

Sonae Sierra SGPS, SA

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Consolidated Financial Statements

1st Half year 2010

INTRODUCTION

Sonae Sierra presented a Total Net Profit of € 648 thousand at the end of the first half of 2010, which compare with a net loss of €94.2 million in the homologous period of 2009.

The favourable change in the Total Net Profit was driven by a Value Created on properties much higher than the same period of last year due to the smaller increase in yields in 2010 in Europe. In the first half of 2010 the yields remain flat with the exception of Portugal, where the portfolio was again affected by a yield expansion.

On the basis of this methodology, the NAV of Sonae Sierra, as of June 2010, was €1.25 billion and this corresponds a €38.45 per share.

PROSPECTS

The current situation of the economies and of markets is having a clear impact on the Group's activity.

At operating level, the shopping centres held by the Group continue to deliver a positive and sustained performance, certainly better than one would expect in the depressive context that Economies show today. And, on the other hand, the first signs of recovery at macro-economic level should help to maintain and consolidate today's levels of performance.

But the financing and investment markets are equally important for the Group. Today's depressed situation of the financing markets makes more difficult the decision to commit to the development of a new shopping centre. In this area, the Group will maintain its prudent approach of only making new commitments once the respective sources of finance are assured.

The property investment markets, on the other hand, continue with low levels of liquidity and with prices at historically low levels. The evolution of these markets is obviously important for the active management of the properties under management by the Group and also for the process of capital recycling that sustains the Group's growth. On this front, the Group believes that there could be positive developments in the near future, namely in terms of growth in liquidity and volume of transactions.

OPERATIONAL PERFORMANCE

One shopping centre inaugurated and two others under construction

Sonae Sierra's growth and expansion strategy continues, although the Company has adjusted its development timings to the evolution of the financial and retail markets.

During the first quarter of the year, in Portugal, the company successfully completed the refurbishment of AlbufeiraShopping (Algarve), and inaugurated LeiriaShopping (Leiria) with 100% of the GLA (Gross Lettable Area) already let.

Representing an investment of €79 million, the shopping centre welcomed more than 120 thousand visits in the first four day alone, which is proof of the development's impact on the region, and provides great confidence in its future performance.

LeiriaShopping will make available a total of 116 shops in a 44,312 m² GLA, combining prestigious national and international brands, with local ones. LeiriaShopping has also a parking lot free of charge and will make available 1,980 parking spaces.

the refurbishment of AlbufeiraShopping, a €5 million investment, had the main purpose of improving and revitalizing the former Modelo de Albufeira Shopping Centre, an important and historic centre in the Albufeira region. AlbufeiraShopping now has available 46 shops in 10,500 m² of GLA, and 562 free parking spaces.

At the end of the first semester of 2010, the Company has two new shopping centres under construction and 8 projects in different stages of development in Portugal, Italy, Germany, Greece, Romania and Brazil.

In Italy, Sonae Sierra is currently developing Le Terrazze in La Spezia, which is scheduled to be inaugurated in the third quarter of 2011, represents an investment of more than €125 million, and has more than 50% of its GLA already let.

Capital Recycling

Sonae Sierra and Foncière Euris/Rallye successfully concluded the sale to Union Investment of the majority of Alexa share capital, in Berlin, by €316 million.

In July, Sonae Sierra and Acropole Charagionis have agreed the sale of their 39.9% joint and equal interests in Pylaia, SA - the vehicle holding Mediterranean Cosmos Shopping Centre in Thessaloniki, Greece - to Lamda Developments SA, for a consideration of approximately €38 million.

Looking ahead, we will continue our strategy of recycling capital, by selling part or the entirety of our stake in some Shopping Centres, in order to reinvest the proceeds, either in other projects developed by Sonae Sierra or in projects acquired from third parties, provided they demonstrate significant potential to create value, either by expanding or by improving the tenant-mix.

As part of our ongoing policy of capitalising on our assets, we have made considerable progress in the marketing of our expertise as developers of shopping centre projects and our property and asset management skills. Not only does this activity contribute to our overall income stream, it also improves our chances of breaking into new markets by enhancing our presence in territories where we currently have no operating shopping centres.

New property management and leasing activities

Sonae Sierra concluded an agreement with Pradera to become the Property Manager for the Commercial Gallery of Carrefour Militari, in Bucureste, Romania and a leasing services agreement with for *Village shopping & more...*, in Attica, Greece.

Sonae Sierra has entered into an agreement with El Tiro de Murcia S.L. to lease and manage the new El Tiro shopping centre, located in the city of Murcia. El Tiro de Murcia S.L., a well-known Spanish developer that has developed other prominent shopping centres has chosen Sonae Sierra due to its experience in the field of shopping centres property management.

Entry in Colombia – the Company's 8th market

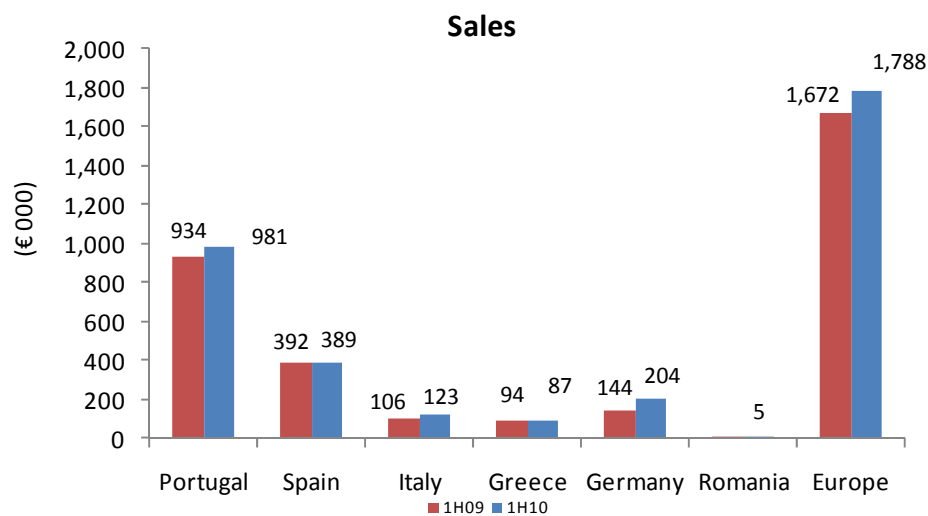
In June 2010, Sonae Sierra announced its entry in a new market, Colombia, with the creation of Sierra Central, a service providing company in the shopping centre sector, including management and development of shopping centres.

Sierra Central is owned 50/50 by Sonae Sierra and Central Control, a Colombian company which already provides management services for Jardín Plaza, one of the main shopping

centres in Cali, the country's third largest city. The Central Control owners were also responsible for the development of this centre and Centro Chipichape, in the same city.

Sales and occupancy levels sustained

The tenant Sales increased by 7% when compared with the same period of 2009 consequence of the enlargement of the portfolio: opening of LOOP5, in Germany and LeiriaShopping, in Portugal and to the increase of the Sales on the existing portfolio (+1.8% on a like-for-like basis).



The Occupancy Rate of the portfolio remained high and stable, recording a value of 95.9% at the end of June 2010 in Europe.

Five new awards in the first semester of 2010

Sonae Sierra received five awards – three national and two international – in the first six months of the year, which join the other 85 awards collected throughout the company 21 years of activity.

For the second year in a row, the company was distinguished at the European Risk Management Awards, an initiative of British magazine Strategic Risk that rewards the best and most innovative actions on the risk management area. This award, in the Best Environmental Risk Control category, acknowledges Sonae Sierra's commitment to being the best sustainable shopping centre specialist. In another international acknowledgement, the International Council of Shopping Centres (ICSC) rewarded Sonae Sierra for the refurbishment project of Valecenter Shopping Centre (Italy) in the Refurbishment & Extension category, at this year's edition of the ICSC European Shopping Centre Awards.

Nationally, Sonae Sierra was considered the Best Developer of the Year, in the Real Estate category, at the Construir Awards 2010. The prizes of Construir Newspaper, one of the most

prestigious publications of the sector, elected the best of 2009 in areas such as Architecture, Engineering, Construction and Real Estate.

Also at the same awards, the company was distinguished for the Best Office Building of 2009 with the Colombo Oriente Tower, developed by the consortium comprised of Caixa Geral de Depósitos Group, Iberdrola Imobiliária, ING Real Estate and Sonae Sierra.

Centro Colombo, Sonae Sierra's largest Shopping Centre in Portugal, was considered the Best Shopping Centre at the Hipersuper Awards 2010. The eight nominees included two other Sonae Sierra shopping centres – Centro Vasco da Gama and NorteShopping -, both shopping and leisure references in their catchment areas for their dynamism, variety and quality.

Good performance in Brazil

In Brazil, the Company initiated the construction of Uberlândia Shopping (Uberlândia) a shopping centre in the region of the Mineiro Triangle which represents a total investment of €62 million. Scheduled to be inaugurated in 2011, this project, located in the southern region of the city of Uberlândia, will be developed in an area of 154,000 m².

The Parque D. Pedro expansion, which is now underway is expected to open until March 2011, will add 5,400 m² of GLA to the centre. The refurbishment and expansion of Metrópole, will add an extra 8,700 m² of GLA, including a new nine-screen cinema, is scheduled for completion in the first half of 2011.

In the first half of 2010 the tenant sales of the Brazilian portfolio achieved R\$1,575 million, an increase of 19.2% when compared with 2009. On a comparable basis the sales increased by 8.8%.

The Occupancy Rate of the portfolio remained high and stable, recording a value of 98.2% at the end of June 2010.

FINANCIAL POSITION AND RESULTS

Sonae Sierra consolidated accounts

Profit & Loss accounts

Sonae Sierra Consolidated Net Profit in the first semester of 2010 was of €648 thousand compared with a Consolidated Net Loss of €94.2 million in the same period of last year.

The favourable change in the Total Net Profit was driven by a Value Created on properties much higher than the same period of last year due to the smaller increase in yields in 2010 in Europe.

To note that the Indirect Net Profit was deeply reduced by the recent changes on the Portuguese Income Tax rate – the introduction of the new “Derrama Estadual” had as consequence the calculation of the deferred tax liabilities in the Portuguese portfolio by the new tax rate.

The Company's Direct Net Profit reached €28.5 million, which compare with €19.2 million in 2009 (pro-forma), an increase of 46% due to the increase of income, the cutting costs efforts implemented in 2009 and to the interest expenses reduction.

The Direct Income from Investments increased by 6% due the enlargement of the portfolio: 2009 openings – LOOP5, in Germany and Manauara, in Brazil – and the 2010 opening – LeiriaShopping, in Portugal.

EBITDA reached €57.9 million, an increase of 10% when compared with the same period of last year.

Balance sheet

The Consolidated Balance Sheet continues to show a solid financial position. The total assets amounted to €2.722 million at the end of June 2010; the decrease in Investment Properties is explained by the sale of Alexa Shopping, partially compensated by the opening of LeiriaShopping and by the increase in value of Brazilian portfolio, which benefits from the Real appreciation between December 2009 and June 2010.

The Bank Debt decreased due to the sale of Alexa Shopping. The Loan-to-value (measured as net indebtedness less cash and equivalents, as a percentage of total properties) decreased from 50.1% to 47.2%, a level below the target of 50%.

Ratios	30 Jun 10	31 Dec 09 (PF)
Loan-to-value	47.2%	50.1%
Interest cover	2.09	1.90
Development ratio	10.5%	12.7%

Net Asset Value

The Company measures its performance, in a first instance, on the basis of changes in Net Asset Value (NAV) plus dividends distributed. The Company calculates its NAV on the basis of the guidelines published in 2007 by INREV (European Association for Investors in Non-listed Real Estate Vehicles), an association of which the Company is a member.

Net Asset Value (NAV) amounts in €000	30 Jun 10	31 Dec 09 (PF)
NAV as per the financial statements	1,000,238	994,533
Revaluation to fair value of developments	17,137	14,519
Deferred tax for properties	243,091	233,066
Goodwill related to deferred tax	-35,310	-37,932
Gross-up of Assets	24,965	24,310
NAV	1,250,121	1,228,497
NAV per share (in €)	38.45	37.78

On the basis of this methodology, the NAV of Sonae Sierra, as of the 30th June 2010, was €1.25 billion, corresponding to a NAV per share of €38.45, 1.8% above the end of 2009.

Sonae Sierra

Consolidated Profit and Loss Account (€000)	6M10	6M09 PF *	6M09	% 10/09PF
Direct Income from Investments	109,666	103,910	150,549	6%
Direct costs from investments	51,765	51,106	64,671	1%
EBITDA	57,901	52,804	85,879	10%
Net financial costs	20,795	26,901	42,385	-23%
Other non-recurrent income/cost	-1,707	295	1,684	-679%
Direct profit before taxes	35,399	26,198	45,178	35%
Corporate tax	6,916	6,573	10,028	5%
Direct net profit	28,483	19,625	35,150	45%
Gains realized on sale of investments	-4,204	261	261	-1710%
Impairment & Development funds at risk provision	-2,868	-6,482	-6,440	56%
Value created on investments	535	-136,750	-213,125	100%
Indirect income	-6,537	-142,971	-219,304	95%
Deferred tax	21,298	-29,163	-45,410	173%
Indirect net profit	-27,835	-113,808	-173,894	76%
Net profit before minorities	648	-94,183	-138,744	101%
Attributable to :				
Equity holders	648	-94,183	-94,183	101%
Minority interests	0	0	-44,561	-100%

* 2009 PF - with all the companies consolidated by the proportional method.

Sonae Sierra

Consolidated Balance Sheet (€000)	30-06-10	31-12-09 (PF)	Var. (10 - 09)
Investment properties	2,289,037	2,304,609	-15,572
Properties under development and others	217,924	263,801	-45,876
Other assets	180,563	194,266	-13,703
Cash & Equivalents	34,896	28,987	5,909
Total assets	2,722,420	2,791,662	-69,242
Net worth	1,000,238	994,533	5,705
Bank loans	1,198,882	1,295,221	-96,338
Deferred taxes	292,655	272,232	20,423
Other liabilities	230,644	229,676	968
Total liabilities	1,722,182	1,797,129	-74,947
Net worth, minorities and liabilities	2,722,420	2,791,662	-69,242

Sierra Investments

In the first six months of 2010, Sierra Investments had a negative contribution to the Consolidated Results of € 7.5 million. As a portfolio owner, it was affected again by the upwards adjustment on European market capitalization yields, namely in Portugal.

The Direct Profit was in line with the same period of last year, with the reduction in terms of income due to the sale of Alexa being compensated by the opening of LeiriaShopping and lower financial costs consequence of lower interest rates.

Sierra Investments

Profit & Loss Account (€000)	6M10	6M09 PF *	% 10/09
Retail Net Operating Margin	52,874	53,113	0%
Parking Net Operating Margin	808	625	29%
Co-generation Net Operating Margin	381	344	11%
Shopping Centre Net Operating Income	54,064	54,082	0%
Offices Net Operating Income	36	98	-63%
Asset Management Net Operating Income	1,245	2,960	-58%
Net Operating Income (NOI)	55,345	57,141	-3%
Recurrent net financial costs/(income)	21,255	23,565	-10%
Non-Recurring costs/(income)	2,996	1,739	72%
Corporate Taxes	5,170	6,127	-16%
Direct Profit	25,925	25,709	1%
Realized Property Profit	(4,213)	(240)	-1653%
Non-Realised Property Profit	(13,456)	(92,355)	85%
Deferred tax	15,723	(21,839)	172%
Indirect Profit	(33,392)	(70,756)	53%
Net Profit for the Period	(7,467)	(45,047)	83%

Consolidated Balance Sheet (€000)	30-06-10	31-12-09 (PF)	Var. (10 - 09)
Investment properties & others	1,928,321	1,995,363	-67,042
Other assets	161,699	157,318	4,381
Cash & Equivalents	88,014	61,629	26,384
Total assets	2,178,033	2,214,311	-36,277
Net worth	677,803	688,031	-10,228
Bank loans	1,075,457	1,139,137	-63,680
Deferred taxes	232,149	220,369	11,780
Other liabilities	192,624	166,774	25,850
Net Worth, minorities and liabilities	2,178,033	2,214,311	-36,277

Sierra Developments

Sierra Developments contributed negatively with € 8.6 million to Sonae Sierra Consolidated Net Profit which compare with €41.7 million in 2009. To note that the Value created in projects was positive.

The income from the development services, capitalized on the projects under development, is lower than on the previous year, mainly related to a reduced pipeline of ongoing projects.

The operating costs decreased by 13% when compared with 2009, in line with a slowdown in the business operation and the cutting costs efforts in all the countries where the Company operates.

Sierra Developments

Profit & Loss Account (€ 000)	6M10	6M09 PF *	% 10/09
Project Development Services Rendered	2,586	3,165	-18%
Value created in projects	609	(29,646)	102%
Operating Income	3,195	(26,481)	112%
Operating costs	11,959	13,671	-13%
Net Operating Income (NOI)	(8,764)	(40,152)	78%
Depreciation and provisions	6	8	-25%
Net financial costs/(income)	981	3,104	-68%
Non-Recurring costs/(income)	0	0	-
Corporate taxes	(1,150)	(1,548)	26%
Net Profit for the Period	(8,601)	(41,717)	79%

Consolidated Balance Sheet (€ 000)	30-06-10	31-12-09 PF	Var. (10 - 09)
Properties under development	184,827	245,479	-60,653
Other assets	119,418	109,407	10,011
Cash & Equivalents	4,741	2,724	2,018
Total assets	308,986	357,610	-48,624
Net worth	-15,521	-5,526	-9,995
Bank loans	4,946	33,315	-28,369
Shareholder loans	204,086	202,960	1,125
Deferred taxes	3,093	4,464	-1,371
Other liabilities	112,382	122,396	-10,014
Net worth, minorities and liabilities	308,986	357,610	-48,624

Sierra Management

During the first half of 2010, this business contributed with €2.3 million to the Consolidated Net Profit of Sonae Sierra, which compares with €1.5 million in the same period of last year.

The Net Operating Income (NOI) for this period was €3.6 million an increase of 79% compared with the 1st half of 2009. This increase was consequence of: (i) increase in the letting services and in the property management services due to the enlargement of the portfolio; (ii) 7% of decrease of Operating costs due to the cutting costs efforts in place since 2009.

Sierra Management €0

Profit & Loss Account (€000)	6M10	6M09 PF *	% 10/09
Total income from management services	17,454	16,894	3%
Operating costs	13,878	14,896	-7%
Net operating income (NOI)	3,577	1,999	79%
Net financial costs/(income)	(382)	(623)	39%
Non-recurring costs/(income)	409	102	301%
Corporate taxes	1,282	1,003	28%
Net Profit for the period	2,268	1,516	50%

Consolidated Balance Sheet (€000)	30-06-10	31-12-09 (PF)	Var. (10 - 09)
Other assets	34,286	34,343	-57
Cash & Equivalents	34,715	28,148	6,567
Total assets	69,001	62,491	6,510
Net worth	8,804	4,327	4,476
Shareholder Loans	140	140	0
Other liabilities	60,198	58,164	2,034
Net Worth, minorities and liabilities	69,001	62,491	6,510

Sonae Sierra Brazil

Sonae Sierra Brasil consolidates the Brazilian companies and the structure in Europe who are the owner of the Brazilian companies.

Retail Operating Income reached €12.9 million, an increase of 59% compared with the same period of 2009, mainly related to the opening of Manauara shopping centre and also due to the increase in the activity of the existing centres.

The Net Operating Income rose 61% to €11.7 million compared to the first half of 2009. Besides the higher retail operating income, this growth is also sustained by growing income from the services rendered, due to a larger portfolio of projects under development and higher letting services.

Sonae Sierra Brazil

Profit & Loss Account (€ 000)	6M10	6M09 PF *	% 10/09
Retail Operating Margin	11,431	7,833	46%
Parking Net Operating Margin	1,449	287	405%
Shopping Centre Net Operating Margin	12,880	8,120	59%
Total Income from Services Rendered	3,051	2,421	26%
Overheads	4,227	3,270	29%
Net Operating Income (NOI)	11,705	7,272	61%
Net financial costs/(income)	(995)	854	-217%
Non-recurring costs/(income)	761	99	668%
Corporate taxes	1,633	1,003	63%
Direct Profit	10,306	5,316	94%
Realised Property Profit	-	-	-
Non-Realised Property Profit	7,994	(3,006)	366%
Deferred tax	3,758	(2,043)	284%
Indirect profit	4,236	(963)	540%
Net Profit for the Period	14,542	4,353	234%

Consolidated Balance Sheet (€ 000)	30-06-10	31-12-09 (PF)	Var. (10 - 09)
Properties	394,507	328,273	66,233
Other assets	15,657	14,112	1,545
Cash & Equivalents	13,675	18,295	-4,620
Total Assets	423,839	360,681	63,158
Net worth	320,704	270,456	50,248
Bank loans	35,265	32,768	2,497
Deferred taxes	57,269	47,089	10,180
Other liabilities	10,601	10,368	233
Net Worth, minorities and liabilities	423,839	360,681	63,158

Maia, 16 August 2010.

The Board of Directores

Paulo Azevedo
Chairman (non-executive)

Fernando Guedes Oliveira
President

Ana Guedes Oliveira
Director

Ângelo Paupério
Director (non-executive)

João Correia de Sampaio
Director

José Baeta Tomás
Director

José Edmundo Figueiredo
Director

Mark Preston
Director (non-executive)

Neil Jones
Director (non-executive)

Nicholas Scarles
Director (non-executive)

Pedro Caupers
Director

Statement under the terms of Article 245, paragraph 1, c) of the Securities code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the business evolution and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 16th August 2010

The Board of Directors

SONAE SIERRA, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2010 AND 2009 AND 31 DECEMBER 2009

(Translation of the statement of financial position originally issued in Portuguese - Note 15)

(Amounts stated in thousands of Euro)

ASSETS	Notes	30 June 2010	31 December 2009	30 June 2009
NON CURRENT ASSETS:				
Investment properties	5	3,327,807	3,354,126	3,273,737
Investment properties in progress	5	191,852	239,694	337,175
Property, plant and equipment		2,877	3,070	3,137
Goodwill	6	46,406	49,287	49,890
Intangible assets		5,453	5,903	5,850
Investments in associates and companies excluded from consolidation	3	76,407	77,527	82,153
Deferred tax assets		31,156	35,782	32,822
Derivative financial instruments	7	486	26	50
State and other public entities		102	102	102
Other non current assets		29,020	23,630	21,470
Total non current assets		3,711,566	3,789,147	3,806,386
CURRENT ASSETS:				
Trade receivables		35,696	36,661	38,603
State and other public entities		41,686	39,325	45,177
Other receivables		42,575	49,332	40,558
Other current assets		12,996	14,585	16,504
Cash and cash equivalents		69,855	76,450	49,299
Total current assets		202,808	216,353	190,141
Total assets		3,914,374	4,005,500	3,996,527
EQUITY, MINORITY INTERESTS AND LIABILITIES				
EQUITY:				
Share capital		162,245	162,245	162,245
Reserves		57,329	57,329	57,329
Translation Reserve		45,120	10,850	(14,113)
Hedging Reserve		(26,016)	(24,519)	(24,466)
Retained earnings		760,912	899,614	899,095
Consolidated net profit for the period attributable to the equity holders of Sonae Sierra		648	(110,986)	(94,183)
Equity attributable to the equity holders of Sonae Sierra		1,000,238	994,533	985,907
Minority interests	10	404,968	407,232	372,790
Total Equity		1,405,206	1,401,765	1,358,697
LIABILITIES:				
NON CURRENT LIABILITIES:				
Long term debt - net of current portion	7	1,492,658	1,544,785	1,570,511
Debentures loans - net of current portion	7	74,705	74,652	74,600
Derivative financial instruments	7	50,387	44,732	44,925
Other shareholders	9	11,996	12,477	11,567
Finance Lease Creditors		-	-	840
Trade payables		1,201	2,306	2,261
Other non current liabilities		13,485	13,503	14,156
Provisions		256	212	364
Deferred tax liabilities		495,169	462,407	468,421
Total non current liabilities		2,139,857	2,155,074	2,187,645
CURRENT LIABILITIES:				
Current portion of long term debt	7	135,106	183,838	173,848
Current portion of long term of debentures loans	7	(105)	(102)	(98)
Short term debt and other borrowings	8	26,813	60,924	7,283
Other shareholders	9	10,791	10,946	61,856
Trade payables		43,250	42,804	64,694
State and other public entities		24,957	18,317	21,542
Other payables		26,924	29,823	21,668
Other current liabilities		101,217	101,853	99,392
Provisions		358	258	-
Total current liabilities		369,311	448,661	450,185
Total equity, minority interests and liabilities		3,914,374	4,005,500	3,996,527

The accompanying notes form an integral part of these consolidated statement of financial position as of 30 June 2010.

The Board of Directors

SONAE SIERRA, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE

FOR THE HALF-YEARS ENDED 30 JUNE 2010 AND 2009

(Translation of statement of profit and loss by nature originally issued in Portuguese - Note 15)

(Amounts stated in thousands of Euro)

	Notes	2010	2009
Operating revenue:			
Services rendered		189,662	178,892
Variation in fair value of the investment properties	5	(7,922)	(200,848)
Other operating revenue		11,237	10,170
Total operating revenue		192,977	(11,786)
Operating expenses:			
External supplies and services		(73,423)	(70,597)
Personnel expenses		(27,343)	(27,701)
Depreciation and amortisation		(1,124)	(1,112)
Provisions and impairment		(4,628)	(3,049)
Write-off and impairment losses		(2,868)	(6,518)
Other operating expenses		(8,950)	(7,257)
Total operating expenses		(118,336)	(116,234)
Net operating profit		74,641	(128,020)
Financial income		6,043	4,295
Financial expenses		(36,173)	(43,135)
Share of results of associated undertakings	3	(463)	(6,040)
Gains and losses on investments	4	(2,650)	829
Profit before income tax		41,398	(172,071)
Income tax		(43,506)	33,327
Profit after income tax		(2,108)	(138,744)
Consolidated net profit for the period		(2,108)	(138,744)
Attributable to:			
Equity holders of Sonae Sierra		648	(94,183)
Minority interests	10	(2,756)	(44,561)
		(2,108)	(138,744)
Consolidated net profit per share:			
Basic	-	0.020	(2.897)
Diluted	-	0.020	(2.897)

The accompanying notes form an integral part of these consolidated statements of profit and loss for the half-year ended 30 June 2010.

The Board of Directors



SONAE SIERRA, S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE HALF-YEARS ENDED 30 JUNE 2010 AND 2009

(Translation of the statement of comprehensive income originally issued in Portuguese - Note 15)

(Amounts stated in thousands of Euro)

	2010	2009
Consolidated net profit for the period	(2,108)	(138,744)
Changes in the currency translation differences	40,126	32,013
Changes in the fair value of hedging instruments	(6,569)	(13,567)
Income tax related to components of other comprehensive income	1,352	3,387
Others	(401)	(757)
Other comprehensive income of the period	34,508	21,076
Total comprehensive income for the period	32,400	(117,668)
Attributable to:		
Equity holders of Sonae Sierra	33,017	(70,382)
Minority interests	(617)	(47,286)
	32,400	(117,668)

The accompanying notes form an integral part of these consolidated statements of comprehensive income for th

The Board of Directors

SONAE SIERRA S.G.P.S., S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEARS ENDED 30 JUNE 2010 AND 2009

(Translation of statements of changes in equity originally issued in Portuguese - Note 15)

(Amounts stated in thousands of Euro)

		Attributable to Equity Holders of Sonae Sierra								
		Share capital	Reserves			Retained earnings	Net profit	Total	Minority Interests (Note 10)	Total
Notes			Legal Reserves	Translation reserve	Hedging reserve					
Balance as of 31 December 2008		162,245	57,329	(44,900)	(17,884)	1,062,445	(116,126)	1,103,109	419,990	1,523,099
Appropriation of consolidated net profit for 2008:										
Transfer to legal reserves and retained earnings		-	-	-	-	(116,126)	116,126	-	-	-
Dividends distributed		-	-	-	-	(46,820)	-	(46,820)	(16)	(46,836)
		-	-	-	-	(162,946)	116,126	(46,820)	(16)	(46,836)
Currency translation differences		-	-	30,787	-	-	-	30,787	1,226	32,013
Transfer to minority interests		-	-	-	-	-	-	-	-	-
Fair value of hedging instruments	7	-	-	-	(8,870)	-	-	(8,870)	(4,697)	(13,567)
Deferred tax in fair value of hedging instruments		-	-	-	2,287	-	-	2,287	1,100	3,387
Capital increase		-	-	-	-	-	-	-	102	102
Consolidated net profit for period ended 30 June 2009		-	-	-	-	-	(94,183)	(94,183)	(44,561)	(138,744)
Others		-	-	-	-	(403)	-	(403)	(354)	(757)
Balance as of 30 June 2009		162,245	57,329	(14,113)	(24,467)	899,096	(94,183)	985,907	372,790	1,358,697
Balance as of 31 December 2009		162,245	57,329	10,850	(24,519)	899,614	(110,986)	994,533	407,232	1,401,765
Appropriation of consolidated net profit for 2009:										
Transfer to legal reserves and retained earnings		-	-	-	-	(138,298)	138,298	-	-	-
Dividends distributed		-	-	-	-	-	(27,312)	(27,312)	(1,647)	(28,959)
		-	-	-	-	(138,298)	110,986	(27,312)	(1,647)	(28,959)
Currency translation differences		-	-	34,270	-	-	-	34,270	5,856	40,126
Transfer to minority interests		-	-	-	-	-	-	-	-	-
Fair value of hedging instruments	7	-	-	-	(1,595)	-	-	(1,595)	(4,974)	(6,569)
Deferred tax in fair value of hedging instruments	11	-	-	-	97	-	-	97	1,255	1,352
Capital increase		-	-	-	-	-	-	-	-	-
Consolidated net profit for period ended 30 June 2010		-	-	-	-	-	648	648	(2,756)	(2,108)
Others		-	-	-	-	(403)	-	(403)	2	(401)
Balance as of 30 June 2009		162,245	57,329	45,120	(26,017)	760,913	648	1,000,238	404,968	1,405,206

The accompanying notes form an integral part of these consolidated statement of changes in equity for the half-year ended 30 June 2010.

The Board of Directors

SONAE SIERRA, SGPS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE HALF-YEARS ENDED 30 JUNE 2010 AND 2009

(Translation of statement of cash flow originally issued in Portuguese - Note 15)

(Amounts stated in thousands of Euro)

	2010	2009
OPERATING ACTIVITIES:		
Received from clients	191,719	178,645
Paid to suppliers	(69,575)	(71,156)
Paid to personnel	(32,765)	(29,476)
Flows from operations	89,379	78,013
(Payments)/receipts of income tax	(8,750)	(5,133)
Other (payments)/receipts relating to operating activities	5,888	7,610
Flows from operating activities [1]	86,517	80,490
INVESTING ACTIVITIES:		
Receipts relating to:		
Investments	45,270	2,072
Tangible fixed assets	19,875	7,508
Interest income	1,840	3,866
Dividends	297	18
Other	2,451	4,772
	69,733	18,236
Payments relating to:		
Investments	-	(893)
Tangible fixed assets	(59,090)	(100,584)
Intangible fixed assets	(487)	(246)
Other	(140)	(2,205)
Variation in Loans granted	993	(1,145)
Flows from investing activities [2]	11,009	(86,837)
FINANCING ACTIVITIES:		
Receipts relating to:		
Bank loans obtained	68,529	50,345
Other	-	-
	68,529	50,345
Payments relating to:		
Interest expenses	(36,115)	(46,584)
Dividends	(28,959)	(359)
Decrease of share capital - nominal value and discounts and premiums	-	-
Bank loans obtained	(109,305)	(55,120)
Other	-	-
Variation in Loans obtained - others	(482)	597
Flow from financing activities [3]	(106,332)	(51,121)
Variation in cash and cash equivalents [4]=[1]+[2]+[3]	(8,806)	(57,468)
Effect of exchange differences	2,255	284
Effect of the acquisitions and sales of companies:		
Project Sierra 6 BV	(11)	-
Alexa KG	(1)	-
Cash and cash equivalents at the beginning of the year	76,418	98,216
Cash and cash equivalents at the end of the year	69,855	42,016

The accompanying notes form an integral part of these consolidated statements of cash flows for the half-year ended 30 June 2010.

The Board of Directors

SONAE SIERRA, SGPS, S.A. AND SUBSIDIARIES

Notes to the consolidated financial statements as of 30 June 2010

(Translation of notes originally issued in Portuguese – Note 15)

(Amounts stated in thousands of Euro - kEuro)

1 INTRODUCTION

SONAE SIERRA, S.G.P.S., S.A. (“the Company” or “Sonae Sierra”), which has its head office in Lugar do Espido, Via Norte, Apartado 1197, 4471-909 Maia – Portugal, is the parent company of a group of companies (“the Group”).

The Group’s operations consist of investment, management and development of shopping centres.

The Group operates in Portugal, Brazil, Spain, Greece, Germany, Italy, Romania and Netherlands.

These financial statements are presented in Euro because that is the currency of the primary economic environment in which the group operates.

2 PRINCIPAL ACCOUNTING POLICIES

The accompanying consolidated financial statements have been prepared according to the International Financial Report Standards (“IFRS”) and approved by the European Union, applicable to economic years beginning on 1 January 2010. These correspond to the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) or by the previous Standing Interpretations Committee (“SIC”) and approved by the European Union.

The accompanying consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for investment properties and financial instruments which are stated at fair value, from the accounting records of the companies included in the consolidation maintained in accordance with generally accepted accounting principles in the countries of each company adjusted, in the consolidation process, to International Financial Reporting Standards (“IFRS”), as approved by the European Union.

The Board of Directors of the Company considers that the accompanying consolidated financial statements and their notes have, under IAS 34 – Interim Financial Reporting, an adequate presentation of the interim consolidated information. For additional information about the accounting policies of the Group and other information, the consolidated financial statements of the Company and their notes for the year 2009 should be consulted.

New accounting standards and their impact in these consolidated financial statements

Until the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions with mandatory application to the economic year beginning on 1 January 2010:

	Effective date (financial years beginning on/after)
IFRS 3/IAS 27 (Revised 2008)	01-Jul-09
IFRS 1 Revised - First Time Adoption of IFRS	01-Jan-10
IFRIC 12 - Service concession arrangements	01-Jan-10
IFRIC 15 – Agreements for the construction of Real Estate	01-Jan-10
IFRIC 16 – Hedges of a Net Investment in a Foreign Operation	01-Jul-09
Amendments to IFRIC 9 and IAS 39 - Embedded Derivatives	01-Jul-09
IFRIC 17 – Distribution of Non-cash Assets to Owners	01-Jul-09
IFRIC 18 – Transfer of assets from customers	01-Jul-09
Improvements to IFRS (2009) *	01-Jan-10
Amendments to IFRS 1 - Additional exemptions for First Time Adopters	01-Jan-10
Amendments to IFRS 2 - Group Cash-settled Share-based payments transactions	01-Jan-10

(*) Improvements to IFRS (2009), includes the revision of 12 accounting standards/interpretations.

All the standards mentioned above were adopted by the Group for the first time in 2010 and they do not represent a significant impact in the consolidated financial statements.

Until the date of approval of these consolidated financial statements the following standards and interpretations applicable to future economic years were endorsed by the European Union:

	Effective date (financial years beginning on/after)
IAS 24 Related Party Disclosures (Revised)	01-Jan-11
Amendment to IAS 32 Classification of Rights Issues	01-Feb-10
Amendment to IFRIC 14 - Prepayments of Minimum Funding Requirements	01-Jan-11

These standards, although endorsed by the European Union, were not adopted by the Group during the first semester 2010, because at the time they were not mandatory. The Group does not consider important impacts in the consolidated financial statements.

The following standards and interpretations were issued by the IASB and they are not yet endorsed by the European Union:

	Effective date (financial years beginning on/after)
Amendments to IFRS 1 Limited Exemption from comparative IFRS 7 Disclosures for First Time Adopters	01-Jul-10
IFRS 9 - Financial Instruments	01-Jan-13
Improvements to IFRS (2010)	Several (on / after 01-Jul-10)

From these standards and interpretations already issued by the IASB but not approved by the European Union, the Group does not anticipate important impacts in the accompanying consolidated financial statements.

3 INVESTMENTS IN ASSOCIATES AND COMPANIES EXCLUDED FROM CONSOLIDATION

The associated companies and other companies excluded from consolidation, their head offices, percentages of their share capital held by the Group and book value as of 30 June 2010 and 31 December 2009, are as follows:

30 June 2010								
	Head				Net			
	Office	Assets	Liabilities	Equity	Profit	% own	Book value	Net profit held
Associated companies:								
Campo Limpo Lda	S. Paulo (Brazil)	52,504	11,264	41,240	2,833	10.00%	4,124	283
Pylea S.A.	Athens (Greece)	201,742	132,192	69,550	1,875	19.95%	13,875	374
Sierra Portugal Real Estate ("SPF") (*)	Luxemburg	357,137	262,823	94,314	(6,273)	42.00%	39,615	(2,635)
Goodw ill SPF							11,991	-
Sonaegest - Soc. Gestora de Fundos de Investimento, S.A.	Maia	1,311	157	1,154	223	20.00%	231	45
ALEXA Asset GmbH & Co, KG	Dusseldorf (Germany)	358,664	224,842	133,822	32,671	4.50%	6,022	1,470
Goodw ill Alexa							259	-
							76,117	(463)
Other participations:								
Ercasa Cogeneración S.A.	Grancasa (Spain)					5.00%	48	-
Car Parking of Grancasa	Grancasa (Spain)					62.37%	242	-
							290	-
							76,407	(463)

31 December 2009								
	Head				Net			
	Office	Assets	Liabilities	Equity	Profit	% own	Book value	Net profit held
Associated companies:								
Campo Limpo Lda	S. Paulo (Brazil)	43,759	9,507	34,252	5,000	10.00%	3,425	500
Pylea S.A.	Athens (Greece)	205,805	134,877	70,928	10,545	19.95%	14,150	2,103
Sierra Portugal Real Estate ("SPF") (*)	Luxemburg	374,141	261,629	112,512	(27,856)	42%	47,259	(11,700)
Goodw ill SPF							11,991	(833)
Sonaegest - Soc. Gestora de Fundos de Investimento, S.A.	Maia	2,179	117	2,062	263	20%	412	53
							77,237	(9,877)
Other participations:								
Ercasa Cogeneración S.A.	Grancasa (Spain)					5%	48	-
Car Parking of Grancasa	Grancasa (Spain)					62%	242	-
							290	-
							77,527	(9,877)

(*) Amounts related to the consolidated accounts of "SPF". This company owns the following investments:

	% own
8ª Avenida Centro Comercial, S.A.	100%
Arrábida Shopping- Centro Comercial, S.A.	50%
Gaiashopping I- Centro Comercial, S.A.	50%
Gaiashopping II- Centro Comercial, S.A.	50%
Loureshopping- Centro Comercial, S.A.	50%
Oeste Retail Park - Gestão Galerias Comerciais, SA	50%
Rio Sul- Centro Comercial, S.A.	50%
Serra Shopping- Centro Comercial, S.A.	50%
Sol Retail Park - Gestão Galerias Comerciais, SA	50%

The associated companies were included in the consolidation by the equity method.

During the years ended 30 June 2010 and 2009, the movement occurred in associated companies was as follows:

	30.06.10	30.06.09
Opening balance	77,237	90,771
Alexa KG - entry effect on associated companies (Note 4)		
- Equity held	5,225	-
- Goodwill (Note 6)	259	-
Capital decrease	(4,620)	(2,095)
Effect of the application of the equity method:		
Hedging reserve	(947)	(933)
Translation reserve	486	420
Net profit	(463)	(6,040)
Dividends	(1,060)	(18)
	<u>76,117</u>	<u>82,105</u>

4 ACQUISITION AND SALE OF COMPANIES

The main acquisitions and sales of companies occurred during the first half of 2010 were as follows:

Sale of subsidiaries

In February 2010 the joint controlled entity ALEXA Shopping Centre GmbH ("Alexa Shopping"), sold 91% of the financial position in the company ALEXA Asset GmbH & Co, KG ("Alexa KG") (owner of the shopping centre "Alexa"), for the amount of kEuro 105,698 (kEuro 52.849 to the Group, as Alexa Shopping is a joint controlled entity). Due to the loss of the joint control of Alexa KG, this subsidiary (with reference to 1 January 2010) no longer integrates the consolidated financial statements by the proportional method and is now measured by the equity method, since there is significant influence on it.

In March 2010, Sierra Developments Holdings, BV (100% owned by the Group) sold its 100% of the financial position in the subsidiary Project Sierra 8 B.V. to Sierra Sierra European Retail Real Estate Assets Holdings, BV ("Sierra BV"), (held by the Group at 50.1%) by kEuro 18. Considering that Sierra BV is held by the Group in 50.1%, only 49.9% of the total gain in this sale was recorded by the Group (kEuro 12). Project Sierra 8 B.V. continues to be integrated in the consolidated financial statements by the full consolidation method.

In April 2010, Sierra Investments Holdings, BV (100% owned by the Group) sold 50% of the financial position in the company Project Sierra 6 BV, for the amount of kEuro 1, with a gain on sale of kEuro 1. After the sale Project 6 B.V. was consolidated in the financial statements by the proportional method.

The main acquisitions and sales of companies occurred during the first half of 2009 were as follows:

Acquisition of subsidiaries:

During the first half of 2009 no significant acquisitions or sales occurred. The most relevant operation was the exchange of shares involving Parque Principado, S.L., 50% owned by Shopping Centre Principado B.V. as at 31 December 2008. In April 2009 the company Shopping Centre Principado BV (50% held by the Group) acquired 50% of Harvey Dos Iberica, S.L. ("Harvey") in exchange for the shares held on Vuelta Omega, S.L. ("Omega"), in the amount of kEuro 5,700. The Shopping Centre

Principado BV sold to Vuelta, also during the half year ended in 30 June 2009, the 50% held on Parque Principado S.L., and Harvey acquired the remainder 50% of share capital of Parque Principado. After these operations the company Parque Principado S.L. is still held on 50% by Shopping Centre Principado BV and a loss of kEuro 5 was generated.

Effect of the acquisitions and sales

The effect of the sales occurred during the first half of 2010 was as follows:

		2010
		Alienações
		Alexa KG
Cash and cash equivalents	(I)	1
Investment properties (Note 5)		158,056
Other non current assets		39
Trade receivables		611
Accounts payable and other liabilities - non-current		(100,000)
Accounts payable and other liabilities - current		(651)
Identifiable assets and liabilities at sales date		58,056
Goodwill of the subsidiary		2,881
		60,937
Transfer to associates (9%) (Note 3):		
- proporcional equity		(5,225)
- proporcional Goodwill (Note 6)		(259)
Transaction Result:		
- Profit/ (loss) on sale		-
- Write-off of Goodwill (Note 6)		(2,622)
Sale amount	(II)	52,831
Amount to be received	(III)	(7,620)
Net cash flow	(II-I+III)	45,210

5 INVESTMENT PROPERTIES

The movement in investment properties during the years ended 30 June 2010 and 2009 was as follows:

	30 June 2010					
	Investment properties					
	in progress					
	in operation	"Fit Out"	at cost	at fair value	Advances	Total
Opening balance	3,349,582	4,544	169,440	68,529	1,725	3,593,820
Increases	6,662	-	12,479	43,499	-	62,640
Impairments and write-off	-	-	(2,868)	-	-	(2,868)
Receivables	-	-	(19,150)	-	-	(19,150)
Fit-out receivables	-	(398)	-	-	-	(398)
Transfers	-	-	-	122	-	122
Increases by transfer from investment properties in progress:						
Production cost	82,987	1,871	(5,534)	(79,324)	-	-
Adjustment to fair value	5,194	-	-	1,825	-	7,019
Variation in fair value of the investment properties between years						
Gains	26,405	160	-	-	-	26,565
Losses	(40,381)	(1,125)	-	-	-	(41,506)
Sales of companies (Note 4)	(158,056)	-	-	-	-	(158,056)
Currency translation differences	50,362	-	(50)	1,159	-	51,471
Closing balance	3,322,755	5,052	154,317	35,810	1,725	3,519,659

The amount of kEuro 19,150 refers to the value of the land for the project Alfaz del Pi, which was re-acquired by the former owner under the contract to purchase the land, because of not having on time the building permit for the project.

The increase in properties in operation during the first half of 2010 results from the opening to the public of LeiriaShopping at the end of the month of March.

	30 June 2009					
	Investment properties					
	in operation	"Fit Out"	in progress at cost	in progress at fair value	Advances	Total
Opening balance	3,360,369	7,531	176,268	147,178	7,593	3,698,939
Increases	5,159	100	12,768	59,196	3,603	80,826
Impairments and write-off	-	-	(4,064)	-	-	(4,064)
Fit-out receivables	-	(422)	-	-	-	(422)
Transfers	-	-	6,203	(304)	-	5,899
Increases by transfer from investment properties in progress:						
Production cost	71,219	-	-	(71,219)	-	-
Adjustment to fair value	(1,162)	-	-	6,230	-	5,068
Variation in fair value of the investment properties between years						
Gains	4,277	122	-	-	-	4,399
Losses	(209,958)	(357)	-	-	-	(210,315)
Currency translation differences	36,859	-	(50)	4,026	222	41,057
Closing balance	3,266,763	6,974	191,125	145,107	11,418	3,621,387

At 30 June 2010, 31 December 2009 and 30 June 2009 investment properties in operation corresponded to the fair value of the Group's proportion of the following shopping centres:

	30.06.10				31.12.09				30.06.09			
	% de consolidação	10 anos "discount rate"	"Exit" Yield"	Montante	% de consolidação	10 anos "discount rate"	"Exit" Yield"	Montante	% de consolidação	10 anos "discount rate"	"Exit" Yield"	Montante
Portugal:												
AlgarveShopping (1)	100%	8.75%	6.50%	130,610	100%	8.60%	6.35%	133,759	100%	8.30%	6.05%	141,485
ArrábidaShopping	50%	9.25%	7.00%	79,580	50%	9.05%	6.80%	82,624	50%	8.70%	6.45%	87,910
CascaShopping	50%	8.70%	6.45%	157,197	50%	8.50%	6.25%	160,225	50%	8.10%	5.85%	168,547
Centro Colombo	50%	8.50%	6.25%	356,998	50%	8.35%	6.10%	364,332	50%	8.05%	5.80%	378,939
Centro Vasco da Gama	50%	8.40%	6.15%	147,416	50%	8.25%	6.00%	148,705	50%	7.95%	5.70%	155,681
CoimbraShopping	100%	10.85%	8.60%	21,302	100%	10.55%	8.30%	22,571	100%	10.00%	7.75%	23,674
Estação Viana	100%	9.70%	7.45%	69,913	100%	9.50%	7.25%	72,684	100%	9.20%	6.95%	76,959
GaiaShopping	50%	9.25%	7.00%	74,189	50%	9.05%	6.80%	75,268	50%	8.70%	6.45%	80,062
GuimarãesShopping	100%	9.60%	7.35%	54,838	100%	9.40%	7.15%	56,569	100%	9.15%	6.90%	46,291
LeiriaShopping	100%	9.00%	6.75%	90,412	-	-	-	-	-	-	-	-
MadeiraShopping	50%	10.00%	7.75%	36,931	50%	9.80%	7.55%	36,159	50%	9.55%	7.30%	36,644
MaiaShopping	100%	10.20%	7.95%	48,395	100%	10.00%	7.75%	48,201	100%	9.65%	7.40%	52,166
NorteShopping	50%	8.45%	6.20%	185,578	50%	8.30%	6.05%	188,051	50%	8.00%	5.75%	193,471
Parque Atlântico	50%	10.10%	7.85%	31,040	50%	9.90%	7.65%	32,024	50%	9.60%	7.35%	33,671
Torre Colombo Ocidente	25%	9.45%	7.20%	2,236	25%	9.50%	7.25%	1,685	25%	10.10%	7.85%	1,513
Torre Colombo Oriente	-	-	-	-	-	-	-	-	25%	9.40%	7.15%	14,254
ViaCatarina	50%	9.95%	7.70%	26,625	50%	9.75%	7.50%	28,258	50%	9.40%	7.15%	29,774
				<u>1,513,260</u>				<u>1,451,115</u>				<u>1,521,041</u>
Brazil:												
Parque D. Pedro	50%	12.75%	8.25%	194,989	50%	12.75%	8.25%	165,733	50%	12.75%	8.25%	128,440
Pátio Boavista	50%	14.00%	9.50%	15,303	50%	14.00%	9.50%	13,118	50%	14.25%	9.75%	10,634
Manauara Shopping	50%	13.00%	8.50%	84,685	50%	13.00%	8.50%	73,210	50%	13.50%	9.00%	61,375
Shopping Metrópole	50%	13.00%	8.50%	54,520	50%	13.00%	8.50%	47,013	50%	13.00%	8.50%	32,359
Shopping Penha (73,18%)	50%	13.50%	9.00%	29,800	50%	13.50%	9.00%	25,689	50%	13.75%	9.25%	19,246
Shopping Plaza Sul (30%)	50%	12.75%	8.25%	19,611	50%	12.75%	8.25%	16,598	50%	13.00%	8.50%	13,901
Sierra Enplanta	50%	-	-	23,342	50%	-	-	19,195	50%	-	-	14,317
				<u>422,250</u>				<u>360,556</u>				<u>280,272</u>
Spain:												
Avenida M40	100%	-	-	-	-	-	-	-	100%	13.30%	10.80%	22,348
Dos Mares	100%	9.55%	7.05%	49,252	100%	9.55%	7.05%	48,763	100%	9.45%	6.95%	48,250
El Rosal (1)	100%	10.20%	7.70%	90,174	100%	10.40%	7.90%	89,866	100%	9.95%	7.45%	95,432
Grancasa	50%	8.95%	6.45%	78,042	50%	8.90%	6.40%	79,566	50%	8.75%	6.25%	82,251
Max Center	50%	9.20%	6.70%	73,012	50%	9.25%	6.75%	72,263	50%	8.95%	6.45%	72,181
La Farga	50%	11.50%	9.00%	22,277	50%	11.40%	8.90%	21,983	50%	11.05%	8.55%	22,954
Luz del Tajo	100%	9.05%	6.55%	92,844	100%	9.10%	6.60%	92,436	100%	9.15%	6.65%	92,240
Plaza Éboli (1)	100%	10.85%	8.35%	35,522	100%	11.10%	8.60%	35,332	100%	10.35%	7.85%	39,373
Plaza Mayor	100%	11.50%	9.00%	55,475	100%	11.55%	9.05%	53,210	100%	11.25%	8.75%	53,477
Plaza Mayor Shopping	100%	9.15%	6.65%	65,995	100%	9.25%	6.75%	64,088	100%	9.15%	6.65%	62,979
Parque Principado	50%	9.00%	6.50%	79,879	50%	9.25%	6.75%	77,696	50%	9.20%	6.70%	78,049
Valle Real	50%	9.15%	6.65%	45,146	50%	9.10%	6.60%	45,819	50%	9.15%	6.65%	44,174
Zubiarte	50%	11.15%	8.65%	21,525	50%	11.20%	8.70%	21,486	50%	10.80%	8.30%	22,627
				<u>709,143</u>				<u>702,508</u>				<u>736,335</u>
Italy:												
Airone	100%	10.00%	7.80%	15,464	100%	9.00%	7.70%	15,229	100%	8.70%	7.70%	16,191
Valecenter/Warner Village	100%	9.10%	6.90%	135,583	100%	8.00%	6.90%	133,862	100%	8.00%	6.90%	139,476
Freccia Rossa	50%	8.25%	6.05%	68,766	50%	8.10%	6.00%	68,423	50%	8.10%	6.00%	70,650
Gli Orsi (1)	100%	9.30%	7.10%	82,319	100%	9.50%	7.00%	82,107	100%	9.00%	7.00%	99,473
				<u>302,132</u>				<u>299,621</u>				<u>325,790</u>
Germany:												
Alexa	-	-	-	-	50%	6.50%	6.00%	158,056	50%	6.50%	6.00%	171,389
Loop 5	50%	6.75%	6.25%	154,787	50%	6.75%	6.25%	151,784	-	-	-	-
Münster Arkaden	100%	6.75%	6.00%	160,333	100%	6.50%	6.00%	159,011	100%	6.50%	6.00%	158,695
				<u>315,120</u>				<u>468,851</u>				<u>330,084</u>
Romania:												
River Plaza Mall	100%	10.75%	9.00%	29,688	100%	9.75%	8.00%	29,961	100%	9.75%	8.00%	31,604
				<u>29,688</u>				<u>29,961</u>				<u>31,604</u>
Greece:												
Pantheon Plaza	50%	10.25%	7.00%	31,162	50%	10.75%	7.00%	36,970	50%	10.75%	7.00%	41,637
				<u>31,162</u>				<u>36,970</u>				<u>41,637</u>
				<u>3,322,755</u>				<u>3,349,582</u>				<u>3,266,763</u>

(1) In the consolidated financial accounts as of 30 June 2010 the valuations consider for these assets are related to March 2010 due to the fact that these assets are under a sale process.

The fair value of each investment property was determined by means of a valuation as of the financial position date made by an independent specialised entity (Cushman & Wakefield).

The valuation of these investment properties was made in accordance with the Practice Statements of the RICS Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors ("Red Book"), located in England.

The methodology used to compute the market value of the investment properties consists in preparing 10 years projections of income and expenses of each shopping centre added to the residual value, corresponding to a projected net income of year 11 and a return market rate ("Exit yield" or "cap rate"). These projections are then discounted to the valuation date using a discount market rate. Projections are intended to reflect the actual best estimate of the valuer regarding future revenues and costs of each shopping. Both the return rate and discount rate are defined in accordance to the local real es-

tate and institutional market conditions, being the reasonability of the market value obtained in accordance to the methodology above referred, tested also in terms of initial return, and obtained with the estimated net income for the 1st year of projections.

In the valuation of investment properties some assumptions, that in accordance with the Red Book are considered to be special, were in addition considered, namely in the case of recently inaugurated shopping centres, in which the possible costs still to be incurred were not considered, as the accompanying financial statements already include a provision for them.

The open market value of the investment properties under development as at the reporting date is calculated by subtracting from the open market value at opening, calculated using the methodology described above, the investment necessary to finish the project and weighted by a risk factor defined by the valuer.

The Market

According to the valuer whenever uncertainty could have a material effect on the opinion of fair value, the valuation needs to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported.

In the last quarter of the year 2009, the Euro zone as a whole slipped back to zero growth; in 2010, however, data and sentiment indicators suggest that growth has restarted for the region overall, and almost all major European economies are set to see positive growth by the end of the year.

The valuer considers that although some recent transactions could be considered distressed, it is inappropriate to conclude all recent market activity represents forced transactions. An imbalance between supply and demand (for example, fewer buyers than sellers) is not always a determinant of a forced transaction. A seller might be under financial pressure to sell, but it is still available to sell at a market price if there is more than one potential buyer in the market and a reasonable amount of time is available for marketing. Similarly, transactions initiated during bankruptcy should not automatically be assumed to be forced.

It has been held that valuers may properly conclude within a range of values. This range is likely to be greater in an illiquid market where inherent uncertainty exists and a greater degree of judgment must therefore be applied. The valuers strongly recommend that the company keep the valuation of the subject properties under review. The company should also anticipate a longer marketing period than would previously have been expected in the event that any property is offered for sale.

As of 30 June 2010, 31 December 2009 and 30 June 2009 the recoverable amount of the fit out contracts existing in each investment property was as follows:

	30.06.10				31.12.09				30.06.09			
	% of consolidation	10 yr discount rate	Yield	Amount	% of consolidation	10 yr discount rate	Yield	Amount	% of consolidation	10 yr discount rate	Yield	Amount
Portugal:												
AlgarveShopping ⁽¹⁾	100%	8.75%	6.50%	109	100%	8.60%	6.35%	158	100%	8.30%	6.05%	209
Estação Viana	100%	9.70%	7.45%	936	100%	9.50%	7.25%	978	100%	9.20%	6.95%	1,026
Centro Vasco da Gama	-	-	-	-	50%	8.25%	6.00%	108	50%	7.95%	5.70%	271
CoimbraShopping	100%	10.85%	8.60%	29	100%	10.55%	8.30%	32	100%	10.00%	7.75%	36
GaiaShopping	-	-	-	-	-	-	-	-	50%	8.70%	6.45%	22
LeiriaShopping	100%	9.00%	6.75%	1,284	-	-	-	-	-	-	-	-
MadeiraShopping	50%	10.00%	7.75%	33	50%	9.80%	7.55%	61	50%	9.55%	7.30%	87
NorteShopping	50%	8.45%	6.20%	412	50%	8.30%	6.05%	431	50%	8.00%	5.75%	447
Parque Atlântico	50%	10.10%	7.85%	425	50%	9.90%	7.65%	442	50%	9.60%	7.35%	472
				<u>3,228</u>				<u>2,210</u>				<u>2,570</u>
Spain:												
Avenida M40	-	-	-	-	-	-	-	-	100%	13.30%	10.80%	744
Dos Mares	100%	9.55%	7.05%	2	100%	9.55%	7.05%	15	100%	9.45%	6.95%	27
El Rosal ⁽¹⁾	-	-	-	-	100%	10.40%	7.90%	517	100%	9.95%	7.45%	531
Plaza Mayor	100%	11.50%	9.00%	1,743	100%	11.55%	9.05%	1,713	100%	11.25%	8.75%	1,790
				<u>1,745</u>				<u>2,245</u>				<u>3,092</u>
Italy:												
Freccia Rossa	-	-	-	-	-	-	-	-	50%	8.10%	6.00%	1,215
Greece:												
Pantheon Plaza	50%	10.25%	7.00%	79	50%	10.75%	7.00%	89	50%	10.25%	7.00%	97
				<u>5,052</u>				<u>4,544</u>				<u>6,974</u>

(1) In the consolidated financial accounts as of 30 June 2010 the valuations consider for these assets are related to March 2010 due to the fact that these assets are under a sale process.

The fair value of the fit out contracts was determined by means of a valuation as of the financial position date made by an independent specialised entity (Cushman & Wakefield). The methodology used to compute the fair value of the fit out contracts consisted in determining the discounted estimated cash flows of each one of the fit out contracts, using a discounted marked rate, similar to the one used in determining the fair value of the investment property to which each fit out contract relates.

At 30 June 2010 and 31 December 2009 the following investment properties had been given in guarantee of bank loans:

- Airone
- Algarveshopping
- Alverca
- Arrabidashopping
- Cascaishopping
- Centro Colombo
- Centro Vasco da Gama
- CoimbraShopping
- Dos Mares
- El Rosal
- Estação Viana
- Freccia Rossa
- GaiaShopping
- Gli Orsi
- Grancasa
- GuimarãesShopping
- La Farga
- LeiriaShopping
- Loop 5
- Luz del Tajo
- Madeirashopping
- MaiaShopping
- Manauara Shopping
- Max Center
- Munster Arkaden
- Norteshopping
- Parque Atlântico
- Parque Principado
- Plaza Éboli
- Plaza Mayor
- Plaza Mayor Shopping
- River Plaza Mall
- Torre Occidente
- Valecenter
- Valle Real
- Viacatarina
- Zubiarte

At 30 June 2010 and 31 December 2009 there were no material contractual obligations to purchase, construct or develop investment properties or for repairs or maintenance, other than those referred to above.

Investment properties in progress at 30 June 2010, 31 December 2009 and 30 June 2009 are made up as follows:

	30.06.10	31.12.09	30.06.09
Investment property at cost:			
Portugal:			
Alverca	6,134	6,132	6,112
Centro Bordalo	3,398	3,370	3,356
Parque de Famalicão	1,255	1,255	1,255
Setubal Retail Park	-	-	868
Torre Ocidente	3,410	1,040	384
GuimarãesShopping - expansion	-	-	7,558
Germany:			
Alexa Tower	11,000	11,000	11,565
Garbsen	1,785	1,734	1,520
Others	14	-	-
Brazil:			
Uberlândia Shopping	-	4,588	4,038
Boulevard Londrina Shopping	3,445	2,698	2,156
Goiânia Shopping	10,224	7,541	6,421
Parque D. Pedro (expansion)	1,705	-	-
Others	87	46	3,635
Spain:			
Pulianas Shopping	206	206	10,971
Dos Mares - expansion	2,810	2,810	2,810
Alfaz del Pi	-	19,150	19,150
Los Barrios	-	-	6,300
Others	123	76	21
Greece:			
Aegean Park	9,867	9,850	9,837
Pantheon Plaza	1,778	1,778	1,777
Galatsi Shopping	12,580	11,543	10,752
Ionnina	32,063	27,063	26,954
Italy:			
Le Terrazze (Hipermercado)	5,577	6,522	10,821
Caldogno	9,894	9,876	9,824
Pavia	-	-	3,000
Others	522	515	14
Romania:			
Craiova Shopping	34,401	35,232	27,227
Ploiesti Shopping	14,323	14,831	14,026
	166,601	178,856	202,543
Impairment for assets at risk	(10,559)	(7,691)	(10,475)
	156,042	171,165	192,068
Investment property at fair value:			
Portugal:			
LeiriaShopping	-	49,195	22,524
Brazil:			
Uberlândia Shopping	12,655	-	-
Germany:			
Loop 5	-	-	122,583
Italy:			
Le Terrazze	23,155	19,334	-
	35,810	68,529	145,107
	191,852	239,694	337,175

The amounts of kEuro 10,559, kEuro 7,691 and kEuro 10,475 in 30 June 2010, 31 December 2009 and 30 June 2009, respectively, recorded under caption "Impairment for Assets at Risk" are related to the provision made to anticipate losses due to the non development of some of the actual projects, because of the uncertainty of markets.

The Aegean Park investment property in progress corresponds, at the moment, to the value of a site in Athens, Greece. In accordance with the information received, the local Municipal Authorities intention is to classify part of the site as green area, and the Management is being involved in negotiations with the local Municipal Authorities with the objective of determining which will be the final use of that site. The Board of Directors still believes that there will be no losses in the realization value of the site, therefore no impairment losses have been recognized.

The project Galatsi, with a land for which an operating lease contract was made for 40 years (with possibility of extension for another 6 years), has now been suspended due to awaiting the corresponding construction permit. For this reason, it was verbally agreed with the lessor of the land to suspend the payment of monthly rents, having the Group issued to the lessor a bank guarantee of kEuro 13,330 valid until 9 September 2010, as a guarantee of payment of the suspended rents, which in 30 June 2010 amounted to kEuro 5,282. No losses related to this project are estimated by the Group.

Investment properties in progress include borrowing expenses incurred during the construction period. As of 30 June 2010 and 31 December 2009, total borrowing expenses capitalised amounted to kEuro 296 and kEuro 4,446, respectively.

6 GOODWILL

The movement in goodwill during the years ended 30 June 2010 and 31 December 2009 was as follows:

	30.06.10 (6 months)	31.12.09 (12 months)
Assets:		
Opening balance	73,626	70,906
Increases	-	2,720
Sales (Note 4)	(2,622)	-
Transfer to associated companies (Notes 3 and 4)	(259)	-
Closing balance	70,745	73,626
Accumulated depreciation and impairment losses:		
Opening balance	24,339	21,015
Impairments for the year	-	3,324
Closing balance	24,339	24,339
Net assets	46,406	49,287

During the year 2010, due to the sale of 91% of shares in AlexaShopping, the Group proceeded with the reversal of 91% of goodwill previously recognised in the amount of kEuro 2,622 under the caption "Investment Income" (Note 4) in the statement of profit and loss and transferred the remaining amount of kEuro 259 (which corresponds to the percentage of shares that the Group has retained) to the caption "Share of results of associated companies (Notes 3 and 4).

At 30 June 2010 and 31 December 2009 goodwill was made up as follows:

		30.06.10			31.12.09	
	Year of aquisition	Amount	Depreciation and impairment losses of the year	Accumulated depreciation and impairment losses	Book value	Book value
Iberian Assets, S.A:						
Grancasa	2002	2,674	-	(1,203)	1,471	1,471
Max Center	2002	8,287	-	(3,729)	4,558	4,558
Valle Real	2002	(1,014)	-	456	(558)	(558)
Valle Real	2003	1,667	-	(667)	1,000	1,000
		11,614	-	(5,143)	6,471	6,471
La Farga						
	2002	132	-	(59)	73	73
	2005	406	-	(159)	247	247
	2009	-	-	(58)	(58)	(58)
		538	-	(276)	262	262
Alexa						
	2004	10,877	-	-	10,877	10,877
	2005	(7,996)	-	-	(7,996)	(7,996)
	2010	-	(2,881)	-	(2,881)	-
		2,881	(2,881)	-	-	2,881
Parque Principado						
Avenida M40	2004	997	-	-	997	997
Plaza Eboli	2005	1,181	-	(1,181)	-	-
Luz del Tajo	2005	3,356	-	(2,933)	423	423
Dos Mares	2005	3,655	-	(736)	2,919	2,919
Valecenter	2005	1,298	-	-	1,298	1,298
River Plaza Mall	2005	29,355	-	(1,015)	28,340	28,340
Craiova	2007	1,334	-	-	1,334	1,334
Pantheon Plaza	2007	5,140	-	(5,140)	-	-
Ploiesti	2007	1,957	-	(1,957)	-	-
Gli Orsi	2008	3,435	-	(3,435)	-	-
Le Terrazze	2008	4,165	-	(2,523)	1,642	1,642
	2009	2,720	-	-	2,720	2,720
		73,626	(2,881)	(24,339)	46,406	49,287

The impairment tests made to the goodwill are based on the "Net Asset Value" ("NAV") at the statement of financial position date of the participations held.

7 BANK LOANS

At 30 June 2010 and 31 December 2009 bank loans obtained were made up as follows:

			30.06.10			31.12.09				
			Used amount			Used amount				
			Medium and long term			Medium and long term				
Financing Entity			Limit	Short term	long term	Limit	Short term	long term	Due date	Reimbursement plan
Bond Loans:										
Sonae Sierra SGPS	Caixa BI	-	75,000	-	75,000	75,000	-	75,000	Jul/2013	Final
Bank Loans:										
3shoppings - Holding, SGPS, S.A	Eurohypo	(b), (f), (g)	57,711	1621	56,090	57,711	1621	56,090	Jul/2019	Annual
3shoppings - Holding, SGPS, S.A	Eurohypo	(b), (c)	11,900	-	7,827	11,900	956	5,873	Jul/2014	Annual
Airone Shopping Centre, SA	Eurohypo	(b), (c), (f), (g)	8,000	-	8,000	8,000	-	8,000	May/2012	Final
ALEXA Shopping Centre GmbH	Eurohypo	(a), (b), (c), (f), (g), (h)	-	-	-	99,980	-	99,980	-	-
	European Property	(b), (c), (f), (g)	11691	11691	-	12,512	12,512	-	May/2011	Quarterly
Algarveshopping- C.C., S.A.	Capital 3 p.l.c.									
	European Property	(b), (c)	44,816	44,816	-	45,033	45,033	-	May/2011	Quarterly
Sierra B.V.	CGD	(b), (i)	10,500	-	3,999	3,999	-	3,999	Aug/2013	Final
ARP Alverca Retail Park	Eurohypo	(a), (b), (c), (f), (g)	15,723	1,304	14,419	16,370	1,295	15,075	Mar/2017	Quarterly
Arrábidasshopping - C.C., S.A.	Eurohypo	(a), (b), (f), (g)	9,023	388	8,635	9,023	388	8,635	Mar/2017	Annual
Arrábidasshopping - C.C., S.A.	Eurohypo	(a), (b), (c), (f), (g)	11,760	510	11,250	12,000	480	11,520	Mar/2017	Quarterly
Cascaishopping - C.C., S.A.	Eurohypo	(a), (b), (f), (g)	52,828	1,843	50,985	54,671	1,843	52,828	May/2027	Annual
Cascaishopping - C.C., S.A.	Eurohypo	(a), (b), (c), (f), (g)	26,000	-	26,000	26,000	-	26,000	Jan/2016	Final
Centro Colombo - C.C., S.A.	Eurohypo	(a), (b), (f), (h)	12,750	-	12,250	12,750	-	12,250	May/2017	Final
Centro Colombo - C.C., S.A.	Eurohypo, ING	(a), (b), (c), (f), (h)	-	-	500	-	-	500	-	-
Shopping C. Colombo, BV	Eurohypo, ING	(a), (b), (c)	49,500	-	49,500	49,500	-	49,500	May/2017	Final
Centro Vasco da Gama, S.A.	ING	(a), (b), (c), (f), (h)	55,250	1,950	53,300	56,225	1,950	54,275	Aug/2016	Quarterly
Dos Mares - Shop. Centre S.A.	Aareal Bank	(b), (f), (g)	18,275	900	17,375	18,275	900	17,825	Sep/2012	Quarterly
El Rosal Shopping, SA	Eurohypo	(b), (f), (g)	73,247	4,461	68,786	75,323	4,254	71,069	Jul/2017	Quarterly
Estação Viana- C.C., S.A.	BES	(b), (c), (f), (g)	33,600	2,016	31,584	34,608	2,016	32,592	Dec/2015	Hal Year
Freccia Rossa - Shop.C. S.r.l.	Unicredit	(a), (b), (c), (f), (g)	54,642	1,202	53,440	53,561	1,020	52,541	Dec/2025	Hal Year
Freccia Rossa - Shop.C. S.r.l.	Unicredit	(a), (f), (g)	5,318	-	5,318	6,870	-	6,870	Dec/2012	Hal Year
Gaiashopping I- C.C., S.A.	Eurohypo	(a), (b), (f), (g)	25,725	413	25,312	25,438	413	25,025	Nov/2026	Annual
Gaiashopping I- C.C., S.A.	Eurohypo	(a), (b), (f), (g)	9,176	288	8,888	9,588	263	9,325	Aug/2016	Annual
Gli Orsi - Shopping Centre S.r.l.	Bayern LB	(a), (b), (c), (i)	80,000	4,520	72,000	80,000	19,045	57,475	Dec/2017	Quarterly
Iberian Assets, SA	Eurohypo	(a), (b)	18,781	1,953	16,828	19,758	1,953	17,805	Jun/2019	Hal Year
Iberian Assets, SA	Eurohypo	(a), (b)	24,151	501	23,650	24,151	501	23,650	Jun/2018	Hal Year
Iberian Assets, SA	Eurohypo	(a), (b)	21,494	1,025	20,469	21,969	950	21,019	Nov/2020	Hal Year
Iberian Assets, SA	Eurohypo	(a), (b)	15,025	75	14,950	15,025	-	15,025	Jan/2026	Hal Year
Iberian Assets, SA	BBVA	(a)	-	-	-	2,500	1,358	-	May/2010	Final
La Farga - Shopping Center, SL	Eurohypo	(a), (b)	14,250	750	13,500	15,000	750	14,250	Apr/2014	Annual
LCC LeiriaShopping C. Comercial SA	CGD	(b), (i)	50,000	425	42,123	50,000	-	27,252	Dec/2023	Quarterly
LCC LeiriaShopping C. Comercial SA	CGD	(b), (i)	3,700	2,132	-	3,700	551	-	Dec/2010	Final
Le Terrazze - Shopping Centre 1Srl	Unicredit	(a), (b), (f)	27,500	-	556	-	-	-	Dec/2024	Hal Year
Le Terrazze - Shopping Centre 1Srl	Unicredit	(a), (b), (f)	6,500	-	206	-	-	-	Dec/2015	Final
Loop 5-Shopping Centre, GmbH	Bayern LB	(a), (b), (f), (h)	93,400	1,672	91,728	93,750	971	85,331	Jan/2019	Quarterly
	Deutsche									
Luz del Tajo C.C. S.A.	Pfandbriefbank	(b), (c), (f), (g)	45,700	-	45,700	45,700	-	45,700	Jun/2014	Final
Madeirashopping- C.C., S.A.	ING	(a), (b), (f), (h)	18,000	-	18,000	18,000	-	18,000	Aug/2015	Quarterly
Münster Arkaden, BV	Nord LB	(b), (c), (f), (g)	124,511	2,101	122,410	125,487	1,984	123,503	Dec/2016	Quarterly
Norteshopping - C.C., S.A.	Eurohypo	(a), (b), (f), (g)	5,146	5,146	-	7,017	4,444	2,573	Jun/2011	Quarterly
Norteshopping - C.C., S.A.	Eurohypo	(a), (b), (f), (g)	35,398	-	35,398	35,398	-	35,398	Dec/2014	Quarterly
Norte Shopping B.V.	Eurohypo	(a), (b)	41,688	2,039	39,649	42,096	815	41,281	Dec/2014	Hal Year
Park Avenue, Develop. Sh.C., SA	Eurohypo	(a), (c)	-	-	-	1513	-	-	Feb/2010	Final
Parque Atlântico Shop.- C.C., SA	CGD, BCP	(a), (b), (f)	15,400	1,400	14,000	16,100	1,400	14,700	Dec/2015	Quarterly
Parque Principado S.L.	Calyon	(a), (b), (c)	56,700	-	56,700	56,700	-	56,700	Jul/2013	Final
Pátio Boavista Shopping Ltda	Banco Bradesco	(a), (d)	-	-	-	1,792	1,792	-	Jun/2010	Monthly
Pátio Sertório Shopping Ltda	Banco Itaú	(a), (d)	31,089	5,661	25,428	4,978	4,978	-	Feb/2010	Final
Pátio Sertório Shopping Ltda	BASA	(a), (b), (d), (e)	-	-	-	22,359	-	22,359	Dec/2020	Monthly
	Deutsche									
Plaza Eboili - C.C. S.A.	Pfandbriefbank	(b), (c)	30,350	3,909	26,441	33,050	33,050	-	Nov/2012	Quarterly
Plaza Mayor Shopping, SA	Eurohypo	(b), (f), (g)	35,891	1,203	34,688	37,000	1,110	35,890	Oct/2017	Annual
Plaza Mayor - Parque de Ocio , S.A.	Eurohypo	(b)	26,144	1,683	24,461	27,707	1,563	26,144	Apr/2018	Annual
River Plaza Srl	Société Générale/BRD	(b), (c), (f), (g)	23,030	764	22,266	23,265	795	22,470	May/2018	Quarterly
Sierra Investimentos Brasil, Ltda.	Banco ABC	(a), (c), (d)	5,661	5,661	-	4,978	4,978	-	Sep/2010	Monthly
Sonae Sierra SGPS	Santander Totta	-	15,000	8,400	-	15,000	15,000	-	Jul/2013	-
Torre Ocidente Imobiliária, S.A.	CGD	(a), (b), (f)	12,250	-	3,620	12,250	-	2,234	Sep/2017	Hal Year
Valecenter Srl	Eurohypo	(b), (c), (f), (g)	94,550	2,684	91,866	95,770	2,440	93,330	Jun/2015	Quarterly
Via Catarina- C.C., S.A.	Eurohypo	(a), (b)	18,130	294	17,836	18,424	294	18,130	Feb/2027	Annual
Zubiarte Inversiones Inmobil,SL	ING	(a), (b)	23,002	9,011	13,991	23,300	8,260	15,040	Jun/2017	Quarterly
Total Bank Loans			1,709,876	36,412	1,501,922	1,793,524	185,439	1,555,031		
Deferred bank expenses incurred on the issuance of bank debt				(141)	(9,559)		(1,703)	(10,594)		
			135,001	1,567,363		183,736	1,619,437			
Fair value of the financial hedging instruments - asset			-	(486)	-	-	(26)	-		
Fair value of the financial hedging instruments - liability			-	50,387	-	-	44,732	-		
			135,001	1,617,264		183,736	1,664,143			

- (a) These amounts are considered at the control proportion held by the Group
(b) To guarantee the repayment of these loans, the Group pledged the real estate properties owned by these companies
(c) To guarantee the repayment of this loan, the Group pledged the shares of this subsidiary
(d) To guarantee the repayment of this loan, the Group has a bank guarantee.
(e) In this loan the Sierra Investment Brasil, Ltda was the guarantor
(f) This loan has a covenant "Loan to Value": Financial liabilities / Fair value of the investment property
(g) This loan has a covenant "Debt Service Cover Ratio": Cash flow / (Paid interests plus capital amortization)
(h) This loan has a covenant "Interest Cover Ratio": Cash flow / Paid interests
(i) This loan has a covenant "Debt to equity cover ratio": Equity / Financial liabilities
(j) This loan was renegotiated on 30 July 2010 and the repayment plan has already considered the new conditions.

Bank loans bear interests at market interest rates and were all contracted in Euro, except for the bank loans of Sierra Investimentos, Ltda and Pátio Sertório, Ltda, which were contracted in Brazilian Real and translated to Euro using the exchange rate prevailing at financial position date.

Bank loans with covenants were analyzed by the Group at the date of statement of financial position and, in situations where there were breaches the corresponding debt was reclassified to short term facility. These situations have occurred in case of loans obtained by Zubiarte, Gli Orsi and River Plaza. Negotiations are ongoing in order to obtain a debt rescheduling with correspondent banks.

At 30 June 2010 and 31 December 2009, the loans are repayable as follows:

	30.06.10	31.12.09
	Repayment	Repayment
N+1	136,412	185,439
N+2	54,064	43,101
N+3	97,764	75,863
N+4	273,220	184,969
N+5	159,883	172,227
N+6 and follow ing years	991,991	1,153,871
	<u>1,713,334</u>	<u>1,815,470</u>

At 30 June 2010 and 31 December 2009, the Group's financial instruments related to interest rate swaps, zero cost collars and exchange rate non deliverable forwards were as follows:

	30.06.10			31.12.09		
	Fair value of the financial instrument			Fair value of the financial instrument		
	Loan	Asset	Liability	Loan	Asset	Liability
Financial hedging instruments:						
"Sw aps":						
3 Shoppings / Caixa BI	63,711	-	2,103	61,711	-	132
Alexa / Eurohypo	-	-	-	100,000	-	6,357
Airone / BBVA	8,000	-	456	8,000	-	468
ArrábidaShopping / BBVA	9,023	-	529	9,023	-	501
Colombo / BBVA	112,750	-	7,447	112,750	-	7,644
Colombo / Santander	112,750	-	1,211	-	-	-
Shopping Colombo BV/ BBVA	49,500	-	3,269	49,500	-	3,356
El Rosal / BES	37,143	-	2,221	37,661	-	1,994
El Rosal / BES	37,143	-	3,235	37,661	-	2,436
Estação Viana / BES	33,600	-	272	34,608	-	495
Freccia Rossa / Unicredit	31,597	-	1,673	31,597	-	1,248
Freccia Rossa / Unicredit	4,912	-	380	4,912	-	329
Gaiashopping / Caixa BI	25,438	-	1,611	25,438	-	1,221
	27,500	-	186	-	-	-
Münster Arkaden / BPI	124,511	-	13,438	125,487	-	8,191
Norteshopping / Eurohypo / BPI	40,543	-	1,091	42,415	-	1,088
Norteshopping BV / Eurohypo	41,688	-	1,186	42,096	-	1,139
	30,350	-	(28)	-	-	-
Plaza Mayor Shopping / BES	18,500	-	946	18,500	-	273
River Plaza / Société Générale	23,030	-	3,104	23,265	-	2,268
Torre Occidente / Caixa BI	3,620	-	49	3,014	-	-
Valecenter / Eurohypo	6,394	-	33	6,476	-	91
Valecenter / Eurohypo	13,805	-	71	13,983	-	196
Valecenter / Eurohypo	23,250	-	871	23,550	-	49
	110,500	(370)	-	-	-	-
Viacatarina / BPI	18,130	-	1,172	18,424	-	1,093
		(370)	46,526		-	40,569
"Zero Cost Collars":						
	11,691	(22)	-	-	-	-
	44,816	(92)	-	-	-	-
ArrábidaShopping / BES	11,760	-	231	12,000	-	49
ArrábidaShopping / BPI	15,723	-	305	16,370	-	50
Cascaishopping / Santander	26,000	-	359	26,000	-	581
Dos Mares / BBVA	18,275	-	376	18,725	-	372
Gaiashopping / BBVA	9,463	-	270	9,588	-	339
Luz del Tajo / Deutsche Pfandbriefbank	36,560	-	1,184	36,560	-	742
MadeiraShopping / BBVA	9,000	-	11	9,000	-	81
Parque Principado / Calyon	56,700	(2)	-	56,700	(26)	-
Plaza Eboli / Deutsche Pfandbriefbank	30,350	-	53	30,485	-	375
Valecenter / Eurohypo	51,102	-	1,072	51,761	-	1,574
		(116)	3,861		(26)	4,163
		(486)	50,387		(26)	44,732

The fair value of the financial hedging instruments was recorded under Hedging Reserves of the Group (kEuro -28,6713 and kEuro -28,523 in 30 June 2010 and 31 December 2009 respectively) and hedging reserves of the minorities (kEuro -21,231 and kEuro -16,183 in 30 June 2010 and 31 December 2009 respectively).

The interest rate swaps and zero cost collars are stated at their fair value at the financial position statement date, determined by the valuation made by the bank entities with which the derivatives were contracted. The computation of the fair value of these financial instruments was made taking into consideration the actualisation to the statement of financial position sheet date of the future cash-flows relating the difference between the interest rate to be paid by the Company to the bank entity with which the swap or collar was negotiated and the variable interest rate to be received by the Company from the bank entity that granted the loan. In addition, tests to the fair value of those derivative financial instruments were made by the treasury department of the Group, in order to validate the fair value determined by those entities.

The main hedging principles used by the Group when negotiating these hedging financial instruments are as follows:

- Matching between the cash-flows paid and received: there is coincidence between the dates of interest payments of the loans obtained and their date of the derivatives flows with the bank;
- Matching in the index interest rate used: the reference index interest rate used in the derivatives and in the loan are coincident;
- In a scenario of increase or decrease in interest rates, the maximum amount of interest payable is perfectly calculated.

8 OTHER BANK LOANS

At 30 June 2010 and 31 December 2009 this caption was made up as follows:

	30.06.10		31.12.09	
	Limit	Short term	Limit	Short term
Short term facilities:				
Algarveshopping - C.C., S.A.	-	-	20,000	20,000
Cascaishopping - C.C., S.A.	2,619	1,032	2,619	1,865
Centro Colombo - C.C., S.A.	5,235	-	5,235	1,624
Sierra B.V.	10,000	-	10,000	-
Sierra Management Portugal, SA	249	-	249	-
Sonae Sierra, SGPS, SA	83,920	25,346	83,919	37,171
Via Catarina- C.C., S.A.	1,000	435	1,000	232
	<u>103,023</u>	<u>26,813</u>	<u>123,022</u>	<u>60,892</u>
Bank overdrafts	-	-	-	32
	<u>103,023</u>	<u>26,813</u>	<u>123,022</u>	<u>60,924</u>

9 ACCOUNTS PAYABLE TO OTHER SHAREHOLDERS

At 30 June 2010 and 31 December 2009 this caption was made up as follows:

	30.06.10		31.12.09	
	Curto prazo	Médio e longo prazo	Curto prazo	Médio e longo prazo
SIERRA Investments (Luxembourg) 1 Sarl ("Luxco 1"):				
Plaza Mayor Shopping B.V.	-	4,811	-	5,079
SC Mediterranean Cosmos B.V.	-	76	86	76
Sierra European Retail Real Estate Assets Holdings BV	5,995	-	5,995	-
Zubiarte Inversiones Inmob,SA	-	1,778	-	1,778
	5,995	6,665	6,081	6,933
SIERRA Investments (Luxembourg) 2 Sarl ("Luxco 2"):				
Plaza Mayor Shopping B.V.	-	3,849	-	4,063
SC Mediterranean Cosmos B.V.	-	58	69	58
Sierra European Retail Real Estate Assets Holdings BV	4,796	-	4,796	-
Zubiarte Inversiones Inmob,SA	-	1,423	-	1,423
	4,796	5,330	4,865	5,544
Others	-	1	-	-
	-	1	-	-
	10,791	11,996	10,946	12,477

The amounts payable to Luxco 1 and Luxco 2 relate to shareholder loans payable by the subsidiaries and jointly controlled companies of Sierra BV, to the other shareholders of Sierra BV. These loans bear interests at market interest rates and were contracted in Euro. For the amounts classified in medium and long term the reimbursement is not expected in the short term.

10 MINORITY INTERESTS

As of 30 June 2010, 31 December 2009 and 30 June 2009 the minority interests were as follows:

	%	Balance		P&L		30.06.09
		30.06.10	31.12.09	30.06.10	31.12.09	
Sierra BV	49.900%	369,541	379,439	(6,378)	(46,533)	(39,641)
Others		35,427	27,793	3,622	(2,389)	(4,920)
		404,968	407,232	(2,756)	(48,922)	(44,561)

11 INCOME TAX

As a result of amendments to Tax Law, under which the Portuguese companies with a taxable income exceeding kEuro 2,000 will be subject to an additional tax rate of 2.5% on the taxable income exceeding that amount, the Group has updated deferred taxes of Portuguese companies, for which it is estimated to be applicable. The impact of this rate change in deferred taxes, was referred to 1 January 2010 and amounted to 26,046 kEuro, having been recorded against the statement of profit and losses (kEuro 26 375) and hedge reserves (kEuro (329)). The impact of the change in the current tax rate for the half year amounted kEuro 374.

12 SEGMENT INFORMATION

In accordance to the Management Report, the segments used by the Management of the Group are as follows:

- Sierra Investments
- Sierra Developments
- Sierra Management
- Sonae Sierra Brazil

The Sonae Sierra's reportable segment information for the half years ended 30 June 2010 and 2009 regarding the statement of profit and loss can be detailed as follows:

	30.06.10	30.06.09
Net Operating Margin		
Sierra Investments	55,345	57,141
Sierra Developments	(8,764)	(40,152)
Sierra Management	3,577	1,999
Sonae Sierra Brazil	11,705	7,272
Reclassifications and adjustments	(3,962)	26,544
Consolidated	57,901	52,804
Direct profit before taxes		
Sierra Investments	31,095	31,836
Sierra Developments	(9,751)	(43,265)
Sierra Management	3,550	2,519
Sonae Sierra Brazil	11,939	6,319
Reclassifications and adjustments	(1,434)	28,789
Consolidated	35,399	26,198
Indirect income before taxes		
Sierra Investments	(17,669)	(92,595)
Sonae Sierra Brazil	7,994	(3,006)
Reclassifications and adjustments	3,138	(47,370)
Consolidated	(6,537)	(142,971)
Corporate tax + Deferred tax		
Sierra Investments	(20,893)	15,712
Sierra Developments	1,150	1,548
Sierra Management	(1,282)	(1,003)
Sonae Sierra Brazil	(5,391)	1,040
Reclassifications and adjustments	(1,798)	5,293
Consolidated	(28,214)	22,590
Net profit before minorities		
Sierra Investments	(7,467)	(45,047)
Sierra Developments	(8,601)	(41,717)
Sierra Management	2,268	1,516
Sonae Sierra Brazil	14,542	4,353
Reclassifications and adjustments	(94)	(13,288)
Consolidated	648	(94,183)

The amounts under the caption "Reclassifications and adjustments" can be analysed as follows:

	Net Operating Margin		Direct profit before taxes		Indirect income before taxes		Corporate tax + Deferred tax		Net profit before minorities	
	30.06.10	30.06.09	30.06.10	30.06.09	30.06.10	30.06.09	30.06.10	30.06.09	30.06.10	30.06.09
Reclassification of the value created in projects										
in Sierra Developments (1)	(1,174)	29,290	(1,174)	29,290	2,972	(32,007)	(1,798)	2,717	-	-
Anticipation of Margins (2)	-	-	-	-	-	(17,048)	-	5,195	-	(11,853)
Others	(2,788)	(2,746)	(260)	(501)	166	1,685	-	(2,619)	(94)	(1,435)
Reclassifications and adjustments	(3,962)	26,544	(1,434)	28,789	3,138	(47,370)	(1,798)	5,293	(94)	(13,288)

(1) By a maximum period of 2 years after the opening date of the shopping or, if occurs sooner, until it's sold to third parties, Sierra Developments recognises in the Net Operating Margin the value created in the assets, that have been sold to the Sierra Investments; in the consolidated accounts these amounts are recognised under the caption "Indirect income before taxes" and "Deferred Taxes"

(2) Sierra Developments recognised in 2008 an estimation of the losses that will occur in 2009

The Sonae Sierra's reportable segment information for the year ended 30 June 2010 and 31 December 2009, regarding the statement of financial position, can be analysed as follows:

	30.06.10	31.12.09
Investment properties		
Sierra Investments	1,928,321	1,995,363
Sonae Sierra Brazil	394,507	328,273
Investment Properties under development and others (Sierra Investments and Brazil)	(33,791)	(19,027)
Consolidated	2,289,037	2,304,609
Bank loans		
Sierra Investments	1,075,457	1,139,137
Sierra Developments	4,946	33,315
Sonae Sierra Brazil	35,265	32,768
Bank loan at Sonae Sierra SGPS	83,400	90,000
Others	(186)	1
Consolidated	1,198,882	1,295,221
Deferred taxes liabilities		
Sierra Investments	232,149	220,369
Sierra Developments	3,093	4,464
Sonae Sierra Brazil	57,269	47,089
Others	144	310
Consolidated	292,655	272,232

The reportable segment information can be reconciled with the enclosed financial statements as follows:

Statement of profit and loss

	30.06.10	30.06.09
Net Operating Margin - segments	57,901	52,804
Equity method adjustment ⁽¹⁾	(5,158)	(5,767)
Proportional method adjustment ⁽²⁾	35,106	32,586
Indirect Income:		
Variation in fair value of the investment properties	(7,922)	(200,848)
Other indirect income / costs	(414)	1,352
Depreciations, write-off and impairments losses	(3,992)	(7,630)
Letting and Key money on opening ⁽³⁾	104	(838)
Withholding taxes related to Interests and dividends	(25)	(150)
Others	(959)	471
Net Operating Profit	74,641	(128,020)
Corporate tax + Deferred Tax - segments	(28,214)	22,590
Equity method adjustment ⁽¹⁾	1,588	(2,145)
Proportional method adjustment ⁽²⁾	(16,818)	12,925
Others	(62)	(43)
Income tax	(43,506)	33,327

(1) The associated companies are included in the Statutory consolidated accounts by the equity method and in the management accounts by the proportional method.

(2) The companies owned by the group by less than 100% and more than 50% are included in the management accounts by the proportional method and in the Statutory consolidated accounts are included by the full consolidation method.

(3) The Letting and Key money on opening are considered in the indirect result in the management accounts.

Statement of financial position

	30.06.10	31.12.09
Investment properties - segments	2,289,037	2,304,609
Equity method adjustment ⁽¹⁾	(177,723)	(165,182)
Proportional method adjustment ⁽²⁾	1,252,324	1,253,153
Goodwill ⁽³⁾	(35,832)	(38,454)
Others	-	-
Investment properties	3,327,806	3,354,126
Bank loans - segments	1,198,882	1,295,221
Equity method adjustment ⁽¹⁾	(103,202)	(95,512)
Proportional method adjustment ⁽²⁾	619,652	640,076
Financing costs	(10,970)	(12,297)
Short term facilities ⁽⁴⁾	25,343	37,164
Others	(528)	(555)
Debt - current and non-current	1,729,177	1,864,097

- (1) The associated companies are included in the Statutory consolidated accounts by the equity method and in the management accounts by the proportional method.
- (2) The companies owned by the group by less than 100% and more than 50% are included in the management accounts by the proportional method and in the Statutory consolidated accounts are included by the full consolidation method.
- (3) The Sierra Investment segment considers the Goodwill under the caption "Investment Properties".
- (4) The management accounts have the short term facilities recorded under the caption "Cash & Equivalents".

13 SUBSEQUENT EVENTS

On the 30th July 2010 Sonae Sierra and Acropole Charagionis have agreed the sale of their 39.9% joint and equal interests in Pylaia, SA (company that owns Mediterranean Cosmos Shopping Centre in Thessaloniki, Greece) to Lamda Developments SA, for a consideration of approximately €38 million, of which circa €9.5 million will be attributable to Sonae Sierra.

This transaction is subject to certain conditions precedent, namely the Greek competition authority.

14 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorised for issuance on the 16 of August 2010.

15 NOTE ADDED FOR TRANSLATION

This is a translation of financial statements originally issued in Portuguese in accordance with Portuguese Statutory requirements, some of which may not conform to or be required in other countries. In the event of discrepancies, the Portuguese language version prevails.

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

(Translation of a report originally issued in Portuguese)

Introduction

1. In accordance with the Securities Market Code (Código dos Valores Mobiliários) we hereby present our Limited Review Report on the consolidated financial information of Sonae Sierra, S.G.P.S., S.A. (“the Company”) for the half year ended 30 June 2010 contained in the: Management Report, the Consolidated Statement of Financial Position (that presents a total of 3,914,374 thousand Euros and shareholders’ equity of 1,405,206 thousand Euros, including a consolidated net profit attributable to the shareholders of the Company of 648 thousand Euros), the Consolidated Statement of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the half year then ended and in the corresponding Notes.
2. The amounts in the consolidated financial statements, as well as the additional financial information, are in accordance with the accounting records of the companies included in the consolidation, adjusted in the consolidation process, to comply with International Financial Reporting Standards as adopted by the European Union.

Responsibilities

3. The Company’s Board of Directors is responsible for: (i) the preparation of consolidated financial information that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated results and comprehensive income 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 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 appropriate internal control systems; and (v) informing any significant facts that have influenced its operations or the operations of the companies included in the consolidation, their financial position or comprehensive income.
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 consolidated financial information based on our work.

Scope

5. The objective of our work was to obtain a moderate assurance about whether the financial information referred to above is exempt from material misstatements. Our work was performed in accordance with the Auditing Standards (“Normas Técnicas e as Directrizes de Revisão/Auditoria”) issued by Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”), was planned in accordance with that objective and consisted principally of enquiries and analytical procedures to review: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting policies adopted considering the circumstances and their consistent application; (iii) the applicability, or otherwise, of the going concern concept; (iv) the presentation of the financial information; and (v) if, in all material respects, the financial information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code.

6. Our work also included verifying the consistency of the consolidated financial information included in the Management Report with the remaining documents referred to above.
7. We believe that our work provides a reasonable basis for issuing this Limited Review Report on the half year consolidated 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 financial information for the half year ended 30 June 2010, referred to in paragraph 1 above of Sonae Sierra, S.G.P.S., S.A., is not exempt from material misstatements that affect 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 accordance with the definitions included in the standards referred to in paragraph 5 above, it is not complete, true, timely, clear, objective and licit.

Lisbon, 16 August 2010

Deloitte & Associados, SROC S.A.
Represented by António Marques Dias