Earnings Announcement
For the First Quarter 2010

(Translation from the Portuguese original)

As expected, turnover from sales of residential units at **troia**resort remained significantly below that in the same quarter of last year, when the majority of promissory purchase agreements signed to date was converted into sales deeds. Up to 31 March 2009, sales deeds signed for **troia**resort tourism real estate properties totalled 25% of total residential units for sale, which compares with 33% up to 31 March 2010.

The Selfrio Group was the quarter's major contributor to both consolidated turnover and consolidated operational cash-flow (EBITDA), with 16.6 million euro and 1.2 million euro, respectively, showing marginal changes in contribution compared to the same quarter of last year.

Thus, on a like for like basis...

- 7 sales deeds signed for **troia**resort residential units (101)
- 4 sales deeds signed for City Flats/City Lofts (1)
- Turnover: 42.1 M.€ (96.0 M.€)
- EBITDA: -0.6 M.€ (+24.3 M.€)
- Net Profit : -5.2 M.€ (+9.8 M.€)

SONAE CAPITAL, SGPS, SA
Sociedade Aberta

Lugar do Espido, Via Norte
Apartado 3053 · 4471-907 Maia
Portugal

T (+351) 22 010 79 03
F (+351) 22 010 79 35
www.sonaecapital.pt

Capital Social 250.000.000 euros
CRC Maia (matrícula nº 508 276 756)
Pessoa colectiva nº 508 276 756

Disclaimer:

Unless otherwise stated, comparable figures (presented within brackets), percent or absolute changes mentioned in this announcement refer to the comparable period of the previous year for performance figures and to the year 2009 for financial position figures.

Like for like comparisons exclude the contributions of the Plysorol Group and Elmo (discontinued operations) to 2009 consolidated financial statements.

Following the internal reorganization process carried out during 2009, SC Assets, SGPS, SA was made independent from Sonae Turismo, SGPS, SA at the beginning of 2010, and is now responsible for real estate investments and for property management of real estate assets. Comparable figures presented in this announcement, regarding the year of 2009, were restated to reflect the new business portfolio configuration around the three existing sub-holdings: Sonae Turismo, SGPS, SA, SC Assets, SGPS, SA and Spred, SGPS, SA.

1. Executive Summary

- **Turnover 3M10: 42.1 M.€ (96.0 M.€)**
- **EBITDA 3M10: -0.6 M.€ (+24.3 M.€)**
- **Net Profit 3M10: -5.2 M.€ (+9.8 M.€)**

The unfavourable macroeconomic environment played an important role in the performance of Sonae Capital's business portfolio in the first quarter of the year, as already anticipated in the 2009 earnings announcement.

Sales deeds for residential units in **troia**resort, 7 apartments in the quarter, remained significantly below the number of sales deeds recorded in the first quarter of 2009 which originated from PPAs signed in previous years. The lower number of PPAs not yet converted into sales deeds, together with the tightening of credit access conditions, uncertainties surrounding the macroeconomic environment and the pace of economic recovery, all of which result in longer decision making timeframes, explain the first quarter sales figures for the resort business segment (4.0 million euro contribution to consolidated turnover, 51.0 million euro down on 1Q09, and zero contribution to consolidated operational cash-flow (EBITDA) compared to 25.3 million euro in 1Q09).

The Selfrio Group was the quarter's largest contributor to both consolidated turnover and consolidated operational cash-flow (EBITDA), with 16.6 million euro and 1.2 million euro contributions, respectively, reflecting a slight decrease in the contribution from the HVAC business segment to consolidated turnover. Contribution to consolidated operational cash-flow (EBITDA) remained roughly in line with last year's figure.

The net loss for the quarter, amounting to 5.2 million euro, includes negative 0.6 million euro of investment income, made up of the 1.5 million euro gain from the sale of Essences Fines as well as impairment losses on shareholdings in associated undertakings.

Selected Financial data Values in 10^6 euro

	1Q		
	2010	2009 [1]	% Chg.
Turnover	42.1	96.0	-56.1%
EBITDA	-0.6	24.3	-
EBIT	-6.1	19.1	-
Net Financial Expenses	-2.1	-3.4	+36.5%
Investment Income	-0.6	0.0	-
Net Profit	-5.2	9.8	-

[1] Continued Operations.

	31.03.10	31.12.09	% Chg.
Capex	1.0	46.6	-97.9%
Net Debt	283.8	277.9	+2.1%

Selected Operational Data (19 May 2010) Sales information

	Total # Units (Sold + Pre Sold)	Total # Available Units
Total **troia**resort	216	405
City Flats/Lofts	99	113
Efanor - Delfim Pereira da Costa Building	0	40

2. Selected Main Events

Prior to the date of this announcement, on 14 April 2010, Sonae Capital, SGPS, SA informed about the sale of 100% of the share capital of Societé des Essences Fines Isoroy, as well as loans to Essences Fines, for 2 euro, to Essences Fines Holding, SAS, a French company owned by third parties, as part of Sonae Capital's programme to divest from non strategic assets which are available for sale. The positive impact of this transaction on the first quarter 2010 consolidated results amounted to 1.5 million euro.

3. Consolidated Financial Statements Review

Notes:

The consolidated financial statements of Sonae Capital as at 31 March 2009, include the following contributions from the Plysorol Group (Plywood business) and Elmo (sole shareholder of Plysorol) under discontinued operations:

- the consolidated income statement includes 3 months contribution from Elmo;
- the consolidated financial position includes that of Elmo as at 31 March 2009 and that of Plysorol as at 30 September 2008 (last available information).

Following the sale, on 30 December 2009, of the shareholding in Elmo (sole shareholder of Plysorol) and the subsequent loss of control over the Plysorol Group (Plywood business) these businesses no longer contribute to the consolidated financial position of Sonae Capital as at 31 March 2010.

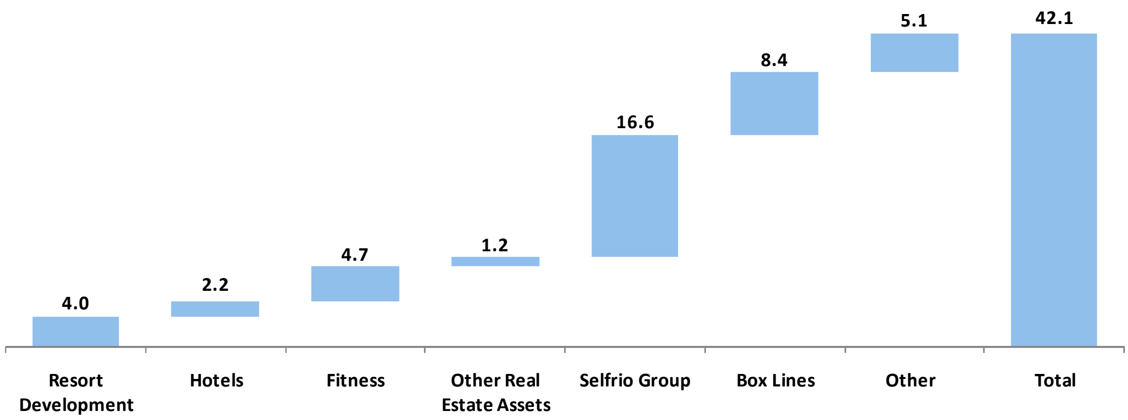
In view of the above considerations, like for like comparisons regarding consolidated financial statements do not take into account discontinued operations (in the consolidated profit and loss statement) and are used consistently throughout the announcement when applicable.

3.1. Consolidated Profit and Loss Statement

Values in 10^3 euro

	1Q 10	1Q 09 Total Operations	1Q 09 Discontinued Operations	1Q 09 Continued Operations	Δ (A/B)
	(A)			(B)	
Turnover	42,131.5	96,050.0	0.0	96,050.0	-56.1%
Other Operational Income	1,446.6	2,139.0	0.0	2,139.0	-32.4%
Total Operational Income	**43,578.0**	**98,189.0**	**0.0**	**98,189.0**	**-55.6%**
Cost of Goods Sold	-6,760.0	-10,858.1	0.0	-10,858.1	+37.7%
Change in Stocks of Finished Goods	-3,096.5	-22,195.8	0.0	-22,195.8	+86.0%
External Supplies and Services	-21,957.5	-28,102.9	-1.2	-28,101.7	+21.9%
Staff Costs	-11,268.9	-11,390.1	0.0	-11,390.1	+1.1%
Other Operational Expenses	-1,072.9	-1,139.8	-0.1	-1,139.7	+5.9%
Total Operational Expenses	**-44,155.8**	**-73,686.6**	**-1.2**	**-73,685.3**	**+40.1%**
Operational Cash-Flow (EBITDA)	**-579.2**	**24,291.3**	**-1.2**	**24,292.5**	-
Amortisation and Depreciation	-3,364.1	-2,821.9	0.0	-2,821.9	-19.2%
Provisions and Impairment Losses	-2,116.7	-2,584.3	0.0	-2,584.3	+18.1%
Operational Profit/(Loss) (EBIT)	**-6,058.6**	**19,096.3**	**-1.2**	**19,097.5**	-
Net Financial Expenses	-2,137.3	-3,927.6	-559.6	-3,368.1	+36.5%
Share of Results of Associated Undertakings	477.1	354.2	0.0	354.2	+34.7%
Investment Income	-604.5	0.0	0.0	0.0	-
Profit before Taxation	**-8,323.2**	**15,522.9**	**-560.8**	**16,083.7**	**-**
Taxation	3,105.5	-6,238.6	-0.5	-6,238.1	-
Net Profit	**-5,217.8**	**9,284.3**	**-561.3**	**9,845.6**	**-**
Attributable to Equity Holders of Sonae Capital	-5,206.4	9,123.5	-561.3	9,684.7	-
Attributable to Minority Interests	-11.3	160.8	0.0	160.8	-

Consolidated turnover for the first quarter of the year amounted to 42.1 million euro (96.0 million euro), with the main contributions being:



Turnover decreased 53.9 million euro mainly due to lower sales at **troia**resort (7 sales deeds in 1Q10, generating a 4.0 million euro contribution, compared to 101 sales deeds and 55 million euro contribution in 1Q09). The slowdown in the sales pace at **troia**resort, already felt since the end of the first quarter of 2009, and the lower stock of PPAs not yet converted into sales deeds explain the decrease in sales deeds signed. It should be noted that the majority of sales deeds for residential units at **troia**resort, 153 contracts (25% of the total units for sale, which increased to 33% of total units for sale up to the end of March 2010), was signed between the fourth quarter of 2008 and the first quarter of 2009.

Hotels posted a 2.2 million euro contribution to consolidated turnover, a 0.3 million euro decrease mainly explained by the lower contribution from Porto Palácio Hotel, of 1.7 million euro in the quarter (2.1 million euro), which discontinued catering operations. Contributions from the remaining hotel units were in line with previous year’s comparable figures. Average revenue per room and per location in the first quarter of 2010 was as follows: 90 euro in Porto, 67 euro in Tróia and 43 euro in Lagos.

The decrease in the contribution of the hotel business was partially offset by the 0.1 million euro increase in Fitness, to 4.7 million euro, following the increase in the number of active members and in the demand for value added services, namely the Day Spa. Average revenue per member increased 1% to 53 euro.

Other Real Estate Assets increased its contribution to consolidated turnover by 0.5 million euro, to 1.2 million euro, due to higher real estate sales (including residential, other than City Flats/City Lofts, retail facilities and plots of land).

The Selfrio Group’s contribution to consolidated turnover decreased 0.4 million euro to 16.6 million euro, driven by a decrease in contribution from the HVAC business of around 1.2 million euro. The Cold Engineering and Maintenance services businesses had a positive turnover performance, partially offsetting that decrease.

Box Lines' contribution decreased 1.0 million euro, due to the termination of its international operations business at the end of 2009. On a like for like basis, turnover remained slightly below that in the same quarter last year.

Under other business segments, the following should be highlighted:

- Energy and Environment business area, at an early stage of operations, contributed 1.1 million euro to consolidated turnover, led by the cogeneration business unit, which was acquired in September 2009;
- Residential Property Development (currently under SC Assets), which grew its contribution by 0.6 million euro to 0.8 million euro, due to the 4 City Flats/City Lofts sales deeds which were signed in the first quarter of 2010, compared to 1 sales deed signed in the first quarter of 2009;
- Decrease of 0.3 million euro in Atlantic Ferries' contribution, to 0.6 million euro, following the 31% decrease in total traffic, both in terms of number of passengers and vehicles.

Consolidated operational cash-flow (EBITDA) for the first three months of the year was negative 0.6 million euro (positive 24.3 million euro), with the main contributions being:

Resort development made a zero contribution to consolidated operational cash-flow (EBITDA), a 25.3 million euro decrease, due to the significantly lower number of sales deeds in the quarter compared to those in the same quarter in 2009.

The contribution from Hotels improved 18% to negative 2.4 million euro, driven by operational improvements in both the Porto Palácio Hotel and Aqualuz Tróia Aparthotels, as a result of cost optimisation, streamlining of operations and implementation of a centralized management team with responsibility for all hotel units. The Aqualuz Lagos contribution decreased 0.1 million euro to negative 0.5 million euro.

The Fitness business was able to increase profitability, despite pressures on private consumption, capitalising on value added services. Its contribution to consolidated operational cash-flow (EBITDA) increased 21% to 1.1 million euro.

The contribution of Other Real Estate Assets amounted to 0.9 million euro, in line with the previous year's figure.

Selfrio Group's contribution decreased slightly in the quarter to 1.2 million euro (1.3 million euro), reflecting lower profitability in both the commercial and industrial refrigeration business segments.

Box Lines´ contribution to consolidated operational cash-flow (EBITDA) remained in line with the previous year's figure at negative 0.1 million euro.

Other contributions worth mentioning include:

- Energy and Environment business area, with a 0.1 million euro contribution, up 0.2 million euro, most of which is explained by the contribution of the cogeneration business unit;
- Residential Property Development, improved its contribution to consolidated operational cash-flow (EBITDA) by 0.2 million euro, to negative 0.1 million euro, reflecting the margin on the 4 City Flats/City Lofts sold during the quarter;
- Atlantic Ferries decreased its contribution to consolidated operational cash-flow (EBITDA) by 0.3 million euro, to negative 0.6 million euro, as a result of the decrease in the number of tickets sold.

Depreciation and amortisation increased 19% to 3.4 million euro, as result of:

- The start up of operations of hotel units at **troia**resort (namely those opened in January and March 2009);
- The start up of operations of the two new Atlantic Ferries catamarans (which began operating at the end of July 2009), and;
- The acquisition of Ecociclo II, cogeneration unit, in September 2009.

Provisions and impairment losses for the quarter include costs relating to the overall upgrade of **troia**resort and infrastructures built during the development phase, assigned to real estate projects for sale in the Central and Beach areas (UNOP's 1 and 2), which will be expensed as the revenue from sales of those residential units is recorded. Thus, the amount of provisions and impairment losses recorded in the quarter includes 0.8 million euro associated with assets for which impairment losses had already been recorded in previous quarters (expensed following the sale of 7 residential units in the first quarter of 2010) and 0.7 million euro associated with assets for which impairment losses were recorded for the first time (expensed following the sale of 206 residential units up to the end of the first quarter of 2010). Around 0.7 million euro were booked in the quarter as provisions and impairment losses for other real estate assets.

Net financial expenses decreased 37% to 2.1 million euro, as a result of a significant decrease in the average cost of debt following the sharp fall in market interest rates and in the Refi interest rate, the latter set by the European Central Bank.

Results of associated undertakings amounted to positive 0.5 million euro in the quarter, and included 0.5 million euro from TP and 0.6 million euro from the Imosede Fund, the latter accounted for under the full consolidation method as at 31 March 2009.

Investment income for the quarter was negative 0.6 million euro, explained by the sale of Essences Fines, which generated a 1.5 million euro capital gain, and from 2.1 million euro impairment losses on shareholdings in associated undertakings, which were accounted for in the quarter.

As a result of the poorer operational performance, profit before taxation for the quarter was 24.4 million euro lower than that in the first quarter of 2009, amounting to negative 8.3 million euro.

Net profit for the quarter decreased 15.0 million euro to negative 5.2 million euro, taking into consideration the higher level of deferred tax assets arising from impairment losses and from tax losses carried forward.

3.2 Consolidated Balance Sheet

Values in 10^3 euro

	31.03.2010	31.12.2009	Δ
Tangible and Intangible Assets	283,742.7	291,421.5	-2.6%
Goodwill	61,350.0	61,350.0	0.0%
Non-Current Investments	70,333.9	71,837.9	-2.1%
Other Non-Current Assets	40,241.8	36,243.0	+11.0%
Stocks	223,691.5	227,548.6	-1.7%
Trade Debtors and Other Current Assets	70,100.0	78,560.6	-10.8%
Cash and Cash Equivalents	4,130.8	2,805.3	+47.3%
Total Assets	**753,590.5**	**769,766.7**	**-2.1%**
Total Equity attributable to Equity Holders of Sonae Capital	327,823.2	333,620.1	-1.7%
Total Equity attributable to Minority Interests	11,313.8	11,319.2	0.0%
Total Equity	**339,137.0**	**344,939.4**	**-1.7%**
Non-Current Borrowings	236,715.6	235,922.5	+0.3%
Deferred Tax Liabilities	3,233.3	3,143.0	+2.9%
Other Non-Current Liabilities	40,316.2	40,815.6	-1.2%
Non-Current Liabilities	**280,265.1**	**279,881.1**	**+0.1%**
Current Borrowings	51,168.4	44,800.6	+14.2%
Trade Creditors and Other Current Liabilities	81,841.0	97,766.6	-16.3%
Provisions	1,179.0	2,379.0	-50.4%
Current Liabilities	**134,188.4**	**144,946.2**	**-7.4%**
Total Liabilities	**414,453.5**	**424,827.3**	**-2.4%**
Total Equity and Liabilities	**753,590.5**	**769,766.7**	**-2.1%**

Capex in the quarter amounted to 1.0 million euro, significantly lower than last year's levels, as a result of the implementation of a stricter investment policy. Fitness was the sole major contributor to Capex, accounting for 0.4 million euro. Spred businesses contributed 0.3 million euro, divided between Atlantic Ferries and the Selfrio Group. **troia**resort's small 0.1 million euro contribution follows the conclusion of major projects within UNOP's 1 and 2 in 2009.
Investment, recorded as changes in work in progress for real estate projects under development, amounted to 1.1 million euro (0.7 in **troia**resort and 0.4 in Efanor), with the conclusion of the Ácala building being the most significant contributor in the quarter.

As at 31 March 2010, net debt amounted to 283.8 million euro, an increase of 5.9 million euro over that at 31 December 2009.

Gearing reached 83.7% (80.6% as at 31 December 2009) and interest cover for the last 12 months was 3.9 (5.6 as at 31 December 2009).

4. Appendix

4.1. Contributions Per Business Area

Values in 10^3 euro

	Turnover			Operational Cash-Flow (EBITDA)		
	1Q 10	1Q 09	Δ	1Q 10	1Q 09	Δ
Tourism Operations	11,684.8	63,009.4	-81.5%	-1,543.8	22,986.8	-
Resort Development	3,973.8	54,997.6	-92.8%	9.7	25,308.9	-100.0%
Resort Management (Golf, Marina and Market)	209.5	283.6	-26.1%	-294.7	-279.7	-5.3%
Hotels	2,182.4	2,546.1	-14.3%	-2,357.8	-2,869.1	+17.8%
Fitness	4,706.9	4,598.9	+2.3%	1,055.3	873.8	+20.8%
Entertainment	612.1	583.3	+5.0%	43.6	-47.2	-
Other	0.7	0.3	>100%	17.8	29.0	-38.4%
Turismo's contribution	**11,685.5**	**63,009.7**	-81.5%	**-1,526.0**	**23,015.7**	-
Residential Property Development	837.6	160.5	>100%	-77.5	-268.8	+71.2%
Efanor	40.0	34.5	+16.0%	-73.9	-31.0	<-100%
City Flats	540.6	125.6	>100%	90.5	10.8	>100%
Other	256.9	0.4	>100%	-94.2	-248.7	+62.1%
Other Real Estate Assets	1,200.7	707.0	+69.8%	915.5	1,048.1	-12.6%
Other	0.0	1,006.2	-	-12.3	815.0	-
SC Assets's contribution	**2,038.2**	**1,873.8**	8.8%	**825.7**	**1,594.2**	-48.2%
Atlantic Ferries	571.0	831.1	-31.3%	-617.3	-316.9	-94.8%
Box Lines	8,435.8	9,477.5	-11.0%	-51.3	-114.2	+55.0%
Selfrio Group	16,558.4	16,974.2	-2.4%	1,161.9	1,304.5	-10.9%
Other	2,809.7	3,837.1	-26.8%	-154.5	-245.9	+37.2%
Spred's contribution	**28,374.9**	**31,120.0**	-8.8%	**338.8**	**627.5**	-46.0%

4.2. Operational Data

Sales data | **troia**resort sales information as at 19 May 2010

	Promissory Purchase Agreements			# Deeds			Total # Units (Sold + Pre Sold)	% of Total
	#[1]	Area[2]	Price[3]	#	Area[2]	Price[3]		
Beach Apartments [211 units]	1	135.7	3,832	136	126.6	4,061	137	65%
Marina Apartments [78 units]	1	103.1	3,870	45	83.8	3,886	46	59%
Beach, Lake and Golf Land Plots[4] [96 units]	0	0.0	0	31	2,038.5	544	31	32%
Aqualuz **troia**mar [35 units]	0	0.0	0	1	87.7	4,002	1	3%
Aqualuz **troia**lagoa [40 units]	0	0.0	0	1	171.0	4,678	1	3%
troiaresort Village [90 units]	0	0.0	0	0	0.0	0	0	0%
Ácala Building [71 units]	0	0.0	0	0	0.0	0	0	0%

[1] Number of pre sold units (Promissory Purchase Agreement) net of units with deeds already signed.

[2] Average areas (m^2), including indoor areas as well as balcony and terrace areas.

[3] Average sales price (€/m^2).

[4] Average sales price of the plot of land, since the buyer is responsible for construction. All plots have an approved GCA of 343.8 m^2.

Since the last reporting date (23 March 2010) and up to 19 May 2010, 8 sales deeds for Beach apartments were signed (one of which with an underlying PPA, signed before 23 March 2010). Out of these 8 sales deeds, 7 Beach apartments were sold to building companies, as part of agreements signed regarding the payment of construction works at **troia**resort.

Up to 19 May 2010, there are 3 outstanding reservations for apartment units at **troia**resort, 1 regarding Beach apartments and 2 regarding **troia**village townhouses.

Sales data Residential Development sales information as at 19 May 2010

	Apartments Sold[1]	Average Area (m^2)[2]	Average sales price (€/m^2)	Rentals[3]
City Flats / Lofts [212 units]	99	50.5	2,008	34
Efanor - *Delfim Pereira da Costa Building* [40 units]	0	0	0	n.a.

[1] 97 sales deeds already signed.

[2] Includes indoor area as well as balcony and terrace areas.

[3] 4 of these rental contracts have an embedded purchase option.

n.a. - not applicable.

From the date of the last earnings announcement up to 19 May 2010, City Flats/Lofts apartments sold decreased by 1 unit, as a result of an exchange for an apartment in another SC Assets residential condominium.

Rental yields 31 March 2010

	Yield
Warehouses	8.9%
Offices	11.9%
Retail	6.0%
Parking	2.0%
Residential*	6.1%
Hotels	5.3%

Capital employed in Other Real Estate Assets (M.€) 31 March 2010

	Capital employed
Assets for sale	28.5
Assets under operation	191.8
Real estate projects	113.9
Other assets	29.2
Total	363.4

* Excluding the Duque de Loulé project, where rental activity is being discontinued.

Maia, 20 May 2010

The Board of Directors,

Glossary

- Average Daily Revenue = Lodging Revenues / Number of rooms sold.
- Capex = Investment in Tangible and Intangible Assets.
- GCA (Gross Construction Area) = Area measured by the exterior perimeter of the exterior walls.
- Gearing = Net Debt / Equity.
- HVAC = Heating, Ventilation and Air Conditioning
- Interest Cover Ratio = EBITDA (last 12 months) / Financial Charges.
- Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.
- Operational Cash-Flow (EBITDA) = Operational Profit (EBIT) + Amortisation and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Cost of Goods Sold) – Reversal of Impairment Losses and Provisions (included in Other Operating Income).
- PPA = Promissory Purchase Agreement
- UNOP (Operational Planning Unit) = Planning and management operational units as set out by the Tróia Urbanisation Plan through Cabinet Resolution nr. 23/2000.

José Luís Amorim
Representative for Capital Market Relations
E-mail: jamorim@sonaecapital.pt
Tel.: +351 220107903
Fax: +351 220107935

Bárbara Almeida
Investor Relations Officer
E-mail: ir@sonaecapital.pt
Tel.: +351 220107903
Fax: +351 220107935

Sonae Capital, SGPS, SA
Lugar do Espido, Via Norte
Apartado 3053
4471 – 907 Maia
Portugal

www.sonaecapital.pt