



SONAE CAPITAL, SGPS, SA

Head Office: Lugar do Espido, Via Norte, Maia

Share Capital: 250,000,000 Euro

Maia Commercial Registry and Fiscal Number 508 276 756

Sociedade Aberta

REPORT AND ACCOUNTS

30 JUNE 2010

(Translation from the Portuguese Original)



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REPORT OF THE BOARD OF DIRECTORS

30 JUNE 2010

(Translation from the Portuguese Original)

Report of the Board of Directors 30 June 2010

Disclaimer:

Unless otherwise stated, comparable figures (presented within brackets), percent or absolute changes mentioned in this report 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 report, 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 6M10: 89.3 M.€ (162.4 M.€)**
- **EBITDA 6M10: 2.0 M.€ (43.6 M.€)**
- **Net Profit 6M10: -5.4 M.€ (+22.9 M.€)**

Sales deeds for 9 residential units at **troiaresort** were signed in the quarter, 7 of which were Beach Apartments sold to building companies, as part of payment agreements signed for construction work at **troiaresort**.

Resort Development contributed 9.3 million euro to the half year's consolidated turnover and with 1.0 million euro to consolidated operational cash-flow (EBITDA) for the same period. Any direct comparison with the same period last year is not meaningful, since the majority of sales deeds with underlying promissory purchase agreements were signed between the fourth quarter of 2008 and the first half of 2009. On a like for like basis, despite real estate sales activity continuing to be hampered by the unfavourable credit and macroeconomic conditions, 2 new contracts were signed (9 in the first half of 2009).

The Selfrio Group continued to be the quarter's and half year's largest contributor to consolidated turnover and consolidated operational cash-flow (EBITDA). Year to date contributions amounted to 35.3 million euro and 2.2 million euro, respectively, despite decreases in contributions from the Cold Engineering and HVAC business segments.

The Net loss for the period, of 5.4 million euro, includes positive 1.5 million euro of results of associated undertakings, most of which relate to the Imosede Fund, and negative 0.5 million euro of investment income, made up of a 1.5 million euro gain from the sale of Essences Fines as well as impairment losses on shareholdings in associated undertakings.

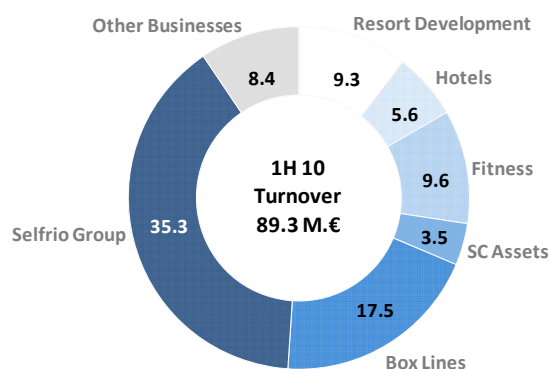
Selected Financial data Values in 10⁶ euro

	2Q			1H		
	2010	2009 ¹	% Chg.	2010	2009 ¹	% Chg.
Turnover	47.2	66.3	-28.9%	89.3	162.4	-45.0%
EBITDA	2.5	19.3	-86.8%	2.0	43.6	-95.5%
EBIT	-0.7	15.8	-	-6.7	34.9	-
Net Financial Expenses	-1.8	-1.8	-3.0%	-3.9	-5.1	+23.0%
Investment Income	0.1	2.1	-94.1%	-0.5	2.1	-
Net Profit	-0.2	13.0	-	-5.4	22.9	-

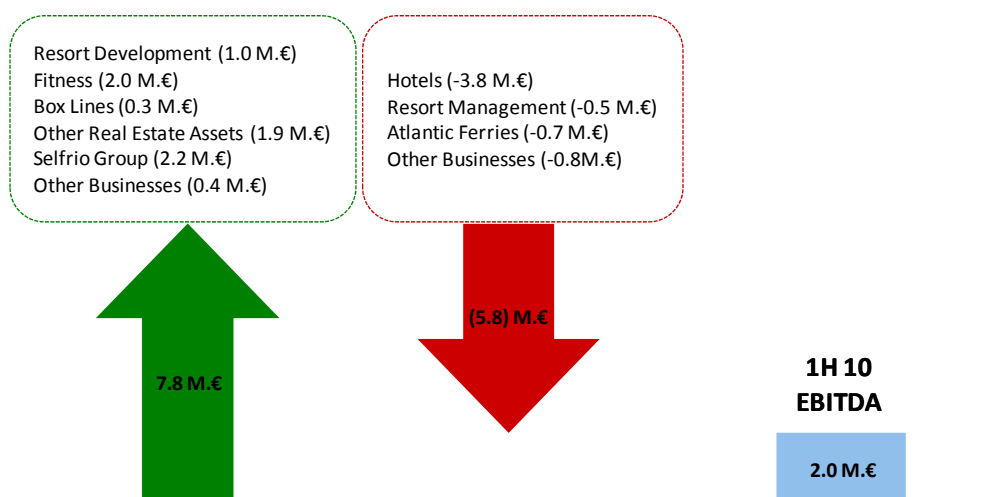
¹ Continued Operations.

	30.06.10	31.12.09	% Chg.
Capex	1.9	46.6	-96.0%
Net Debt	285.3	277.9	+2.7%

Main Contributions to Consolidated Turnover



Main Contributions to Consolidated EBITDA



2. Selected Main Events

Up to the date of this report, the following events were announced to the market:

Asset disposals
<p>14 April 2010</p> <p>Sonae Capital, SGPS, SA informed about the sale of 100% of the share capital of Société 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. The positive impact of this transaction on the first half 2010 consolidated results amounted to 1.5 million euro.</p>
<p>5 August 2010</p> <p>Sonae Capital, SGPS, SA informed about the agreement signed with Via Marítima – SGPS, Lda, a company owned by Sousa Investimentos Group, regarding the terms of the sale of the whole of the share capital of Box Lines – Navegação, SA. This transaction will only take place after obtaining the non opposition by the Portuguese Competition Authority and will result in a cash inflow of around 10.5 million euro, with an estimated impact of circa 7 million euro on the 2010 consolidated results of Sonae Capital.</p>

Both transactions are part of Sonae Capital's programme to divest from non strategic assets which are available for sale.

3. Consolidated Financial Statements Review

Notes:

The consolidated financial statements of Sonae Capital as at 30 June 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 6 months contribution from Elmo;
- the consolidated financial position includes that of Elmo as at 30 June 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 contributed to the consolidated financial position of Sonae Capital as at 30 June 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 report when applicable.

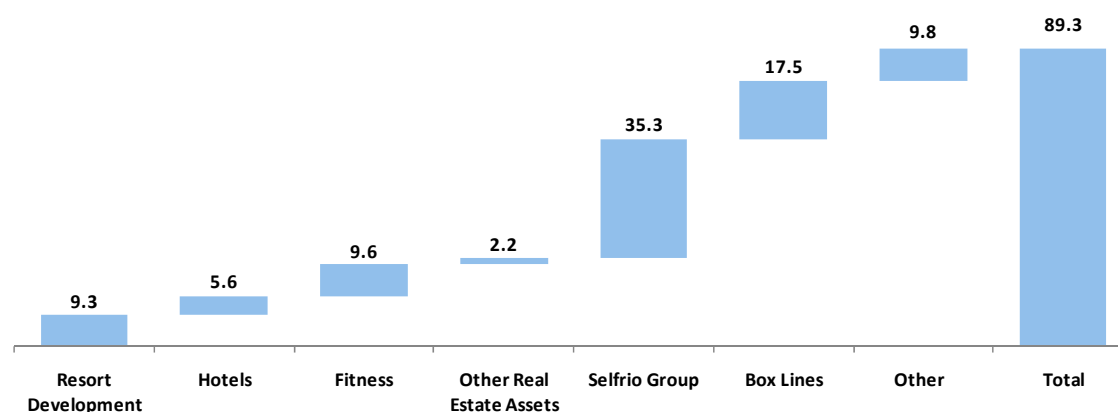
3.1. Consolidated Profit and Loss Statement

3.1.1. Year to Date Profit and Loss Statement

Values in 10³ euro

	1H 10	1H 09 Total Operations	1H 09 Discontinued Operations	1H 09 Continued Operations	Δ (A/B)
	(A)	(B)			
Turnover	89,287.2	162,384.7	0.0	162,384.7	-45.0%
Other Operational Income	3,968.2	15,392.8	0.0	15,392.8	-74.2%
Total Operational Income	93,255.4	177,777.5	0.0	177,777.5	-47.5%
Cost of Goods Sold	-17,355.2	-25,477.3	0.0	-25,477.3	+31.9%
Change in Stocks of Finished Goods	-5,209.2	-8,593.7	0.0	-8,593.7	+39.4%
External Supplies and Services	-43,406.2	-73,521.8	-2.5	-73,519.3	+41.0%
Staff Costs	-22,453.4	-24,041.2	0.0	-24,041.2	+6.6%
Other Operational Expenses	-2,131.8	-2,233.1	-0.1	-2,233.0	+4.5%
Total Operational Expenses	-90,555.8	-133,867.2	-2.6	-133,864.6	+32.4%
Operational Cash-Flow (EBITDA)	1,967.4	43,567.6	-2.6	43,570.1	-95.5%
Amortisation and Depreciation	-6,846.0	-5,892.1	0.0	-5,892.1	-16.2%
Provisions and Impairment Losses	-2,594.2	-3,075.8	0.0	-3,075.8	+15.7%
Operational Profit/(Loss) (EBIT)	-6,740.6	34,942.4	-2.6	34,945.0	-
Net Financial Expenses	-3,946.3	-6,122.8	-997.8	-5,124.9	+23.0%
Share of Results of Associated Undertakings	1,505.4	992.1	0.0	992.1	+51.7%
Investment Income	-477.8	2,140.7	0.0	2,140.7	-
Profit before Taxation	-9,659.3	31,952.5	-1,000.4	32,952.9	-
Taxation	4,279.8	-10,084.3	-0.2	-10,084.1	-
Net Profit	-5,379.5	21,868.2	-1,000.6	22,868.8	-
Attributable to Equity Holders of Sonae Capital	-5,426.2	20,876.2	-1,000.6	21,876.8	-
Attributable to Non-Controlling Interests	46.8	992.0	0.0	992.0	-95.3%

In the first half of the year consolidated turnover amounted to 89.3 million euro (162.4 million euro), with the main contributions being:



Consolidated turnover decreased 73.1 million euro, with the main contributor to the decrease being the real estate sales deeds completed at **troiaresort** (16 sales deeds in 1H10 and a 9.3 million euro contribution, compared to 128 sales deeds and 71.4 million euro contribution in 1H09). This fall reflects the fact that the majority of sales deeds for residential units at **troiaresort**, with prior promissory purchase agreements, were signed between the fourth quarter of 2008 and the first half of 2009. In the first half of 2009, the real estate sales activity slowed

down substantially and 9 new contracts were signed. In the first half of 2010, 2 new contracts were signed.

On a like for like basis, i.e., excluding the contribution of the catering activity in Porto Palácio Hotel (1.3 million euro) and Tróia (0.1 million euro), discontinued in 2010, hotels delivered, in a strongly adverse environment, a positive contribution of 5.6 million euro, up 0.2 million euro (4%) compared to the same period last year. Porto Palácio Hotel contributed 3.8 million euro, a 0.1 million euro increase (3%) over the previous year. Occupancy rate improved 3.4% on the first half of 2010 and average revenue per room was 92.2 euro in the period. The contribution of Aqualuz **troia**resort aparthotels of 1.5 million euro remained in line with the comparable period of last year. Average revenue per room amounted to 78.4 euro. The contribution of the Aqualuz aparthotel in Lagos remained unchanged at 0.4 million euro, although, in 2010, the aparthotel was closed, for the first time, during the month of January for annual maintenance. Average revenue per room stood at 55.7 euro.

The Fitness business showed significant resilience and posted an increase (3%) in its contribution to consolidated turnover, which grew 0.3 million euro to 9.6 million euro, mostly due to increased revenues from value added services (mostly personal trainer) and to a 2% increase in membership numbers.

Contribution from the Other Real Estate Assets business to consolidated turnover decreased by 2.0 million euro, to 2.2 million euro. The Imosede Fund (accounted for using the equity method as from the end of May 2009) made a 2.7 million euro contribution to 1H09 consolidated turnover, thus explaining most of the decrease in the period. The higher contribution from sales of real estate assets has partially offset that negative impact.

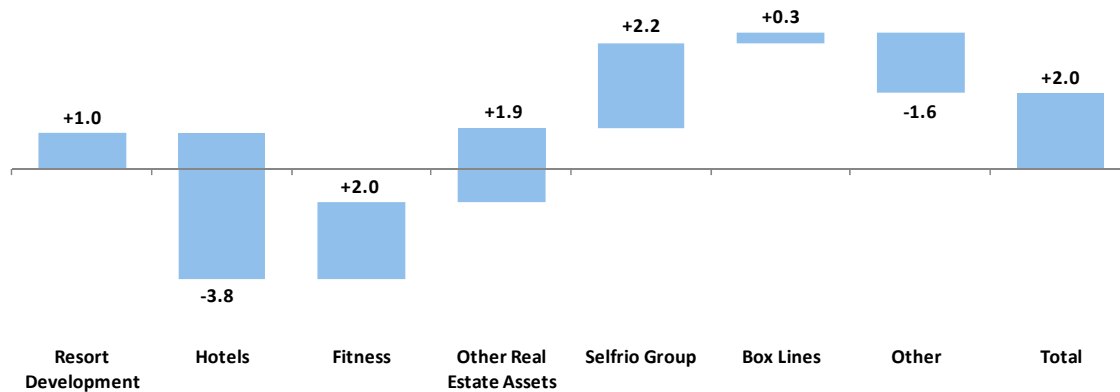
The Selfrio Group's contribution to consolidated turnover totalled 35.3 million euro, down 5.3 million euro on the same period of last year, as a result of depressed construction activity and delays in refrigeration projects for food retail operators. The Cold Engineering business saw its contribution decrease by 4.3 million euro to 15.6 million euro, and the HVAC followed that trend, decreasing by 1.3 million euro to 16.6 million euro. Contribution from General Maintenance services increased by 0.2 million euro, to 3.1 million euro.

Box Lines' contribution decreased 1.4 million euro, the main reason being the termination of its international operations business (at the end of 2009) explaining 1.9 million euro of the change. On a like for like basis, turnover grew 2% compared to the same period of last year.

Concerning other business segments, the most significant changes in the period were:

- 2.3 million euro increase in the contribution of the Energy and Environment business area, to 2.5 million euro, led by the cogeneration business unit, acquired in September 2009;
- 1.3 million euro contribution from Residential Property Development (currently under SC Assets), equal to an increase of 1.0 million euro, explained by sales deeds completed for 4 City Flats/City Lofts apartments (2 sales deeds in the first half of 2009) and of one apartment in another SC Assets residential condominium, which were signed in the first half of 2010;
- Decrease of 0.4 million euro in Atlantic Ferries' contribution, to 1.6 million euro, as a result of a 16% decrease in total traffic, both in terms of number of passengers and vehicles, with the latter explaining most of the decrease in turnover from the business.

Consolidated operational cash-flow (EBITDA) for the first half of the year totalled 2.0 million euro (43.6 million euro), with the main contributions being:



As for turnover, Resort Development, through lower sales at **troiaresort**, explains most of the decrease in consolidated operational cash-flow (EBITDA). Contribution in the half year amounted to 1.0 million euro compared to 38.1 million euro in the same period last year.

Contribution from hotels improved by 0.6 million euro to negative 3.8 million euro, with Aqualuz **troiaresort** delivering the biggest improvement with a 0.6 million euro increase, to negative 2.0 million euro. The Porto Palácio Hotel increased its contribution by 0.2 million euro, but still posted negative 0.9 million euro. Efforts to optimise costs, together with the implementation of a centralized management team with responsibility for all hotel units, explain these improvements. The contribution from the Aqualuz Lagos aparthotel was negative 0.9 million euro, a slight decrease over last year's figure.

Fitness improved profitability, due to a growing proportion of value added services and an increase in the membership base, while operational costs were kept under tight control. Contribution to consolidated operational cash-flow (EBITDA) increased 0.5 million euro to 2.0 million euro.

The contribution of the Other Real Estate Assets business was 1.9 million euro, down 6.2 million euro which corresponds mainly to the contribution of the Imosede Fund to consolidated operational cash-flow (EBITDA) in the first half of 2009.

The Selfrio Group's contribution decreased 1.5 million euro in the period to 2.2 million euro (3.7 million euro), reflecting lower profitability in both the Cold Engineering and HVAC business segments.

Box Lines improved its contribution to consolidated operational cash-flow (EBITDA) by 0.5 million euro to 0.3 million euro (negative 0.2 million euro), mostly explained by a 44% decrease in staff costs, since first half 2009 figures included non-recurrent staff costs of around 0.4 million euro and still included staff costs from the international operations business area (discontinued in the second half 2009).

Other contributions to consolidated operational cash-flow (EBITDA) worthy of mention include:

- Energy and Environment business area, with a 0.4 million euro contribution, up 0.5 million euro, most of which from the cogeneration business unit;
- Residential Property Development delivered negative 0.5 million euro, in line with its contribution in the second half of 2009;
- Atlantic Ferries' contribution amounted to negative 0.7 million euro, in line with the same period last year despite the lower number of tickets sold, and reflecting the cost optimization made possible by changes in transport schedules.

Depreciation and amortisation increased 16% to 6.8 million euro, as result of full period contributions from:

- Aparthotel units at **troiaresort** (namely those opened in January and March 2009);
- The two new Atlantic Ferries catamarans (which began operating at the end of July 2009), and;
- Ecociclo II, cogeneration unit acquired in September 2009.

Provisions and impairment losses for the period include costs relating to the overall upgrade of **troiaresort** 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 half year includes 0.9 million euro associated with assets for which impairment losses had already been recorded in previous quarters (expensed following the sale of 16 residential units in the first half 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 215 residential units up to the end of the first half of 2010). Around 0.7 million euro were booked in the period as provisions and impairment losses for other real estate assets.

Net financial expenses decreased 23% to 3.9 million euro (5.1 million euro), as a result of a significant decrease in the average cost of debt following the sharp fall in market interest rates.

Results of associated undertakings amounted to positive 1.5 million euro in the half year, including 1.0 million euro from TP and 1.2 million euro from the Imosede Fund, the latter accounted for under the full consolidation method until the end of May of 2009.

Investment income was negative 0.5 million euro, explained by the sale of Essences Fines, which generated a 1.5 million euro capital gain, and from 2.1 million euro of impairment losses on shareholdings in associated undertakings, which were accounted for during the period.

Net profit for the period amounted to negative 5.4 million euro (positive 22.9 million euro), including the impact of higher deferred tax assets arising from impairment losses and from tax losses carried forward.

3.1.2. Quarterly Profit and Loss Statement

Values in 10³ euro

	2Q 10	2Q 09 Total Operations	2Q 09 Discontinued Operations	2Q 09 Continued Operations	Δ (A/B)
	(A)			(B)	
Turnover	47,155.7	66,334.7	0.0	66,334.7	-28.9%
Other Operational Income	2,521.6	13,253.8	0.0	13,253.8	-81.0%
Total Operational Income	49,677.3	79,588.5	0.0	79,588.5	-37.6%
Cost of Goods Sold	-10,595.2	-14,619.2	0.0	-14,619.2	+27.5%
Change in Stocks of Finished Goods	-2,112.7	13,602.0	0.0	13,602.0	-
External Supplies and Services	-21,448.7	-45,418.9	-1.3	-45,417.6	+52.8%
Staff Costs	-11,184.5	-12,651.2	0.0	-12,651.2	+11.6%
Other Operational Expenses	-1,059.0	-1,093.3	0.0	-1,093.3	+3.1%
Total Operational Expenses	-46,400.0	-60,180.6	-1.3	-60,179.3	+22.9%
Operational Cash-Flow (EBITDA)	2,546.6	19,276.3	-1.3	19,277.6	-86.8%
Amortisation and Depreciation	-3,481.8	-3,070.2	0.0	-3,070.2	-13.4%
Provisions and Impairment Losses	-477.5	-491.5	0.0	-491.5	+2.9%
Operational Profit/(Loss) (EBIT)	-682.0	15,846.1	-1.3	15,847.4	-
Net Financial Expenses	-1,809.0	-2,195.1	-438.3	-1,756.9	-3.0%
Share of Results of Associated Undertakings	1,028.3	637.9	0.0	637.9	+61.2%
Investment Income	126.7	2,140.7	0.0	2,140.7	-94.1%
Profit before Taxation	-1,336.0	16,429.6	-439.6	16,869.2	-
Taxation	1,174.3	-3,845.7	0.2	-3,846.0	-
Net Profit	-161.7	12,583.9	-439.4	13,023.3	-
Attributable to Equity Holders of Sonae Capital	-219.8	11,752.7	-439.4	12,192.1	-
Attributable to Non-Controlling Interests	58.1	831.2	0.0	831.2	-93.0%

Consolidated turnover for the quarter decreased 19.2 million euro to 47.2 million euro, due mainly to:

- Lower contribution from sales deeds of residential units at **troiaresort** (9 sales deeds in 2Q10 vs 25 in 2Q09), amounting to 5.3 million euro, 11.2 million euro down on the same period last year;
- A 4.9 million euro decrease in Selfrio Group's contribution, to 18.7 million euro, mostly explained by the Cold Engineering business;
- Lower contribution from the Hotel business, which amounted to 3.4 million euro (4.3 million euro), explained by a 0.8 million euro decrease in Porto Palácio Hotel's contribution, with the negative impact of discontinued catering operations being partially offset by higher occupancy rates in the quarter, and by a 0.1 million euro decrease in the contribution of the Aqualuz **troiaresort** aparthotels, as a result of lower Food and Beverage revenues, reflecting lower levels of catering services provided;
- A decrease of 1.2 million euro in the contribution from Asset Management, explained by the change in the consolidation method of the Imosede Fund (contribution of 1.7 million euro in the second quarter of 2009) since it has been accounted for using the equity method in 2010.

Quarterly consolidated operational cash-flow (EBITDA) for the period amounted to 2.5 million euro (19.3 million euro). The decrease was mostly due to lower contributions from sales of residential units at **troiaresort** (down 11.8 million euro to 1.0 million euro) and from the Asset Management business unit (down 5.4 million euro to 0.6 million euro), the latter mainly due to the change in the consolidation method of the Imosede Fund.

The Selfrio Group posted a lower quarterly contribution to consolidated operational cash-flow (EBITDA), down 1.3 million euro to 1.0 million euro, as a consequence of lower profitability in both Cold Engineering and HVAC business segments.

During the quarter, Box Lines inverted the trend of last year's and the first quarter's negative contributions, posting a positive 0.4 million euro contribution to consolidated operational cash-flow (EBITDA) (negative 0.1 million euro), driven by a reduction in staff costs.

The share of results of associated undertakings increased 0.4 million euro in the quarter, to 1.0 million euro, due to the 3 month contribution from the Imosede Fund which, in the second quarter of 2009 contributed only 1 month to this caption (since the reduction in the percentage of capital held and consequent change in the consolidation method occurred at the end of May 2009).

Investment income amounted to 0.1 million euro, a 2.0 million euro decrease in the quarter, since the figures for the second quarter of 2009 included the impact of the reduction in the percentage of capital held in the Imosede Fund (1.4 million euro), and of the sale of a 0.442% shareholding in Sonae Indústria (0.6 million euro).

3.2 Consolidated Balance Sheet

Values in 10³ euro

	30.06.2010	31.12.2009	Δ
Tangible and Intangible Assets	271,511.6	291,421.5	-6.8%
Goodwill	61,350.0	61,350.0	0.0%
Non-Current Investments	71,526.9	71,837.9	-0.4%
Other Non-Current Assets	33,044.1	36,243.0	-8.8%
Stocks	232,341.6	227,548.6	+2.1%
Trade Debtors and Other Current Assets	70,383.1	78,560.6	-10.4%
Cash and Cash Equivalents	4,052.9	2,805.3	+44.5%
Total Assets	744,210.1	769,766.7	-3.3%
Total Equity attributable to Equity Holders of Sonae Capital	327,378.2	333,620.1	-1.9%
Total Equity attributable to Non-Controlling Interests	11,395.5	11,319.2	+0.7%
Total Equity	338,773.7	344,939.4	-1.8%
Non-Current Borrowings	236,648.3	235,922.5	+0.3%
Deferred Tax Liabilities	3,341.4	3,143.0	+6.3%
Other Non-Current Liabilities	40,276.6	40,815.6	-1.3%
Non-Current Liabilities	280,266.4	279,881.1	+0.1%
Current Borrowings	52,662.6	44,800.6	+17.5%
Trade Creditors and Other Current Liabilities	71,328.3	97,766.6	-27.0%
Provisions	1,179.0	2,379.0	-50.4%
Current Liabilities	125,169.9	144,946.2	-13.6%
Total Liabilities	405,436.3	424,827.3	-4.6%
Total Equity and Liabilities	744,210.1	769,766.7	-3.3%

Capex in the first half amounted to 1.9 million euro, significantly below 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 0.6 million euro. Spred businesses contributed 0.6 million euro, of which 0.2 million euro relate to Atlantic Ferries and 0.2 million euro to the Selfrio Group. **troiaresort's** marginal 0.3 million euro contribution, compared to previous year's figures, reflects 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 1.2 million euro (0.8 in **troiaresort** and 0.4 in Efanor), with the conclusion of the Ácala building being the most significant contributor during the period.

It should be noted that public discussion of the detailed plan for UNOP 4 took place between 14 June and 13 July 2010, which represents another milestone in the project and licensing process of the Ecoresort.

As at 30 June 2010, net debt was 285.3 million euro, 7.4 million euro up on the 31 December 2009 figure.

Gearing reached 84.2% (80.6% as at 31 December 2009) and interest cover for the last 12 months was 1.5 (5.6 as at 31 December 2009).

4. Appendix

4.1. Contributions Per Business Area

Values in 10³ euro

Turnover	2Q 10	2Q 09	Δ	1H 10	1H 09	Δ
Tourism Operations	14,657.5	26,417.5	-44.5%	26,342.3	89,427.0	-70.5%
Resort Development	5,295.3	16,401.1	-67.7%	9,269.1	71,398.7	-87.0%
Resort Management (Golf, Marina and Market)	475.3	458.3	+3.7%	684.7	741.9	-7.7%
Hotels	3,419.6	4,296.1	-20.4%	5,602.1	6,842.2	-18.1%
Fitness	4,899.2	4,690.4	+4.5%	9,606.1	9,289.4	+3.4%
Entertainment	568.1	571.6	-0.6%	1,180.2	1,154.9	+2.2%
Other	0.5	2.5	-81.5%	1.2	2.8	-59.3%
Turismo's contribution	14,658.0	26,420.1	-44.5%	26,343.4	89,429.8	-70.5%
Residential Property Development	492.5	182.5	>100%	1,330.1	343.1	>100%
Efanor	40.0	34.5	+16.0%	80.0	69.0	+16.0%
City Flats	195.5	124.5	+57.0%	736.2	250.2	>100%
Other	257.0	23.5	>100%	513.9	23.9	>100%
Other Real Estate Assets	1,008.8	750.3	+34.5%	2,209.5	1,457.3	+51.6%
Other	0.0	1,731.5	-	0.0	2,737.7	-
SC Assets's contribution	1,501.4	2,664.4	-43.6%	3,539.6	4,538.1	-22.0%
Atlantic Ferries	1,010.6	1,198.1	-15.7%	1,581.6	2,029.2	-22.1%
Box Lines	9,104.0	9,424.3	-3.4%	17,539.9	18,901.8	-7.2%
Selfrio Group	18,744.8	23,677.1	-20.8%	35,303.2	40,651.4	-13.2%
Other	2,108.3	2,865.3	-26.4%	4,917.9	6,702.4	-26.6%
Spred's contribution	30,967.7	37,164.8	-16.7%	59,342.7	68,284.8	-13.1%

Values in 10³ euro

Operational Cash-Flow (EBITDA)	2Q 10	2Q 09	Δ	1H 10	1H 09	Δ
Tourism Operations	276.6	11,515.8	-97.6%	-1,267.2	34,502.5	-
Resort Development	956.9	12,828.7	-92.5%	966.6	38,137.6	-97.5%
Resort Management (Golf, Marina and Market)	-184.1	-260.5	29.3%	-478.7	-540.2	+11.4%
Hotels	-1,453.3	-1,605.3	+9.5%	-3,811.0	-4,474.3	+14.8%
Fitness	943.3	592.3	+59.3%	1,998.7	1,466.1	+36.3%
Entertainment	13.7	-39.5	-	57.2	-86.6	-
Other	343.2	-113.7	-	361.0	-84.7	-
Turismo's contribution	619.8	11,402.1	-94.6%	-906.2	34,417.8	-
Residential Property Development	-453.3	-309.1	-46.7%	-530.9	-577.9	+8.1%
Efanor	-147.6	-92.8	-59.1%	-221.5	-123.7	-79.0%
City Flats	82.6	6.1	>100%	173.1	16.9	>100%
Other	-388.3	-222.4	-74.6%	-482.5	-471.1	-2.4%
Other Real Estate Assets	1,029.2	4,700.6	-78.1%	1,944.7	5,748.6	-66.2%
Other	-8.6	1,573.3	-	-20.9	2,388.3	-
SC Assets's contribution	567.3	5,964.8	-90.5%	1,392.9	7,559.0	-81.6%
Atlantic Ferries	-38.0	-400.8	+90.5%	-655.3	-717.8	+8.7%
Box Lines	327.1	-113.1	-	275.8	-227.2	-
Selfrio Group	1,032.3	2,363.1	-56.3%	2,194.2	3,667.6	-40.2%
Other	380.6	-430.2	-	226.2	-676.1	-
Spred's contribution	1,702.0	1,419.0	19.9%	2,040.8	2,046.5	-0.3%

4.2. Operational Data

Sales data

troiaresort sales information as at 24 August 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	119.9	4,337	139	125.8	4,088	140	66%
Marina Apartments [78 units]	1	103.1	3,870	45	82.3	3,949	46	59%
Beach, Lake and Golf Land Plots ⁴ [96 units]	1	343.8	2,164	31	343.8	3,227	32	33%
Aqualuz troiamar [35 units]	0	0.0	0	1	87.7	4,002	1	3%
Aqualuz troialagoa [40 units]	0	0.0	0	1	171.0	4,678	1	3%
troiaresort Village [90 units]	0	0.0	0	1	159.0	3,646	1	3%
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 (m²), including indoor areas as well as balcony and terrace areas.

³ Average sales price (€/m²).

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 m².

Since the last reporting date (20 May 2010) and up to 24 August 2010, 5 new units were sold: sales deeds for 3 Beach apartments, 1 **troiaresort** Village townhouse and 1 new PPA for a Beach, Lake and Golf Land Plot.

As at 24 August 2010, there were 3 outstanding reservations for apartment units at **troiaresort**, 1 for Beach apartments and 2 for **troiavillage** townhouses.

Sales data

Residential Development sales information as at 24 August 2010

	Apartments Sold ¹	Average Area (m ²) ²	Average sales price (€/m ²)	Rentals ³
City Flats / Lofts [212 units]	101	51.0	2,000	30
Efanor - <i>Delfim Pereira da Costa Building</i> [40 units]	0	0	0	n.a.

¹ 98 sales deeds already signed.

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

³ 5 of these rental contracts have an embedded purchase option.

n.a. - not applicable.

Between the last reporting date and up to 24 August 2010, City Flats/Lofts apartments sold increased by 2 units (new promissory purchase agreements signed during this period, one of which already converted into a sales deed as at the date of this report).

Selected Operational Data (24 August 2010)

Sales information

	Total # Units (Sold + Pre Sold)	Total # Available Units
Total troiaresort	221	400
City Flats/Lofts	101	111
Efanor - <i>Delfim Pereira da Costa Building</i>	0	40

Rental yields		Capital employed in Other Real Estate Assets (M.€)	
30 June 2010		30 June 2010	
	Yield		Capital employed
Warehouses	8.9%	Assets for sale	28.5
Offices	12.0%	Assets under operation	191.8
Retail	5.8%	Real estate projects	113.9
Parking	1.7%	Other assets	29.2
Residential*	6.2%		
Hotels	5.2%	Total	363.4

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

5. Own Shares

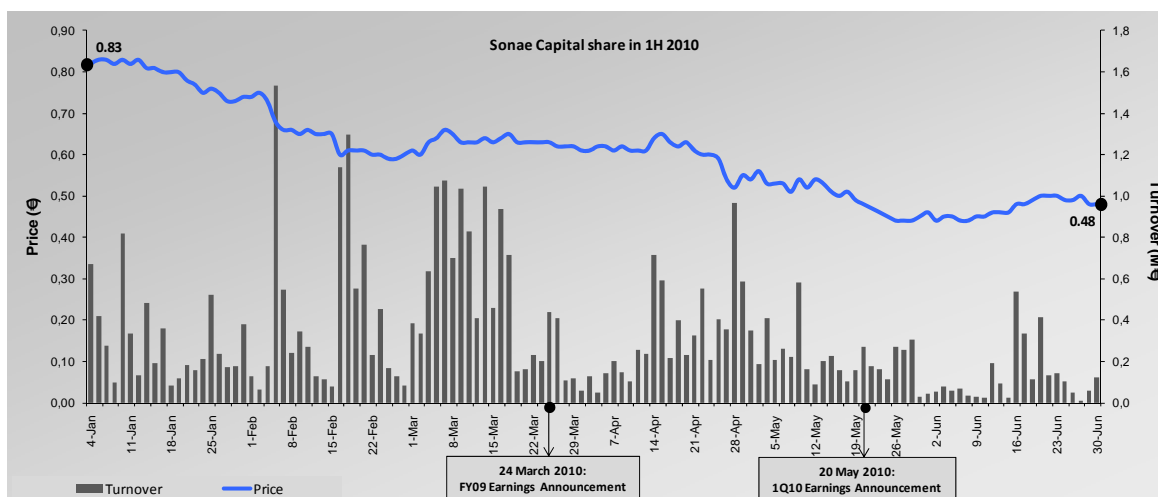
As at 30 June 2010, Sonae Capital, SGPS, SA had no treasury stock nor had it bought or sold own shares in the period.

6. Share Price Performance

The share price of Sonae Capital (SONAC LS; SONC.PL) decreased 42.2% since the beginning of the year up until the end of the first half 2010, compared to a 16.5% decrease in the Portuguese Stock Market reference index (PSI-20).

Up to 24 August 2010, Sonae Capital's share price decreased 39.8%, closing at 0.50€, compared to a 13.5% decrease in the PSI-20.

Performance of Sonae Capital's share price and volumes traded in the period, in Euronext Lisbon, was as follows:



Maia, 25 August 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.

Statement
Under the terms of Article 246, paragraph 1, c) of the Portuguese Securities Code
(Translation of a Statement originally issued in Portuguese)

The signatories individually declare that, to their knowledge, the Report of the Board of Directors, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared in accordance with applicable International Financial Reporting Standards, and give a true and fair view, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of Sonae Capital, SGPS, SA, and of the companies included in the consolidation perimeter, where appropriate, and that the Report of the Board of Directors faithfully describes major events that occurred during the first half of 2010 and their impacts, if any, in the business performance and financial position of Sonae Capital, SGPS, SA and of the companies included in the consolidation perimeter, and contains an appropriate description of the major risks and uncertainties that they face.

Maia, 25 August 2010

Belmiro Mendes de Azevedo
Chairman of the Board of Directors

Rafael Cerezo Laporta
Member of the Board of Directors

José Luís dos Santos Lima Amorim
Member of the Board of Directors

Paulo José Jubilado Soares de Pinho
Member of the Board of Directors

Mário Pereira Pinto
Member of the Board of Directors

Pedro Manuel Bastos Mendes Rezende
Member of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

Qualified Shareholdings

As required by number 1, c) of article 9 of CMVM Regulation Nr. 05/2008, the following shareholders held more than 2% of the company's share capital, as at 30 June 2010:

Shareholder	Nr. of Shares	% of Share Capital	% of Voting Rights
Efanor Investimentos, SGPS, S.A.			
Directly Owned	88.859.200	35,544%	35,544%
Through Pareuro, BV (controlled by Efanor)	50.000.000	20,000%	20,000%
Through Belmiro Mendes de Azevedo (Chairman of the Board of Directors of Efanor)	837.000	0,335%	0,335%
Through Maria Margarida Carvalhais Teixeira de Azevedo (Member of the Board of Directors of Efanor)	1.862	0,001%	0,001%
Through Linhacom, SGPS, S.A. (controlled by the Member of the Board of Directors of Efanor Maria Cláudia Teixeira de Azevedo)	43.912	0,018%	0,018%
Through Migracom, SGPS, S.A. (controlled by the Member of the Board of Directors of Efanor Duarte Paulo Teixeira de Azevedo)	161.250	0,065%	0,065%
Through descendants of Duarte Paulo Teixeira de Azevedo (Member of the Board of Directors of Efanor)	411	0,000%	0,000%
Through descendants of Nuno Miguel Teixeira de Azevedo (Member of the Board of Directors of Efanor)	1.312	0,001%	0,001%
Total attributable	<u>139.904.947</u>	<u>55,962%</u>	<u>55,962%</u>
Banco BPI, S.A.			
Directly Owned	16.888.797	6,756%	6,756%
Through Banco Português de Investimento, S.A. (controlled by Banco BPI)	53.409	0,021%	0,021%
Through Fundos de Pensões do Banco BPI (controlled by Banco BPI)	5.008.922	2,004%	2,004%
Through BPI Vida - Companhia de Seguros de Vida, S.A. (controlled by Banco BPI)	638.576	0,255%	0,255%
Total attributable	<u>22.589.704</u>	<u>9,036%</u>	<u>9,036%</u>
Mohnish Pabrai			
Through Pabrai Investment Fund II, L.P. (controlled by Mohnish Pabrai)	3.957.000	1,583%	1,583%
Through Pabrai Investment Fund 3, L.P. (controlled by Mohnish Pabrai)	5.624.000	2,250%	2,250%
Through Pabrai Investment Fund IV, L.P. (controlled by Mohnish Pabrai)	7.422.315	2,969%	2,969%
Through Dalal Street, L.L.C. (controlled by Mohnish Pabrai)	28.000	0,011%	0,011%
Through Dakshana Foundation (controlled by Mohnish Pabrai)	132.625	0,053%	0,053%
Through Harina Kapoor (spouse of Mohnish Pabrai)	2.500	0,001%	0,001%
Total attributable	<u>17.166.440</u>	<u>6,867%</u>	<u>6,867%</u>

Governing Bodies

As required by number 1, a) of article 9 of CMVM Regulation Nr. 5/2008, the following is a summary of the information about shares and other securities issued by the holding company, affiliates or group companies held by members of the Governing Bodies:

Date	Purchases		Sales		Balance as at
	Quantity	Aver. Price €	Quantity	Aver. Price €	30.06.2010 Quantity
Board of Directors of Sonae Capital, SGPS, SA					
Belmiro Mendes de Azevedo (Chairman of the Board of Directors)					
Efanor Investimentos, SGPS, SA (1)	-	-	-	-	49.999.997
Sonae Capital, SGPS, SA ^(a)	-	-	-	-	838.862
José Luís dos Santos Lima Amorim ^(b) (Executive Member of the Board of Directors)					
Sonae Capital, SGPS, SA	-	-	-	-	8.125
Mário Pereira Pinto ^(c) (Executive Member of the Board of Directors)					
Sonae Capital, SGPS, SA	-	-	-	-	8.125
Francisco de La Fuente Sánchez (Non Executive Member of the Board of Directors)					
Sonae Capital, SGPS, SA	-	-	-	-	0
Rafael Cerezo Laporta (Non Executive Member of the Board of Directors)					
Sonae Capital, SGPS, SA	-	-	-	-	0
Paulo José Jubilado Soares de Pinho (Non Executive Member of the Board of Directors)					
Sonae Capital, SGPS, SA	-	-	-	-	12.650
Pedro Manuel Bastos Mendes Rezende (Non Executive Member of the Board of Directors)					
Sonae Capital, SGPS, SA	-	-	-	-	0
Fiscal Board of Sonae Capital, SGPS, SA					
Manuel Heleno Sismeyro (Chairman of the Fiscal Board)					
Sonae Capital, SGPS, SA	-	-	-	-	0
Armando Luís Vieira de Magalhães (Member of the Fiscal Board)					
Sonae Capital, SGPS, SA	-	-	-	-	0
Jorge Manuel Felizes Morgado (Member of the Fiscal Board)					
Sonae Capital, SGPS, SA	-	-	-	-	0
Board of the Shareholders' General Meeting of Sonae Capital, SGPS, SA					
António Agostinho Cardoso da Conceição Guedes (Chairman of the Board of the Shareholders' General Meeting)					
Sonae Capital, SGPS, SA	-	-	-	-	3.724
Maria Daniela Farto Baptista Passos (Secretary of the Board of the Shareholders' General Meeting)					
Sonae Capital, SGPS, SA	-	-	-	-	0
Date	Purchases		Sales		Balance as at
	Quantity	Aver. Price €	Quantity	Aver. Price €	30.06.2010 Quantity
(1) Efanor Investimentos, SGPS, SA					
Sonae Capital, SGPS, SA					88.859.200
Pareuro, BV (2)					2.000.000
(2) Pareuro, BV					
Sonae Capital, SGPS, SA					50.000.000

^(a) Includes 1,862 shares owned by the spouse.

^(b) Through Change Partners, SCR, S.A., company of which he is a Member of the Board of Directors.

^(c) Through Change Partners, SCR, S.A., company of which he is the Chairman of the Board of Directors.



Transactions of Securities made by persons discharging managerial responsibilities and their connected persons during the 1st Half of 2010

As required by number 6 article 14 of CMVM Regulation Nr. 5/2008, we inform that no person discharging managerial responsibilities and their connected person has carried out transactions of Sonae Capital's securities during the 1st Half of 2010.



CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2010

(Translation from the Portuguese Original)

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2010 AND 31 DECEMBER 2009

(Amounts expressed in euro)

ASSETS	Notes	30 June 2010	31 December 2009
NON-CURRENT ASSETS:			
Tangible assets	8	264,104,945	283,922,679
Intangible assets	8	7,406,655	7,498,780
Goodwill	9	61,349,970	61,349,970
Investments in associated companies	5	70,190,004	69,233,729
Other investments	6 and 10	1,336,862	2,604,144
Deferred tax assets	14	16,969,704	10,643,346
Other non-current assets	11	16,074,363	25,599,607
Total Non-Current Assets		<u>437,432,503</u>	<u>460,852,255</u>
CURRENT ASSETS:			
Stocks	12	232,341,625	227,548,617
Trade account receivables and other current assets	13	70,383,062	78,560,576
Investments held for trading		-	-
Cash and cash equivalents	15	4,052,894	2,805,280
Total Current Assets		<u>306,777,581</u>	<u>308,914,473</u>
TOTAL ASSETS		<u><u>744,210,084</u></u>	<u><u>769,766,728</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	250,000,000	250,000,000
Reserves and retained earnings		82,804,477	60,545,880
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		(5,426,249)	23,074,268
Equity attributable to the equity holders of Sonae Capital		<u>327,378,228</u>	<u>333,620,148</u>
Equity attributable to non-controlling interests	17	11,395,515	11,319,241
TOTAL EQUITY		<u>338,773,743</u>	<u>344,939,389</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank Loans	18	236,648,337	235,922,518
Other non-current liabilities	20	37,090,660	36,820,270
Deferred tax liabilities	14	3,341,436	3,142,990
Provisions	23	3,185,974	3,995,369
Total Non-Current Liabilities		<u>280,266,407</u>	<u>279,881,147</u>
CURRENT LIABILITIES:			
Bank Loans	18	52,662,630	44,800,559
Trade creditors and other non-current liabilities	22	71,328,302	97,766,631
Provisions	23	1,179,002	2,379,002
Total Current Liabilities		<u>125,169,934</u>	<u>144,946,192</u>
TOTAL LIABILITIES		<u>405,436,341</u>	<u>424,827,339</u>
TOTAL EQUITY AND LIABILITIES		<u><u>744,210,084</u></u>	<u><u>769,766,728</u></u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE SIX MONTHS ENDED AT 30 JUNE 2010 AND 2009

(Amounts expressed in euro)

Notes	30 June 2010	30 June 2009		
	Total Operations	Continued Operations	Discontinued Operations	Total Operations
Operational income				
Sales	42,437,321	111,372,156	-	111,372,156
Services rendered	46,849,829	51,012,543	-	51,012,543
Other operational income	3,968,229	15,392,783	-	15,392,783
Total operational income	93,255,379	177,777,482	-	177,777,482
Operational expenses				
Cost of goods sold and materials consumed	(17,355,191)	(25,477,291)	-	(25,477,291)
Changes in stocks of finished goods and work in progress	(5,209,174)	(8,593,713)	-	(8,593,713)
External supplies and services	(43,406,203)	(73,519,305)	(2,461)	(73,521,766)
Staff costs	(22,453,403)	(24,041,244)	-	(24,041,244)
Depreciation and amortisation	8 (6,845,965)	(5,892,094)	-	(5,892,094)
Provisions and impairment losses	8 (2,594,184)	(3,075,797)	-	(3,075,797)
Other operational expenses	(2,131,835)	(2,233,048)	(93)	(2,233,141)
Total operational expenses	(99,995,955)	(142,832,495)	(2,553)	(142,835,048)
Operational profit/(loss)	(6,740,576)	34,944,987	(2,553)	34,942,434
Financial Expenses	(4,853,597)	(6,532,760)	(997,834)	(7,530,594)
Financial Income	907,308	1,407,837	-	1,407,837
Net financial expenses	(3,946,289)	(5,124,923)	(997,834)	(6,122,757)
Share of results of associated undertakings	5 1,505,425	992,125	-	992,125
Investment income	(477,837)	2,140,738	-	2,140,738
Profit/(Loss) before taxation	(9,659,277)	32,952,927	(1,000,387)	31,952,540
Taxation	26 4,279,810	(10,084,097)	(245)	(10,084,342)
Profit/(Loss) for the year	27 (5,379,467)	22,868,830	(1,000,632)	21,868,198
Attributable to:				
Equity holders of Sonae Capital	(5,426,249)	21,876,799	(1,000,632)	20,876,167
Non-controlling interests	17 46,782	992,031	-	992,031
Profit/(Loss) per share				
Basic	28 (0.021705)	0.087507	(0.004003)	0.083505
Diluted	28 (0.021705)	0.087507	(0.004003)	0.083505

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE 2nd QUARTERS OF 2010 AND 2009

(Amounts expressed in euro)

	Notes	2 nd Quarter 10 ¹	Continued Operations 2 nd Quarter 09 ¹
Operational income:			
Sales		22,315,528	39,468,709
Services rendered		24,840,172	26,866,024
Other operational income		2,521,649	13,253,761
Total operational income		<u>49,677,349</u>	<u>79,588,494</u>
Operational expenses			
Cost of goods sold and materials consumed		(10,595,196)	(14,619,205)
Changes in stocks of finished goods and work in progress		(2,112,652)	13,602,048
External supplies and services		(21,448,666)	(45,417,610)
Staff costs		(11,184,541)	(12,651,194)
Depreciation and amortisation		(3,481,844)	(3,070,227)
Provisions and impairment losses		(477,476)	(491,531)
Other operational expenses		(1,058,962)	(1,093,324)
Total operational expenses		<u>(50,359,337)</u>	<u>(63,741,046)</u>
Operational profit/(loss)		(681,988)	15,847,448
Financial Expenses		(2,194,499)	(2,457,381)
Financial Income		385,467	700,524
Net financial expenses		(1,809,032)	(1,756,857)
Share of results of associated undertakings		1,028,314	637,891
Investment income		126,670	2,140,738
Profit/(Loss) before taxation		<u>(1,336,036)</u>	<u>16,869,220</u>
Taxation		1,174,323	(3,845,958)
Profit/(Loss) for the period		<u>(161,713)</u>	<u>13,023,262</u>
Attributable to:			
Equity holders of Sonae Capital		(219,801)	12,192,078
Non-controlling interests		58,088	831,184
Profit/(Loss) per share			
Basic		(0.000879)	0.048768
Diluted		<u>(0.000879)</u>	<u>0.048768</u>

The accompanying notes are part of these financial statements.

¹ Prepared in accordance with IAS 34 - Interim Financial Reporting. Not subject to limited review.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009

(Amounts expressed in euro)

	30 June 2010	30 June 2009		
		Continued Operations	Discontinued Operations	Total Operations
Consolidated net profit/(loss) for the period	(5,379,467)	22,868,830	(1,000,632)	21,868,198
Exchange differences on translating foreign operations	157,830	543,719	-	543,719
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	17,772	-	-	-
Change in the fair value of assets available for sale	-	6,679,214	-	6,679,214
Change in the fair value of cash flow hedging derivatives	(1,156,151)	304,749	-	304,749
Other comprehensive income for the period	(980,549)	7,527,682	-	7,527,682
Total comprehensive income for the period	(6,360,016)	30,396,512	(1,000,632)	29,395,880
Attributable to:				
Equity holders of Sonae Capital	(6,438,400)	29,338,661	(1,000,632)	28,338,029
Non-controlling interests	78,384	1,057,851	-	1,057,851

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2nd QUARTERS OF 2010 AND 2009

(Amounts expressed in euro)

	2 nd Quarter 10 ¹	2 nd Quarter 09 ¹		
		Continued Operations	Discontinued Operations	Total Operations
Consolidated net profit/(loss) for the period	(161,713)	13,023,262	(439,361)	12,583,901
Exchange differences on translating foreign operations	102,951	349,581	-	349,581
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	3,127	(122,918)	-	(122,918)
Change in the fair value of assets available for sale		5,965,243	-	5,965,243
Change in the fair value of cash flow hedging derivatives	(308,320)	153,196	-	153,196
Other comprehensive income for the period	(202,242)	6,345,102	-	6,345,102
Total comprehensive income for the period	(363,955)	19,368,364	(439,361)	18,929,003
Attributable to:				
Equity holders of Sonae Capital	(445,691)	18,492,165	(439,361)	18,052,804
Non-controlling interests	81,736	876,199	-	876,199

The accompanying notes are part of these financial statements.

¹ Prepared in accordance with IAS 34 - Interim Financial Reporting. Not subject to limited review.

The Board of Directors

SONAE CAPITAL, S.G.P.S., S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED AT 30 JUNE 2010 AND 2009

(Amounts expressed in Euro)

Notes	Attributable to Equity Holders of Sonae Capital							Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
	Share Capital	Demerger Reserve	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves and Retained Earnings	Sub total				
Balance as at 1 January 2009	250,000,000	132,638,253	(1,801,935)	1,952,931	(304,749)	(97,032,344)	285,452,156	21,393,605	306,845,761	49,319,413	356,165,174
Total consolidated comprehensive income for the period	-	-	477,899	6,679,214	304,749	-	7,461,862	20,876,167	28,338,029	1,057,851	29,395,880
Appropriation of profit of 2008:											
Transfer to legal reserves and retained earnings	-	-	-	-	-	21,393,605	21,393,605	(21,393,605)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	136,749	136,749	-	136,749	(47,796,964)	(47,660,215)
Balance as at 30 June 2009	250,000,000	132,638,253	(1,324,036)	8,632,145	-	(75,501,990)	314,444,372	20,876,167	335,320,539	2,580,300	337,900,839
Balance as at 1 January 2010	250,000,000	132,638,253	(1,239,053)	-	-	(70,853,320)	310,545,880	23,074,268	333,620,148	11,319,241	344,939,389
Total consolidated comprehensive income for the period	-	-	110,481	-	(1,140,404)	17,772	(1,012,151)	(5,426,249)	(6,438,400)	78,384	(6,360,016)
A) Transfer to legal reserves and retained earnings	-	-	-	-	-	23,074,268	23,074,268	(23,074,268)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	196,480	196,480	-	196,480	(2,110)	194,370
Balance as at 30 June 2010	250,000,000	132,638,253	(1,128,572)	-	(1,140,404)	(47,564,800)	332,804,477	(5,426,249)	327,378,228	11,395,515	338,773,743

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED AT 30 JUNE 2010 AND 2009

(Amounts expressed in Euro)

Notes	30.06.2010	30.06.2009	2 nd quarter 10 ¹	2 nd quarter 09 ¹
OPERATING ACTIVITIES:				
Cash receipts from trade debtors	92,397,975	141,264,032	42,754,154	56,663,578
Cash receipts from trade creditors	(79,722,065)	(85,476,060)	(40,382,240)	(42,157,281)
Cash paid to employees	(22,411,146)	(23,355,223)	(11,643,884)	(13,136,269)
Cash flow generated by operations	(9,735,236)	32,432,749	(9,271,970)	1,370,028
Income taxes (paid) / received	(4,817,054)	(3,739,537)	(4,131,044)	(1,923,040)
Other cash receipts and (payments) relating to operating activities	2,870,382	(1,409,873)	4,767,729	3,410,649
Net cash flow from operating activities (1)	(11,681,908)	27,283,339	(8,635,285)	2,857,637
INVESTMENT ACTIVITIES:				
Cash receipts arising from:				
Investments	388,548	1,626,674	25,001	1,626,674
Tangible assets	1,194,346	11,002,794	456,185	10,731,342
Intangible assets	-	117	-	117
Grants	-	976,490	-	976,490
Interest and similar income	142,019	4,035	(500,457)	(87,041)
Loans granted	11,401,460	-	9,343,505	-
Dividends	228,233	233,223	201,747	233,223
	13,354,606	13,843,333	9,525,981	13,480,805
Pagamentos respeitantes a:				
Investments	(976,574)	(348,600)	(357,728)	(185,100)
Tangible assets	(2,978,357)	(25,330,441)	(1,238,063)	(3,348,772)
Intangible assets	(31,275)	(130,540)	(3,145)	415,035
Loans granted	(12,000)	(2,009,749)	-	(1,999)
Others	-	(625,402)	-	(10,922)
	(3,998,206)	(28,444,732)	(1,598,936)	(3,131,758)
Net cash used in investment activities (2)	9,356,400	(14,601,399)	7,927,045	10,349,047
FINANCING ACTIVITIES:				
Cash receipts arising from:				
Loans obtained	9,644,246	5,441,987	2,407,616	(696,468)
Capital increases, additional paid in capital and share premiums	-	132,531	-	132,531
	9,644,246	5,574,518	2,407,616	(563,937)
Cash Payments arising from:				
Loans obtained	(2,366,343)	(22,271,789)	(2,080,998)	(10,227,648)
Interest and similar charges	(3,421,888)	(7,190,186)	(162,873)	(3,158,657)
Others	(292,784)	(918,223)	522,738	(918,223)
	(6,081,015)	(30,380,198)	(1,721,133)	(14,304,528)
Net cash used in financing activities (3)	3,563,231	(24,805,680)	686,483	(14,868,465)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	1,237,723	(12,123,740)	(21,757)	(1,661,781)
Effect of foreign exchange rate	(37,103)	(86,288)	(21,016)	(58,149)
Cash and cash equivalents at the beginning of the period	15 1,943,023	16,960,564	3,218,590	6,526,744
Cash and cash equivalents at the end of the period	15 3,217,849	4,923,112	3,217,849	4,923,112

The accompanying notes are part of these financial statements.

¹ Prepared in accordance with IAS 34 - Interim Financial Reporting. Not subject to limited review.

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the consolidated financial statements originally issued in Portuguese)

(Amounts expressed in euro)

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA ("Company", "Group" or "Sonae Capital") whose head-office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, is the parent company of a group of companies, as detailed in Notes 4 to 6 ("Sonae Capital Group") and was set up on 14 December 2007 as a result of the demerger of the shareholding in SC, SGPS, SA (previously named Sonae Capital, SGPS, SA) from Sonae, SGPS, SA, which was approved by the Board of Directors on 8 November 2007 and by the Shareholder's General Meeting held on 14 December 2007.

Sonae Capital's business portfolio was reorganized according to its strategic objective, set on the development of three distinct and autonomous business areas:

- The first business area, headed by Sonae Turismo, SGPS, SA, includes businesses in tourism, through the development and management of tourism resorts, in hotels, through management of hotels with an integrated offer of services (SPA, congress centre and food court), and in health and fitness, through management of health clubs;
- The second business area, headed by SC Assets, SGPS, SA, which became autonomous from Sonae Turismo, SGPS, SA in the beginning of 2010, is focused on investment and management of real estate property, comprising the ownership and management of real estate assets for the development of both tourism resorts and residential property, and services regarding land and buildings, among which management of leased buildings, technical management of buildings and condominium management.
- The third business area, headed by Spred, SGPS, SA, includes businesses in three segments: mature businesses with generation of steady cash-flows in refrigeration, air conditioning and maintenance segments; energy and environment businesses (cogeneration, energy efficiency and sustainable buildings); identifying new business opportunities in emerging sectors or sectors undergoing restructuring and management of a financial portfolio.

2. MAIN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the financial statements presented for the year ended 31 December 2009, except for the changes described in Note 3.

Basis of preparation

Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

The accompanying consolidated financial statements have been prepared from the books and accounting records of the Company and of its affiliated undertakings (Notes 4 to 6), on a going concern basis and under the historical cost convention, except for derivative financial instruments which are stated at fair value.

3. CHANGES IN ACCOUNTING POLICIES

During the period amendments to IFRS 3 – Business combinations and IAS 27 – Consolidated and separated financial statements (2008 revision) were adopted for the first time.

These amendments introduced changes regarding the accounting of business combinations, namely: (a) goodwill calculation; (b) measurement of non-controlling interests (formerly known as minority interests); (c) recognition and subsequent measurement of contingent consideration; (d) treatment of acquisition-related costs; (e) accounting for acquisitions in entities already controlled and for changes in a parent’s ownership interests that result in the loss of control and (f) calculation of the result of changes in a parent’s ownership interests that result in loss of control and lead to remeasuring remaining controlling interests; these amendments had no significant impact in the first half of 2010 financial statements.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of the share capital held by the Group as at 30 June 2010 and 31 December 2009, are as follows:

Company	Head Office	Percentage of capital held			
		30 June 2010		31 December 2009	
		Direct	Total	Direct	Total
Sonae Capital SGPS, SA	Maia	Holding	Holding	Holding	Holding
Tourism					
Aqualuz - Turismo e Lazer, Lda	a) Lagos	100.00%	100.00%	100.00%	100.00%
Casa da Ribeira - Hotelaria e Turismo, SA	a) Marco de Canaveses	100.00%	100.00%	100.00%	100.00%
Golf Time - Golfe e Inv.Turisticos, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Imoareia Investimentos Turísticos, SGPS, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Imopenínsula - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Imoresort - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Investalentejo, SGPS, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marimo -Exploração Hoteleira Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%

Marina de Tróia, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Marina Magic - Exploração de Centros Lúd, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
Marmagno-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Martimope - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Marvero-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Modus Faciendi – Gestão e Serviços, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
SII - Soberana Investimentos Imobiliários, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Sete e Meio - Investimentos e Consultadoria, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Solinca - Health & Fitness, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
Solinca-Investimentos Turísticos, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Solinfitness - Club Malaga, SL	a)	Malaga (Spain)	100.00%	100.00%	100.00%	100.00%
Soltroia-Imob.de Urb.Turismo de Tróia, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
Sonae Turismo - SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sontur, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Tróia Market, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Tróia Natura, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Troiareort - Investimentos Turísticos, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Troiaverde-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Tulipamar-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%

Assets

1) Bloco Q-Sociedade Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
1) Bloco W-Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1) Empreend.Imob.Quinta da Azenha, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) Centro Residencial da Maia,Urban., SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
1) Cinclus Imobiliária, SA	a)	Porto	100.00%	87.74%	100.00%	87.74%
1) Country Club da Maia-Imobiliaria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) Imobiliária da Cacela, SA	a)	Matosinhos	100.00%	87.74%	100.00%	87.74%
1) Imoclub-Serviços Imobiliários, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1) Imodivor - Sociedade Imobiliária, SA	a)	Maia	100.00%	87.74%	100.00%	87.74%
1) Imoferro-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) Imohotel-Emp.Turist.Imobiliários, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1) Imoponte-Soc.Imobiliaria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) Imosedas-Imobiliária e Serviços, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1) Implantação – Imobiliária, SA	a)	Matosinhos	100.00%	87.74%	100.00%	87.74%
1) Porturbe-Edifícios e Urbanizações, SA	a)	Maia	100.00%	87.74%	100.00%	87.74%
1) Praedium II-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) Praedium – Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) Praedium-SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
1) Prédios Privados Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1) Predisedas-Predial das Sedas, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1) Promessa Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) SC Assets, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
1) Soconstrução, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%

1)	Soira-Soc.Imobiliária de Ramalde, SA	a)	Porto	100.00%	87.74%	100.00%	87.74%
1)	Sótaqua - Soc. de Empreendimentos Turísticos, SA	a)	Maia	100.00%	87.74%	100.00%	87.74%
1)	Spinveste - Promoção Imobiliária, SA	a)	Porto	87.74%	87.74%	87.74%	87.74%
1)	Spinveste-Gestão Imobiliária SGII, SA	a)	Porto	87.74%	87.74%	87.74%	87.74%
1)	Torre São Gabriel-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Urbisedas-Imobiliária das Sedas, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Venda Aluga-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Vistas do Freixo-Emp.Tur.imobiliários,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
1)	World Trade Center Porto, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%

Spred

	Atlantic Ferries - Traf.Loc.Flu.e Marit., SA	a)	Grândola	80.00%	80.00%	80.00%	80.00%
	Box Lines Navegação, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Contacto Concessões, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Cronosaúde – Gestão Hospitalar, SA	a)	Porto	100.00%	50.00%	100.00%	50.00%
	Ecociclo II – Energias, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Friengineering, SA	a)	São Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
	Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Integrum-Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Integrum-Serviços Partilhados, SA	a)	Maia	100.00%	70.00%	100.00%	70.00%
	Invsauúde – Gestão Hospitalar, SA	a)	Maia	100.00%	50.00%	100.00%	50.00%
	PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	Saúde Atlântica - Gestão Hospitalar, SA	a)	Maia	50.00%	50.00%	50.00%	50.00%
	SC - Engenharia e Promoção Imobiliária, SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Selfrio, SGPS, SA	a)	Matosinhos	70.00%	70.00%	70.00%	70.00%
	Selfrio-Engenharia do Frio, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	Sistavac-Sist.Aquecimento,V.Ar C., SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	SKK Distribucion de Refrigeración, S.R.L.	a)	Spain	100.00%	70.00%	100.00%	70.00%
	SKK-Central de Distr., SA	a)	Porto	100.00%	70.00%	100.00%	70.00%
	SKKFOR - Ser. For. e Desen. de Recursos, SA	a)	Maia	100.00%	70.00%	100.00%	70.00%
	SMP-Serv. de Manutenção Planeamento, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	Société de Tranchage Isoroy SAS	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
2)	Société des Essences Fines Isoroy	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
	Sopair, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	70.00%
	Spred SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

Others

	Interlog-SGPS, SA	a)	Lisbon	98.98%	98.98%	98.98%	98.98%
	Rochester Real Estate, Ltd	a)	Kent (U.K.)	100.00%	100.00%	100.00%	100.00%
	SC – Sociedade de Consultadoria, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SC-SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SC Finance, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%

a) Majority of voting rights

1) Company incorporated in the Tourism segment in 2009

2) Company sold in the period

5. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

Associated and jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 30 June 2010 and 31 December 2009 are as follows:

Company	Head Office	Percentage of capital held				Book Value	
		30 June 2010		31 December 2009		30 June 2010	31 December 2009
		Direct	Total	Direct	Total		
Tourism							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	935,429	1,023,043
Sociedade de Construções do Chile, SA	Lisbon	100.00%	50.00%	100.00%	50.00%	-	-
Fundo de Investimento Imobiliário Fechado Imosedo	Maia	45.45%	45.45%	45.45%	45.45%	53,996,532	52,802,751
Sociedade Imobiliária Tróia - B3, SA	Grândola	20.00%	20.00%	20.00%	20.00%	441,706	440,476
Vastgoed One - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Vastgoed Sun - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Spred							
Cinclus-Plan. e Gestão de Projectos, SA	Porto	25.00%	25.00%	25.00%	25.00%	726,098	662,209
Change, SGPS, SA	Porto	50.00%	50.00%	50.00%	50.00%	73,634	1,186,964
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	536,287	597,067
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	-	-
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
Sodesa, SA	Porto	50.00%	50.00%	50.00%	50.00%	16,344	24,890
TP - Sociedade Térmica, SA	Porto	50.00%	50.00%	50.00%	50.00%	13,439,974	12,472,327
Total						70,190,004	69,233,729

Associated and jointly controlled companies are consolidated using the equity method.

Nil balances shown result from the reduction to acquisition cost of amounts determined by the equity method, discontinuing the recognition of its part of additional losses under the terms of IAS 28.

Investments in associated and jointly controlled companies include 624,760 euro of impairment losses.

As at 30 June 2010 and 31 December 2009, aggregate values of main financial indicators of associated and jointly controlled companies can be analysed as follows:

	30 June 2010	31 December 2009
Total Assets	969,340,940	1,650,136,557
Total Liabilities	820,609,090	1,468,288,692
Income	84,966,443	182,413,148
Expenses	77,316,619	190,184,798

During the periods ended 30 June 2010 and 2009, movements in investments in associated companies may be summarised as follows:

	30 June 2010	30 June 2009
Opening balance as at 1 January	69,233,729	14,882,648
Changes in the consolidation method during the period	-	51,468,593
Acquisitions in the period	52,380	241,000
Impairments in the period	(592,817)	-
Disposals in the period	-	-
Equity method	1,523,198	992,125
Dividends received	(26,486)	(107,133)
Transfers	-	-
Closing balance as at 30 June	<u>70,190,004</u>	<u>67,477,233</u>

The use of the equity method had the following impacts: 1,505,425 euro are recorded in Share of results of associated undertakings (992,125 euro at 30 June 2009) and 17,772 of other changes recorded in Reserves (no changes were recorded in Reserves as at 30 June 2009).

6. GROUP COMPANIES, JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES EXCLUDED FROM CONSOLIDATION AND INVESTMENTS HELD FOR SALE

Group companies, jointly controlled companies and associated companies excluded from consolidation, their head offices, percentage of share capital held and book value as at 30 June 2010 and 31 December 2009 are made up as follows:

Company	Reason for exclusion	Head Office	Percentage of capital held				30 June 2010	31 December 2009
			30 June 2010		31 December 2009			
			Direct	Total	Direct	Total		
Tourism								
Delphinus – Soc. de Tur. e Div. de Tróia, SA	a)	Grândola	79.00%	79.00%	79.00%	79.00%	-	-
Infratroia – Emp. De Infraest. De Troia, E.N.	a)	Grândola	25.90%	25.90%	25.90%	25.90%	64,747	64,747
Spidouro S.P.E.I. Douro e Trás-os-Montes, SA		Vila Real	8.30%	8.30%	8.30%	8.30%	-	-

Spred

Net, SA	Lisbon	2.80%	2.80%	2.80%	2.80%	11,132	11,132
Sear - Sociedade Europeia de Arroz, SA	Santiago do Cacém	15.00%	15.00%	15.00%	15.00%	150,031	150,031
Real Change FCR - Fundo	Porto	13.33%	13.33%	13.33%	13.33%	267,000	1,706,667
Fundo de Capital de Risco F-HITEC	Lisbon	7.14%	7.14%	7.14%	7.14%	250,000	250,000
Spinaraq – Engenharia, Energia e Ambiente, SA	a) Luanda	99.90%	99.90%	-	-	191,459	-
Other investments						402,493	421,567
Total (Note 10)						<u>1,336,862</u>	<u>2,604,144</u>

a) Group company, jointly controlled company or associated company for which, at the date of the issuance of these financial statements, complete financial information was not available.

Nil balances shown above result from deduction of impairment losses.

7. CHANGES TO THE CONSOLIDATION PERIMETER

Disposals of companies over the six month period ended 30 June 2010 were as follows:

Company	Head Office	Percentage of capital held	
		Direct	Total
Spred			
Société des Essences Fines Isoroy	Honfleur (France)	100.00%	100.00%

Net assets of the affiliated company at the exclusion date are the following:

	Date of disposal of shareholding	31 December 2009
Net assets excluded		
Stocks	1,246,393	1,316,823
Other assets	422,774	(2,663,566)
Cash and cash equivalents	31,464	11,848
Other liabilities	(6,788,583)	(2,070,560)
	(5,087,952)	(3,405,455)
Impairment of assets	3,560,012	3,560,012
	(1,527,940)	154,557
Gain/(Loss) on exclusion	1,527,942	-
	<u>2</u>	<u>154,557</u>

Impacts in the consolidated profit and loss at the exclusion date were as follows:

	Date of disposal of shareholding	31 December 2009
Sales and services rendered	893,166	5,491,251
Other operational income	16,736	119,690
Other operational expenses	(1,182,548)	(6,725,962)
Net financial expenses	(29,826)	(128,873)
Profit/(Loss) before taxation	(302,472)	(1,243,894)
Taxation	-	-
Profit/(Loss) for the period	<u>(302,472)</u>	<u>(1,243,894)</u>

8. TANGIBLE AND INTANGIBLE FIXED ASSETS

During the six months period ended 30 June 2010, movements in tangible and intangible fixed assets, as well as in amortisation and accumulated impairment losses, are made up as follows:

	Tangible assets				Total Tangible Assets
	Land and Buildings	Equipment	Other Tangible Assets	Assets in progress	
Gross Cost:					
Opening balance as at 1 January 2010	206,122,259	126,089,177	3,764,326	30,525,157	366,500,919
Changes in consolidation perimeter (Note 7)	(4,459,919)	(3,266,870)	(5,950)	-	(7,732,739)
Capital expenditure	16,677	211,328	3,104	1,619,353	1,850,462
Disposals	(667,867)	(1,123,555)	(7,862)	(278,110)	(2,077,394)
Exchange rate effect	45,057	7,767	7,703	-	60,527
Transfers	2,723,327	3,150,096	(198,574)	(18,565,596)	(12,890,747)
Closing balance as at 30 June 2010	<u>203,779,534</u>	<u>125,067,943</u>	<u>3,562,747</u>	<u>13,300,804</u>	<u>345,711,028</u>
Accumulated depreciation and impairment losses:					
Opening balance as at 1 January 2010	45,544,496	34,326,952	2,706,792	-	82,578,240
Changes in consolidation perimeter (Note 7)	(4,459,919)	(3,266,870)	(5,950)	-	(7,732,739)
Charge for the period 1)	3,108,906	4,867,774	112,353	-	8,089,033
Disposals 2)	(780,972)	(393,157)	(7,500)	-	(1,181,629)
Exchange rate effect	10,598	5,380	4,901	-	20,879
Transfers	1,232	(3,104)	(165,829)	-	(167,701)
Closing balance as at 30 June 2010	<u>43,424,341</u>	<u>35,536,975</u>	<u>2,644,767</u>	<u>-</u>	<u>81,606,083</u>
Carrying amount as at 30 June 2010	<u>160,355,193</u>	<u>89,530,968</u>	<u>917,980</u>	<u>13,300,804</u>	<u>264,104,945</u>

1) Includes impairment losses amounting to 1,442,486 euro.

2) Includes reversal of impairment losses amounting to 627,028 euro.

Transfers from Tangible assets in progress include transfers to stocks of amounts related with real estate projects under commercialization at Troia, in the amount of 11,070,352 euro.

Major amounts included in the caption Tangible assets in progress, refer to the following projects:

	30 June 2010
Tróia	7,920,161
Infrastructures in Setúbal piers and other related with the ferry crossing to Tróia	595,784
Boavista complex refurbishment	1,418,528
Ecoresort Project (Tróia)	2,096,396
Others	1,269,935
	<u>13,300,804</u>

	Intangible assets				
	Patents and other similar rights	Software	Other intangible assets	Assets in progress	Total intangible assets
Gross cost:					
Opening balance as at 1 January 2010	7,446,843	2,716,769	37,262	100,915	10,301,789
Capital expenditure	-	2,990	-	28,285	31,275
Disposals	(1,613)	-	(23,863)	-	(25,476)
Exchange rate effect	-	2,612	-	-	2,612
Transfers	(15,842)	363,218	-	(118,433)	228,943
Closing balance as at 30 June 2010	<u>7,429,388</u>	<u>3,085,589</u>	<u>13,399</u>	<u>10,767</u>	<u>10,539,143</u>
Accumulated amortization and impairment losses:					
Opening balance as at 1 January 2010	692,598	2,073,376	37,035	-	2,803,009
Charge for the period	81,532	117,658	227	-	199,417
Disposals	(1,613)	-	(23,863)	-	(25,476)
Exchange rate effect	-	1,502	-	-	1,502
Transfers	(15,842)	169,878	-	-	154,036
Closing balance as at 30 June 2010	<u>756,675</u>	<u>2,362,414</u>	<u>13,399</u>	<u>-</u>	<u>3,132,488</u>
Carrying amount as at 30 June 2010	<u>6,672,713</u>	<u>723,175</u>	<u>-</u>	<u>10,767</u>	<u>7,406,655</u>

9. GOODWILL

During the six months period ended 30 June 2010, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	<u>30 June 2010</u>
Gross amount:	
Opening balance	62,651,566
Increases	-
Decreases	-
Closing balance	<u>62,651,566</u>
Accumulated impairment losses:	
Opening balance	1,301,596
Increases	-
Decreases	-
Closing balance	<u>1,301,596</u>
Carrying amount:	<u><u>61,349,970</u></u>

10. INVESTMENTS

As at 30 June 2010 this caption can be detailed as follows:

	<u>30 June 2010</u>	
	<u>Non current</u>	<u>Current</u>
<u>Investments in group companies, jointly controlled companies or associated companies excluded from consolidation</u>		
Opening balance as at 1 January	8,229,277	-
Acquisitions in the period	734,604	-
Disposals in the period	(639,680)	-
Transfers	-	-
Closing balance as at 30 June	<u>8,324,201</u>	-
Accumulated impairment losses (Note 23)	<u>(7,707,935)</u>	-
	<u>616,266</u>	-
<u>Investments held for sale</u>		
Fair value as at 1 January	2,289,261	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Increase/(decrease) in fair value	-	-
Liquidations in the period	-	-
Fair value as at 30 June	<u>2,289,261</u>	-
Accumulated impairment losses (Note 23)	<u>(1,568,665)</u>	-
Fair value (net of impairment losses) as at 30 June	<u>720,596</u>	-
Other investments (Note 6)	<u>1,336,862</u>	-

Investments in group companies, jointly controlled companies or associated companies excluded from consolidation and investments held for sale are recorded at acquisition cost less impairment losses. The Group considers that it is not reasonable to estimate a fair value for these investments as there is no visible market data.

11. OTHER NON CURRENT ASSETS

As at 30 June 2010 and 31 December 2009, Other non current assets are detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Loans granted to related parties		
Norscut - Concessionária de Scut Interior Norte, SA	14,564,633	23,837,775
Others	156,214	238,225
	<u>14,720,847</u>	<u>24,076,000</u>
Impairment losses (Note 23)	(99,512)	(34,916)
	<u>14,621,335</u>	<u>24,041,084</u>
Trade accounts receivable and other debtors		
Others	1,453,028	1,558,523
	<u>1,453,028</u>	<u>1,558,523</u>
Impairment losses (Note 23)	-	-
	<u>1,453,028</u>	<u>1,558,523</u>
Other non current assets	<u>16,074,363</u>	<u>25,599,607</u>

12. STOCKS

Stocks as at 30 June 2010 and 31 December 2009 can be detailed as follows, highlighting the value attributable to real estate developments:

	<u>30 June 2010</u>		<u>31 December 2009</u>	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,098,186	-	2,371,413	-
Goods for sale	45,470,654	43,290,082	45,133,938	42,966,231
Finished products	121,247,385	121,247,385	104,620,642	104,502,986
Work in progress	72,191,736	66,512,973	83,212,537	76,428,112
Payments on account	68,459	-	68,459	-
	<u>240,076,420</u>	<u>231,050,440</u>	<u>235,406,989</u>	<u>223,897,329</u>
Accumulated impairment losses on stocks (Note 23)	(7,734,795)	(7,666,337)	(7,858,372)	(7,674,640)
Stocks	<u>232,341,625</u>	<u>223,384,103</u>	<u>227,548,617</u>	<u>216,222,689</u>

13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2010 and 31 December 2009, Trade accounts receivable and Other current assets are detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Trade accounts receivable	42,568,135	47,929,830
Taxes recoverable	13,971,113	13,276,150
Loans granted and other accounts receivable from related parties		
Sit B3	2,559,886	2,559,886
TP	-	2,000,000
Change, SGPS, SA	2,064,000	2,052,000
Others	148,507	230,381
	<u>4,772,393</u>	<u>6,842,267</u>
Other current assets		
Suppliers with debtor balances	1,090,504	1,137,398
Other debtors	11,671,446	12,746,812
Accounts receivable from the sale of financial investments	26,746,339	27,041,348
Accounts receivable from the sale of tangible assets	333,914	124,232
Interest receivable	737,970	18,716
Deferred costs - rents	166,663	256,528
Deferred costs - external supplies and services	1,611,378	1,688,111
Other current assets	1,426,266	1,534,041
	<u>43,784,480</u>	<u>44,547,186</u>
Accumulated impairment losses (Note 23)	(34,713,059)	(34,034,857)
	<u>70,383,062</u>	<u>78,560,576</u>

14. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2010 and 31 December 2009, split between the different types of temporary differences, can be detailed as follows:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>30 June 2010</u>	<u>31 December 2009</u>	<u>30 June 2010</u>	<u>31 December 2009</u>
Amortisation and Depreciation harmonisation adjustments	1,342,693	1,249,564	1,223,053	1,031,460
Provisions and impairment losses of non-tax deductible	2,938,096	-	-	-
Write off of tangible and intangible assets	1,396,357	1,446,714	-	-
Write off of accruals	638,455	636,463	-	-
Revaluation of tangible assets	-	-	733,622	741,120

Tax losses carried forward	10,646,719	7,305,682	36,510	-
Write off of stocks	-	-	1,138,330	1,138,330
Others	7,384	4,923	209,921	232,080
	<u>16,969,704</u>	<u>10,643,346</u>	<u>3,341,436</u>	<u>3,142,990</u>

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 June 2010 and 31 December 2009, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	30 June 2010			31 December 2009		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2004	58,171	14,543	2010	317,411	79,353	2010
Generated in 2005	3,678,356	919,589	2011	4,289,549	1,072,387	2011
Generated in 2006	7,098,052	1,774,513	2012	7,098,052	1,774,513	2012
Generated in 2007	2,851,068	712,767	2013	2,851,068	712,767	2013
Generated in 2008	6,940,535	1,735,134	2014	6,940,535	1,735,134	2014
Generated in 2009	11,429,082	2,857,270	2015	7,770,683	1,906,161	2015
Generated in 2010	10,378,188	2,594,547	2014	-	-	
	<u>42,433,452</u>	<u>10,608,363</u>		<u>29,267,298</u>	<u>7,280,315</u>	
With a time limit different from the above mentioned	153,488	38,356		101,535	25,367	
	<u>153,488</u>	<u>38,356</u>		<u>101,535</u>	<u>25,367</u>	
	<u>42,586,940</u>	<u>10,646,719</u>		<u>29,368,833</u>	<u>7,305,682</u>	

As at 30 June 2010 and 31 December 2009, Deferred tax assets resulting from tax losses carried forward were re-assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recorded to the extent that future profits will arise which may be offset against available tax losses or against deductible temporary differences.

As at 30 June 2010, tax losses carried forward amounting to 154,767,805 euro (150,762,305 euro as at 31 de December 2009), have not originated deferred tax assets for prudential reasons:

	30 June 2010			31 December 2009		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2004	2,695,637	660,030	2010	2,905,101	712,395	2010
Generated in 2005	5,463,294	1,302,730	2011	5,733,190	1,370,204	2011

Generated in 2006	10,726,618	2,505,276	2012	11,126,174	2,605,166	2012
Generated in 2007	19,361,420	4,728,355	2013	21,669,751	5,305,437	2013
Generated in 2008	31,452,195	7,630,652	2014	31,452,496	7,630,728	2014
Generated in 2009	52,723,889	13,067,101	2015	53,480,303	13,256,163	2015
Generated in 2010	11,492,559	2,792,519	2014	-	-	
	<u>133,915,612</u>	<u>32,686,663</u>		<u>126,367,015</u>	<u>30,880,093</u>	
Without limited time use	1,186,715	395,532		5,607,982	1,869,140	
With a time limit different from the above mentioned	19,665,478	5,635,477		18,787,308	5,418,039	
	<u>20,852,193</u>	<u>6,031,009</u>		<u>24,395,290</u>	<u>7,287,179</u>	
	<u>154,767,805</u>	<u>38,717,672</u>		<u>150,762,305</u>	<u>38,167,272</u>	

15. CASH AND CASH EQUIVALENTS

As at 30 de June 2010 and 31 December 2009, Cash and Cash equivalents can be detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Cash at hand	194,771	202,538
Bank deposits	3,853,123	2,196,282
Treasury applications	5,000	406,460
Cash and cash equivalents in the balance sheet	<u>4,052,894</u>	<u>2,805,280</u>
Bank overdrafts (Note 18)	(335,045)	(362,257)
Guarantee deposit	(500,000)	(500,000)
Cash and cash equivalents in the statement of cash-flows	<u>3,217,849</u>	<u>1,943,023</u>

Bank overdrafts include creditor balances of current accounts in financial institutions, and are disclosed in the balance sheet under Current bank loans (Note 18).

16. SHARE CAPITAL

The share capital of Sonae Capital SGPS, SA is represented by 250,000,000 ordinary shares, which do not have the right to a fixed remuneration, with a nominal value of 1 euro each.

The demerger originated a reserve in the amount of 132,638,253 euro, which has a treatment similar to that of a Legal Reserve. According to Company Law, it cannot be distributed to shareholders, unless the company is liquidated, but can be used to make good prior year losses, once other reserves have been used fully, or for capital increases.

17. NON-CONTROLLING INTERESTS

Movements in Non-controlling interests in the periods ended 30 June 2010 and 31 December 2009 are as follows:

	30 June 2010	31 December 2009
Opening balance as at 1 January	11,319,241	49,319,413
Change in consolidation method	-	(47,911,935)
Changes in percentage by acquisition / increase capital	-	14,006
Changes by disposals	-	7,135,202
Changes in percentage by sale of shares	-	1,115,855
Changes resulting from currency translation	47,349	102,101
Other changes	(17,857)	197,227
Profit for the period attributable to non-controlling interests	46,782	1,347,372
Closing balance	11,395,515	11,319,241

18. BORROWINGS

As at 30 June 2010 and 31 December 2009, Borrowings are made up as follows:

	30 June 2010		31 December 2009		Repayable
	Outstanding amount		Outstanding amount		
	Current	Non current	Current	Non current	
Bank loans					
Sonae Capital SGPS - commercial paper ^{a)}	-	30,000,000	-	30,000,000	Mar/2013
Sonae Capital SGPS - commercial paper ^{b) e)}	47,100,000	-	39,100,000	-	2011
Sonae Capital SGPS - commercial paper ^{c) d)}	-	49,500,000	-	48,550,000	Aug/2011
Sonae Capital SGPS - commercial paper ^{d)}	-	24,800,000	-	24,250,000	Aug/2011
Invesaúde	250,000	-	500,000	-	Aug/2010
Selfrio Engenharia - commercial paper	1,400,000	1,400,000	1,400,000	2,100,000	May/2012
Up-front fees	-	(42,161)	-	(49,893)	
Others	131,246	-	-	-	
	<u>48,881,246</u>	<u>105,657,839</u>	<u>41,000,000</u>	<u>104,850,107</u>	
Bank overdrafts (Note 15)	335,045	-	362,257	-	
Bank loans	<u>49,216,291</u>	<u>105,657,839</u>	<u>41,362,257</u>	<u>104,850,107</u>	
Bond loans					
Sonae Capital 2007/2012 Bonds	-	20,000,000	-	20,000,000	Dec/2012
Sonae Capital 2007/2012 Bonds	-	30,000,000	-	30,000,000	Dec/2012
SC, SGPS, S.A. 2008/2018 Bonds	-	50,000,000	-	50,000,000	Mar/2018
Up-front fees	-	(675,841)	-	(756,745)	
Bond loans	<u>-</u>	<u>99,324,159</u>	<u>-</u>	<u>99,243,255</u>	
Other loans	58,772	2,986,459	131,532	2,986,459	
Derivatives (Note 19)	-	1,399,699	-	-	

Obligations under finance leases	3,387,566	27,411,646	3,306,770	28,987,580
Up-front fees on finance leases	-	(131,466)	-	(144,883)
	<u>52,662,630</u>	<u>236,648,337</u>	<u>44,800,559</u>	<u>235,922,518</u>

- a) Commercial paper programme, with subscription guarantee, issued on 14 March 2008 and valid for a 5 year period.
b) Short term commercial paper programme, issued on 28 March 2008 and valid for a 10 year period.
c) Sonae Turismo, SGPS, SA is a co-guarantor in this loan.
d) Commercial paper programme, issued on 28 August 2009 and valid up to 29 August 2011.
e) Commercial paper programme, with short term subscription guarantee, issued on 22 December 2008, with annual renewals up to a maximum of 3 years.

As at 30 June 2010, Bond loans of the Group were as follows:

- Sonae Capital SGPS - 2007/2012 Bond loan 1st emission in the amount of 20,000,000 euro, with a 5 year maturity, and a sole reimbursement on 31 December 2012, except if the reimbursement is anticipated, fully or partially, which can happen on 31 December 2010.
- Sonae Capital SGPS - 2007/2012 Bond loan 2nd emission in the amount of 30,000,000 euro, with a 5 year maturity, and a sole reimbursement on 31 December 2012.
- SC, SGPS, SA, 2008/2018 Bond loan in the amount of 50,000,000 euro, with a 10 year maturity, and a sole reimbursement on 3 March 2018, except if the reimbursement is anticipated, fully or partially, which can happen on 3 March 2016.

These bond loans bear interest every six months at 6 months Euribor interest rates plus spreads that range between 0.50% and 0.95%.

In spite of Bond loans in the amount of 20,000,000 euro containing call / put options, they are disclosed at the latest maturity date on the assumption that the Group will be able to refinance those loans if the options are exercised, thus maintaining its capital structure.

Other loans include reimbursable grants to affiliated undertakings, which do not bear interest.

The repayment schedule of the nominal value of borrowings may be summarised as follows:

	30 June 2010		31 December 2009	
	Nominal value	Interest	Nominal value	Interest
N+1 ^{a)}	52,662,630	6,593,084	44,800,560	6,395,144
N+2	78,968,121	2,838,738	77,707,365	4,052,843
N+3	82,897,291	2,714,799	53,447,792	3,133,980
N+4	3,008,636	1,401,644	32,986,141	1,869,353
N+5	3,048,076	1,354,195	3,034,952	1,373,606
After N+5	68,175,981	4,299,835	69,697,789	4,944,349
	<u>288,760,736</u>	<u>19,202,295</u>	<u>281,674,599</u>	<u>21,769,275</u>

- a) Includes amounts drawn under commercial paper programmes.

19. DERIVATIVES

Interest rate derivatives

The hedging instruments used by the Group as at 30 June 2010 were mainly interest rate options (“cash flow hedges”) contracted with the goal of hedging interest rate risks on loans in the amount of 55,000,000 euro, whose net fair value was negative 1,399,699 euro. As at 30 June 2010 all derivatives are hedging derivatives.

These interest rate hedging instruments are valued at fair value as at the balance sheet date, determined by valuations made by the Group using derivative valuation calculation schedules and external valuations when these schedules do not permit the valuation of certain instruments. For options, fair value is determined using the Black-Scholes model and its variants.

The risk cover principles generally used by the Group to contractually arrange hedging instruments are as follows:

- Matching between cash-flows received and paid, i.e., there is a perfect match between the dates of the re-fixing of interest rates on financing contracted with the bank and the dates of the re-fixing of interest rates on the derivative;
- Perfect matching between indices: the reference index for the hedging instrument and that for the financing to which the underlying derivative relates are the same;
- In the case of extreme rises in interest rates, the maximum cost of financing is limited.

The counterparts for derivatives are selected based on their financial strength and credit risk profile, with this profile being generally measured by a rating note attributed by rating agencies of recognised merit. The counterparts for derivatives are top level, highly prestigious financial institutions which are recognised nationally and internationally.

Fair value of derivatives

The fair value of derivatives is as follows:

	Assets		Liabilities	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 18)	-	-	1,399,699	-
Other derivatives	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,399,699</u>	<u>-</u>

20. OTHER NON CURRENT LIABILITIES

As at 30 June 2010 and 31 December 2009 Other non current liabilities can be detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Loan and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,270,653	2,288,446
Others	973,001	960,002
	<u>3,243,654</u>	<u>3,248,448</u>
Others creditors		
Creditors in the restructuring process of Torralta	30,141,462	30,141,462
Fixed assets suppliers	-	-
Others	544,553	12,553
	<u>30,686,015</u>	<u>30,154,015</u>
Deferred income	<u>3,160,991</u>	<u>3,281,604</u>
Pension fund liabilities	<u>-</u>	<u>136,203</u>
Other non current liabilities	<u><u>37,090,660</u></u>	<u><u>36,820,270</u></u>

Other creditors include 30,141,462 euro payable to creditors of an affiliated undertaking under the terms of a judicial restructuring process. The court decision dated 27 November 1997 (which confirms the terms approved in the creditors meeting of 23 September 1997) states that these credits will be payable 50 years from the date that the decision was confirmed (30 January 2003).

21. SHARE-BASED PAYMENTS

In 2010 and in previous years, the Sonae Capital Group granted deferred performance bonuses to employees, based on shares (until 2007 based on Sonae SGPS, SA shares) to be acquired at nil cost, three years after they were attributed to the employee. In any case, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The company has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for the Sonae Capital Group on the vesting date. On 28 January 2008 existing liabilities based on Sonae, SGPS, SA's shares have been recalculated to reflect liabilities based on Sonae Capital, SGPS, SA's shares. Closing share prices as at that date were used in this recalculation.

As at 30 June 2010 and 31 December 2009, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

Year of grant	Vesting year	Number of participants	Fair value	
			30 June 2010	31 December 2009
Shares				
2007	2010	4	-	75,080
2008	2011	6	120,150	207,760
2009	2012	7	242,987	420,165
2010	2013	6	218,739	-
Total			581,876	703,005

As at 30 June 2010 and 31 December 2009, the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which have not yet vested:

	30 June 2010	31 December 2009
Other non current liabilities	157,950	278,562
Other current liabilities	100,125	75,080
Reserves	293,939	37,509
Staff costs	(35,864)	316,133

22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 June 2010 and 31 December 2009, Trade accounts payable and Other current liabilities can be detailed as follows:

	30 June 2010	31 December 2009
Trade creditors	34,907,272	50,444,177
Loans granted by and other payables related parties	201,741	209,181
Other current liabilities		
Fixed assets suppliers	1,015,403	2,553,533
Advances from customers and down payments	2,922,185	5,081,527
Other creditors	2,671,746	3,572,044
Taxes and contributions payable	5,392,271	10,622,710
Staff costs	7,212,526	6,975,657
Amounts invoiced for works not yet completed	6,264,594	6,821,540
Other external supplies and services	1,425,649	1,143,909
Interest payable	1,423,829	1,329,796
Expenses with construction contracts	1,107,104	1,534,444

Investment aid	2,032,126	2,278,884
Other liabilities	4,751,856	3,791,964
	<u>36,219,289</u>	<u>47,113,273</u>
Trade accounts payable and other current liabilities	<u>71,328,302</u>	<u>97,766,631</u>

23. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 30 June 2010 were as follows:

Captions	Balance as at 1 January 2010	Increases	Decreases	Balance as at 30 June 2010
Accumulated impairment losses on:				
Investments (Note 10)	7,946,337	2,032,483	(77,460)	9,901,360
Other non current assets (Note 11)	34,916	64,596		99,512
Trade accounts receivable (Note 13)	5,073,127	93,480	(415,757)	4,750,850
Other current debtors (Note 13)	28,961,730	1,060,511	(60,032)	29,962,209
Stocks (Note 12)	7,858,373		(123,578)	7,734,795
Non current provisions	3,995,369	1,280,000	(2,089,395)	3,185,974
Current provisions	2,379,002		(1,200,000)	1,179,002
	<u>56,248,854</u>	<u>4,531,070</u>	<u>(3,966,222)</u>	<u>56,813,702</u>

As at 30 June 2010 and 31 December 2009, detail of other provisions was as follows:

	30 June 2010	31 December 2009
Judicial claims	1,632,000	2,709,600
Others	2,732,976	3,664,771
	<u>4,364,976</u>	<u>6,374,371</u>

Impairment losses are deducted from the book value of the corresponding asset.

24. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2010 and 31 December 2009 the most important contingent liabilities referred to guarantees given and were made up as follows:

	30 June 2010	31 December 2009
Guarantees given:		
on VAT reimbursements	2,985,908	691,424
on tax claims	2,735,893	2,547,537
on judicial claims	1,897,406	1,897,406
on municipal claims	3,175,168	3,175,167
Others	46,580,569	46,176,125

Other include the following guarantees:

- 7,429,482 euro (7,019,255 euro as at 31 December 2009) of guarantees on construction works given to clients;
- 37,191,755 euro (37,406,741 euro as at 31 December 2009) of guarantees given concerning building permits in the Tourism business.

The Group has not registered provisions for the events/disagreements for which these guarantees were given since the Group believes that the above mentioned events will not result in a loss for the group.

25. RELATED PARTIES

Balances and transactions during the periods ended 30 June 2010 and 2009 with related parties are detailed as follows:

	Sales and services rendered		Purchases and services obtained	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
<u>Transactions</u>				
Parent company and group companies excluded from consolidation (a)	-	157,722	-	134,267
Associated companies	754,799	4,755	266,218	48,984
Other partners and shareholders	27,405,220	37,156,232	3,384,636	5,628,579
	<u>28,160,019</u>	<u>37,318,709</u>	<u>3,650,854</u>	<u>5,811,830</u>
	Interest income		Interest expense	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
<u>Transactions</u>				
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	716,803	896,410	-	-
Other partners and shareholders	1,645	-	76,980	65,049
	<u>718,448</u>	<u>896,410</u>	<u>76,980</u>	<u>65,049</u>
	Accounts receivable		Accounts payable	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
<u>Balances</u>				
Parent company and group companies excluded from consolidation (a)	-	-	-	115
Associated companies	948,252	954,616	53,624	39,774
Other partners and shareholders	14,040,404	14,076,242	3,949,973	4,391,160
	<u>14,988,656</u>	<u>15,030,858</u>	<u>4,003,597</u>	<u>4,431,049</u>

<u>Balances</u>	Loans obtained		Loans granted	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	-	-	16,630,335	28,262,784
Other partners and shareholders	2,270,653	2,288,445	-	1
	<u>2,270,653</u>	<u>2,288,445</u>	<u>16,630,335</u>	<u>28,262,785</u>

(a) The parent company is Efanor Investimentos, SGPS, SA; balances and transactions with Sonae, SGPS, SA and with Sonae Industria, SGPS, SA are included on Other partners and shareholders.

26. TAXATION

Income tax for the six months periods ended 30 June 2010 and 2009 was made up as follows:

	30 June 2010	30 June 2009
Current tax	1,850,483	6,358,976
Deferred tax	(6,130,293)	3,725,366
	<u>(4,279,810)</u>	<u>10,084,342</u>

27. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 June 2010 and 2009, the reconciliation of consolidated net profit can be analysed as follows:

	30 June 2010	30 June 2009
Agregate net profit	3,861,194	178,788,363
Harmonisation adjustments	1,997,209	2,711,381
Elimination of intra-group dividends	(45,141,464)	(179,117,014)
Equity Method (Note 5)	1,505,425	992,125
Elimination of intra-group capital gains/(losses)	27,251,640	509,741
Elimination of intra-group impairments	(6,158,467)	12,217,683
Reversal of impairments	3,457,708	-
Adjustments of gains/(losses) on the sale of assets	-	3,604,856
Adjustments of gains/(losses) on the sale of financial shareholdings	7,816,779	2,152,886
Others	30,507	8,177
Consolidated net profit for the period	<u>(5,379,467)</u>	<u>21,868,198</u>

28. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2010 and 2009 were calculated taking into consideration the following amounts:

	<u>30 June 2010</u>	<u>30 June 2009</u>
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (net profit for the period)	(5,426,249)	20,876,167
Effect of dilutive potential shares	-	-
Interest related to convertible bond (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>(5,426,249)</u>	<u>20,876,167</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	250,000,000	250,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	<u>250,000,000</u>	<u>250,000,000</u>
Earnings per share (basic and diluted)	<u>(0.021705)</u>	<u>0.083505</u>

There are no convertible instruments included in Sonae Capital, SGPS, SA's shares, hence there is no dilutive effect.

29. SEGMENT INFORMATION

In the periods ended 30 June 2010 and 2009, the following were identified as segments:

- Sonae Turismo:
 - Tourism Operations
 - Other

- SC Assets:
 - Residential Development
 - Other Real Estate Assets
 - Other

- Spred:
 - Atlantic Ferries
 - Box Lines
 - Selfrio Group
 - Other

- Holding and Others

No secondary business segments were disclosed since Group activities are almost all carried out in Portugal. Foreign activities are not significant enough to justify disclosure of a different geographical segment.

The contribution of the business segments to the income statement for the half year periods ended on 30 June 2010 and 2009 can be detailed as follows:

30 June 2010																		
Profit & Loss Account	Tourism Operations	Other	Intersegment Income	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Income	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Intersegment Income	Total Spred	Holding & Others	Intersegment Income	Consolidated
Operational Income																		
Sales	9,418,893	-	-	9,418,893	1,056,100	640,500	-	-	1,696,600	-	-	28,549,325	2,900,072	-	31,449,397	-	(127,569)	42,437,321
Services rendered	16,962,579	1,462,884	(1,266,826)	17,158,637	534,848	3,507,566	-	(162,971)	3,879,443	1,581,641	17,547,337	7,221,933	2,133,067	(22,306)	28,461,672	2,253,194	(4,903,117)	46,849,829
Other operational income	2,222,570	412,384	(63,322)	2,571,632	98,031	646,871	109	-76,643	668,368	25,005	58,926	241,276	436,479	(261)	761,425	305,497	(338,693)	3,968,229
	<u>28,604,042</u>	<u>1,875,268</u>	<u>(1,330,148)</u>	<u>29,149,162</u>	<u>1,688,979</u>	<u>4,794,937</u>	<u>109</u>	<u>-239,614</u>	<u>6,244,411</u>	<u>1,606,646</u>	<u>17,606,263</u>	<u>36,012,534</u>	<u>5,469,618</u>	<u>(22,567)</u>	<u>60,672,494</u>	<u>2,558,691</u>	<u>(5,369,379)</u>	<u>93,255,379</u>
Operational cash-flow (EBITDA)	(1,273,845)	360,992	(2,041)	(914,894)	(552,613)	1,944,701	(20,925)	21,756	1,371,163	(655,307)	275,753	2,198,550	226,156	159	2,045,311	(560,152)	4,174	1,967,358

30 June 2009																		
Profit and Loss Account	Tourism Operations	Other	Intersegment Income	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Income	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Intersegment Income	Total Spred	Holding & Others	Intersegment Income	Consolidated
Operational Income																		
Sales	71,840,226	-	-	71,840,226	215,250	25,650	-	-	240,900	-	-	36,141,782	4,256,885	(71,136)	40,327,531	-	(1,036,501)	111,372,156
Services rendered	17,602,422	1,356,500	(1,220,224)	17,738,698	510,330	3,284,238	2,872,694	(446,398)	6,220,864	2,029,202	18,947,976	6,258,969	2,501,516	(61,454)	29,676,209	2,509,785	(5,133,013)	51,012,543
Other operational income	9,217,249	147,671	(117,687)	9,247,233	7,929	4,307,013	39,182	(1,068,620)	3,285,504	24,124	94,528	529,527	295,790	-	943,969	142,582	1,773,495	15,392,783
	<u>98,659,897</u>	<u>1,504,171</u>	<u>(1,337,911)</u>	<u>98,826,157</u>	<u>733,509</u>	<u>7,616,901</u>	<u>2,911,876</u>	<u>-1,515,018</u>	<u>9,747,268</u>	<u>2,053,326</u>	<u>19,042,504</u>	<u>42,930,278</u>	<u>7,054,191</u>	<u>(132,590)</u>	<u>70,947,709</u>	<u>2,652,367</u>	<u>-4,396,019</u>	<u>177,777,482</u>
Operational cash-flow (EBITDA)	34,474,881	(84,689)	540	34,390,732	(577,330)	5,748,611	2,388,261	(1,022,945)	6,536,597	(717,767)	(227,210)	3,667,630	(680,465)	200	2,042,388	(453,216)	1,051,086	43,567,587

The contribution of the business segments to the balance sheets as at 30 June 2010 and 31 December 2009 can be detailed as follows:

30 June 2010																		
Balance Sheet	Tourism Operations	Other	Intersegment Adjustments	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Adjustments	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Intersegment Adjustments	Total Spred	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible and Intangible	149,810,462	1,026,063	-	150,836,526	3,981,008	80,096,940	(0)	-	84,077,949	26,792,725	418,430	782,996	8,483,220	-	36,477,371	119,754	-	271,511,600
Investments	636,273	217,143	-	853,416	-	(0)	54,931,962	-	54,931,962	-	-	0	1,500,536	-	1,500,536	14,240,952	-	71,526,866
Other Assets	177,389,659	153,014,392	(151,417,518)	178,986,533	46,472,014	63,362,757	152,672,808	(135,866,971)	126,640,608	1,774,277	10,652,865	69,528,021	44,147,442	(8,667,162)	117,435,443	385,865,139	(407,756,104)	401,171,618
Total Assets	327,836,394	154,257,598	(151,417,518)	330,676,474	50,453,022	143,459,697	207,604,770	(135,866,971)	265,650,519	28,567,002	11,071,295	70,311,017	54,131,198	(8,667,162)	155,413,350	400,225,845	(407,756,104)	744,210,084
Total Liabilities	235,986,340	187,142,404	(151,415,885)	271,712,859	49,337,076	90,278,768	182,404,035	(135,866,735)	186,153,144	24,792,386	7,904,647	26,116,194	36,045,350	(8,667,097)	86,191,480	279,310,387	(417,931,530)	405,436,340
Technical investment	1,090,649	3,599	-	1,094,248	57,990	150,224	-	-	208,214	218,793	18,184	172,614	145,530	-	555,121	24,154	-	1,881,737
Gross Debt	3,743,204	(0)	-	3,743,204	-	1,039,073	-	-	1,039,073	22,449,425	-	2,931,992	7,150,197	-	32,531,614	251,997,080	-	289,310,972
Net Debt	3,435,055	(126,283)	-	3,308,772	(508,609)	999,427	(68,180)	-	422,639	22,355,941	(563,619)	806,554	7,052,977	-	29,651,853	251,874,811	-	285,258,075

31 December 2009																		
Balance Sheet	Tourism Operations	Other	Intersegment Adjustments	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Adjustments	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Intersegment Adjustments	Total Spred	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible and Intangible	166,749,384	822,600	-	167,571,984	4,027,789	81,533,767	(0)	-	85,561,556	27,412,937	516,419	716,407	9,511,895	-	38,157,658	130,262	-	291,421,459
Investments	635,044	217,143	-	852,187	-	-	53,825,793	-	53,825,793	-	-	-	2,837,146	-	2,837,146	14,322,747	-	71,837,873
Other Assets	188,538,286	357,554,871	(184,115,649)	361,977,508	46,747,290	63,254,270	84,439,422	(81,847,246)	112,593,736	3,303,969	11,900,824	73,196,661	33,311,247	(7,008,388)	114,704,313	564,154,191	(746,922,353)	406,507,395
Total Assets	355,922,713	358,594,614	(184,115,649)	530,401,678	50,775,079	144,788,037	138,265,215	(81,847,246)	251,981,085	30,716,906	12,417,243	73,913,068	45,660,289	(7,008,388)	155,699,117	578,607,200	(746,922,353)	769,766,727
Total Liabilities	261,844,584	549,141,750	(184,116,684)	626,869,650	56,670,663	92,144,089	130,004,022	(81,847,010)	196,971,764	25,137,627	8,393,798	31,290,672	62,428,983	(7,009,061)	120,242,019	248,508,586	(767,764,680)	424,827,339
Technical investment	17,480,127	73,688	-	17,553,814	37,346	1,287,813	25,172,631	-	26,497,790	1,280,047	292,710	132,270	674,605	-	2,379,633	135,300	-	46,566,537
Gross Debt	3,923,482	23,642	-	3,947,124	-	1,357,560	-	-	1,357,560	23,107,644	-	3,503,360	7,704,367	-	34,315,371	241,103,022	-	280,723,077
Net Debt	3,537,891	10,033	-	3,547,924	(505,501)	1,331,431	(17,282)	-	808,648	23,054,952	(233,532)	2,409,031	7,646,250	-	32,876,701	240,684,524	-	277,917,797

30. SUBSEQUENT EVENTS

On 5 August 2010, Spred, SGPS, SA, a company wholly owned, directly and indirectly, by Sonae Capital, agreed with Via Marítima – SGPS, Lda, a company owned by Sousa Investimentos Group, the terms for the sale of the whole of the share capital of Box Lines – Navegação, SA (Box Lines). This transaction is subject to non opposition by the Portuguese Competition Authority and will result in a cash inflow of around 10.5 million euro, with an estimated impact of circa 7 million euro on the 2010 consolidated results of Sonae Capital.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 25 August 2010.

The Board of Directors



INDIVIDUAL FINANCIAL STATEMENTS

30 JUNE 2010

(Translation from the Portuguese Original)

SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 30 JUNE 2010 AND 31 DECEMBER 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

ASSETS	Notes	30 June 2010	31 December 2009
NON CURRENT ASSETS:			
Tangible assets		1,321	2,643
Investments	4	542,139,453	382,639,453
Deferred tax assets		110,244	-
Other non current assets	5	198,681,043	343,547,500
Total Non Current Assets		<u>740,932,061</u>	<u>726,189,596</u>
CURRENT ASSETS			
Other current assets	6	32,133,254	12,860,560
Cash and cash equivalents	7	27,842	55,597
Total Current Assets		<u>32,161,096</u>	<u>12,916,157</u>
TOTAL ASSETS		<u>773,093,157</u>	<u>739,105,753</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	8	250,000,000	250,000,000
Legal Reserve		8,191,127	-
Other reserves	9	287,419,883	132,638,253
Retained earnings		-	(849,780)
Profit / (Loss) for the period		2,508,524	163,822,537
TOTAL EQUITY		<u>548,119,534</u>	<u>545,611,010</u>
LIABILITIES:			
NON CURRENT LIABILITIES			
Bank loans	10	104,257,839	102,750,107
Bonds	10	49,914,133	49,884,766
Other non current liabilities		83,532	140,821
Deferred tax liabilities		32,007	41,282
Total Non Current Liabilities		<u>154,287,511</u>	<u>152,816,976</u>
CURRENT LIABILITIES			
Suppliers		7,500	54,384
Bank overdrafts	10	47,100,000	39,100,000
Other creditors	11	20,364,177	2,350
Other current liabilities	12	3,214,435	1,521,033
Total Current Liabilities		<u>70,686,112</u>	<u>40,677,767</u>
TOTAL EQUITY AND LIABILITIES		<u>773,093,157</u>	<u>739,105,753</u>

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENT BY NATURE

FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	Notes	30 June 2010	30 June 2009
Operational income:			
Other operational income		53,575	7,091
Total operational income		<u>53,575</u>	<u>7,091</u>
Operational expenses:			
External supplies and services	13	(161,882)	(311,534)
Staff costs	14	(606,578)	(459,060)
Depreciation and amortisation		(1,321)	(1,321)
Other operational expenses		(98,247)	(45,304)
Total operational expenses		<u>(868,028)</u>	<u>(817,220)</u>
Operational profit/(loss)		<u>(814,453)</u>	<u>(810,129)</u>
Financial income	15	5,097,105	4,441,257
Financial expenses	15	(4,761,450)	(3,538,916)
Net financial income/(expenses)		<u>335,655</u>	<u>902,341</u>
Investment income	18	2,871,845	162,500,000
Profit/(loss) before taxation		<u>2,393,047</u>	<u>162,592,212</u>
Taxation	16	115,477	(26,056)
Profit/(loss) for the period		<u>2,508,524</u>	<u>162,566,156</u>
Profit/(loss) per share			
Basic	17	0.010034	0.650265

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENT BY NATURE

FOR THE THREE MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	<u>2nd Quarter 2010</u> <u>(Unaudited)</u>	<u>2nd Quarter 2009</u> <u>(Unaudited)</u>
Operational income:		
Other operational income	40,588	-
Total operational income	<u>40,588</u>	<u>-</u>
Operational expenses:		
External supplies and services	(103,240)	(77,233)
Staff costs	(294,937)	(309,946)
Depreciation and amortisation	(660)	(661)
Other operational expenses	(36,569)	(5,353)
Total operational expenses	<u>(435,406)</u>	<u>(393,193)</u>
Operational profit/(loss)	<u>(394,818)</u>	<u>(393,193)</u>
Financial income	2,254,406	2,630,273
Financial expenses	(2,286,573)	(1,722,305)
Net financial income/(expenses)	<u>(32,167)</u>	<u>907,968</u>
Investment income	2,871,845	-
Profit/(loss) before taxation	<u>2,444,860</u>	<u>514,775</u>
Taxation	102,524	(131,003)
Profit/(loss) for the period	<u><u>2,547,384</u></u>	<u><u>383,772</u></u>
Profit/(loss) per share		
Basic	0.010190	0.001535

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	30 June 2010	30 June 2009
Net profit for the period	2,508,524	162,566,156
Exchange differences on translating foreign operations	-	-
Share of other comprehensive income of associates and joint ventures accounted by the equity method	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	304,749
Gains on property revaluation	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	304,749
Total comprehensive income for the period	<u>2,508,524</u>	<u>162,870,905</u>

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	2 nd Quarter 2010 (Unaudited)	2 nd Quarter 2009 (Unaudited)
Net profit for the period	2,547,384	383,772
Exchange differences on translating foreign operations	-	-
Share of other comprehensive income of associates and joint ventures accounted by the equity method	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	153,196
Gains on property revaluation	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	153,196
Total comprehensive income for the period	<u>2,547,384</u>	<u>536,968</u>

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	Share Capital	Own Shares	Legal Reserve	Conversion Reserve	Reserves Fair Value Reserve	Hedging Reserve	Other Reserves	Retained Earnings	Sub total	Net profit / (loss)	Total Equity
Balance as at 1 January 2009	250,000,000	-	-	-	(304,749)	-	132,638,253	(1,509)	132,331,995	(848,271)	381,483,724
Total comprehensive income for the period	-	-	-	-	304,749	-	-	-	304,749	162,566,156	162,870,905
Appropriation of profits:											
Transfer to legal reserve and retained earnings	-	-	-	-	-	-	-	(848,271)	(848,271)	848,271	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2009	<u>250,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,638,253</u>	<u>(849,780)</u>	<u>131,788,473</u>	<u>162,566,156</u>	<u>544,354,629</u>
Balance as at 1 January 2010	250,000,000	-	-	-	-	-	132,638,253	(849,780)	131,788,473	163,822,537	545,611,010
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	2,508,524	2,508,524
Appropriation of profits:											
Transfer to legal reserve and retained earnings	-	-	8,191,127	-	-	-	154,781,630	849,780	163,822,537	(163,822,537)	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2010	<u>250,000,000</u>	<u>-</u>	<u>8,191,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,419,883</u>	<u>-</u>	<u>295,611,010</u>	<u>2,508,524</u>	<u>548,119,534</u>

The accompanying notes are an integral part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	<u>30 June 2010</u>	<u>30 June 2009</u>
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	216,770	347,042
Cash paid to employees	564,627	542,872
Cash flow generated by operations	<u>(781,397)</u>	<u>(889,914)</u>
Income taxes (paid)/received	54,650	601
Other cash receipts/(payments) relating to operating activities	<u>(82,838)</u>	<u>(145,055)</u>
Net cash flow from operating activities [1]	<u>(918,885)</u>	<u>(1,035,571)</u>
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	6,175,215	3,672,726
Dividends	2,871,845	162,500,000
Loans granted	191,096,257	-
	<u>200,143,317</u>	<u>166,172,726</u>
Cash payments arising from:		
Investments	159,500,000	-
Tangible assets	-	-
Loans granted	67,245,984	161,612,700
	<u>226,745,984</u>	<u>161,612,700</u>
Net cash flow from investment activities [2]	<u>(26,602,667)</u>	<u>4,560,026</u>
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Loans obtained	29,863,907	3,216,000
	<u>29,863,907</u>	<u>3,216,000</u>
Cash Payments arising from:		
Interest and similar costs	2,370,110	2,550,150
Loans obtained	-	208,200
	<u>2,370,110</u>	<u>2,758,350</u>
Net cash from financing activities [3]	<u>27,493,797</u>	<u>457,650</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	<u>(27,755)</u>	<u>3,982,105</u>
Cash and cash equivalents at the beginning of the period	55,597	25,516
Cash and cash equivalents at the end of the period	<u>27,842</u>	<u>4,007,621</u>

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	<u>2nd Quarter 2010</u> <u>(Unaudited)</u>	<u>2nd Quarter 2009</u> <u>(Unaudited)</u>
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	130,303	73,720
Cash paid to employees	394,166	379,214
Cash flow generated by operations	<u>(524,469)</u>	<u>(452,934)</u>
Income taxes (paid)/received	54,149	97
Other cash receipts/(payments) relating to operating activities	<u>(172,921)</u>	<u>(76,309)</u>
Net cash flow from operating activities [1]	<u><u>(751,539)</u></u>	<u><u>(529,341)</u></u>
 <u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	54,345	483
Dividends	2,871,845	162,500,000
Loans granted	191,096,257	-
	<u>194,022,447</u>	<u>162,500,483</u>
Cash payments arising from:		
Investments	-	-
Tangible assets	-	-
Loans granted	56,130,800	156,566,000
	<u>56,130,800</u>	<u>156,566,000</u>
Net cash flow from investment activities [2]	<u><u>137,891,647</u></u>	<u><u>5,934,483</u></u>
 <u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Loans obtained	<u>(136,690,657)</u>	1,030,000
	<u>(136,690,657)</u>	<u>1,030,000</u>
Cash Payments arising from:		
Interest and similar costs	492,977	2,227,542
Loans obtained	-	208,200
	<u>492,977</u>	<u>2,435,742</u>
Net cash from financing activities [3]	<u><u>(137,183,634)</u></u>	<u><u>(1,405,742)</u></u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	(43,526)	3,999,399
Cash and cash equivalents at the beginning of the period	71,368	8,222
Cash and cash equivalents at the end of the period	<u><u>27,842</u></u>	<u><u>4,007,621</u></u>

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

1. INTRODUCTION

Sonae Capital, SGPS, SA (“the Company” or “Sonae Capital”) whose registered office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, was set up on 14 December 2007 by public deed, following the demerger from Sonae, SGPS, SA of the whole of the shareholding in the company formerly named Sonae Capital, SGPS, SA, now named SC, SGPS, SA, in compliance with paragraph a) of article 118 of the Commercial Companies Code.

The Company’s financial statements are presented as required by the Commercial Companies Code. According to Decree-Law 35/2005 of 17 February 2007, the Company’s financial statements have been prepared in accordance with International Financial Reporting Standards.

2. BASIS OF PREPARATION

Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of annual financial statements for the year ended 31 December 2009.

4. INVESTMENTS

As at 30 June 2010 and 31 December 2009 Investments are detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Investments in affiliated and associated undertakings	542,138,253	382,638,253
Investments in other companies (Sonae RE - 0,04%)	<u>1,200</u>	<u>1,200</u>
	<u><u>542,139,453</u></u>	<u><u>382,639,453</u></u>

4.1 Investments in affiliated and associated undertakings

As at 30 June 2010 and 31 December 2009, the detail of Investments in Affiliated and Associated Companies is as shown in the table below.

Investments carried at cost correspond to those in unlisted companies and for which a fair value cannot be reliably estimated.

Company	<u>30 June 2010</u>				<u>31 December 2009</u>			
	% Held	Fair Value	Book Value	Fair Value Reserve	% Held	Fair Value	Book Value	Fair Value Reserve
SC, SGPS, SA	100.00%	-	382,638,253	-	100.00%	-	382,638,253	-
Spred, SGPS SA	54.05%	-	40,000,000	-	-	-	-	-
SC Assets, SGPS, SA	76.64%	-	82,000,000	-	-	-	-	-
Sonae Turismo, SGPS SA	23.08%	-	37,500,000	-	-	-	-	-
Total		-	542,138,253	-		-	382,638,253	-

5. OTHER NON CURRENT ASSETS

As at 30 June 2010 and 31 December 2009 Other Non Current Assets are detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Loans granted to group companies:		
SC, SGPS, SA	162,592,243	343,547,500
SC Assets, SGPS, SA	<u>36,088,800</u>	<u>-</u>
	<u><u>198,681,043</u></u>	<u><u>343,547,500</u></u>

These assets were not due or impaired as at 30 June 2010. The fair value of loans granted to Group companies is basically the same as their book value.

6. OTHER CURRENT ASSETS

As at 30 June 2010 and 31 December 2009 Other Current Assets can be detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Group companies - Short term loans:		
Change, SGPS, SA	2,064,000	2,052,000
SC, SGPS, SA	8,589,800	3,862,000
SC Assets, SGPS, SA	16,276,384	-
Group companies - Interest:		
SC, SGPS, SA	4,152,431	5,945,846
SC Assets, SGPS, SA	306,571	-
Income tax withheld	108,646	212,237
Other Debtors	-	2,632
Accrued income	421,808	9,063
Deferred costs	213,615	776,782
	<u>32,133,254</u>	<u>12,860,560</u>

7. CASH AND CASH EQUIVALENTS

As at 30 June 2010 and 31 December 2009 Cash and Cash Equivalents can be detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Cash	1,003	1,003
Bank deposits	26,839	54,594
Cash and cash equivalents in the balance sheet	<u>27,842</u>	<u>55,597</u>
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	<u>27,842</u>	<u>55,597</u>

8. SHARE CAPITAL

As at 30 June 2010 Share Capital consisted of 250,000,000 ordinary shares of 1 euro each.

9. OTHER RESERVES

As at 30 June 2010, the caption Other Reserves can be detailed as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Free reserves	154,781,631	-
Demerger reserve	132,638,252	132,638,252
	<u>287,419,883</u>	<u>132,638,252</u>

The Demerger reserve (Note 1), corresponds to the difference between the book value of the shareholding in SC, SGPS, SA (382,638,253 Euro) which was spun off from Sonae, SGPS, SA to the Company, and the value of the share capital of the Company (250,000,000 Euro).

10. LOANS

As at 30 June 2010 and 31 December 2009 this caption included the following loans:

	<u>30 June 2010</u>	<u>31 December 2009</u>
Bank loans - Commercial paper	104,300,000	102,800,000
Up-front fees not yet charged to income statement	(42,161)	(49,893)
Bank loans - non current	104,257,839	102,750,107
Nominal value of bonds	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(85,867)	(115,234)
Bonds	49,914,133	49,884,766
Non-current loans	<u>154,171,972</u>	<u>152,634,873</u>
Bank loans - Commercial paper	47,100,000	39,100,000
Current bank loans	<u>47,100,000</u>	<u>39,100,000</u>

Bonds Sonae Capital 2007/2012 1st Bond issue, amounting to 20,000,000 euro, repayable after 5 years, in one instalment, on 31 December 2012, except if total or partial early repayment occurs, which can happen on 31 December 2010.

Bonds Sonae Capital 2007/2012 2nd Bond issue, amounting to 30,000,000 euro, repayable after 5 years, in one instalment, on 31 December 2012.

These bond issues pay interest every six months at Euribor six month interest rates plus spreads which vary between 0.50% and 0.60%.

Bonds totalling 20,000,000 euro are included in the financial statements based on their full lives, although prior call/put options exist. In the case of early repayment, it is considered that the borrowing could be refinanced on a similar basis and the borrowing structure maintained.

The caption Non Current Bank Loans, relates to amounts issued under four Commercial Paper Programmes with guaranteed subscription, one of which launched on 14 March 2008

with the maximum amount of 30,000,000 euro and valid for a period of 5 years, and three other launched on 26 and 28 August 2009 with the maximum amount of 36,600,000 euro each and valid for a period of 2 years.

The caption Current Bank Loans includes two issues of commercial paper programmes. One, with a maximum limit of 60,000,000 euro, without subscription guarantee, launched on 28 March 2008, valid for a ten year period, which may be extended at the option of the Company, and another, with a maximum limit of 11,250,000 euro, with subscription guarantee, launched on 22 December 2008, valid for one year period, extendable for two annual periods, which may not be renewed at the discretion of both parties.

The above loans are not guaranteed, and their fair value is considered to be close to their book value, in view of the fact that interest payable on them is at variable market rates.

There are no Derivatives.

11. OTHER CREDITORS

As at 30 June 2010 and 31 December 2009, these captions were made up as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
<u>Other creditors</u>		
Group companies - Short term loans:		
Spred , SGPS, SA	18,313,907	-
Sete e Meio Herdades, SA	2,050,000	-
Other creditors	270	2,350
	<u>20,364,177</u>	<u>2,350</u>

Loans obtained from group companies bear interest at market rates and are repayable within one year.

12. OTHER CURRENT LIABILITIES

As at 30 June 2010 and 31 December 2009, these captions were made up as follows:

	<u>30 June 2010</u>	<u>31 December 2009</u>
<u>Other current liabilities</u>		
Taxes payable	36,506	185,865
Accruals:		
Staff costs	401,330	344,130
Interest payable	2,767,752	977,733
Other accruals	7,939	6,947
Deferred income	908	6,358
	<u>3,214,435</u>	<u>1,521,033</u>

13. EXTERNAL SUPPLIES AND SERVICES

As at 30 June 2010 and 30 June 2009, External Supplies and Services can be detailed as follows:

	<u>30 June 2010</u>	<u>30 June 2009</u>
Operational rents	32,897	6,917
Insurance costs	22,049	21,348
Travelling expenses	22,298	28,755
Services obtained	72,460	246,917
Other services	12,178	7,597
	<u>161,882</u>	<u>311,534</u>

14. STAFF COSTS

As at 30 June 2010 and 30 June 2009, Staff Costs are made up as follows:

	<u>30 June 2010</u>	<u>30 June 2009</u>
Governing bodies' remunerations	556,473	404,427
Social security contributions	38,853	36,385
Other staff costs	11,252	18,248
	<u>606,578</u>	<u>459,060</u>

15. NET FINANCIAL EXPENSES

As at 30 June 2010 and 30 June 2009, Net Financial Expenses can be detailed as follows:

	<u>30 June 2010</u>	<u>30 June 2009</u>
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(1,773,016)	(999,834)
Bonds	(390,407)	(904,246)
Other	(1,678,140)	(1,467,231)
Other financial expenses	(919,887)	(167,605)
	<u>(4,761,450)</u>	<u>(3,538,916)</u>
Interest receivable and similar income		
Interest income	5,097,105	4,441,257
	<u>5,097,105</u>	<u>4,441,257</u>
Net financial expenses	<u>335,655</u>	<u>902,341</u>

16. TAXATION

As at 30 June 2010 and 30 June 2009, Taxation is made up as follows:

	<u>30 June 2010</u>	<u>30 June 2009</u>
Current tax	(4,042)	(2,821)
Deferred tax	119,519	(23,235)
	<u>115,477</u>	<u>(26,056)</u>

17. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2010 and 2009 were calculated taking into consideration the following amounts:

	<u>30 June 2010</u>	<u>30 June 2009</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	2,508,524	162,566,156
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>2,508,524</u>	<u>162,566,156</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	250,000,000	250,000,000
Weighted average number of shares used to calculate diluted earnings per share	<u>250,000,000</u>	<u>250,000,000</u>
Earnings per share (basic and diluted)	<u>0.010034</u>	<u>0.650265</u>

18. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 25 August 2010.

19. INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the period ended 30 June 2010 shareholders' loan contracts were entered into with the following companies:

- SC, SGPS, SA
- SC Assets, SGPS, SA

In the period ended 30 June 2010 short-term loan contracts were entered into with the following companies:

- SC, SGPS, SA
- SC Assets, SGPS, SA
- Spred SGPS, SA
- Sete e Meio Herdades, SA

As at 30 June 2010 amounts owed by affiliated companies can be summarized as follows:

Loans granted

<u>Companies</u>	<u>Closing Balance</u>
SC, SGPS, SA	171,182,043
Change, SGPS, SA	2,064,000
SC Assets, SGPS, SA	52,365,184
	<u>225,611,226</u>

As at 30 June 2010 amounts owed to affiliated companies can be summarized as follows:

Loans obtained

<u>Companies</u>	<u>Closing Balance</u>
Spred , SGPS, SA	18,313,907
Sete e Meio Herdades, SA	2,050,000
	<u>20,363,907</u>

The Board of Directors



LIMITED REVIEW REPORT

30 JUNE 2010

LIMITED REVIEW REPORT PREPARED BY THE AUDITOR REGISTERED WITH
THE STOCK EXCHANGE REGULATOR ON HALF-YEAR FINANCIAL INFORMATION

(Translation of a report originally issued in Portuguese.
In case of discrepancies the Portuguese version prevails)

Introduction

1. In accordance with the Securities Market Code, we hereby present our Limited Review Report on the financial information of Sonae Capital, SGPS, S.A. ("Company") for the half-year ended 30 June 2010 included in: the Report of the Board of Directors, the Consolidated and Individual Balance Sheets (which reflect total assets of 744.210.084 Euro and 773.093.157 Euro, respectively, and Consolidated and Individual equity of 338.773.743 Euro and 548.119.534 Euro respectively, including a consolidated net loss attributable to the Company's equity holders of 5.426.249 Euro and an individual net profit of 2.508.524 Euro), the Consolidated and Individual Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the half-year then ended and the related notes.
2. The amounts in the consolidated and individual financial statements, as well as the additional financial information, are in accordance with the accounting records of the companies included on consolidation.

Responsibilities

3. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and individual financial information that present a true and fair view of the financial position of the Company and of the companies included on consolidation and the consolidated and individual results of their operations, comprehensive income, changes in equity and cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union for the purposes of interim financial reporting (IAS 34) which are complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria; (iv) the maintenance of an appropriate internal control system; and (v) informing any significant facts that have influenced its operations and the operations of the companies included on consolidation, its financial position, comprehensive income or results.
4. Our responsibility is to review the financial information contained in the above mentioned documents, namely verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and to issue a moderate assurance, professional and independent report on that financial information based on our work.

Scope

5. The objective of our work was to obtain moderate assurance as to whether the above mentioned financial information is free of material misstatement. Our work was performed in accordance with the Auditing Standards issued by the Portuguese Institute of Statutory Auditors, was planned in accordance with that objective and consisted essentially of enquiries and analytical procedures with the objective of reviewing: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting principles used, taking into consideration the circumstances and the consistency of their application; (iii) the applicability, or not, of the going concern concept; (iv) the presentation of the financial information; and (v) whether, in all material respects, the consolidated and individual financial information is complete, true, timely, clear, objective and licit as required by the Securities Market Code.
6. Our work also included verifying that the consolidated and individual financial information included in the Report of the Board of Directors is consistent with the other above mentioned financial information.

7. We believe that our work provides a reasonable basis for issuing the present limited review report on the half-year financial information.

Opinion

8. Based on our work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated and individual financial information for the half-year ended 30 June 2010 referred to in paragraph 1 above of Sonae Capital, S.G.P.S., S.A. is not exempt from material misstatement that affects its conformity with International Financial Reporting Standards as adopted by the European Union for the purposes of interim financial reporting (IAS 34) and that, in terms of the definitions included in the Auditing Standards referred to in paragraph 5 above, it is not complete, true, timely, clear, objective and licit.

Porto, 25 August 2010

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral