

*(Translation from the Portuguese Original)*

## **Earnings Announcement**

### **1<sup>st</sup> Half 2008**

Note: Unless otherwise stated, comparable figures (presented within brackets), percent or absolute changes mentioned in this announcement are referred to the comparable period of the previous year for performance figures and to the year end 2007 for financial position figures.

## **1. Highlights**

### **1.1. Performance in the Period**

- Turnover up 7% to 93 million euro...

...on the back of stronger revenue generation at Selfrio Group, the Ferry transport at *Tróia* (begun in October 2007) and the sale of City Flats apartment units (first deeds signed in the last quarter of last year).

- EBITDA amounted to negative 1.5 million euro...

...still reflecting the non-capitalised costs associated with the development of the Troiaresort. On a quarterly basis, the second quarter improved performance over the precedent period is the result of the recovery of operating margins to historical levels at both Selfrio Group and Box Lines.

- Profit for the period reached 33.3 million euro...

...impacted by the 46.4 million euro capital gain on the sale of Contacto – Sociedade de Construções, SA.

During the first half of the year, efforts were concentrated on the completion of the construction works at the Central Area (UNOP 1) of Troiaresort, in order to launch operations in September and prepare the definitive sale of the first units of Marina and Beach apartments during the last quarter of the year.

## **2. Consolidated Financial Statements Review**

### **2.1. Disclaimer**

Given that Sonae Capital, SGPS, SA was incorporated as part of a demerger from Sonae, SGPS, SA, no historical consolidated financial statements exist for the company, since it was exempt from preparing them as a wholly owned affiliate of Sonae, SGPS, SA.

Thus, to ensure comparability of financial data, pro forma financial statements were produced for the year 2007 (profit and loss account for the six month period ended 30 June 2007 and balance sheet as at 31 December 2007), considering a historical business portfolio equivalent to the current business portfolio of Sonae Capital, SGPS, SA.

Therefore, the pro forma consolidated financial statements do not include the contribution of Contacto – Sociedade de Construções, SA sold on 21 February 2008.

Additionally, following last May's announcement that Sonae Capital is negotiating the termination of the phased disposal agreement of its shareholding in Elmo (Plysol Group, operating in the Plywood sector) and the ensuing regain of its control by Sonae Capital, the financial position of Sonae Capital as at 30 June 2008 includes the contribution of Elmo and its subsidiaries. The contribution of Elmo and its subsidiaries to the consolidated income statement of Sonae Capital will only take place from the third quarter onwards. Therefore, the section of this announcement dedicated to the period's performance of the Plywood business is for information purposes only.

## 2.2. Profit and Loss Account

Turnover	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Tourism	11,875.9	10,928.9	+8.7%	23,309.0	20,562.3	+13.4%
Spred	36,324.0	34,250.5	+6.1%	70,072.5	66,566.2	+5.3%
Holding & Others	(45.2)	229.3	-	91.6	573.6	-84.2%
Eliminations & Adjustments	(339.2)	(757.8)	+55.2%	(676.6)	(1,257.4)	+46.1%
<b>Total</b>	<b>47,815.5</b>	<b>44,650.9</b>	<b>+7.1%</b>	<b>92,796.4</b>	<b>86,444.7</b>	<b>+7.3%</b>

Unit: 10<sup>3</sup> Euro

Consolidated turnover in the first half of the year reached 92.8 million euro, a 6.4 million euro increase, which is mainly explained by:

- The sale of City Flats apartments;
- Strong growth of sales in the Selfrio Group air conditioning business;
- The beginning of the transport activity of Atlantic Ferries in October 2007.

Operational Cash-Flow (EBITDA)	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Tourism	(1,768.9)	(1,295.7)	-36.5%	(3,118.8)	(2,520.2)	-23.8%
Spred	2,790.9	1,910.7	+46.1%	3,747.3	3,669.7	+2.1%
Holding & Others	(1,455.4)	(441.3)	-	(2,111.7)	(1,019.2)	-
Eliminations & Adjustments	117.7	0.1	-	0	0.2	-
<b>Total</b>	<b>(315.6)</b>	<b>173.8</b>	<b>-</b>	<b>(1,483.2)</b>	<b>130.5</b>	<b>-</b>

Unit: 10<sup>3</sup> Euro

Consolidated operational cash-flow (EBITDA) stood at negative 1.5 million euro, decreasing 1.6 million euro. Main contributors to this evolution were:

- The impact of costs associated with the marketing and promotion of the real estate residential projects underway at Troiaresort (not yet materialised in sales);
- Lower margin in the Hotel business, due to the initial stage of growth and market recognition of assets with less than one year of operation, despite the recovery in the second quarter of the year.

On a positive note, in terms of EBITDA evolution it should be pointed out:

- Selfrio's Group improved performance, as expected, at the operating margin level in the second quarter of the year, which led to an increase in year to date operational cash-flow (EBITDA) fully recovering the lower performance of the first quarter;
- Box Lines' good second quarter performance that allowed year to date operating margins to reach historical levels.

Sonae Capital recorded a negative 7.7 million euro operational profit as at 30 June 2008, dropping 4.4 million euro. A lower operational cash-flow (EBITDA) and impairment losses recorded on the first quarter on Other Debtors are the major contributors to this decrease.

The 0.7 million euro increase in net financial expenses, which amounted to 5.2 million euro, was due to a lower level of financial income arising from loans to businesses sold in the meantime which more than compensated the decrease in financial charges from a lower average net debt level as of 30 June 2008 when compared with 30 June 2007 (including loans from Sonae SGPS).

The 48.9 million euro Investment Income for the half year includes the capital gain on the sale of Contacto – Sociedade de Construções, SA (46.4 million euro) and dividends from Sonae Indústria (2.7 million euro). Investment income in the first half of 2007 amounted to 4.0 million euro mostly related to the sale of an additional 3.92% stake in ba Vidro.

## 2.3. Balance Sheet

A meaningful assessment of the amount invested in the period, requires a two-fold analysis, complementing the capex figure with the amount recorded as work in progress in real estate companies, for projects under development.

Capex	1H 2008
Tourism	42,666.6
Spred	2,863.1
Holding & Others	24.7
<b>Total</b>	<b>45,554.4</b>

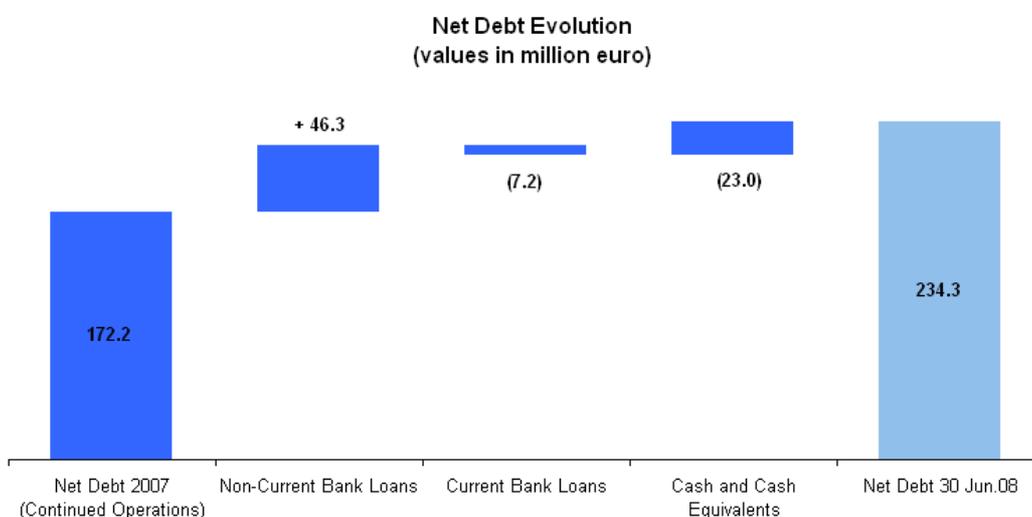
Unit: 10<sup>3</sup> Euro

Therefore, in the first half of the year, capex amounted to 45.5 million euro, with main contributors being:

- *Imosede* Fund with 13.9 million euro, through works on the Business Park in Maia;
- Troia Hotels and infrastructures in the Troiaresort with 26.6 million euro;
- Atlantic Ferries with 2.7 million euro related with the new ferry pier.

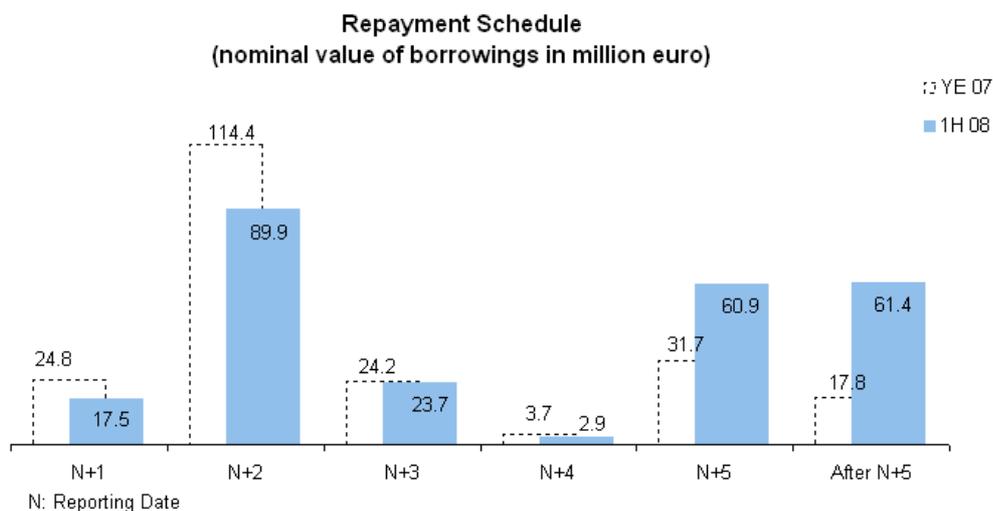
The development of the real estate projects of Troiaresort is the most significant contributor to the work in progress recorded in the period, totalling 24.5 million euro.

As at 30 June 2008, net debt amounted to 234.3 million euro, a 62.1 million euro increase compared to the end of 2007, and up 49.4 million euro on 31 March 2008 figure.



Due to the nature of investments carried out and the expected profile of free cash-flow generation, maturity of net debt has been extended and is now on average 3.61 years.

The repayment schedule of the nominal value of borrowings is the following:



The cash-flow for the first half of 2008 was negative 24.6 million euro, on the back of the ongoing investment in Troiaresort's infrastructure and real estate projects and works being carried out in the Business Park in Maia. This investment has been financed through the issuance of new debt and asset disposals.

Gearing reached 62.4%, compared to 48.1% in 2007. Interest cover for the last 12 months amounted to 0.6, remaining in line with the end of 2007.

### 3. Business Review

#### 3.1. Resort and Residential Development

	2Q 2008	2Q 2007	Δ
Turnover	135.7	-	-
Operational Cash-Flow (EBITDA)	(2,655.5)	(776.2)	-

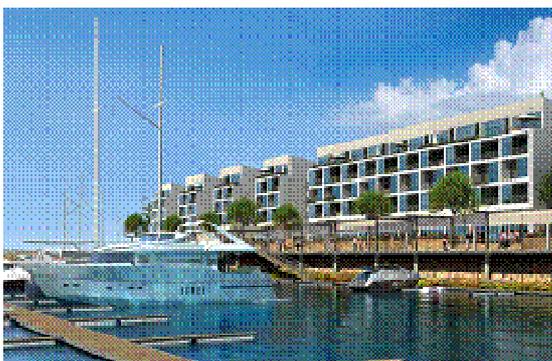
Contribution to consolidated figures

	1H 2008	1H 2007	Δ
Turnover	1,389.2	-	-
Operational Cash-Flow (EBITDA)	(5,423.8)	(3,280.2)	-65.3%

Unit: 10<sup>3</sup> Euro

Turnover for the first half of 2008 reached 1.4 million euro, reflecting the revenue from sales deeds of City Flats apartments. Operational cash-flow (EBITDA) for the period was negative 5.4 million euro (negative 3.3 million euro) still impacted by the costs associated with the marketing and promotion of the Troiaresort project and by the fact that revenues from the sale of apartment units will only be booked with the respective sales deeds - first sales deeds are expected for the last quarter of the year.

#### Resorts



[Marina Apartments - Troiaresort]

Investment in Troiaresort continues according to plan and on budget.

The works with the urban upgrading of the Peninsula, the complete renovation of the three Aparthotels (*Aqualuz Tróia Mar*, *Tróia Rio* and *Tróia Lagoa*) and the construction of the touristic apartments *Praia Arrábida* (former *Praia II*) and *Praia Atlântico* (former *Praia III*) buildings are at their final stage. In the meantime the construction works of the new ferry pier, of the marina, of the touristic apartment buildings *Praia Sado* (former *Praia I*) and Marina, of the Beach Bar & Restaurant and of the Troia Market (supermarket) were concluded. Still underway, are the works on 90 villas (Troia Village), 5 villas which will be showcases of the Golf and Beach Village and on *Ácala's* building (previously known as Central building).

The pace of sales of plots of land and of Marina and Beach touristic apartments was not immune to the economic slowdown, both in Portugal and in Spain, Germany, United Kingdom and Ireland (markets where the commercialization efforts are being concentrated). In the first half of the year 16 Beach apartments, 4 Marina apartments and 10 Golf & Beach Villa plots were pre-sold.

Expectation is that with the conclusion of all the works in the Central Area of the Troiaresort (UNOP 1) next September and with the beginning of use of aparthotels and touristic apartments, the pace of demand will increase.

### Sales Data (as at 27 August 2008)

	Promissory Sales Agreements	Average Area (m <sup>2</sup> )	Average Sales Price (€/m <sup>2</sup> )	Average Sales Price (€/m <sup>2</sup> GCA)
Beach Apartments [211 units]	104	128*	4,015	n.a.
Marina Apartments [78 units]	52	83.3*	3,888	n.a.
Golf and Beach Villa Plots [96 units]	24	2,129**	567	3,513

\* Includes indoor area as well as balcony and terrace areas.

\*\* All plots have a GCA of 343.8 m<sup>2</sup>.

### Residential Property Development



[Delfim Pereira da Costa building - Efanor]

In the Efanor project, the construction of the *Delfim Pereira da Costa* building continued. Although prospective buyers have been showing interest in acquiring apartments, there has been a delay in purchase decisions. It is expected that once the building becomes visible and the showcase apartment is ready pre-sales contracts will materialize.

Construction works of Efanor's school were concluded on time and its opening will occur in early September. The building will be rented to *Fundação Belmiro de Azevedo* (non profit organization) who will run the school.

## Sales Data (as at 27 August 2008)

	Apartments Sold*	Average Area (m <sup>2</sup> )**	Average Sales Price (€/m <sup>2</sup> )	Rentals***
City Flats/Lofts ( <i>Quinta das Sedas</i> – Building E) [106 units]	4	49,8	2,107	13
City Flats/Lofts ( <i>Quinta das Sedas</i> – Building F) [106 units]	88	49.6	2,020	-
Efanor – Building <i>Delfim Pereira da Costa</i> [40 units]	1	190.2	2,497	n.a.

\* 90 sales deeds already signed.

\*\* Includes indoor area as well as balcony and terrace areas.

\*\*\* 8 of these rental contracts have an embedded purchase option.

## 3.2. Real Estate Asset Management

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Turnover	2,401.9	2,389.4	+0.5%	4,706.9	4,848.9	-2.9%
Operational Cash-Flow (EBITDA)	562.8	(962.6)	-	1,725.9	(33.6)	-

Contribution to consolidated figures

Unit: 10<sup>3</sup> Euro

Turnover for the first half of 2008 amounted to 4.7 million euro (4.8 million euro) and operational cash-flow (EBITDA) reached 1.7 million euro (negative 0.03 million euro).

Turnover for the period comprises income from: rents (2.9 million euro), representing 61% of total turnover; sale of real estate assets (1.1 million euro) and; others, namely condominium management, car parks and management services (0.7 million euro).

Turnover by Type	1H 2008		1H 2007		Δ
	Value	Weight	Value	Weight	
Sale of Real Estate Assets	1,128.5	24%	1,398.7	29%	-19%
Rents	2,870.5	61%	2,865.5	59%	+0%
Car Parks	284.4	6%	267.8	6%	+6%
Condominium Management	330.5	7%	298.1	6%	+11%
Management Services	93.0	2%	18.8	0%	-
<b>Total</b>	<b>4,706.9</b>	<b>100%</b>	<b>4,848.9</b>	<b>100%</b>	<b>-3%</b>

Unit: 10<sup>3</sup> Euro

### 3.3. Touristic Operations

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
<b>Turnover</b>	<b>9,217.7</b>	<b>8,370.5</b>	<b>+10.1%</b>	<b>17,091.7</b>	<b>15,543.7</b>	<b>+10.0%</b>
- Hotels	3,816.6	3,133.5	+21.8%	6,384.1	5,394.0	+18.4%
- Fitness	4,681.1	4,385.2	+6.7%	9,251.2	8,527.6	+8.5%
- Funcenter	606.0	699.4	-13.4%	1,342.4	1,337.9	+0.3%
- Other	114.0	152.4	-25.2%	114.0	284.2	-59.9%
<b>Operational Cash-Flow (EBITDA)</b>	<b>495.6</b>	<b>847.3</b>	<b>-41.5%</b>	<b>860.9</b>	<b>1,454.3</b>	<b>-40.8%</b>
- Hotels	(496.0)	(377.8)	-31.2%	(1,661.7)	(989.9)	-67.9%
- Fitness	1,197.9	1,188.1	+0.8%	2,632.2	2,324.1	+13.3%
- Funcenter	(66.5)	55.5	-	191.4	128.5	+48.9%
- Other	(139.8)	(18.5)	-	(301.0)	(8.4)	-

Contribution to consolidated figures

Unit: 10<sup>3</sup> Euro

#### Hotels



[Apartment – Tróia Mar and Tróia Rio]

In the period, management's focus was naturally on monitoring the Troiaresort project, committing to ensure the fulfillment of the objectives outlined. In this context, and according to plan, the reopening of hotels in Tróia (comprising three aparthotels with 232 apartments, food and beverage areas, Wellness & SPA centre, Marina, Golf course and Club house) is planned for September 2008.

During the period, turnover of this business reached 6.4 million euro, increasing 18.4%, to which the most significant contributor was the hotel platform called Pólo da Boavista, with a turnover of 6.1 million euro in the half year, a growth of 18.7%.

The increase recorded in the main operational indicators of Porto Palácio Hotel demonstrates the growing recognition by customers of the high quality standards of services provided by the hotel and congress centre and the success of commercial policies that have been implemented. The daily average revenue stood at 105 euro, an increase of 16% on the average recorded in the first half of 2007.



[Porto Palácio Hotel]

Operational cash-flow (EBITDA) of Hotels was negative in 1.7 million euro (negative 1 million euro), mainly impacted by Troia Hotels, with negative 1.0 million euro of operational cash-flow (EBITDA) because they have been closed during the current year for renovation.

Pólo da Boavista posted a very good performance in the second quarter, reaching a positive operational cash-flow (EBITDA) of around 0.1 million euro, albeit contributing negatively with 0.5 million euro to operational cash-flow (EBITDA) for the six months.

## ➔ Fitness



[Solinca Health club]

Despite the strong competitive pressure and the less favourable macroeconomic environment, Fitness maintains a positive growth trend in its main profitability indicators.

The business maintains the targets of consolidating existing units, growing through the opening of new units and adopting assertive policies which allow the sustainable development of this activity.

Solinca's current network includes 10 health clubs and the average number of active members in the half year amounted to 29,481.

In the first half of 2008, turnover amounted to 9.3 million euro, representing a growth of 8.5%, while operational cash-flow (EBITDA) generated in the period was positive at 2.6 million euro, an increase of 13%.

### 3.4. Selfrio Group (70% Sonae Capital, 30% Johnson Controls Inc.)

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Turnover	18,894.9	16,667.9	+13.4%	36,662.6	32,527.4	+12.7%
Operational Cash-Flow (EBITDA)	2,298.2	1,106.1	-	3,410.5	2,419.6	+41.0%

Contribution to consolidated figures

Unit: 10<sup>3</sup> Euro



[Maintenance services]

In the first half of 2008 the turnover of Selfrio Group reached 36.7 million euro, an increase of 13%.

The increase in turnover was mainly due to the strong growth of Sistavac (heating, ventilation, air conditioning and related electrical installations) sales in the air conditioning business.

The refrigeration business developed by Selfrio experienced a certain decline in the first quarter of the year that was recovered during the second quarter.

Operational cash-flow (EBITDA) of Selfrio Group reached 3.4 million euro increasing 41%. The expectation, expressed in the report for the first quarter that the performance in the second quarter would compensate the lower performance in the first quarter, was fully achieved.

The evolution of operational cash flow (EBITDA) was due to the improvement of Selfrio's performance that recovered the positive trend in line with its historical performance.

Despite the unfavorable economical environment, and assuming no extraordinary facts happen, it is expected that overall the 2008 budgeted figures will be achieved in the businesses included in the Selfrio Group.

### 3.5. Atlantic Ferries

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Turnover	1,068.8	-	-	1,901.8	-	-
Operational Cash-Flow (EBITDA)	(110.6)	(79.9)	-38.4%	(249.4)	(129.2)	-93.0%

Contribution to consolidated figures

Unit: 10<sup>3</sup> Euro



[Ferries *Pato Real* and *Rola do Mar*]

Indicators for the period are not comparable with those of the first half of 2007, because transport activity only began on 9 October 2007.

However, compared with that of the last quarter of 2007, average daily turnover increased 50.9%.

During the first half of 2008, 6,437 monthly passenger tickets were sold. Sales of single tickets for the different tariffs were as follows:

	Passengers	Light vehicles	Heavy vehicles	Two wheel vehicles
1Q 2008	219,018	100,132	2,573	2,124
2Q 2008	327,988	117,058	3,258	4,146
<b>1H 2008</b>	<b>547,006</b>	<b>217,190</b>	<b>5,831</b>	<b>6,270</b>

### 3.6. Box Lines

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Turnover	11,568.7	12,024.2	-3.8%	22,560.4	23,483.5	-3.9%
Operational Cash-Flow (EBITDA)	783.2	727.4	+7.7%	1,046.0	1,176.6	-11.1%

Contribution to consolidated figures

Unit: 10<sup>3</sup> Euro



[S. Gabriel, one of Box Lines chartered ships]

At the end of the first semester, both turnover and operational cash-flow (EBITDA) remained above expectations, which under current adverse market conditions may be regarded as a sound performance.

The cabotage market maintained its downward trend, but the company managed to cope with that situation by looking into market segments other than containers.

The international business remained in line with expectations and an increase in exports, namely to emerging markets, is expected after the holiday period, thus increasing volumes and turnover.

The company expects to reach the figures budgeted for the year of 2008.

### 3.7. Plysorol

As mentioned in the beginning of this announcement the performance of Plysorol in the first half of 2008 has not affected the consolidated profit and loss account since control of the company was regained in May 2008.

The activity of Plysorol is carried out through a company of production and trading of plywood in France and two companies of forestry (exotic timber) and veneer production in Gabon.

#### ➤ France

In France and in the countries where Plysorol sells around 50% of its production, since the second half of 2007 a less favourable economic environment has been setting in, especially in the real estate and construction sectors.

In the first half of 2008, turnover (52.8 million euro) decreased 14.3% and sales in the second quarter decreased 10% in comparison with the preceding quarter. EBITDA margin was negative 8.6% (positive 9.8% in the same period of last year) and net profit was negative 10.5 million euro (positive 3.7 million euro).

Cost of sales in the period reached 65.2% of turnover, corresponding to a 10.9 p.p. decrease in the margin. This erosion was due to a strong increase in raw materials prices, to supply chain problems (which required the use of raw materials that demanded additional work) and to quality issues with the raw materials received from Gabon (which required an increase in

operating costs). External operating costs increased 14.5%, especially transports and maintenance.

## ➔ Gabon

### Leroy Gabon

This company, dedicated to forestry of exotic timber catered to supplying the Lisieux (France) and Pogab (Gabon) factories, recorded a slight improve in net profit in the period to negative 0.6 million euro (negative 1.3 million euro). This improvement is the outcome of the increase in prices, leading to an increase in sales of around 29%. Production (43 thousand m<sup>3</sup>) was 48% higher but the quality of output was penalised by the early stage of exploration of a new area. EBITDA margin was positive 2.5% (negative 3.3%).

### Pogab

This company is dedicated to the production of okoume panels to supply the factories in France. The improvement in net profit, which progressed from negative 0.4 million euro in the first half of 2007 to positive 0.4 million euro in the first half of 2008, was an effect of price increases. Still, sales decreased 7.5% to 6.6 million euro due to the decrease in production volumes derived from the quality of raw materials from Leroy Gabon. EBITDA margin was 17.9% (11.3%).

### **3.8. TP (50% Sonae Capital, 50% Endesa Group)**

[Company accounted for using the Equity Method]

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Turnover	8,461.7	8,199.9	+3.2%	16,910.1	16,714.1	+1.2%
Operational Cash-Flow (EBITDA)	1,675.5	2,070.7	-19.1%	3,498.9	4,458.6	-21.5%

Statutory accounts

Unit: 10<sup>3</sup> Euro



[Wind Farm Serra da Capucha]

TP's half year turnover remained in line with the same period last year despite the forecasted end of the operation of *Companhia Térmica Lusol* cogeneration unit (with a 1.0 million euro contribution to the first half of 2007 turnover).

Operational cash-flow (EBITDA) was impacted by:

- i. The end of operation of *Companhia Térmica Lusol*;
- ii. The lag (of around 6 months) between the increase in fuel prices and the increase in electrical tariffs (in fuel cogeneration units only) and;
- iii. Some operational problems in two cogeneration units, leading to both margin decrease and increased maintenance costs.

### 3.9. Auto Sector (50% Sonae Capital, 50% Salvador Caetano Group)

[Companies accounted for using the Equity Method]

The Group's activity in the auto sector is carried out by a number of companies, the most significant being Finlog, in the car fleet management business, and Guérin, which operates in the Rent-a-Car business.

#### ➤ Finlog

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Turnover	11,238.8	13,370.6	-15.9%	21,994.3	21,189.6	+3.8%
Operational Cash-Flow (EBITDA)	5,474.3	5,672.1	-3.5%	10,801.1	9,628.0	+12.2%

Statutory accounts

Unit: 10<sup>3</sup> Euro

At the end of the first half of 2008, Finlog had 7,991 active contracts, in line with the end of 2007. Nevertheless, the renting contracts grew 9% while management of used vehicles guarantees decreased. The market of new cars sold in Portugal during the same period, decreased 3%, which confirms that renting contracts are still increasing on an adverse economic situation.

Turnover amounted to 22 million euro and profit before taxes was negative 0.4 million euro.

#### ➤ Guérin

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Turnover	8,551.5	7,360.0	+16.2%	14,914.3	12,551.8	+18.8%
Operational Cash-Flow (EBITDA)	2,342.4	1,123.7	-	2,623.4	872.2	-

Statutory accounts

Unit: 10<sup>3</sup> Euro

Rental days reached 713,205 at the end of first half of 2008, compared to 579,780 in the same period of 2007.

Profit before taxes was negative 1.2 million euro, as usual during the first half of the year, compared to negative 0.8 million euro in the same period last year.

### 3.10. Norscut

[Company accounted for using the Equity Method]

	2Q 2008	2Q 2007	Δ	1H 2008	1H 2007	Δ
Turnover	18,301.5	6,734.7	-	43,385.0	6,734.7	-
Operational Cash-Flow (EBITDA)	16,655.8	64.3	-	40,159.3	(6.5)	-

Statutory accounts Unit: 10<sup>9</sup> Euro



[Overpass in A24 motorway]

Norscut highway traffic has increased 11% in the first half of 2008 (year forecast according to historical seasonality), leading to a turnover in line with the project tender forecast.

Financial costs are also in line with forecasts (Norscut has a full interest rate hedge in the current project phase).

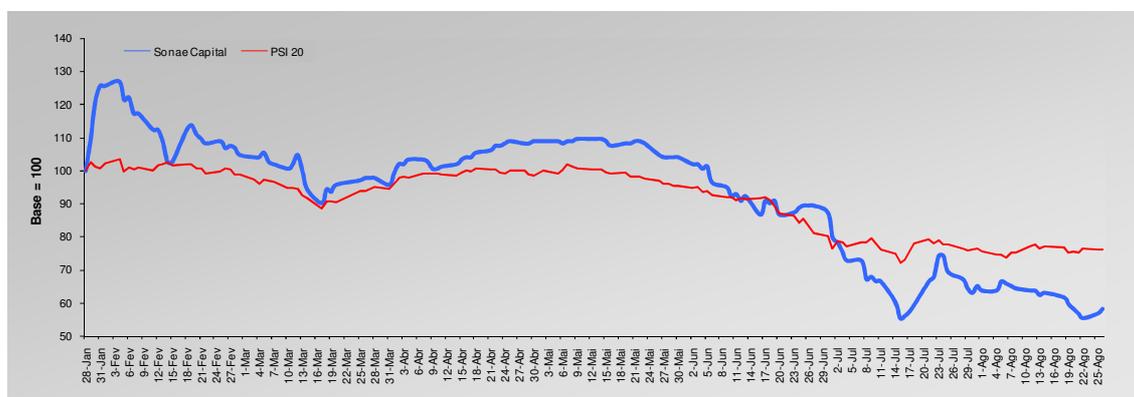
As mentioned in the 2007 annual report a court of arbitration was appointed to analyse Norscut's claim of a financial compensation for the increased costs of construction and lost revenue from delayed beginning of operations that arose from the unilateral decision of the Portuguese state to change the path of the motorway.

At the end of July, Norscut and the Portuguese state signed an agreement to restore the financial stability of the concession by which Norscut received a compensation totalling 291.9 million euro of which 94.9 million euro related with loss revenue and costs incurred attributable to the concession.

### 3.11. Sonae Indústria

Sonae Capital, SGPS, SA has a 6.801% shareholding in Sonae Indústria, SGPS, SA. The shares of Sonae Indústria are listed on the Euronext Lisbon stock exchange. Taking into account the closing share price of Sonae Indústria as at 30 June 2008, 2.59 euro, the market value of this shareholding was 24.7 million euro.

## 4. Share Price Performance



Source: Euronext Lisbon

The shares of Sonae Capital were listed on Euronext Lisbon on 28 January 2008. Since that date and until the end of the first semester, Sonae Capital's share price decreased 12.5%, slightly better than the 19.7% decrease in the Portuguese Stock Market reference index (PSI-20). Entering the second half of the year, stock markets in general and the Portuguese market in particular witnessed higher volatility. Sonae Capital's share price was not immune to this fact and, up to 26 August, decreased 41.7% while the PSI-20 decreased 23.6%.

In June, Sonae Capital's share entered the PSI-20 waiting list issued by NYSE EURONEXT.

<b>Closing Price:</b>	<b>Date</b>	<b>€</b>
- Beginning of Period	28-Jan-08	1.44
- End of First Semester	30-Jun-08	1.26
- Earnings Announcement Day n-1	26-Aug-08	0.84
- Maximum	04-Feb-08	1.83
- Minimum	15-Jul-08	0.80

**Average Daily Traded Quantity (up to 30 June 2008):** 1,315,995

Source: Euronext Lisbon

During the second quarter of the year, the following events were announced to the market (for the full version of these announcements please visit the related page in the Investor Relations area of Sonae Capital's website):

- 1 April 2008**  
 Agreement reached with Salvador Caetano Auto, SGPS, SA about the terms for the definitive sale of the shareholding of 50% in Choice Car, SGPS, SA for a total price of 12.5 million euro.
- 5 May 2008**  
 Negotiation of the end of the agreement regarding the phased disposal of its entire shareholding in ELMO, SGPS, SA, company that controls 100% of Plysorol SAS and its subsidiaries.

- 14 May 2008  
Promissory agreement signed with a company wholly owned by Hagen Imobiliária, SA for the sale of a parcel of land where the Hotel Resort, within the Troiaresort project, will be built. The promissory sale will have an estimated impact of 13 million euro on the consolidated results of Sonae Capital, to be recognized on the date of the definitive sale agreement.
- 11 June 2008  
Sonae Capital informed that Plysorol had been notified by the French Competition Authority (*Conseil de la Concurrence*) to pay a fine of around 4.2 million euro on charges of price coordination during the period between 1995 and 2004 and of using a common price list from 1987 to 2004. Besides Plysorol, almost all French plywood manufacturers had also been notified by the French Competition Authority, and given fines. It was also informed that Plysorol had decided to appeal that decision in the relevant higher courts.
- 23 June 2008  
Mr Mohnish Pabrai informed that he is attributed the ownership of 17,166,440 shares, representing 6.867% of the share capital and voting rights, of Sonae Capital, SGPS, SA.

## 5. Financial Statements

### 5.1. Income Statement

	2Q08	2Q07	Δ	1H08	1H07	Δ
Turnover	47,815.3	44,650.8	7.1%	92,796.4	86,444.6	7.3%
Other Operational Income	1,112.9	1,441.1	-22.8%	2,650.8	2,411.7	9.9%
<b>Total Operational Income</b>	<b>48,928.2</b>	<b>46,092.0</b>	<b>6.2%</b>	<b>95,447.2</b>	<b>88,856.3</b>	<b>7.4%</b>
Cost of Goods Sold	(14,164.7)	(12,859.9)	10.1%	(22,861.7)	(22,023.5)	3.8%
Change in Stocks of Finished Goods	14,816.4	16,737.0	11.5%	26,774.4	19,271.7	-38.9%
External Supplies and Services	(36,585.9)	(37,388.0)	-2.1%	(75,498.3)	(63,313.2)	19.2%
Staff Costs	(11,645.0)	(9,644.3)	20.7%	(22,105.0)	(18,951.5)	16.6%
Other Operational Expenses	(1,543.5)	(2,641.3)	-41.6%	(2,459.0)	(3,464.2)	-29.0%
<b>Total Operational Expenses</b>	<b>(49,122.8)</b>	<b>(45,796.5)</b>	<b>7.3%</b>	<b>(96,149.6)</b>	<b>(88,480.6)</b>	<b>8.7%</b>
<b>Operational Cash-Flow (EBITDA)</b>	<b>(315.5)</b>	<b>173.9</b>	-	<b>(1,483.2)</b>	<b>130.6</b>	-
Amortisation and Depreciation	(2,162.6)	(1,770.8)	22.1%	(4,136.4)	(3,475.9)	19.0%
Provisions and Impairment Losses	(565.6)	(98.8)	-	(2,899.5)	(200.8)	-
<b>Operational Profit/(Loss) (EBIT)</b>	<b>(2,922.9)</b>	<b>(1,574.2)</b>	<b>-85.7%</b>	<b>(7,738.3)</b>	<b>(3,301.0)</b>	-
Net Financial Expenses	(2,338.5)	(2,592.3)	9.8%	(5,226.8)	(4,522.3)	-15.6%
Share of Results of Associated Undertakings	(523.4)	(1,628.2)	67.9%	(1,898.2)	(993.7)	-91.0%
Investment Income	99.9	(834.6)	-	48,891.7	3,971.4	-
<b>Profit before Taxation</b>	<b>(5,684.9)</b>	<b>(6,629.2)</b>	<b>14.2%</b>	<b>34,028.3</b>	<b>(4,845.6)</b>	-
Taxation	(259.3)	3,685.8	-	(723.2)	3,407.9	-
<b>Net Profit</b>	<b>(5,944.2)</b>	<b>(2,943.4)</b>	-	<b>33,305.1</b>	<b>(1,437.7)</b>	-
Attributable to Equity Holders of Sonae Capital	(6,253.3)	(2,252.5)	-	32,755.8	(1,326.3)	-
Attributable to Minority Interests	309.1	(690.9)	-	549.4	(111.5)	-

Unit: 10<sup>3</sup> Euro

## 5.2. Balance Sheet

	<b>Total 30.06.08</b>	<b>Plysorol Group</b>	<b>Total without Plysorol</b>	<b>31.12.2007<sup>1</sup></b>
Fixed Assets	399,556.7	29,848.8	369,707.9	328,841.8
Goodwill	61,726.8	0,0	61,726.8	62,517.5
Non Current Investments	58,687.4	215.0	58,472.5	96,171.9
Other Non Current Assets	31,627.8	111.5	31,516.3	38,429.6
Stocks	188,472.9	23,135.8	165,337.1	142,074.7
Trade Debtors and Other Current Assets	118,933.8	32,638.4	86,295.4	83,788.0
Cash and Cash Equivalents	20,917.6	1,949.4	18,968.2	43,957.0
<b>Total Assets</b>	<b>879,923.1</b>	<b>87,898.8</b>	<b>792,024.2</b>	<b>795,780.5</b>
Total Equity attributable to Equity Holders of Sonae Capital	340,236.9	(9,396.2)	349,633.2	321,033.2
Total Equity attributable to Minority Interests	35,583.0	(6,461.6)	42,044.6	36,758.8
<b>Total Equity</b>	<b>375,819.9</b>	<b>(15,857.9)</b>	<b>391,677.8</b>	<b>357,792.0</b>
Non Current Borrowings	237,726.7	2,049.9	235,676.8	191,453.6
Other Non Current Liabilities	68,529.2	36,828.6	31,700.6	36,768.4
Provisions	13,310.0	4,504.6	8,805.4	11,442.2
<b>Non Current Liabilities</b>	<b>319,565.9</b>	<b>43,383.1</b>	<b>276,182.8</b>	<b>239,664.2</b>
Current Borrowings	17,533.8	11,902.0	5,631.8	24,751.0
Trade Creditors and Other Current Liabilities	165,580.3	48,230.9	117,349.4	169,757.9
Provisions	1,423.2	240.7	1,182.5	3,815.5
<b>Current Liabilities</b>	<b>184,537.3</b>	<b>60,373.6</b>	<b>124,163.7</b>	<b>198,324.3</b>
<b>Total Liabilities</b>	<b>504,103.1</b>	<b>103,756.7</b>	<b>400,346.5</b>	<b>437,988.5</b>
<b>Total Equity and Liabilities</b>	<b>879,923.1</b>	<b>87,898.8</b>	<b>792,024.2</b>	<b>795,780.5</b>

(1) Continued Operations

Unit: 10<sup>3</sup> Euro

Maia, 27 August 2008  
The Board of Directors

## **Glossary**

Capex = Investment in Fixed Assets.

Daily Average Revenue = Lodging Revenues / Number of rooms sold.

GCA (Gross Construction Area) = Area measured by the exterior perimeter of the exterior walls.

Gearing = Net Debt / Equity.

Interest Cover Ratio = EBITDA / Net Financial Charges.

Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.

Operational Cash-Flow (EBITDA) = Operating Profit (EBIT) + Amortisations and Depreciations + Provisions and Impairment Losses – Reversal of Impairment Losses and Provisions (included in Other Operating Income).

UNOP (Operational Planning Unit) = Planning and management operational units as set out by the Tróia Urbanisation Plan through Cabinet Resolution nr. 23/2000.

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