



SONAE CAPITAL, SGPS, SA

Head Office: Lugar do Espido, Via Norte, Maia

Share Capital: 250,000,000 Euro

Maia Commercial Registry and Fiscal Number 508 276 756

Sociedade Aberta

# **REPORT AND ACCOUNTS**

## **31 MARCH 2010**

*(Translation from the Portuguese Original)*



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# **REPORT OF THE BOARD OF DIRECTORS**

## **31 MARCH 2010**

*(Translation from the Portuguese Original)*

## **Report of the Board of Directors 31 March 2010**

### Disclaimer:

Unless otherwise stated, comparable figures (presented within brackets), percent or absolute changes mentioned in this report refer to the comparable period of the previous year for performance figures and to the year 2009 for financial position figures.

Like for like comparisons exclude the contributions of the Plysorol Group and Elmo (discontinued operations) to 2009 consolidated financial statements.

Following the internal reorganization process carried out during 2009, SC Assets, SGPS, SA was made independent from Sonae Turismo, SGPS, SA at the beginning of 2010, and is now responsible for real estate investments and for property management of real estate assets. Comparable figures presented in this report, regarding the year of 2009, were restated to reflect the new business portfolio configuration around the three existing sub-holdings: Sonae Turismo, SGPS, SA, SC Assets, SGPS, SA and Spred, SGPS, SA.

### **1. Executive Summary**

- **Turnover 3M10: 42.1 M.€ (96.0 M.€)**
- **EBITDA 3M10: -0.6 M.€ (+24.3 M.€)**
- **Net Profit 3M10: -5.2 M.€ (+9.8 M.€)**

The unfavourable macroeconomic environment played an important role in the performance of Sonae Capital's business portfolio in the first quarter of the year, as already anticipated in the 2009 earnings announcement.

Sales deeds for residential units in **troia**resort, 7 apartments in the quarter, remained significantly below the number of sales deeds recorded in the first quarter of 2009 which originated from PPAs signed in previous years. The lower number of PPAs not yet converted into sales deeds, together with the tightening of credit access conditions, uncertainties surrounding the macroeconomic environment and the pace of economic recovery, all of which result in longer decision making timeframes, explain the first quarter sales figures for the resort business segment (4.0 million euro contribution to consolidated turnover, 51.0 million euro down on 1Q09, and zero contribution to consolidated operational cash-flow (EBITDA) compared to 25.3 million euro in 1Q09).

The Selfrio Group was the quarter's largest contributor to both consolidated turnover and consolidated operational cash-flow (EBITDA), with 16.6 million euro and 1.2 million euro contributions, respectively, reflecting a slight decrease in the contribution from the HVAC business segment to consolidated turnover. Contribution to consolidated operational cash-flow (EBITDA) remained roughly in line with last year's figure.

The net loss for the quarter, amounting to 5.2 million euro, includes negative 0.6 million euro of investment income, made up of the 1.5 million euro gain from the sale of Essences Fines as well as impairment losses on shareholdings in associated undertakings.

Selected Financial data		Values in 10 <sup>6</sup> euro		
		1Q		
		2010	2009 <sup>1</sup>	% Chg.
<b>Turnover</b>		42.1	96.0	-56.1%
<b>EBITDA</b>		-0.6	24.3	-
<b>EBIT</b>		-6.1	19.1	-
Net Financial Expenses		-2.1	-3.4	+36.5%
Investment Income		-0.6	0.0	-
<b>Net Profit</b>		-5.2	9.8	-

<sup>1</sup> Continued Operations.

		31.03.10	31.12.09	% Chg.
<b>Capex</b>		1.0	46.6	-97.9%
<b>Net Debt</b>		283.8	277.9	+2.1%

#### Selected Operational Data (19 May 2010)

#### Sales information

	Total # Units (Sold + Pre Sold)	Total # Available Units
Total <b>troia</b> resort	216	405
City Flats/Lofts	99	113
Efanor - Delfim Pereira da Costa Building	0	40

## 2. Selected Main Events

Prior to the date of this report, on 14 April 2010, Sonae Capital, SGPS, SA informed about the sale of 100% of the share capital of Société des Essences Fines Isoroy, as well as loans to Essences Fines, for 2 euro, to Essences Fines Holding, SAS, a French company owned by third parties, as part of Sonae Capital's programme to divest from non strategic assets which are available for sale. The positive impact of this transaction on the first quarter 2010 consolidated results amounted to 1.5 million euro.

### 3. Consolidated Financial Statements Review

#### Notes:

The consolidated financial statements of Sonae Capital as at 31 March 2009, include the following contributions from the Plysorol Group (Plywood business) and Elmo (sole shareholder of Plysorol) under discontinued operations:

- the consolidated income statement includes 3 months contribution from Elmo;
- the consolidated financial position includes that of Elmo as at 31 March 2009 and that of Plysorol as at 30 September 2008 (last available information).

Following the sale, on 30 December 2009, of the shareholding in Elmo (sole shareholder of Plysorol) and the subsequent loss of control over the Plysorol Group (Plywood business) these businesses no longer contribute to the consolidated financial position of Sonae Capital as at 31 March 2010.

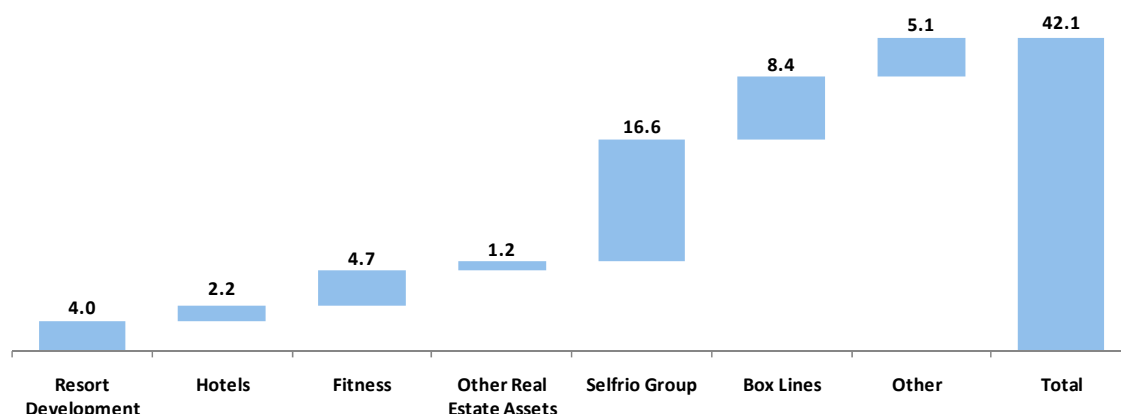
In view of the above considerations, like for like comparisons regarding consolidated financial statements do not take into account discontinued operations (in the consolidated profit and loss statement) and are used consistently throughout the report when applicable.

#### 3.1. Consolidated Profit and Loss Statement

Values in 10<sup>3</sup> euro

	1Q 10	1Q 09 Total Operations	1Q 09 Discontinued Operations	1Q 09 Continued Operations	Δ (A/B)
	(A)			(B)	
Turnover	42,131.5	96,050.0	0.0	96,050.0	-56.1%
Other Operational Income	1,446.6	2,139.0	0.0	2,139.0	-32.4%
<b>Total Operational Income</b>	<b>43,578.0</b>	<b>98,189.0</b>	<b>0.0</b>	<b>98,189.0</b>	<b>-55.6%</b>
Cost of Goods Sold	-6,760.0	-10,858.1	0.0	-10,858.1	+37.7%
Change in Stocks of Finished Goods	-3,096.5	-22,195.8	0.0	-22,195.8	+86.0%
External Supplies and Services	-21,957.5	-28,102.9	-1.2	-28,101.7	+21.9%
Staff Costs	-11,268.9	-11,390.1	0.0	-11,390.1	+1.1%
Other Operational Expenses	-1,072.9	-1,139.8	-0.1	-1,139.7	+5.9%
<b>Total Operational Expenses</b>	<b>-44,155.8</b>	<b>-73,686.6</b>	<b>-1.2</b>	<b>-73,685.3</b>	<b>+40.1%</b>
<b>Operational Cash-Flow (EBITDA)</b>	<b>-579.2</b>	<b>24,291.3</b>	<b>-1.2</b>	<b>24,292.5</b>	-
Amortisation and Depreciation	-3,364.1	-2,821.9	0.0	-2,821.9	-19.2%
Provisions and Impairment Losses	-2,116.7	-2,584.3	0.0	-2,584.3	+18.1%
<b>Operational Profit/(Loss) (EBIT)</b>	<b>-6,058.6</b>	<b>19,096.3</b>	<b>-1.2</b>	<b>19,097.5</b>	-
Net Financial Expenses	-2,137.3	-3,927.6	-559.6	-3,368.1	+36.5%
Share of Results of Associated Undertakings	477.1	354.2	0.0	354.2	+34.7%
Investment Income	-604.5	0.0	0.0	0.0	-
<b>Profit before Taxation</b>	<b>-8,323.2</b>	<b>15,522.9</b>	<b>-560.8</b>	<b>16,083.7</b>	-
Taxation	3,105.5	-6,238.6	-0.5	-6,238.1	-
<b>Net Profit</b>	<b>-5,217.8</b>	<b>9,284.3</b>	<b>-561.3</b>	<b>9,845.6</b>	-
Attributable to Equity Holders of Sonae Capital	-5,206.4	9,123.5	-561.3	9,684.7	-
Attributable to Non-Controlling Interests	-11.3	160.8	0.0	160.8	-

Consolidated turnover for the first quarter of the year amounted to 42.1 million euro (96.0 million euro), with the main contributions being:



Turnover decreased 53.9 million euro mainly due to lower sales at **troiaresort** (7 sales deeds in 1Q10, generating a 4.0 million euro contribution, compared to 101 sales deeds and 55 million euro contribution in 1Q09). The slowdown in the sales pace at **troiaresort**, already felt since the end of the first quarter of 2009, and the lower stock of PPAs not yet converted into sales deeds explain the decrease in sales deeds signed. It should be noted that the majority of sales deeds for residential units at **troiaresort**, 153 contracts (25% of the total units for sale, which increased to 33% of total units for sale up to the end of March 2010), was signed between the fourth quarter of 2008 and the first quarter of 2009.

Hotels posted a 2.2 million euro contribution to consolidated turnover, a 0.3 million euro decrease mainly explained by the lower contribution from Porto Palácio Hotel, of 1.7 million euro in the quarter (2.1 million euro), which discontinued catering operations. Contributions from the remaining hotel units were in line with previous year's comparable figures. Average revenue per room and per location in the first quarter of 2010 was as follows: 90 euro in Porto, 67 euro in Tróia and 43 euro in Lagos.

The decrease in the contribution of the hotel business was partially offset by the 0.1 million euro increase in Fitness, to 4.7 million euro, following the increase in the number of active members and in the demand for value added services, namely the Day Spa. Average revenue per member increased 1% to 53 euro.

Other Real Estate Assets increased its contribution to consolidated turnover by 0.5 million euro, to 1.2 million euro, due to higher real estate sales (including residential, other than City Flats/City Lofts, retail facilities and plots of land).

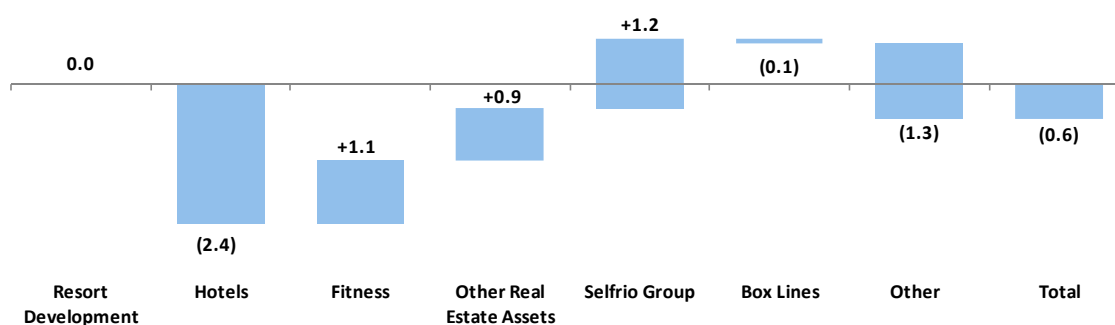
The Selfrio Group's contribution to consolidated turnover decreased 0.4 million euro to 16.6 million euro, driven by a decrease in contribution from the HVAC business of around 1.2 million euro. The Cold Engineering and Maintenance services businesses had a positive turnover performance, partially offsetting that decrease.

Box Lines' contribution decreased 1.0 million euro, due to the termination of its international operations business at the end of 2009. On a like for like basis, turnover remained slightly below that in the same quarter last year.

Under other business segments, the following should be highlighted:

- Energy and Environment business area, at an early stage of operations, contributed 1.1 million euro to consolidated turnover, led by the cogeneration business unit, which was acquired in September 2009;
- Residential Property Development (currently under SC Assets), which grew its contribution by 0.6 million euro to 0.8 million euro, due to the 4 City Flats/City Lofts sales deeds which were signed in the first quarter of 2010, compared to 1 sales deed signed in the first quarter of 2009;
- Decrease of 0.2 million euro in Atlantic Ferries' contribution, to 0.6 million euro, following the 31% decrease in total traffic, both in terms of number of passengers and vehicles.

Consolidated operational cash-flow (EBITDA) for the first three months of the year was negative 0.6 million euro (positive 24.3 million euro), with the main contributions being:



Resort development made a zero contribution to consolidated operational cash-flow (EBITDA), a 25.3 million euro decrease, due to the significantly lower number of sales deeds in the quarter compared to those in the same quarter in 2009.

The contribution from Hotels improved 18% to negative 2.4 million euro, driven by operational improvements in both the Porto Palácio Hotel and Aqualuz Tróia Aparthotels, as a result of cost optimisation, streamlining of operations and implementation of a centralized management team with responsibility for all hotel units. The Aqualuz Lagos contribution decreased 0.1 million euro to negative 0.5 million euro.

The Fitness business was able to increase profitability, despite pressures on private consumption, capitalising on value added services. Its contribution to consolidated operational cash-flow (EBITDA) increased 21% to 1.1 million euro.

The contribution of Other Real Estate Assets amounted to 0.9 million euro, in line with the previous year's figure.



Selfrio Group's contribution decreased slightly in the quarter to 1.2 million euro (1.3 million euro), reflecting lower profitability in both the commercial and industrial refrigeration business segments.

Box Lines' contribution to consolidated operational cash-flow (EBITDA) remained in line with the previous year's figure at negative 0.1 million euro.

Other contributions worth mentioning include:

- Energy and Environment business area, with a 0.1 million euro contribution, up 0.2 million euro, most of which is explained by the contribution of the cogeneration business unit;
- Residential Property Development, improved its contribution to consolidated operational cash-flow (EBITDA) by 0.2 million euro, to negative 0.1 million euro, reflecting the margin on the 4 City Flats/City Lofts sold during the quarter;
- Atlantic Ferries decreased its contribution to consolidated operational cash-flow (EBITDA) by 0.3 million euro, to negative 0.6 million euro, as a result of the decrease in the number of tickets sold.

Depreciation and amortisation increased 19% to 3.4 million euro, as result of:

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

Provisions and impairment losses for the quarter include costs relating to the overall upgrade of **troiaresort** and infrastructures built during the development phase, assigned to real estate projects for sale in the Central and Beach areas (UNOP's 1 and 2), which will be expensed as the revenue from sales of those residential units is recorded. Thus, the amount of provisions and impairment losses recorded in the quarter includes 0.8 million euro associated with assets for which impairment losses had already been recorded in previous quarters (expensed following the sale of 7 residential units in the first quarter of 2010) and 0.7 million euro associated with assets for which impairment losses were recorded for the first time (expensed following the sale of 206 residential units up to the end of the first quarter of 2010). Around 0.7 million euro were booked in the quarter as provisions and impairment losses for other real estate assets.

Net financial expenses decreased 37% to 2.1 million euro, as a result of a significant decrease in the average cost of debt following the sharp fall in market interest rates and in the Refi interest rate, the latter set by the European Central Bank.

Results of associated undertakings amounted to positive 0.5 million euro in the quarter, and included 0.5 million euro from TP and 0.6 million euro from the Imosede Fund, the latter accounted for under the full consolidation method as at 31 March 2009.

Investment income for the quarter was negative 0.6 million euro, explained by the sale of Essences Fines, which generated a 1.5 million euro capital gain, and from 2.1 million euro impairment losses on shareholdings in associated undertakings, which were accounted for in the quarter.

As a result of the poorer operational performance, profit before taxation for the quarter was 24.4 million euro lower than that in the first quarter of 2009, amounting to negative 8.3 million euro.

Net profit for the quarter decreased 15.0 million euro to negative 5.2 million euro, taking into consideration the higher level of deferred tax assets arising from impairment losses and from tax losses carried forward.

### 3.2 Consolidated Balance Sheet

Values in 10<sup>3</sup> euro

	31.03.2010	31.12.2009	Δ
Tangible and Intangible Assets	283,742.7	291,421.5	-2.6%
Goodwill	61,350.0	61,350.0	0.0%
Non-Current Investments	70,333.9	71,837.9	-2.1%
Other Non-Current Assets	40,241.8	36,243.0	+11.0%
Stocks	223,691.5	227,548.6	-1.7%
Trade Debtors and Other Current Assets	70,100.0	78,560.6	-10.8%
Cash and Cash Equivalents	4,130.8	2,805.3	+47.3%
<b>Total Assets</b>	<b>753,590.5</b>	<b>769,766.7</b>	<b>-2.1%</b>
Total Equity attributable to Equity Holders of Sonae Capital	327,823.2	333,620.1	-1.7%
Total Equity attributable to Non-Controlling Interests	11,313.8	11,319.2	0.0%
<b>Total Equity</b>	<b>339,137.0</b>	<b>344,939.4</b>	<b>-1.7%</b>
Non-Current Borrowings	236,715.6	235,922.5	+0.3%
Deferred Tax Liabilities	3,233.3	3,143.0	+2.9%
Other Non-Current Liabilities	40,316.2	40,815.6	-1.2%
<b>Non-Current Liabilities</b>	<b>280,265.1</b>	<b>279,881.1</b>	<b>+0.1%</b>
Current Borrowings	51,168.4	44,800.6	+14.2%
Trade Creditors and Other Current Liabilities	81,841.0	97,766.6	-16.3%
Provisions	1,179.0	2,379.0	-50.4%
<b>Current Liabilities</b>	<b>134,188.4</b>	<b>144,946.2</b>	<b>-7.4%</b>
<b>Total Liabilities</b>	<b>414,453.5</b>	<b>424,827.3</b>	<b>-2.4%</b>
<b>Total Equity and Liabilities</b>	<b>753,590.5</b>	<b>769,766.7</b>	<b>-2.1%</b>

Capex in the quarter amounted to 1.0 million euro, significantly lower than last year's levels, as a result of the implementation of a stricter investment policy. Fitness was the sole major contributor to Capex, accounting for 0.4 million euro. Spread businesses contributed 0.3 million euro, divided between Atlantic Ferries and the Selfrio Group. troiaresort's small 0.1 million euro contribution follows the conclusion of major projects within UNOP's 1 and 2 in 2009.

Investment, recorded as changes in work in progress for real estate projects under development, amounted to 1.1 million euro (0.7 in **troiaresort** and 0.4 in Efanor), with the conclusion of the Ácala building being the most significant contributor in the quarter.

As at 31 March 2010, net debt amounted to 283.8 million euro, an increase of 5.9 million euro over that at 31 December 2009.

Gearing reached 83.7% (80.6% as at 31 December 2009) and interest cover for the last 12 months was 3.9 (5.6 as at 31 December 2009).

## 4. Appendix

### 4.1. Contributions Per Business Area

Values in 10<sup>3</sup> euro

	Turnover			Operational Cash-Flow (EBITDA)		
	1Q 10	1Q 09	Δ	1Q 10	1Q 09	Δ
Tourism Operations	11,684.8	63,009.4	-81.5%	-1,543.8	22,986.8	-
Resort Development	3,973.8	54,997.6	-92.8%	9.7	25,308.9	-100.0%
Resort Management (Golf, Marina and Market)	209.5	283.6	-26.1%	-294.7	-279.7	-5.3%
Hotels	2,182.4	2,546.1	-14.3%	-2,357.8	-2,869.1	+17.8%
Fitness	4,706.9	4,598.9	+2.3%	1,055.3	873.8	+20.8%
Entertainment	612.1	583.3	+5.0%	43.6	-47.2	-
Other	0.7	0.3	>100%	17.8	29.0	-38.4%
<b>Turismo's contribution</b>	<b>11,685.5</b>	<b>63,009.7</b>	<b>-81.5%</b>	<b>-1,526.0</b>	<b>23,015.7</b>	<b>-</b>
Residential Property Development	837.6	160.5	>100%	-77.5	-268.8	+71.2%
Efanor	40.0	34.5	+16.0%	-73.9	-31.0	<-100%
City Flats	540.6	125.6	>100%	90.5	10.8	>100%
Other	256.9	0.4	>100%	-94.2	-248.7	+62.1%
Other Real Estate Assets	1,200.7	707.0	+69.8%	915.5	1,048.1	-12.6%
Other	0.0	1,006.2	-	-12.3	815.0	-
<b>SC Assets's contribution</b>	<b>2,038.2</b>	<b>1,873.8</b>	<b>8.8%</b>	<b>825.7</b>	<b>1,594.2</b>	<b>-48.2%</b>
Atlantic Ferries	571.0	831.1	-31.3%	-617.3	-316.9	-94.8%
Box Lines	8,435.8	9,477.5	-11.0%	-51.3	-114.2	+55.0%
Selfrio Group	16,558.4	16,974.2	-2.4%	1,161.9	1,304.5	-10.9%
Other	2,809.7	3,837.1	-26.8%	-154.5	-245.9	+37.2%
<b>Spred's contribution</b>	<b>28,374.9</b>	<b>31,120.0</b>	<b>-8.8%</b>	<b>338.8</b>	<b>627.5</b>	<b>-46.0%</b>

## 4.2. Operational Data

### Sales data

troiaresort sales information as at 19 May 2010

	Promissory Purchase Agreements			# Deeds			Total # Units (Sold + Pre Sold)	% of Total
	# <sup>1</sup>	Area <sup>2</sup>	Price <sup>3</sup>	#	Area <sup>2</sup>	Price <sup>3</sup>		
Beach Apartments [211 units]	1	135.7	3,832	136	126.6	4,061	137	65%
Marina Apartments [78 units]	1	103.1	3,870	45	83.8	3,886	46	59%
Beach, Lake and Golf Land Plots <sup>4</sup> [96 units]	0	0.0	0	31	2,038.5	544	31	32%
Aqualuz troiamar [35 units]	0	0.0	0	1	87.7	4,002	1	3%
Aqualuz troialagoa [40 units]	0	0.0	0	1	171.0	4,678	1	3%
troiaresort Village [90 units]	0	0.0	0	0	0.0	0	0	0%
Ácala Building [71 units]	0	0.0	0	0	0.0	0	0	0%

<sup>1</sup> Number of pre sold units (Promissory Purchase Agreement) net of units with deeds already signed.

<sup>2</sup> Average areas (m<sup>2</sup>), including indoor areas as well as balcony and terrace areas.

<sup>3</sup> Average sales price (€/m<sup>2</sup>).

<sup>4</sup> Average sales price of the plot of land, since the buyer is responsible for construction. All plots have an approved GCA of 343.8 m<sup>2</sup>.

Since the last reporting date (23 March 2010) and up to 19 May 2010, 8 sales deeds for Beach apartments were signed (one of which with an underlying PPA, signed before 23 March 2010). Out of these 8 sales deeds, 7 Beach apartments were sold to building companies, as part of agreements signed regarding the payment of construction works at troiaresort.

Up to 19 May 2010, there are 3 outstanding reservations for apartment units at troiaresort, 1 regarding Beach apartments and 2 regarding troiavillage townhouses.

### Sales data

Residential Development sales information as at 19 May 2010

	Apartments Sold <sup>1</sup>	Average Area (m <sup>2</sup> ) <sup>2</sup>	Average sales price (€/m <sup>2</sup> )	Rentals <sup>3</sup>
City Flats / Lofts [212 units]	99	50.5	2,008	34
Efanor - Delfim Pereira da Costa Building [40 units]	0	0	0	n.a.

<sup>1</sup> 97 sales deeds already signed.

<sup>2</sup> Includes indoor area as well as balcony and terrace areas.

<sup>3</sup> 4 of these rental contracts have an embedded purchase option.

n.a. - not applicable.

From the date of the last report up to 19 May 2010, City Flats/Lofts apartments sold decreased by 1 unit, as a result of an exchange for an apartment in another SC Assets residential condominium.

Rental yields		31 March 2010	Capital employed in Other Real Estate Assets (M.€)		31 March 2010
		Yield			Capital employed
Warehouses		8.9%	Assets for sale		28.5
Offices		11.9%	Assets under operation		191.8
Retail		6.0%	Real estate projects		113.9
Parking		2.0%	Other assets		29.2
Residential*		6.1%			
Hotels		5.3%	Total		363.4

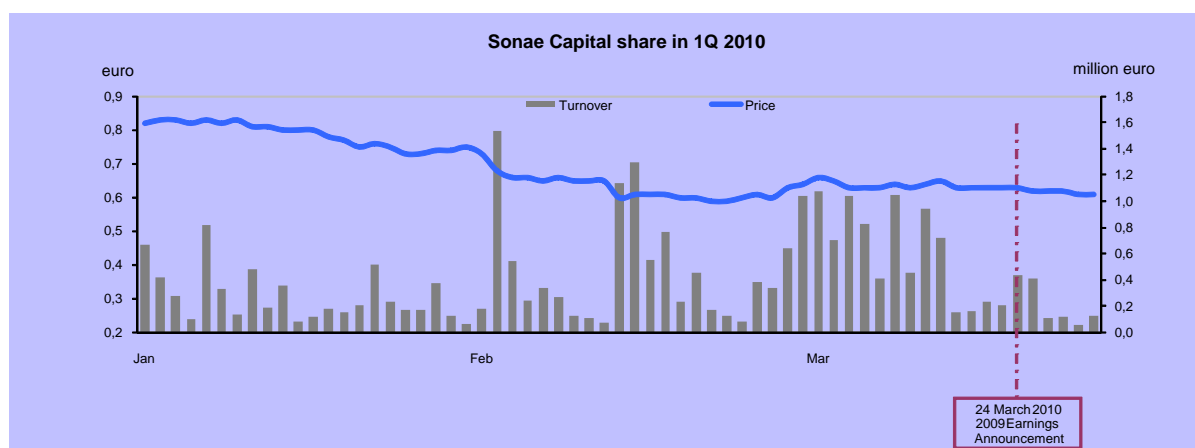
\* Excluding the Duque de Loulé project, where rental activity is being discontinued.

## 5. Share Price Performance

Since the beginning of the year and until the end of the first quarter 2010, the share price of Sonae Capital (SONAC LS; SONC.PL) decreased 26.5% compared to a decrease of 4.3% in the Portuguese Stock Market reference index (PSI-20).

Up to 19 May 2010, Sonae Capital's share price decreased 41.0%, closing at 0.49€, compared to an 18.2% decrease in the PSI-20.

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



Maia, 20 May 2010

The Board of Directors,



## Glossary

- Average Daily Revenue = Lodging Revenues / Number of rooms sold.
- Capex = Investment in Tangible and Intangible Assets.
- GCA (Gross Construction Area) = Area measured by the exterior perimeter of the exterior walls.
- Gearing = Net Debt / Equity.
- HVAC = Heating, Ventilation and Air Conditioning
- Interest Cover Ratio = EBITDA (last 12 months) / Financial Charges.
- Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.
- Operational Cash-Flow (EBITDA) = Operational Profit (EBIT) + Amortisation and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Cost of Goods Sold) – Reversal of Impairment Losses and Provisions (included in Other Operating Income).
- PPA = Promissory Purchase Agreement
- UNOP (Operational Planning Unit) = Planning and management operational units as set out by the Tróia Urbanisation Plan through Cabinet Resolution nr. 23/2000.

# **CONSOLIDATED FINANCIAL STATEMENTS**

## **31 MARCH 2010**

*(Translation from the Portuguese Original)*

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010 AND 31 DECEMBER 2009

(Amounts expressed in euro)

ASSETS	Notes	31 March 2010	31 December 2009
<b>NON-CURRENT ASSETS:</b>			
Tangible assets	8	276,255,495	283,922,679
Intangible assets	8	7,487,158	7,498,780
Goodwill	9	61,349,970	61,349,970
Investments in associated companies	5	69,155,061	69,233,729
Other investments	6 and 10	1,178,799	2,604,144
Deferred tax assets	14	14,758,913	10,643,346
Other non-current assets	11	25,482,861	25,599,607
Total Non-Current Assets		<u>455,668,257</u>	<u>460,852,255</u>
<b>CURRENT ASSETS:</b>			
Stocks	12	223,691,481	227,548,617
Trade account receivables and other current assets	13	70,099,950	78,560,576
Investments held for trading		-	-
Cash and cash equivalents	15	4,130,792	2,805,280
Total Current Assets		<u>297,922,223</u>	<u>308,914,473</u>
<b>TOTAL ASSETS</b>		<u><b>753,590,480</b></u>	<u><b>769,766,728</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	16	250,000,000	250,000,000
Reserves and retained earnings		83,029,656	60,545,880
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		(5,206,448)	23,074,268
Equity attributable to the equity holders of Sonae Capital		<u>327,823,208</u>	<u>333,620,148</u>
Equity attributable to non-controlling interests	17	11,313,776	11,319,241
<b>TOTAL EQUITY</b>		<u><b>339,136,984</b></u>	<u><b>344,939,389</b></u>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Bank loans	18	236,715,601	235,922,518
Other non-current liabilities	20	37,082,233	36,820,270
Deferred tax liabilities	14	3,233,253	3,142,990
Provisions	23	3,233,974	3,995,369
Total Non-Current Liabilities		<u>280,265,061</u>	<u>279,881,147</u>
<b>CURRENT LIABILITIES:</b>			
Bank loans	18	51,168,443	44,800,559
Trade creditors and other non-current liabilities	22	81,840,990	97,766,631
Provisions	23	1,179,002	2,379,002
Total Current Liabilities		<u>134,188,435</u>	<u>144,946,192</u>
<b>TOTAL LIABILITIES</b>		<u><b>414,453,496</b></u>	<u><b>424,827,339</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>753,590,480</b></u>	<u><b>769,766,728</b></u>

The accompanying notes are part of these consolidated financial statements.

The Board of Directors



SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

(Amounts expressed in euro)

	Notes	31 March 2010	31 March 2009		
			Continued Operations	Discontinued Operations	Total Operations
Operational income					
Sales		20,121,793	71,903,447	-	71,903,447
Services rendered		22,009,657	24,146,519	-	24,146,519
Other operational income		1,446,580	2,139,022	-	2,139,022
Total operational income		43,578,030	98,188,988	-	98,188,988
Operational expenses					
Cost of goods sold and materials consumed		(6,759,995)	(10,858,086)	-	(10,858,086)
Changes in stocks of finished goods and work in progress		(3,096,522)	(22,195,761)	-	(22,195,761)
External supplies and services		(21,957,537)	(28,101,695)	(1,155)	(28,102,850)
Staff costs		(11,268,862)	(11,390,050)	-	(11,390,050)
Depreciation and amortisation	8	(3,364,121)	(2,821,867)	-	(2,821,867)
Provisions and impairment losses	8	(2,116,708)	(2,584,266)	-	(2,584,266)
Other operational expenses		(1,072,873)	(1,139,724)	(87)	(1,139,811)
Total operational expenses		(49,636,618)	(79,091,449)	(1,242)	(79,092,691)
Operational profit/(loss)		(6,058,588)	19,097,539	(1,242)	19,096,297
Financial expenses		(2,659,098)	(4,075,379)	(559,565)	(4,634,944)
Financial income		521,841	707,313	-	707,313
Net financial expenses		(2,137,257)	(3,368,066)	(559,565)	(3,927,631)
Share of results of associated undertakings	5	477,111	354,234	-	354,234
Investment income		(604,507)	-	-	-
Profit/(Loss) before taxation		(8,323,241)	16,083,707	(560,807)	15,522,900
Taxation	26	3,105,487	(6,238,139)	(464)	(6,238,603)
Profit/(Loss) for the period	27	(5,217,754)	9,845,568	(561,271)	9,284,297
Attributable to:		(5,206,448)	9,684,721	(561,271)	9,123,450
Equity holders of Sonae Capital	17	(11,306)	160,847	-	160,847
Non-controlling interests					
Profit/(Loss) per share					
Basic	28	(0.020826)	0.038739	(0.002245)	0.036494
Diluted	28	(0.020826)	0.038739	(0.002245)	0.036494

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

(Amounts expressed in euro)

	31 March 2010	31 March 2009		
		Continued Operations	Discontinued Operations	Total Operations
Consolidated net profit/(loss) for the period	(5,217,754)	9,845,568	(561,271)	9,284,297
Exchange differences on translating foreign operations	54,879	194,138	-	194,138
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	14,645	122,918	-	122,918
Change in the fair value of assets available for sale	-	713,971	-	713,971
Change in the fair value of cash flow hedging derivatives	(847,831)	151,553	-	151,553
Other comprehensive income for the period	(778,307)	1,182,580	-	1,182,580
Total comprehensive income for the period	(5,996,061)	11,028,148	(561,271)	10,466,877
Attributable to:				
Equity holders of Sonae Capital	(5,992,709)	10,846,496	(561,271)	10,285,225
Non-controlling interests	(3,352)	181,652	-	181,652

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE CAPITAL SGPS, SA  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

(Amounts expressed in euro)

Notes	Attributable to Equity Holders of Sonae Capital							Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
	Share Capital	Demerger Reserve	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves and Retained Earnings	Sub total				
Balance as at 1 January 2009	250,000,000	132,638,253	(1,801,935)	1,952,931	(304,749)	(97,032,344)	285,452,156	21,393,605	306,845,761	49,319,413	356,165,174
Total consolidated comprehensive income for the period	-	-	173,333	713,971	151,553	122,918	1,161,775	9,123,450	10,285,225	181,652	10,466,877
Appropriation of profit of 2008:											
Transfer to legal reserves and retained earnings	-	-	-	-	-	21,393,605	21,393,605	(21,393,605)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(8,901)	(8,901)	-	(8,901)	(13,916)	(22,817)
Balance as at 31 March 2009	<u>250,000,000</u>	<u>132,638,253</u>	<u>(1,628,602)</u>	<u>2,666,902</u>	<u>(153,196)</u>	<u>(75,524,722)</u>	<u>307,998,635</u>	<u>9,123,450</u>	<u>317,122,085</u>	<u>49,487,149</u>	<u>366,609,234</u>
Balance as at 1 January 2010	250,000,000	132,638,253	(1,239,053)	-	-	(70,853,320)	310,545,880	23,074,268	333,620,148	11,319,241	344,939,389
Total consolidated comprehensive income for the period	-	-	38,415	-	(839,321)	14,645	(786,261)	(5,206,448)	(5,992,709)	(3,352)	(5,996,061)
Appropriation of profit of 2009:											
Transfer to legal reserves and retained earnings	-	-	-	-	-	23,074,268	23,074,268	(23,074,268)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	195,769	195,769	-	195,769	(2,113)	193,656
Balance as at 31 March 2010	<u>250,000,000</u>	<u>132,638,253</u>	<u>(1,200,638)</u>	<u>-</u>	<u>(839,321)</u>	<u>(47,568,638)</u>	<u>333,029,656</u>	<u>(5,206,448)</u>	<u>327,823,208</u>	<u>11,313,776</u>	<u>339,136,984</u>

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

(Amounts expressed in euro)

	<u>Notes</u>	<u>31 March 2010</u>	<u>31 March 2009</u>
<u>OPERATING ACTIVITIES</u>			
Cash receipts from trade debtors		49,643,821	84,600,454
Cash paid to trade creditors		(39,339,825)	(43,318,779)
Cash paid to employees		(10,767,262)	(10,218,954)
Cash flow generated by operations		<u>(463,266)</u>	<u>31,062,721</u>
Income taxes (paid) / received		(686,010)	(1,816,497)
Other cash receipts / (payments) relating to operating activities		(1,897,347)	(4,820,522)
Net cash flow from operating activities [1]		<u>(3,046,623)</u>	<u>24,425,702</u>
<u>INVESTMENT ACTIVITIES</u>			
Cash receipts arising from:			
Investments		363,547	-
Tangible assets		738,161	271,452
Interest and similar income		642,476	91,076
Loans granted		2,057,955	-
Dividends		26,486	-
		<u>3,828,625</u>	<u>362,528</u>
Cash Payments arising from:			
Investments		(618,846)	(163,500)
Tangible assets		(1,740,294)	(21,981,669)
Intangible assets		(28,130)	(545,575)
Loans granted		(12,000)	(2,007,750)
Others		-	(614,480)
		<u>(2,399,270)</u>	<u>(25,312,974)</u>
Net cash used in investment activities [2]		<u>1,429,355</u>	<u>(24,950,446)</u>
<u>FINANCING ACTIVITIES</u>			
Cash receipts arising from:			
Loans obtained		7,236,630	6,138,455
Others		-	-
		<u>7,236,630</u>	<u>6,138,455</u>
Cash Payments arising from:			
Loans obtained		(285,345)	(12,044,141)
Interest and similar charges		(3,259,015)	(4,031,529)
Others		(815,522)	-
		<u>(4,359,882)</u>	<u>(16,075,670)</u>
Net cash used in financing activities [3]		<u>2,876,748</u>	<u>(9,937,215)</u>
Net increase / (decrease) in cash and cash equivalents [4] = [1]+[2]+[3]		<u>1,259,480</u>	<u>(10,461,959)</u>
Effect of foreign exchange rate		(16,087)	(28,139)
Cash and cash equivalents at the beginning of the period	15	<u>1,943,023</u>	<u>16,960,564</u>
Cash and cash equivalents at the end of the period	15	<u>3,218,590</u>	<u>6,526,744</u>

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2010

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

(Amounts expressed in euro)

1. INTRODUCTION

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

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

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

## 2. MAIN ACCOUNTING POLICIES

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

### **Basis of preparation**

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

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

## 3. CHANGES IN ACCOUNTING POLICIES

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

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

#### 4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

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

Company	Head Office	Percentage of capital held			
		31 March 2010		31 December 2009	
		Direct	Total	Direct	Total
<b>Sonae Capital SGPS, SA</b>	Maia	Holding	Holding	Holding	Holding
<b>Tourism</b>					
Aqualuz - Turismo e Lazer, Lda	a) Lagos	100.00%	100.00%	100.00%	100.00%
Casa da Ribeira - Hotelaria e Turismo, SA	a) Marco de Canaveses	100.00%	100.00%	100.00%	100.00%
Golf Time - Golfe e Inv.Turísticos, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Imoareia Investimentos Turísticos, SGPS, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Imopenínsula - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Imoresort - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Investalentejo, SGPS, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marimo -Exploração Hoteleira Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marina de Tróia, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marina Magic - Exploração de Centros Lúd, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Marmagno-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Martimope - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Marvero-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Modus Faciendi – Gestão e Serviços, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
SII - Soberana Investimentos Imobiliários, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Sete e Meio - Investimentos e Consultadoria, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Solinca - Health & Fitness, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Solinca-Investimentos Turísticos, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Solinfitness - Club Malaga, SL	a) Malaga (Spain)	100.00%	100.00%	100.00%	100.00%
Soltroia-Imob.de Urb.Turismo de Tróia, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Sonae Turismo - SGPS, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Sontur, BV	a) Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Tróia Market, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Tróia Natura, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Troiareort - Investimentos Turísticos, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Troiaverde-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Tulipamar-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
<b>Assets</b>					
1) Bloco Q-Sociedade Imobiliária, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
1) Bloco W-Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
1) Empreend.Imob.Quinta da Azenha, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
1) Centro Residencial da Maia,Urban., SA	a) Porto	100.00%	100.00%	100.00%	100.00%
1) Cinclus Imobiliária, SA	a) Porto	100.00%	87.74%	100.00%	87.74%



1)	Country Club da Maia-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Imobiliária da Cacela, SA	a)	Matosinhos	100.00%	87.74%	100.00%	87.74%
1)	Imoclub-Serviços Imobiliários, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Imodivor - Sociedade Imobiliária, SA	a)	Maia	100.00%	87.74%	100.00%	87.74%
1)	Imoferro-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Imohotel-Emp.Turist.Imobiliários, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Imoponte-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Imosedas-Imobiliária e Serviços, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Implantação – Imobiliária, SA	a)	Matosinhos	100.00%	87.74%	100.00%	87.74%
1)	Porturbe-Edifícios e Urbanizações, SA	a)	Maia	100.00%	87.74%	100.00%	87.74%
1)	Praedium II-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Praedium – Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Praedium-SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
1)	Prédios Privados Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Predisedas-Predial das Sedas, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Promessa Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	SC Assets, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
1)	Soconstrução, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
1)	Soira-Soc.Imobiliária de Ramalde, SA	a)	Porto	100.00%	87.74%	100.00%	87.74%
1)	Sótaqua - Soc. de Empreendimentos Turísticos, SA	a)	Maia	100.00%	87.74%	100.00%	87.74%
1)	Spinveste - Promoção Imobiliária, SA	a)	Porto	87.74%	87.74%	87.74%	87.74%
1)	Spinveste-Gestão Imobiliária SGII, SA	a)	Porto	87.74%	87.74%	87.74%	87.74%
1)	Torre São Gabriel-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Urbisedas-Imobiliária das Sedas, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Venda Aluga-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Vistas do Freixo-Emp.Tur.imobiliários,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
1)	World Trade Center Porto, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%

#### Spred

Atlantic Ferries - Traf.Loc.Flu.e Marit., SA	a)	Grândola	80.00%	80.00%	80.00%	80.00%
Box Lines Navegação, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Contacto Concessões, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Cronosaúde – Gestão Hospitalar, SA	a)	Porto	100.00%	50.00%	100.00%	50.00%
Ecociclo II – Energias, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Friengineering, SA	a)	São Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Integrum-Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Integrum-Serviços Partilhados, SA	a)	Maia	100.00%	70.00%	100.00%	70.00%
Invsaúde – Gestão Hospitalar, SA	a)	Maia	100.00%	50.00%	100.00%	50.00%
PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
Saúde Atlântica - Gestão Hospitalar, SA	a)	Maia	50.00%	50.00%	50.00%	50.00%
SC - Engenharia e Promoção Imobiliária, SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Selfrio, SGPS, SA	a)	Matosinhos	70.00%	70.00%	70.00%	70.00%



Selfrio-Engenharia do Frio, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
Sistavac-Sist.Aquecimento,V.Ar C., SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
SKK Distribucion de Refrigeración, S.R.L.	a)	Spain	100.00%	70.00%	100.00%	70.00%
SKK-Central de Distr., SA	a)	Porto	100.00%	70.00%	100.00%	70.00%
SKKFOR - Ser. For. e Desen. de Recursos, SA	a)	Maia	100.00%	70.00%	100.00%	70.00%
SMP-Serv. de Manutenção Planeamento, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
Société de Tranchage Isoroy SAS	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
2) Société des Essences Fines Isoroy	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
Sopair, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	70.00%
Spred SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

#### Others

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

a) Majority of voting rights

- 1) Company incorporated in the Tourism segment in 2009
- 2) Company sold in the period

## 5. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

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

Company	Head Office	Percentage of capital held				Book Value	
		31 March 2010		31 December 2009		31 March 2010	31 December 2009
		Direct	Total	Direct	Total		
<b>Tourism</b>							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	988,500	1,023,043
Sociedade de Construções do Chile, SA	Lisbon	100.00%	50.00%	100.00%	50.00%	-	-
Fundo de Investimento Imobiliário Fechado Imosede	Maia	45.45%	45.45%	45.45%	45.45%	53,406,291	52,802,751
Sociedade Imobiliária Tróia - B3, SA	Grândola	20.00%	20.00%	20.00%	20.00%	443,557	440,476
Vastgoed One - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Vastgoed Sun - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
<b>Spred</b>							
Cinclus-Plan. e Gestão de Projectos. SA	Porto	25.00%	25.00%	25.00%	25.00%	698,110	662.209

Change, SGPS, SA	Porto	50.00%	50.00%	50.00%	50.00%	77,299	1.186.964
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	531,469	597.067
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	-	-
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24.000
Sodesa, SA	Lisbon	50.00%	50.00%	50.00%	50.00%	20,323	24.890
TP - Sociedade Térmica, SA	Porto	50.00%	50.00%	50.00%	50.00%	12,965,512	12.472.327
Total						69,155,061	69,233,729

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

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

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

	31 March 2010	31 December 2009
Total Assets	1,625,888,477	1,650,136,557
Total Liabilities	1,449,766,849	1,468,288,692
Income	48,856,854	182,413,148
Expenses	46,482,435	190,184,798

During the periods ended 31 March 2010 and 2009, movements in investments in associated companies may be summarised as follows:

	31 March 2010	31 March 2009
Opening balance as at 1 January	69,233,729	14,882,648
Acquisitions in the period	48,880	163,500
Changes in the consolidation method during the period	(592,817)	-
Disposals in the period	-	-
Equity method	491,755	477,152
Dividends received	(26,486)	-
Transfers	-	-
Closing balance as at 31 March	69,155,061	15,523,300
Consolidation differences transferred to investments	-	-
	69,155,061	15,523,300

The use of the equity method had the following impacts: 477,111 euro are recorded in Share of results of associated undertakings (354,234 euro at 31 March 2009) and 14,644 of other changes recorded in Reserves (122,918 euro at 31 March 2009).

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

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

Company	Reason for exclusion	Head Office	Percentage of capital held				31 March 2010	31 December 2009
			31 March 2010		31 December 2009			
			Direct	Total	Direct	Total		
<b>Tourism</b>								
Delphinus – Soc. de Tur. e Div. de Tróia, SA	a)	Grândola	79.00%	79.00%	79.00%	79.00%	-	-
Infracast. De Troia, E.N.	a)	Grândola	25.90%	25.90%	25.90%	25.90%	64,750	64,747
Spidouro S.P.E.I. Douro e Trás-os-Montes, SA		Vila Real	8.30%	8.30%	8.30%	8.30%	-	-
<b>Spred</b>								
Net, SA		Lisbon	2.80%	2.80%	2.80%	2.80%	11,132	11,132
Sear - Sociedade Europeia de Arroz, SA		Santiago do Cacém	15.00%	15.00%	15.00%	15.00%	150,031	150,031
Real Change FCR - Fundo		Porto	13.33%	13.33%	13.33%	13.33%	267,000	1,706,667
Fundo de Capital de Risco F-HITEC		Lisbon	7.14%	7.14%	7.14%	7.14%	250,000	250,000
Other investments							435,886	421,567
Total (Note 10)							1,178,799	2,604,144

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

Nil balances shown above result from deduction of impairment losses.

7. CHANGES TO THE CONSOLIDATION PERIMETER

Disposals of companies over the three month period ended 31 March 2010 were as follows:

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

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

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

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

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

## 8. TANGIBLE AND INTANGIBLE FIXED ASSETS

During the three months period ended 31 March 2010, movements in tangible and intangible fixed assets, as well as in amortisation and accumulated impairment losses, are made up as follows:

	Tangible Assets				
	Land and Buildings	Equipment	Other Tangible Assets	Assets in progress	Total Tangible Assets
<b>Gross Cost:</b>					
Opening balance as at 1 January 2010	206,122,259	126,089,177	3,764,326	30,525,157	366,500,919
Changes in consolidation perimeter (Note 7)	(4,459,919)	(3,266,870)	(5,950)	-	(7,732,739)
Capital expenditure	595	137,904	-	795,687	934,186
Disposals	(229,693)	(1,025,595)	(7,862)	-	(1,263,150)
Exchange rate effect	14,607	2,205	2,427	-	19,239
Transfers	370,314	386,521	(201,387)	(3,049,562)	(2,494,114)
<b>Closing balance as at 31 March 2010</b>	<b>201,818,163</b>	<b>122,323,342</b>	<b>3,551,554</b>	<b>28,271,282</b>	<b>355,964,341</b>
<b>Accumulated depreciation and impairment losses:</b>					
Opening balance as at 1 January 2010	45,544,496	34,326,952	2,706,792	-	82,578,240
Changes in consolidation perimeter (Note 7)	(4,459,919)	(3,266,870)	(5,950)	-	(7,732,739)
Charge for the period 1)	2,933,402	2,391,742	56,530	-	5,381,674
Disposals	(19,582)	(331,001)	(7,230)	-	(357,813)
Exchange rate effect	3,393	1,728	1,556	-	6,677
Transfers	1,531	(3,093)	(165,631)	-	(167,193)
<b>Closing balance as at 31 March 2010</b>	<b>44,003,321</b>	<b>33,119,458</b>	<b>2,586,067</b>	<b>-</b>	<b>79,708,846</b>
<b>Carrying amount as at 31 March 2010</b>	<b>157,814,842</b>	<b>89,203,884</b>	<b>965,487</b>	<b>28,271,282</b>	<b>276,255,495</b>

1) Includes impairment losses on tangible assets amounting to 2,116,445 euro.

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

	31 March 2010
Tróia	19,925,434
Infrastructures in Setúbal piers and other related with the ferry crossing to Tróia	509,965
Boavista complex refurbishment	3,213,978
Tróia hotels refurbishment	3,446,324
Others	1,175,581
	<u>28,271,282</u>

	Intangible assets			
	Patents and other similar rights	Software	Other intangible assets	Assets in progress
<b>Gross cost:</b>				
Opening balance as at 1 January 2010	7,446,843	2,716,769	37,262	100,915
Changes in consolidation perimeter (Note 7)	-	-	-	-
Capital expenditure	-	2,990	-	28,285
Disposals	(1,613)	-	(23,863)	-
Exchange rate effect	-	847	-	-
Transfers	-	343,957	-	(118,433)
<b>Closing balance as at 31 March 2010</b>	<u>7,445,230</u>	<u>3,064,563</u>	<u>13,399</u>	<u>10,767</u>
<b>Accumulated depreciation and impairment losses:</b>				
Opening balance as at 1 January 2010	692,598	2,073,376	37,035	-
Changes in consolidation perimeter (Note 7)	-	-	-	-
Charge for the period 1)	40,799	57,867	227	-
Disposals	(1,613)	-	(23,863)	-
Exchange rate effect	-	485	-	-
Transfers	(1)	169,891	-	-
<b>Closing balance as at 31 March 2010</b>	<u>731,783</u>	<u>2,301,619</u>	<u>13,399</u>	<u>-</u>
<b>Carrying amount as at 31 March 2010</b>	<u>6,713,447</u>	<u>762,944</u>	<u>-</u>	<u>10,767</u>

## 9. GOODWILL

During the three months period ended 31 March 2010, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	31 March 2010
<b>Gross amount:</b>	
Opening balance	62,651,566
Increases - acquisition of companies	-
Decreases - disposal of companies	-
<b>Closing balance</b>	<u>62,651,566</u>
<b>Accumulated impairment losses:</b>	
Opening balance	1,301,596
Increases	-
Decreases	-
<b>Closing balance</b>	<u>1,301,596</u>
<b>Carrying amount:</b>	<u>61,349,970</u>

## 10. INVESTMENTS

As at 31 March 2010 this caption can be detailed as follows:

	31 March 2010	
	Non current	Current
<b><u>Investments in group companies, jointly controlled companies or associated companies excluded from consolidation</u></b>		
Opening balance as at 1 January	8,229,277	-
Acquisitions in the period	557,466	-
Disposals in the period	(620,605)	-
Transfers	-	-
Closing balance as at 31 March	8,166,138	-
Accumulated impairment losses (Note 23)	(7,707,935)	-
	<u>458,203</u>	<u>-</u>
<b><u>Investments held for sale</u></b>		
Fair value as at 1 January	2,289,261	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Increase/(decrease) in fair value	-	-
Liquidations in the period	-	-
Fair value as at 31 March	2,289,261	-
Accumulated impairment losses (Note 23)	(1,568,665)	-
Fair value (net of impairment losses) as at 31 March	<u>720,596</u>	<u>-</u>
<b><u>Other investments (Note 6)</u></b>	<u>1,178,799</u>	<u>-</u>

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

## 11. OTHER NON CURRENT ASSETS

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

	31 March 2010	31 December 2009
<b><u>Loans granted to related parties</u></b>		
Norscut - Concessionária de Scut Interior Norte, SA	23,837,775	23,837,775
Others	226,587	238,225
	<u>24,064,362</u>	<u>24,076,000</u>
Impairment losses (Note 23)	(99,512)	(34,916)
	<u>23,964,850</u>	<u>24,041,084</u>
<b><u>Trade accounts receivable and other debtors</u></b>		
Others	1,518,011	1,558,523
	<u>1,518,011</u>	<u>1,558,523</u>
Impairment losses (Note 23)	-	-
	<u>1,518,011</u>	<u>1,558,523</u>
<b><u>Other non current assets</u></b>	<u>25,482,861</u>	<u>25,599,607</u>

## 12. STOCKS

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

	31 March 2010		31 December 2009	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,116,133	-	2,371,413	-
Goods for sale	45,109,547	43,048,400	45,133,938	42,966,231
Finished goods	123,405,764	123,405,764	104,620,642	104,502,986
Work in progress	61,730,243	56,548,603	83,212,538	76,428,112
Payments on account	68,459	-	68,459	-
	231,430,146	223,002,767	235,406,990	223,897,329
Accumulated impairment losses on stocks (Note 23)	(7,738,665)	(7,670,206)	(7,858,372)	(7,674,640)
<b>Stocks</b>	<b>223,691,481</b>	<b>215,332,561</b>	<b>227,548,618</b>	<b>216,222,689</b>

## 13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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

	31 March 2010	31 December 2009
<b>Trade accounts receivable</b>	38,858,108	47,929,830
<b>Taxes recoverable</b>	15,142,243	13,276,150
<b>Loans granted and other accounts receivable from related parties</b>		
Sit B3	2,559,886	2,559,886
TP	-	2,000,000
Change, SGPS, SA	2,064,000	2,052,000
Others	184,064	230,381
	4,807,950	6,842,267
<b>Other current assets</b>		
Suppliers with debtor balances	1,007,462	1,137,398
Other debtors	11,458,480	12,746,812
Accounts receivable from the sale of financial investments	26,746,341	27,041,348
Accounts receivable from the sale of tangible assets	146,526	124,232
Interest receivable	407,893	18,716
Deferred costs - Rents	170,370	256,528
Deferred costs - External supplies and services	1,909,795	1,688,111
Other current assets	3,109,133	1,534,041
	44,956,000	44,547,186
Accumulated impairment losses (Note 23)	(33,664,351)	(34,034,857)
<b>Trade accounts receivable and other current assets</b>	<b>70,099,950</b>	<b>78,560,576</b>



#### 14. DEFERRED TAXES

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

	Deferred tax assets		Deferred tax liabilities	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Amortisation and Depreciation harmonisation adjustments	1,292,241	1,249,564	1,099,981	1,031,460
Provisions and impairment losses of non-tax deductible	3,282,857	-	-	-
Write off of tangible and intangible assets	1,421,473	1,446,714	-	-
Write off of accruals	637,598	636,463	-	-
Revaluation of tangible assets	-	-	737,371	741,120
Tax losses carried forward	8,118,590	7,305,682	36,510	-
Write off of stocks	-	-	-	1,138,330
Others	6,154	4,923	1,359,391	232,080
	<u>14,758,913</u>	<u>10,643,346</u>	<u>3,233,253</u>	<u>3,142,990</u>

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

	31 March 2010			31 December 2009		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
<b>With limited time use</b>						
Generated in 2004	58,171	14,543	2010	317,411	79,353	2010
Generated in 2005	3,734,760	933,690	2011	4,289,549	1,072,387	2011
Generated in 2006	7,098,052	1,774,513	2012	7,098,052	1,774,513	2012
Generated in 2007	2,851,068	712,767	2013	2,851,068	712,767	2013
Generated in 2008	6,940,535	1,735,134	2014	6,940,535	1,735,134	2014
Generated in 2009	7,770,683	1,942,671	2015	7,770,683	1,906,161	2015
Generated in 2010	3,892,142	973,036	2016	-	-	2016
	<u>32,345,411</u>	<u>8,086,354</u>		<u>29,267,298</u>	<u>7,280,315</u>	
<b>With a time limit different from the above mentioned</b>						
	129,015	32,236		101,535	25,367	
	<u>129,015</u>	<u>32,236</u>		<u>101,535</u>	<u>25,367</u>	
	<u>32,474,426</u>	<u>8,118,590</u>		<u>29,368,833</u>	<u>7,305,682</u>	

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



As at 31 March 2010, tax losses carried forward amounting to 152,906,655 euro (150,762,305 euro as at 31 December 2009), have not originated deferred tax assets for prudential reasons:

	31 March 2010			31 December 2009		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
<b>With limited time use</b>						
Generated in 2004	2,853,999	699,621	2010	2,905,101	712,395	2010
Generated in 2005	5,604,104	1,337,932	2011	5,733,190	1,370,204	2011
Generated in 2006	10,282,904	2,394,348	2012	11,126,174	2,605,166	2012
Generated in 2007	19,943,792	4,873,948	2013	21,669,751	5,305,437	2013
Generated in 2008	31,452,496	7,630,728	2014	31,452,496	7,630,728	2014
Generated in 2009	53,178,888	13,180,809	2015	53,480,303	13,256,163	2015
Generated in 2010	4,586,460	1,115,326	2016	-	-	2016
	<u>127,902,643</u>	<u>31,232,712</u>		<u>126,367,015</u>	<u>30,880,093</u>	
Without limited time use	5,607,982	1,869,140		5,607,982	1,869,140	
With a time limit different from the above mentioned	19,396,030	5,575,551		18,787,308	5,418,039	
	<u>25,004,012</u>	<u>7,444,691</u>		<u>24,395,290</u>	<u>7,287,179</u>	
	<u>152,906,655</u>	<u>38,677,403</u>		<u>150,762,305</u>	<u>38,167,272</u>	

## 15. CASH AND CASH EQUIVALENTS

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

	31 March 2010	31 December 2009
Cash at hand	227,872	202,538
Bank deposits	3,902,921	2,196,282
Treasury applications	-	406,460
Cash and cash equivalents in the balance sheet	<u>4,130,793</u>	<u>2,805,280</u>
Bank overdrafts (Note 18)	(412,203)	(362,257)
Guarantee deposit	(500,000)	(500,000)
Cash and cash equivalents in the statement of cash-flows	<u>3,218,590</u>	<u>1,943,023</u>

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

## 16. SHARE CAPITAL

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

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

## 17. NON-CONTROLLING INTERESTS

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

	31 March 2010	31 December 2009
Opening balance as at 1 January	11,319,241	49,319,413
Change in consolidation method	-	(47,911,935)
Changes in percentage by acquisition / increase capital	-	14,006
Changes by disposals	-	7,135,202
Changes in percentage by sale of shares	-	1,115,855
Changes resulting from currency translation	16,464	102,101
Other changes	(10,623)	197,227
Profit for the period attributable to non-controlling interests	(11,306)	1,347,372
<b>Closing balance</b>	<b>11,313,776</b>	<b>11,319,241</b>

## 18. BORROWINGS

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

	31 March 2010		31 December 2009		
	Outstanding amount		Outstanding amount		Repayable
	Current	Non current	Current	Non current	
<b>Bank loans</b>					
Sonae Capital SGPS - commercial paper <sup>a)</sup>	-	30,000,000	-	30,000,000	Mar/2013
Sonae Capital SGPS - commercial paper <sup>b) c)</sup>	44,800,000	-	39,100,000	-	Mar/2018
Sonae Capital SGPS - commercial paper <sup>c) d)</sup>	-	48,550,000	-	48,550,000	Aug/2011
Sonae Capital SGPS - commercial paper <sup>d)</sup>	-	25,750,000	-	24,250,000	Aug/2011
Invesaúde	250,000	-	500,000	-	Aug/2010
Selfrio Engenharia - commercial paper	1,400,000	2,100,000	1,400,000	2,100,000	May/2012
Up-front fees	-	(46,048)	-	(49,893)	
Others	36,631	-	-	-	
	46,486,631	106,353,952	41,000,000	104,850,107	
Bank overdrafts (Note 15)	412,203	-	362,257	-	
<b>Bank loans</b>	<b>46,898,834</b>	<b>106,353,952</b>	<b>41,362,257</b>	<b>104,850,107</b>	
<b>Bond loans</b>					
Sonae Capital 2007/2012 Bonds	-	20,000,000	-	20,000,000	Dec/2012
Sonae Capital 2007/2012 Bonds	-	30,000,000	-	30,000,000	Dec/2012
SC, SGPS, S.A. 2008/2018 Bonds	-	50,000,000	-	50,000,000	Mar/2018
Up-front fees	-	(716,517)	-	(756,745)	
<b>Bond loans</b>	<b>-</b>	<b>99,283,483</b>	<b>-</b>	<b>99,243,255</b>	
<b>Other loans</b>	<b>102,108</b>	<b>2,986,459</b>	<b>131,532</b>	<b>2,986,459</b>	
Derivatives (Note 19)	911,453	-	-	-	
Obligations under finance leases	3,256,049	28,233,542	3,306,770	28,987,580	
Up-front fees on finance leases	-	(141,835)	-	(144,883)	
	<b>51,168,443</b>	<b>236,715,601</b>	<b>44,800,559</b>	<b>235,922,518</b>	

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

As at 31 December 2009, Bond loans of the Group were as follows:

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

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

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

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

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

	31 March 2010	31 December 2009
N+1 <sup>a)</sup>	50,264,325	44,800,560
N+2	79,195,338	77,707,365
N+3	83,460,757	53,447,792
N+4	2,998,979	32,986,141
N+5	3,047,644	3,034,952
After N+5	68,902,301	69,697,789
	<u>287,869,343</u>	<u>281,674,599</u>

a) Includes amounts drawn under commercial paper programmes.

## 19. DERIVATIVES

### **Interest rate derivatives**

The hedging instruments used by the Group as at 31 March 2010 were mainly interest rate options (cash flow hedges) contracted with the goal of hedging interest rate risks on loans in the amount of 55,000,000 euro, whose net fair value was negative 911,453 euro. As at 31 March 2010 all derivatives are hedging derivatives.

These interest rate hedging instruments are valued at fair value as at the balance sheet date, determined by valuations made by the Group using derivative valuation calculation schedules and external valuations when these schedules do not permit the valuation of

certain instruments. For options, fair value is determined using the Black-Scholes model and its variants.

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

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

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

#### **Fair value of derivatives**

The fair value of derivatives is as follows:

	Assets		Liabilities	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 18)	-	-	911,453	-
Other derivatives	-	-	-	-
	<u>-</u>	<u>-</u>	<u>911,453</u>	<u>-</u>

## 20. OTHER NON CURRENT LIABILITIES

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

	31 March 2010	31 December 2009
<b>Loans and other amounts payable to related parties</b>		
Plaza Mayor Parque de Ocio, SA	2,279,624	2,288,446
Others	960,001	960,002
	<u>3,239,625</u>	<u>3,248,448</u>
<b>Other creditors</b>		
Creditors in the restructuring process of Torralta	30,141,462	30,141,462
Fixed asset suppliers	-	-
Others	548,553	12,553
	<u>30,690,015</u>	<u>30,154,015</u>
<b>Deferred income</b>	<u>3,152,593</u>	<u>3,281,604</u>
<b>Pension fund liabilities</b>	<u>-</u>	<u>136,203</u>
<b>Other non current liabilities</b>	<u>37,082,233</u>	<u>36,820,270</u>

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

## 21. SHARE-BASED PAYMENTS

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

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

	Year of grant	Vesting year	Number of participants	Fair value	
				31 March 2010	31 December 2009
<b>Shares</b>					
	2007	2010	4	-	75,080
	2008	2011	6	152,691	207,760
	2009	2012	7	207,760	420,165
	2010	2013	6	420,165	-
<b>Total</b>				<b>780,616</b>	<b>703,005</b>

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

	31 March 2010	31 December 2009
Other non current liabilities	149,551	278,562
Other current liabilities	114,518	75,080
Reserves	293,939	37,509
Staff costs	(29,870)	316,133

## 22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

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

	31 March 2010	31 December 2009
<b>Trade creditors</b>	<b>37,349,570</b>	<b>50,444,177</b>
<b>Loans granted by and other payables to related parties</b>	<b>202,741</b>	<b>209,181</b>
<b>Other current liabilities</b>		
Fixed assets suppliers	1,726,271	2,553,533
Advances from customers and down payments	3,591,971	5,081,527
Other creditors	2,115,190	3,572,044
Taxes and contributions payable	10,199,487	10,622,710
Staff costs	7,069,136	6,975,657
Amounts invoiced for works not yet completed	7,264,564	6,821,540
Other external supplies and services	1,235,477	1,143,909
Interest payable	778,481	1,329,796
Expenses with construction contracts	1,204,111	1,534,444
Investment aid	2,035,067	3,686,149
Other liabilities	7,068,924	3,791,964
	<b>44,288,679</b>	<b>47,113,273</b>
<b>Trade accounts payable and other current liabilities</b>	<b>81,840,990</b>	<b>97,766,631</b>

## 23. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 31 March 2010 were as follows:

Captions	Balance as at 1 January 2010	Increases	Decreases	Balance as at 31 March 2010
<b>Accumulated impairment losses on:</b>				
Investments (Note 10)	7,946,337	2,032,483	(77,460)	9,901,360
Other non current assets (Note 11)	34,916	64,596	-	99,512
Trade accounts receivable (Note 13)	5,073,127	744	(370,789)	4,703,082
Other current debtors (Note 13)	28,961,730	263	(724)	28,961,269
Stocks (Note 12)	7,858,373	-	(119,708)	7,738,665
<b>Non current provisions</b>	3,995,369	1,280,000	(2,041,395)	3,233,974
<b>Current provisions</b>	2,379,002	-	(1,200,001)	1,179,001
	<u>56,248,854</u>	<u>3,378,086</u>	<u>(3,810,077)</u>	<u>55,816,863</u>

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

	31 March 2010	31 December 2009
Judicial claims	1,680,000	2,709,600
Others	2,732,975	3,664,771
	<u>4,412,975</u>	<u>6,374,371</u>

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

## 24. CONTINGENT ASSETS AND LIABILITIES

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

	31 March 2010	31 December 2009
<b>Guarantees given:</b>		
on tax claims	2,669,995	3,238,961
on judicial claims	1,897,406	1,897,406
on municipal claims	3,175,168	3,175,167
Others	46,995,931	46,176,125

Other include the following guarantees:

- 7,839,060 euro (7,019,255 euro as at 31 December 2009) of guarantees on construction works given to clients;
- 37,191,755 euro (37,406,741 euro as at 31 December 2009) of guarantees given concerning building permits in the Tourism business.



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

## 25. RELATED PARTIES

Balances and transactions during the periods ended 31 March 2010 and 2009 with related parties are detailed as follows:

<u>Transactions</u>	Sales and services rendered		Purchases and services obtained	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Parent company and group companies excluded from consolidation (a)	-	80,928	115	65,551
Associated companies	592,472	29,266	127,013	28,815
Other partners and shareholders	14,116,501	15,546,527	1,824,466	1,790,512
	<u>14,708,973</u>	<u>15,656,721</u>	<u>1,951,594</u>	<u>1,884,878</u>
<u>Transactions</u>	Interest income		Interest expense	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	382,972	439,625	-	-
Other partners and shareholders	1,645	-	38,565	39,070
	<u>384,617</u>	<u>439,625</u>	<u>38,565</u>	<u>39,070</u>
<u>Balances</u>	Accounts receivable		Accounts payable	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Parent company and group companies excluded from consolidation (a)	-	-	115	115
Associated companies	983,674	954,616	41,389	39,774
Other partners and shareholders	13,201,354	14,076,242	4,253,371	4,391,160
	<u>14,185,028</u>	<u>15,030,858</u>	<u>4,294,875</u>	<u>4,431,049</u>
<u>Balances</u>	Loans obtained		Loans granted	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	-	-	25,968,073	28,262,784
Other partners and shareholders	2,779,624	2,288,445	-	1
	<u>2,779,624</u>	<u>2,288,445</u>	<u>25,968,073</u>	<u>28,262,785</u>

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



## 26. TAXATION

Income tax for the three months periods ended 31 March 2010 and 2009 was made up as follows:

	31 March 2010	31 March 2009
Current tax	923,975	1,875,510
Deferred tax	(4,029,462)	4,363,093
	<u>(3,105,487)</u>	<u>6,238,603</u>

## 27. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 31 March 2010 and 2009, the reconciliation of consolidated net profit can be analysed as follows:

	31 March 2010	31 March 2009
Aggregate net profit	(38,901,886)	161,558,795
Harmonisation adjustments	1,795,610	(2,134,888)
Elimination of intra-group dividends	-	(162,500,000)
Equity Method (Note 5)	450,625	354,234
Elimination of intra-group capital gains/(losses)	27,251,640	-
Elimination of intra-group provisions	(7,091,989)	12,009,523
Reversal of provisions	3,457,708	-
Adjustments of gains/(losses) on the sale of financial shareholdings	7,816,779	-
Others	3,759	(3,367)
<b>Consolidated net profit for the period</b>	<u><b>(5,217,754)</b></u>	<u><b>9,284,297</b></u>

## 28. EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2010 and 2009 were calculated taking into consideration the following amounts:

	31 March 2010	31 March 2009
<b>Net Profit</b>		
Net profit taken into consideration to calculate basic earnings per share (net profit for the period)	(5,206,448)	9,123,450
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	(5,206,448)	9,123,450
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	250,000,000	250,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	250,000,000	250,000,000
<b>Earnings per share (basic and diluted)</b>	(0.020826)	0.036494

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

## 29. SEGMENT INFORMATION

In the periods ended 31 March 2010 and 2009, the following were identified as segments:

- Sonae Turismo:
  - Tourism Operations
  - Other
- SC Assets:
  - Residential Development
  - Other Real Estate Assets
  - Other
- Spred:
  - Atlantic Ferries
  - Box Lines
  - Selfrio Group
  - Other
- Holding and Others

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

The contribution of the business segments to the income statement for the periods ended on 31 March 2010 and 2009 can be detailed as follows:

31 March 2010

Profit & Loss Account	Tourism Operations	Other	Adjustments	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Adjustments	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Adjustments	Total Spred	Holding & Others	Adjustments	Total Holding & Others	Consolidated
Operational Income																			
Sales	3,938,315	-	-	3,938,315	707,100	406,000	-	-	1,113,100	-	-	13,342,017	1,728,361	-	15,070,378	-	-	-	20,121,793
Services rendered	7,746,459	680	-	7,747,139	130,459	794,683	-	-	925,142	571,048	8,435,831	3,216,401	1,081,291	-	13,304,570	32,806	-	32,806	22,009,657
Other operational income	512,856	44,540	(1,861,453)	(1,304,057)	200,882	143,371	-	831,054	1,175,308	19,877	47,261	248,498	59,383	28,135	403,154	170,982	1,001,193	1,172,175	1,446,580
	12,197,631	45,220	(1,861,453)	10,381,398	1,038,441	1,344,054	-	831,054	3,213,550	590,925	8,483,092	16,806,916	2,869,035	28,135	28,778,102	203,788	1,001,193	1,204,981	43,578,031
Inter-segment income	468,386	759,563			78,921	1,117,560	-			-	1,474	221,690	1,104,435			1,104,035			
	12,666,017	804,784			1,117,362	2,461,614	-			590,925	8,484,566	17,028,606	3,973,469			1,307,822			
Operational cash-flow (EBITDA)	(1,543,807)	17,841	-	(1,525,966)	(77,534)	915,517	(12,319)	-	825,664	(617,281)	(51,316)	1,161,861	(154,451)	-	338,814	(217,735)	-	(217,735)	(579,223)

31 March 2009

Profit & Loss Account	Tourism Operations	Other	Adjustments	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Adjustments	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Adjustments	Total Spred	Holding & Others	Adjustments	Total Holding & Others	Consolidated
Operational Income																			
Sales	55,146,960	-	-	55,146,960	95,000	25,650	-	-	120,650	-	-	14,103,596	2,532,240	-	16,635,837	-	-	-	71,903,447
Services rendered	7,862,479	286	-	7,862,765	65,546	681,347	1,006,212	-	1,753,105	831,097	9,477,542	2,870,646	1,304,899	-	14,484,184	46,465	-	46,465	24,146,519
Other operational income	684,831	23,099	(1,346,821)	(638,891)	77,406	197,804	38,631	867,253	1,181,094	21,182	19,672	927,902	109,975	88,049	1,166,782	31,809	399,202	431,011	2,139,995
	63,694,270	23,385	(1,346,821)	62,370,834	237,952	904,801	1,044,843	867,253	3,054,849	852,280	9,497,214	17,902,145	3,947,114	88,049	32,286,802	78,274	399,202	477,476	98,189,961
Inter-segment income	263,418	718,913			113,967	-	-			-	12,112	245,752	43,352			501,600			
	63,957,689	742,297			351,920	904,801	1,044,843			852,280	9,509,326	18,147,897	3,990,466			579,873			
Operational cash-flow (EBITDA)	22,986,753	28,969	-	23,015,722	(268,830)	1,048,057	814,964	-	1,594,192	(316,936)	(114,160)	1,304,524	(245,906)	-	627,521	(944,927)	-	(944,927)	24,292,508

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

31 March 2010

Balance Sheet	Tourism Operations	Other	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Total Spred	Holding & Others	Consolidated
Fixed Assets Tangible and Intangible	165,906,872	1,081,569	166,988,440	4,009,094	75,614,948	-	79,624,042	27,118,770	470,977	779,727	8,626,786	36,996,260	133,911	283,742,653
Investments	638,125	217,143	855,268	-	-	19,545,435	19,545,435	-	-	-	1,341,633	1,341,633	48,591,524	70,333,860
<b>Total Assets</b>	<b>343,253,722</b>	<b>2,843,343</b>	<b>346,097,064</b>	<b>49,147,170</b>	<b>132,679,586</b>	<b>27,187,118</b>	<b>209,013,875</b>	<b>28,936,359</b>	<b>11,002,251</b>	<b>61,026,361</b>	<b>38,148,011</b>	<b>139,112,982</b>	<b>59,366,559</b>	<b>753,590,480</b>
<b>Total Liabilities</b>	<b>79,709,301</b>	<b>1,077,461</b>	<b>80,786,762</b>	<b>1,580,580</b>	<b>6,495,870</b>	<b>85,233</b>	<b>8,161,683</b>	<b>24,112,082</b>	<b>7,502,651</b>	<b>26,958,655</b>	<b>13,155,548</b>	<b>71,728,936</b>	<b>253,776,115</b>	<b>414,453,496</b>
Technical investment	534,580	1,673	536,252	33,690	108,777	-	142,467	125,242	16,603	112,543	10,772	265,161	21,581	965,461
Gross Debt	3,859,791	4,816	3,864,607	-	1,202,830	-	1,202,830	22,785,951	-	3,535,176	7,290,102	33,611,228	249,205,379	287,884,044
<b>Net Debt</b>	<b>3,551,766</b>	<b>(133,759)</b>	<b>3,418,007</b>	<b>(509,744)</b>	<b>1,171,132</b>	<b>(178,727)</b>	<b>482,662</b>	<b>22,726,121</b>	<b>(371,888)</b>	<b>1,580,843</b>	<b>6,912,166</b>	<b>30,847,243</b>	<b>249,005,340</b>	<b>283,753,252</b>

31 December 2009

Balance Sheet	Tourism Operations	Other	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Total Spred	Holding & Others	Consolidated
Fixed Assets Tangible and Intangible	171,729,968	1,135,349	172,865,317	4,027,789	76,240,434	-	80,268,223	27,412,937	516,419	716,407	9,511,895	38,157,658	130,262	291,421,459
Investments	635,044	18,774,078	19,409,122	-	-	1,023,043	1,023,043	-	-	-	2,837,146	2,837,146	48,568,562	71,837,873
<b>Total Assets</b>	<b>346,029,236</b>	<b>21,308,965</b>	<b>367,338,200</b>	<b>49,167,571</b>	<b>132,917,299</b>	<b>8,317,346</b>	<b>190,402,216</b>	<b>28,864,424</b>	<b>11,585,908</b>	<b>67,088,927</b>	<b>42,468,009</b>	<b>150,007,268</b>	<b>62,019,044</b>	<b>769,766,728</b>
<b>Total Liabilities</b>	<b>87,025,266</b>	<b>1,370,961</b>	<b>88,396,226</b>	<b>932,235</b>	<b>6,580,072</b>	<b>40,187</b>	<b>7,552,494</b>	<b>24,710,190</b>	<b>8,273,747</b>	<b>31,209,368</b>	<b>16,463,992</b>	<b>80,657,296</b>	<b>248,221,322</b>	<b>424,827,339</b>
Technical investment	17,480,127	73,688	17,553,814	37,346	1,287,813	25,172,631	26,497,790	1,280,047	292,710	132,270	674,605	2,379,633	135,300	46,566,537
Gross Debt	3,923,482	23,642	3,947,124	-	1,357,560	-	1,357,560	23,107,644	-	3,503,360	7,704,367	34,315,371	241,103,022	280,723,077
<b>Net Debt</b>	<b>3,537,891</b>	<b>10,033</b>	<b>3,547,924</b>	<b>(505,501)</b>	<b>1,331,431</b>	<b>(17,282)</b>	<b>808,648</b>	<b>23,054,952</b>	<b>(233,532)</b>	<b>2,409,031</b>	<b>7,646,250</b>	<b>32,876,701</b>	<b>240,684,524</b>	<b>277,917,797</b>

Net debt of the Holding can be analysed as follows:

	31 March 2010
<b>Inflows</b>	
Gross bank debt	249,205,378
Cash and cash equivalents	200,039
Net bank debt	<u>249,005,339</u>
 Sonae Turismo	-
SC Asssets	-
Spred	-
Intercompany ST loans obtained	<u>-</u>
 <b>Total inflows</b>	<u><u>249,005,339</u></u>
 <b>Outflows</b>	
Sonae Turismo	171,229,562
SC Asssets	173,066,634
Spred	14,952,050
Intercompany ST loans granted	<u><u>359,248,246</u></u>

### 30. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 20 May 2010.

The Board of Directors

# **INDIVIDUAL FINANCIAL STATEMENTS**

**31 MARCH 2010**

*(Translation from the Portuguese Original)*

SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 31 MARCH 2010 AND 31 DECEMBER 2009

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

(Amounts expressed in euro)

ASSETS	Notes	31 March 2010	31 December 2009
<b>NON CURRENT ASSETS:</b>			
Tangible assets		1,982	2,643
Investments	4	542,139,453	382,639,453
Deferred tax assets		8,342	-
Other non current assets	5	344,249,300	343,547,500
Total Non Current Assets		<u>886,399,077</u>	<u>726,189,596</u>
<b>CURRENT ASSETS:</b>			
Other current assets	6	19,715,053	12,860,560
Cash and cash equivalents	7	71,368	55,597
Total Current Assets		<u>19,786,421</u>	<u>12,916,157</u>
<b>TOTAL ASSETS</b>		<u><b>906,185,498</b></u>	<u><b>739,105,753</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share Capital	8	250,000,000	250,000,000
Translation and Fair Value Reserves		-	-
Other reserves	9	132,638,253	132,638,253
Retained earnings		162,972,757	(849,780)
Profit / (Loss) for the period		(38,860)	163,822,537
<b>TOTAL EQUITY</b>		<u><b>545,572,150</b></u>	<u><b>545,611,010</b></u>
<b>LIABILITIES:</b>			
<b>NON CURRENT LIABILITIES:</b>			
Bank loans	10	104,253,952	102,750,107
Bonds	10	49,899,368	49,884,766
Other non current liabilities		78,928	140,821
Deferred tax liabilities		36,670	41,282
Total Non Current Liabilities		<u>154,268,918</u>	<u>152,816,976</u>
<b>CURRENT LIABILITIES</b>			
Trade accounts payable		33,019	54,384
Bank overdrafts	10	44,802,600	39,100,000
Other creditors	11	159,352,340	2,350
Other current liabilities	12	2,156,471	1,521,033
Total Current Liabilities		<u>206,344,430</u>	<u>40,677,767</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>906,185,498</b></u>	<u><b>739,105,753</b></u>

The accompanying notes are an integral part of these financial statements

The Board of Directors



SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

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

(Amounts expressed in euro)

	Notes	31 March 2010	31 March 2009
Operational income			
Other operational income		12,987	7,091
Total operational income		12,987	7,091
Operational expenses			
External supplies and services	13	(58,642)	(234,301)
Staff costs	14	(311,641)	(149,114)
Depreciation and amortisation		(661)	(660)
Other operational expenses		(61,678)	(39,951)
Total operational expenses		(432,622)	(424,027)
Operational profit/(loss)		(419,635)	(416,936)
Financial income	15	2,842,699	1,810,984
Financial expenses	15	(2,474,877)	(1,816,611)
Net financial income/(expenses)		367,822	(5,627)
Investment income		-	162,500,000
Profit/(loss) before taxation		(51,813)	162,077,436
Taxation	16	12,953	104,947
Profit/(loss) for the period		(38,860)	162,182,383
Profit/(loss) per share			
Basic	17	(0.000155)	0.648730

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

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

(Amounts expressed in euro)

	31 March 2010	31 March 2009
Net profit for the period	(38,860)	162,182,384
Exchange differences arising from translating foreign operations	-	-
Share of other comprehensive income of associated undertakings and joint ventures accounted for by the equity method	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	151,553
Gains on property revaluations	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	151,553
Total comprehensive income for the period	(38,860)	162,333,937

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL SGPS, SA

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

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

(Amounts expressed in euro)

	Share Capital	Own Shares	Legal Reserve	Translation Reserve	Fair Value Reserve	Hedging Reserve	Other Reserves	Retained Earnings	Sub total	Net profit / (loss)	Total Equity
Balance as at 1 January 2009	250,000,000	-	-	-	(304,749)	-	132,638,253	(1,509)	132,331,995	(848,271)	381,483,724
Total comprehensive income for the period	-	-	-	-	151,553	-	-	-	151,553	162,182,384	162,333,937
Appropriation of profits:											
Transfer to legal reserve and retained earnings	-	-	-	-	-	-	-	(848,271)	(848,271)	848,271	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2009	250,000,000	-	-	-	(153,196)	-	132,638,253	(849,780)	131,635,277	162,182,384	543,817,661
Balance as at 1 January 2010	250,000,000	-	-	-	-	-	132,638,253	(849,780)	131,788,473	163,822,537	545,611,010
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(38,860)	(38,860)
Appropriation of profits:											
Transfer to legal reserve and retained earnings	-	-	-	-	-	-	-	163,822,537	163,822,537	(163,822,537)	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2010	250,000,000	-	-	-	-	-	132,638,253	162,972,757	295,611,010	(38,860)	545,572,150

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL CASH FLOW STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

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

(Amounts expressed in euro)

	31 March 2010	31 March 2009
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	86,467	273,322
Cash paid to employees	170,461	163,658
Cash flow generated by operations	<u>(256,928)</u>	<u>(436,980)</u>
Income taxes (paid)/received	501	504
Other cash receipts/(payments) relating to operating activities	90,083	(68,746)
Net cash flow from operating activities [1]	<u>(167,346)</u>	<u>(506,230)</u>
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	6,120,870	3,672,243
Dividends	-	-
	<u>6,120,870</u>	<u>3,672,243</u>
Cash payments arising from:		
Investments	159,500,000	-
Tangible assets	-	-
Loans granted	11,115,184	5,046,700
	<u>(170,615,184)</u>	<u>(5,046,700)</u>
Net cash flow from investment activities [2]	<u>(164,494,314)</u>	<u>(1,374,456)</u>
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Loans obtained	166,554,564	2,186,000
	<u>166,554,564</u>	<u>2,186,000</u>
Cash Payments arising from:		
Interest and similar costs	1,877,133	322,608
Loans obtained	-	-
	<u>(1,877,133)</u>	<u>(322,608)</u>
Net cash flow from financing activities [3]	<u>164,677,431</u>	<u>1,863,392</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	15,771	(17,294)
Cash and cash equivalents at the beginning of the period	55,597	25,516
Cash and cash equivalents at the end of the period	<u>71,368</u>	<u>8,222</u>

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2010 AND 2009

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

(Amounts expressed in euro)

1. INTRODUCTION

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

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

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

#### 4. INVESTMENTS

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

	31 March 2010	31 December 2009
Investments in affiliated and associated undertakings	542,138,253	382,638,253
Investments in other companies (Sonae RE - 0.04%)	1,200	1,200
	<u>542,139,453</u>	<u>382,639,453</u>

##### 4.1 Investments in affiliated and associated undertakings

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

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

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

#### 5. OTHER NON CURRENT ASSETS

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

	31 March 2010	31 December 2009
Loans granted to group companies:		
SC, SGPS, SA	308,160,500	343,547,500
SC Assets, SGPS, SA	36,088,800	-
	<u>344,249,300</u>	<u>343,547,500</u>

These assets were not due or impaired as at 31 March 2010. The fair value of loans granted to Group companies is basically the same as their book value.

## 6. OTHER CURRENT ASSETS

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

	31 March 2010	31 December 2009
Group companies - Short term loans:		
Change, SGPS, SA	2,064,000	2,052,000
SC, SGPS, SA	-	3,862,000
SC Assets, SGPS, SA	14,263,384	-
Group companies - Interest:		
SC, SGPS, SA	-	5,945,846
Income tax withheld	212,738	212,237
Other Debtors	-	2,632
Accrued income	2,680,749	9,063
Deferred costs	494,182	776,782
	<u>19,715,053</u>	<u>12,860,560</u>

## 7. CASH AND CASH EQUIVALENTS

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

	31 March 2010	31 December 2009
Cash	1,003	1,003
Bank deposits	70,365	54,594
Cash and cash equivalents in the balance sheet	<u>71,368</u>	<u>55,597</u>
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	<u>71,368</u>	<u>55,597</u>

## 8. SHARE CAPITAL

As at 31 March 2010 Share Capital consisted of 250,000,000 ordinary shares of 1 euro each.

## 9. OTHER RESERVES

As at 31 March 2010, the caption Other Reserves relates to the overall value of the demerger reserve (Note 1), and corresponds to the difference between the book value of the shareholding in SC, SGPS, SA (382,638,253 Euro) which was spun off from Sonae, SGPS, SA to the Company, and the value of the share capital of the Company (250,000,000 Euro).



## 10. LOANS

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

	31 March 2010	31 December 2009
Bank loans - Commercial paper	104,300,000	102,800,000
Up-front fees not yet charged to income statement	(46,048)	(49,893)
Bank loans - non current	104,253,952	102,750,107
Nominal value of bonds	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(100,632)	(115,234)
Bond Loans	49,899,368	49,884,766
Non-current loans	154,153,320	152,634,873
Bank loans - Commercial paper	44,802,600	39,100,000
Current bank loans	44,802,600	39,100,000

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

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

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

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

The caption Non Current Bank Loans, relates to amounts issued under four Commercial Paper Programmes with guaranteed subscription, one of which launched on 14 March 2008 with the maximum amount of 30,000,000 euro and valid for a period of 5 years, and three other launched on 26 and 28 August 2009 with the maximum amount of 36,600,000 euro each and valid for a period of 2 years.

The caption Current Bank Loans includes two issues of commercial paper programmes. One, with a maximum limit of 60,000,000 euro, without subscription guarantee, launched on 28 March 2008, valid for a ten year period, which may be extended at the option of the Company, and another, with a maximum limit of 15,000,000 euro, with subscription guarantee, launched on 22 December 2008, valid for one year period, extendable for two annual periods, which may not be renewed at the discretion of both parties.

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

There are no Derivatives.

## 11. OTHER CREDITORS

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

	31 March 2010	31 December 2009
<u>Other creditors</u>		
Group companies - Short term loans:		
SC , SGPS, SA	159,351,964	-
Other creditors	376	2,350
	<u>159,352,340</u>	<u>2,350</u>

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

## 12. OTHER CURRENT LIABILITIES

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

	31 March 2010	31 December 2009
<u>Other current liabilities</u>		
Taxes payable	255,534	185,865
Accruals:		
Staff costs	336,255	344,130
Interest payable	1,557,030	977,733
Other accruals	4,018	6,947
Deferred income	3,633	6,358
	<u>2,156,471</u>	<u>1,521,033</u>

## 13. EXTERNAL SUPPLIES AND SERVICES

As at 31 March 2010 and 31 March 2009, External Supplies and Services can be detailed as follows:

	31 March 2010	31 March 2009
Operational rents	16,672	3,459
Insurance costs	14,746	15,918
Travelling expenses	13,594	13,559
Fees	-	-
Services obtained	7,935	198,014
Other services	5,695	3,351
	<u>58,642</u>	<u>234,301</u>

#### 14. STAFF COSTS

As at 31 March 2010 and 31 March 2009, Staff Costs are made up as follows:

	31 March 2010	31 March 2009
Governing bodies' remunerations	282,599	127,150
Social security contributions	23,255	20,304
Other staff costs	5,787	1,660
	<u>311,641</u>	<u>149,114</u>

#### 15. NET FINANCIAL EXPENSES

As at 31 March 2010 and 31 March 2009, Net Financial Expenses can be detailed as follows:

	31 March 2010	31 March 2009
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(905,434)	(624,352)
Bonds	(194,125)	(381,597)
Other	(793,495)	(729,166)
Other financial expenses	(581,823)	(81,496)
	<u>(2,474,877)</u>	<u>(1,816,611)</u>
Interest receivable and similar income		
Interest income	2,842,699	1,810,984
	<u>2,842,699</u>	<u>1,810,984</u>
Net financial expenses	<u>367,822</u>	<u>(5,627)</u>

#### 16. TAXATION

As at 31 March 2010 and 31 March 2009, Taxation is made up as follows:

	31 March 2010	31 March 2009
	<u>Total</u>	<u>Total</u>
Current tax	-	(462)
Deferred tax	12,953	105,409
	<u>12,953</u>	<u>104,947</u>

## 17. EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2010 and 2009 were calculated taking into consideration the following amounts:

	31 March 2010	31 March 2009
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period )	(38,860)	162,182,384
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>(38,860)</u>	<u>162,182,384</u>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	250,000,000	250,000,000
Weighted average number of shares used to calculate diluted earnings per share	<u>250,000,000</u>	<u>250,000,000</u>
<b>Earnings per share (basic and diluted)</b>	<u>(0.000155)</u>	<u>0.648730</u>

## 18. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 20 May 2010.

## 19. INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the quarter ended 31 March 2010 shareholders' loan contracts were entered into with the following companies:

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

In the quarter ended 31 March 2010 short-term loan contracts were entered into with the following companies:

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

As at 31 March 2010 amounts owed by affiliated companies can be summarized as follows:

Loans granted

Companies	Closing Balance
SC, SGPS, SA	308,160,500
Change, SGPS, SA	2,064,000
SC Assets, SGPS, SA	50,352,184
	<u>360,576,684</u>

As at 31 March 2010 amounts owed to affiliated companies can be summarized as follows:

Loans obtained

Companies	Closing Balance
SC, SGPS, SA	159,351,964
	<u>159,351,964</u>

The Board of Directors