



SONAE CAPITAL, SGPS, SA

Head Office: Lugar do Espido, Via Norte, Maia

Share Capital: 250,000,000 Euro

Maia Commercial Registry and Fiscal Number 508 277 756

Sociedade Aberta

REPORT AND ACCOUNTS

30 SEPTEMBER 2008

(Translation from the Portuguese Original)

Table of Contents

I. Report of the Board of Directors	
1. Highlights	4
2. Consolidated Financial Statements Review	5
3. Business Review	7
4. Share Price Performance	16
- Glossary	18
II. Consolidated Financial Statements	19
III. Individual Financial Statements	45



REPORT OF THE BOARD OF DIRECTORS

30 SEPTEMBER 2008

Report of the Board of Directors 3rd Quarter 2008

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

1. Highlights

1.1. Performance in the Period

- Turnover, on a like for like basis, up 4.6% to 143.5 million euro...

...with growth still driven by the good performance in Selfrio Group and the Ferry transport at Tróia (begun in October 2007) despite the decrease in contribution to the top line of asset disposals in the Asset Management division (when compared to the same period last year). Considering the contribution of the Plywood business turnover increased 19% to 163.8 million.

- EBITDA, on a like for like basis, amounted to negative 1.9 million euro...

...reflecting the non-capitalised costs associated with the development, promotion and marketing of Troiaresort. The lower EBITDA level when compared to the same period last year is also attributable to lower real estate asset disposals and the significant overhauling of the Hotels business in Tróia. Considering the contribution of the Plywood business EBITDA was negative 5.3 million euro.

- Profit for the period, on a like for like basis, reached 36.5 million euro...

...impacted by investment income of 59.6 million euro mainly associated with capital gains on the sale of Contacto – Sociedade de Construções, SA and of Choice Car, SGPS, SA. Considering the contribution of the Plywood business net profit was 31.1 million euro.

Like for like figures do not take into consideration the contribution of the Plywood business (3 month contribution in terms of performance figures), which was included on consolidation from 30 June 2008 onwards, as a result of the regain of control by Sonae Capital after the termination of the phased sale agreement of Plysorol, announced in May. During 2007, this business was not consolidated. Like for like comparisons are used consistently throughout the report when applicable.

2. Consolidated Financial Statements Review

2.1. Disclaimer

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

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

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

Additionally, following last May's announcement that Sonae Capital is negotiating the termination of the phased disposal agreement of its shareholding in Elmo (Plysol Group, operating in the Plywood sector) and the ensuing regain of its control by Sonae Capital, the financial position of Sonae Capital as at 30 September 2008 includes the contribution of Elmo and its subsidiaries and the consolidated income statement includes the contribution of this business from the beginning of the second half of the year onwards.

2.2. Profit and Loss Account

Turnover	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Tourism	11,475.1	18,589.9	-38.3%	34,784.1	39,152.2	-11.2%
Spred	61,227.7	32,120.3	90.6%	131,300.2	98,686.5	33.0%
Holding & Others	115.3	511.2	-77.5%	206.8	1,084.8	-80.9%
Eliminations & Adjustments	(1,808.7)	(525.7)	-	(2,485.3)	(1,783.1)	39.4%
Total	71,009.5	50,695.7	40.1%	163,805.9	137,140.3	19.4%

Unit: 10³ Euro

Turnover for the first nine months of the year, on a like for like basis, reached 143.5 million euro, a 6.4 million euro increase explained by: i) strong revenue growth in Selfrio Group; ii) ferry transport at Tróia contributed with nine months operations; iii) lower contribution of real estate asset disposals to top line (for details of each business please refer to the specific paragraph in the Business Review chapter). Considering Plysol, turnover for the period was 163.8 million euro, a 19.4% increase.

Operational Cash-Flow (EBITDA)	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Tourism	(2,665.4)	2,813.5	-	(5,784.2)	293.3	-
Spred	(236.8)	2,066.5	-	3,510.6	5,736.2	-38.8%
Holding & Others	(838.6)	(490.0)	-71.1%	(2,950.3)	(1,509.2)	-95.5%
Eliminations & Adjustments	(98.9)	(0.2)	-	(98.9)	0.0	-
Total	(3,839.6)	4,389.8	-	(5,322.8)	4,520.4	-

Unit: 10³ Euro

Operational cash-flow (EBITDA), on a like for like basis, stood at negative 1.9 million euro, a drop of 6.4 million euro reflecting the very early stage of development of Troiaresort (recent conclusion of Central Area and real estate sales not yet materialised) and the revamping of the hotel business in Tróia. Considering Plysorol, operational cash-flow (EBITDA) was negative 5.3 million euro.

Operational profit (on a like for like basis) for the period stood at negative 10.9 million euro a drop of 10.2 million euro also reflecting impairment losses recorded on the first quarter on Others Debtors. Plysorol contributed with an additional negative 4.4 million euro.

Net financial expenses stood at 9.6 million euro (8.3 million euro) a 0.4 million euro increase on a like for like basis and an additional 0.9 million euro from Plysorol.

Investment income for the period reached 59.6 million euro, reflecting mainly capital gains from the following disposals:

- 46.4 million euro from the sale of Contacto – Sociedade de Construções, SA in February;
- 9.1 million euro from the sale of Choice Car, SGPS, SA in September.

2.3. Balance Sheet

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

Capex	9M 2008
Tourism	75,771.0
Spred	3,409.9
Holding & Others	48.5
Total	79,229.4

Unit: 10³ Euro

In the first nine months of the year, capex amounted to 79.2 million euro, with main contributors being:

- Imosede Fund with 19.5 million euro, of works in the Business Park in Maia;
- Troia Resort Hotels and infrastructures in the Troiaresort with 55.9 million euro;
- Atlantic Ferries with 3.1 million euro.

Real estate projects currently under development contributed with 47.4 million euro to changes in work in progress recorded in the period. 41.6 million euro from projects at Troiaresort and 7.3 from the Efanor project.

As at 30 September 2008 net debt amounted to 284.0 million euro, an 111.8 million euro increase compared to the end of 2007 and up 49.7 million euro on 30 June 2008 figure.

Gearing reached 78.3%, compared to 48.1% in 2007.

3. Business Review

3.1. Resort and Residential Development

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	969.6	1,125.4	-13.8%	2,358.7	1,125.4	-
Operational Cash-Flow (EBITDA)	(2,826.5)	(4,409.0)	-35.9%	(8,250.3)	(7,689.2)	-7.3%

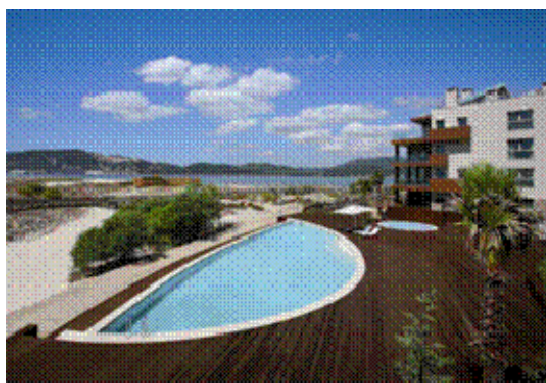
Contribution to consolidated figures

Unit: 10³ Euro

Over the first nine months growth in turnover still reflects sales of City Flats apartments essentially recorded from the third quarter of 2007 onwards.

Operational cash-flow (EBITDA) for the period reflects the non-capitalized costs of Troiaresort development and marketing.

Resorts



[Beach Apartments - Troiaresort]

The third quarter of the year saw the conclusion of the urban upgrading and landscaping works in the Central Area (UNOP 1) of Troiaresort. The works in Aqualuz Tróia Mar (4 star suite apartment hotel) were concluded and the unit was officially opened.

Construction works for the underground parking lots (P1, P3 and P5) were also concluded and the respective permits were issued by Grândola city authorities.

The following works are still underway:

- Conclusion of the Ácala building (residential building comprising 71 units and a retail area that includes a supermarket already opened) in the Central Area;
- Conclusion of the refurbishment of the *Aparthotels Aqualuz Tróia Rio* and *Tróia Lagoa*, also in the Central Area;
- Urban and landscaping works in the Beach Area (UNOP 2);
- Construction of the Tróia Village (project comprising 90 semidetached villas for sale) and the 5 showcase villas of the Golf and Beach Village, also in the Beach Area.

The transfer of ownership of the apartment units of *Marina* and *Praia Sado* (former *Praia I*) buildings is already possible since the necessary approvals and licences have been obtained. Up to date data on deeds already signed is available on the sales data table below. The necessary steps to obtain the licenses for *Praia Arrábida* and *Praia Atlântico* apartments are underway and are expected soon.

The sales pace of the projects under commercialization (Marina and Beach apartments and Golf and Beach Villa plots) slowed down reflecting the more cautious stance of prospective buyers in the face of the international crisis. Nevertheless, the number of visitors at Troiaresort and at the two sales offices has increased noticeably since the official opening on 8 September.

Sales Data (as at 11 November 2008)

	Promissory Purchase Agreements			Deeds			Total Number Units (Sold + Pre Sold)
	# ¹	Area ²	Price ³	#	Area ²	Price ³	
Beach Apartments (211 units)	103	127.2	4,018	-	-	-	103
Marina Apartments (78 units)	47	83.6	3,884	5	80.5	3,774	52
Golf and Beach Villa Plots⁴ (96 units)	21	2,100.5	563	3	2,329.7	594	24

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 All plots have a GCA of 343.8 m².

Residential Property Development



[Garden and leisure area - Efanor]

In the Efanor project, the construction of the *Delfim Pereira da Costa* building is underway within schedule. Marketing efforts have been reduced to a minimum in face of the tougher market conditions and are expected to resume as soon as the showcase apartment is concluded (expected for March 2009).

As reported, Efanor's school was concluded on time and the inauguration took place on 9 September.

Sales Data (as at 11 November 2008)

	Apartments Sold ¹	Average Area (m ²) ²	Average Sales Price (€/m ²)	Rentals ³
City Flats/Lofts - Quinta das Sedas - Building E (106 units)	5	57.4	2,029	13
City Flats/Lofts - Quinta das Sedas - Building F (106 units)	88	49.6	2,020	0
Efanor - Building Delfim Pereira da Costa (40 units)	1	190.2	2,497	n.a.

¹ 91 sales deeds already signed.

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

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

3.2. Real Estate Asset Management

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	1,564.8	7,536.9	-79.2%	6,271.7	12,385.8	-49.4%
Operational Cash-Flow (EBITDA)	664.5	5,644.8	-88.2%	2,390.4	5,611.2	-57.4%

Contribution to consolidated figures

Unit: 10³ Euro

Turnover for the first nine months amounted to 6.3 million euro (12.4 million euro) and operational cash-flow (EBITDA) was 2.4 million euro (5.6 million euro). Change in activity level is due to a lower level of asset disposals.

Revenue can be broken down as follows:

Turnover by Type	9M 2008		9M 2007		Δ
	Value	Weight	Value	Weight	
Sale of Real Estate Assets	1,141.0	18%	7,155.4	58%	-84%
Rents	4,155.7	66%	4,405.4	36%	-6%
Car Parks	356.9	6%	321.1	3%	11%
Condominium Management	473.6	8%	475.6	4%	0%
Management Services	144.5	2%	28.2	0%	-
Total	6,271.7	100%	12,385.7	100%	-49%

Unit: 10³ Euro

During the first nine months of 2008, several real assets were sold. Additionally, in July, the entire shareholding in Águas Furtadas – Sociedade Agrícola, SA, owner of several plots of land located in Soure, was sold for a total consideration of 0.9 million euro whereas, in 2007, a plot of land located in Senhora da Hora, Matosinhos, was sold for 5.5 million euro.

3.3. Touristic Operations

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	8,847.8	9,837.8	-10.1%	25,939.4	25,381.5	2.2%
- Hotels	3,657.6	4,693.7	-22.1%	10,041.7	10,087.7	-0.5%
- Fitness	4,074.0	4,140.3	-1.6%	13,325.2	12,667.9	5.2%
- Funcenter	760.6	872.1	-12.8%	2,103.0	2,210.0	-4.8%
- Others	355.5	131.7	-	469.5	415.9	12.9%
Operational Cash-Flow (EBITDA)	(592.7)	1,818.9	-	268.2	3,273.2	-91.8%
- Hotels	(1,315.3)	622.7	-	(2,977.0)	(367.2)	-
- Fitness	890.9	1,061.3	-16.1%	3,523.1	3,385.4	4.1%
- Funcenter	96.1	180.4	-46.7%	287.5	308.9	-6.9%
- Others	(264.4)	(45.5)	-	(565.4)	(53.9)	-

Contribution to consolidated figures

Unit: 10³ Euro

➡ Hotels



[Aqualuz Lagos Suite Hotel Apartamentos]

The third quarter's milestone was the launch of operations at the Troiaresort, comprising: the inauguration of *Aqualuz Tróia Mar*, a four star suite apartment hotel with 76 apartments, Wellness Centre & SPA centre and food and beverage area, managed under the brand *Aqualuz Suite Hotel Apartamentos*; the beginning of operations of Tróia Marina, and; the opening of Troiamarket.

The remaining Aqualuz hotel units in Tróia, *Aqualuz Troia Rio* and *Aqualuz Troia Lagoa*, are due to open until the end of 2008, contributing to the appeal of Troiaresort as a new tourism destination in Portugal.



[Aqualuz Tróia Mar Suite Hotel Apartamentos]

Turnover amounted to 10.0 million euro as at 30 September 2008, remaining in line with last year's comparable figure. The main contributor to this figure was Hotel Porto Palácio with 8.6 million euro (8.7 million euro). On a quarterly basis, the third quarter of the year witnessed a decrease of 22.1%, mostly due to the anticipated decrease in the turnover associated with the business area of events and catering of Hotel Porto Palácio, since the third quarter of 2007 was positively impacted by non-recurrent events which took place in Porto.

Nonetheless, operational performance indicators are still positive, confirming the appropriateness of commercial policies adopted and the positioning of Hotel Porto Palácio. Average daily revenue amounted to 103 euro, 10% over that of the first nine months of 2007.

Operational cash-flow (EBITDA), negative 3 million euro, is essentially due to the closure of operations in Tróia during the first 8 months of the year and its pre-(re)opening costs, which contributed with a negative 2.4 million euro. The Boavista complex, considering the expected recurrent decrease of activity in the third quarter, showed a negative 1.2 million euro operational cash-flow (EBITDA) for the nine months ended in September, while the *Aqualuz Lagos Suite Hotel Apartment* posted a positive operational cash-flow (EBITDA) of 0.6 million euro year to date.

➡ Fitness



[Solinca Health club]

Economical and financial indicators evidence the good performance of this business throughout the year. Year to date turnover amounted to 13.3 million euro and operational cash-flow (EBITDA) exceeded 3.5 million euro, both higher than third quarter 2007 figures.

In the third quarter, the temporary closure of two health clubs for improvement and refurbishment works, adversely impacted the quarter's profitability, with operational cash flow (EBITDA) reaching 0.9 million euro (1.0 million euro).

Average number of active members amounted to 28,524.

➡ Others

This business segment includes Tróia Golf and the recently opened Tróia Marina and gourmet supermarket Troiamarket (both in mid August 2008).

3.4. Selfrio Group (70% Sonae Capital)

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	20,668.3	16,258.8	27.1%	57,330.9	48,786.2	17.5%
Operational Cash-Flow (EBITDA)	1,859.8	1,986.2	-6.4%	5,270.3	4,405.8	19.6%

Contribution to consolidated figures

Unit: 10³ Euro



[Maintenance services]

The third quarter of 2008 confirmed the growth of the turnover of Selfrio Group companies reaching 57.3 million euro, a 17.5% increase. This growth was mainly driven by the strong activity of Sistavac (heating, ventilation, air conditioning and related electrical installations) reinforcing the growth of previous quarters and consolidating a 47.1% growth over last year. The performance of the refrigeration and maintenance businesses remained in line with that of 2007.

Operational cash-flow (EBITDA) of Selfrio Group reached 5.3 million euro, increasing 19.6%. Expectations are that this growth will remain in the two digits level by the end of the year.

The good performance of the Selfrio Group seen so far will continue and positively impact the target year end figures.

3.5. Atlantic Ferries

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	2,051.7	0.0	-	3,953.5	0.0	-
Operational Cash-Flow (EBITDA)	674.7	(48.7)	-	425.3	(177.9)	-

Contribution to consolidated figures

Unit: 10³ Euro



[Ferry Pato Real]

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

However, compared with that of the last quarter of 2007, average daily turnover increased 92.5%.

During the first nine months of 2008, 9,755 monthly passenger tickets were sold. Sales of single tickets for the different tariffs were as follows:

	Passengers	Light vehicles	Heavy vehicles	Two wheel vehicles
1Q 2008	219,018	100,132	2,573	2,124
2Q 2008	327,988	117,058	3,258	4,146
3Q 2008	510,016	150,835	2,492	4,573
9M 2008	1,057,022	368,025	8,323	10,843

3.6. Box Lines

	3Q 2008	3Q 2007	Δ
Turnover	12,184.9	11,152.5	9.3%
Operational Cash-Flow (EBITDA)	548.6	213.7	-

Contribution to consolidated figures

	9M 2008	9M 2007	Δ
Turnover	34,745.3	34,636.0	0.3%
Operational Cash-Flow (EBITDA)	1,594.6	1,390.3	14.7%

Unit: 10³ Euro



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

At the end of the third quarter, both turnover and operational cash-flow (EBITDA) remained above those in the similar period in 2007.

The cabotage market continued experiencing a downward trend in line with business activity in general. However, the company is endeavouring to reach the proposed figures at the end of the current year.

3.7. Plysorol

	3Q 2008	3Q 2007	Δ
Turnover	20,074.0	-	-
Operational Cash-Flow (EBITDA)	(3,405.7)	-	-

Contribution to consolidated figures

	9M 2008	9M 2007	Δ
Turnover	20,074.0	-	-
Operational Cash-Flow (EBITDA)	(3,405.7)	-	-

Unit: 10³ Euro

The table above shows Plysorol's contribution (period since the beginning of the second half of the year) to consolidated turnover and operational cash-flow (EBITDA). Given that last year's figures do not include Plysorol's contribution, information of each market is given to assess evolution.

France

	3Q 2008	3Q 2007	Δ
Turnover	18,270.8	27,111.6	-32.6%
Operational Cash-Flow (EBITDA)	(3,616.4)	(5,037.9)	-28.2%

Statutory accounts

	9M 2008	9M 2007	Δ
Turnover	71,002.6	88,700.0	-20.0%
Operational Cash-Flow (EBITDA)	(8,128.9)	1,010.0	-

Unit: 10³ Euro

Turnover for the first nine months of 2008 was 71.0 million euro, a 20.0% decrease. The percentage decrease on a quarterly basis was 32.6% reflecting the curtailment of the trading activity (circa 10% of total sales), as part of the business restructuring underway, since it demanded significant funds tied up in working capital. Excluding this effect, activity decreased 28.5%, in line with the sector performance (The Union of Plywood French Manufacturers – www.ufc-contreplaque.com).

Operational cash-flow (EBITDA) for the period was negative 8.1 million euro versus positive 1.0 million euro, reflecting the lag effect of adjusting fixed costs to the reduction in activity.

Gabon

Leroy Gabon

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	2,374.4	2,913.6	-18.5%	8,596.1	7,742.0	11.0%
Operational Cash-Flow (EBITDA)	(405.7)	(5.4)	-	(247.4)	(164.0)	50.9%

Statutory accounts

Unit: 10³ Euro

This company, dedicated to forestry of exotic timber reached 8.6 million euro in sales, an 11.0% growth. On a quarterly basis, sales decreased 18.5% reflecting a lower demand for okoume.

Operational cash-flow (EBITDA) margin in the first nine months of the year was negative 2.9% versus negative 2.1%.

Pogab

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	2,056.6	2,766.0	-25.6%	8,687.7	9,932.0	-12.5%
Operational Cash-Flow (EBITDA)	(354.2)	93.2	-	832.8	903.0	-7.8%

Statutory accounts

Unit: 10³ Euro

This company is dedicated to the production of okoume sheets to supply the factories in France. Sales decreased 12.5% in the first nine months of 2008 and 25.6% on a quarterly basis as a consequence of the lower activity level in France.

Operational cash flow (EBITDA) margin in the first nine months of the year was 9.6% versus 9.1%.

3.8. TP (50% Sonae Capital)

[Company accounted for using the Equity Method]

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	7,543.9	7,836.9	-3.7%	24,454.0	24,551.0	-0.4%
Operational Cash-Flow (EBITDA)	1,470.1	1,753.4	-16.2%	4,969.0	6,212.0	-20.0%

Statutory accounts

Unit: 10³ Euro



[Wind Farm Serra da Capucha]

TP's turnover for the first nine months remained in line with that of the same period last year despite the forecasted end of the operation of *Companhia Térmica Lusitana's* cogeneration unit (with a 1.4 million euro contribution to 2007 first nine months turnover).

Operational cash-flow (EBITDA) was negatively impacted by:

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

ENEOP investment plan is in line with forecasts with the first wind farm (8 MW) entering operation before the end of year and the wind studies and licensing works being timely accomplished allowing for investment schedule compliance.

3.9. **Norscut** (36% Sonae Capital)

[Company accounted for using the Equity Method]

	3Q 2008	3Q 2007	Δ	9M 2008	9M 2007	Δ
Turnover	29,478.6	10,951.0	-	72,863.6	17,685.7	-
Operational Cash-Flow (EBITDA)	27,760.7	8,047.0	-	67,920.0	8,040.5	-

Statutory accounts

Unit: 10³ Euro



[Overpass in A24 motorway – Castro d'Aire's Tunnel]

Norscut highway traffic has increased 8% in the first nine months of 2008 (considering full year opened stretches). The traffic increase, in the 3rd quarter, was slightly above 1%.

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

As previously mentioned an arbitration court was appointed to analyse Norscut's compensation claim for increased construction costs and loss of revenue resulting from delayed works completion, both arising from the Grantor's unilateral decision of changing the highway layout.

At the end of July, Norscut and the Portuguese State have signed an agreement to restore the financial balance of the concession by which Norscut was recognized the right to receive a total compensation amount of 291.9 million euro out of which 94.9 million euro are related with lost revenue and as such due to Norscut and the remaining 197.0 million euro are related to increased construction costs and due to the contractor.

In the context of this agreement Norscut has, in the beginning of August, raised an additional 18 month loan equivalent to the amount of the compensation agreed (291.9 million) guaranteed (principal and interest) by the Portuguese State. The goal is to reach an agreement with the Portuguese State before maturity of this additional loan, extending the concession period or through other actions, and at the same time refinance the outstanding debt (initial and additional debt). In case this is not available the Portuguese State will fully repay at maturity principal and interest on the additional loan.

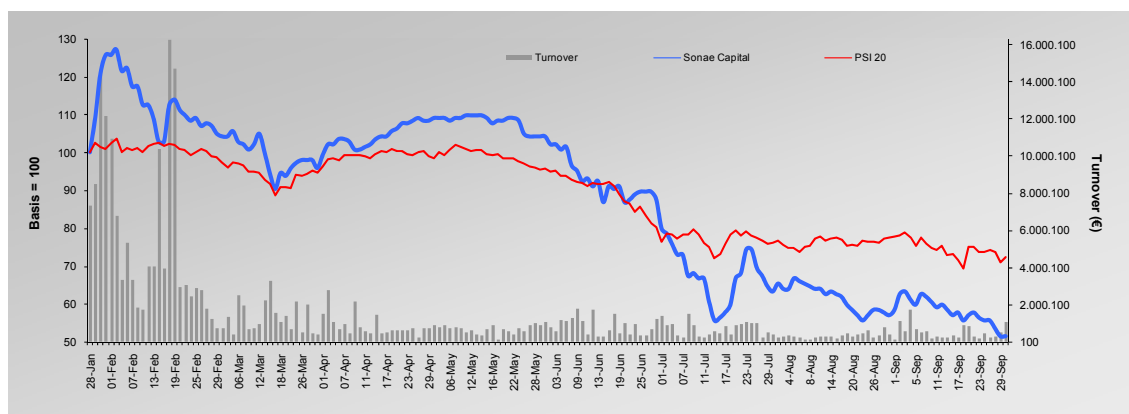
3.10. Sonae Indústria

Sonae Indústria is a global manufacturer of wood based panels and its shares are listed on Euronext Lisbon.

As at 30 September Sonae Capital has a 7.611% shareholding in Sonae Indústria, SGPS, SA, increasing its position from 6.801% through the acquisition of 1,134,278 additional shares during the third quarter. This increase is anchored on the belief that the share price has been over penalized during the past few months therefore presenting an opportunity to strengthen the shareholding. As at the date of this report Sonae Capital's shareholding in Sonae Indústria, SGPS, SA is of 10,984,164 shares representing 7.846%. The additional investment totalled 3.4 million euro.

Taking into account the closing price of Sonae Indústria as at 30 September 2008, 2.195 euro, the market value of this shareholding was 23.4 million euro.

4. Share Price Performance



Source: Euronext Lisbon

The shares of Sonae Capital were listed on Euronext Lisbon on 28 January 2008. Since that date and until the end of September, Sonae Capital's share price decreased 48.6%. In the same period the Portuguese Stock Market reference index (PSI-20) decrease 27.6%.


In June, Sonae Capital's share entered the PSI-20 waiting list issued by NYSE EURONEXT and has been in the shortlist ever since.

Closing Price:

	Date	€
- Beginning of Period	28-Jan-08	1.44
- End of Third Quarter	30-Sep-08	0.74
- Earnings Announcement Day n-1	11-Nov-08	0.73
- Maximum	04-Feb-08	1.83
- Minimum	30-Sep-08	0.74

Average Daily Traded Quantity (up to 30 September 2008): 1,028,817

Source: Euronext Lisbon



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

- 27 August 2008
First Half 2008 Earning Announcement.
- 2 September 2008
Announcement of the completion of the sale of Choice Car, SGPS, SA. The sales price was 12.5 million euro with the corresponding gain of 9 million euro in the 2008 consolidated results of Sonae capital.
- 17 September 2008
Sonae Capital informs about changes in composition of the Fiscal Board.
- 30 September 2008
Sonae Capital informs about increase (from 25% to 36%) in its shareholding in Norscut.



Glossary

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

Capex = Investment in Fixed Assets.

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

Gearing = Net Debt / Equity.

Interest Cover Ratio = EBITDA / Net Financial Charges.

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

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

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



CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2008

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2008 AND 31 DECEMBER 2007

(Amounts expressed in euro)

		Changes in perimeter (Pylsorol Group)		Pró-forma ²	Pró-forma ¹	
ASSETS	Notes	30.09.2008	30.09.2008	30.09.2008	31.12.2007	31.12.2007
NON-CURRENT ASSETS:						
Tangible and intangible assets	8	427,637,027	28,944,371	398,692,656	328,841,785	329,842,000
Goodwill	9	61,766,621	-	61,766,621	62,517,465	63,796,454
Investments	10	50,517,493	1,524	50,515,969	96,171,935	96,171,935
Deferred tax assets	13	17,495,861	-	17,495,861	14,117,740	14,320,920
Other non-current assets	11	22,786,715	343,901	22,442,814	19,943,811	24,318,632
Total Non-Current Assets		580,203,717	29,289,796	550,913,921	521,592,736	528,449,941
CURRENT ASSETS:						
Stocks		204,107,241	18,663,103	185,444,138	142,074,734	143,489,662
Trade account receivables and other current assets	12	118,459,252	25,802,427	92,656,825	83,787,980	100,924,346
Investments held for trading		346,969	-	346,969	499	499
Cash and cash equivalents	14	6,223,987	1,384,219	4,839,768	43,956,550	44,333,841
Total Current Assets		329,137,449	45,849,749	283,287,700	269,819,763	288,748,348
TOTAL ASSETS						
		909,341,166	75,139,545	834,201,621	791,412,499	817,198,289
EQUITY AND LIABILITIES						
EQUITY:						
Share capital	15	250,000,000	-	250,000,000	250,000,000	250,000,000
Reserves and retained earnings		45,843,900	(9,376,488)	55,220,388	58,085,731	91,854,242
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		32,168,530	(3,230,293)	35,398,823	8,579,429	14,994,319
Equity attributable to the equity holders of Sonae Capital		328,012,430	(12,606,781)	340,619,211	316,665,160	356,848,561
Equity attributable to minority interests	16	33,961,538	(8,619,522)	42,581,060	36,758,832	36,758,832
TOTAL EQUITY		361,973,968	(21,226,303)	383,200,271	353,423,992	393,607,393
LIABILITIES:						
NON-CURRENT LIABILITIES:						
Bank Loans	17	152,788,080	1,578,783	151,209,297	191,453,586	191,453,586
Other non-current liabilities	19	66,213,828	40,673,598	25,540,230	34,461,335	39,150,435
Deferred tax liabilities	13	2,615,353	-	2,615,353	2,307,082	7,526,370
Provisions	22	13,237,040	4,431,299	8,805,741	11,442,155	16,654,464
Total Non-Current Liabilities		234,854,301	46,683,680	188,170,621	239,664,158	254,784,855
CURRENT LIABILITIES:						
Bank Loans	17	137,694,729	12,313,596	125,381,133	24,751,003	24,751,003
Trade creditors and other non-current liabilities	21	173,335,666	37,368,572	135,967,094	169,757,882	140,239,574
Provisions	22	1,482,502	-	1,482,502	3,815,464	3,815,464
Total Current Liabilities		312,512,897	49,682,168	262,830,729	198,324,349	168,806,041
TOTAL LIABILITIES						
		547,367,198	96,365,848	451,001,350	437,988,507	423,590,896
TOTAL EQUITY AND LIABILITIES						
		909,341,166	75,139,545	834,201,621	791,412,499	817,198,289

The accompanying notes are part of these financial statements.

1) Continued Operations (exclude Contacto - Sociedade de Construções, SA)

2) Excludes Pylsorol Group to allow comparison with the Pro-forma of the comparable period of 2007

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE 3rd QUARTERS OF 2008 AND 2007

(Amounts expressed in euro)

Notes	3 rd Quarter 08		3 rd Quarter 07	
	Changes in Perimeter (Plysol Group)	Pro-Forma ²	Pro-Forma ¹	
Operational income				
Sales	40,533,143	20,297,949	20,235,194	23,843,177
Services rendered	30,476,330	9,751	30,466,579	26,852,483
Other operational income	2,771,869	513,532	2,258,337	2,065,892
Total operational income	73,781,342	20,821,232	52,960,110	52,761,552
Operational expenses				
Cost of goods sold and materials consumed	(26,819,766)	(11,150,858)	(15,668,908)	(14,954,150)
Changes in stocks of finished goods and work in progress	20,657,493	(703,500)	21,360,993	7,173,982
External supplies and services	(52,783,867)	(6,529,311)	(46,254,556)	(29,766,968)
Staff costs	(15,828,427)	(4,857,596)	(10,970,831)	(9,600,844)
Depreciation and amortisation	(3,908,725)	(1,104,062)	(2,804,663)	(1,840,172)
Provisions and impairment losses	51,007	4,594	46,413	(10,122)
Other operational expenses	(2,771,751)	(912,746)	(1,859,005)	(1,182,469)
Total operational expenses	(81,404,036)	(25,253,479)	(56,150,557)	(50,180,743)
Operational profit/(loss)	(7,622,694)	(4,432,247)	(3,190,447)	2,580,809
Financial Expenses	(5,227,603)	(1,055,958)	(4,171,645)	(4,838,161)
Financial Income	860,498	170,072	690,426	1,029,118
Net financial expenses	(4,367,105)	(885,886)	(3,481,219)	(3,809,043)
Share of results of associated undertakings	(1,162,751)	-	(1,162,751)	1,691,894
Investment income	10,746,549	-	10,746,549	5,607,884
Profit/(Loss) before taxation	(2,406,001)	(5,318,133)	2,912,132	6,071,544
Taxation	229,907	(78,148)	308,055	(792,333)
Profit/(Loss) after taxation	(2,176,094)	(5,396,281)	3,220,187	5,279,211
Profit/(Loss) for the year	(2,176,094)	(5,396,281)	3,220,187	5,279,211
Attributable to:				
Equity holders of Sonae Capital	(587,235)	(3,230,293)	2,643,058	4,881,034
Minority interests	(1,588,859)	(2,165,988)	577,129	398,177
Profit/(Loss) per share				
Basic	(0.002349)	(0.012921)	0.010572	0.019524
Diluted	(0.002349)	(0.012921)	0.010572	0.019524

The accompanying notes are part of these financial statements.

1) Continued Operations (exclude Contacto - Sociedade de Construções, SA)

2) Excludes Plysol Group to allow comparison with the Pro-forma of the comparable period of 2007

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008 AND 2007

(Amounts expressed in euro)

	Notes	30.09.2008			30.09.2007
		Total Operations	Changes in Perimeter (Plysorol Group)	Pro-Forma ²	Pro-Forma ¹
Operational income					
Sales		80,664,811	20,297,949	60,366,862	60,443,174
Services rendered		83,141,043	9,751	83,131,292	76,697,123
Other operational income		5,422,638	513,532	4,909,106	4,477,550
Total operational income		169,228,492	20,821,232	148,407,260	141,617,847
Operational expenses					
Cost of goods sold and materials consumed		(49,681,434)	(11,150,858)	(38,530,576)	(36,977,658)
Changes in stocks of finished goods and work in progress		47,431,849	(703,500)	48,135,349	26,445,731
External supplies and services		(128,282,155)	(6,529,311)	(121,752,844)	(93,080,167)
Staff costs		(37,933,427)	(4,857,596)	(33,075,831)	(28,552,374)
Depreciation and amortisation	8	(8,045,121)	(1,104,062)	(6,941,059)	(5,316,051)
Provisions and impairment losses		(2,848,523)	4,594	(2,853,117)	(210,936)
Other operational expenses		(5,230,709)	(912,746)	(4,317,963)	(4,646,620)
Total operational expenses		(184,589,520)	(25,253,479)	(159,336,041)	(142,338,075)
Operational profit/(loss)		(15,361,028)	(4,432,247)	(10,928,781)	(720,228)
Financial Expenses		(12,188,263)	(1,055,958)	(11,132,305)	(12,347,543)
Financial Income		2,594,348	170,072	2,424,276	4,016,211
Net financial expenses		(9,593,915)	(885,886)	(8,708,029)	(8,331,332)
Share of results of associated undertakings	10	(3,060,989)	-	(3,060,989)	698,219
Investment income		59,638,262	-	59,638,262	9,579,315
Profit/(Loss) before taxation		31,622,330	(5,318,133)	36,940,463	1,225,974
Taxation	25	(493,298)	(78,148)	(415,150)	2,615,519
Profit/(Loss) after taxation		31,129,032	(5,396,281)	36,525,313	3,841,493
Profit/(Loss) for the year	26	31,129,032	(5,396,281)	36,525,313	3,841,493
Attributable to:					
Equity holders of Sonae Capital		32,168,530	(3,230,293)	35,398,823	3,554,787
Minority interests		(1,039,498)	(2,165,988)	1,126,490	286,706
Profit/(Loss) per share					
Basic	27	0.128674	(0.012921)	0.141595	0.014219
Diluted	27	0.128674	(0.012921)	0.141595	0.014219

The accompanying notes are part of these financial statements.

1) Continued Operations (exclude Contacto - Sociedade de Construções, SA)

2) Excludes Plysorol Group to allow comparison with the Pro-forma of the comparable period of 2007

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008 AND 2007

(Amounts expressed in euro)

Notes	Attributable to Equity Holders of Sonae Capital				Minority Interests	Total Equity
	Share Capital	Reserves and Retained Earnings	Net Profit/(Loss)	Total		
Balance as at 1 January 2007	250,000,000	(10,979,229)	(6,166,995)	232,853,776	18,876,352	251,730,128
Appropriation of profit of 2006:						
Transfer to legal reserves and retained earnings	-	(6,166,995)	6,166,995	-	-	-
Changes in reserves						
In conversion reserves	-	148,260	-	148,260	32,188	180,448
In hedge and fair value reserves	-	(5,903,122)	-	(5,903,122)	-	(5,903,122)
Affiliated and associated undertakings excluded for sale	-	11,638,451	-	11,638,451	-	11,638,451
Aquisition of affiliated and associated undertakings	-	(4,311,388)	-	(4,311,388)	15,163,876	10,852,488
In other reserves	-	(2,127,670)	-	(2,127,670)	721,180	(1,406,490)
Consolidated Profit/(Loss) for the six months ended 30 September 2007	-	-	3,554,787	3,554,787	286,706	3,841,493
Others	-	-	-	-	-	-
Balance as at 30 September 2007 ¹	<u>250,000,000</u>	<u>(17,701,693)</u>	<u>3,554,787</u>	<u>235,853,094</u>	<u>35,080,302</u>	<u>270,933,396</u>
Balance as at 1 January 2008	250,000,000	98,269,130	8,579,431	356,848,561	36,758,832	393,607,393
Appropriation of profit of 2007:						
Transfer to legal reserves and retained earnings	-	8,579,431	(8,579,431)	-	-	-
Changes in reserves						
In conversion reserves	-	(537,820)	-	(537,820)	(26,828)	(564,648)
In hedge and fair value reserves	-	(42,484,200)	-	(42,484,200)	-	(42,484,200)
Other changes	-	(17,982,641)	-	(17,982,641)	(1,730,968)	(19,713,609)
Consolidated Profit/(Loss) for the six months ended 30 September 2008	-	-	32,168,530	32,168,530	(1,039,498)	31,129,032
Others	-	-	-	-	-	-
Balance as at 30 September 2008	<u>250,000,000</u>	<u>45,843,900</u>	<u>32,168,530</u>	<u>328,012,430</u>	<u>33,961,538</u>	<u>361,973,968</u>

The accompanying notes are part of these financial statements.

1) Pro-Forma Equity (exclude Contacto - Sociedade de Construções, SA)

The Board of Directors

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTH ENDED 30 SEPTEMBER 2008 AND 2007

(Amounts expressed in euro)

		Pro-forma ¹	
	Notes	30.09.2008	30.09.2007
<u>OPERATING ACTIVITIES</u>			
Cash receipts from trade debtors		161,709,304	154,467,055
Cash paid to trade creditors		(167,026,866)	(133,090,812)
Cash paid to employees		(36,983,506)	(27,975,343)
Cash flow generated by operations		<u>(42,301,068)</u>	<u>(6,599,100)</u>
Income taxes (paid) / received		(3,312,423)	(4,092,990)
Other cash receipts and (payments) relating to operating activities		<u>(1,069,957)</u>	<u>2,296,345</u>
Net cash flow from operating activities (1)		<u>(46,683,448)</u>	<u>(8,395,745)</u>
<u>INVESTMENT ACTIVITIES</u>			
Cash receipts arising from:			
Investments		103,499,963	30,397,922
Tangible assets		4,181,018	1,961,255
Intangible assets		8,906	-
Interest and similar income		1,579,135	4,295,412
Loans granted		1,864,392	70,717,701
Dividends		<u>2,829,840</u>	<u>2,675,195</u>
		<u>113,963,254</u>	<u>110,047,485</u>
Cash Payments arising from:			
Investments		(7,517,544)	(79,007,972)
Tangible assets		(69,862,768)	(72,027,420)
Intangible assets		(325,484)	(106,690)
Loans granted		(12,141,661)	(25,002,485)
Others		<u>(101,069)</u>	<u>612</u>
		<u>(89,948,526)</u>	<u>(176,143,955)</u>
Net cash used in investment activities (2)		<u>24,014,728</u>	<u>(66,096,470)</u>
<u>FINANCING ACTIVITIES</u>			
Cash receipts arising from:			
Loans obtained		201,224,728	199,684,265
Capital increases, additional paid in capital and share premiums		212,500	30,232,577
Others		<u>200,000</u>	<u>62,500</u>
		<u>201,637,228</u>	<u>229,979,342</u>
Cash Payments arising from:			
Loans obtained		(206,759,362)	(129,346,137)
Interest and similar charges		(11,502,530)	(10,380,922)
Others		<u>-</u>	<u>(30,627)</u>
		<u>(218,261,892)</u>	<u>(139,757,686)</u>
Net cash used in financing activities (3)		<u>(16,624,664)</u>	<u>90,221,656</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(39,293,384)</u>	<u>15,729,441</u>
Effect of foreign exchange rate		409,253	187,863
Cash and cash equivalents at the beginning of the period	14	41,383,143	13,086,954
Cash and cash equivalents at the end of the period	14	<u>1,680,506</u>	<u>28,628,532</u>

The accompanying notes are part of these financial statements.

1) Continued Operations (exclude Contacto - Sociedade de Construções, SA)

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED AS AT 30 SEPTEMBER 2008

(Amounts expressed in euro)

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA ("the Company" 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 into two main strategic business areas, based on the development of two branches of activity separate and autonomous:

- The first business area, led by Sonae Turismo, SGPS, SA, includes businesses in tourism, through development, management and sale of touristic resorts, in real estate, through development and sale of high quality residential buildings, in hotels, through ownership and management of hotels, and in services, through activities such as restaurants, catering and events and health and fitness;
- The second business area, led by Spred, SGPS, SA (previously named Publimeios, SGPS, SA), includes businesses in three segments: identifying new business opportunities in emerging sectors or sectors undergoing restructuring, ownership and management of businesses with high potential for future development, whenever considered necessary in joint ventures with specialized third parties, and management of a financial portfolio.

1.1. Pro-forma Consolidated Financial Statements

As defined by international standard IFRS 5, and to ensure comparability between 2008 and 2007, the consolidated income statement and consolidated statement of cash-flows include pro forma consolidated financial statements for the period ended 30 September 2007 compiled based on assumptions previously considered in the financial statements presented for the year ended 31 December 2007. Thus, the comparative consolidated financial statements reported on 31 December 2007 and 30 September 2007, reflect the effects of the sale of Contacto - Sociedade de Construções, SA.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted are in accordance with those presented on 31 December 2007.

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" - previously named International Accounting Standards - "IAS"), issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously named Standing Interpretations Committee ("SIC"), beginning on 1 January 2008.

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

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the period there were no changes in accounting policies or prior period errors.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by the Group as at 30 September 2008 and 31 December 2007 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30.September.2008		31.December.2007	
		Direct	Total	Direct	Total
Sonae Capital SGPS, SA	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Tourism					
4) Águas Furtadas - Imobiliária, SA	a) Matosinhos	100.00%	87.74%	100.00%	100.00%
Aqualuz - Turismo e Lazer, Lda	a) Lagos	100.00%	100.00%	100.00%	100.00%
Aquapraia-Investimentos Turísticos, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a) Matosinhos	100.00%	87.74%	100.00%	100.00%
Bloco Q-Sociedade Imobiliária, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Bloco W-Sociedade Imobiliária, SA	a) Matosinhos	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%
Centro Residencial da Maia,Urb., SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Cinlus Imobiliária, SA	a) Porto	100.00%	87.74%	100.00%	100.00%
Country Club da Maia-Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Empreend.Imob.Quinta da Azenha, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a) Maia	57.84%	57.84%	57.84%	57.84%
Golf Time - Golfe e Inv.Turísticos, SA	a) Porto	75.00%	75.00%	75.00%	75.00%
Imoarea Investimentos Turísticos, SGPS, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Imobiliária da Cacela, SA	a) Matosinhos	100.00%	87.74%	100.00%	100.00%
Imoclub-Serviços Imobiliários, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Imodivor - Sociedade Imobiliária, SA	a) Maia	100.00%	87.74%	100.00%	100.00%
Imoferro-Soc.Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Imohotel-Emp.Turist.Imobiliários, 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%
Imoponte-Soc.Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Imoresort - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Imosedas-Imobiliária e Serviços, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Implantação - Imobiliária, SA	a) Matosinhos	100.00%	87.74%	100.00%	100.00%
Insulatroia - 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 Troia, 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%
6) Partnergiro-Empreendimentos Turísticos, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Porturbe-Edifícios e Urbanizações, SA	a) Maia	100.00%	87.74%	100.00%	100.00%
Praedium II-Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Praedium III-Serviços Imobiliários, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Praedium-SGPS, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Prédios Privados Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Predisedas-Predial das Sedas, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Promessa Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
6) Promosedas-Prom.Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
SC - Engenharia e Promoção Imobiliária, SGPS, SA	a) Porto	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%
Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
SII - Soberana Investimentos Imobiliários, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Soconstrução, BV	a) Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Soira-Soc.Imobiliária de Ramalde, SA	a) Porto	100.00%	87.74%	100.00%	100.00%
Solinca III-Desporto e Saúde, 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%
Solifitness - Club Malaga, SL	a) Malaga (Spain)	100.00%	100.00%	100.00%	100.00%
Soltroia-Imob.de Urb.Turismo de Troia, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Sonae Turismo Gestão e Serviços, SA	a) Porto	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) Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%

Sótaqua - Soc. de Empreendimentos Turísticos, SA	a)	Maia	100.00%	87.74%	100.00%	100.00%
1) Spinveste - Promoção Imobiliária, SA	a)	Porto	87.74%	87.74%	100.00%	100.00%
1) Spinveste-Gestão Imobiliária SGII, SA	a)	Porto	87.74%	87.74%	100.00%	100.00%
Torre São Gabriel-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2) Troia Market, SA	a)	Grândola	100.00%	100.00%	-	-
2) Troia Natura, SA	a)	Grândola	100.00%	100.00%	-	-
Troiaresort - 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%
Urbisedas-Imobiliária das Sedas, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Venda Aluga-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3) Vistas do Freixo-Emp.Tur.imobiliários,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
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	100.00%	100.00%	100.00%	100.00%
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%
4) Contacto - Sociedade de Construções, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Cronosaúde – Gestão Hospitalar, SA	a)	Porto	100.00%	50.00%	100.00%	50.00%
2) Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, S.A.	a)	Porto	100.00%	100.00%	-	-
5) Elmo SGPS, SA	a)	Maia	60.00%	60.00%	-	-
Friengineering, SA	a)	Sao Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
Imparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2) Integrum-Edifícios Sustentáveis, SA	a)	Maia	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%
5) Leroy Gabon, SA	a)	Libreville (Gabon)	99.99%	59.99%	-	-
PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
5) Placage d'Okoumé du Gabon, SA	a)	Libreville (Gabon)	99.88%	59.93%	-	-
5) Plysorol, SAS	a)	Niort (France)	100.00%	60.00%	-	-
Saúde Atlântica - Gestão Hospitalar, SA	a)	Maia	50.00%	50.00%	50.00%	50.00%
SC Insurance Risks Services, SGPS, SA	a)	Maia	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-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%
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%
Spinarq, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Spred SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Textil do Marco, SA	a)	Marco de Canaveses	90.37%	90.37%	90.37%	90.37%

Outras

DMJB, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Interlog-SGPS, SA	a)	Lisbon	98.98%	98.98%	100.00%	100.00%
Pargeste SGPS, SA		Maia	89.99%	89.99%	89.99%	89.99%
Rochester Real Estate, Ltd	a)	Kent (U.K.)	100.00%	100.00%	100.00%	100.00%
SC-Consultadoria,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
SC-S.G.P.S., SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sonae Financial Participations, BV	a)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae International, Ltd	a)	London (U.K.)	100.00%	100.00%	100.00%	100.00%

a) Majority of voting rights.

- 1) Sale of 12.25% of the share capital on 31 March 2008.
- 2) Company incorporated in the period.
- 3) Company included in the Spred segment in the last period.
- 4) Company sold in the period.
- 5) Control of the company and of its affiliates regained in the period.
- 6) Company dissolved 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 September 2008 and 31 December 2007 are as follows:

COMPANY	Head Office	Percentage of capital held				Book Value	
		30.September.2008		31.December.2007		30.September.2008	31.December.2007
		Direct	Total	Direct	Total		
Tourism							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	891,238	-
Sociedade de Construções do Chile, SA	Lisbon	100.00%	50.00%	100.00%	50.00%	-	-
Sociedade Imobiliária Troia - B3, SA	Grândola	20.00%	20.00%	20.00%	20.00%	450,176	450,631
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							
1) 2) CarPlus – Comércio de Automóveis, SA	Vila Nova de Gaia	100.00%	50.00%	100.00%	50.00%	-	-
Cinlus-Plan. e Gestão de Projectos, SA	Porto	25.00%	25.00%	25.00%	25.00%	681,396	567,259
Change, SGPS, SA	Porto	50.00%	50.00%	50.00%	50.00%	1,759,828	2,035,846
1) 2) Choice Car - Comércio de Automóveis, SA	Porto	100.00%	50.00%	100.00%	50.00%	-	-
2) Choice Car SGPS, SA	Maia	50.00%	50.00%	50.00%	50.00%	-	3,750,798
Etablissement A. Mathe, SA	France	27.74%	27.74%	27.74%	27.74%	16,319	31,937
1) 2) Finlog - Aluguer e Comércio de Automóveis, SA	Matosinhos	100.00%	50.00%	100.00%	50.00%	-	-
1) 2) Guerin – Rent a Car (Dois), Lda	Lisbon	100.00%	50.00%	100.00%	50.00%	-	-
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	458,508	813,764
1) 2) Luso Assistência - Gestão de Acidentes, SA	Porto	100.00%	50.00%	100.00%	50.00%	-	-
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	25.00%	25.00%	241,001	1,547,478
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
Sodesa, SA	Lisbon	50.00%	50.00%	50.00%	50.00%	-	482,661
TP - Sociedade Térmica, SA	Porto	50.00%	50.00%	50.00%	50.00%	10,220,679	9,281,288
Total (Note 10)						14,743,145	18,985,662

1) Companies owned by Choice Car SGPS, SA

2) Associated companies sold in the period

Nil balances shown result from the reduction to acquisition cost of amounts determined by the equity method, except for figures relating to subsidiaries of Choice Car SGPS, SA identified in 1) above which are included in the value of Choice Car SGPS, SA.

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

As at 30 September 2008 and 31 December 2007, aggregate values of main financial indicators of associated and jointly controlled companies can be analysed as follows:

	30.September.2008	31.December.2007
Total Assets	1,493,813,618	1,242,669,996
Total Liabilities	1,421,653,239	1,139,976,914
	30.September.2008	30.September.2007
Income	111,734,904	169,915,629 1)
Expenses	119,071,001	165,734,361 2)

1) Income associated with the company Choice Car S.G.P.S. and its subsidiaries amounting to 113.021.176 €

2) Costs associated with the company Choice Car S.G.P.S. and its subsidiaries amounting to 111.932.432 €

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 by the Group and book value as at 30 September 2008 and 31 December 2007 are made up as follows:

			Percentage of capital held						
COMPANY	Reason for exclusion	Head Office	30.September.2008		31.December.2007		Book Value		
			Direct	Total	Direct	Total	30.September.2008	31.December.2007	
Tourism									
1)	Delphinus – Soc. de Tur. e Div. de Tróia, SA	a)	Grândola	79.00%	79.00%	79.00%	79.00%	-	-
	Fun International Entertainment, SA	a)	Porto	-	-	50.00%	50.00%	-	-
	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%	-	-
	Star-Viagens e Turismo, SA		Lisbon	1.00%	1.00%	10.00%	10.00%	1	1,550,976
Spred									
2)	Arbiworld BV		Porto	100.00%	100.00%	100.00%	100.00%	9,988,577	9,988,577
	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
3)	Sonae Indústria, SGPS, SA		Maia	7.60%	7.60%	6.80%	6.80%	23,390,127	63,320,071
	Real Change FCR - Fundo		Porto	13.33%	13.33%	13.33%	13.33%	1,800,000	1,800,000
	Fundo de Capital de Risco F-HITEC		Lisbon	7.14%	7.14%	-	-	37,500	-
Another investments								332,233	300,739
Total (Note 10)								35,774,348	77,186,273

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.

- 1) Sale, in 2007, of the entire shareholding.
- 2) Company acquired in 2007, in relation to which call and put options exist, and as such was excluded from consolidation.
- 3) Investment measured at fair value.

Nil balances shown above result from deduction of impairment losses from related investments (Note 10).

7. CHANGES TO THE CONSOLIDATION PERIMETER

Main changes to the consolidation perimeter over the nine month period ended 30 September 2008 are as follows:

Additions

		Percentage of capital held		
		30.September.2008		
COMPANY	Head Office	Direct	Total	
Tourism				
Troia Market, SA	Grândola	100.00%	100.00%	
Troia Natura, SA	Grândola	100.00%	100.00%	
Spred				
	Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, S.A.	Porto	100.00%	100.00%
1)	Elmo SGPS, SA	Maia	60.00%	60.00%
	Integrum-Edifícios Sustentáveis, SA	Maia	100.00%	100.00%
1)	Leroy Gabon, SA	Libreville (Gabon)	99.99%	59.99%
1)	Placage d'Okoumé du Gabon, SA	Libreville (Gabon)	99.88%	59.93%
1)	Plysol, SAS	Niort (France)	100.00%	60.00%

- 1) Elmo SGPS, SA and its subsidiaries were included on consolidation as a result of regaining control of these companies as announced on 5 May 2008 and was referred to the 30 June 2008 due to financial information not being available at a date closer to that of the announcement. Hence the Consolidated Income Statements and the Consolidated Statements of Cash Flows were affected by the inclusion of ELMO and its subsidiaries, only in the period between June and September 2008.

The impact of these companies at entry date on the consolidated net financial position was as follows:

	Plysorol Group	Others	Total Entries
Net assets			
Tangible and intangible assets	29,848,791	151,543	30,000,334
Other assets	55,880,276	227,743	56,108,019
Cash and cash equivalents	1,949,364	158,221	2,107,585
Loans	(13,951,858)	-	(13,951,858)
Other liabilities	(89,525,340)	(193,408)	(89,718,748)
	<u>(15,798,767)</u>	<u>344,099</u>	<u>(15,454,668)</u>

The impact of these companies at entry date on the financial profit and loss account was as follows (as abovementioned Plysorol Group does not affect the profit and loss account at entry date):

	Entry date
Operational Income	357,625
Operational Expenses	410,806
Net Financial Expenses	(692)
Profit before Taxation	325,031
Taxation	93,348
Profit for the Period	<u>231,683</u>

Disposals

The disposal occurred in the nine months ended 30 September 2008 was as follows:

COMPANY	Head Office	Percentage of capital held on the date of sale	
		Direct	Total
Spred			
Contacto - Sociedade de Construções, SA	Porto	100.00%	100.00%
Águas Furtadas - Imobiliária, SA	Matosinhos	100.00%	87.74%

Net assets of the company sold on the date of the disposal are as follows:

	CONTACTO 31.December.2007	ÁGUAS FURTADAS 30.June.2008	TOTAL DISPOSALS
Net assets disposed of			
Tangible and intangible assets	283,817	-	283,817
Other assets	102,717,889	1,412,049	104,129,938
Cash and cash equivalents	378,941	149	379,090
Loans	-	-	-
Other liabilities	(69,521,129)	(1,439,345)	(70,960,474)
	<u>33,859,518</u>	<u>(27,147)</u>	<u>33,832,371</u>
Goodwill (Note 9)	1,278,898	-	1,278,898
	<u>35,138,416</u>	<u>(27,147)</u>	<u>35,111,269</u>
Gain/(loss) on sale	46,361,584	103,763	46,465,347
Sales price	<u>81,500,000</u>	<u>76,616</u>	<u>81,576,616</u>
Cash received	81,500,000	76,616	81,576,616
Amounts receivable	-	-	-
	<u>81,500,000</u>	<u>76,616</u>	<u>81,576,616</u>
Net cash inflow arising from the disposal			
Cash consideration received	81,500,000	76,616	81,576,616
Cash and cash equivalents disposed of	(378,941)	(149)	(379,090)
	<u>81,121,059</u>	<u>76,467</u>	<u>81,197,526</u>

8. TANGIBLE AND INTANGIBLE ASSETS

During the nine months period ended 30 September 2008, movements in Tangible and Intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Tangible assets				Total Tangible Assets
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	
Gross cost:					
Opening balance as at 1 January 2008	243,070,156	73,812,265	4,358,727	78,619,871	399,861,019
Changes in consolidation perimeter (entries)	25,639,505	51,561,827	7,787,934	329,051	85,318,317
Changes in consolidation perimeter (disposals)	(546,763)	(5,380,672)	(802,170)	-	(6,729,605)
Capital expenditure	16,177,156	313,315	51,617	62,432,998	78,975,086
Disposals	(1,180,652)	(2,557,450)	(105,024)	(1,590,063)	(5,433,189)
Exchange rate effect	(18,011)	(2,492)	(2,511)	-	(23,014)
Transfers	(10,944,412)	30,397,395	(2,767,473)	(13,494,599)	3,190,911
Closing balance as at 30 September 2008	272,196,979	148,144,188	8,521,100	126,297,258	555,159,525
Accumulated depreciation and impairment losses:					
Opening balance as at 1 January 2008	34,337,745	33,438,181	3,055,187	-	70,831,113
Changes in consolidation perimeter (entries)	16,054,207	34,742,595	5,465,998	-	56,262,800
Changes in consolidation perimeter (disposals)	(109,841)	(5,122,628)	(454,546)	-	(5,687,015)
Depreciation and impairment losses in the period	2,859,533	4,851,226	103,151	-	7,813,910
Disposals	(302,598)	(1,891,488)	(201,911)	-	(2,395,997)
Exchange rate effect	(3,971)	(2,243)	(447)	-	(6,661)
Transfers	1,491,303	(1,322,948)	1,880,141	-	2,048,496
Closing balance as at 30 September 2008	54,326,378	64,692,695	9,847,573	-	128,866,646
Carrying amount as at 30 September 2008	217,870,601	83,451,493	(1,326,473)	126,297,258	426,292,879

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

Troia	59,949,855
Aparthotel Aqualuz refurbishment	3,818,732
Ferry boat construction	9,491,183
Troia Marina	100,483
Boavista Complex refurbishment	2,328,522
Hotels refurbishment at Troia	26,081,121
Construction underway at Maia (Business Park)	21,125,756
Others	3,401,606
	126,297,258

	Intangible assets			
	Patents and other similar rights	Others	Intangible assets in progress	Total Intangible Assets
Gross cost:				
Opening balance as at 1 January 2008	691,162	2,495,880	57,341	3,244,383
Changes in consolidation perimeter (entries)	7,082,818	-	-	7,082,818
Changes in consolidation perimeter (disposals)	(8,557)	-	-	(8,557)
Capital expenditure	115,805	16,282	53,952	186,039
Disposals	(24,362)	(44,245)	(12,735)	(81,342)
Exchange rate effect	-	(1,316)	-	(1,316)
Transfers	(4,627,392)	93,464	(30,951)	(4,564,879)
Closing balance as at 30 September 2008	3,229,474	2,560,065	67,607	5,857,146
Accumulated depreciation and impairment losses:				
Opening balance as at 1 January 2008	386,648	2,045,641	-	2,432,289
Changes in consolidation perimeter (entries)	6,135,009	-	-	6,135,009
Changes in consolidation perimeter (disposals)	-	-	-	-
Depreciation and impairment losses in the period	72,345	135,153	-	207,498
Disposals	(24,362)	(37,516)	-	(61,878)
Exchange rate effect	-	(693)	-	(693)
Transfers	(4,111,305)	(87,922)	-	(4,199,227)
Closing balance as at 30 September 2008	2,458,335	2,054,663	-	4,512,998
Carrying amount as at 30 September 2008	771,139	505,402	67,607	1,344,148

9. GOODWILL

During the nine months period ended 30 September 2008, movements in goodwill, as well as in corresponding impairment losses, were as follows:

	30 September 2008
Gross Value:	
Opening balance	65,098,050
Increases by acquisitions of affiliates	39,869
Decreases by disposals of companies (Note 7)	(1,278,898)
Decreases of percentage held	(790,804)
Closing balance	63,068,217
Accumulated impairment losses:	
Opening balance	1,301,596
Increases	-
Decreases	-
Closing balance	1,301,596
Carrying amount	61,766,621

10. INVESTMENTS

As at 30 September 2008, this caption is made up as follows:

	30 September 2008	
	Non Current	Current
<u>Investment in associated companies</u>		
Opening balance as at 1 January	17,121,634	-
Acquisitions in the period	4,884,786	-
Disposals in the period	(3,140,129)	-
Equity method effect	(9,325,344)	-
Transfers	3,338,170	-
Closing balance as at 30 September	12,879,117	-
Goodwill transferred to Investments	1,864,028	-
Accumulated impairment losses (Note 22)	-	-
<u>Investment in associated companies (Note 5)</u>	14,743,145	-
<u>Investments in group companies, jointly controlled companies, or associated companies excluded from consolidation</u>		
Opening balance as at 1 January	9,631,930	-
Acquisitions in the period	30,000	-
Disposals in the period	(1,444,878)	-
Transfers	-	-
Closing balance as at 30 September	8,217,052	-
Accumulated impairment losses (Note 22)	(7,814,035)	-
	403,017	-
<u>Investments held for sale</u>		
Fair value (net of impairment losses) as at 1 January	75,262,281	-
Acquisitions in the period	2,867,778	-
Disposals in the period	(37,000)	-
Increase/(Decrease) in fair value	(42,760,222)	-
Transfers	-	-
Changes in consolidation perimeter (Plysorol Group)	38,494	-
Fair value (net of impairment losses) as at 30 September	35,371,331	-
<u>Other investments (Note 6)</u>	35,774,348	-
	50,517,493	-

Investments held for sale are disclosed above, net of accumulated impairment losses (Note 22) amounting to 424,327 euro.

The use of the equity method had the following impacts: -3,060,989 euro recorded in Share of results of associated undertakings and -6,264,355 euro recorded in Other changes in Reserves.

11. OTHER NON-CURRENT ASSETS

As at 30 September 2008 and 31 December 2007, Other non-current assets are detailed as follows:

	30.September.2008	31.December.2007
Loans granted to related parties		
Norscut - Concessionária de Scout Interior Norte, SA	20,642,713	14,069,052
Andar - Sociedade Imobiliária, SA	-	3,338,173
Others	300,604	289,989
	20,943,317	17,697,214
Impairment losses (Note 22)	(270,489)	(270,489)
	20,672,828	17,426,725
Trade accounts receivable and other debtors		
Assets arising from the sale of financial investments	4,921,250	5,510,000
Others	1,367,386	1,899,477
	6,288,636	7,409,477
Impairment losses (Note 22)	(4,174,749)	(520,351)
	2,113,887	6,889,126
Taxes Recoverable	-	2,781
Other non-current assets	<u>22,786,715</u>	<u>24,318,632</u>

12. TRADE DEBTORS AND OTHER CURRENT ASSETS

As at 30 September 2008 and 31 December 2007, Trade debtors and other current assets are detailed as follows:

	30.September.2008	31.December.2007
Trade accounts receivable	48,981,126	56,040,609
Taxes recoverable	14,742,528	19,444,523
Loans granted to related parties		
Sit B3	2,559,886	2,485,702
Others	138,460	6,090
	2,698,346	2,491,792
Other current assets		
Trade suppliers - debit balances	2,266,573	1,446,131
Other debtors	13,531,664	9,762,822
Accounts receivable from the sale of investments	34,085,089	35,056,077
Accounts receivable from the sale of tangible assets	87,504	15,348
Income related with construction contracts	-	1,790,984
Interest receivable	1,017,128	135,205
Deferred costs - Rents	263,049	231,105
Deferred costs - External supplies and services	5,531,833	3,576,303
Other current assets	1,159,957	1,862,601
	57,942,797	53,876,576
	124,364,797	131,853,500
Accumulated impairment losses (Note 22)	(31,707,972)	(30,929,154)
Changes in consolidation perimeter (Plysorol Group)	25,802,427	-
Trade Debtors and Other Current Assets	<u>118,459,252</u>	<u>100,924,346</u>

In "Accounts receivable from the sale of investments" as at 30 September 2008 and 31 December 2007, most significant values are related to the debt on the sale of Grano Salis in 2006 (11,532,035 euro) and on the sale of Elmo, SGPS, SA in 2007 (19,794,479 euro), the latter subject to an impairment loss (Note 22).

13. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 September 2008 and 31 December 2007 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30.September.2008	31.December.2007	30.September.2008	31.December.2007
Harmonisation adjustments	512,697	-	317,067	49
Provisions and impairment losses	-	203,180	3,367	5,219,288
Write off of tangible and intangible assets	2,110,693	2,174,715	1,511,184	1,510,830
Revaluation of tangible assets	-	-	783,735	795,849
Tax losses carried forward	14,176,417	11,589,253	-	-
Others	696,054	353,772	-	354
	<u>17,495,861</u>	<u>14,320,920</u>	<u>2,615,353</u>	<u>7,526,370</u>

In accordance with tax statements and tax estimates presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 September 2008 and 31 December 2007, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	30.September.2008			31.December.2007		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2002	168,073	42,018	2008	1,209,557	302,389	2008
Generated in 2003	7,263,652	1,815,913	2009	9,126,348	2,281,587	2009
Generated in 2004	6,153,960	1,538,490	2010	6,627,219	1,656,805	2010
Generated in 2005	7,025,798	1,756,451	2011	7,025,798	1,756,449	2011
Generated in 2006	11,702,529	2,925,632	2012	11,702,529	2,925,632	2012
Generated in 2007	6,273,419	1,568,355	2013	8,743,671	2,185,919	2013
Generated in 2008	16,196,344	4,049,086	2014	-	-	
	<u>54,783,775</u>	<u>13,695,945</u>		<u>44,435,122</u>	<u>11,108,780</u>	
With a time limit different from the above mentioned						
	1,453,780	480,473		1,453,780	480,473	
	<u>1,453,780</u>	<u>480,473</u>		<u>1,453,780</u>	<u>480,473</u>	
	<u>56,237,555</u>	<u>14,176,418</u>		<u>45,888,902</u>	<u>11,589,253</u>	

As at 30 September 2008 and 31 December 2007, 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 September 2008 tax losses carried forward, amounting to 141,465,403 euro have not originated deferred tax assets for prudential reasons. These may be summarised as follows:

	30.September.2008			31.December.2007		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2002	25,724,254	6,431,066	2008	36,487,545	9,121,887	2008
Generated in 2003	11,400,023	2,850,006	2009	13,379,146	3,344,787	2009
Generated in 2004	5,094,425	1,273,607	2010	5,065,719	1,266,430	2010
Generated in 2005	9,134,212	2,283,554	2011	7,726,020	1,931,505	2011
Generated in 2006	13,999,408	3,499,854	2012	13,437,053	3,359,264	2012
Generated in 2007	23,161,623	5,790,404	2013	22,867,073	5,716,767	2013
Generated in 2008	35,553,232	8,888,309	2014	-	-	
	<u>124,067,177</u>	<u>31,016,800</u>		<u>98,962,556</u>	<u>24,740,640</u>	
Without limited time use	4,011,002	1,336,867		4,849,357	1,616,291	
With a time limit different from the above mentioned	13,387,224	3,929,597		11,525,185	3,403,077	
	<u>17,398,226</u>	<u>5,266,464</u>		<u>16,374,542</u>	<u>5,019,368</u>	
	<u>141,465,403</u>	<u>36,283,264</u>		<u>115,337,098</u>	<u>29,760,008</u>	

On 30 September 2008 tax losses carried forward in companies of the Plysorol Group amount to 21,880,513 euro which have not been included in this note.

14. CASH AND CASH EQUIVALENTS

As at 30 September 2008 and 31 December 2007, Cash and cash equivalents can be detailed as follows:

	30.September.2008	31.December.2007
Cash at hand	217,696	183,580
Bank deposits	3,207,338	43,040,144
Treasury applications	849,588	1,110,117
	<u>4,274,622</u>	<u>44,333,841</u>
Bank overdrafts	(2,594,116)	(2,950,698)
Cash and cash equivalents in the statement of cash flows	<u>1,680,506</u>	<u>41,383,143</u>
Cash and cash equivalents	4,839,768	44,333,841
Cash and cash equivalents - Changes in perimeter (Plysol Group)	1,384,219	-
Cash and cash equivalents in the balance sheet	<u>6,223,987</u>	<u>44,333,841</u>
Bank overdrafts	(2,594,116)	(2,950,698)
Bank overdrafts - Changes in perimeter (Plysol Group)	(11,894,327)	-
Bank overdrafts (Note 17)	<u>(14,488,443)</u>	<u>(2,950,698)</u>

Bank overdrafts are disclosed in the balance sheet under current Bank loans.

15. 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.

16. MINORITY INTERESTS

Movements in minority interests in the periods ended 30 September 2008 and 31 December 2007 are as follows:

	30.September.2008	31.December.2007
Opening balance as at 1 January	36,758,832	18,876,352
Acquisitions with increase in percentage ownership	-	17,108,025
Changes resulting from currency translation	(26,828)	(22,328)
Changes in percentage ownership from disposal of companies	4,385,813	-
Changes in consolidation perimeter (Plysol Group)	(6,340,087)	-
Others	223,306	(57,033)
Profit for the period attributable to minority interests	<u>(1,039,498)</u>	<u>853,816</u>
Closing balance	<u>33,961,538</u>	<u>36,758,832</u>

17. BORROWINGS

As at 30 September 2008 and 31 December 2007, Borrowings are made up as follows:

	30.September.2008			31.December.2007			
		Outstanding amount			Outstanding amount		
	Amount limit	Current	Non Current	Amount limit	Current	Non Current	Repayable on
Bank Loans							
Sonae Capital SGPS - commercial paper	30,000,000	-	30,000,000	-	-	-	Mar/2013
Sonae Capital SGPS - commercial paper	60,000,000	2,000,000	-	-	-	-	Mar/2013
Sonae Capital SGPS	12,000,000	7,000,000	-	-	-	-	Sep/2009
a) d) Sonae Turismo - commercial paper	110,000,000	-	-	110,000,000	-	109,999,989	Aug/2009
b) f) SC, SGPS - commercial paper	110,000,000	109,999,989	-	-	-	-	Aug/2009
e) Praedium SGPS - commercial paper	-	-	-	7,500,000	1,250,000	-	Aug/2008
c) Imoferro	-	-	-	6,983,171	122,295	6,529,175	May/2027
Invesaúde	1,000,000	500,000	500,000	2,000,000	250,000	1,250,000	Aug/2010
d) SC-Insurance and Risk Services-commercial paper	-	-	-	1,977,175	1,977,175	-	Feb/2008
Selfrio Engenharia	5,600,000	1,400,000	4,200,000	3,850,000	1,068,750	2,781,250	May/2012
Others	-	470,568	1,747,850	-	93,474	2,150,000	
		121,370,557	36,447,850		4,761,694	122,710,414	
Bank overdrafts (Note 14)		14,488,443			2,952,348	-	
Bank Loans		135,859,000	36,447,850		7,714,042	122,710,414	
Bonds							
Bonds Sonae Capital 2007/2012		-	20,000,000		-	20,000,000	Dec/2012
Bonds Sonae Capital 2007/2012		-	30,000,000		-	30,000,000	Dec/2012
d) Bonds SC-Insurance		-			15,000,000	-	
Bonds SC, SGPS, S.A. 2008/2018		-	50,000,000		-	-	Mar/2018
Amortised cost for bank loans and bonds		-	(1,030,431)		-	(234,000)	
Bonds		-	98,969,569		15,000,000	49,766,000	
Other loans		-	-		176,635	250,577	
Derivatives		-	-		-	-	
Obligations under finance leases		1,835,729	17,370,661		1,860,326	18,726,595	
		137,694,729	152,788,080		24,751,003	191,453,586	

- a) SC, SGPS, SA is a co-guarantor in this loan.
b) Sonae Turismo SGPS, SA is a co-guarantor in this loan.
c) This loan was guaranteed by mortgages of properties held by this affiliated company and has been fully repaid on 9 May 2008.
d) These loans were fully repaid in January and February 2008.
e) This loan was repaid on 20 June 2008, before its maturity date.
f) Contract with possibility of renewal for a further period of 2 years.

Sonae Capital SGPS - 2007/2012 Bonds 1st issue 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 Bonds 2nd issue 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 Bonds 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%.

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

	30.September.2008		31.December.2007	
	Capital	Interest	Capital	Interest
N+1 ^{a)}	137,694,729	14,326,872	24,751,003	5,130,659
N+2	5,566,246	8,768,377	114,359,681	4,293,458
N+3	23,494,738	8,593,217	24,155,400	4,071,652
N+4	2,623,649	8,411,409	3,683,383	2,774,451
N+5	60,878,159	6,903,755	31,732,355	2,596,855
After N+5	61,255,718	17,132,263	17,756,767	6,532,429
	291,513,240	64,135,893	216,438,590	25,399,505

- a) Includes amounts drawn under commercial paper programmes.

18. DERIVATIVES

Interest rate derivatives

The hedging instruments used by the Group as at 30 September 2008 were mainly "swaps" and interest rate options (cash flow hedges) contracted with the goal of hedging interest rate risks on loans in the amount of 50,000,000 euro, whose net fair value was 346,470 euro. As at 30 September 2008, 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. The determination of fair value of these financial instruments is based, for swaps, on updating on the balance sheet date the future cash flows resulting from the difference between the fixed interest rate of the fixed leg of the derivative and the variable interest rate indexed to the variable leg of the derivative. 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 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 accounted in Investments held for trading, as follows:

	Assets		Liabilities	
	30.September.2008	31.December.2007	30.September.2008	31.December.2007
Hedge accounting derivatives				
Interest rate	346,470	-	-	-
Other derivatives	-	-	-	-
	<u>346,470</u>	<u>-</u>	<u>-</u>	<u>-</u>

19. OTHER NON-CURRENT LIABILITIES

As at 30 September 2008 and 31 December 2007, Other non-current liabilities were made up as follows:

	30.September.2008	31.December.2007
Loans and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,323,720	2,323,820
Others	700,002	617,000
	<u>3,023,722</u>	<u>2,940,820</u>
Other creditors		
Creditors in the restructuring process of Torralta	30,141,462	30,141,462
Guarantees of suppliers	-	4,672,100
Fixed assets suppliers	1,348,461	1,387,500
Others	131,585	8,553
	<u>31,621,508</u>	<u>36,209,615</u>
Changes in perimeter (Plysorol Group)		
Changes in perimeter	40,673,598	-
Elimination of intra-group	(9,105,000)	-
Other Non-Current Liabilities	<u>66,213,828</u>	<u>39,150,435</u>

As at 30 September 2008 and 31 December 2007, "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).

20. SHARE-BASED PAYMENTS

In 2007 and previous years, the Sonae Capital Group granted deferred performance bonuses to employees, based on shares of Sonae SGPS, SA 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 September 2008 and 31 December 2007 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.September.2008	31.December.2007
Shares					
	2005	2008	0	-	573,543
	2006	2009	6	124,422	267,377
	2007	2010	5	82,545	218,103
	2008	2011	7	202,839	-
Total				<u>409,806</u>	<u>1,059,023</u>

As at 30 September 2008 and 31 December 2007 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.September.2008	31.December.2007
Staff costs	(252,057)	559,369
Retained earnings	464,971	265,126
	<u>212,914</u>	<u>824,495</u>
Other liabilities	212,914	824,495
	<u>212,914</u>	<u>824,495</u>

21. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 September 2008 and 31 December 2007, Trade accounts payable and Other current liabilities were made up as follows:

	30.September.2008	31.December.2007
Trade creditors	42,001,144	62,517,417
Loans and other amounts payable to related parties		
Others	406,935	-
	<u>406,935</u>	<u>-</u>
Other current liabilities		
Fixed assets suppliers	13,060,872	5,009,524
Amounts received as down payments	37,857,766	21,285,566
Advances from customers	1,694,364	1,333,157
Other accounts payable	10,835,240	3,598,684
Taxes and contributions payable	9,759,329	13,399,775
Cost accruals related to construction works	103,114	14,257,334
Staff Costs	6,879,898	6,809,301
Interest payable	1,296,013	712,251
Amounts invoiced for works not yet completed	5,093,512	3,686,414
Other external supplies and services	1,537,506	1,555,468
Others	5,441,401	6,074,683
	<u>93,559,015</u>	<u>77,722,157</u>
Changes in consolidation perimeter (Plysorol Group)	37,368,572	-
Suppliers and other current liabilities	<u>173,335,666</u>	<u>140,239,574</u>

22. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the nine months period ended 30 September 2008 are as follows:

Captions	Balance as at 31.December.07	Increases	Decreases	Change of perimeter (Plysol Group)	Balance as at 30.September.2008
Accumulated impairment losses on investments (Note 10)	28,720,049	106,097		(20,587,784)	8,238,362
Accumulated impairment losses on other non-current assets (Note 11)	790,840	3,654,398		-	4,445,238
Accumulated impairment losses on trade accounts receivable and on other current debtors (Note 12)	30,929,153	1,697,769	(1,027,640)	108,690	31,707,972
Accumulated impairment losses on stocks	7,474,353	208,361	(1,590,557)	1,026,857	7,119,014
Non-current provisions	16,654,464	10,706	(7,932,739)	4,504,609	13,237,040
Current provisions	3,815,464	300,000	(2,873,653)	240,691	1,482,502
	<u>88,384,323</u>	<u>5,977,331</u>	<u>(13,424,589)</u>	<u>(14,706,937)</u>	<u>66,230,128</u>

As at 30 September 2008 and 31 December 2007, Provisions can be analysed as follows:

	30.September.2008	31.December.2007
Guarantees on construction works given to clients	-	4,697,502
Judicial claims	4,440,899	3,954,369
Others	10,278,643	11,818,057
	<u>14,719,542</u>	<u>20,469,928</u>

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

23. CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2008 and 31 December 2007, Contingent liabilities were made up of guarantees given as follows:

	30.September.2008	31.December.2007
Guarantees given:		
on tax claims	4,258,314	5,845,298
on judicial claims	318,846	2,696,996
on municipal claims	5,706,053	5,887,208
others	59,288,388	74,799,709

Others include the following guarantees:

- 5,672,602 euro as at 30 September 2008 (22,730,724 euro as at 31 December 2007) of guarantees on construction works given to clients;
- 37,632,049 euro as at 30 September 2008 (37,899,252 euro as at 31 December 2007) of guarantees given concerning building permits in the tourism business;
- 186,153 euro as at 30 September 2008 (124,699 euro as at 31 December 2007) of guarantees given for the construction of ferry boats;
- 12,000,000 euro as at 30 September 2008 and as at 31 December 2007 of guarantees given on the sale of the shareholding in Granosalis, SGPS, SA..

24. RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

<u>Transactions</u>	Sales and services rendered		Purchases and services obtained	
	30.September.2008	30.September.2007	30.September.2008	30.September.2007
Parent company and group companies excluded from consolidation (a)	226,877	986,786	262,865	856,273
Associated companies	193,999	296,423	830,545	1,011,853
Other partners in Group companies	54,771,970	46,069,999	6,122,969	5,445,694
	<u>55,192,846</u>	<u>47,353,208</u>	<u>7,216,379</u>	<u>7,313,820</u>
<u>Transactions</u>	Interest income		Interest expenses	
	30.September.2008	30.September.2007	30.September.2008	30.September.2007
Parent company and group companies excluded from consolidation (a)	-	1,152,465	-	-
Associated companies	994,409	3,863	-	71,777
Other partners in Group companies	18,059	963,173	118,340	6,905,555
	<u>1,012,468</u>	<u>2,119,501</u>	<u>118,340</u>	<u>6,977,332</u>
<u>Balances</u>	Accounts receivable		Accounts payable	
	30.September.2008	31.December.2007	30.September.2008	31.December.2007
Parent company and group companies excluded from consolidation (a)	127,933	98,684	106,305	469,379
Associated companies	1,254,268	393,405	652,451	94,440
Other partners in Group companies	18,640,772	32,520,201	4,780,051	4,117,245
	<u>20,022,973</u>	<u>33,012,290</u>	<u>5,538,807</u>	<u>4,681,064</u>
<u>Balances</u>	Loans		Loans	
	Obtained		Granted	
	30.September.2008	31.December.2007	30.September.2008	31.December.2007
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	-	-	20,717,713	17,407,225
Other partners in Group companies	2,323,720	2,340,818	-	-
	<u>2,323,720</u>	<u>2,340,818</u>	<u>20,717,713</u>	<u>17,407,225</u>

(a) The parent company is Efanor Investimentos, SGPS, SA; balances and transactions with Sonae, SGPS, SA and with Sonae Indústria, SGPS, SA are included under Other partners in Group companies.

25. TAXATION

As at 30 September 2008 and 2007, Taxation is made up as follows:

	30.September.2008	30.September.2007
Current tax	3,383,383	3,317,985
Deferred tax	(2,890,085)	(5,933,504)
	<u>493,298</u>	<u>(2,615,519)</u>

26. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 September 2008 and 2007, the reconciliation of consolidated net profit can be analysed as follows:

	30 September 2008	30 September 2007
Aggregate net profit	72,704,556	(54,444,083)
Harmonisation adjustments	(8,942,264)	(8,244,691)
Elimination of intragroup dividends	(40,464,917)	(7,076,296)
Share of results of associated undertakings (Note 10)	(3,060,989)	698,219
Elimination of intragroup capital gains and losses	(1,148,091)	(4,149,789)
Elimination of intragroup provisions	(13,848,888)	(1,553,000)
Consolidation adjustments to gains/(losses) on sales of investments	25,888,455	78,611,134
Others	1,170	(1)
Consolidated net profit for the year	<u>31,129,032</u>	<u>3,841,493</u>

27. EARNINGS PER SHARE

Earnings per share for the periods ended 30 September 2008 and 2007 were calculated taking into consideration the following amounts:

	30 September 2008	30 September 2007
	Total	Total
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	32,168,530	3,554,787
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>32,168,530</u>	<u>3,554,787</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>0.128674</u>	<u>0.014219</u>

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

28. SEGMENT INFORMATION

As at 30 September 2008 and 2007, the following were identified as primary business segments:

- Tourism
- Spred
- Holding

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 periods ended on 30 September 2008 and 2007 can be detailed as follows:

30. September.2008					
	Tourism	Spred	Holding	Consolidation Adjustments	Total
Operational income					
Sales	3,864,033	76,800,778	-	-	80,664,811
Services rendered	30,714,587	52,278,007	148,449	-	83,141,043
Other operational income	2,306,969	2,977,612	138,057	-	5,422,638
	36,885,589	132,056,397	286,506	-	169,228,492
Inter-segment income	1,066,386	560,584	115,301	(1,742,271)	-
	37,951,975	132,616,981	401,807	(1,742,271)	169,228,492
Operational cash-flow (EBITDA)	(5,784,196)	3,510,568	(2,950,308)	(98,857)	(5,322,793)
Depreciation and amortisation	(6,012,652)	(2,069,888)	(22,130)	59,549	(8,045,121)
Provisions and impairment losses	(2,521,412)	(327,111)	-	-	(2,848,523)
Reversal of provisions and impairment losses ¹	728,838	76,805	50,000	(234)	855,409
Operational profit (EBIT)	(13,589,422)	1,190,374	(2,922,438)	(39,542)	(15,361,028)
Net financial expenses	(18,806,368)	(1,535,903)	10,744,520	3,836	(9,593,915)
Share of results of associated undertakings	-	-	-	(3,060,989)	(3,060,989)
Investment income	1,385,651	55,336,503	2,916,108	-	59,638,262
Profit before taxation	(31,010,139)	54,990,974	10,738,190	(3,096,695)	31,622,330
Taxation	2,026,116	(2,020,228)	(322,405)	(176,781)	(493,298)
Net profit for the period	(28,984,023)	52,970,746	10,415,785	(3,273,476)	31,129,032
- attributable to equity holders of Sonae Capital					32,168,530
- attributable to minority interests					(1,039,498)
30. September.2007					
	Tourism	Spred	Holding	Consolidation Adjustments	Total
Operational income					
Sales	8,469,159	51,974,014	-	-	60,443,173
Services rendered	30,429,015	45,270,663	997,446	-	76,697,124
Other operational income	1,780,749	2,146,246	550,555	-	4,477,550
	40,678,923	99,390,923	1,548,001	-	141,617,847
Inter-segment income	1,057,259	150,487	150,237	(1,357,983)	-
	41,736,182	99,541,410	1,698,238	(1,357,983)	141,617,847
Operational cash-flow (EBITDA)	293,341	5,736,246	(1,509,203)	-	4,520,384
Depreciation and amortisation	(4,578,399)	(722,202)	(75,000)	59,550	(5,316,051)
Provisions and impairment losses	(109,746)	(101,190)	-	-	(210,936)
Reversal of provisions and impairment losses ¹	109,786	126,588	50,000	-	286,374
Operational profit (EBIT)	(4,285,018)	5,039,442	(1,534,203)	59,550	(720,229)
Net financial expenses	(13,257,740)	(744,613)	5,671,022	-	(8,331,331)
Share of results of associated undertakings	-	-	-	698,219	698,219
Investment income	(5,708,755)	4,372,860	(44,865,503)	55,780,713	9,579,315
Profit before taxation	(23,251,513)	8,667,689	(40,728,684)	56,538,482	1,225,974
Taxation	4,200,152	(1,385,190)	(199,443)	-	2,615,519
Net profit for the period	(19,051,361)	7,282,499	(40,928,127)	56,538,482	3,841,493
- attributable to equity holders of Sonae Capital					3,554,786
- attributable to minority interests					286,707

1) Value included in Other Operational Income but used in the calculation of operational cash-flow (EBITDA).

The contribution of the business segments to the balance sheets as at 30 September 2008 and 31 December 2007 can be detailed as follows:

30. September 2008					
	Tourism	Spred	Holding	Consolidation Adjustments	Total
Fixed assets					
Tangible and Intangible	369,492,197	58,093,207	51,623	-	427,637,027
Goodwill	-	-	-	61,766,621	61,766,621
Investments	5,045,437	15,982,087	47,548,605	(18,058,636)	50,517,493
Deferred tax assets	16,843,552	652,309	-	-	17,495,861
Other assets	248,096,649	173,820,636	547,843,295	(624,407,373)	345,353,207
Cash, Cash Equivalents and Current Investments	1,948,128	3,024,599	1,598,229	-	6,570,956
Total assets	641,425,964	251,572,838	597,041,752	(580,699,388)	909,341,166
Non-current liabilities					
Borrowings	3,051,548	20,766,963	128,969,569	-	152,788,080
Deferred tax liabilities	2,615,353	-	-	-	2,615,353
Other non-current liabilities	464,420,582	117,512,586	8,723,393	(511,205,693)	79,450,868
Current liabilities					
Borrowings	2,080,970	16,613,775	118,999,984	-	137,694,729
Other current liabilities	154,545,633	90,141,922	45,455,508	(115,324,895)	174,818,168
Total liabilities	626,714,086	245,035,246	302,148,454	(626,530,588)	547,367,198
Capital expenditure	75,771,048	3,341,614	48,463	-	79,161,125
Gross Debt	5,132,517	37,380,739	247,969,552	-	290,482,808
Net Debt	3,184,389	34,356,140	246,371,324	-	283,911,853
31. December 2007					
	Tourism	Spred	Holding	Consolidation Adjustments	Total
Fixed assets					
Tangible and Intangible	302,435,989	26,830,791	575,220	-	329,842,000
Goodwill	-	-	-	63,796,454	63,796,454
Investments	2,451,539	10,571,412	99,803,510	(16,854,526)	96,171,935
Deferred tax assets	13,558,815	762,105	-	-	14,320,920
Other assets	197,350,492	262,464,964	323,309,310	(514,392,126)	268,732,640
Cash, Cash Equivalents and Current Investments	20,222,050	2,662,597	21,449,693	-	44,334,340
Total assets	536,018,885	303,291,869	445,137,733	(467,250,198)	817,198,289
Non-current liabilities					
Borrowings	120,455,895	21,231,691	49,766,000	-	191,453,586
Deferred tax liabilities	2,307,082	5,219,288	-	-	7,526,370
Other non-current liabilities	224,906,319	63,900,370	8,723,393	(241,725,183)	55,804,899
Current liabilities					
Borrowings	3,597,104	21,153,900	-	-	24,751,004
Other current liabilities	224,273,698	99,070,392	95,414,547	(274,703,600)	144,055,037
Total liabilities	575,540,098	210,575,641	153,903,940	(516,428,783)	423,590,896
Capital expenditure	73,123,914	31,406,734	24,084	-	104,554,732
Gross Debt	124,052,999	42,385,591	49,766,000	-	216,204,590
Net Debt	103,830,949	39,722,994	28,316,307	-	171,870,250

Net debt in "Holding" is made up as follows:

	30. September 2008	31. December 2007
Inflows		
Bank debt	247,969,552	49,766,000
Cash and cash equivalents	1,598,229	21,449,693
Net bank debt	246,371,323	28,316,307
Tourism	695,000	5,320,000
Spred	2,475,000	1,191,600
Intercompany short term loans obtained	3,170,000	6,511,600
Total Inflows	249,541,323	34,827,907
Outflows		
Tourism	481,197,789	271,501,584
Spred	49,106,936	36,695,533
Intercompany loans granted	530,304,725	308,197,117

29. SUBSEQUENT EVENTS

No relevant events occurred between the date of presentation of these financial statements and the date of their approval.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 12 November 2008.

The Board of Directors



INDIVIDUAL FINANCIAL STATEMENTS

30 SEPTEMBER 2008

SONAE CAPITAL, S.G.P.S., SA

INDIVIDUAL BALANCE SHEETS AS AT 30 SEPTEMBER 2008 AND 31 DECEMBER 2007

(Amounts expressed in euro)

ASSETS	Notes	30 September 2008	31 December 2007
NON CURRENT ASSETS:			
Tangible assets		5,945	-
Available for sale investments	4	382,638,253	382,638,253
Other non current assets	5	74,749,000	49,749,000
Total Non Current Assets		457,393,198	432,387,253
CURRENT ASSETS:			
Other current assets	6	14,159,684	23,901
Investments held for trading	7	346,470	-
Cash and cash equivalents	8	11,225	1,363
Total Current Assets		14,517,379	25,264
TOTAL ASSETS		471,910,577	432,412,517
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	9	250,000,000	250,000,000
Translation and Fair Value Reserves		276,023	-
Other reserves		132,638,253	132,638,253
Retained earnings		(2,012)	-
Profit / (Loss) for the period		(846,883)	(2,012)
TOTAL EQUITY		382,065,381	382,636,241
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	10	29,930,586	-
Bonds	10	49,810,618	49,766,000
Total Non Current Liabilities		79,741,204	49,766,000
CURRENT LIABILITIES:			
Suppliers		4,464	800
Bank loans	10	9,000,000	-
Other creditors	11	47,918	1,994
Taxes and other contributions payable		35,224	25
Other current liabilities	11	1,016,386	7,457
Total Current Liabilities		10,103,992	10,276
TOTAL EQUITY AND LIABILITIES		471,910,577	432,412,517

The accompanying notes are part of these financial statements

The Board of Directors

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

INDIVIDUAL INCOME STATEMENT BY NATURE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(Amounts expressed in euro)

	Notes	3 rd Quarter 2008	30 September 2008
Operational income:			
Other operational income		16,843	16,843
Total operational income		16,843	16,843
Operational expenses:			
External supplies and services	12	(47,667)	(321,455)
Staff costs		(237,502)	(872,038)
Depreciation and amortisation		(660)	(1,981)
Other operational expenses		(6,096)	(28,091)
Total operational expenses		(291,925)	(1,223,565)
Operational profit/(loss)		(275,082)	(1,206,722)
Financial income	13	1,447,480	3,528,189
Financial expenses	13	(1,246,629)	(3,167,798)
Net financial income/(expenses)		200,851	360,391
Profit/(loss) before taxation		(74,231)	(846,331)
Taxation		220	(552)
Profit/(loss) for the period		(74,011)	(846,883)

The accompanying notes are part of these financial statements

The Board of Directors

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

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(Amounts expressed in euro)

	Share Capital	Own Shares	Share Premium	Additional paid in Capital	Legal Reserve	Legal Revaluation Reserve	Fair Value Reserve	Hedging Reserve	Translation Reserve	Other Reserves	Retaineds Earnings	Net profit / (loss)	Total Equity
Balance as at 1 January 2008	250,000,000	-	-	-	-	-	-	-	-	132,638,253	-	(2,012)	382,636,241
Appropriation of profits:													
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	(2,012)	2,012	-
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in fair value of hedging financial instruments	-	-	-	-	-	-	276,023	-	-	-	-	-	276,023
Deferred tax arising from increase/(decrease) in fair value of financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in fair value of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax arising from increase/(decrease) in fair value of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	(846,883)	(846,883)
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2008	250,000,000	-	-	-	-	-	276,023	-	-	132,638,253	(2,012)	(846,883)	382,065,381

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, S.G.P.S., S.A.
INDIVIDUAL CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(Amounts expressed in euro)

	<u>30 September 2008</u>
<u>OPERATING ACTIVITIES</u>	
Cash receipts from trade debtors	316,990
Cash paid to employees	626,680
Cash flow generated by operations	<u>(943,670)</u>
Income taxes (paid)/received	(15,618)
Other cash receipts/(payments) relating to operating activities	8,866
Net cash flow from operating activities [1]	<u>(950,422)</u>
<u>INVESTMENT ACTIVITIES</u>	
Cash receipts arising from:	
Interest and similar income	2,078,231
	<u>2,078,231</u>
Cash receipts arising from:	
Tangible assets	7,927
Loans granted	37,724,000
	<u>(37,731,927)</u>
Net cash flow from investment activities [2]	<u>(35,653,696)</u>
<u>FINANCING ACTIVITIES</u>	
Cash receipts arising from:	
Loans obtained	39,000,000
	<u>39,000,000</u>
Cash Payments arising from:	
Interest and similar costs	2,386,020
	<u>(2,386,020)</u>
Net cash from financing activities [3]	<u>36,613,980</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	9,862
Cash and cash equivalents at the beginning of the period	1,363
Cash and cash equivalents at the end of the period	<u>11,225</u>

The accompanying notes are part of these financial statements

The Board of Directors

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

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(Amounts expressed in euro)

1. INTRODUCTION

SONAE CAPITAL, S.G.P.S., S.A. ("the company" or "Sonae Capital") whose registered office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, was constituted on 14 December 2007 by public deed, following the demerger from Sonae, S.G.P.S., S.A. of the whole of the share capital of the company formerly named Sonae Capital, S.G.P.S., S.A., now named SC, S.G.P.S., S.A in compliance with paragraph a) of article 118 of the Commercial Companies Code.

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 2007.

4. AVAILABLE FOR SALE INVESTMENTS

As at 30 September 2008 and 31 December 2007 investments are detailed as follows:

	<u>30.September.2008</u>	<u>31.December.2007</u>
Investments in affiliated and associated undertakings	<u>382,638,253</u>	<u>382,638,253</u>
	<u>382,638,253</u>	<u>382,638,253</u>

4.1 Investments in affiliated and associated undertakings

As at 30 September 2008, 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.

Companies	<u>30.September.2008</u>				<u>31.December.2007</u>			
	% Held	Fair Value	Book Value	Fair Value Reserve	% Held	Fair Value	Book Value	Fair Value Reserve
SC, S.G.P.S., S.A.	100.00%	-	382,638,253	-	100.00%	-	382,638,253	-
Total		-	382,638,253	-		-	382,638,253	-

During the year ended 31 December 2007, the demerger of Sonae, S.G.P.S., S.A.'s shareholding in SC, S.G.P.S., S.A. (previously named Sonae Capital, S.G.P.S., S.A.) took place. The transaction involved the spin off of the entire share capital of SC, S.G.P.S., S.A. held by Sonae, S.G.P.S., S.A. for its accounting value of 382,638,253 euro, with which the new company Sonae Capital, S.G.P.S., S.A. was incorporated.

5. OTHER NON CURRENT ASSETS

As at 30 September 2008 and 31 December 2007 other non current assets are detailed as follows:

	<u>30.September.2008</u>	<u>31.December.2007</u>
Loans granted to group companies:		
SC, S.G.P.S., S.A.	<u>74,749,000</u>	<u>49,749,000</u>
	<u>74,749,000</u>	<u>49,749,000</u>

This asset was not due or impaired as at 30 September 2008. The fair value of loans granted to group companies is basically the same as their book value.

6. OTHER CURRENT ASSETS

As at 30 September 2008 and 31 December 2007 other current assets can be detailed as follows:

	<u>30.September.2008</u>	<u>31.December.2007</u>
Group companies:		
Short term loan	12,724,000	-
Withhold income tax	15,618	-
Other Debtors	32,254	-
Accrued income	1,387,812	8,301
Deferred costs	-	15,600
	<u>14,159,684</u>	<u>23,901</u>

7. INVESTMENTS HELD FOR TRADING

As at 30 September 2008 and 31 December 2007 investments held for trading can be detailed as follows:

	30.September.2008	31.December.2007
Derivative hedging instruments	346,470	-
	<u>346,470</u>	<u>-</u>

As at 30 September 2008, the derivatives above were issued as cash flow hedging instruments to hedge interest rate risk on loans contracted in the amount of 50,000,000 euro. The fair value of these derivatives as at 30 September 2008 was 346,470 euro.

8. CASH AND CASH EQUIVALENTS

As at 30 September 2008 and 31 December 2007 cash and cash equivalents can be detailed as follows:

	30.September.2008	31.December.2007
Cash	1,000	-
Bank deposits	10,225	1,363
Cash and cash equivalents in the balance sheet	<u>11,225</u>	<u>1,363</u>
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	<u>11,225</u>	<u>1,363</u>

9. SHARE CAPITAL

As at 30 September 2008 share capital consisted of 250,000,000 ordinary shares of 1 euro each.

10. LOANS

As at 30 September 2008 and 31 December 2007 this caption included the following loans:

	30.September.2008	31.December.2007
Bank loans - Commercial paper	30,000,000	-
Up-front fees not yet charged to income statement	(69,414)	-
Bank loans	<u>29,930,586</u>	<u>-</u>
Nominal value of bonds	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(189,382)	(234,000)
Bonds	<u>49,810,618</u>	<u>49,766,000</u>
Non-current loans	<u>79,741,204</u>	<u>49,766,000</u>
Bank loans - Commercial paper	9,000,000	-
Current loans	<u>9,000,000</u>	<u>-</u>

Sonae Capital SGPS – 2007/2012 Bond Issue 1st issue, amounting to 20,000,000 euro, reimbursable after 5 years, in one instalment on 31 December 2012, unless reimbursement is anticipated either totally or partially, which can take place on 31 December 2010.

Bonds Sonae Capital 2007/2012 2nd 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%.

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 is payable on them at variable market rates.

Derivatives are booked at fair value (Note 7).

11. OTHER CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2008 and 31 December 2007, these captions were made up as follows:

	30.September.2008	31.December.2007
<u>Other creditors</u>		
Other creditors	47,918	1,994
	<u>47,918</u>	<u>1,994</u>
<u>Other current liabilities</u>		
Accruals:		
Staff costs	202,355	-
Interest payable	814,031	7,457
	<u>1,016,386</u>	<u>7,457</u>

12. EXTERNAL SUPPLIES AND SERVICES

As at 30 September 2008 external supplies and services can be detailed as follows:

	<u>30 September 2008</u>
Operational rents	9,405
Insurance	21,710
Travelling expenses	34,273
Fees	236,758
Other services	<u>19,309</u>
	<u>321,455</u>

13. NET FINANCIAL EXPENSES

As at 30 September 2008 net financial expenses can be detailed as follows:

	<u>30 September 2008</u>
Interest payable and similar expenses	
Interest arising from:	
Bank loans	(849,795)
Bonds	(2,065,250)
Other	(52,165)
Other financial expenses	<u>(200,588)</u>
	<u>(3,167,798)</u>
Interest receivable and similar income	
Interest income	<u>3,528,189</u>
	<u>3,528,189</u>
Net financial expenses	<u>360,391</u>

14. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 12 November 2008.

15. INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the three months ended 30 September 2008 shareholders' loan contracts were entered into with the following companies:

SC, S.G.P.S., S.A.

As at 30 September 2008 amounts owed by affiliated undertakings can be summarized as follows:

Loans granted

<u>Companies</u>	<u>Closing Balance</u>
SC, S.G.P.S., S.A.	87,473,000

As at 30 September 2008 there were no amounts owed to affiliated undertakings.

The Board of Directors