net debt including shareholder loans</b>	<b>3.221</b>	<b>2.979</b>	<b>-242</b>
Dívida líquida sobre capital investido	65%	61%	-4,4 p.p
<b>Net debt excluding shareholder loans</b>	<b>3.177</b>	<b>2.933</b>	<b>-244</b>
Unidades de retalho	1.418	1.326	-91
Sonae Sierra	855	696	-159
Sonaecom	362	345	-18
Investment management	1	19	19
Holding & other	541	547	6
<b>Shareholder loans</b>	<b>45</b>	<b>47</b>	<b>2</b>

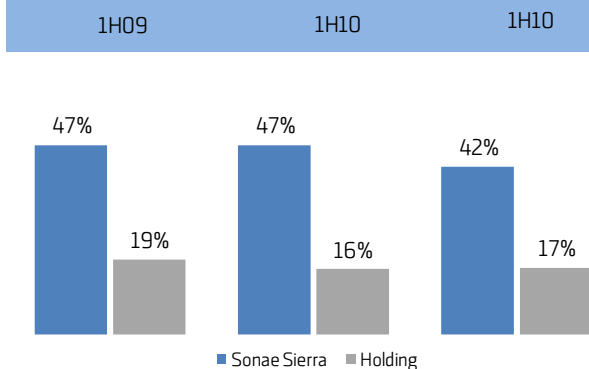
## Capital structure

Net Debt to EBITDA



## Capital Structure

Loan-to-value (%)



As at end June 2011, Sonae's **total net debt** amounted to 2,979 M€, translating in a significant reduction (242 M€ or -8%) over the course of the last 12 months. This figure is all the more significant when valued, in accumulated terms, since 1Q09 (a total reduction of circa -600 M€), and within a context of a strong investment in international growth.

Sonae continues with the strategy of strengthening its capital structure, having already ensured the repayment of all debt facilities that mature during 2011. In June 2011, consolidated net debt represented 61% of capital employed compared to 65% at the end of 1H10.

- As at end June, the **retail units** net debt totalled 1,326 M€, 91 M€ below the same period in 2010 and corresponding to a Net Debt to EBITDA ratio of 3.2x (significantly below the figures registered at the end of 1H10). This evolution was driven by the combination of a strong cash-flow generation with the completion of a number of sale & leaseback transactions, reducing Sonae MC's level of *freehold* to approximately 78% (vs. 85% at the end of the 1H10).
- **Sonae Sierra's** net debt decreased by 159 M€ to 696 M€, benefitting from the sale of participations in the "Mediterranean Cosmos", "Plaza Éboli" and "El Rosal" shopping centres, and the cash in-flow resulting from Sonae Sierra Brazil's IPO. The combination of these operations reflects the implementation of the defined capital "recycling" strategy, which enables the continued business development, while reducing leverage, as evidenced by the evolution of the loan-to-value ratio (which went from 47% in the same period last year to 42% at the end of June 2011).
- **Sonaecom's net debt** decreased by 18 M€ to 345 M€, mainly as a result of the increasing capacity of its businesses to generate positive free cash-flows and despite the dividends distributed in the 1H11 (the first in its history).



# 8 CORPORATE INFORMATION

## Outlook for 2011

Uncertainties prevail over what impacts the austerity measures will have on consumer behaviour. As mentioned in the previous quarter, and as a result of the deterioration of the trading environment in Portugal, we continue to anticipate growing pressure on sales and commercial margins during the remaining months of 2011.

Thus, in light of the likely reduction in disposable income, as a result, namely, of the extraordinary tax recently approved in Portugal, it is expected that, in particular regarding the more cyclical segments, the overall markets experience a contraction in sales, namely over the Christmas season. As such, and so as to sustain the Group's solid profitability levels, the programmes which have the potential to improve productivity and efficiency will continue to be carried out.

Sonae will also continue to ensure a strong scrutiny over investment decisions and, despite the contraction of demand for Portuguese real estate, will continue to pursue its programme to free up invested capital in its retail real estate arm, whenever adequate opportunities arise, which reflect the high quality of the assets. These actions, in conjunction with the cash-flow generated by its businesses in Portugal, will enable the company to continue to promote international growth and, in parallel, to strengthen its capital structure.

Despite the exceptional economic moment and the uncertainty surrounding the markets, Sonae remains confident in the strength of its strategic guidelines which privilege the reinforcement of the value proposition of the businesses, diversification of our investment style and international growth.

## 2Q11 Main Corporate Events

On **15th April**, Sonae announced the signature of a partnership deal for the joint development of a retail operation in **Angola**. The project comprises the opening of a network of Continente hypermarkets and fits within Sonae's defined strategic development framework by bringing a very relevant international growth opportunity and, at the same time, enabling the diversification of investment style.

On **16th May** the company announced the completion of an agreement for the transfer to Sonae of the operation of 8 existing consumer electronics stores in **Spain**. This operation is particularly relevant as it allows Sonae to significantly strengthen its position in the Spanish market (in particular via the Worten brand) and fulfil its accelerated international growth strategy under a capital light framework.

On **20th June** Sonae informed the market of the expansion of its international activities with the opening of the first specialised retail store in **Turkey** (in Istanbul, under the Zippy format). Entry into the Turkish market was carried out via direct investment, although it followed a capital light approach with what concerns to the real estate assets.

## Subsequent Events

On **5<sup>th</sup> July** and **22<sup>nd</sup> August**, the entry of Sonae in, respectively, **Egypt** and **Kazakhstan** was announced, with the opening of the first Zippy stores in their respective capital cities. These expansions were carried out under a franchise regime, via a partnership signed with Fawaz Alhokair Group, thus following the strategy of diversification of investment styles.

Sonae provides additional operating and financial information in Excel format

Please refer to our website ([www.sonae.pt](http://www.sonae.pt))

# 9 ADDITIONAL INFORMATION

## Notes

The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The financial information regarding quarterly and semi-annual figures was not audited.

In light of the IAS 18 clarification, the information pertaining to Geostar's turnover now solely includes the component of services rendered and commissions earned. This methodological change implied the re-expression of historical financial figures with regards to turnover and costs, but does not imply any impact on the amount of cash-flow registered or balance sheet components.

Sonae consolidated turnover

Million euros

	1Q10	2Q10	3Q10	4Q10	FY10
As reported in 2010	1.358	1.418	1.509	1.628	5.914
According to the actual methodology	1.344	1.400	1.487	1.614	5.845

## Glossary

<b>CAPEX</b>	Investments in tangible and intangible assets, investment properties and acquisitions; Gross CAPEX, not including cash inflows from the sale of assets
<b>Direct income</b>	Direct income excludes contributions to indirect income
<b>EBITDA</b>	Turnover + other revenues - impairment reversal – negative goodwill- operating costs (based on direct net income) + provisions for warranties extensions + gain/losses from sales of companies
<b>EBITDA margin</b>	EBITDA / Turnover
<b>Eliminations &amp; others</b>	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments
<b>EOP</b>	End of period
<b>Free Cash Flow (FCF)</b>	EBITDA – operating capex-change in working capital-financial investments-financial results-income taxes
<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; The data used for the analysis of indirect income was computed based on the proportional method for all companies owned by Sonae Sierra; for Sonae, the analysis was done using the consolidation method for each company, as stated in the consolidated financial accounts.
<b>Net Invested capital</b>	Total net debt + total shareholder funds
<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 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 + financial leases + shareholder loans – cash, bank deposits, current investments and other long term financial applications
<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>ROE (Return on Equity)</b>	Total net income <sub>n</sub> (equity holders)/ Shareholders' Funds <sub>n-1</sub> (equity holders)
<b>Recurrent EBITDA</b>	EBITDA excluding non-recurrent items, namely gains in sales of investments and other movements that distort comparability
<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

Consolidated profit and loss account <sup>(1)</sup>			
Million euros			
	1H10	1H11	Var
<b>Direct results</b>			
Turnover	2.744	2.703	-1,5%
Recurrent EBITDA <sup>(2)</sup>	295	286	-3,2%
Recurrent EBITDA margin	10,8%	10,6%	-0,2 p.p
EBITDA	305	299	-
EBITDA margin	11,1%	11,0%	-0,1 p.p
Provisions & impairments <sup>(3)</sup>	-10	-13	-31,1%
Depreciations & amortizations	-146	-153	-4,8%
EBIT	149	133	-11,0%
Net financial Activity	-51	-53	-3,4%
Other items <sup>(4)</sup>	1	0	-
EBT	99	79	-19,5%
Taxes	-25	-13	48,9%
Direct results	74	67	-9,6%
Group share	55	42	-22,6%
Minority interests	19	24	28,3%
<b>Shopping centers indirect results</b>			
Indirect results <sup>(5)</sup>	-25	-9	66,0%
Group share	-14	-8	44,9%
Minority interests	-12	-1	91,4%
<b>Net income</b>			
Net income	48	58	20,0%
Group share	41	35	-15,1%
Minority interests	7	23	-

(1) Semi-annual figures are unaudited; (2) EBITDA excluding extraordinary items; (3) Includes reversion of impairments and negative goodwill; (4) Share of results of associated undertakings + dividends; (5) Statutory figures. For management purposes, Sonae uses the decomposition of the Indirect Result according to the notes to the consolidated financial statements.

## Consolidated Balance Sheet

<b>Balance sheet<sup>(1)</sup></b>					
Million euros					
	1H10	1H11	Var	4Q10	Var
<b>TOTAL ASSETS</b>	<b>7.400</b>	<b>7.414</b>	<b>0,2%</b>	<b>7.552</b>	<b>-1,8%</b>
<b>Non current assets</b>	<b>6.062</b>	<b>5.959</b>	<b>-1,7%</b>	<b>6.046</b>	<b>-1,4%</b>
Tangible and intangible assets	3.219	3.125	-2,9%	3.182	-1,8%
Goodwill	733	741	1,1%	741	0,0%
Investment properties in operation	1.663	1.584	-4,8%	1.631	-2,9%
Investment properties under development	96	108	12,9%	102	6,4%
Other investments	84	112	32,2%	113	-1,7%
Deferred tax assets	230	234	1,6%	221	5,8%
Others	37	56	51,3%	56	-0,3%
<b>Current assets</b>	<b>1.337</b>	<b>1.456</b>	<b>8,9%</b>	<b>1.506</b>	<b>-3,3%</b>
Stocks	620	638	2,9%	682	-6,4%
Trade debtors	182	152	-16,2%	187	-18,6%
Liquidity	156	270	72,8%	263	2,4%
Others <sup>(2)</sup>	379	396	4,3%	374	5,9%
<b>SHAREHOLDERS' FUNDS</b>	<b>1.710</b>	<b>1.912</b>	<b>11,8%</b>	<b>1.862</b>	<b>2,7%</b>
Equity holders	1.209	1.305	7,9%	1.337	-2,5%
Attributable to minority interests	501	607	21,3%	524	15,8%
<b>LIABILITIES</b>	<b>5.690</b>	<b>5.503</b>	<b>-3,3%</b>	<b>5.690</b>	<b>-3,3%</b>
<b>Non-current liabilities</b>	<b>3.611</b>	<b>3.426</b>	<b>-5,1%</b>	<b>3.455</b>	<b>-0,9%</b>
Bank loans	1.290	1.313	1,8%	1.128	16,5%
Other loans	1.811	1.492	-17,6%	1.712	-12,9%
Deferred tax liabilities	362	382	5,3%	371	2,8%
Provisions	60	72	20,5%	63	14,5%
Others	88	167	90,5%	181	-7,8%
<b>Current liabilities</b>	<b>2.079</b>	<b>2.077</b>	<b>-0,1%</b>	<b>2.235</b>	<b>-7,1%</b>
Bank loans	153	206	34,4%	165	24,9%
Other loans	78	224	185,8%	100	124,6%
Trade creditors	1.080	1.033	-4,3%	1.265	-18,3%
Others	768	614	-20,0%	706	-13,0%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>7.400</b>	<b>7.414</b>	<b>0,2%</b>	<b>7.552</b>	<b>-1,8%</b>

(1) Semi-annual figures are unaudited; (2) Includes assets available for sale.

## 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, and generally all recipients of this document, 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  
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SONAE is listed on the Euronext Stock Exchange.  
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