SONAE CAPITAL

SUMMARY VALUATION REPORT OF THE PROPERTY PORTFOLIO OF SONAE CAPITAL

31st December 2008

VAL/065/08

CUSHMAN & WAKEFIELD®
Global Real Estate Solutions

Summary Valuation Report for:

Sonae Capital, SGPS, SA

Valuation of the Sonae Capital property portfolio.

31ST DECEMBER 2008

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TABLE OF CONTENTS

CONTENT ....PAGE

1 SCOPE OF WORK 3
2 BASIS OF VALUATION 4
3 TENURES AND TENANCIES 5
4 TOWN PLANNING 6
5 STRUCTURE 6
6 SITE CONTAMINATION 6
7 PLANT AND MACHINERY 7
8 INSPECTIONS 7
9 GENERAL PRINCIPLES 9
10 VALUATION METHODOLOGY 10
11 SPECIAL ASSUMPTIONS 12
12 DISCLOSURE AND LIABILITY 12
13 VALUATION 13
14 CONFIDENTIALITY 13

APPENDIX I - SUMMARY SCHEDULE 14

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To
Sonae Capital SGPS, SA
Att Mr. Marco Aurélio Nunes
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Portugal

N. Ref./VAL/065/08

Lisbon, 31 December 2008

Dear Sirs,

VALUATION OF THE SONAE CAPITAL, SGPS, SA, PROPERTY PORTFOLIO CONSISTING OF 157 PROPERTIES, LOCATED IN PORTUGAL, AS AT 31st DECEMBER 2008.

1 SCOPE OF WORK

Following our proposal, we were instructed by Sonae Capital, SGPS, SA (The Company) on 20 October 2008, to carry out the portfolio valuation described above as at 31st December 2008.

Part of this portfolio has already been subject to a valuation and/or and opinion of value as at 30 September 2007.

The objective of the Company is to determine the Market Value of part of the property portfolio and an Opinion of Value of the remaining real estate assets.

An additional full report, containing the individual valuation reports of the most relevant properties (36 out of 157 properties), the Engagement Letter and the Standard Terms and Conditions, was issued and delivered to the Company.

For the properties subject to Opinion of Value, only a summary schedule is presented with all the properties included in this assumption.

2 BASIS OF VALUATION

In accordance with the list supplied by the Company, this portfolio consists of a number of properties for residential, hotel, retail, office, and warehouse use as well as plots of urban and rural land. Some of the urban land plots have projects approved for development, and a part of these are already under development.

The valuation was based on documentation provided by the Company, which was considered to be correct for valuation purposes. The accuracy of this information was not confirmed through formal enquiries.

We also point out, and as agreed with the Company, that no meetings were held with local authorities to confirm any potential for construction on land that is not currently under development, regardless of its classification.

In view of the specific nature and size of the portfolio, it was agreed that not all the properties would be subject to inspection, and the company decided on those which should be visited. For those properties which were valued in 2007 and for which we reported Market Values, new inspections were not carried out, and the values for these were updated.

For the remainder of the properties and as agreed with the Company, only 5 sites were inspected: Tróia, Castelo de Paiva, Boavista Complex, Maia Business Park and Lagos.

For those properties which were not inspected, a report was not prepared but an Opinion of Value was issued and summarized in a global schedule in Excel format, based on information supplied by the Company.

For some properties that were inspected and in view of the scarce information made available, it was agreed only to issue an Opinion of Value, since the documentation supplied was not conclusive for the calculation of Market Value in accordance with RICS standards (Royal Institution of Chartered Surveyors).

In Appendix I, we set out a summary schedule aggregating the value of properties according to a classification defined by the Company for its property portfolio.

This study is based on the Practice Statements contained in the RICS Appraisal and Valuation Standards ("The Red Book"), published by the Royal Institution of Chartered Surveyors. The valuation has been prepared by valuers who conform to the requirements set out in the RICS Appraisal and Valuation Standards, acting in the capacity of external valuers. As mentioned before there were some circumstances in which those requirements were not applied, namely when an opinion of value was issued.

As agreed, and taking into account the rules set out in the RICS Appraisal and Valuation Standards, the valuation of properties was made on the following basis:

Market Value

Market Value is defined as "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties have acted knowledgeably, prudently and without compulsion".

Opinion of Value

An Opinion of Value is defined as that used when normal valuation criteria are not available and as a result the value arrived at cannot be considered as the Market Value. Nonetheless, we have taken into consideration the criteria used for the market value definitions. Those properties reported with an Opinion of Value are specified as such, pointing out that the value indicated is based on very limited or inexistent information.

3 TENURES AND TENANCIES

For some of the properties valued in 2007, copies of the *Certidão da Conservatória do Registo Predial* and *Cadernetas Prediais Urbanas e Rústicas* (documents of title) were supplied to us but no formal enquiries were made to verify if these documents were up to date and if the areas in each of these records and documents correspond to the actual areas.

For the new properties not subject to valuation in 2007, we did not analyse any legal documentation.

Thus, our study assumes that:

- All properties are owned by the Company or entities owned by it, and are free from any unusually onerous restrictions, covenants or other encumbrances;

- For leasehold properties, and in view of the fact that relevant leasehold contracts were not supplied to us, we have assumed that no clauses or restrictions exist that might affect the value of the property. We also assume as correct the information supplied by the Company concerning the dates of inception of the contracts, their term, duration, areas and current rents;

- One of the properties is leased under a comodato agreement, that for the purposes of valuation and as requested by the Company, has been considered as free and available.

4 TOWN PLANNING

We have not carried out any formal diligences, but have relied on information supplied by the Company.

We have assumed that all properties possess licences for use and are being used in accordance with their respective licences.

For properties under development, we have assumed that all projects have been duly approved, have valid building permits and are being built in accordance with the projects and their respective licences.

For those properties that do not have projects, we have assumed that the urban parameters established in the urban development plans are those for which approval and development will be sought.

In the absence of information to the contrary our valuation was carried out on the basis that the Properties will not be affected by any future road widening or expropriation of land.

5 STRUCTURE

We have neither carried out a structural survey of the Property, nor tested any equipment, machinery or water and electricity systems. We are therefore unable to give an opinion on the condition of the structure and services. Our valuation took into consideration all the relevant information supplied by the Company which was noted on the date of inspection. Our valuation was made on the basis that there are no latent defects that would materially affect the reported valuation.

6 SITE CONTAMINATION

We have not investigated ground conditions/stability and our valuation was made on the basis that all buildings have been or will be constructed having appropriate regard to existing ground conditions, and no relevant anomalies were found on the date of the inspections.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, our valuation was made on the basis that no hazardous or suspect materials and techniques have been used in the construction of any of the properties. Sonae Capital may wish to carry out expert investigations in order to verify this. We have not carried out any investigations or tests, nor was any information supplied to us either by Sonae Capital or by any specialist in the matter, to determine the presence or otherwise of pollution or contaminative substances at the Property or any other land (including underground water).

We further assume that there are no additional issues that would affect our valuation. If you consider our assumption not to be acceptable, or wish to verify its accuracy, you should request appropriate investigations and inform us of the results, so that we may reconsider our valuation.

7 PLANT AND MACHINERY

Building fixtures such as lifts, air conditioning and other special installations have been treated as an integral part of the building and are included within the asset valued.

8 INSPECTIONS

Given the specific nature/size of the portfolio, it was agreed not to inspect all the properties, which were divided up, as requested by the company.

The properties that were the object of an inspection were inspected during the month of October of 2008, and we did not note any significant anomalies.

Regardless of being standard practice of Cushman & Wakefield to take measurements, in view of instructions received and the size of the portfolio, it was agreed that the areas would be supplied by the Company, which were considered as correct.

Nonetheless we present the measurement criteria normally used, which are the areas defined in accordance with the REGEU (*Regulamento Geral de Edificações Urbanas*) – General Regulations for Urban Buildings – which were adjusted for the real estate market. These are also the areas defined by the IPD Portugal (Investment Property Databank).

The current definitions of the areas in accordance with the REGEU are as follows:

- Gross area – Area measured by the exterior perimeter of the exterior walls;

- Net area – Area measured by the interior perimeter of the exterior walls, excluding the area taken up by columns and the area of interior walls.

As we noted earlier, these areas were adjusted in accordance with the property market and the type of property. The most used area criterion is currently:

- Gross lettable area - the total area of the property measured by the exterior perimeter of the exterior walls and by the midpoints of separating walls. A share of common areas, wash rooms and kitchenette areas for the exclusive use of tenants are also included. We excluded stairwells and lifts, technical galleries and maintenance areas.

Thus, to value offices we use gross lettable area, and to value warehouses we use gross area.

Retail and residential areas are also calculated using gross lettable area and gross area, adjusting the definition only for the type of product.

- Retail – floor areas are calculated on the basis of the lettable retail area of the unit, including all external walls and to the centre line of any party walls. Storage areas/warehouses and kitchenette areas within the units are also included. We exclude mezzanines built by the tenant.

- Residential – areas are calculated based on gross area, which is the total area of the residence, measured by the external perimeter of the external walls and the centre of separating walls of residences, and includes private balconies, supplementary spaces and a share of the common areas of the building.

The areas are always calculated using these criteria and definitions, regardless of type of occupation.

We would specifically highlight that this is not in accordance with the Code of Measuring Practice prepared by The Royal Institution of Chartered Surveyors but that it does follow established market practice in Portugal. The areas referred to in this valuation are to be considered as approximate. Once again we point out that no measurements were taken and the areas used were supplied by the Company.

9 GENERAL PRINCIPLES

Our valuation is based on the information which either the Company has supplied us or which we have obtained from our inquiries. We have relied on this being correct and complete and on their being no undisclosed matters which would affect our valuation.

In the case of leasehold properties, we have used existing lease contracts regardless of these contracts having been entered into between subsidiaries of Sonae Capital or otherwise.

The values arrived at in this study are shown in Euro (€).

No allowances have been made for any expenses or any taxation liability arising from a sale or development of any property.

No allowance has been made for the existence of a mortgage, or similar financial encumbrance on or over any property.

For the purpose of the valuation and further to recent changes in the VAT law in Portugal (Decree Law 21/2007, published in the "Diário da República" 1st Series, numbers 20 to 29 on the 29th of January 2007), Cushman & Wakefield assumes that all properties are exempt from VAT and other similar taxes when applicable, and further assumes that no other implications arising from the recent changes in the VAT law will affect the value of the properties as stated.

A purchaser of the Property may need further advice or verification relating to certain matters referred to in this report before proceeding with a purchase. You should therefore note the conditions on which this valuation has been prepared. The valuation was carried out by Erasmus van Leuven FRICS, Ricardo Reis MRICS, and Elisabete Costa of Cushman & Wakefield (Portugal).

Where grants have been received, no allowance has been made in our valuation for any requirement to repay the grant in the event of a sale of any property.

Our valuation does not make any allowance either for the cost of transferring sale proceeds outside Portugal or for any restrictions on doing so.

10 VALUATION METHODOLOGY

In order to determine the Market Value and the Opinion of Value of the Properties, various valuation criteria were considered depending on the type of property.

We describe below the methodologies that we normally use and that were selected according to the nature of the properties.

Comparative Method

The Comparative Method is based on comparable market sales, considering the property's characteristics and location, obtained by market studies carried out in the area.

Adjustments are then made in accordance with the inspection of the building and the characteristics of the area and property, taking into consideration differences such as location and ease of access, building indices, size, state of repair, etc., in order to reach the valuation closest to the true value of the property.

Capitalization Method

To determine the Market Value of Properties, we use the Capitalization Method, comparing the rental agreed contractually, if this exists, with the estimated market rent.

The Capitalization Method is used when determining the value of the properties that may be leased, analysing its potential use and value in a determined market.

The Market Value of the Property is calculated by capitalizing the rent at a specific yield (capitalization rate).

The yield applied is duly weighted and used in line with that in force at the date of valuation in the market, for various locations and for similar use.

Capitalization Method – Residual Value Method

The Market Value of the Property is based on analysis of the profitability of the development project consistent with the best possible use, or in line with existing development projects. The Best Alternative Use is defined as the probable and reasonable use which, as at the date of valuation, generates the higher current value.

Thus, it is assumed that the property will be sold or developed and managed during a period of time considered to be reasonable, and the property value corresponds to the present value of future income, from which are deducted development costs and indirect charges.

Development costs cover the following: construction costs, selling margin, financial costs and indirect charges.

Indirect costs are understood to cover all costs relating to projects, surveyance and project coordination, marketing and selling.

The valuation is based on the principle of anticipation, using the potential income of the project after its completion.

Capitalization Method – Discounted Cash Flow

Under the Discounted Cash Flow methodology, an analysis of the profitability of the project is made, which consists of adding up the forecast (future) free Cash Flows and the residual value at the end of the projected period, updated using a market rate for investments with a similar risk profile.

The revenue and cost structures used for the valuation were prepared based on information provided by the Company, or, when information was not available or did not exist, on estimates comparing this structure with data for the sector and other comparable properties.

The net revenue recorded in the final period under analysis is capitalised at a specific yield, with a discount rate applied to the resulting value and the remaining operating revenues, which is duly weighted and in line with the market as of the date of valuation.

The valuation is based on the principle of anticipation, using as a reference the potential revenue from the development after its conclusion.

Projections were made at current prices considering a projected period of 10 years.

11 SPECIAL ASSUMPTIONS

For the preparation of the valuation, Cushman & Wakefield was instructed by the Company to include a Special Assumption. The Special Assumption is as follows:

- For those properties which are subject to litigation against and from third parties, we have assumed that the disputes will be resolved by mutual agreement. No payment for any possible indemnities was taken into account in the valuation.

We point out that the valuation prepared using this Special Assumption can differ substantially from Market Value and therefore it is essential that the value shown in this valuation report, when published or disclosed to third parties, should be read in conjunction with explanatory notes, including this Special Assumption, with the exception of situations referred to in paragraph 12.

12 DISCLOSURE AND LIABILITY

In accordance with Paragraph 12 of our Principal Terms and Conditions of Appointment as Valuers, our responsibility to Clients in relation to costs or losses resulting from this instruction is limited to the aggregate sum of twenty times the value of the fees paid. As mentioned before the Engagement Letter and our Standard Terms and Conditions are included in the full report.

We take note and authorise that the addressee may disclose this valuation report (i) if required by law or regulations, or by any regulatory or governmental entity; (ii) to its subsidiaries, consultants and other partners; (iii) in earnings announcements; (iv) on its Website; and (v) in its institutional presentations, as long as accompanied by the special assumptions taken in consideration.

On disclosure of this report to the entities referred to above, the addressee agrees to clearly inform the entities to which the report is given that this is done on the basis of non responsibility. Acceptance of this report assumes that the entity involved acknowledges that its disclosure is made without any direct or indirect contractual relationship, obligations or duties between C&W and this entity.

13 VALUATION

Subject to the foregoing and based on values as at 31st December 2008, we are of the opinion that the Current Value of the Properties as shown in the table in the Appendix, including the properties subject to Special Assumptions described above, is:

TOTAL MARKET VALUE OF PROPERTIES

€ 444,066,000

(Four Hundred and Forty Four Million and Sixty Six Thousand Euros)

In relation to those properties which were not inspected and for which reports were not prepared, taking into account the above and based on values as at 31st December 2008, our Opinion of Value of Properties, as shown in the table in the Appendix, is:

TOTAL OPINION OF VALUE OF PROPERTIES

€ 466,812,311

(Four Hundred and Sixty Six Million, Eight Hundred and Twelve Thousand, Three Hundred and Eleven Euros)

14 CONFIDENTIALITY

The contents of this Valuation report are intended to be confidential to the addressee. Consequently, and in accordance with current practice, no responsibility is accepted to any third party in respect of the whole or any part of its contents. Before the Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosures must first be obtained, with the exception of situations envisaged in paragraph 12. Such publication or disclosure will not be permitted unless, where relevant, it incorporates the Special Assumption referred to herein, with the exception of situations envisaged in paragraph 12. For the avoidance of any doubt, such approval is required whether this firm is referred to by name or whether or not our Valuation Report is combined with others.

Yours Faithfully.

Erasmus van Leuven FRICS
Managing Director

Ricardo Reis MRICS
Associate – Head of Valuation & Advisory Services

CUSHMAN & WAKEFIELD – Consultoria Imobiliária Unipessoal Lda.

APPENDIX I

SUMMARY SCHEDULE

SUMMARY VALUATION REPORT

Valuation of the Sonae Capital property portfolio.
As at 31st December 2008

	Notes	Total Portfolio			% of capital held[c]
		Market value[a]	Opinion of value[b]	Total	Total
Boavista Complex	1	**64.371.000**	**0**	**64.371.000**	**64.371.000**
Lagos	2	**29.161.000**	**30.000**	**29.191.000**	**29.053.045**
Tróia		**73.299.000**	**417.821.300**	**491.120.300**	**491.120.300**
Assets under management	3	46.028.000	24.420.200	70.448.200	70.448.200
Projects	4	27.271.000	393.401.100	420.672.100	420.672.100
Maia Business Park	5	**101.586.000**	**0**	**101.586.000**	**51.808.860**
Land	6	**4.967.000**	**2.145.511**	**7.112.511**	**6.905.296**
Projects		**161.727.000**	**25.048.300**	**186.775.300**	**173.935.950**
Under development	7	136.955.000 [d]	0	136.955.000	127.944.973
For sale	8	24.772.000	25.048.300	49.820.300	45.990.978
Other Assets (Rented or for sale)	9	**8.955.000**	**21.767.200**	**30.722.200**	**29.459.389**
TOTAL		**444.066.000**	**466.812.311**	**910.878.311**	**846.653.841**

1) The Boavista Complex includes as the most relevant assets the Porto Palácio Hotel and Congress Centre, the Health Club, the SPA, office buildings and parking lots.
2) Lagos includes assets such as the Aqualuz Lagos Suite Hotel Apartaments, the Health Club and a neighbouring plot of land.

3) The assets under (or soon to be) management include the Aqualuz Aparthotels (Tróia Mar, Tróia Rio and Tróia Lagoa), the Golf course, parking lots and retail space.

4) The most important assets are the Marina and Beach apartments, Touristic apartments in Tróia Mar and Tróia Rio, Golf & Beach villa plots and projects (Tróia Village, Caldeira apartments, the Ecoresort and Soltróia [UNOP's 7 and 8]).

5) Includes a large number of properties for office and industrial use as well as plots of land for the development of office, hotel and retail projects.

6) The most important assets are plots of land in Alqueva (195 ha) and "Herdade de São João" (529 ha) in Beja.
7) The most relevant projects are "Efanor" (Matosinhos), "Quarteirão Duque de Loulé" (Lisbon), "Fábrica do Cobre" (Porto) and "D. João V" (Lisbon).
8) Includes City Flats project and several sites with plots of land for construction.
9) Includes a diversified portfolio of assets, either rented or for sale, for residential, retail and office purposes.

[a] Market value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties have acted knowledgeably, prudently and without compulsion.

[b] An Opinion of Value is defined as that used when normal valuation criteria are not available and as a result the value arrived at cannot be considered as the market value. Nonetheless, the criteria used for the market value definitions are taken into consideration.

[c] The values in this column, supplied by Sonae Capital, reflect the value of the property portfolio weighted by the percentage of capital held by Sonae Capital in the property owner companies, as at 31 December 2008.

[d] The reported Market Value includes 5 properties (with a total value of € 40,454,000) subject to Special Assumptions, of which 3 (with a total value of € 28,656,000) in litigation processes with municipal authorities. We point out that the valuation prepared subject to this Special Assumption may difer substancially from Market Value. The Special Assumptions consider that those projects will be approved by the competent authorities, developed according to the information provided and litigation processes will be resolved by mutual agreement.

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