

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 30 SEPTEMBER 2010

(Translation from the Portuguese Original)

<u>Index</u>

I. Report of the Board of Directors	
1. Executive Summary	4
2. Selected Main Events	6
3. Consolidated Financial Statements Review	7
4. Appendix	14
5. Share Price Performance	16
- Glossary	17
II. Consolidated Financial Statements	19
III Individual Financial Statements	57



REPORT OF THE BOARD OF DIRECTORS 30 SEPTEMBER 2010

(Translation from the Portuguese Original)



Report of the Board of Directors 30 September 2010

(Translation from the Portuguese original)

<u>Disclaimer</u>:

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.

Following the sale of the shareholding in Box Lines, which became effective on 16 September 2010, this business unit's contribution to performance figures is disclosed under discontinued operations in both 2010 and 2009, together with those of the Plysorol Group and Elmo in 2009, and are no longer included in the consolidated financial position of the company as at 30 September 2010.

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 for the year 2009, were restated to reflect the new business portfolio configuration made up of the three current sub-holdings: Sonae Turismo, SGPS, SA, SC Assets, SGPS, SA and Spred, SGPS, SA.

1. <u>Executive Summary</u>

The results for the first nine months of 2010 have been impacted by the economic slowdown and, overall and as expected, remain below last year's comparable figures.

Consolidated turnover amounted to 138.1 million euro (219.9 million euro) for the nine months period, with the performance of the third quarter reflecting the seasonal effect of the vacation period as far as Tourism Operations were concerned (excluding Resort Development).

Consolidated operational cash-flow (EBITDA) for the period was 3.6 million euro (49.6 million euro). In addition to the Fitness business, which made a 2.6 million euro contribution (1.9 million euro), the Energy and Environment business improved its operational performance, delivering a positive 0.6 million euro contribution to consolidated operational cash-flow (EBITDA), up from negative 0.2 million euro in the same period of last year.

In the third quarter, 4 new sales deeds for residential units at **troia**resort (3 Beach apartments and 1 **troia**village townhouse) were signed, with year to date sales deeds totalling 20 units. Resort Development thus posted an 11.4 million euro turnover and negative 0.3 million euro operational cash-flow (EBITDA) in the nine months.

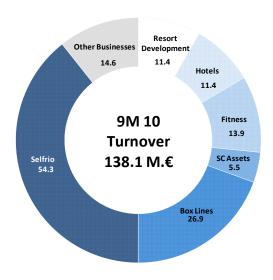
Selfrio Group's performance continued to be affected by the construction industry slowdown and by the postponement of investment projects in the retail sector. Selfrio contributed 54.3 million euro (61.4 million euro) to consolidated turnover and 3.7 million euro (5.6 million euro) to consolidated operational cash-flow (EBITDA).

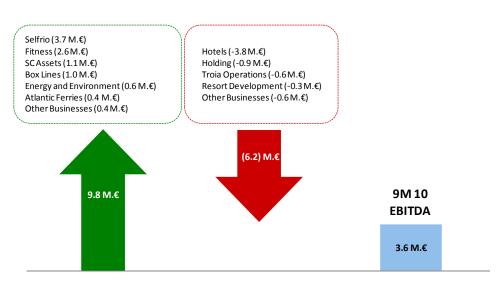
Net profit for the nine months period was close to zero, and included a 6.6 million euro capital gain on the sale of Box Lines and positive 2.4 million euro of profits from associated undertakings (mostly TP and Imosede Fund).

Selected Financial data Values in 10 ⁶ euro								
		3Q			9M			
	2010	2009	% Chg.	2010	2009	% Chg.		
Turnover	48.9	57.5	-15.1%	138.1	219.9	-37.2%		
EBITDA	1.6	6.0	-73.3%	3.6	49.6	-92.8%		
EBIT	-0.6	2.2	-	-7.3	37.2	-		
Net Financial Expenses	-1.9	-2.3	+17.3%	-5.9	-8.5	+30.5%		
Investment Income	6.2	8.0	-22.6%	5.7	10.2	-43.6%		
Net Profit	5.4	8.3	-35.6%	0.0	30.2	-		

30.09.10	31.12.09	% Chg.	
4.4	46.6	-90.6%	
278.3	277.9	+0.1%	ı
	4.4	4.4 46.6	

Main Contributions to Consolidated Turnover (M.€)





Main Contributions to Consolidated EBITDA

2. <u>Selected Main Events</u>

During the first nine months of the year, the following events were announced to the market:

Asset disposals

14 April 2010

Sonae Capital, SGPS, SA informed about the sale of 100% of the share capital of Societé 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. The positive impact of this transaction on the 2010 consolidated results amounted to 1.5 million euro.

5 August 2010

Sonae Capital, SGPS, SA informed about the agreement signed with Via Marítima – SGPS, Lda, a company owned by the Sousa Investimentos Group, regarding the terms of the sale of the whole of the share capital of Box Lines – Navegação, SA. This transaction results in a cash inflow of around 10.5 million euro, with a positive impact of 6.6 million euro on the 2010 consolidated results of Sonae Capital.

17 September 2010

Sonae Capital, SGPS, SA informed about the decision of non opposition by the Competition Authority to the sale of the its entire shareholding in Box Lines, on 16 September 2010, with the contractual terms for the sale becoming effective as from that date.

3. Consolidated Financial Statements Review

Notes:

The consolidated financial statements of Sonae Capital as at 30 September 2009, include the following contributions from the Plysorol Group (plywood business) and Elmo (sole shareholder of Plysorol) under discontinued operations:

- 9 months income statement from Elmo;
- the consolidated financial position of Elmo as at 30 September 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 are no longer included in the consolidated financial position of Sonae Capital as at 30 September 2010.

Following the sale of the shareholding in Box Lines, which became effective in September 2010, the 9 month contribution of this company to the 2010 and 2009 consolidated income statements are shown under discontinued operations, in addition to those of Elmo and the Plysorol Group in 2009. The consolidated balance sheet of Sonae Capital as at 30 September does not include Box Lines, while that as at 31 December 2009 does (again disclosed under discontinued operations for the purposes of this report).

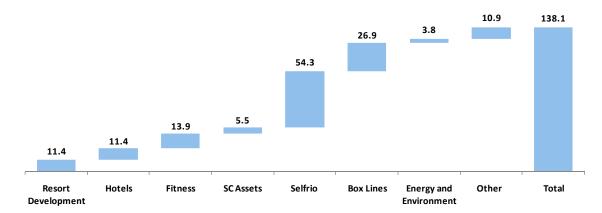
3.1. Consolidated Profit and Loss Statement

3.1.1. Year to Date Profit and Loss Statement

Values in 10^3 euro

	9M 10 Total Operations	9M 10 Discontinued Operations	9M 10 Continued Operations	9M 09 Total Operations	9M 09 Discontinued Operations	9M 09 Continued Operations
	Operations	Operations	Operations	Operations	Operations	Operations
Turnover	138,142.9	26,713.8	111,429.2	219,918.1	28,920.5	190,997.6
Other Operational Income	7,480.2	93.9	7,386.3	16,571.9	218.4	16,353.6
Total Operational Income	145,623.1	26,807.7	118,815.5	236,490.1	29,138.9	207,351.2
Cost of Goods Sold	-27,823.5	1.6	-27,825.1	-37,423.1	10.5	-37,433.6
Change in Stocks of Finished Goods	-8,090.5	0.0	-8,090.5	-9,573.0	0.0	-9,573.0
External Supplies and Services	-66,137.4	-24,513.4	-41,624.0	-100,820.9	-26,850.4	-73,970.5
Staff Costs	-32,572.3	-1,131.4	-31,440.9	-35,876.5	-1,778.2	-34,098.4
Other Operational Expenses	-4,492.5	-141.7	-4,350.8	-2,756.1	-149.4	-2,606.7
Total Operational Expenses	-139,116.1	-25,784.9	-113,331.2	-186,449.6	-28,767.4	-157,682.2
Operational Cash-Flow (EBITDA)	3,572.1	1,022.7	2,549.3	49,610.6	0.0	49,610.6
Amortisation and Depreciation	-10,263.6	-160.5	-10,103.1	-9,054.7	-158.2	-8,896.5
Provisions and Impairment Losses	-3,547.8	-12.2	-3,535.6	-3,819.2	-44.2	-3,775.0
Operational Profit/(Loss) (EBIT)	-7,304.3	850.1	-8,154.4	37,166.6	169.1	36,997.5
Net Financial Expenses	-5,887.3	-9.1	-5,878.3	-8,468.8	-1,323.1	-7,145.7
Share of Results of Associated Undertakings	2,382.5	0.0	2,382.5	1,713.8	0.0	1,713.8
Investment Income	5,742.9	6,640.0	-897.1	10,181.3	0.0	10,181.3
Profit before Taxation	-5,066.2	7,481.0	-12,547.3	40,592.8	-1,154.0	41,746.8
Taxation	5,055.7	-54.5	5,110.1	-10,382.4	154.5	-10,536.9
Net Profit	-10.6	7,426.6	-7,437.1	30,210.5	-999.4	31,209.9
Attributable to Equity Holders of Sonae Capital	-400.7	7,426.6	-7,827.3	29,036.6	-999.4	30,036.1
Attributable to Non-Controlling Interests	390.1	0.0	390.1	1,173.8	0.0	1,173.8

During the first nine months of the year, the contributions of the businesses to the Group's 138.1 million euro (219.9 million euro) of consolidated turnover were as follows:



Compared to the same period of last year, turnover for the first nine months of 2010 continued to be impacted primarily by the slowdown in real estate sales at **troia**resort. Resort development contribution was 11.4 million euro (78.7 million euro), reflecting the 20 sales deeds signed in the reporting period, compared to 143 signed in the first nine months of 2009 (most of which relate to promissory purchase agreements signed between the fourth quarter of 2008 and the first half of 2009).

On a like for like basis, i.e., excluding the contribution of the catering business which was discontinued in 2010, at both the Porto Palácio Hotel and Tróia (2.2 million euro and 0.4 million euro, respectively, in the first nine months of 2009), contributions to consolidated turnover improved in all hotel units. Porto Palácio Hotel increased turnover by 0.1 million euro (2%) to 5.4 million euro, with a 2.3 p.p. increase in occupancy rates and an average daily revenue of 90.8 euro. Turnover at Aqualuz Lagos grew 12% to 1.6 million euro, although it includes only 8 months of operation in the period, since the aparthotel was closed in January for annual maintenance. The occupancy rate grew 7.6 p.p. with average daily revenue reaching 64.0 euro. The results for the summer season at Aqualuz **troia**resort aparthotels demonstrate how its position as a beach and sun destination has been consolidated: its turnover grew 0.2 million euro, to 4.3 million euro, with average daily revenue increasing 5% to 104.1 euro and occupancy rates slightly above the same period last year.

Personal trainer value added services drove a 0.3 million euro increase in Fitness turnover, which amounted to 13.9 million euro in the year to date period.

Excluding the impact of the Imosede Fund (accounted for using the equity method since June 2009), the contribution from SC Assets to consolidated turnover increased 2.0 million euro, to 5.5 million euro, mostly due to higher sales of real estate assets, reflecting the Group's strategy to sell non-core assets. During the first nine months of 2010, 5 sales deeds for City Flats / City Lofts apartments were signed (3 in the same period last year) and one was exchanged for an apartment in another of SC Assets' residential condominium, leading to a 0.9 million euro increase in Residential Property Development turnover, to 1.6 million euro.

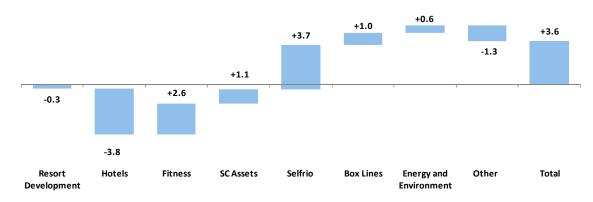
The Selfrio Group was the main contributor to consolidated turnover, with 54.3 million euro, 12% less than in the same period last year. This decrease was due entirely to the Cold Engineering

business, whose turnover decreased by 7.2 million euro. Meanwhile, HVAC's turnover was 26.0 million euro, while that of General Maintenance services grew 2% to 4.6 million euro.

The Energy and Environment business contributed 3.8 million euro to consolidated turnover, a 3.5 million euro increase driven by the cogeneration unit acquired in September 2009.

Other businesses include Atlantic Ferries, where turnover decreased 0.3 million euro to 3.9 million euro due to a 15% decrease in vehicle traffic. This impact was partially offset by an 11% increase in passenger traffic. No significant changes occurred in turnover levels for the Resort Management businesses (golf, marina and supermarket).

The main contributors to consolidated operational cash-flow (EBITDA) for the first nine months of the year, totalling 3.6 million euro (49.6 million euro), were as follows:



Resort Development generated negative 0.3 million euro consolidated operational cash-flow (EBITDA), compared to positive 39.8 million euro in the same period of last year. The decrease is explained by the pattern of property sales deeds completed to date, the majority of them having been signed in the first half of 2009 and originated in previous periods.

Operational cash-flow (EBITDA) of the Hotel business was negative 3.8 million euro, a 0.2 million euro improvement, due to cost efficiency programmes which are being implemented through a centralized management structure set up to manage all hotel units. The Porto Palácio Hotel and Aqualuz **troia**resort aparthotels each improved their operational performance by around 0.2 million euro to negative 1.3 million euro and negative 1.9 million euro, respectively, while that of Aqualuz Lagos decreased 0.2 million euro to negative 0.7 million euro.

As a result of increasing turnover of value added services (namely personal trainer) and tighter cost control, Fitness posted a 34% increase in profitability, making a contribution to consolidated operational cash-flow (EBITDA) of 2.6 million euro.

SC Assets' operational cash-flow (EBITDA) was 1.1 million euro, a decrease of 7.3 million euro, basically corresponding to the contribution from the Imosede Fund in the first five months of 2009 (since June 2009, the Fund has been accounted for using the equity method).

Selfrio Group's operational cash-flow (EBITDA) in the period decreased 1.9 million euro to 3.7 million euro (5.6 million euro), generating a 7% margin (9%). In contrast to General Maintenance services, which posted a 0.2 million euro increase in operational cash-flow (EBITDA), to 0.3 million

euro, margins in the Cold Engineering and HVAC businesses decreased compared to the same period last year, because of tougher competition driven by the adverse macroeconomic environment, making contributions to operational cash-flow (EBITDA) of 1.0 million euro and 2.0 million euro, respectively.

The Energy and Environment business contributed positive 0.6 million euro to consolidated operational cash-flow (EBITDA) (negative 0.2 million euro), due mainly to the performance of the new cogeneration unit acquired in September 2009.

Among other businesses, a significant contribution came from Atlantic Ferries, which posted operational cash-flow (EBITDA) of 0.4 million euro, an improvement over the 0.2 million euro for the same period last year, mainly as a result of cost savings made possible by changes in transport schedules.

Depreciation and amortisation totalled 10.3 million euro, an increase of 1.2 million euro due to the impact of full period contributions from new assets which recently entered service, namely:

- Aparthotel units at **troia**resort (opened in January and March 2009);
- The two new Atlantic Ferries catamarans (which began operating at the end of July 2009), and;
- Ecociclo II, a cogeneration unit acquired in September 2009.

Provisions and impairment losses for the period include costs relating to the overall upgrade of **troia**resort infrastructure built during the development phase and apportioned 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 nine months includes 1.2 million euro relating to assets for which impairment losses had already been recorded in previous quarters (expensed following the sale of 20 residential units in the first nine months of 2010) and 1.0 million euro relating to assets for which impairment losses were recorded for the first time (expensed following the sale of 219 residential units up to the end of September 2010). Around 0.7 million euro were booked in the period as provisions and impairment losses for other real estate assets.

Net financial expenses continued to fall as a result of the decrease in the average cost of debt following the sharp fall that has taken place in market interest rates. The total for the period was 5.9 million euro (8.5 million euro).

Profits from associated undertakings increased 0.7 million euro to 2.4 million euro, and include 1.4 million euro from TP and 1.7 million euro from the Imosede Fund.

Investment income for the period of 5.7 million euro includes capital gains from the sale of Essences Fines (1.5 million euro) and Box Lines (6.6 million euro), partially offset by 2.1 million euro of impairment losses on shareholdings in associated undertakings.

The net profit for the period was 0.0 million euro (net profit of 30.2 million euro in the first nine months of 2009), and includes the impact of lower current taxes and of higher deferred tax assets arising from impairment losses and from tax losses carried forward.

3.1.2. Quarterly Profit and Loss Statement

Values in 10³ euro

	3Q 10	3Q 10	3Q 10	3Q 09	3Q 09	3Q 09
	Total	Discontinued	Continued	Total	Discontinued	Continued
	Operations	Operations	Operations	Operations	Operations	Operations
Turnover	48,855.8	9,173.9	39,681.9	57,533.4	10,018.7	47,514.7
Other Operational Income	3,512.0	187.4	3,324.6	1,179.1	244.2	934.9
Total Operational Income	52,367.8	9,361.3	43,006.5	58,712.6	10,262.9	48,449.6
Cost of Goods Sold	-10,468.3	1.6	-10,469.9	-11,945.8	10.5	-11,956.3
Change in Stocks of Finished Goods	-2,881.3	0.0	-2,881.3	-979.3	0.0	-979.3
External Supplies and Services	-22,731.2	-8,252.8	-14,478.3	-27,299.1	-9,162.6	-18,136.5
Staff Costs	-10,118.9	-381.2	-9,737.7	-11,835.3	-441.7	-11,393.5
Other Operational Expenses	-2,360.7	18.1	-2,378.8	-523.0	-67.8	-455.1
Total Operational Expenses	-48,560.3	-8,614.3	-39,946.1	-52,582.4	-9,661.7	-42,920.7
Operational Cash-Flow (EBITDA)	1,613.0	755.3	857.7	6,043.0	650.9	5,392.2
Amortisation and Depreciation	-3,417.6	-51.6	-3,366.0	-3,162.6	-55.1	-3,107.5
Provisions and Impairment Losses	-953.6	0.0	-953.6	-743.4	-4.0	-739.4
Operational Profit/(Loss) (EBIT)	-563.7	695.4	-1,259.1	2,224.1	542.1	1,682.0
Net Financial Expenses	-1,941.0	-14.0	-1,927.1	-2,346.0	-361.7	-1,984.4
Share of Results of Associated Undertakings	877.0	0.0	877.0	721.6	0.0	721.6
Investment Income	6,220.8	6,640.0	-419.2	8,040.6	0.0	8,040.6
Profit before Taxation	4,593.0	7,321.4	-2,728.4	8,640.3	180.5	8,459.8
Taxation	775.8	-38.1	813.9	-298.0	-151.0	-147.1
Net Profit	5,368.9	7,283.3	-1,914.5	8,342.3	29.5	8,312.7
Attributable to Equity Holders of Sonae Capital	5,025.5	7,283.4	-2,257.8	8,160.5	29.5	8,130.9
Attributable to Non-Controlling Interests	343.3	0.0	343.3	181.8	0.0	181.8

Quarterly consolidated turnover decreased 8.7 million euro to 48.8 million euro, 5.2 million euro explained by the lower number of property sales deeds at **troia**resort signed in the quarter (4 deeds yielding 2.1 million euro in turnover, compared to 15 signed in the same period last year).

The Selfrio Group's quarterly turnover totalled 19.0 million euro, down 8% due to decreases of 2.9 million euro and 0.2 million euro in Cold Engineering and General Maintenance services, respectively.

On a like for like basis, i.e., excluding the catering operation which was discontinued in 2010, turnover from Hotel Operations grew by 0.3 million euro to 5.8 million euro. Every hotel unit increased its contribution to turnover by 0.2 million euro, with units at **troia**resort benefiting from stronger promotional activity by tour operators, the impact of which was not significant in 2009.

Higher turnover (0.3 million euro) from SC Assets reflects the higher level of sales of real estate assets in the quarter.

The cogeneration business, acquired in September 2009, explains most of the growth in the Energy and Environment contribution to turnover, from 0.1 million euro in the third quarter of 2009 to 1.3 million euro in the same period in 2010.

There were no other significant changes among other businesses in turnover in comparison to the third quarter of 2009.

Consolidated operational cash-flow (EBITDA) for the quarter amounted to 1.6 million euro (6.0 million euro). Most of the decrease compared to third quarter 2009 was due to lower sales

volumes and recurrent maintenance and promotion costs at **troia**resort. Resort Development contributed negative 1.5 million euro in the quarter (positive 1.6 million euro), while Hotel Operations made a zero contribution, down 0.1 million euro on a like for likes basis (i.e. excluding the catering business from the 2009 figures). The Selfrio Group also saw its contribution to consolidated operational cash-flow (EBITDA) decrease 0.4 million euro to 1.5 million euro, with profitability in the Cold Engineering and HVAC business segments impacted by difficult market conditions.

The highest rate of growth in operational cash-flow (EBITDA) contribution came from the Energy and Environment business, with a 0.3 million euro increase to positive 0.2 million euro.

The 0.2 million euro increase in the share of results of associated undertakings in the quarter is mostly explained by the higher contribution in the quarter from TP, at 0.4 million euro.

Investment income for the period includes a 6.6 million euro capital gain from the sale of Box Lines. It should be noted that in the third quarter of 2009, investment income included a capital gain of around 8 million euro from the sale of the shareholding in Sonae Indústria.

3.2 Consolidated Balance Sheet

Values	in	10 ³	euro

	30.09.2010	31.12.2009	Δ
Tangible and Intangible Assets	265,242.7	291,421.5	-9.0%
Goodwill			-9.0%
Non-Current Investments	61,133.3	61,350.0	
	72,500.8	71,837.9	+0.9%
Other Non-Current Assets	34,384.4	36,243.0	-5.1%
Stocks	229,842.3	227,548.6	+1.0%
Trade Debtors and Other Current Assets	63,218.1	78,560.6	-19.5%
Cash and Cash Equivalents	4,385.5	2,805.3	+56.3%
Total Assets	730,707.2	769,766.7	-5.1%
Total Equity attributable to Equity Holders of Sonae Capital	332,122.1	333,620.1	-0.4%
Total Equity attributable to Non-Controlling			
Interests	11,719.1	11,319.2	+3.5%
Total Equity	343,841.1	344,939.4	-0.3%
Non-Current Borrowings	161,774.7	235,922.5	-31.4%
Deferred Tax Liabilities	3,265.7	3,143.0	+3.9%
Other Non-Current Liabilities	40,387.6	40,815.6	-1.0%
Non-Current Liabilities	205,428.1	279,881.1	-26.6%
Current Borrowings	120,944.7	44,800.6	>100%
Trade Creditors and Other Current Liabilities	59,099.1	97,766.6	-39.6%
Provisions	1,394.1	2,379.0	-41.4%
Current Liabilities	181,437.9	144,946.2	+25.2%
Total Liabilities	386,866.0	424,827.3	-8.9%
Total Equity and Liabilities	730,707.2	769,766.7	-5.1%

Capex for the period amounted to 4.4 million euro, significantly below levels of previous years as a result of restrictions imposed by the Group's investment policy given the current challenging environment. **troia**resort accounted for around 1.4 million euro of consolidated capex and Fitness

circa 0.5 million euro. Spred accounted for 1.6 million euro, of which Energy and Environment made up 1.1 million euro and Atlantic Ferries and the Selfrio Group 0.2 million euro each.

Investment, recorded as changes in work in progress for real estate projects under development, amounted to 1.3 million euro (0.9 in **troia**resort and 0.4 in Efanor), with the conclusion of the Ácala building being the most significant event during the period.

As at 30 September 2010, Net Debt amounted to 278.3 million euro, an increase of 0.4 million euro up on Net Debt as at 31 December 2009.

Gearing was 80.9% (80.6% as at 31 December 2009) and interest cover for the last 12 months was 0.8 (5.6 as at 31 December 2009).

4. <u>Appendix</u>

4.1. Contributions Per Business Area

Values in 10³ euro

Turnover	3Q 10	3Q 09	Δ	9M 10	9M 09	Δ
Tourism Operations	14,189.2	19,925.2	-28.8%	40,531.5	109,352.2	-62.9%
Resort Development	2,118.1	7,260.2	-70.8%	11,387.2	78,658.9	-85.5%
Resort Management (Golf, Marina and Market)	1,245.4	1,122.6	+10.9%	1,930.2	1,864.5	+3.5%
Hotels	5,798.5	6,621.6	-12.4%	11,400.6	13,463.8	-15.3%
Fitness	4,329.2	4,238.2	+2.1%	13,935.3	13,527.6	+3.0%
Entertainment	697.9	682.5	+2.3%	1,878.2	1,837.4	+2.2%
Other	0.5	4.8	-90.1%	1.6	7.6	-78.7%
Turismo's contribution	14,189.7	19,930.0	-28.8%	40,533.1	109,359.8	-62.9%
Residential Property Development	310.8	316.2	-1.7%	1,640.9	659.2	>100%
Efanor	26.7	36.3	-26.6%	106.7	105.3	+1.3%
City Flats	163.4	121.5	+34.5%	899.6	371.7	>100%
Other	120.7	158.3	-23.8%	634.6	182.3	>100%
Other Real Estate Assets	1,664.6	1,335.9	+24.6%	3,874.2	2,793.2	+38.7%
Other	0.0	-1.3	-	0.0	2,736.5	-
SC Assets's contribution	1,975.5	1,650.8	+19.7%	5,515.1	6,188.9	-10.9%
Atlantic Ferries	2,279.5	2,097.3	+8.7%	3,861.2	4,126.5	-6.4%
Box Lines	9,324.7	10,236.6	-8.9%	26,864.6	29,138.4	-7.8%
Selfrio Group	19,000.7	20,760.2	-8.5%	54,303.9	61,411.5	-11.6%
Energy and Environment	1,317.3	97.4	>100%	3,773.2	293.1	>100%
Other	734.8	2,727.4	-73.1%	3,196.8	9,234.1	-65.4%
Spred's contribution	32,657.0	35,918.9	-9.1%	91,999.7	104,203.6	-11.7%

Values in 10^3 euro

Operational Cash-Flow (EBITDA)	3Q 10	3Q 09	Δ	9M 10	9M 09	Δ
Tourism Operations	-746.2	2,501.2	-	-2,013.4	37,003.7	-
Resort Development	-1,315.2	1,625.1	-	-348.5	39,762.7	-
Resort Management (Golf, Marina and Market)	-93.9	-160.9	+41.6%	-572.7	-701.1	+18.3%
Hotels	-10.1	464.2	-	-3,821.1	-4,010.1	+4.7%
Fitness	603.7	477.6	+26.4%	2,602.3	1,943.7	+33.9%
Entertainment	69.4	95.2	-27.1%	126.6	8.6	>100%
Other	-455.3	57.9	-	-94.3	-26.8	<-100%
Turismo's contribution	-1,201.4	2,559.1	-	-2,107.6	36,977.0	-
Residential Property Development	-214.4	-274.2	+21.8%	-745.3	-852.1	+12.5%
Efanor	-231.2	-56.4	<-100%	-452.7	-180.1	<-100%
City Flats	45.3	-5.1	-	218.4	11.8	>100%
Other	-28.5	-212.6	+86.6%	-511.0	-683.8	+25.3%
Other Real Estate Assets	800.6	1,039.8	-23.0%	2,745.3	6,788.5	-59.6%
Other	-853.3	6.7	-	-874.2	2,394.9	-
SC Assets's contribution	-267.1	772.3	-	1,125.8	8,331.3	-86.5%
Atlantic Ferries	1,005.8	883.2	+13.9%	350.5	165.4	>100%
Box Lines	747.0	603.2	+23.8%	1,022.8	376.0	>100%
Selfrio Group	1,475.4	1,909.2	-22.7%	3,669.6	5,576.8	-34.2%
Energy and Environment	245.1	-97.1	-	603.4	-223.7	-
Other	-18.0	-192.6	+90.7%	-150.1	-742.1	+79.8%
Spred's contribution	3,455.3	3,105.8	+11.3%	5,496.1	5,152.4	+6.7%

4.2. Operational Data

Sales data

troiaresort sales information as at 16 November 2010

		issory Pu greemer			# Deeds		Total # Units	% of Total
	# ¹	Area ²	Price ³	#	Area ²	Price ³	(Sold + Pre Sold)	76 01 10tai
Decel Assertments								
Beach Apartments [211 units]	1	119.9	4,337	140	125.4	4,087	141	67%
Marina Apartments [78 units]	0	0.0		45	82.3		45	58%
Beach, Lake and Golf Land Plots ⁴ [96 units]	1	343.8	2,164	31	343.8	3,227	32	33%
Aqualuz troia mar [35 units]	0	0.0		1	87.7		1	3%
Aqualuz troia lagoa [40 units]	0	0.0	0	1	171.0	4,678	1	3%
troiaresort Village [90 units]	0	0.0	0	1	159.0	3,646	1	3%
Ácala Building [71 units]	0	0.0	0	0	0.0	0	0	0%

 $^{^{1}}$ Number of pre sold units (Promissory Purchase Agreement) net of units with deeds already signed.

Since the last reporting date (24 August 2010) and up to 16 November 2010, a buyer made a request to exchange a Marina apartment for a Beach apartment, which was accepted.

As at 16 November 2010, there were 4 open reservations for units at **troia**resort, 3 for **troia**village townhouses and for 1 Ácala Building apartment.

Sales data	Residential De	evelopment sale	es information as at 1	6 November 2010
	Apartments Sold ¹	Average Area (m ²) ²	Average sales price (€/m²)	Rentals ³
City Flats / Lofts [212 units] Efanor - Delfim Pereira da Costa Building [40 units]	101 0	51.0 0	2,000	29 n.a.

¹ 98 sales deeds already signed.

n.a. - not applicable.

	Sales information
Total # Units (Sold + Pre Sold)	Total # Available Units
221	400
101	111
0	40
	(Sold + Pre Sold)

 $^{^{\}rm 2}$ Average areas (m $^{\rm 2}$), including indoor areas as well as balcony and terrace areas.

 $^{^3}$ Average sales price (ϵ/m^2).

 $^{^4}$ 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 2 .

 $^{^{2}}$ Includes indoor area as well as balcony and terrace areas.

 $^{^{\}rm 3}$ 5 of these rental contracts have an embedded purchase option.

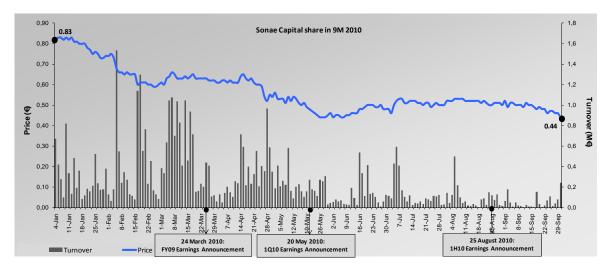
Rental yields	30 September 2010	Capital employed in Other Real Estate Assets (M.€)	30 September 2010
	Yield		Capital employed
Warehouses	5.5%	Assets for sale	29.5
Offices	12.4%	Assets under operation	197.0
Retail	6.0%	Real estate projects	121.6
Parking	0.6%	Other assets	33.1
Residential*	6.6%		
Hotels	5.2%	Total	381.2

 $[\]ensuremath{^{*}}$ Excluding the Duque de Loulé project, where rental activity is being discontinued.

5. <u>Share Price Performance</u>

The share price of Sonae Capital (SONAC LS; SONC.PL) decreased 47.0% since the beginning of the year up until 30 September 2010, compared to a 11.3% decrease in the Portuguese Stock Market reference index (PSI-20). Up to 16 November 2010, Sonae Capital's share price decreased 48.2%, closing at 0.43€, compared to a 8.1% decrease in the PSI-20.

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



Maia, 17 November 2010

Glossary

- <u>Average Daily Revenue</u> = Lodging Revenues / Number of rooms sold.
- <u>Capex</u> = Investment in Tangible and Intangible Assets.
- <u>GCA</u> (Gross Construction Area) = Area measured by the exterior perimeter of the exterior walls.
- Gearing = Net Debt / Equity.
- HVAC = Heating, Ventilation and Air Conditioning.
- <u>Interest Cover Ratio</u> = EBITDA (last 12 months) / Financial Charges.
- <u>Net Debt</u> = 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).
- <u>PPA</u> = Promissory Purchase Agreement.
- <u>UNOP</u> (Operational Planning Unit) = Planning and management operational units as specified in the Tróia Urbanisation Plan approved by the Portuguese Government Cabinet Resolution nr. 23/2000.
- Yield = Annual Rents / Capital Employed.



CONSOLIDATED FINANCIAL STATEMENTS 30 SEPTEMBER 2010

(Translation from the Portuguese Original)

CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2009

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

(Amounts expressed in euro)

		30 September	er 2010	31 December 2009		
ASSETS	Notes	Total Operations	Continued Operations	Total Operations	Continued Operations	
NON-CURRENT ASSETS:						
Tangible assets	8	257,941,002	257,941,002	283,922,679	283,431,775	
Intangible assets	8	7,301,723	7.301.723	7,498,780	7,473,266	
Goodwill	9	61,133,327	61,133,325	61,349,970	61,133,321	
Investments in associated companies	5	71,163,902	71,163,902	69.233.729	69,233,729	
Other investments	6 and 10	1,336,910	1,336,911	2,604,144	2,604,145	
Deferred tax assets	14	18,301,656	18,301,656	10,643,346	10,637,262	
Other non-current assets	11	16,082,785	16,082,785	25,599,607	25,599,607	
Total Non-Current Assets	_	433,261,305	433,261,304	460,852,255	460,113,105	
CURRENT ASSETS:						
Stocks	12	229,842,255	229,842,255	227,548,617	227,548,617	
Trade account receivables and other current assets	13	63,218,121	63,218,121	78,560,576	78,518,061	
Investments held for trading Cash and cash equivalents	15	4,385,471	4,385,471	2,805,280	2,571,748	
Total Current Assets	_	297,445,847	297,445,847	308,914,473	308,638,426	
TOTAL ASSETS	_	730,707,152	730,707,151	769,766,728	768,751,531	
EQUITY AND LIABILITIES						
EQUITY:						
Share capital	16	250,000,000	250,000,000	250,000,000	250,000,000	
Reserves and retained earnings		82,522,796	89,949,350	60,545,880	67,664,472	
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital	_	(400,719)	(7,827,275)	23,074,268	22,382,235	
Equity attributable to the equity holders of Sonae Capital		332,122,077	332,122,075	333,620,148	340,046,707	
Equity attributable to non-controlling interests	17	11,719,060	11,719,060	11,319,241	11,319,231	
TOTAL EQUITY	_	343,841,137	343,841,135	344,939,389	351,365,938	
LIABILITIES:						
NON-CURRENT LIABILITIES:						
Bank Loans	18	161,774,713	161,774,713	235,922,518	235,922,518	
Other non-current liabilities	20	37,201,633	37,201,634	36,820,270	36,820,270	
Deferred tax liabilities	14	3,265,744	3,265,744	3,142,990	3,141,123	
Provisions	23	3,185,974	3,185,975	3,995,369	3,995,370	
Total Non-Current Liabilities	_	205,428,064	205,428,066	279,881,147	279,879,281	
CURRENT LIABILITIES:						
Bank Loans	18	120,944,740	120,944,740	44,800,559	44,800,559	
Trade creditors and other non-current liabilities	22	59,099,062	59,099,061	97,766,631	90,326,751	
Provisions	23	1,394,149	1,394,149	2,379,002	2,379,002	
Total Current Liabilities	_	181,437,951	181,437,950	144,946,192	137,506,312	
TOTAL LIABILITIES	_	386,866,015	386,866,016	424,827,339	417,385,593	

730,707,152

730,707,151

The accompanying notes are part of these financial statements.

TOTAL EQUITY AND LIABILITIES

The Board of Directors

769,766,728

768,751,531

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 2009

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

(Amounts expressed in euro)

			30 September 2010			30 September 2009			
	Notes	Total Operations	Discontinued Operations	Continued Operations	Total Operations	Discontinued Operations	Continued Operations		
Operational income									
Sales		62,947,937	-	62,947,937	139,022,579	-	139,022,579		
Services rendered		75,194,991	26,713,773	48,481,218	80,895,552	28,920,547	51,975,005		
Other operational income	8	7,480,212	93,909	7,386,303	16,571,930	218,356	16,353,574		
Total operational income	_	145,623,140	26,807,682	118,815,458	236,490,061	29,138,903	207,351,158		
Operational expenses									
Cost of goods sold and materials consumed		(27,823,495)	1,627	(27,825,122)	(37,423,063)	10,516	(37,433,579)		
Changes in stocks of finished goods and work in progress		(8,090,508)	-	(8,090,508)	(9,572,972)	-	(9,572,972)		
External supplies and services		(66, 137, 364)	(24,513,409)	(41,623,955)	(100,820,900)	(26,850,416)	(73,970,484)		
Staff costs		(32,572,269)	(1,131,418)	(31,440,851)	(35,876,519)	(1,778,150)	(34,098,369)		
Depreciation and amortisation	8	(10,263,554)	(160,453)	(10,103,101)	(9,054,724)	(158,210)	(8,896,514)		
Provisions and impairment losses	8	(3,547,767)	(12,194)	(3,535,573)	(3,819,195)	(44, 172)	(3,775,023)		
Other operational expenses		(4,492,490)	(141,732)	(4,350,758)	(2,756,109)	(149,362)	(2,606,747)		
Total operational expenses		(152,927,447)	(25,957,579)	(126,969,868)	(199,323,482)	(28,969,794)	(170,353,688)		
Operational profit/(loss)	_	(7,304,307)	850,103	(8,154,410)	37,166,579	169,109	36,997,470		
Financial Expenses		(7,071,479)	(12,409)	(7,059,070)	(10,580,998)	(1,324,263)	(9,256,735)		
Financial Income		1,184,153	3,352	1,180,801	2,112,196	1,176	2,111,020		
Net financial expenses	_	(5,887,326)	(9,057)	(5,878,269)	(8,468,802)	(1,323,087)	(7,145,715)		
Share of results of associated undertakings	5	2,382,469	-	2,382,469	1,713,751		1,713,751		
Investment income		5,742,921	6,639,998	(897,077)	10,181,319	(1)	10,181,320		
Profit/(Loss) before taxation	-	(5,066,243)	7,481,044	(12,547,287)	40,592,847	(1,153,979)	41,746,826		
Taxation	26	5,055,653	(54,488)	5,110,141	(10,382,366)	154,540	(10,536,906)		
Profit/(Loss) for the year	27	(10,590)	7,426,556	(7,437,146)	30,210,481	(999, 439)	31,209,920		
Attributable to:	=								
Equity holders of Sonae Capital		(400,719)	7,426,556	(7,827,275)	29,036,632	(999, 439)	30,036,071		
Non-controlling interests	17	390,129	-	390,129	1,173,849	-	1,173,849		
Profit/(Loss) per share									
Basic	28	(0.001603)	0.029706	(0.031309)	0.116147	(0.003998)	0.120144		
Diluted	28	(0.001603)	0.029706	(0.031309)	0.116147	(0.003998)	0.120144		
	-								

The accompanying notes are part of these financial statements.

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE 3rd QUARTERS OF 2010 AND 2009

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

(Amounts expressed in euro)

	Total Operations		Continued Operations		
Notes	3 rd Quarter 10 ¹	3 rd Quarter 09 ¹	3 rd Quarter 10 ¹	3 rd Quarter 09 ¹	
Operational income:					
Sales	20,510,616	27,650,423	20,510,616	27,650,423	
Services rendered	28,345,162	29,883,009	19,171,254	19,864,273	
Other operational income	3,511,983	1,179,147	3,324,629	934,945	
Total operational income	52,367,761	58,712,579	43,006,499	48,449,641	
Operational expenses					
Cost of goods sold and materials consumed	(10,468,304)	(11,945,772)	(10,469,931)	(11,956,288)	
Changes in stocks of finished goods and work in progress	(2,881,334)	(979,259)	(2,881,334)	(979,259)	
External supplies and services	(22,731,161)	(27,299,134)	(14,478,326)	(18, 136, 498)	
Staff costs	(10,118,866)	(11,835,275)	(9,737,672)	(11,393,540)	
Depreciation and amortisation	(3,417,589)	(3,162,630)	(3,366,006)	(3,107,507)	
Provisions and impairment losses	(953,583)	(743,398)	(953,583)	(739,417)	
Other operational expenses	(2,360,655)	(522,967)	(2,378,792)	(455, 138)	
Total operational expenses	(52,931,492)	(56,488,435)	(44,265,644)	(46,767,647)	
Operational profit/(loss)	(563,731)	2,224,144	(1,259,145)	1,681,994	
Financial Expenses	(2,217,882)	(3,050,404)	(2,202,279)	(2,688,732)	
Financial Income	276,845	704,359	275,220	704,338	
Net financial expenses	(1,941,037)	(2,346,045)	(1,927,059)	(1,984,394)	
Share of results of associated undertakings	877,044	721,626	877,044	721,626	
Investment income	6,220,758	8,040,582	(419,240)	8,040,582	
Profit/(Loss) before taxation	4,593,034	8,640,307	(2,728,400)	8,459,808	
Taxation	775,843	(298,024)	813,925	(147,068)	
Profit/(Loss) for the period	5,368,877	8,342,283	(1,914,475)	8,312,740	
Attributable to:					
Equity holders of Sonae Capital	5,025,530	8,160,465	(2,257,822)	8,130,922	
Non-controlling interests	343,347	181,818	343,347	181,818	
Profit/(Loss) per share					
Basic	0.020102	0.032642	(0.009031)	0.032524	
Diluted	0.020102	0.032642	(0.009031)	0.032524	

The accompanying notes are part of these financial statements.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 2009

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

(Amounts expressed in euro)

	30 September 2010			30 September 2009			
	Total Operations	Discontinued Operations	Continued Operations	Total Operations	Discontinued Operations	Continued Operations	
						_	
Consolidated net profit/(loss) for the period	(10,590)	7,426,556	(7,437,146)	30,210,481	(999,439)	31,209,920	
Exchange differences on translating foreign operations	106,114	-	106,114	616,970	-	616,970	
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	17,772	-	17,772	-	-	-	
Change in the fair value of assets available for sale	-	-	-	(1,952,931)	-	(1,952,931)	
Change in the fair value of cash flow hedging derivatives	(1,559,848)	-	(1,559,848)	304,749	-	304,749	
Other comprehensive income for the period	(1,435,962)	-	(1,435,962)	(1,031,212)	-	(1,031,212)	
Total comprehensive income for the period	(1,446,552)	7,426,556	(8,873,108)	29,179,269	(999,439)	30,178,708	
Attributable to: Equity holders of Sonae Capital Non-controlling interests	(1,848,481) 401,929	7,426,556	(9,275,037) 401,929	27,917,887 1,261,382	(999,439)	28,917,326 1,261,382	

The accompanying notes are part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 3rd QUARTERS OF 2010 AND 2009

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

(Amounts expressed in euro)

	3 rd Quarter 10 ¹			3 rd Quarter 09 ¹			
	Total Operations	Discontinued Operations	Continued Operations	Total Operations	Discontinued Operations	Continued Operations	
Consolidated net profit/(loss) for the period	5,368,877	7,283,352	(1,914,475)	8,342,283	29,543	8,312,740	
Exchange differences on translating foreign operations	(51,716)	-	(51,716)	73,251	-	73,251	
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	-	-	-	-	-	-	
Change in the fair value of assets available for sale	-	-	-	(8,632,145)	-	(8,632,145)	
Change in the fair value of cash flow hedging derivatives	(403,697)	-	(403,697)	-	-	-	
Other comprehensive income for the period	(455,413)	-	(455,413)	(8,558,894)	-	(8,558,894)	
Total comprehensive income for the period	4,913,464	7,283,352	(2,369,888)	(216,611)	29,543	(246,154)	
Attributable to:	4 500 040	7 202 252	(2.602.422)	(420.4.42)	20.542	(440,005)	
Equity holders of Sonae Capital Non-controlling interests	4,589,919 323,545	7,283,352	(2,693,433) 323,545	(420,142) 203,531	29,543	(449,685) 203,531	

The accompanying notes are part of these financial statements.

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

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 2009

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

(Amounts expressed in Euro)

Attributable to Equity Holders of Sonae Capital Other Reserves Demerger Share Translation Fair Value Hedging Non-Controlling Notes and Retained Net Profit/(Loss) Total Total Equity Reserve Sub total Capital Reserves Reserves Reserves Interests (Note 16) Earnings Balance as at 1 January 2009 1,952,931 285,452,156 49,319,413 250,000,000 132,638,253 (1,801,935)(304,749)(97,032,344) 21,393,605 306,845,761 356,165,174 Total consolidated comprehensive income for the period 529,437 (1,952,931) 304,749 (1,118,745)29,036,632 27,917,887 1,261,382 29,179,269 Appropriation of profit of 2008: Transfer to legal reserves and retained earnings 21.393.605 21.393.605 (21,393,605) Dividends Other changes 202,020 202,020 202,020 (47,789,708) (47,587,688) Balance as at 30 September 2009 250,000,000 132,638,253 (1,272,498) 305,929,036 29,036,632 334,965,668 2,791,087 337,756,755 (75,436,719) 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 74,280 (1,539,814)17,772 (1,447,762)(400,719)(1,848,481)401,929 (1,446,552)Appropriation of profit of 2009 Transfer to legal reserves and retained earnings 23,074,268 23,074,268 (23,074,268)Dividends Other changes 350,410 350,410 350,410 (2,110)348,300 Balance as at 30 September 2010 250,000,000 132,638,253 (1,164,773) (1,539,814) (47,410,870) 332,522,796 (400,719) 332,122,077 11,719,060 343,841,137

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 2009

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

(Amounts expressed in Euro)

	Notes	30.09.2010	30.09.2009	3 rd quarter 10 ¹	3 rd quarter 09 ¹
OPERATING ACTIVITIES:					
Cash receipts from trade debtors Cash receipts from trade creditors Cash paid to employees Cash flow generated by operations		140,591,919 (113,728,686) (32,457,099) (5,593,866)	204,228,906 (128,346,379) (34,751,813) 41,130,714	48,193,944 (34,006,621) (10,045,953) 4,141,370	62,964,874 (42,870,319) (11,396,590) 8,697,965
Income taxes (paid) / received Other cash receipts and (payments) relating to operating activities Net cash flow from operating activities (1)		(6,859,329) 5,279,483 (7,173,712)	(2,686,603) (5,374,581) 33,069,530	(2,042,275) 2,409,101 4,508,196	1,052,934 (3,964,708) 5,786,191
INVESTMENT ACTIVITIES:	•	<u>, , , , , , , , , , , , , , , , , , , </u>		· · ·	
Cash receipts arising from: Investments Tangible assets Intangible assets Interest and similar income Loans granted Dividends Others Cash Payments arising from: Investments Tangible assets Intangible assets Loans granted Others	:	4,466,643 5,197,683	23,538,062 733,766 117 2,349,358 1,123,415 13,359 233,223 48 27,991,348 (7,647,535) (31,879,282) (162,262) (2,009,749) (625,402) (42,324,230)	4,078,095 4,003,337 - - 130,003 23,909 - - 8,235,344 (96,902) (2,128,129) (15,529) (96,856) - (2,337,416)	21,911,388 (10,269,028) - 1,372,868 1,119,380 13,359 - 48 14,148,015 (7,298,935) (6,548,841) (31,722) - (13,879,498)
Net cash used in investment activities (2)	•	15,254,328	(14,332,882)	5,897,928	268,517
FINANCING ACTIVITIES: Cash receipts arising from: Loans obtained Capital increases, additional paid in capital and share premiums		2,620,499 - 2.620,499	96,629,410 132,531 96,761,941	(7,023,747) 	91,187,423
Cash Payments arising from: Loans obtained Interest and similar charges Others		(3,712,007) (6,716,436)	(115,735,403) (11,970,938) (1,889,837)	(1,345,664) (3,294,548) 292,784	(93,463,614) (4,780,752) (971,614)
Not each used in francisc cativities (2)		(10,428,443)	(129,596,178)	(4,347,428)	(99,215,980)
Net cash used in financing activities (3)	•	(7,807,944)	(32,834,237)	(11,371,175)	(8,028,557)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3) Effect of foreign exchange rate Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the end of the period	15 15	272,672 (30,392) 1,943,023 2,246,087	(14,097,589) (111,420) 16,960,563 2,974,394	(965,051) 6,711 3,217,849 2,246,087	(1,973,849) (25,132) 4,923,112 2,974,394

The accompanying notes are part of these financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 2009

(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.

To ensure compatibility between 2010 and 2009, consolidated financial statements as at 31 December 2009 and 30 September 2009, include impacts of the sales of Box Lines Navegação, SA and of Elmo, SGPS, SA and its affiliates.

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 nine months of 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 30 September 2010 and 31 December 2009, are as follows:

			Percentage of		capital held		
			30 Septem	ber 2010	31 December 2009		
Company		Head Office	Direct	Total	Direct	Total	
Sonae Capital SGPS, SA		Maia	Mãe	Mãe	Mãe	Mãe	
Tourism							
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.Turisticos, 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)	Lisboa	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 Málaga, 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%	
Troiaresort - Investimentos Turísticos, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%	
Troiaverde-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%	
Tulipamar-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%	
Assets							
Bloco Q-Sociedade Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%	
Bloco W-Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%	
Francisco de la cale Occidente de Assacha CA							
Empreend.Imob.Quinta da Azenha, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%	

1) 1) 1) 1)

1)	Cinclus Imobiliária, SA	a)	Porto	100.00%	87.74%	100.00%	87.74%
1)	Country Club da Maia-Imobiliaria, 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-Edificios 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	a)	Crândolo	100.00%	100.00%	100.00%	100.00%
1)	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%
2)	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)	Sao Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
	Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Integrum Colombo – Energia, SA	a)	Maia	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%
	J 37	,					

	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
- 3) Company incorporated in the period

5. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

Associated and jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 30 September 2010 and 31 December 2009 are as follows:

			Percentage	of capital held		_	
		30 Septen	nber 2010	31 December 2009		Book Value	
Company	Head Office	Direct	Total	Direct	Total	30 September 2010	31 December 2009
Tourism							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	974,870	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%	54,524,812	52,802,751
Sociedade Imobiliária Tróia - B3, SA	Grândola	20.00%	20.00%	20.00%	20.00%	439,854	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%	-	-
Spred							
Cinclus-Plan. e Gestão de Projectos, SA	Porto	25.00%	25.00%	25.00%	25.00%	749,156	662.209
Change, SGPS, SA	Porto	50.00%	50.00%	50.00%	50.00%	32,880	1.186.964
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	537,343	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%	14,782	24.890
TP - Sociedade Térmica, SA	Porto	50.00%	50.00%	50.00%	50.00%	13,866,205	12.472.327
Total						71,163,902	69,233,729

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

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.

Investments in associated and jointly controlled companies include 624,760 euro of impairment losses.

As at 30 September 2010 and 31 December 2009, aggregate values of main financial indicators of associated and jointly controlled companies can be analysed as follows:

	30 September	31 December
	2010	2009
Total Assets	1,001,999,629	1,650,136,557
Total Liabilities	851,684,470	1,468,288,692
Income	131,168,091	182,413,148
Expenses	119,070,959	190,184,798

During the periods ended 30 September 2010 and 2009, movements in investments in associated companies may be summarised as follows:

	30 September 2010	31 September 2009
Opening balance as at 1 January	69,233,729	14,882,648
Changes in the consolidation method during the period	-	51,468,593
Acquisitions in the period	149,235	292,000
Impairments in the period	(592,817)	-
Disposals in the period	-	-
Equity method	2,400,241	1,713,751
Dividends received	(26,486)	(107,133)
Transfers	-	-
Closing balance as at 30 September	71,163,902	68,249,859

The use of the equity method had the following impacts: 2,382,469 euro are recorded in Share of results of associated undertakings (1,713,751 euro at 30 September 2009) and 17,772 of other changes recorded in Reserves (no changes were recorded in Reserves as at 30 September 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 30 September 2010 and 31 December 2009 are made up as follows:

				Percentage of	of capital held		_	
			30 Septer	nber 2010	31 Decen	nber 2009		
Company	Reason for exclusion	Head Office	Direct	Total	Direct	Total	30 September 2010	31 December 2009
Tourism								
Delphinus – Soc. de Tur. e Div. de Tróia, SA	a)	Grândola	79.00%	79.00%	79.00%	79.00%	-	-
Infratroia – Emp. De Infraest. De Troia, E.N.	a)	Grândola	25.90%	25.90%	25.90%	25.90%	64,747	64,747
Spidouro S.P.E.I. Douro e Trás-os-Montes, SA		Vila Real	8.30%	8.30%	8.30%	8.30%	-	-
Spred								
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

Total (Note 10)							1,336,910	2,604,144
Other investments							402,493	421,567
Spinarq – Engenharia, Energia e Ambiente, SA	a)	Luanda	99.90%	99.90%	-	-	191,507	-

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. <u>CHANGES TO THE CONSOLIDATION PERIMETER</u>

Disposals of companies over the nine months period ended 30 September 2010 were as follows:

		Percentage of capital held		
		At the date of disposal of		
Company	Head Office	Direct	Total	
Spred				
Box Lines Navegação, SA	Porto	100.00%	100.00%	
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 disposal	31 December
	of shareholding	2009
Net assets excluded		
Tangible and intangible fixed assets (Note 8)	368,536	516,419
Stocks	1,246,393	1,316,823
Other assets	10,889,652	8,667,031
Cash and cash equivalents	960,222	245,380
Other liabilities	(14,959,396)	(10,344,306)
	(1,494,593)	401,347
Impairment of assets	3,560,012	3,560,012
Goodwill (Note 9)	216,643	
	2,282,062	3,961,359
Gain/(Loss) on exclusion	8,167,940	
	10,450,002	3,961,359

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

Date of disposal of shareholding	31 December 2009
27,757,763	44,650,721
-	170,411
(27,180,306)	(45,507,362)
(38,884)	(87,356)
538,573	(773,586)
(54,488)	221,726
484,085	(551,860)
	shareholding 27,757,763 (27,180,306) (38,884) 538,573 (54,488)

8. TANGIBLE AND INTANGIBLE FIXED ASSETS

During the nine months period ended 30 September 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	
Gross Cost:						
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)	(5,439,405)	(113,317)	-	(10,012,641)	
Capital expenditure	137,286	428,356	5,713	3,758,174	4,329,529	
Disposals	(5,232,512)	(1,362,746)	(7,862)	(193,688)	(6,796,808)	
Exchange rate effect	27,054	4,108	4,512	-	35,674	
Transfers	3,013,854	4,282,118	(195,247)	(20,226,286)	(13,125,561)	
Closing balance as at 30 September 2010	199,608,022	124,001,608	3,458,125	13,863,357	340,931,112	
Accumulated depreciation and impairment losses:						
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)	(5,089,369)	(105,606)	-	(9,654,894)	
Charge for the period 1)	4,249,609	7,688,649	167,052	-	12,105,310	
Disposals 2)	(1,425,363)	(449,939)	(7,334)	-	(1,882,636)	
Exchange rate effect	6,062	3,135	2,919	-	12,116	
Transfers	1,256	(3,419)	(165,863)	-	(168,026)	
Closing balance as at 30 September 2010	43,916,141	36,476,009	2,597,960	-	82,990,110	
Carrying amount as at 30 September 2010	155,691,881	87,525,599	860,165	13,863,357	257,941,002	

¹⁾ Includes impairment losses amounting to 2,138,893 euro.

²⁾ Includes reversal of impairment losses amounting to 850,017 euro.

Transfers from Tangible assets in progress include transfers to stocks of amounts related with real estate projects under commercialization at Troia, in the amount of 11,555,512 euro.

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

	30 September
	2010
Tróia	7,997,744
Infrastructures in Setúbal piers and other related with the ferry crossing to Tróia	156,665
Boavista complex refurbishment	1,468,699
Ecoresort Project (Tróia)	2,096,807
Cogeneration Project Integrum Colombo	1,003,125
Others	1,140,317
	13,863,357

-	Intangible assets					
	Patents and other similar rights	Software	Other intangible assets	Assets in progress	Total intangible assets	
Gross cost:	_	_				
Opening balance as at 1 January 2010	7,446,843	2,716,769	37,262	100,915	10,301,789	
Changes in consolidation perimeter (Note 7)	(2,138)	(455,508)	(956)	-	(458,602)	
Capital expenditure	-	6,653	-	40,151	46,804	
Disposals	(1,613)	-	(23,864)	-	(25,477)	
Exchange rate effect	-	1,568	-	-	1,568	
Transfers	(15,718)	363,438	-	(130,298)	217,422	
Closing balance as at 30 September 2010	7,427,374	2,632,920	12,442	10,768	10,083,504	
Accumulated amortization and impairment losses:						
Opening balance as at 1 January 2010	692,598	2,073,376	37,035	-	2,803,009	
Changes in consolidation perimeter (Note 7)	(2,138)	(444,719)	(956)	-	(447,813)	
Amortizations and impairment losses of the period	122,266	174,644	227	-	297,137	
Disposals	(1,613)		(23,864)	-	(25,477)	
Exchange rate effect	-	891	-	-	891	
Transfers	(15,843)	169,877	-	-	154,034	
Closing balance as at 30 September 2010	795,270	1,974,069	12,442		2,781,781	
Carrying amount as at 30 September 2010	6,632,104	658,851	-	10,768	7,301,723	

9. GOODWILL

During the nine months period ended 30 September 2010, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	30 September 2010
Gross amount:	
Opening balance	62,651,566
Increases	-
Decreases (Note 7)	(216,643)
Closing balance	62,434,923
Accumulated impairment losses:	
Opening balance	1,301,596
Increases	-
Decreases	-
Closing balance	1,301,596
Carrying amount:	61,133,327

10. <u>INVESTMENTS</u>

As at 30 September 2010 this caption can be detailed as follows:

	30 September 2010	
	Non current	Current
Investments in group companies, jointly controlled companies or		
associated companies excluded from consolidation		
Opening balance as at 1 January	8,229,277	-
Acquisitions in the period	734,652	-
Disposals in the period	(639,680)	-
Transfers	-	-
Closing balance as at 30 September	8,324,249	-
Accumulated impairment losses (Note 23)	(7,707,935)	-
	616,314	-
<u>Investments held for sale</u>		
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 30 September	2,289,261	-
Accumulated impairment losses (Note 23)	(1,568,665)	-
Fair value (net of impairment losses) as at 30 September	720,596	-
Other investments (Note 6)	1,336,910	-

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 30 September 2010 and 31 December 2009, Other non current assets are detailed as follows:

	30 September 2010	31 December 2009
Loans granted to related parties		
Norscut - Concessionária de Scut Interior Norte, SA	14,564,633	23,837,775
Others	132,318	238,225
	14,696,951	24,076,000
Impairment losses (Note 23)	(75,616)	(34,916)
	14,621,335	24,041,084
Trade accounts receivable and other debtors		
Others	1,461,450	1,558,523
	1,461,450	1,558,523
Impairment losses (Note 23)	<u> </u>	
	1,461,450	1,558,523
Other non current assets	16,082,785	25,599,607

12. STOCKS

Stocks as at 30 September 2010 and 31 December 2009 can be detailed as follows, highlighting the value attributable to real estate developments:

	30 September 2010		31 December 2009	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,055,939	-	2,371,413	-
Goods for sale	45,409,706	43,275,363	45,133,938	42,966,231
Finished products	119,840,971	119,840,971	104,620,642	104,502,986
Work in progress	71,199,476	66,358,819	83,212,537	76,428,112
Payments on account	68,459		68,459	
	237,574,551	229,475,153	235,406,989	223,897,329
Accumulated impairment losses on stocks (Note 23)	(7,732,296)	(7,663,837)	(7,858,372)	(7,674,640)
Stocks	229,842,255	221,811,316	227,548,617	216,222,689

13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2010 and 31 December 2009, Trade accounts receivable and Other current assets are detailed as follows:

	30 September 2010	31 December 2009
Trade accounts receivable	33,235,175	47,929,830
Taxes recoverable	10,497,718	13,276,150
Loans granted and other accounts receivable from related parties		
Sit B3	2,559,889	2,559,886
TP	-	2,000,000
Change, SGPS, SA	2,064,000	2,052,000
Others	151,399	230,381
	4,775,288	6,842,267
Other current assets		
Suppliers with debtor balances	1,041,460	1,137,398
Other debtors	9,850,183	12,746,812
Accounts receivable from the sale of financial investments	31,746,339	27,041,348
Accounts receivable from the sale of tangible assets	114,644	124,232
Interest receivable	976,452	18,716
Deferred costs - rents	138,307	256,528
Deferred costs - external supplies and services	834,781	1,688,111
Other current assets	2,249,407	1,534,041
	46,951,573	44,547,186
Accumulated impairment losses (Note 23)	(32,241,633)	(34,034,857)
Trade accounts receivable and other current assets	63,218,121	78,560,576

14. <u>DEFERRED TAXES</u>

Deferred tax assets and liabilities as at 30 September 2010 and 31 December 2009, split between the different types of temporary differences, can be detailed as follows:

	Deferred tax assets		Deferred tax assets Deferred tax	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Amortisation and Depreciation harmonisation adjustments	1,383,762	1,249,564	1,342,313	1,031,460
Provisions and impairment losses of non-tax deductible	3,012,766	-	-	-
Write off of tangible and intangible assets	2,783	1,446,714	-	-
Write off of accruals	-	636,463	-	-
Revaluation of tangible assets	-	-	579,706	741,120

Tax losses carried forward	12,203,866	7,305,682	36,510	-
Write off of stocks	-	-	1,138,642	1,138,330
Others	1,698,479	4,923	168,573	232,080
	18,301,656	10,643,346	3,265,744	3,142,990

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 September 2010 and 31 December 2009, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	30 September 2010			31 December 2009			
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit	
With limited time use							
Generated in 2004	58,171	14,543	2010	317,411	79,353	2010	
Generated in 2005	3,575,048	893,762	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	2,832,608	708,152	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	11,157,419	2,789,355	2015	7,770,683	1,906,161	2015	
Generated in 2010	16,991,138	4,247,784	2014	-	-		
	48,652,971	12,163,243		29,267,298	7,280,315		
Nith a time limit different from the above mentioned	162,554	40,623		101,535	25,367		
	162,554	40,623		101,535	25,367		
	48,815,525	12,203,866		29,368,833	7,305,682		

As at 30 September 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 30 September 2010, tax losses carried forward amounting to 155,669,009 euro (150.762.305 euro as at 31 de December 2009), have not originated deferred tax assets for prudential reasons:

	30 September 2010			31	December 2009	
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2004	2,711,072	643,068	2010	2,905,101	712,395	2010
Generated in 2005	5,362,398	1,182,865	2011	5,733,190	1,370,204	2011
Generated in 2006	10,732,844	2,242,265	2012	11,126,174	2,605,166	2012
Generated in 2007	18,871,614	4,443,007	2013	21,669,751	5,305,437	2013
Generated in 2008	31,452,195	7,282,056	2014	31,452,496	7,630,728	2014
Generated in 2009	51,909,648	12,692,734	2015	53,480,303	13,256,163	2015
Generated in 2010	10,050,835	2,190,141	2014	-	-	
	131,090,606	30,676,136		126,367,015	30,880,093	
Without limited time use	1,186,715	395,532		5,607,982	1,869,140	
With a time limit different from the above mentioned	23,391,688	6,394,713		18,787,308	5,418,039	
	24,578,403	6,790,245		24,395,290	7,287,179	
	155,669,009	37,466,381		150,762,305	38,167,272	

15. CASH AND CASH EQUIVALENTS

As at 30 de September 2010 and 31 December 2009, Cash and Cash equivalents can be detailed as follows:

	30 September 2010	31 December 2009
Cash at hand	188,592	202,538
Bank deposits	4,186,879	2,196,282
Treasury applications	10,000	406,460
Cash and cash equivalents in the balance sheet	4,385,471	2,805,280
Bank overdrafts (Note 18)	(1,639,383)	(362,257)
Guarantee deposit	(500,000)	(500,000)
Cash and cash equivalents in the statement of cash-flows	2,246,087	1,943,023

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 30 September 2010 and 31 December 2009 are as follows:

	30 September 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	31,834	102,101
Other changes	(22,144)	197,227
Profit for the period attributable to non-controlling interests	390,129	1,347,372
Closing balance	11,719,060	11,319,241

18. <u>BORROWINGS</u>

As at 30 September 2010 and 31 December 2009, Borrowings are made up as follows:

	30 September 2010		31 Decemb		
	Outstandin	ng amount	Outstanding	Repayable	
	Current	Non current	Current	Non current	
Bank loans	_				
Sonae Capital SGPS - commercial paper a)	-	30,000,000	-	30,000,000	Mar/2013
Sonae Capital SGPS - commercial paper b) e)	38,100,000	-	39,100,000	-	2011
Sonae Capital SGPS - commercial paper c) d)	49,500,000	-	-	48,550,000	Aug/2011
Sonae Capital SGPS - commercial paper d)	24,800,000	-	-	24,250,000	Aug/2011
Invesaúde	296,920	-	500,000	-	Aug/2010
Selfrio Engenharia - commercial paper	1,400,000	1,400,000	1,400,000	2,100,000	May/2012
Up-front fees	-	(38,231)	-	(49,893)	
Others	1,785,578	<u> </u>		<u> </u>	
	115,882,498	31,361,769	41,000,000	104,850,107	
Bank overdrafts (Note 15)	1,639,383	-	362,257	-	
Bank loans	117,521,881	31,361,769	41,362,257	104,850,107	
Bond loans					
Sonae Capital 2007/2012 Bonds	_	20,000,000	_	20,000,000	- /
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	Dec/2012
Up-front fees	_	(634,682)	_	(756,745)	Mar/2018
Bond loans	<u>-</u>	99,365,318		99,243,255	
boliu loalis		99,303,316		99,243,233	
Other loans	43,334	2,986,459	131,532	2,986,459	
Derivatives (Note 19)	-	1,613,585	-	-	
Obligations under finance leases	3,379,525	26,584,734	3,306,770	28,987,580	
Up-front fees on finance leases	-	(137,152)	-	(144,883)	
	120,944,740	161,774,713	44,800,559	235,922,518	
:			,000,000		

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 short term subscription guarantee, issued on 22 December 2008, with annual renewals up to a maximum of 3 years.

As at 30 September 2010, 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:

30 September 2010

31 December 2009

_	•			
	Nominal value	Interest	Nominal value	Interest
N+1 a)	120,949,708	5,985,240	44,800,559	6,395,144
N+2	4,453,913	2,979,260	77,707,366	4,052,843
N+3	82,939,571	2,475,263	53,447,792	3,133,980
N+4	3,055,813	1,522,540	32,986,141	1,869,353
N+5	3,035,578	1,467,000	3,034,952	1,373,606
After N+5	67,473,406	4,083,365	69,697,789	4,944,349
_	281,907,989	18,512,668	281,674,599	21,769,275

a) Includes amounts drawn under commercial paper programmes.

19. DERIVATIVES

Interest rate derivatives

The hedging instruments used by the Group as at 30 September 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 1,613,585 euro. As at 30 September 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 indices: 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:

	Ass	ets	Liabi	lities
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 18)	-	-	1,613,585	-
Other derivatives	-	-	-	-
	-	-	1,613,585	-

20. OTHER NON CURRENT LIABILITIES

As at 30 September 2010 and 31 December 2009 Other non current liabilities can be detailed as follows:

	30 September 2010	31 December 2009
Loan and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,261,529	2,288,446
Others	1,098,000	960,002
	3,359,529	3,248,448
Others creditors		
Creditors in the restructuring process of Torralta	30,141,462	30,141,462
Fixed assets suppliers	-	-
Others	548,653	12,553
	30,690,115	30,154,015
Deferred income	3,151,989	3,281,604
Pension fund liabilities		136,203
rension runa nabinces		130,203
Other non current liabilities	37,201,633	36,820,270

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 30 September 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	Vosting voor	Number of	Fair value	
	grant	Vesting year	participants	30 September 2010	31 December 2009
Shares					
	2007	2010	-	-	75,080
	2008	2011	4	49,797	207,760
	2009	2012	5	179,664	420,165
	2010	2013	5	176,962	
<u>Total</u>				406,423	703,005

As at 30 September 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:

	30 September 2010	31 December 2009
Other non current liabilities	149,045	278,562
Other current liabilities	45,647	75,080
Reserves	293,939	37,509
Staff costs	(99,248)	316,133

22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 September 2010 and 31 December 2009, Trade accounts payable and Other current liabilities can be detailed as follows:

	30 September 2010	31 December 2009
Trade creditors	25,089,310	50,444,177
Loans granted by and other payables related parties	201,741	209,181
Other current liabilities		
Fixed assets suppliers	819,670	2,553,533
Advances from customers and down payments	2,519,831	5,081,527
Other creditors	1,464,499	3,572,044
Taxes and contributions payable	4,589,019	10,622,710
Staff costs	7,184,814	6,975,657
Amounts invoiced for works not yet completed	6,191,017	6,821,540
Other external supplies and services	2,149,685	1,143,909
Interest payable	1,093,032	1,329,796

Expenses with construction contracts	1,036,922	1,534,444
Investment aid	1,779,303	2,278,884
Other liabilities	4,980,219	5,199,229
	33,808,011	47,113,273
Trade accounts payable and other current liabilities	59,099,062	97,766,631

23. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 30 September 2010 were as follows:

	Balance as at			Balance as at
Captions	1 January 2010	Increases	Decreases	30 September 2010
Accumulated impairment losses on:				
Investments (Notes 5 and 10)	7,946,337	2,032,483	(77,460)	9,901,360
Other non current assets (Note 11)	34,916	64,596	(23,896)	75,616
Trade accounts receivable (Note 13)	5,073,127	134,591	(958,143)	4,249,575
Other current debtors (Note 13)	28,961,730	1,060,512	(2,030,184)	27,992,058
Stocks (Note 12)	7,858,373	-	(126,077)	7,732,296
Non current provisions	3,995,369	1,280,000	(2,089,395)	3,185,974
Current provisions	2,379,002	215,147	(1,200,000)	1,394,149
	56,248,854	4,787,329	(6,505,155)	54,531,028

As at 30 September 2010 and 31 December 2009, detail of other provisions was as follows:

	30 September 2010	31 December 2009
Judicial claims	1,847,148	2,709,600
Others	2,732,975	3,664,771
	4,580,123	6,374,371

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

24. CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2010 and 31 December 2009 the most important contingent liabilities referred to guarantees given and were made up as follows:

	30 September 2010	31 December 2009
Guarantees given:		
on VAT reimbursements	4,280,908	691,424
on tax claims	2,718,057	2,547,537
on judicial claims	1,897,406	1,897,406
on municipal claims	3,175,168	3,175,167
Others	18,584,462	46,176,125

Other include the following guarantees:

- 8,374,048 euro (7,019,255 euro as at 31 December 2009) of guarantees on construction works given to clients;
- 10,139,510 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 Group 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 30 September 2010 and 2009 with related parties are detailed as follows:

	Sales and serv	ices rendered	Purchases and s	ervices obtained
<u>Transactions</u>	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Parent company and group companies excluded from	_	235,747	_	172,619
consolidation (a)	224.044	•	200 770	•
Associated companies	901,911	3,447	390,778	72,980
Other partners and shareholders	40,298,027	55,493,674	5,372,892	7,808,887
	41,199,938	55,732,868	5,763,670	8,054,486
	Interest	income	Interest	expense
<u>Transactions</u>	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	966,799	1,339,083	-	-
Other partners and shareholders	1,645		115,243	116,843
	968,444	1,339,083	115,243	116,843
	Accounts	receivable	Accounts	s payable
Balances	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Parent company and group companies excluded from consolidation (a)	-	212,491	115	115
Associated companies	1,191,855	2,240,393	39,122	39,774
Other partners and shareholders	10,755,181	14,753,864	5,233,707	4,391,160
	11,947,036	17,206,748	5,272,944	4,431,049
	Loans o	btained	Loans ₈	granted
Balances	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	-	-	16,727,191	28,262,784
Other partners and shareholders	2,261,529	2,295,977		
	2,261,529	2,295,977	16,727,191	28,262,784

⁽⁽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 nine months periods ended 30 September 2010 and 2009 was made up as follows:

	30 September 2010	30 September 2009	
Current tax	2,352,520	13,313,847	
Deferred tax	(7,408,173)	(2,931,481)	
	(5,055,653)	10,382,366	

27. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 September 2010 and 2009, the reconciliation of consolidated net profit can be analysed as follows:

	30 September 2010	30 September 2009
Agregate net profit	(7,973,701)	138,643,554
Harmonisation adjustments	1,831,147	1,341,552
Elimination of intra-group dividends	(45,114,978)	(179,009,882)
Equity Method (Note 5)	2,355,983	1,606,619
Elimination of intra-group capital gains/(losses)	27,251,640	512,581
Elimination of intra-group impairments	(6,049,011)	12,378,559
Reversal of impairments	3,457,708	-
Adjustments of gains/(losses) on the sale of assets	-	3,604,856
Adjustments of gains/(losses) on the sale of financial shareholdings	24,196,084	51,121,815
Others	34,538	10,827
Consolidated net profit for the period	(10,590)	30,210,481

28. <u>EARNINGS PER SHARE</u>

Earnings per share for the periods ended 30 September 2010 and 2009 were calculated taking into consideration the following amounts:

	30 September 2010	30 September 2009
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (net profit for the period)	(400,719)	29,036,632
Effect of dilutive potential shares Interest related to convertible bond (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	(400,719)	29,036,632
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	250,000,000	250,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	250,000,000	250,000,000
Earnings per share (basic and diluted)	(0.001603)	0.116147

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

29. <u>SEGMENT INFORMATION</u>

In the periods ended 30 September 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 nine months period ended on 30 September 2010 and 2009 can be detailed as follows:

30 September 2010

Profit & Loss Account	Tourism Operations	Other	Intersegment Income	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Income	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Intersegment Income	Total Spred	Holding & Others	Intersegment Income	Consolidated
Operational Income																		
Sales	12,401,361	-	-	12,401,361	1,182,650	1,513,862	-	-	2,696,512	-	-	44,022,525	4,039,293	-	48,061,818	-	(211,754)	62,947,937
Services rendered	28,187,827	2,194,011	(1,899,511)	28,482,327	883,962	5,276,984	-	(242,710)	5,918,236	3,861,346	26,897,082	11,039,235	3,067,722	(55,994)	44,809,391	3,308,799	(7,323,762)	75,194,991
Other operational income	4,045,756	1,627,902	(189,594)	5,484,064	252,906	959,437	-	-113,889	1,098,454	32,564	116,613	455,323	582,669	(422)	1,186,747	330,148	(619,201)	7,480,212
	44,634,944	3,821,913	(2,089,105)	46,367,752	2,319,518	7,750,283	-	-356,599	9,713,202	3,893,910	27,013,695	55,517,083	7,689,684	(56,416)	94,057,956	3,638,947	(8,154,717)	145,623,140
Operational cash-flow (EBITDA)	(2,147,021)	38,636	(1,865)	(2,110,250)	(766,685)	1,885,340	(14,241)	16,170	1,120,584	350,507	1,022,752	3,667,371	453,292	1,215	5,495,137	(942,232)	8,831	3,572,070

30 September 2009

Profit and Loss Account	Tourism Operations	Other	Intersegment Income	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Income	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Intersegment Income	Total Spred	Holding & Others	Intersegment Income	Consolidated
Operational Income																		
Sales	79,977,300	-	-	79,977,300	312,500	601,650	-	-	914,150	-	-	53,181,266	6,098,105	-	59,279,371	-	(1,148,242)	139,022,579
Services rendered	29,433,223	2,030,500	(1,861,094)	29,602,629	762,656	4,961,391	2,872,694	(437,714)	8,159,027	4,126,492	29,205,563	10,291,647	3,492,116	(90,723)	47,025,095	3,581,264	(7,472,463)	80,895,552
Other operational income	9,722,988	279,038	(245,409)	9,756,617	16,542	4,486,213	39,182	(1,101,343)	3,440,594	23,183	236,601	804,544	445,135	-	1,509,463	169,136	1,696,120	16,571,930
	119,133,511	2,309,538	(2,106,503)	119,336,546	1,091,698	10,049,254	2,911,876	-1,539,057	12,513,771	4,149,675	29,442,164	64,277,457	10,035,356	(90,723)	107,813,929	3,750,400	-6,924,585	236,490,061
Operational cash-flow (EBITDA)	36,845,100	118,278	(1,384)	36,961,994	(855,364)	6,788,444	2,394,920	(1,051,383)	7,276,617	165,422	375,957	5,577,793	(970,272)	(1,799)	5,147,101	(850,571)	1,070,468	49,605,609

The contribution of the business segments to the balance sheets as at 30 September 2010 and 31 December 2009 can be detailed as follows:

30 September 2010

Balance Sheet	Tourism Operations	Other	Intersegment Adjustments	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Adjustments	Total SC Assets	Atlantic Ferries	Selfrio Group	Other	Intersegment Adjustments	Total Spred	Holding & Others	Intersegment Adjustments	Consolidated
Tangible and Intangible Fixed Assets	148,705,231	543,692	-	149,248,923	28,741	79,490,686	-	-	79,519,427	26,376,300	730,220	9,234,569	-	36,341,089	133,285	(0)	265,242,725
Investments	699,172	152,393	-	851,565	-	974,870	54,524,812	-	55,499,682	-	0	1,500,077	-	1,500,077	14,649,488	-	72,500,812
Other Assets	176,014,627	155,383,287	(154,570,211)	176,827,703	46,861,481	109,310,102	155,500,610	(187,244,954)	124,427,240	1,790,953	58,470,700	54,454,489	(24,332,363)	90,383,780	397,476,029	(396,151,136)	392,963,615
Total Assets	325,419,030	156,079,372	(154,570,211)	326,928,191	46,890,222	189,775,658	210,025,422	(187,244,954)	259,446,349	28,167,253	59,200,921	65,189,135	(24,332,363)	128,224,946	412,258,802	(396,151,136)	730,707,152
Total Liabilities	237,873,699	188,393,532	(154,566,984)	271,700,247	46,256,111	146,336,561	175,035,350	(187,244,720)	180,383,302	23,957,662	28,674,473	35,866,649	(21,112,382)	67,386,402	276,785,348	(409,389,285)	386,866,014
Technical investment	2,158,272	311,997	-	2,470,269	57,990	185,718	-	-	243,708	231,658	192,592	1,160,330	-	1,584,580	56,890	20,884	4,376,332
Gross Debt	4,018,181	(0)	-	4,018,181	93,157	1,033,328	-	-	1,126,485	22,096,670	5,489,734	6,739,981	-	34,326,385	243,248,402	-	282,719,452
Net Debt	3,710,389	(48,384)	-	3,662,005	(461,116)	971,838	(23,387)	-	487,335	22,033,561	4,642,009	6,632,882	-	33,308,452	240,876,190	-	278,333,982

31 December 2009

Balance Sheet	Tourism Operations	Other	Intersegment Adjustments	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Adjustments	Total SC Assets	Atlantic Ferries	Box Lines	Selfrio Group	Other	Intersegment Adjustments	Total Spred	Holding & Others	Intersegment Adjustments	Consolidated
Tangible and Intangible Fixed Assets	166,749,384	822,600	-	167,571,984	4,027,789	81,533,767	(0)	-	85,561,556	27,412,937	516,419	716,407	9,511,895	-	38,157,658	130,262	-	291,421,459
Investments	635,044	217,143	-	852,187	-	-	53,825,793	-	53,825,793	-	-	-	2,837,146	-	2,837,146	14,322,747	-	71,837,873
Other Assets	188,538,286	357,554,871	(184,115,649)	361,977,508	46,747,290	63,254,270	84,439,422	(81,847,246)	112,593,736	3,303,969	11,900,824	73,196,661	33,311,247	(7,008,388)	114,704,313	564,154,191	(746,922,353)	406,507,395
Total Assets	355,922,713	358,594,614	(184,115,649)	530,401,678	50,775,079	144,788,037	138,265,215	(81,847,246)	251,981,085	30,716,906	12,417,243	73,913,068	45,660,289	(7,008,388)	155,699,117	578,607,200	(746,922,353)	769,766,727
Total Liabilities	261,844,584	549,141,750	(184,116,684)	626,869,650	56,670,663	92,144,089	130,004,022	(81,847,010)	196,971,764	25,137,627	8,393,798	31,290,672	62,428,983	(7,009,061)	120,242,019	248,508,586	(767,764,680)	424,827,339
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
Net Debt	3,537,891	10,033	-	3,547,924	(505,501)	1,331,431	(17,282)	-	808,648	23,054,952	(233,532)	2,409,031	7,646,250	-	32,876,701	240,684,524	-	277,917,797

30. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 30 September 2010.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and atuthorized for issue on 17 November 2010.



INDIVIDUAL FINANCIAL STATEMENTS 30 SEPTEMBER 2010

(Translation from the Portuguese Original)

INDIVIDUAL BALANCE SHEETS AS AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2009

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

(Amounts expressed in euro)

ASSETS	No.	otes	30 September 2010	31 December 2009
NON CURRENT ASSETS: Tangible assets			661	2,643
Investments Deferred tax assets		4	542,139,453 237,781	382,639,453
Other non current assets		5	198,681,043	343,547,500
Total Non C	urrent Assets		741,058,938	726,189,596
CURRENT ASSETS				
Other current assets		6	27,518,588	12,860,560
Cash and cash equivalents		7	2,355,334	55,597
Total Currer	t Assets		29,873,922	12,916,157
TOTAL ASSETS			770,932,860	739,105,753
EQUITY AND LIABILITIES				
EQUITY:				
Share Capital		8	250,000,000	250,000,000
Legal Reserve			8,191,127	-
Other reserves		9	287,419,883	132,638,253
Retained earnings			-	(849,780)
Profit / (Loss) for the period			2,107,926	163,822,537
TOTAL EQUITY			547,718,936	545,611,010
LIABILITIES: NON CURRENT LIABILITIES				
Bank loans		10	29,961,769	102,750,107
Bonds		10	49,929,096	49,884,766
Other non current liabilities			86,592	140,821
Deferred tax liabilities			27,293	41,282
Total Non C	urrent Liabilities		80,004,750	152,816,976
CURRENT LIABILITIES				
Suppliers			31,702	54,384
Bank overdrafts		10	112,400,000	39,100,000
Other creditors		11	27,538,949	2,350
Other current liabilities		12	3,238,523	1,521,033
Total Currer	IT LIADIIITIES		143,209,174	40,677,767
TOTAL EQUITY AND LIABILITIES			770,932,860	739,105,753

The accompanying notes are part of these financial statements

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

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

(Amounts expressed in euro)

	Notes	30 September 2010	30 September 2009
Operational income:			
Other operational income		55,838	7,931
Total operational income		55,838	7,931
Operational expenses:			
External supplies and services	13	(228,771)	(364,489)
Staff costs	14	(835,290)	(858,911)
Depreciation and amortisation		(1,982)	(1,981)
Other operational expenses		(178,601)	(51,252)
Total operational expenses		(1,244,644)	(1,276,633)
Operational profit/(loss)		(1,188,806)	(1,268,702)
Financial income	15	6,803,664	7,075,345
Financial expenses	15	(6,624,322)	(6,305,750)
Net financial income/(expenses)		179,342	769,595
Investment income		2,871,845	162,500,000
Profit/(loss) before taxation		1,862,381	162,000,893
Taxation	16	245,545	53,844
Profit/(loss) for the period		2,107,926	162,054,737
Profit/(loss) per share			
Basic	17	0.008432	0.648219
Dasio	17	0.000432	0.040219

The accompanying notes are part of these financial statements

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

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

(Amounts expressed in euro)

	3 rd Quarter 2010 (Unaudited)	3 rd Quarter 2009 (Unaudited)
Operational income:		
Other operational income	2,263	840
Total operational income	2,263	840
Operational expenses:		
External supplies and services	(66,889)	(52,955)
Staff costs	(228,712)	(399,851)
Depreciation and amortisation	(661)	(660)
Other operational expenses	(80,354)	(5,948)
Total operational expenses	(376,616)	(459,414)
Operational profit/(loss)	(374,353)	(458,574)
Financial income	1,706,559	2,634,088
Financial expenses	(1,862,872)	(2,766,834)
Net financial income/(expenses)	(156,313)	(132,746)
Investment income	-	-
Profit/(loss) before taxation	(530,666)	(591,320)
Taxation	130,068	79,900
Profit/(loss) for the period	(400,598)	(511,420)
Profit/(loss) per share		
Basic	-0.001602	-0.002046

The accompanying notes are part of these financial statements

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

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

(Amounts expressed in euro)

	30 September 2010	30 September 2009
Net profit for the period	2,107,926	162,054,737
Exchange differences on translating foreign operations	-	-
Share of other comprehensive income of associates 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	-	304,749
Gains on property revaluation	-	-
Income tax relating to components of other comprehensive income	-	=
Other comprehensive income for the period	-	304,749
Total comprehensive income for the period	2,107,926	162,359,486

The accompanying notes are part of these financial statements

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

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

(Amounts expressed in euro)

	3 rd Quarter 2010 (Unaudited)	3 rd Quarter 2009 (Unaudited)
Net profit for the period	(400,598)	(511,420)
Exchange differences on translating foreign operations	-	-
Share of other comprehensive income of associates 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	-	-
Gains on property revaluation	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(400,598)	(511,420)

The accompanying notes are part of these financial statements

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

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

(Amounts expressed in euro)

•					Reserves						
	Share Capital	Own Shares	Legal Reserve	Conversion 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	-	-	-	-	304,749	-	-	-	304,749	162,054,737	162,359,486
Appropriation of profits: Transfer to legal reserve and retained earnings Dividends distributed Acquisition/(disposal) of own shares	- - -	- - -	- - -	- - -	- - -	- - -	- - -	(848,271) - -	(848,271) - -	848,271 - -	- - -
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2009	250,000,000	_		-	-	-	132,638,253	(849,780)	131,788,473	162,054,737	543,843,210
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	-	-	-	-	-	-	-	-	-	2,107,926	2,107,926
Appropriation of profits: Transfer to legal reserve and retained earnings Dividends distributed Acquisition/(disposal) of own shares	- - -	- - -	8,191,127 - -	- - -	- - -	- - -	154,781,630 - -	849,780 - -	163,822,537 - -	(163,822,537) - -	- - -
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2010	250,000,000	_	8,191,127	-	-	-	287,419,883	-	295,611,010	2,107,926	547,718,936

The accompanying notes are an integral part of these financial statements.

INDIVIDUAL STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

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

(Amounts expressed in euro)

	30 September 2010	30 September 2009
OPERATING ACTIVITIES		
Cash paid to trade creditors	267,369	433,265
Cash paid to employees	751,267	745,300
Cash flow generated by operations	(1,018,636)	(1,178,565)
Income taxes (paid)/received	808	(26,838)
Other cash receipts/(payments) relating to operating activities	(154,139)	(152,405)
Net cash flow from operating activities [1]	(1,173,583)	(1,304,132)
INVESTMENT ACTIVITIES		
Cash receipts arising from:		
Interest and similar income	10,634,900	7,448,430
Dividends	2,871,845	162,500,000
Loans granted	191,096,257	-
	204,603,002	169,948,430
Cash payments arising from:		
Investments	159,500,000	-
Tangible assets	-	-
Loans granted	64,815,898	247,576,200
	224,315,898	247,576,200
Net cash flow from investment activities [2]	(19,712,896)	(77,627,770)
FINANCING ACTIVITIES		
Cash receipts arising from:		
Loans obtained	28,036,407	83,450,000
	28,036,407	83,450,000
Cash Payments arising from:		
Interest and similar costs	4,850,191	4,210,080
Loans obtained	-	308,200
	4,850,191	4,518,280
Net cash from financing activities [3]	23,186,216	78,931,720
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	2,299,737	(182)
Cash and cash equivalents at the beginning of the period	55,597	25,516
Cash and cash equivalents at the end of the period	2,355,334	25,334
·		

The accompanying notes are part of these financial statements

INDIVIDUAL STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

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

(Amounts expressed in euro)

	3 rd Quarter 2010 (Unaudited)	3 rd Quarter 2009 (Unaudited)
OPERATING ACTIVITIES		
Cash paid to trade creditors	50,599	86,223
Cash paid to employees	290,624	202,428
Cash flow generated by operations	(341,223)	(288,651)
Income taxes (paid)/received	(53,842)	(27,439)
Other cash receipts/(payments) relating to operating activities	(531,540)	(7,350)
Net cash flow from operating activities [1]	(818,921)	(268,561)
INVESTMENT ACTIVITIES		
Cash receipts arising from:		
Interest and similar income	4,459,685	3,775,704
Dividends	- · · · · · · · · · · · · · · · · · · ·	-
Loans granted	-	-
	4,459,685	3,775,704
Cash payments arising from:		
Investments	-	-
Tangible assets	-	-
Loans granted	(2,430,086)	85,963,500
	(2,430,086)	85,963,500
Net cash flow from investment activities [2]	6,889,771	(82,187,796)
FINANCING ACTIVITIES		
Cash receipts arising from:		
Loans obtained	(1,827,500)	80,234,000
	(1,827,500)	80,234,000
Cash Payments arising from:		
Interest and similar costs	1,915,858	1,659,930
Loans obtained		100,000
	1,915,858	1,759,930
Net cash from financing activities [3]	(3,743,358)	78,474,070
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	2,327,492	(3,982,288)
Cash and cash equivalents at the beginning of the period	27,842	4,007,621
Cash and cash equivalents at the end of the period	2,355,334	25,334
	·	

The accompanying notes are part of these financial statements

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

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

(Amounts expressed in euro)

1. <u>INTRODUCTION</u>

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. <u>INVESTMENTS</u>

As at 30 September 2010 and 31 December 2009 Investments are detailed as follows:

	30 September 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
	542,139,453	382,639,453

4.1 <u>Investments in affiliated and associated undertakings</u>

As at 30 September 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.

		30 Septe	mber 2010			31 Dece	mber 2009	
Company	% Held	Fair Value	Book	Fair Value	% Held	Fair Value	Book	Fair Value
			Value	Reserve			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	-	-	-	-	-
			F 42 420 2F2		-		202 620 252	
Total		-	542,138,253	-		-	382,638,253	-

5. OTHER NON CURRENT ASSETS

As at 30 September 2010 and 31 December 2009 Other Non Current Assets are detailed as follows:

	30 September 2010	31 December 2009
Loans granted to group companies:		
SC, SGPS, SA	162,592,243	343,547,500
SC Assets, SGPS, SA	36,088,800	
	198,681,043	343,547,500
		· · · · · · · · · · · · · · · · · · ·

These assets were not due or impaired as at 30 September 2010. The fair value of loans granted to Group companies is basically the same as their book value.

6. OTHER CURRENT ASSETS

As at 30 September 2010 and 31 December 2009 Other Current Assets can be detailed as follows:

	30 September 2010	31 December 2009
Group companies - Short term loans:		
Change, SGPS, SA	2,064,000	2,052,000
SC, SGPS, SA	11,074,715	3,862,000
SC Assets, SGPS, SA	11,361,383	-
Group companies - Interest:		
SC, SGPS, SA	-	5,945,846
Income tax withheld	54,803	212,237
Other Debtors	69	2,632
Accrued income	2,123,674	9,063
Deferred costs	839,944	776,782
	27,518,588	12,860,560

7. <u>CASH AND CASH EQUIVALENTS</u>

As at 30 September 2010 and 31 December 2009 Cash and Cash Equivalents can be detailed as follows:

	30 September 2010	31 December 2009
Cash	916	1,003
Bank deposits	2,354,418	54,594
Cash and cash equivalents in the balance sheet	2,355,334	55,597
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	2,355,334	55,597

8. SHARE CAPITAL

As at 30 September 2010 Share Capital consisted of 250,000,000 ordinary shares of 1 euro each.

9. OTHER RESERVES

As at 30 September 2010, the caption Other Reserves can be detailed as follows:

	30 September 2010	31 December 2009
Free reserves	154,781,631	-
Demerger reserve	132,638,252	132,638,252
	287,419,883	132,638,252

The Demerger reserve (Note 1), corresponds to the difference between the book value of the shareholding in SC, SGPS, SA (382,638,252 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 30 September 2010 and 31 December 2009 this caption included the following loans:

	30 September 2010	31 December 2009
Bank loans - Commercial paper	30,000,000	102,800,000
Up-front fees not yet charged to income statement	(38,231)	(49,893)
Bank loans - non current	29,961,769	102,750,107
Nominal value of bonds	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(70,904)	(115,234)
Bonds	49,929,096	49,884,766
Non-current loans	79,890,865	152,634,873
Bank loans - Commercial paper	112,400,000	39,100,000
Current bank loans	112,400,000	39,100,000

Bonds Sonae Capital 2007/2012 1st 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 may happen on 31 December 2010.

Bonds Sonae Capital 2007/2012 2nd 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, launched on 14 March 2008 with the maximum amount of 30,000,000 euro and valid for a period of 5 years.

The caption Current Bank Loans includes five 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, another, with a maximum limit of 15,000,000 euro, with subscription guarantee, launched on 22 December 2008, valid for a one year period, extendable for two annual periods, which may not be renewed at the discretion of both parties, 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 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 30 September 2010 and 31 December 2009, these captions were made up as follows:

	30 September 2010	31 December 2009
Other creditors		
Group companies - Short term loans:		
Spred , SGPS, SA	25,486,407	-
Sete e Meio Herdades, SA	2,050,000	-
Other creditors	2,542	2,350
	27,538,949	2,350

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

12. OTHER CURRENT LIABILITIES

As at 30 September 2010 and 31 December 2009, these captions were made up as follows:

	30 September 2010	31 December 2009
Other current liabilities		
Taxes payable	24,313	185,865
Accruals:		
Staff costs	452,427	344,130
Interest payable	2,750,075	977,733
Other accruals	11,708	6,947
Deferred income	-	6,358
	3,238,523	1,521,033

13. EXTERNAL SUPPLIES AND SERVICES

As at 30 September 2010 and 30 September 2009, External Supplies and Services can be detailed as follows:

	30 September 2010	30 September 2009
Operational rents	48,838	12,458
Insurance costs	39,351	45,532
Travelling expenses	32,190	39,549
Services obtained	87,138	256,635
Other services	21,254	10,315
	228,771	364,489

14. STAFF COSTS

As at 30 September 2010 and 30 September 2009, Staff Costs are made up as follows:

	30 September 2010	30 September 2009
Governing bodies' remunerations	762,154	792,809
Social security contributions	55,036	48,342
Other staff costs	18,100	17,760
	835,290	858,911

15. <u>NET FINANCIAL EXPENSES</u>

As at 30 September 2010 and 30 September 2009, Net Financial Expenses can be detailed as follows:

	30 September 2010	30 September 2009
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(2,780,953)	(1,527,039)
Bonds	(594,212)	(1,146,257)
Other	(1,754,462)	(2,053,374)
Other financial expenses	(1,494,695)	(1,579,079)
	(6,624,322)	(6,305,750)
Interest receivable and similar income		
Interestincome	6,803,664	7,075,345
	6,803,664	7,075,345
Net financial expenses	179,342	769,595

16. TAXATION

As at 30 September 2010 and 30 September 2009, Taxation is made up as follows:

	30 September 2010	30 September 2009
Current tax	(6,224)	(1,647)
Deferred tax	251,769	55,491
	245,545	53,844

17. <u>EARNINGS PER SHARE</u>

Earnings per share for the nine months periods ended 30 September 2010 and 2009 were calculated taking into consideration the following amounts:

	30 September 2010	30 September 2009
Net profit		
Net profit taken into consideration to calculate basic		
earnings per share (Net profit for the period)	2,107,926	162,054,737
Effect of dilutive potential shares		
Net profit taken into consideration to calculate		
diluted earnings per share	2,107,926	162,054,737
	_	
Number of shares		
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	250,000,000	250,000,000
Earnings per share (basic and diluted)	0.008432	0.648219

18. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 17 November 2010.

19. <u>INFORMATION REQUIRED BY LAW</u>

Decree-Law nr 318/94 art 5 nr 4

In the period ended 30 September 2010 shareholders' loan contracts were entered into with the following companies:

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

In the period ended 30 September 2010 short-term loan contracts were entered into with the following companies:

- SC Assets, SGPS, SA
- SC, SGPS, SA
- Sete e Meio Herdades, SA
- Spinveste SGII, SA
- Spred SGPS, SA

As at 30 September 2010 amounts owed by affiliated companies can be summarized as follows:

Loans granted

Companies	Closing Balance
SC, SGPS, SA	173,666,958
Change, SGPS, SA	2,064,000
SC Assets, SGPS, SA	47,450,183
	223,181,141

As at 30 September 2010 amounts owed to affiliated companies can be summarized as follows:

Loans obtained

Companies	Closing Balance
Spred , SGPS, SA	25,486,407
Sete e Meio Herdades, SA	2,050,000
	27,536,407