



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 JUNE 2008

(Translation from the Portuguese Original)

Table of Contents

I. Report of the Board of Directors	
1. Highlights	4
2. Consolidated Financial Statements Review	4
3. Business Review	8
4. Share Price Performance	19
- Glossary	21
- Appendices	22
II. Consolidated Financial Statements	25
III. Individual Financial Statements	51
IV. Limited Review Report	59



REPORT OF THE BOARD OF DIRECTORS
30 JUNE 2008

(Translation from the Portuguese Original)

Report of the Board of Directors

1st Half 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 up 7% to 93 million euro...

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

- EBITDA amounted to negative 1.5 million euro...

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

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

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

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

2. Consolidated Financial Statements Review

2.1. Disclaimer

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

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

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

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

2.2. Profit and Loss Account

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

Unit: 10³ Euro

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

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

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

Unit: 10³ Euro

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

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

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

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

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

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

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

2.3. Balance Sheet

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

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

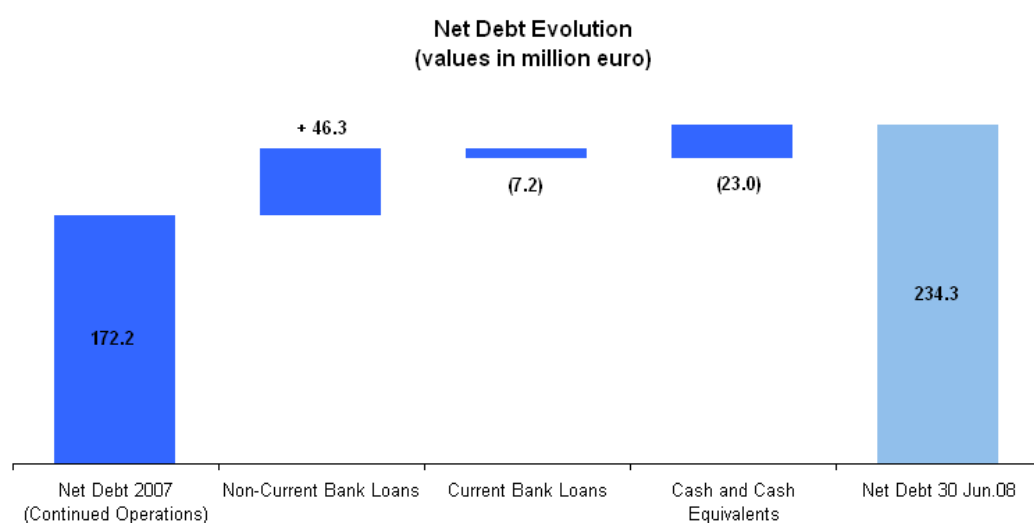
Unit: 10³ Euro

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

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

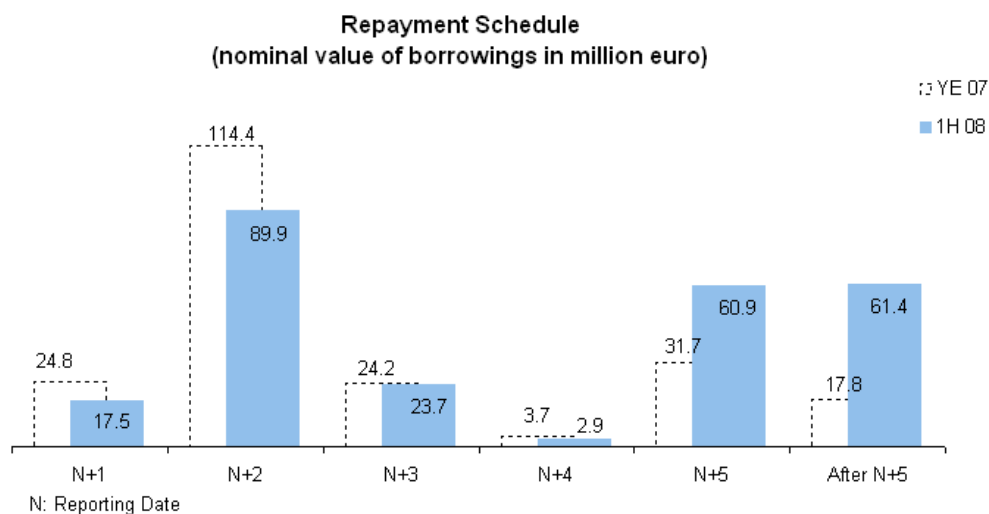
The development of the real estate projects of Troiaresort is the most significant contributor to the work in progress recorded in the period, totalling 24.5 million euro.

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



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

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



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

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

3. Business Review

3.1. Resort and Residential Development

Resorts

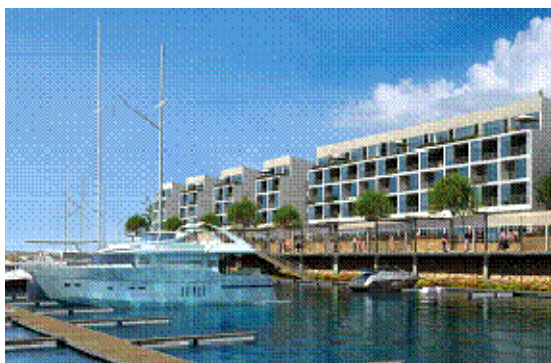
	2Q 2008	2Q 2007	Δ
Turnover	135.7	-	-
Operational Cash-Flow (EBITDA)	(2,655.5)	(776.2)	-

Contribution to consolidated figures

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

Unit: 10³ Euro

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



[Marina Apartments - Troiaresort]

Investment in Troiaresort continues according to plan and on budget.

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

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

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

Sales Data (as at 27 August 2008)

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

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

** All plots have a GCA of 343.8 m².

Residential Property Development



[Delfim Pereira da Costa building - Efanor]

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

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

Sales Data (as at 27 August 2008)

	Apartments Sold*	Average Area (m ²)**	Average Sales Price (€/m ²)	Rentals***
City Flats/Lofts (<i>Quinta das Sedas</i> – Building E) [106 units]	4	49.8	2,107	13
City Flats/Lofts (<i>Quinta das Sedas</i> – Building F) [106 units]	88	49.6	2,020	-
Efanor – Building <i>Delfim Pereira da Costa</i> [40 units]	1	190.2	2,497	n.a.

* 90 sales deeds already signed.

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

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

3.2. Real Estate Asset Management

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

Contribution to consolidated figures

Unit: 10³ Euro

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

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

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

Unit: 10³ Euro

3.3. Touristic Operations

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

Contribution to consolidated figures

Unit: 10³ Euro

➡ Hotels



[Apartment – Tróia Mar and Tróia Rio]

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

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

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



[Porto Palácio Hotel]

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

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

► Fitness



[Solinca Health club]

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

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

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

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

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

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

Contribution to consolidated figures

Unit: 10³ Euro



[Maintenance services]

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

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

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

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

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

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

3.5. Atlantic Ferries

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

Contribution to consolidated figures

Unit: 10³ Euro



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

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

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

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

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

3.6. Box Lines

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

Contribution to consolidated figures

Unit: 10³ Euro



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

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

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

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

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

3.7. Plysorol

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

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

➡ France

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

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

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

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

Gabon

Leroy Gabon

This company, dedicated to forestry of exotic timber catered to supplying the Lisieux (France) and Pogab (Gabon) factories, recorded a slight improve in net profit in the period to negative 0.6 million euro (negative 1.3 million euro). This improvement is the outcome of the increase in prices, leading to an increase in sales of around 29%. Production (43 thousand m³) was 48% higher but the quality of output was penalised by the early stage of exploration of a new area. EBITDA margin was positive 2.5% (negative 3.3%).

Pogab

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

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

[Company accounted for using the Equity Method]

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

Statutory accounts

Unit: 10³ Euro



[Wind Farm Serra da Capucha]

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

Operational cash-flow (EBITDA) was impacted by:

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

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

[Companies accounted for using the Equity Method]

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

➡ Finlog

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

Statutory accounts

Unit: 10³ Euro

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

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

➡ Guérin

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

Statutory accounts

Unit: 10³ Euro

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

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

3.10. Norscut

[Company accounted for using the Equity Method]

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

Statutory accounts

Unit: 10³ Euro



[Overpass in A24 motorway]

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

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

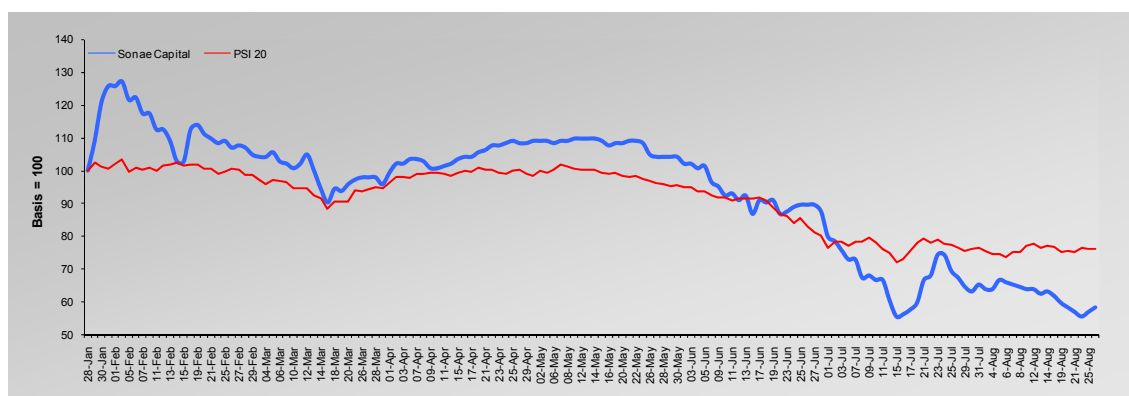
As mentioned in the 2007 annual report a court of arbitration was appointed to analyse Norscut's claim of a financial compensation for the increased costs of construction and lost revenue from delayed beginning of operations that arose from the unilateral decision of the Portuguese state to change the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

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

3.11. Sonae Indústria

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

4. Share Price Performance



Source: Euronext Lisbon

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

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

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

Average Daily Traded Quantity (up to 30 June 2008):

1,315,995

Source: Euronext Lisbon

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

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

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



Glossary

Capex = Investment in Fixed Assets.

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

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

Gearing = Net Debt / Equity.

Interest Cover Ratio = EBITDA / Net Financial Charges.

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

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

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

Statement

Under the terms of Article 246, paragraph 1, c) of the Securities Code

The signatories individually declare that, to their knowledge the consolidated and individual financial statements were prepared meeting applicable accounting standards, and give a true and fair view of the assets and liabilities, financial position and the consolidated and individual results of the issuer and of the companies included in the consolidation perimeter, where appropriate, and the interim Report of the Board of Directors faithfully describes major events that have occurred in the first half of 2008 and their impacts, if any in the financial statements, and contains an appropriate description of major risks and uncertainties for the following six months.

Maia, 27 August 2008

The Board of Directors

Belmiro Mendes de Azevedo
Chairman of the Board of Directors

Rafael Cerezo Laporta
Member of the Board of Directors

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

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

Mário Pereira Pinto
Member of the Board of Director

Pedro Manuel Bastos Mendes Rezende
Member of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

**DISCLOSURE OF SHARES AND OTHER SECURITIES HELD BY MEMBERS OF THE BOARD OF DIRECTORS
AND OF TRANSACTIONS DURING THE YEAR INVOLVING SHARES AND OTHER SECURITIES**

As required by article 9, nr. 1 b) of CMVM Regulation 04/2004, the following is a summary of the information disclosed to the company:

	Date	Purchases		Sales		Balance as at
		Quantity	Aver. Price €	Quantity	Aver. Price €	30.06.2008
						Quantity
Belmiro Mendes de Azevedo						
Efanor Investimentos, SGPS, SA (1)						49,999,997
Sonae Capital, SGPS, SA						838,862
Conversion of Demerger Rights (*)	28.01.2008	1,862	-			
Purchase	01.02.2008	160,000	1.84			
Purchase	04.02.2008	150,000	1.84			
Purchase	05.02.2008	350,000	1.78			
Purchase	06.02.2008	177,000	1.76			
Paulo José Jubilado Soares de Pinho						
Sonae Capital, SGPS, SA						7,650
Purchase	10.06.2008	3,000	1.35			

		Purchases		Sales		Balance as at 30.06.2008
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae Capital, SGPS, SA						88,859,200
Purchase of Demerger Rights	11.01.2008	13,029,263	0.17			
Purchase of Demerger Rights	14.01.2008	11,000,000	0.20			
Purchase of Demerger Rights	15.01.2008	26,613,385	0.21			
Conversion of Demerger Rights (*)	28.01.2008	82,350,553	-			
Conversion of Purchased Demerger Rights (*)	28.01.2008	6,330,331	-			
Purchase of Shares	07.03.2008	178,316	1.48			
Pareuro, BV (2)						2,000,000
Share Capital Increase	21.01.2008	1,980,000	151.51			
(2) Pareuro, BV						
Sonae Capital, SGPS, SA						50,000,000
Conversion of Demerger Rights (*)	28.01.2008	50,000,000	-			

(*) The shares representing the whole of the share capital of Sonae Capital, SGPS, SA were attributed to the shareholders of Sonae, SGPS, SA with the exercise of the respective demerger rights (which occurred during the month of January of 2008) using the 0.125 attribution factor rounded down to the nearest whole number.

SHARES HELD AND VOTING RIGHTS OF COMPANIES OWNING MORE THAN 2% OF THE SHARE CAPITAL OF THE COMPANY

As required by article 9 nr. 1 e) of CMVM Regulation 04/2004, the following shareholders held more than 2% of the company's share capital, as at 30 June 2008:

Shareholder	Nr. of Shares	% of Share Capital	% of Voting Rights
Efanor Investimentos, SGPS, S.A.			
Directly Owned	88,859,200	35.544%	35.544%
Pareuro, BV	50,000,000	20.000%	20.000%
Migracom, SGPS, SA	161,250	0.065%	0.065%
Linhacom, SGPS, SA	43,912	0.018%	0.018%
Belmiro Mendes de Azevedo	837,000	0.335%	0.335%
Maria Margarida Carvalhais Teixeira de Azevedo	1,862	0.001%	0.001%
Nuno Miguel Teixeira de Azevedo	1,790	0.001%	0.001%
Duarte Paulo Teixeira de Azevedo	411	0.000%	0.000%
David Graham Shenton Bain	500	0.000%	0.000%
Total attributable to Efanor Investimentos, SGPS, S.A.	<u>139,905,925</u>	<u>55.962%</u>	<u>55.962%</u>
Banco BPI, S.A.			
Directly Owned	16,888,797	6.756%	6.756%
Banco Português de Investimento, S.A.	53,409	0.021%	0.021%
Fundos de Pensões do Banco BPI	5,008,922	2.004%	2.004%
BPI Vida - Companhia de Seguros de Vida, S.A.	638,576	0.255%	0.255%
Total attributable to Banco BPI, S.A.	<u>22,589,704</u>	<u>9.036%</u>	<u>9.036%</u>
Mohnish Pabrai			
Pabrai Investment Fund II, L.P.	3,957,000	1.583%	1.583%
Pabrai Investment Fund 3, L.P.	5,624,000	2.250%	2.250%
Pabrai Investment Fund IV, L.P.	7,422,315	2.969%	2.969%
Dalal Street, L.L.C.	28,000	0.011%	0.011%
Fundação Dakshana	132,625	0.053%	0.053%
Harina Kapoor	2,500	0.001%	0.001%
Total attributable to Mohnish Pabrai	<u>17,166,440</u>	<u>6.867%</u>	<u>6.867%</u>



CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2008

SONAE CAPITAL, SGPS, SA

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

(Amounts expressed in euro)

ASSETS	Notes	Total Operations 30.06.2008	Changes in perimeter (Plysorol Group) 30.06.2008	Total without Plysorol Group 30.06.2008	Pró-forma ¹ 31.12.2007	31.12.2007
NON-CURRENT ASSETS:						
Tangible and intangible assets	8	399,556,733	29,848,791	369,707,942	328,841,785	329,842,000
Goodwill	9	61,726,752	-	61,726,752	62,517,465	63,796,454
Investments	10	58,687,449	214,974	58,472,475	96,171,935	96,171,935
Deferred tax assets	13	15,636,878	-	15,636,878	14,117,740	14,320,920
Other non-current assets	11	15,990,952	111,526	15,879,426	24,311,811	24,318,632
Total Non-Current Assets		551,598,764	30,175,291	521,423,473	525,960,736	528,449,941
CURRENT ASSETS:						
Stocks		188,472,911	23,135,778	165,337,133	142,074,734	143,489,662
Trade account receivables and other current assets	12	118,933,829	32,638,395	86,295,434	83,787,980	100,924,346
Investments held for trading		364,388	-	364,388	499	499
Cash and cash equivalents	14	20,553,171	1,949,364	18,603,807	43,956,550	44,333,841
Total Current Assets		328,324,299	57,723,537	270,600,762	269,819,763	288,748,348
TOTAL ASSETS		879,923,063	87,898,828	792,024,235	795,780,499	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		57,481,153	(9,396,244)	66,877,397	62,453,731	91,854,242
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		32,755,765	-	32,755,765	8,579,429	14,994,319
Equity attributable to the equity holders of Sonae Capital		340,236,918	(9,396,244)	349,633,162	321,033,160	356,848,561
Equity attributable to minority interests	16	35,583,001	(6,461,608)	42,044,609	36,758,832	36,758,832
TOTAL EQUITY		375,819,919	(15,857,852)	391,677,771	357,791,992	393,607,393
LIABILITIES:						
NON-CURRENT LIABILITIES:						
Bank Loans	17	237,726,702	2,049,896	235,676,806	191,453,586	191,453,586
Other non-current liabilities	19	66,231,871	36,828,598	29,403,273	34,461,335	39,150,435
Deferred tax liabilities	13	2,297,295	-	2,297,295	2,307,082	7,526,370
Provisions	22	13,310,025	4,504,609	8,805,416	11,442,155	16,654,464
Total Non-Current Liabilities		319,565,893	43,383,103	276,182,790	239,664,158	254,784,855
CURRENT LIABILITIES:						
Bank Loans	17	17,533,760	11,901,962	5,631,798	24,751,003	24,751,003
Trade creditors and other non-current liabilities	21	165,580,299	48,230,924	117,349,375	169,757,882	140,239,574
Provisions	22	1,423,192	240,691	1,182,501	3,815,464	3,815,464
Total Current Liabilities		184,537,251	60,373,577	124,163,674	198,324,349	168,806,041
TOTAL LIABILITIES		504,103,144	103,756,680	400,346,464	437,988,507	423,590,896
TOTAL EQUITY AND LIABILITIES		879,923,063	87,898,828	792,024,235	795,780,499	817,198,289

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

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007

(Amounts expressed in euro)

	Notes	Pró-forma ¹		Pró-forma ¹	
		2 nd Quarter 08 ²	2 nd Quarter 07 ²	30.06.2008	30.06.2007
Operational income					
Sales		20,138,696	18,864,252	40,131,668	36,599,997
Services rendered		27,676,583	25,786,575	52,664,713	49,844,640
Other operational income		1,112,874	1,441,136	2,650,769	2,411,658
Total operational income		48,928,153	46,091,963	95,447,150	88,856,295
Operational expenses					
Cost of goods sold and materials consumed		(14,164,681)	(12,859,944)	(22,861,668)	(22,023,508)
Changes in stocks of finished goods and work in progress		14,816,407	16,737,032	26,774,356	19,271,749
External supplies and services		(36,585,942)	(37,387,991)	(75,498,288)	(63,313,199)
Staff costs		(11,645,039)	(9,644,292)	(22,105,000)	(18,951,530)
Depreciation and amortisation	8	(2,162,646)	(1,770,770)	(4,136,396)	(3,475,879)
Provisions and impairment losses		(565,621)	(98,830)	(2,899,530)	(200,814)
Other operational expenses		(1,543,498)	(2,641,318)	(2,458,958)	(3,464,151)
Total operational expenses		(51,851,020)	(47,666,113)	(103,185,484)	(92,157,332)
Operational profit/(loss)		(2,922,867)	(1,574,150)	(7,738,334)	(3,301,037)
Financial Expenses		(3,072,059)	(3,835,023)	(6,960,660)	(7,509,382)
Financial Income		733,548	1,242,723	1,733,850	2,987,093
Net financial expenses		(2,338,511)	(2,592,300)	(5,226,810)	(4,522,289)
Share of results of associated undertakings	10	(523,423)	(1,628,154)	(1,898,238)	(993,675)
Investment income		99,854	(834,597)	48,891,713	3,971,431
Profit/(Loss) before taxation		(5,684,947)	(6,629,201)	34,028,331	(4,845,570)
Taxation	25	(259,262)	3,685,836	(723,205)	3,407,852
Profit/(Loss) after taxation		(5,944,209)	(2,943,365)	33,305,126	(1,437,718)
Profit/(Loss) for the year	26	(5,944,209)	(2,943,365)	33,305,126	(1,437,718)
Attributable to:					
Equity holders of Sonae Capital		(6,253,296)	(2,252,485)	32,755,765	(1,326,247)
Minority interests		309,087	(690,880)	549,361	(111,471)
Profit/(Loss) per share		-	-	-	-
Basic	27	(0.025013)	(0.009010)	0.131023	(0.005305)
Diluted	27	(0.025013)	(0.009010)	0.131023	(0.005305)

The accompanying notes are part of these financial statements.

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

2) In accordance with IAS 34 Interim Financial Reporting.
Not subject to limited review

The Board of Directors

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 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	-	116,390	-	116,390	-	116,390
In hedge and fair value reserves	-	26,249,678	-	26,249,678	-	26,249,678
Affiliated and associated undertakings excluded for sale	-	15,974,439	-	15,974,439	-	15,974,439
Aquisition of affiliated and associated undertakings	-	(6,309,764)	-	(6,309,764)	-	(6,309,764)
In other reserves	-	(1,899,628)	-	(1,899,628)	(6,089,714)	(7,989,342)
Consolidated Profit/(Loss) for the six months ended 30 June 2007	-	-	(1,326,247)	(1,326,247)	(111,471)	(1,437,718)
Balance as at 30 June 2007	<u>250,000,000</u>	<u>16,984,891</u>	<u>(1,326,247)</u>	<u>265,658,644</u>	<u>12,675,167</u>	<u>278,333,811</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	-	(455,340)	-	(455,340)	16,318	(439,022)
In hedge and fair value reserves	-	(38,295,438)	-	(38,295,438)	-	(38,295,438)
Other changes	-	(10,616,630)	-	(10,616,630)	(1,741,510)	(12,358,140)
Consolidated Profit/(Loss) for the six months ended 30 June 2008	-	-	-	-	-	-
	-	-	32,755,765	32,755,765	549,361	33,305,126
Balance as at 30 June 2008	<u>250,000,000</u>	<u>57,481,153</u>	<u>32,755,765</u>	<u>340,236,918</u>	<u>35,583,001</u>	<u>375,819,919</u>

The accompanying notes are part of these financial statements.

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

The Board of Directors

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008 AND 2007

(Amounts expressed in euro)

		Pró-forma ¹	
		30.06.2008	30.06.2007
<u>OPERATING ACTIVITIES</u>	<u>Notes</u>		
Cash receipts from trade debtors		103,235,241	99,537,911
Cash paid to trade creditors		(95,921,319)	(87,267,634)
Cash paid to employees		(20,367,549)	(18,497,837)
Cash flow generated by operations		<u>(13,053,627)</u>	<u>(6,227,560)</u>
Income taxes (paid) / received		(4,158,310)	(2,308,068)
Other cash receipts and (payments) relating to operating activities		<u>(2,910,413)</u>	<u>3,918,850</u>
Net cash flow from operating activities (1)		<u>(20,122,350)</u>	<u>(4,616,778)</u>
<u>INVESTMENT ACTIVITIES</u>			
Cash receipts arising from:		-	-
Investments		87,627,560	22,176,512
Tangible assets		3,433,675	1,580,638
Intangible assets		1,106	-
Interest and similar income		900,193	3,801,329
Loans granted		2,098,028	61,775,990
Dividends		<u>2,765,962</u>	<u>2,447,484</u>
		<u>96,826,524</u>	<u>91,781,953</u>
Cash Payments arising from:			
Investments		(51,011)	(77,570,430)
Tangible assets		(44,759,461)	(36,090,910)
Intangible assets		(289,554)	(94,555)
Loans granted		(5,458,000)	(21,414,581)
Others		<u>(63,826)</u>	<u>-</u>
		<u>(50,621,852)</u>	<u>(135,170,476)</u>
Net cash used in investment activities (2)		<u>46,204,672</u>	<u>(43,388,523)</u>
<u>FINANCING ACTIVITIES</u>			
Cash receipts arising from:			
Loans obtained		163,963,920	240,399,488
Capital increases, additional paid in capital and share premiums		212,500	9,283,500
Others		<u>200,000</u>	<u>-</u>
		<u>164,376,420</u>	<u>249,682,988</u>
Cash Payments arising from:			
Loans obtained		(207,369,562)	(196,759,416)
Interest and similar charges		(7,724,665)	(4,276,599)
Others		<u>-</u>	<u>(30,627)</u>
		<u>(215,094,227)</u>	<u>(201,066,642)</u>
Net cash used in financing activities (3)		<u>(50,717,807)</u>	<u>48,616,346</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(24,635,485)</u>	<u>611,045</u>
Effect of foreign exchange rate		<u>438,612</u>	<u>(18,423)</u>
Cash and cash equivalents at the beginning of the period	14	<u>41,383,143</u>	<u>13,086,954</u>
Cash and cash equivalents at the end of the period	14	<u>16,309,046</u>	<u>13,716,422</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 SIX MONTHS ENDED AS AT 30 JUNE 2008

(Amounts express 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 businesses 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, 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 June 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 June 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 June 2008 and 31 December 2007 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30.June.2008		31.December.2007	
		Direct	Total	Direct	Total
Sonae Capital SGPS, SA	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Tourism					
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,Urbân., SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Cinclus 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%
Imodiv - 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%
Imopeninsula - 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) Vila de Conde	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) Troia	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%
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%
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%
Sil - 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%
Solira-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%
Solinfitness - 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)	Amsterdam (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%	-	-
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.imobiliárias,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%
5) Elmo SGPS, SA	a)	Maia	60.00%	60.00%	-	-
Friengineering, SA	a)	Sao Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
Inparvi 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%
Invsaude - 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%
Spinark, 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%

Others

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)	Amsterdam (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 Spread segment in the last period.
- 4) Company sold in the period.
- 5) Control of the company and of its affiliates regained in the period.

5. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

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

		Percentage of capital held					
COMPANY	Head Office	30.June.2008		31.December.2007		Book Value	
		Direct	Total	Direct	Total	30.June.2008	31.December.2007
Tourism							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	887,496	-
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%	452,115	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%	-	-
Spread							
1) CarPlus – Comércio de Automóveis, SA	Vila Nova de Gaia	100.00%	50.00%	100.00%	50.00%	-	-
Cinclus-Plan. e Gestão de Projectos, SA	Porto	25.00%	25.00%	25.00%	25.00%	651,750	567,259
Change, SGPS, SA	Porto	50.00%	50.00%	50.00%	50.00%	1,985,137	2,035,846
1) Choice Car - Comércio de Automóveis, SA	Porto	100.00%	50.00%	100.00%	50.00%	-	-
Choice Car SGPS, SA	Maia	50.00%	50.00%	50.00%	50.00%	3,140,129	3,750,798
Etablissement A. Mathe, SA	France	27.74%	27.74%	27.74%	27.74%	-	31,937
1) Finlog - Aluguer e Comércio de Automóveis, SA	Matosinhos	100.00%	50.00%	100.00%	50.00%	-	-
1) Guerin – Rent a Car (Dois), Lda	Lisbon	100.00%	50.00%	100.00%	50.00%	-	-
Lidergraf - Artes Gráficas, Lda	Vila de Conde	24.50%	24.50%	24.50%	24.50%	768,045	813,764
1) Luso Assistência - Gestão de Acidentes, SA	Porto	100.00%	50.00%	100.00%	50.00%	-	-
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	25.00%	25.00%	25.00%	25.00%	1,653,208	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%	401,016	482,661
TP - Sociedade Térmica, SA	Porto	50.00%	50.00%	50.00%	50.00%	9,944,404	9,281,288
Total (Note 10)						19,907,300	18,985,662

- 1) Companies owned by Choice Car SGPS, SA

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

	30.June.2008	31.December.2007
Total Assets	1,248,507,934	1,242,669,996
Total Liabilities	1,146,966,537	1,139,976,914
	30.June.2008	30.June.2007
Income	140,693,374	98,365,340
Expenses	148,768,637	97,282,186

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 June 2008 and 31 December 2007 are made up as follows:

			Percentage of capital held						
COMPANY	Reason for exclusion	Head Office	30.June.2008		31.December.2007		Book Value		
			Direct	Total	Direct	Total	30.June.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	10.00%	10.00%	10.00%	10.00%	1,550,976	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	6.80%	6.80%	6.80%	6.80%	24,661,502	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								515,684	300,739
Total (Note 10)								38,780,149	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 six month period ended 30 June 2008 are as follows:

Additions

		Percentage of capital held	
		30.June.2008	
COMPANY	Head Office	Direct	Total
Tourism			
Troia Market, SA	Grândola	100.00%	100.00%
Spred			
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) Plysorol, 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 not affected by the inclusion of ELMO and its subsidiaries.

The impact of these companies on the consolidated financial statements as at 30 June 2008 was as follows:

	30.June.2008
Net assets	
Tangible and intangible assets	29,857,168
Other assets	55,889,820
Cash and cash equivalents	2,001,071
Loans	(13,951,858)
Other liabilities	(89,525,340)
	<u>(15,729,139)</u>

Disposals

The disposal occurred in the six months ended 30 June 2008 was as follows:

COMPANY	Head Office	Percentage of capital held on the day of sale	
		Direct	Total
Spred			
Contacto - Sociedade de Construções, SA	Porto	100.00%	100.00%

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

	31. December 2007
Net assets disposed of	
Tangible and intangible assets	283,817
Other assets	102,717,889
Cash and cash equivalents	378,941
Loans	-
Other liabilities	(69,521,129)
	33,859,518
Goodwill (Note 9)	1,278,898
	35,138,416
Gain/(loss) on sale	46,361,584
Sales price	81,500,000
Cash received	81,500,000
Amounts receivable	-
	81,500,000
Net cash inflow arising from the disposal	
Cash consideration received	81,500,000
Cash and cash equivalents disposed of	(378,941)
	81,121,059

This company has been excluded from consolidation from 1 January 2008 onwards.

8. TANGIBLE AND INTANGIBLE ASSETS

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

	Tangible assets				
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	Total Tangible Assets
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 (Plysorol Group)	25,639,505	51,359,924	7,402,162	662,438	85,064,029
Other changes in consolidation perimeter	(546,763)	(5,372,295)	(468,783)	(333,387)	(6,721,228)
Capital expenditure	14,225,576	291,971	19,350	30,802,698	45,339,595
Disposals	(1,109,794)	(2,463,194)	(105,024)	(1,585,912)	(5,263,924)
Exchange rate effect	10,765	1,399	1,491	-	13,655
Transfers	(10,804,099)	522,089	(143,228)	8,598,480	(1,826,758)
Closing balance as at 30 June 2008	270,485,346	118,152,159	11,064,695	116,764,188	516,466,388
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 (Plysorol Group)	16,096,764	34,614,062	5,440,251	-	56,151,077
Other changes in consolidation perimeter	(109,841)	(5,122,628)	(454,546)	-	(5,687,015)
Depreciation and impairment losses in the period	1,825,048	2,033,867	146,676	-	4,005,591
Disposals	(302,562)	(1,850,710)	(103,739)	-	(2,257,011)
Exchange rate effect	1,712	988	935	-	3,635
Transfers	55,819	(4,112,125)	(258,936)	-	(4,315,242)
Closing balance as at 30 June 2008	51,904,685	59,001,635	7,825,828	-	118,732,148
Carrying amount as at 30 June 2008	218,580,661	59,150,524	3,238,867	116,764,188	397,734,240

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

Troia	47,561,395
Aparthotel Aqualuz refurbishment	3,818,732
Ferry boat construction	25,160,942
Troia Marina	6,912,274
Boavista refurbishment	2,111,522
Hotels refurbishment at Tróia	13,424,448
Construction underway at Maia	16,493,867
Others	1,281,008
	<u>116,764,188</u>

	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 (Plysorol Group)	7,070,848			7,070,848
Other changes in consolidation perimeter	(8,557)	-	-	(8,557)
Capital expenditure	106,130	5,880	102,757	214,767
Disposals	(24,362)	(52,045)	(12,735)	(89,142)
Exchange rate effect	-	-	-	-
Transfers	12,638	74,785	(30,949)	56,474
Closing balance as at 30 June 2008	<u>7,847,859</u>	<u>2,524,500</u>	<u>116,414</u>	<u>10,488,773</u>
Accumulated depreciation and impairment losses:				
Opening balance as at 1 January 2008	386,648	2,045,641	-	2,432,289
Changes in consolidation perimeter (Plysorol Group)	6,135,009		-	6,135,009
Other changes in consolidation perimeter	-	-	-	-
Depreciation and impairment losses in the period	27,888	102,917	-	130,805
Disposals	(24,362)	(45,317)	-	(69,679)
Exchange rate effect	-	-	-	-
Transfers	(56)	37,912	-	37,856
Closing balance as at 30 June 2008	<u>6,525,127</u>	<u>2,141,153</u>	<u>-</u>	<u>8,666,280</u>
Carrying amount as at 30 June 2008	<u>1,322,732</u>	<u>383,347</u>	<u>116,414</u>	<u>1,822,493</u>

9. GOODWILL

During the six months period ended 30 June 2008, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	30 June 2008
Gross Value:	
Opening balance	65,098,050
Decreases by disposals of companies (Note 7)	(1,278,898)
Decreases of percentage held	(790,804)
Closing balance	<u>63,028,348</u>
Accumulated impairment losses:	
Opening balance	1,301,596
Increases	-
Decreases	-
Closing balance	<u>1,301,596</u>
Carrying amount	<u>61,726,752</u>

10. INVESTMENTS

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

	30.June.2008	
	Non Current	Current
<u>Investment in associated companies</u>		
Opening balance as at 1 January	17,121,634	-
Acquisitions in the period	198,000	-
Disposals in the period	-	-
Equity method effect	(2,614,532)	-
Transfers	3,338,170	-
Closing balance as at 30 June	18,043,272	-
Goodwill transferred to Investments	1,864,028	-
Accumulated impairment losses (Note 22)	-	-
<u>Investment in associated companies (Note 5)</u>	<u>19,907,300</u>	<u>-</u>
<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	-	-
Disposals in the period	-	-
Transfers	-	-
Closing balance as at 30 June	9,631,930	-
Accumulated impairment losses (Note 22)	(7,707,938)	-
	<u>1,923,992</u>	<u>-</u>
<u>Investments held for sale</u>		
Fair value (net of impairment losses) as at 1 January	75,262,281	-
Acquisitions in the period	37,500	-
Disposals in the period	-	-
Increase/(Decrease) in fair value	(38,658,569)	-
Transfers	(29)	-
Fair value (net of impairment losses) as at 30 June	214,974	-
	<u>36,856,157</u>	<u>-</u>
<u>Other investments (Note 6)</u>	<u>38,780,149</u>	<u>-</u>
	<u>58,687,449</u>	<u>-</u>

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: -1,898,238 euro are recorded in Share of results of associated undertakings and -716,294 euro are recorded as Other changes in Reserves.

11. OTHER NON-CURRENT ASSETS

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

	30.June.2008	31.December.2007
<u>Loans granted to related parties</u>		
Norscut - Concessionária de Scut Interior Norte, SA	14,069,052	14,069,052
Andar - Sociedade Imobiliária, SA	-	3,338,173
Others	300,604	289,989
	<u>14,369,656</u>	<u>17,697,214</u>
Impairment losses (Note 22)	(270,489)	(270,489)
	<u>14,099,167</u>	<u>17,426,725</u>

Trade accounts receivable and other debtors		
Assets arising from the sale of financial investments	4,921,250	5,510,000
Others	1,145,284	1,899,477
	6,066,534	7,409,477
Impairment losses (Note 22)	(4,174,749)	(520,351)
	1,891,785	6,889,126
Taxes Recoverable		
	-	2,781
Other non-current assets	15,990,952	24,318,632

12. TRADE DEBTORS AND OTHER CURRENT ASSETS

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

	30.June.2008	31.December.2007
Trade accounts receivable	45,786,180	56,040,609
Taxes recoverable	13,506,645	19,444,523
Loans granted to related parties		
Sit B3	2,559,886	2,485,702
Others	35,262	6,090
	2,595,148	2,491,792
Other current assets		
Trade suppliers - debit balances	1,519,285	1,446,131
Other debtors	12,294,118	9,762,822
Accounts receivable from the sale of investments	34,145,089	35,056,077
Accounts receivable from the sale of tangible assets	738,279	15,348
Income related with construction contracts	-	1,790,984
Indemnities receivable	716,088	135,205
Interest receivable	255,034	231,105
Deferred costs - Rents	5,234,318	3,576,303
Deferred costs - External supplies and services	1,286,541	1,862,601
Other current assets	56,188,752	53,876,576
	118,076,725	131,853,500
Accumulated impairment losses (Note 22)	(31,781,291)	(30,929,154)
Changes in consolidation perimeter (Plysol Group)	32,638,395	-
Trade Debtors and Other Current Assets	118,933,829	100,924,346

In "Accounts receivable from the sale of investments" as at 30 June 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 June 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.June.2008	31.December.2007	30.June.2008	31.December.2007
Harmonisation adjustments	-	-	38	49
Provisions and impairment losses	-	203,180	-	5,219,288
Write off of tangible and intangible assets	2,090,498	2,174,715	1,511,184	1,510,830
Revaluation of tangible assets	-	-	786,073	795,849
Tax losses carried forward	12,924,456	11,589,253	-	-
Others	621,924	353,772	-	354
	15,636,878	14,320,920	2,297,295	7,526,370

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

	30.June.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	139,761	34,940	2008	1,209,557	302,389	2008
Generated in 2003	7,639,236	1,909,809	2009	9,126,348	2,281,587	2009
Generated in 2004	6,361,020	1,590,255	2010	6,627,219	1,656,805	2010
Generated in 2005	7,025,797	1,756,450	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	6,273,301	1,568,325	2013	8,743,671	2,185,919	2013
Generated in 2008	10,634,715	2,658,572	2014	-	-	
	<u>49,776,359</u>	<u>12,443,983</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>51,230,139</u>	<u>12,924,456</u>		<u>45,888,902</u>	<u>11,589,253</u>	

As at 30 June 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 June 2008 tax losses carried forward, amounting to 119,316,618 euro have not originated deferred tax assets for prudential reasons. These may be summarised as follows:

	30.June.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	27,840,355	6,960,089	2008	36,487,545	9,121,887	2008
Generated in 2003	10,799,367	2,699,841	2009	13,379,146	3,344,787	2009
Generated in 2004	3,538,114	884,530	2010	5,065,719	1,266,430	2010
Generated in 2005	8,845,783	2,211,447	2011	7,726,020	1,931,505	2011
Generated in 2006	14,026,195	3,506,550	2012	13,437,053	3,359,264	2012
Generated in 2007	23,184,045	5,796,011	2013	22,867,073	5,716,767	2013
Generated in 2008	14,645,136	3,661,285	2014	-	-	
	<u>102,878,995</u>	<u>25,719,753</u>		<u>98,962,556</u>	<u>24,740,640</u>	
Without limited time use	4,028,000	1,342,532		4,849,357	1,616,291	
With a time limit different from the above mentioned	12,409,623	3,609,624		11,525,185	3,403,077	
	<u>16,437,623</u>	<u>4,952,156</u>		<u>16,374,542</u>	<u>5,019,368</u>	
	<u>119,316,618</u>	<u>30,671,909</u>		<u>115,337,098</u>	<u>29,760,008</u>	

14. CASH AND CASH EQUIVALENTS

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

	30.June.2008	31.December.2007
Cash at hand	208,027	183,580
Bank deposits	17,694,474	43,040,144
Treasury applications	701,306	1,110,117
	<u>18,603,807</u>	<u>44,333,841</u>
Bank overdrafts	(2,294,761)	(2,950,698)
Cash and cash equivalents in the statement of cash flows	<u>16,309,046</u>	<u>41,383,143</u>
Cash and cash equivalents	18,603,807	44,333,841
Cash and cash equivalents - Changes in perimeter (Pylsorol Group)	1,949,364	-
Cash and cash equivalents in the balance sheet	<u>20,553,171</u>	<u>44,333,841</u>
Bank overdrafts	(2,294,761)	(2,950,698)
Bank overdrafts - Changes in perimeter (Pylsorol Group)	(11,901,962)	-
Bank overdrafts (Note 17)	<u>(14,196,723)</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 June 2008 and 31 December 2007 are as follows:

	30.June.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
Disposal of companies (Note 7)	16,318	(22,328)
Changes resulting from currency translation	4,385,829	-
Changes in percentage ownership from disposal of companies	(6,343,141)	-
Others	215,802	(57,033)
Profit for the period attributable to minority interests	549,361	853,816
Closing balance	<u>35,583,001</u>	<u>36,758,832</u>

17. BORROWINGS

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

	30.June.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
a) d) Sonae Turismo - commercial paper	110,000,000	-	-	110,000,000	-	109,999,989	Aug/2009
b) SC, SGPS - commercial paper	110,000,000	-	83,799,992	-	-	-	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	1,250,000	500,000	750,000	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 - commercial paper	5,600,000	550,000	4,200,000	3,850,000	1,068,750	2,781,250	May/2012
Others		368,629	2,233,983		93,474	2,150,000	
		1,418,629	120,983,975		4,761,694	122,710,414	
Bank overdrafts (Note 14)		14,196,723	-		2,952,348	-	
Bank Loans		15,615,352	120,983,975		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		-	-1,007,277		-	-234,000	
Bonds		-	98,992,723		15,000,000	49,766,000	
Other loans		-	-		176,635	250,577	
Obligations under finance leases		1,918,408	17,750,004		1,860,326	18,726,595	
		17,533,760	237,726,702		24,751,003	191,453,586	

- a) SC, SGPS, SA is a co-guarantor in this loans.
- 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 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 rate.

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.June.2008		31.December.2007	
	Capital	Interest	Capital	Interest
N+1 ^{a)}	17,533,760	13,307,848	24,751,003	5,130,659
N+2	89,853,563	8,998,882	114,359,681	4,293,458
N+3	23,689,237	8,029,775	24,155,400	4,071,652
N+4	2,933,948	6,734,196	3,683,383	2,774,451
N+5	60,881,679	5,713,981	31,732,355	2,596,855
After N+5	61,375,551	16,783,105	17,756,767	6,532,429
	<u>256,267,738</u>	<u>59,567,786</u>	<u>216,438,590</u>	<u>25,399,505</u>

a) Includes amounts drawn under commercial paper programmes.

18. DERIVATIVES

Interest rate derivatives

The hedging instruments used by the Group as at 30 June 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 363,389 euro. As at 30 June 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.June.2008	31.December.2007	30.June.2008	31.December.2007
Hedge accounting derivatives				
Interest rate	363,389	-	-	-
Other derivatives	-	-	-	-
	<u>363,389</u>	<u>-</u>	<u>-</u>	<u>-</u>

19. OTHER NON-CURRENT LIABILITIES

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

	30.June.2008	31.December.2007
Loans and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,329,516	2,323,820
Others	705,701	617,000
	<u>3,035,217</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	1,362,500	1,387,500
Others	124,094	8,553
	<u>31,628,056</u>	<u>36,209,615</u>
Variations of the perimeter (Group Plysorol)		
Changes in perimeter	36,828,598	-
Elimination of intra-group	(5,260,000)	-
Other Non-Current Liabilities	<u>66,231,871</u>	<u>39,150,435</u>

As at 30 June 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 June 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.June.2008	31.December.2007
<u>Shares</u>					
	2005	2008	0	-	573,543
	2006	2009	6	211,854	267,377
	2007	2010	5	140,550	218,103
	2008	2011	7	315,395	-
<u>Total</u>				<u>667,799</u>	<u>1,059,023</u>

As at 30 June 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.June.2008	31.December.2007
Staff costs	-165,586	559,369
Retained earnings	464,971	265,126
	<u>299,385</u>	<u>824,495</u>
Other liabilities	299,385	824,495
	<u>299,385</u>	<u>824,495</u>

21. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

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

	30.June.2008	31.December.2007
Trade creditors	30,939,147	62,517,417
Loans and other amounts payable to related parties		
Others	169,821	-
	169,821	-
Other current liabilities		
Fixed assets suppliers	4,472,114	5,009,524
Amounts received as down payments	35,727,648	21,285,566
Advances from customers	1,595,430	1,333,157
Other accounts payable	11,179,335	3,598,684
Taxes and contributions payable	12,015,065	13,399,775
Cost accruals related to construction works	103,114	14,257,334
Staff Costs	6,784,488	6,809,301
Interest payable	1,030,891	712,251
Amounts invoiced for works not yet completed	4,545,204	3,686,414
Other external supplies and services	1,895,452	1,555,468
Others	6,891,666	6,074,683
	86,240,407	77,722,157
Changes in consolidation perimeter (Group Plysorol)	48,230,924	-
Suppliers and other current liabilities	165,580,299	140,239,574

22. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

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

Captions	Balance as at 31.December.07	Increases	Decreases	Change of perimeter (Plysorol Group)	Balance as at 31.June.2008
Accumulated impairment losses on investments (Note 10)	28,720,049	-	-	(20,587,784)	8,132,265
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	1,730,451	(987,003)	108,690	31,781,291
Accumulated impairment losses on stocks	7,474,353	221,131	(5,803)	1,026,857	8,716,538
Non-current provisions	16,654,464	10,380	(7,859,428)	4,504,609	13,310,025
Current provisions	3,815,464	-	(2,632,963)	240,691	1,423,192
	88,384,323	5,616,360	(11,485,197)	(14,706,937)	67,808,549

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

	30.June.2008	31.December.2007
Guarantees on construction works given to clients	-	4,697,502
Judicial claims	4,514,209	3,954,369
Others	10,219,008	11,818,057
	14,733,217	20,469,928

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

23. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2008 and 31 December 2007, Contingent assets and liabilities were made up as follows:

	30.June.2008	31.December.2007
Guarantees given:		
on tax claims	5,620,782	5,845,298
on judicial claims	308,826	2,696,996
on municipal claims	5,729,053	5,887,208
others	59,544,767	74,799,709

Others include the following guarantees:

- 5,295,150 euro (22,730,724 euro as at 31 December 2007) of guarantees on construction works given to clients;
- 38,124,560 euro as at 30 June 2008 and as at 31 December 2007 of guarantees given concerning building permits in the tourism business;
- 186,153 euro as at 30 June 2008 and as at 31 December 2007 of guarantees given for the construction of ferry boats;
- 12,000,000 euro as at 30 June 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:

	Sales and services rendered		Purchases and services obtained	
	30.June.2008	30.June.2007	30.June.2008	30.June.2007
Transactions				
Parent company and group companies excluded from consolidation (a)	155,661	811,046	188,926	791,012
Associated companies	128,504	142,747	546,690	636,642
Other partners in Group companies	32,481,510	29,870,912	3,530,467	3,828,306
	<u>32,765,675</u>	<u>30,824,705</u>	<u>4,266,083</u>	<u>5,255,960</u>
	Interest income		Interest expenses	
	30.June.2008	30.June.2007	30.June.2008	30.June.2007
Transactions				
Parent company and group companies excluded from consolidation (a)	-	1,152,465	-	43,422
Associated companies	660,484	3,863	-	-
Other partners in Group companies	18,059	765,731	79,010	3,824,399
	<u>678,543</u>	<u>1,922,059</u>	<u>79,010</u>	<u>3,867,821</u>
	Accounts receivable		Accounts payable	
	30.June.2008	31.December.2007	30.June.2008	31.December.2007
Balances				
Parent company and group companies excluded from consolidation (a)	32,956	98,684	74,287	469,379
Associated companies	1,086,445	393,405	253,887	94,440
Other partners in Group companies	16,228,489	32,520,201	4,345,203	4,117,245
	<u>17,347,890</u>	<u>33,012,290</u>	<u>4,673,377</u>	<u>4,681,064</u>
	Obtained		Granted	
	30.June.2008	31.December.2007	30.June.2008	31.December.2007
Balances				
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	-	-	14,069,052	17,407,225
Other partners in Group companies	2,329,516	2,340,818	-	-
	<u>2,329,516</u>	<u>2,340,818</u>	<u>14,069,052</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 June 2008 and 2007, Taxation is made up as follows:

	30.June.2008	30.June.2007
Current tax	2,243,282	1,806,875
Deferred tax	(1,520,077)	(5,214,727)
	<u>723,205</u>	<u>(3,407,852)</u>

26. RECONCILIATION OF CONSOLIDATED NET PROFIT

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

	30.June.2008	30.June.2007
Aggregate net profit	96,935,167	20,595,964
Harmonisation adjustments	(19,516,795)	(7,419,172)
Elimination of intragroup dividends	(40,464,917)	(5,567,434)
Share of results of associated undertakings	(1,898,238)	(1,429,299)
Elimination of intragroup capital gains and losses	(1,148,091)	(4,149,789)
Elimination of intragroup provisions	(3,037,000)	(1,430,000)
Consolidation adjustments to gains/(losses) on sales of investments	2,450,135	(973,503)
Others	(15,135)	(1,064,485)
Consolidated net profit for the year	<u>33,305,126</u>	<u>(1,437,718)</u>

27. EARNINGS PER SHARE

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

	30.June.2008	30.June.2007
	Total	Total
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	32,755,765	-1,326,247
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>32,755,765</u>	<u>(1,326,247)</u>
Number of shares		
Weighted average number of shares used to calculated 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 calculated diluted earnings per share	<u>250,000,000</u>	<u>250,000,000</u>
Earnings per share (basic and diluted)	<u>0.131023</u>	<u>(0.005305)</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 June 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 June 2008 and 2007 can be detailed as follows:

	30 June 2008				
	Tourism	Spred	Holding	Consolidation Adjustments	Total
Operational income					
Sales	2,589,269	37,542,399	-	-	40,131,668
Services rendered	20,600,993	31,973,276	90,444	-	52,664,713
Other operational income	1,655,649	914,277	80,843	-	2,650,769
	24,845,911	70,429,952	171,287	-	95,447,150
Inter-segment income	675,981	125,671	70,432	(872,084)	-
	25,521,892	70,555,623	241,719	(872,084)	95,447,150
Operational cash-flow (EBITDA)	(3,118,848)	3,747,346	(2,111,698)	-	(1,483,199)
Depreciation and amortisation	(3,642,454)	(482,836)	(11,106)	-	(4,136,396)
Provisions and impairment losses	(2,569,992)	(329,538)	-	-	(2,899,530)
Reversal of provisions and impairment losses ¹	727,562	3,229	50,000	-	780,791
Operational profit (EBIT)	(8,603,732)	2,938,201	(2,072,804)	-	(7,738,334)
Net financial expenses	(11,663,311)	(235,690)	6,672,191	-	(5,226,810)
Share of results of associated undertakings	-	-	-	(1,898,238)	(1,898,238)
Investment income	(235,834)	46,461,438	2,666,108	-	48,891,713
Profit before taxation	(20,502,877)	49,163,949	7,265,496	(1,898,238)	34,028,331
Taxation	793,959	(1,303,272)	(213,891)	-	(723,205)
Net profit for the period	(19,708,918)	47,860,677	7,051,604	(1,898,238)	33,305,126
- attributable to equity holders of Sonae					
- attributable to minority interests					

	30.June.2007				
	Tourism	Spred	Holding	Consolidation Adjustments	Total
Operational income					
Sales	1,516,887	35,083,111	-	-	36,599,997
Services rendered	18,878,089	30,438,673	527,879	-	49,844,640
Other operational income	703,690	1,574,675	133,293	-	2,411,658
	21,098,665	67,096,458	661,172	-	88,856,295
Inter-segment income	777,168	91,684	99,450	(968,303)	-
	21,875,834	67,188,143	760,622	(968,303)	88,856,295
Operational cash-flow (EBITDA)	(2,520,191)	3,669,747	(1,019,164)	231	130,624
Depreciation and amortisation	(2,946,726)	(479,154)	(50,000)	-	(3,475,879)
Provisions and impairment losses	(102,372)	(98,443)	-	-	(200,814)
Reversal of provisions and impairment losses ¹	80,550	114,482	50,000	-	245,032
Operational profit (EBIT)	(5,488,738)	3,206,633	(1,019,164)	231	(3,301,037)
Net financial expenses	(8,474,493)	(361,318)	4,305,989	7,533	(4,522,289)
Share of results of associated undertakings	-	-	-	(993,675)	(993,675)
Investment income	(1,198,577)	4,494,697	8,028,018	(7,352,707)	3,971,431
Profit before taxation	(15,161,808)	7,340,012	11,314,843	(8,338,618)	(4,845,570)
Taxation	4,551,500	(1,054,578)	(89,070)	-	3,407,852
Net profit for the period	(10,610,308)	6,285,434	11,225,773	(8,338,618)	(1,437,718)
- attributable to equity holders of Sonae					
- attributable to minority interests					

¹ Amount included in the caption Other operational income but added back in the calculation of Operational Cash-flow (EBITDA).

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

	30.June.2008				
	Tourism	Spred	Holding	Consolidation Adjustments	Total
Fixed assets					
Tangible and Intangible	340,736,159	58,780,878	39,696	-	399,556,733
Goodwill	-	-	-	61,726,752	61,726,752
Investments	5,914,485	11,588,750	60,769,882	(19,585,668)	58,687,449
Deferred tax assets	15,017,963	618,916	-	-	15,636,878
Other assets	213,743,214	171,029,917	492,948,240	(554,323,679)	323,397,692
Cash, Cash Equivalents and Current Investments	9,944,027	4,500,339	6,473,193	-	20,917,559
Total assets	585,355,848	246,518,800	560,231,011	(512,182,595)	879,923,063
Non-current liabilities					
Borrowings	3,264,176	21,669,811	212,792,715	-	237,726,702
Deferred tax liabilities	2,297,295	-	-	-	2,297,295
Other non-current liabilities	397,945,017	100,848,306	8,723,393	(427,974,820)	79,541,896
Current liabilities					
Borrowings	1,586,110	15,937,023	10,627	-	17,533,760
Other current liabilities	154,853,588	97,620,261	43,002,526	(128,472,885)	167,003,491
Total liabilities	559,946,186	236,075,401	264,529,261	(556,447,705)	504,103,144
Capital expenditure	42,666,617	2,863,090	24,652	-	45,554,359
Gross Debt	4,850,286	37,606,833	212,803,342	-	255,260,461
Net Debt	(5,093,740)	33,106,495	206,330,149	-	234,342,904

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	(16,654,526)	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.June.2008	31.December.2007
Inflows		
Bank debt	212,803,342	49,766,000
Cash and cash equivalents	6,473,193	21,449,693
Net bank debt	206,330,149	28,316,307
Tourism	653,000	5,320,000
Spred	1,472,200	1,191,600
Intercompany short term loans obtained	2,125,200	6,511,600
Total Inflows	208,455,349	34,827,907
Outflows		
Tourism	426,394,789	271,501,584
Spred	44,640,936	36,695,533
Intercompany loans granted	471,035,725	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 27 August 2008.

The Board of Directors



INDIVIDUAL FINANCIAL STATEMENTS
30 JUNE 2008

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

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

(Amounts expressed in euro)

ASSETS	Notes	30 June 2008	31 December 2007
NON CURRENT ASSETS:			
Tangible assets		6,605	-
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		<u>457,393,858</u>	<u>432,387,253</u>
CURRENT ASSETS			
Other current assets	6	4,572,765	23,901
Investments held for trading	7	363,889	-
Cash and cash equivalents	8	3,320	1,363
Total Current Assets		<u>4,939,974</u>	<u>25,264</u>
TOTAL ASSETS		<u><u>462,333,832</u></u>	<u><u>432,412,517</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	9	250,000,000	250,000,000
Translation and Fair Value Reserves		363,131	-
Other reserves		132,638,253	132,638,253
Retained earnings		(2,012)	-
Profit / (Loss) for the period		(772,872)	(2,012)
TOTAL EQUITY		<u><u>382,226,500</u></u>	<u><u>382,636,241</u></u>
LIABILITIES:			
NON CURRENT LIABILITIES			
Bank loans	10	29,929,459	-
Bonds	10	49,804,170	49,766,000
Total Non Current Liabilities		<u>79,733,629</u>	<u>49,766,000</u>
CURRENT LIABILITIES			
Suppliers		2,291	800
Bank overdrafts	8	5,515	-
Other creditors	11	77,594	1,994
Taxes and other contributions payable		20,595	25
Other current liabilities	11	267,708	7,457
Total Current Liabilities		<u>373,703</u>	<u>10,276</u>
TOTAL EQUITY AND LIABILITIES		<u><u>462,333,832</u></u>	<u><u>432,412,517</u></u>

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 SIX MONTHS ENDED 30 JUNE 2008

(Amounts expressed in euro)

	Notes	2 nd Quarter 2008 ¹	30 June 2008
Operational expenses:			
External supplies and services	12	(104,140)	(273,788)
Staff costs		(425,513)	(634,536)
Depreciation and amortisation		(661)	(1,321)
Other operational expenses		(15,632)	(21,995)
Total operational expenses		<u>(545,946)</u>	<u>(931,640)</u>
Operational profit/(loss)		<u>(545,946)</u>	<u>(931,640)</u>
Financial income	13	1,212,237	2,080,709
Financial expenses	13	<u>(1,141,182)</u>	<u>(1,921,169)</u>
Net financial income/(expenses)		<u>71,055</u>	<u>159,540</u>
Profit/(loss) before taxation		<u>(474,891)</u>	<u>(772,100)</u>
Taxation		<u>(772)</u>	<u>(772)</u>
Profit/(loss) for the period		<u><u>(475,663)</u></u>	<u><u>(772,872)</u></u>

The accompanying notes are part of these financial statements

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

The Board of Directors

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

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2008

(Amounts expressed in euro)

	Share Capital	Own Shares	Share Premium	Additional paid in Capital	Legal Reserve	Reserves					Other Reserves	Retaineds Earnings	Net profit / (loss)	Total Equity
						Legal Reserve	Revaluation Reserve	Fair Value Reserve	Hedging Reserve	Translation Reserve				
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	-	-	-	-	-	-	-	363,131	-	-	-	-	-	363,131
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	-	-	-	-	-	-	-	-	-	-	-	-	(772,872)	(772,872)
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2008	250,000,000	-	-	-	-	-	-	363,131	-	-	132,638,253	(2,012)	(772,872)	382,226,500

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 SIX MONTHS ENDED 30 JUNE 2008

(Amounts expressed in euro)

	<u>30 June 2008</u>
OPERATING ACTIVITIES	
Cash receipts from trade debtors	271,496
Cash paid to employees	423,273
Cash flow generated by operations	<u>(694,769)</u>
Income taxes (paid)/received	(6,148)
Other cash receipts/(payments) relating to operating activities	68,448
Net cash flow from operating activities [1]	<u><u>(632,469)</u></u>
INVESTMENT ACTIVITIES	
Cash receipts arising from:	
Interest and similar income	48,635
	<u>48,635</u>
Cash receipts arising from:	
Tangible assets	7,927
Loans granted	27,527,000
	<u>(27,534,927)</u>
Net cash flow from investment activities [2]	<u><u>(27,486,292)</u></u>
FINANCING ACTIVITIES	
Cash receipts arising from:	
Loans obtained	30,000,000
	<u>30,000,000</u>
Cash Payments arising from:	
Interest and similar costs	1,884,797
	<u>(1,884,797)</u>
Net cash from financing activities [3]	<u><u>28,115,203</u></u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	<u>(3,558)</u>
Cash and cash equivalents at the beginning of the period	1,363
Cash and cash equivalents at the end of the period	<u><u>(2,195)</u></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 SIX MONTHS ENDED 30 JUNE 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 June 2008 and 31 December 2007 investments are detailed as follows:

	<u>30.June.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 June 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.June.2008</u>				<u>31.December.2007</u>			
	% Held	Fair Value	Book Value	Fair Value Reserve	% Held	Fair Value	Book Value	Fair Value Reserve
SC, SGPS, SA	100.00%	-	382,638,253	-	100.00%	-	382,638,253	-
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 June 2008 and 31 December 2007 other non current assets are detailed as follows:

	<u>30.June.2008</u>	<u>31.December.2007</u>
Loans granted to group companies:		
S C, SGPS, SA	<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 June 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 June 2008 and 31 December 2007 other current assets can be detailed as follows:

	<u>30.June.2008</u>	<u>31.December.2007</u>
Group companies:		
Short term loan	2,527,000	
Interest	1,966,469	
Withhold income tax	6,147	
Accrued income	73,149	8,301
Deferred costs	-	15,600
	<u>4,572,765</u>	<u>23,901</u>

7. INVESTMENTS HELD FOR TRADING

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

	<u>30.June.2008</u>	<u>31.December.2007</u>
Derivative hedging instruments	<u>363,889</u>	<u>-</u>
	<u>363,889</u>	<u>-</u>

As at 30 June 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 June 2008 was 363,889 euro.

8. CASH AND CASH EQUIVALENTS

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

	<u>30.June.2008</u>	<u>31.December.2007</u>
Cash	1,000	-
Bank deposits	<u>2,320</u>	<u>1,363</u>
Cash and cash equivalents in the balance sheet	<u>3,320</u>	<u>1,363</u>
Bank overdrafts	<u>5,515</u>	<u>-</u>
Cash and cash equivalents in the cash flow statement	<u>(2,195)</u>	<u>1,363</u>

9. SHARE CAPITAL

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

10. LOANS

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

	<u>30.June.2008</u>	<u>31.December.2007</u>
Bank loans - Commercial paper	30,000,000	-
Up-front fees not yet charged to income statement	<u>(70,541)</u>	<u>-</u>
Bank loans	<u>29,929,459</u>	<u>-</u>
Nominal value of bonds	50,000,000	50,000,000
Up-front fees not yet charged to income statement	<u>(195,830)</u>	<u>(234,000)</u>
Bonds	<u>49,804,170</u>	<u>49,766,000</u>
Non-current loans	<u>79,733,629</u>	<u>49,766,000</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 June 2008 and 31 December 2007, these captions were made up as follows:

	<u>30.June.2008</u>	<u>31.December.2007</u>
<u>Other creditors</u>		
Other creditors	77,594	1,994
	<u>77,594</u>	<u>1,994</u>
<u>Other current liabilities</u>		
Accruals:		
Staff costs	191,508	-
Interest payable	76,200	7,457
	<u>267,708</u>	<u>7,457</u>

12. EXTERNAL SUPPLIES AND SERVICES

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

	<u>30.June.2008</u>
Operational rents	14,556
Insurance	16,195
Travelling expenses	23,566
Fees	208,221
Other services	11,249
	<u>273,788</u>

13. NET FINANCIAL EXPENSES

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

	<u>30.June.2008</u>
Interest payable and similar expenses	
Interest arising from:	
Bank loans	(448,230)
Bonds	(1,339,344)
Other	(839)
Other financial expenses	(132,756)
	<u>(1,921,169)</u>
Interest receivable and similar income	
Interest income	2,080,709
	<u>2,080,709</u>
Net financial expenses	<u>159,540</u>

14. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 27 August 2008.

15. INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

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

SC, SGPS, SA

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

Loans granted

<u>Companies</u>	<u>Closing Balance</u>
SC, SGPS, SA	77,276,000

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

The Board of Directors

LIMITED REVIEW REPORT
30 JUNE 2008

**LIMITED REVIEW REPORT PREPARED BY THE AUDITOR REGISTERED WITH
CMVM ON HALF-YEAR FINANCIAL INFORMATION**

(Translation of a report originally issued in Portuguese)

Introduction

1. In accordance with the Securities Market Code, we hereby present our Limited Review Report on the financial information of Sonae Capital, S.G.P.S., S.A. ("Company") for the half-year ended 30 June 2008 included in: the Report of the Board of Directors, the consolidated and individual Balance Sheets (that reflect a total of 879,923,063 Euro and 462,333,832 Euro, respectively, and a consolidated and individual equity of 375,819,919 Euro and 382,226,500 Euro, respectively, including a consolidated net profit attributable to the Company's equity holders of 32,755,765 Euro and an individual net loss of 772,872 Euro), the consolidated and individual Statements of profit and loss, changes in equity and cash flows for the half-year then ended and the related notes.
2. The amounts in the consolidated and individual financial statements, as well as the additional financial information, are in accordance with the accounting records of the Company and its subsidiaries.

Responsibilities

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

Scope

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

Opinion

8. Based on our work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated and individual financial information for the half-year ended 30 June 2008 referred to in paragraph 1 above of Sonae Capital, S.G.P.S., S.A. is not exempt from material misstatement that affects its conformity with International Financial Reporting Standards as adopted by the European Union for the purposes of interim financial reporting (IAS 34) and that, in terms of the definitions included in the Auditing Standards referred to in paragraph 5 above, it is not complete, true, timely, clear, objective and licit.

Emphasis

9. As mentioned in the Introduction to the notes to the consolidated financial statements, Sonae Capital, S.G.P.S., S.A. was incorporated 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 SC, S.G.P.S., S.A. (former Sonae Capital, S.G.P.S., S.A.), with which the new Sonae Capital, S.G.P.S., S.A. was incorporated. Considering that in substance the activity related with the year 2007 of the companies comprising the Sonae Capital Group was not altered by the above mentioned operation, the accompanying balance sheet for the year ended 31 December 2007 and the comparative information for the half-year ended 30 June 2007 were prepared based on the assumption that those companies were already part of the group in those periods.
10. As mentioned in the Introduction to the Notes to the individual financial statements, Sonae Capital, S.G.P.S., S.A. was incorporated on 14 December 2007. Therefore, no comparative individual data is presented for the half-year ended 30 June 2007.

Porto, 27 August 2008

DELOITTE & ASSOCIADOS, SROC, S.A.
Represented by António Manuel Martins Amaral