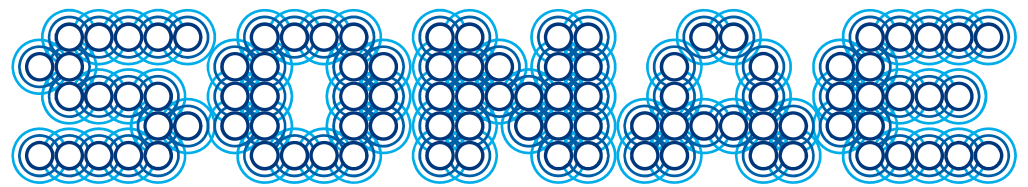




Improving  
GROWTH

# ROADSHOW PARIS



IMPROVING LIFE



# 1.SONAE AT A GLANCE

# WE ARE A RETAIL COMPANY

- Market leader in food and specialized retail formats
- With Board control of a Shopping Centre and a Telecommunications business

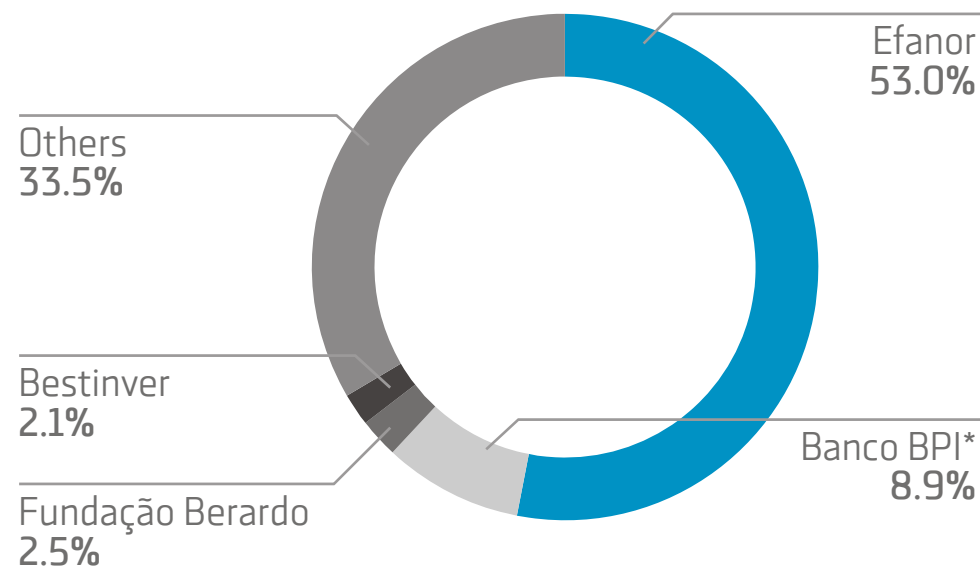
## SONAE

Turnover 5.7 billion euros (2009) ; EBITDA 667 million euros (2009); Invest Capital 4.8 billion euros (2009)

100%	100%	100%	50%	53%	100%
<b>SONAE MC</b> Food Retail	<b>SONAE SR</b> Specialised Retail	<b>SONAE RP</b> Retail Properties	<b>SONAE SIERRA</b> Shopping Centres	<b>SONAE COM</b> Telco	<b>Investment Manag.</b>
Hipers and supers	Non-Food Retail formats: sports, textiles and electronics	Retail real estate assets	Shopping centre developer, owner and manager	Integrated telecom provider	Businesses with M&A activity: Insurance, Travel and DIY
55% Sales 30% EBITDA 10% Inv. Capital	20% Sales 7% EBITDA 5% Inv. Capital	2% Sales 17% EBITDA 32% Inv. Capital	3% Sales 14% EBITDA 35% Inv. Capital	17% Sales 26% EBITDA 16% Inv. Capital	3% Sales 4% EBITDA 3% Inv. Capital
<b>CORE BUSINESSES</b>		<b>RELATED BUSINESSES</b>	<b>CORE PARTNERSHIPS</b>		<b>ACTIVE INVESTMENT</b>

# WITH A STABLE SHAREHOLDER STRUCTURE

Reference shareholder, Efanor, a family holding company



## Free float of circa 47%

\*Including BPI equity swap

**Share capital**  
2,000 million

**Average daily  
volume** (2010)  
~6 million shares;  
5.2 million euros

**Market  
Capitalization**  
(as of 30 Sept 10)  
1.5 billion euros

**Free Float**  
(as of 30 Sept 10)  
0.72 billion euros

**BPI stake includes  
equity swap  
of 132.8 million  
Sonae shares**  
(~7% of share capital)



## 2. STRATEGIC AMBITIONS

# WHERE WE ARE GOING AND WHY?

## International Expansion

The main strategic priority

Dilution of country risk

New growth avenues

## Diversifying investment style

Adopt the most appropriate  
investment style

Wholly owned businesses

Majority stakes

Partnerships

Minority stakes

## Leverage the exceptional asset base in Portugal

Innovate

Generate new businesses

Strengthen our competitive  
position

# WHAT ARE OUR STRATEGIC AMBITIONS?

ROE > 15%

TURNOVER  
CAGR > 10%

25% OF TURNOVER  
AND 35% OF ASSETS  
ABROAD

~1/3 OF CE  
IN MINORITY STAKES  
OR PARTNERSHIPS  
WITHOUT FULL CONTROL



WHAT ARE  
OUR STRATEGIC AMBITIONS?

# CAPITAL LIGHT STRATEGIES

To implement capital light growth strategies and look for opportunities to release capital employed





WHAT ARE  
OUR STRATEGIC AMBITIONS?

# REACH INVESTMENT GRADE PROFILE

To ensure access to debt  
in competitive conditions  
and/or alternative  
financing solutions





# 3. WE CONTINUE TO DELIVER OUR VALUE CREATION MODEL

IN 1H10 WE CONTINUED  
TO DELIVER PROFITABLE  
GROWTH, ON TRACK  
OF OUR INTERNAL OBJECTIVES

TURNOVER

**+6%**

EBITDA

**+10%**

TURNOVER  
RETAIL

**+9%**

NET DIRECT  
PROFITS

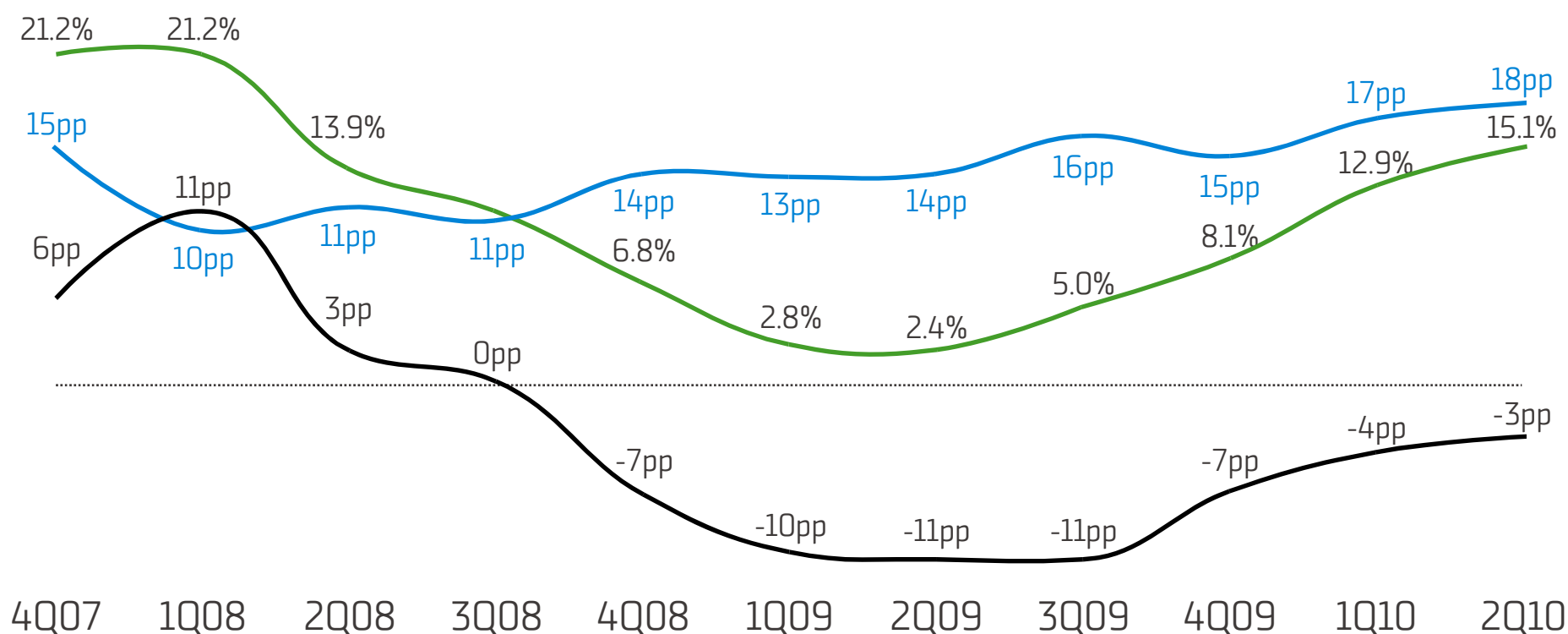
**+89%**

In spite of macro-economic difficulties  
and a deflationary background



# WE CONTINUED TO IMPROVE OUR RETURN ON EQUITY

- Direct Income contribution to RoE
- ROE
- Indirect Income contribution to ROE



## WHILE INVESTING IN FUTURE GROWTH

GROSS CAPEX

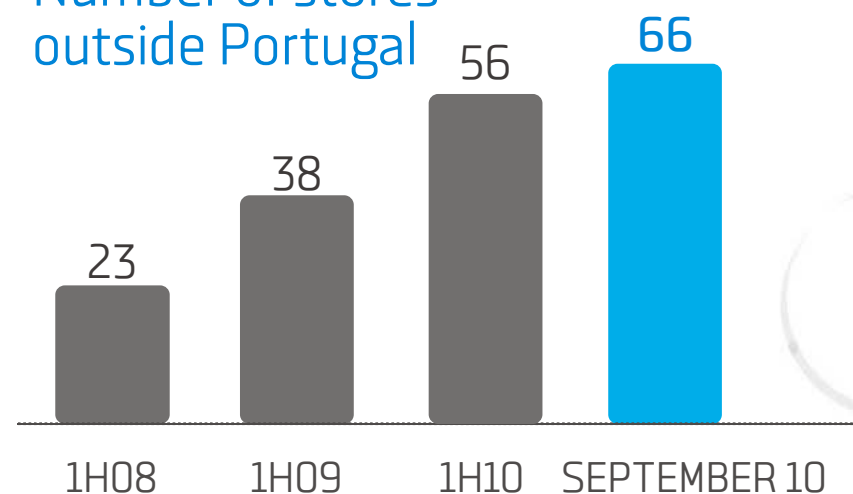
**191M€**

High levels of investment  
in retail unit organic  
expansion:  
**+29,000 m<sup>2</sup>**

OUTSIDE PORTUGAL

**53M€**

Number of stores  
outside Portugal



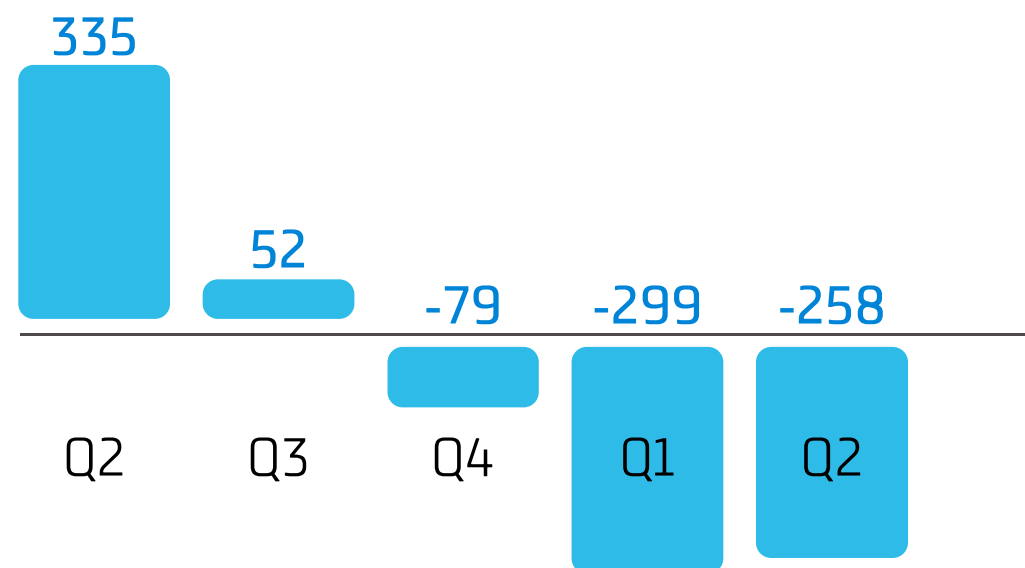


# ... AND WHILE REDUCING NET DEBT

NET DEBT

3,221M€

DELTA VS. SQLY





## 4. PERFORMANCE OF THE BUSINESSES

# 4.1.LEADERSHIP AND PROFITABILITY

# SONAE MC KEY ACTION DRIVERS

## CONSOLIDATE LEADERSHIP

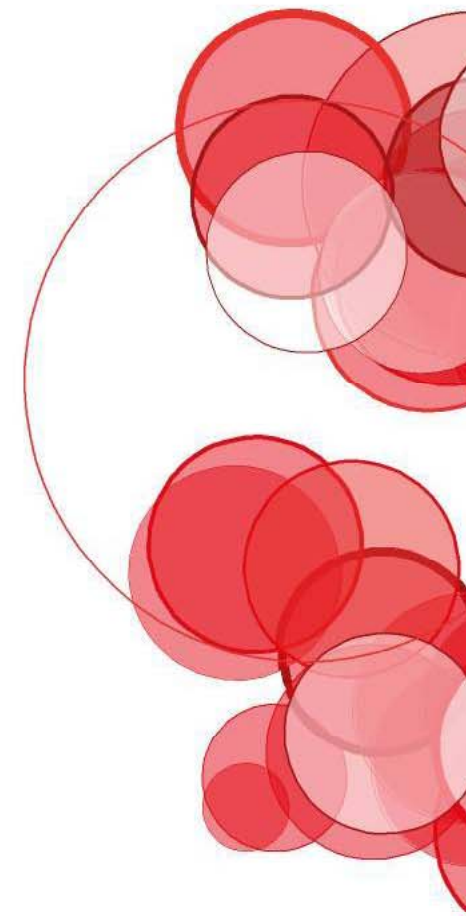
position in **Portugal** while looking for international opportunities

... LEVERAGING ON OUR EXCEPTIONAL  
ASSET BASE IN PORTUGAL

Coverage of the  
PORTUGUESE MARKET  
and CONSOLIDATE  
MARKET LEADERSHIP

Explore new adjacent  
business opportunities  
leveraging on a strong  
management team  
and Know-How in retail

Manage the business  
in Portugal  
as a SUSTAINABLE  
CASH FLOW  
GENERATOR



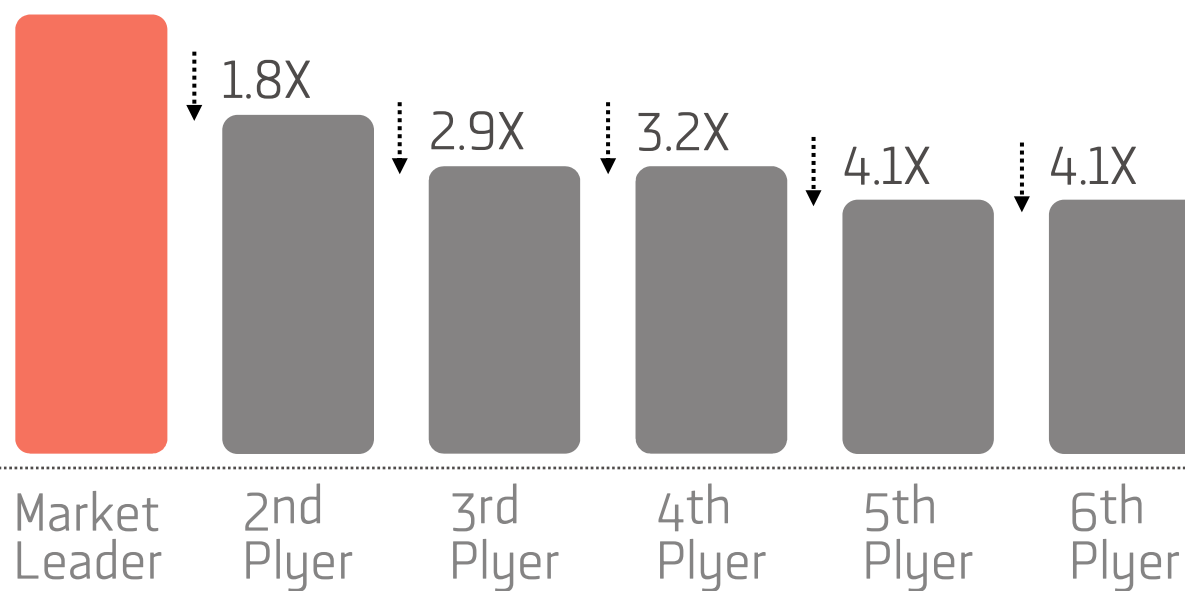


IN THIS 1H10

## WE INCREASED LEADERSHIP OF THE FOOD RETAIL MARKET

INCREASE IN SALES (+6%) ABOVE THAT  
OF THE MODERN RETAIL MARKET (+2%)

MODELO  
CONTINENTE

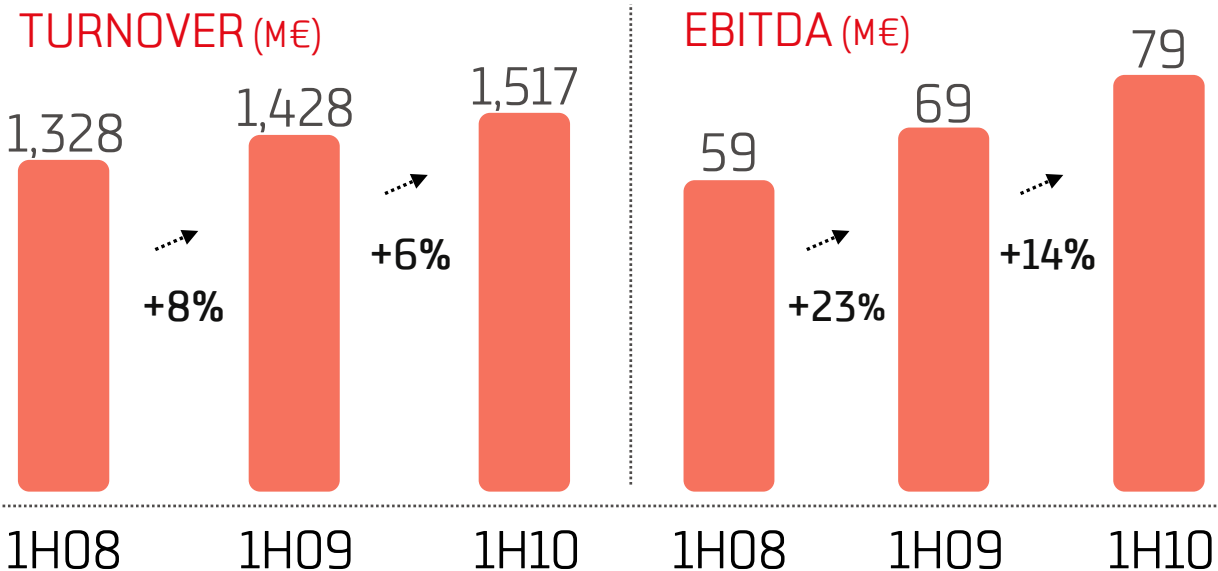


FOOD MARKET



# LEADERSHIP HAS ENABLED GROWTH AND PROFITABILITY TO BE ACHIEVED

TURNOVER = + 6% | EBITDA = + 14%



## TURNOVER AND EBITDA

SALES ON A LIKE FOR LIKE BASIS = +2%

Increase in sales volumes (+4%) offsetting a fall in average unit prices (deflation, trading down phenomenon and competitive pressures)

EBITDA margin = 5.2%

Despite a background of strong competition and deflation

EBITDAR margin = 8.8%

- Increasing from 8.5% in 1H09
- Reaching 133M€
- Benchmark in the portuguese market

# PERFORMANCE REFLECTS THE SUCCESS OF OUR LOYALTY CARD

## APPROXIMATELY 84% OF SALES MADE USING THE LOYALTY CARD

- Improved efficiency and greater customization of sales promotions undertaken
- Highly distinctive value proposal compared to competition

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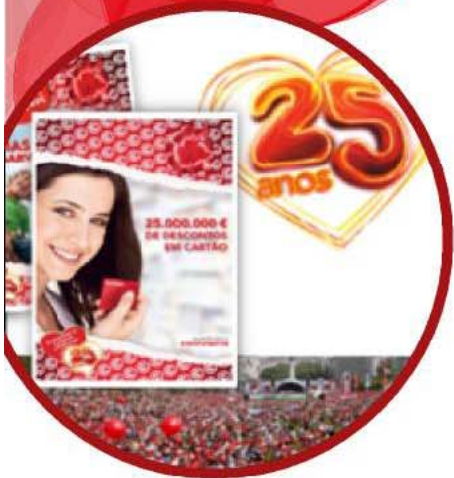
### Consolidate client information towards a decision supporting toolkit

[customised promotional  
actions, clients  
georeferentiation, store concept  
and space management  
specifications, systems to  
manage key client accounts,...]

---

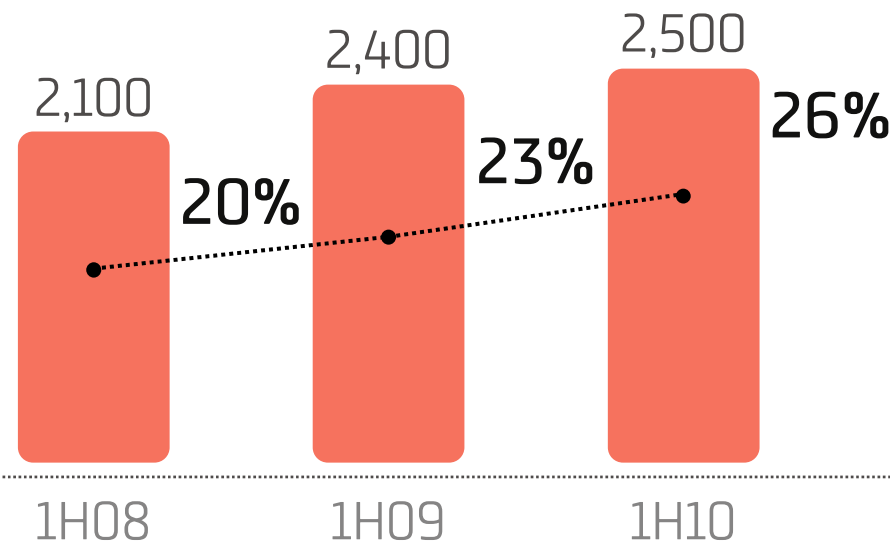
### 25<sup>th</sup> anniversary celebration

[mega picnic; 25M€ coupons;  
75% discount,...]



# PERFORMANCE REFLECTS THE STRONG AND CONTINUOUS INVESTMENT IN PRIVATE LABEL

OWN LABEL OFFERED IN ALL PRODUCT CATEGORIES  
AND INCREASING IMPORTANCE



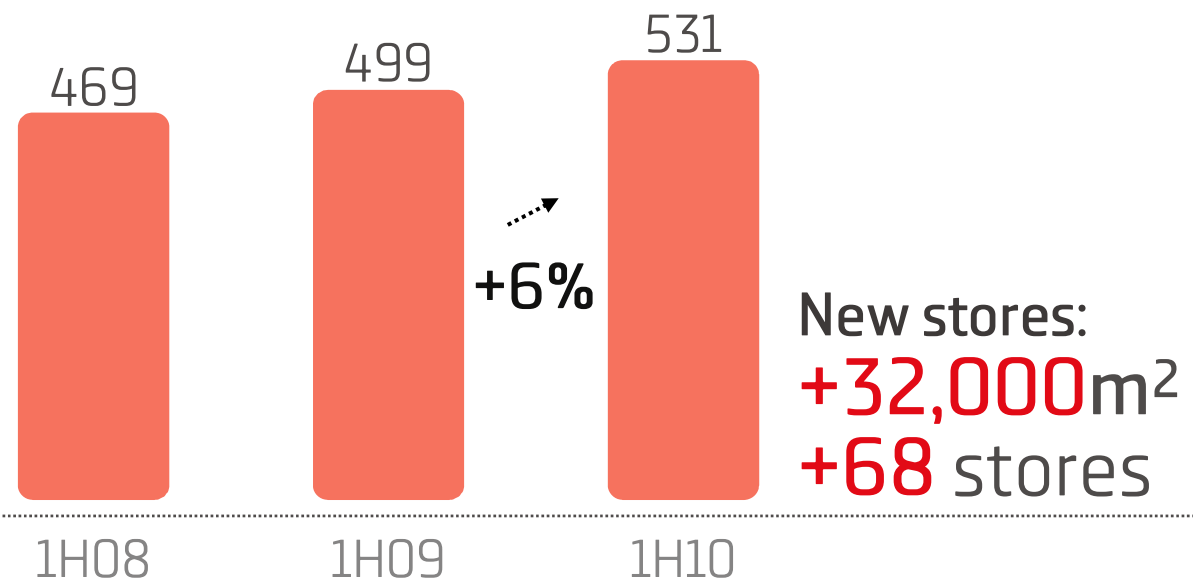
# OWN REFERENCES  
AND % FMCG SALES

## INVESTMENT IN OWN BRAND

- Broadening of the Own Brand range
- Representing a quarter of FMCG sales
- Own Brands include:
  - The Continente brand (20% cheaper than the sales category leader)
  - 1<sup>st</sup> price brands (best price on the market)
  - Controlled brands (gourmet, selection, etc.)

# PERFORMANCE REFLECTS THE SOLID ORGANIC GROWTH IN PORTUGAL

STORES = 390 | SALES AREA = 531,000 M<sup>2</sup>



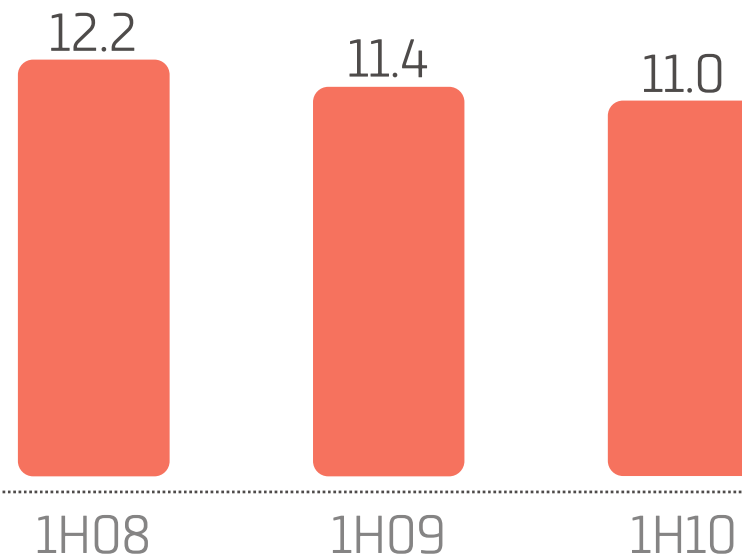
## ORGANIC GROWTH IN LAST 12 MONTHS

Sales area ('000 m<sup>2</sup>)

# PERFORMANCE REFLECTS OUR OPERATIONAL EFFICIENCY

STORES = 390 | SALES AREA = 531,000 M<sup>2</sup>

HYPERS AND SUPERS' STORE COSTS (% net sales)



IMPLEMENTATION  
OF A COST KILLING  
TEAM

ENHANCEMENT  
OF STORE EFFICIENCY  
PROJECTS

RESTRUCTURING  
OF LOGISTICS PLATFORM  
(PLAZA APPAREL, MAIA  
FROZEN FOODS)



## ... AND THE STRENGTHENING OF OUR COMPETENCIES AND VALUE PROPOSAL

Continente and Modelo  
each have distinctive  
competencies

### STRONG BRAND RECOGNITION

Continente  
is considered to be the  
“Brand of Confidence”  
by consumers for the 8<sup>th</sup>  
year running.

### PRODUCT OFFER VARIETY

Continente:  
~70,000 sales items  
Modelo:  
~40,000 sales items

### EXCELLENCE OF THE LOGISTICS INFRASTRUCTURE

2 logistics warehouses  
to centralize distribution  
for the North and the  
South of the country

Investment in logistics: 35M€ (2009)  
Total logistics area: 221,000 m<sup>2</sup>

## 4.2.GROWTH AND INTERNATIONAL EXPANSION

# SONAE SR KEY ACTION DRIVERS

## CONSOLIDATE LEADERSHIP

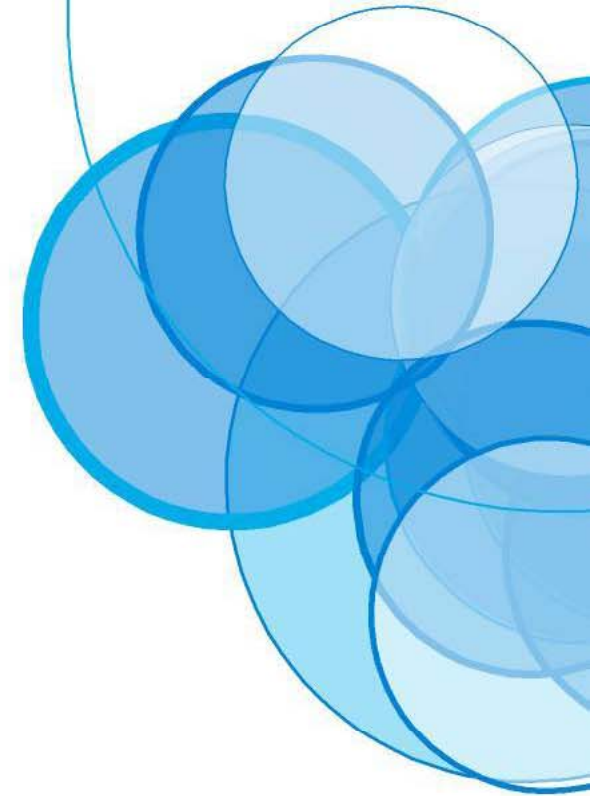
position in **Portugal** and strong push towards internationalisation

... LEVERAGING ON OUR EXCEPTIONAL  
ASSET BASE IN PORTUGAL

Coverage of the  
PORTUGUESE MARKET  
with the current formats'  
portfolio and  
CONSOLIDATE  
MARKET LEADERSHIP

Continue to use  
PORTUGAL AS A TEST  
PLANT for new formats,  
leveraging on a strong  
management team and  
know-how in retail

Manage the business  
in Portugal  
as a SUSTAINABLE  
CASH FLOW  
GENERATOR



# SONAE SR KEY ACTION DRIVERS

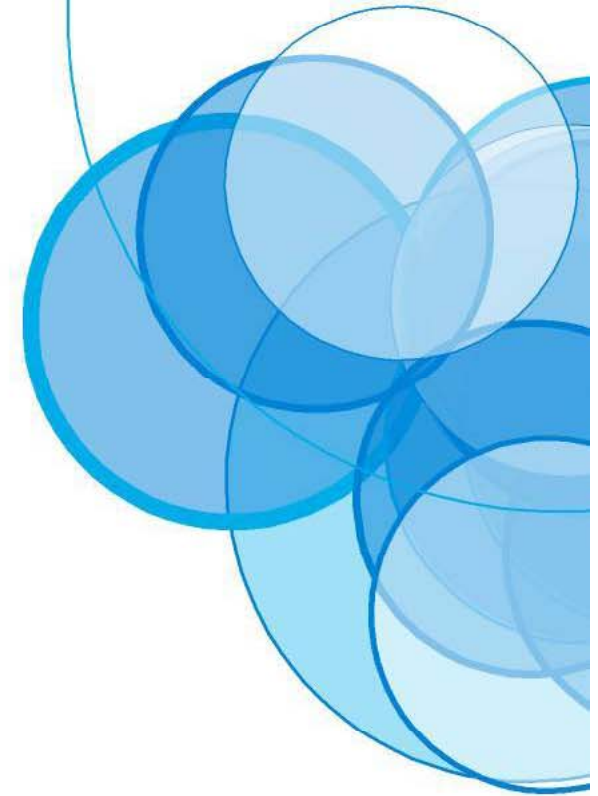
... STRONG PUSH TOWARDS  
INTERNATIONALISATION

... BECOME AN INTERNATIONAL RETAIL  
PLAYER, STARTING WITH A STRONG  
EXPANSION IN SPAIN

of WORTEN, building a  
strong and DISTINCTIVE  
POSITION IN THE  
IBERIAN MARKET

of SPORT ZONE, leading  
the REINFORCEMENT  
OF THE  
INTERNATIONALI-  
ZATION PROCESS

of ZIPPY, exploring the  
DISTINCTIVENESS OF  
THE CONCEPT in both  
geographies



# SONAE SR KEY ACTION DRIVERS

BUILD SKILLS  
AND EXPERIENCE  
in order to develop  
the international  
identity of the  
formats' portfolio

Enter into  
NEW COUNTRIES

Configure an  
INTERNATIONAL  
DEVELOPMENT  
MODEL based on  
franchising and joint  
venture as means to  
accelerate growth

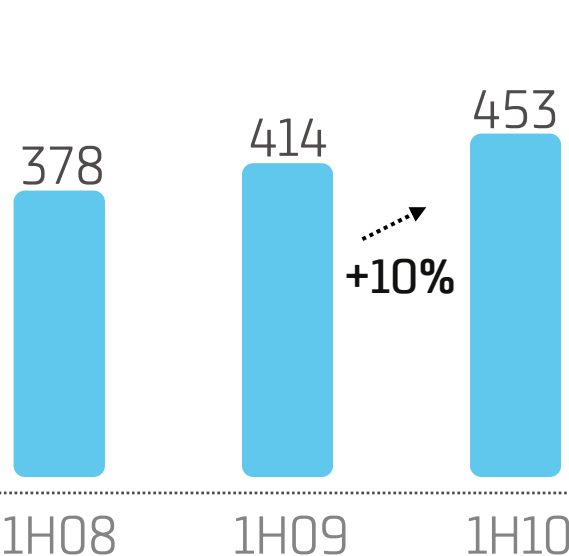


IN THIS 1H10

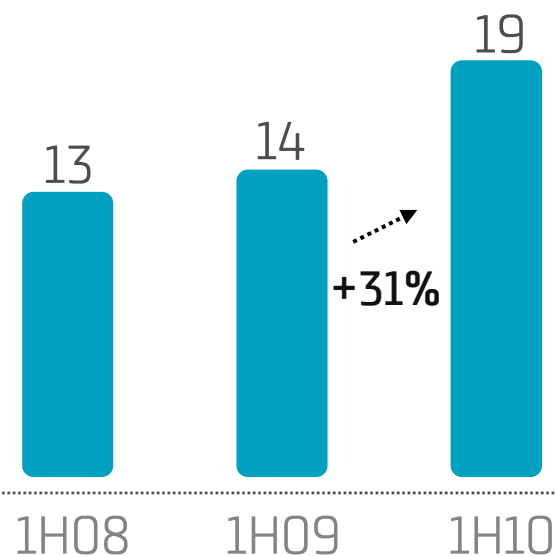
WE MAINTAINED GROWTH  
AND PROFITABILITY IN PORTUGAL

STORES = 414 | SALES AREA = 250,000 M2

TURNOVER (M€)



EBITDA (M€)

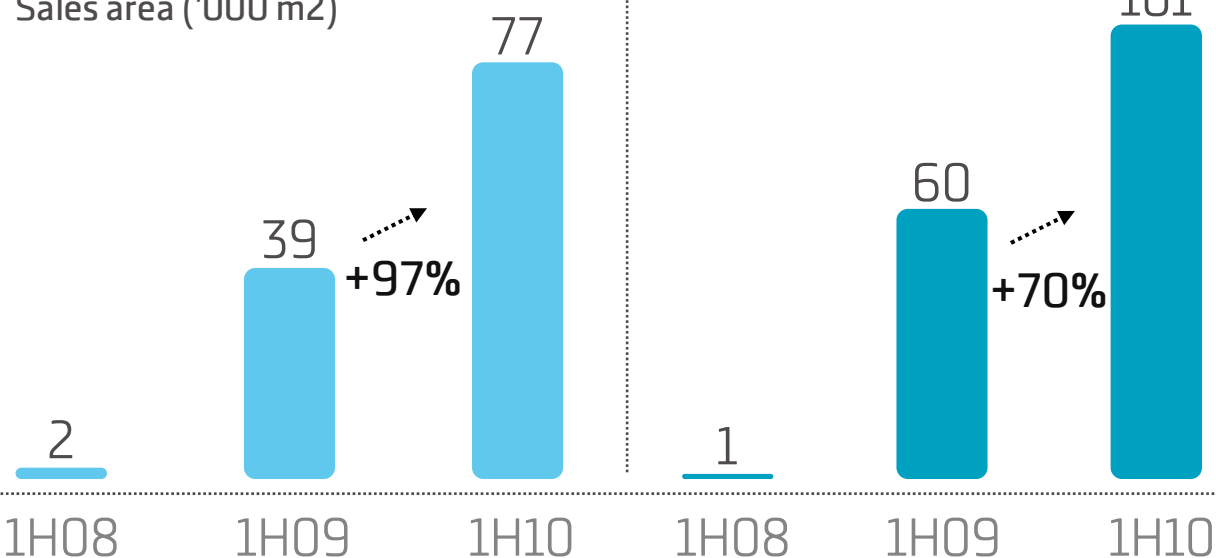
TURNOVER  
AND EBITDASTRENGTHENING  
OF LEADERSHIP POSITION IN  
THE CONSUMER  
ELECTRONICS AND SPORTS  
GOODS SECTORSSPORTZONE  
#1 in Portugal  
WORTEN  
#1 in PortugalGOOD  
PERFORMANCE  
BY THE  
TEXTILES  
FORMATSMODALFA  
ZIPPYNew stores:  
Last 12 months  
**+28,000m<sup>2</sup>**  
**+40 stores**

# WE ACCELERATED OUR INTERNATIONAL GROWTH

STORES = 56 | SALES AREA = 77,000 M2

ORGANIC GROWTH  
Sales area ('000 m2)

TURNOVER (M€)



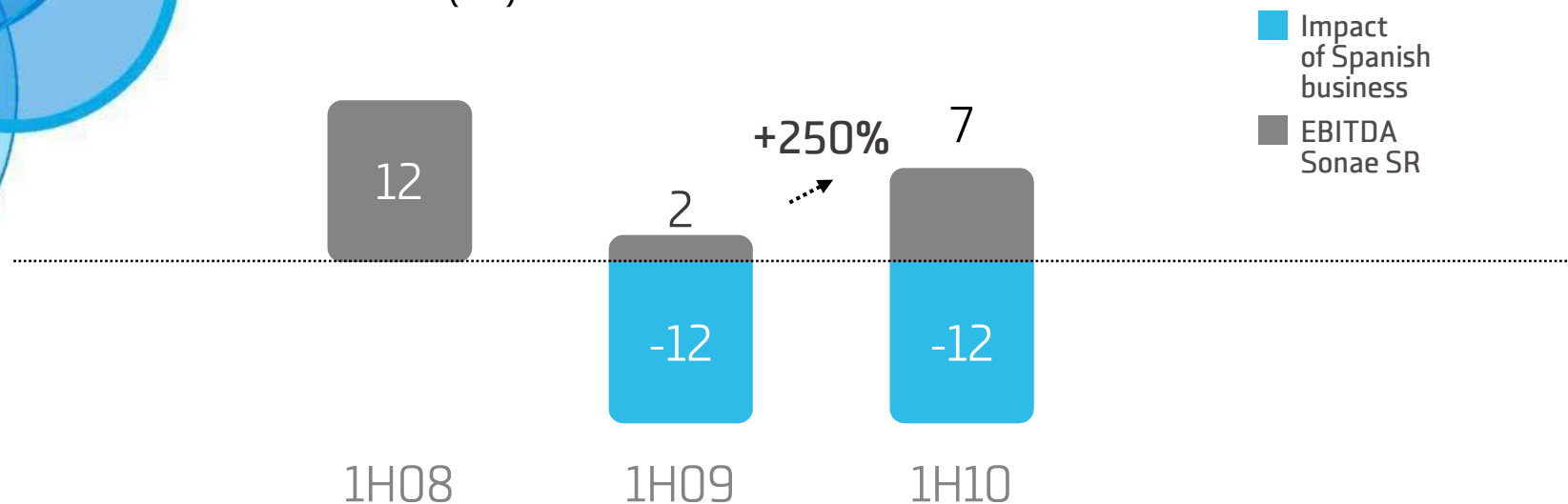
## ORGANIC GROWTH AND TURNOVER

New stores:  
Last 12 months  
**+33 stores**  
**+37,000m<sup>2</sup>**

SPORTZONE = 21(+11)  
WORTEN = 17 (+6)  
ZIPPY = 18 (+16)

# INTERNATIONAL EXPANSION EFFORT IMPACTING PROFITABILITY BUT IN LINE WITH THE GOAL OF POSITIVE EBITDA IN 2012

EBITDA (M€)



SONAE SR EBITDA reflecting:

- Market entry costs
- Organic growth



## ... AND EXPANDED OUR BUSINESS FRONTIERS

### **1st joint ventures**

Worten CANARY ISLANDS

Sport Zone CANARY ISLANDS

### **1st franchising contracts**

Zippy CANARY ISLANDS

Zippy MIDDLE EAST

### **70 stores | 9 countries**

Kingdom of Saudi Arabia

United Arab Emirates

Jordan

Egypt

Lebanon

Qatar

Bahrain

Kuwait

Kazakhstan







## 4.3.RETAIL REAL ESTATE ASSET MANAGEMENT



# RETAIL PROPERTIES BUSINESS UNIT

## AN IMPORTANT SOURCE OF CAPITAL

### RATIONALE

- Manage Assets more proactively
- Build Retail Real Estate competencies
- Partial release of invested capital

**INVESTED CAPITAL** (end 1H10)  
1.5 Billion Euros (Net book value)

### 2 SALE & LEASE BACK TRANSACTIONS COMPLETED

#### Azambuja logistics platform

Yield - 7.62% | Value - 33.2 million € | Capital gain - 7 million €

#### 2 Modelos stores

Yield - 7.23% | Value - 12.2 million € | Capital gain - 3 million €

#### Currently underway:

Sales & Leaseback of 20 Modelo stores

### HYPERMARKETS | Continente

34 stores owned | 90% total sales area

### SUPERMARKETS | Modelo

100 stores owned | 82% total sales area

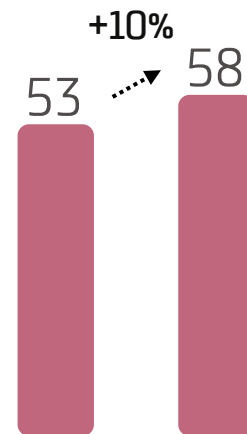


## 4.4.GOOD PERFORMANCE OF THE CORE PARTNERSHIPS

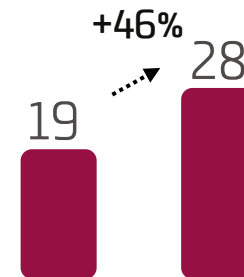
# EBITDA UP BY 10% AND DIRECT PROFITS INCREASED BY 46%



EBITDA  
(M€)



DIRECT PROFITS  
(M€)



- Occupancy rate = **96%** (+2pp)
- Total of rents collected (fixed and variable) up **3%** on a LfL basis
- Expansion restricted in Europe but partially offset by greater development activity in Brazil

EBITDA AND DIRECT  
PROFITS (M€)

1H09 1H10 1H09 1H10

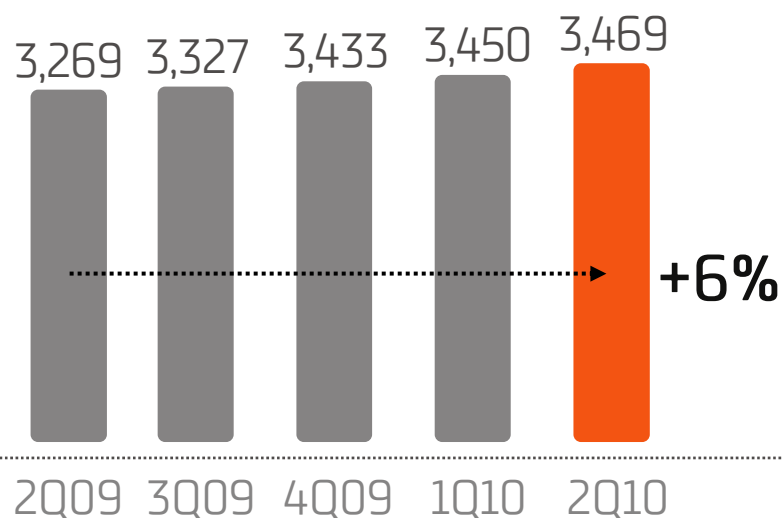
EBITDA PERFORMANCE REFLECTING ONGOING COST CUTTING MEASURES AND OPERATIONAL IMPROVEMENTS

INDIRECT PROFITS ALREADY SHOWING SIGNS OF STABILIZATION/INFLEXION OF THE NEGATIVE TREND

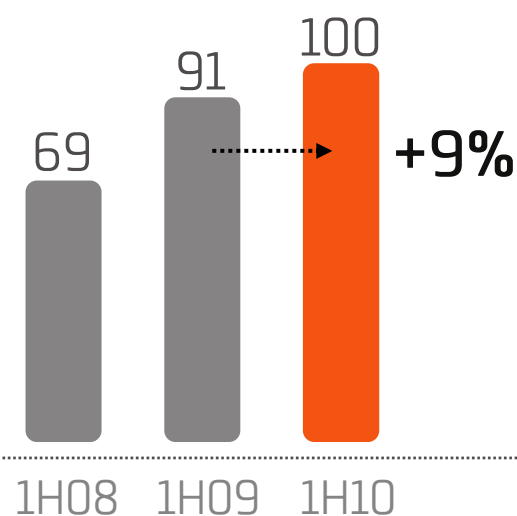
## EBITDA GROWS 9% AND CASH FLOW IS POSITIVE

RESULTS CONTINUE TO SHOW  
A FAVOURABLE EVOLUTION

MOBILE SEGMENT  
CUSTOMERS (M)



EBITDA  
(M€)



- Growth in mobile customers and customer revenues
- 30% share of fibre market despite inexistence of regulation
- Cost control policies
- Strict investment management



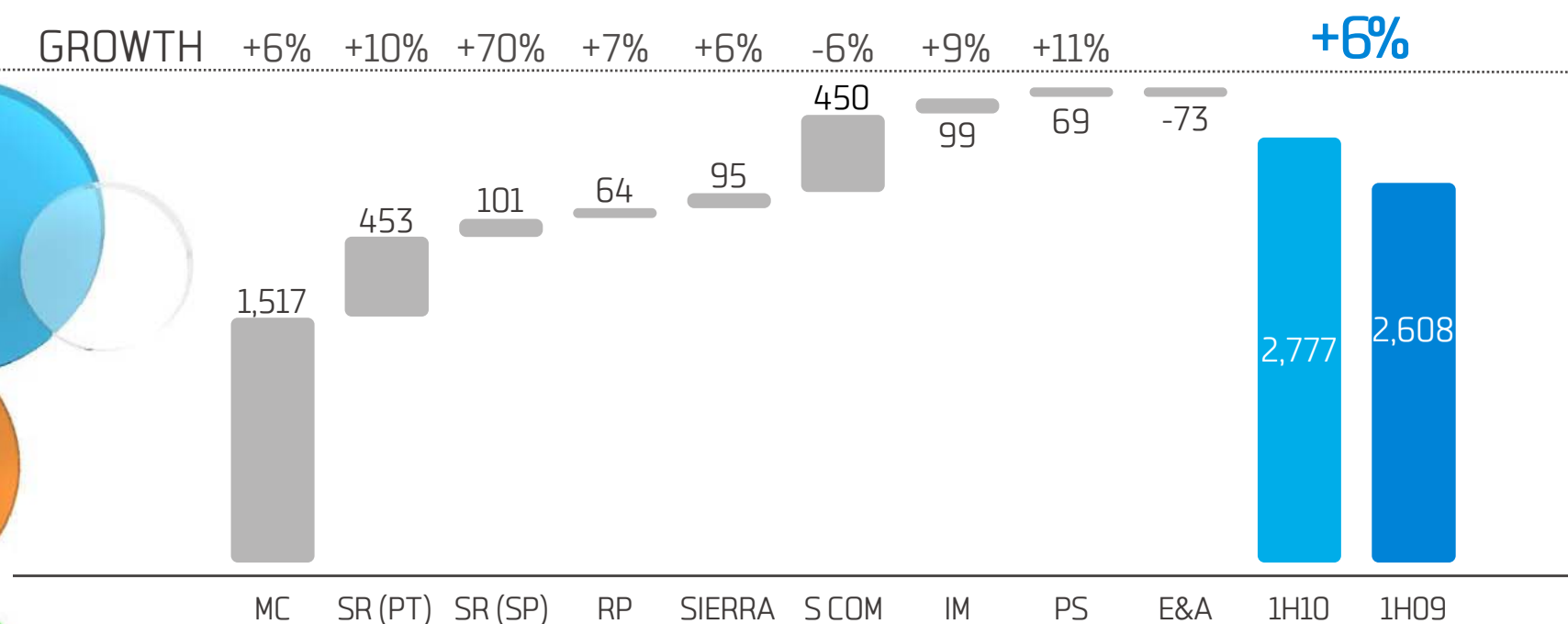


## 5. FINANCIAL ANALYSIS



## TURNOVER GREW BY 6%

WITH RETAIL UNITS MAKING A SIGNIFICANT CONTRIBUTION TO THIS PERFORMANCE



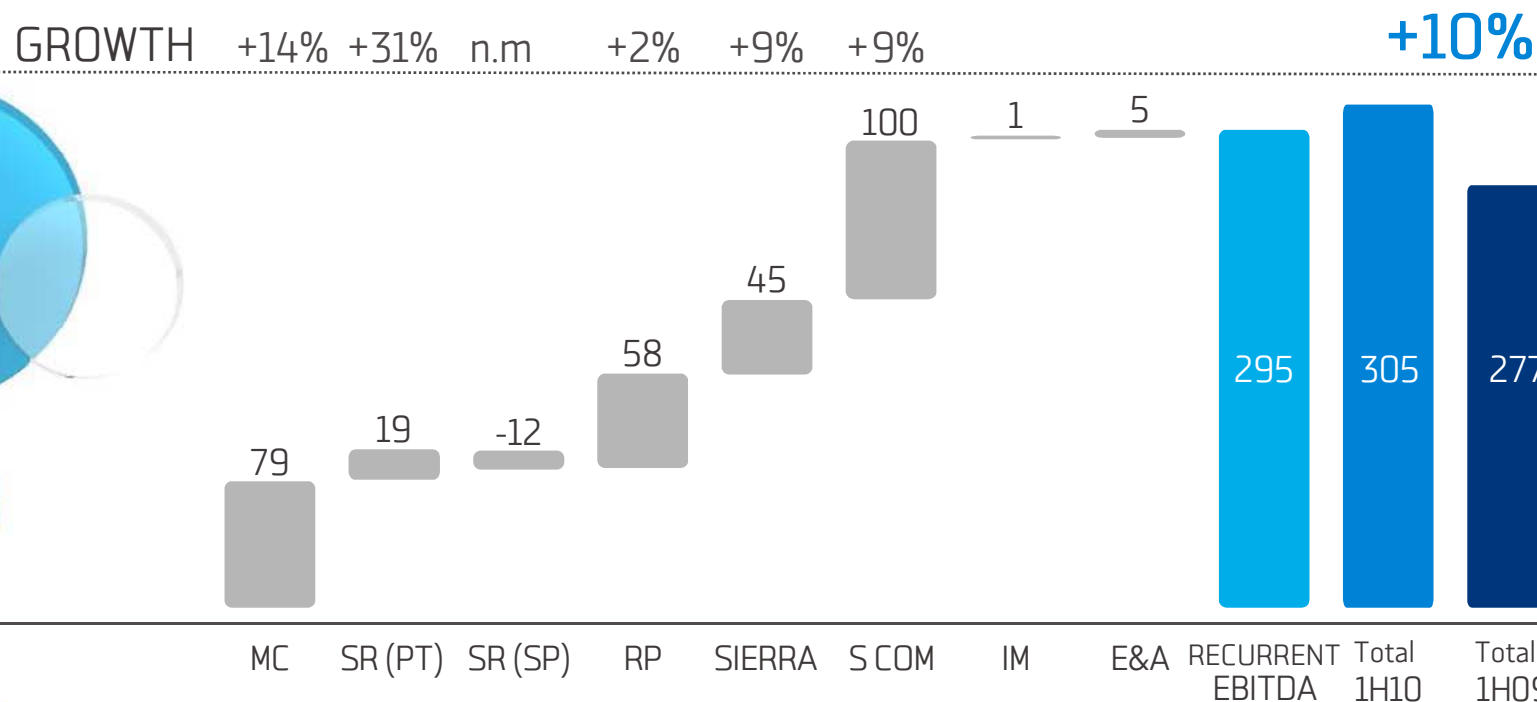
Sonae MC and Sonae SR growing 9%

International business approaching 20% of Sonae SR turnover

YTD 1H10; Million euros

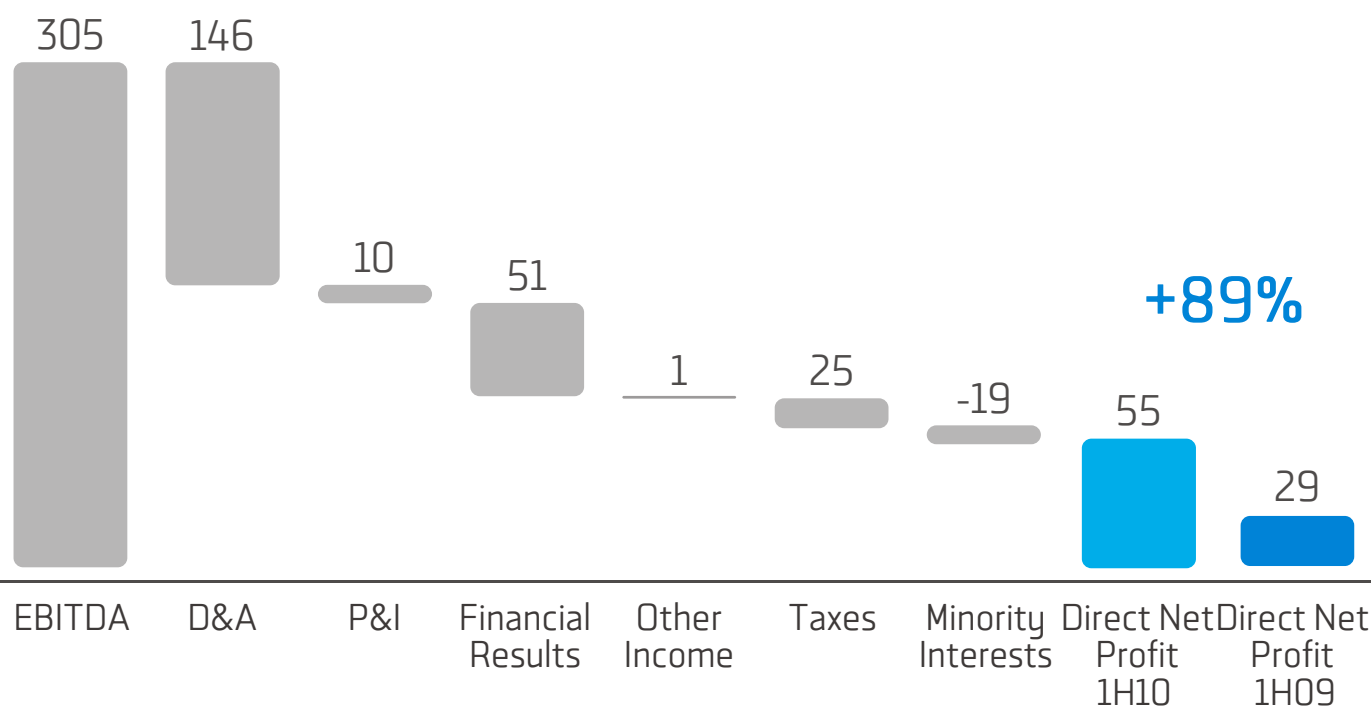
## EBITDA INCREASED BY 10% GENERATING A MARGIN OF 11%

RETAIL UNIT MARGINS WERE SUSTAINED  
BY GAINS IN MARKET SHARE AND IN EFFICIENCY



EBITDA includes capital gains of ~10m€ from Sonae RP with the sale & lease back of retail real estate assets (Modelos of Póvoa de Varzim and Rio Tinto; Azambuja logistics platform).

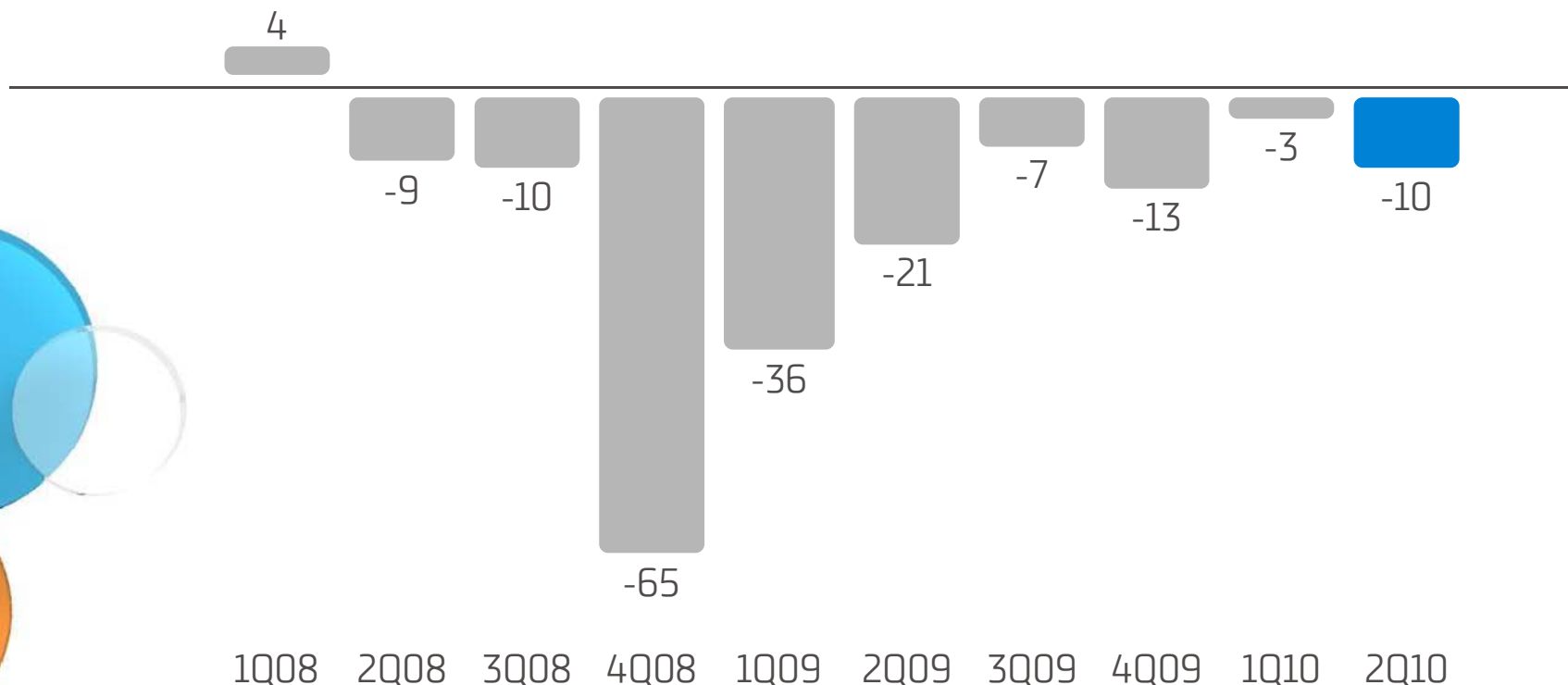
## DIRECT NET PROFITS INCREASED BY 89% REFLECTING STRONG EBITDA PERFORMANCE AND A SIGNIFICANT FALL IN NET FINANCIAL EXPENSES



- Considerable better net financial activity due to the reduction in average debt in 1H10 and the lower level of the interest rates.
- Higher taxes in retail formats and Sonaecom

YTD 1H10; Million euros

## INDIRECT PROFIT REFLECTS A SIGNIFICANT SLOWING DOWN OF YIELDS

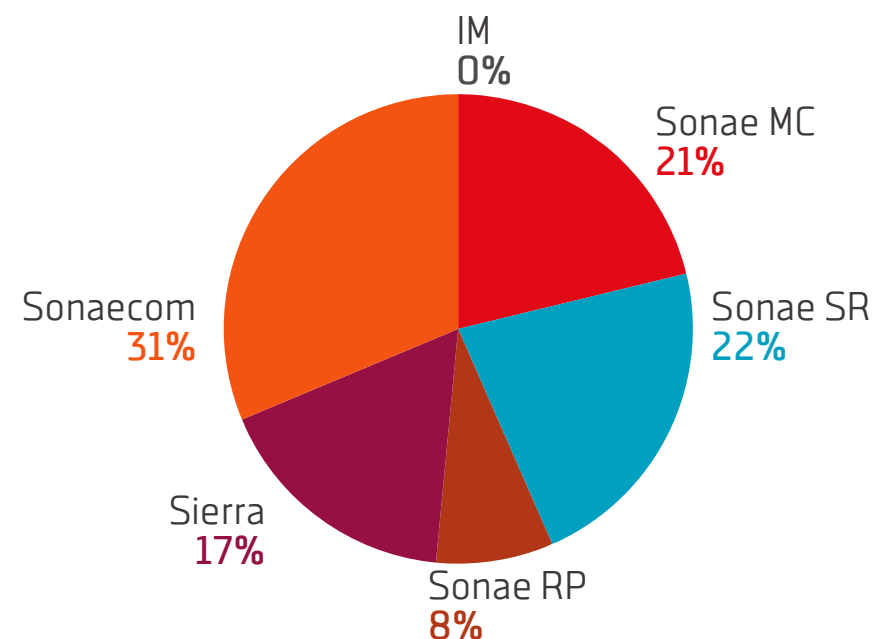
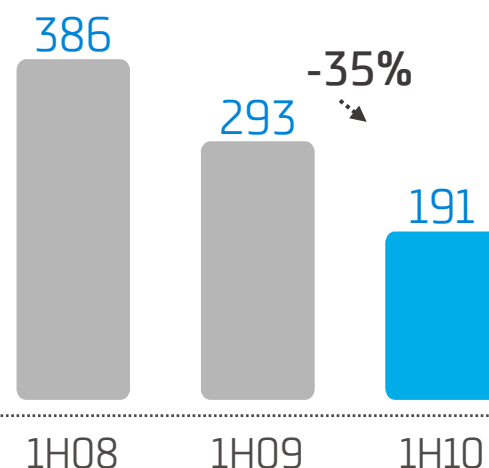


- Relatively stable yields across all the countries where Sierra is present, with the exception of Portugal
- The negative value was driven by an adjustment on deferred tax liabilities arising from the recent increase in corporate income tax in Portugal.

## INVESTMENT TOTALLED 191M€

REFLECTING THE ADOPTION OF A CAPITAL LIGHT STRATEGY

INVESTMENT  
Million Euros

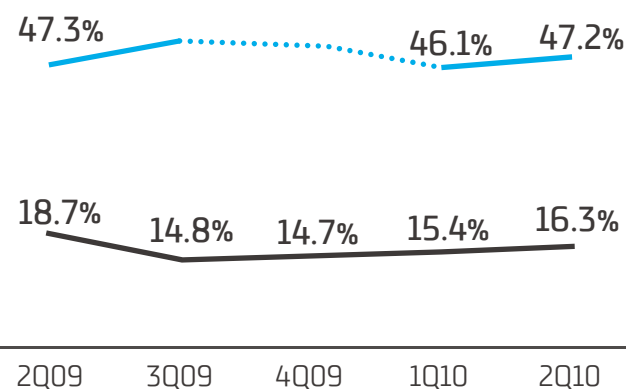


- CAPEX 35% below that in 1H09
- Despite the strong push to increase presence in the Spanish market
- Sonae RP investment reaching 15 M€ compared to 62M€ in 1H09
- Development of 2 shopping centres scheduled to open in 2011



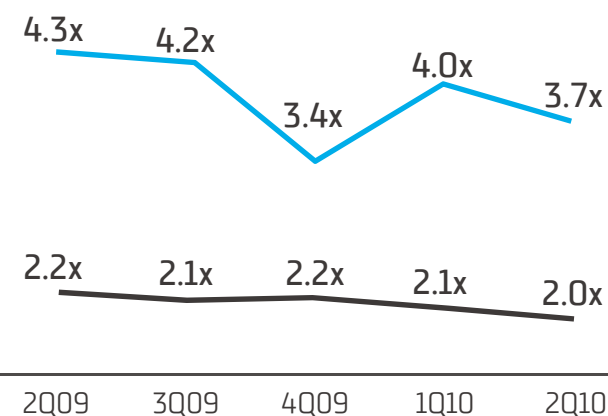
## AN APPROPRIATE CAPITAL STRUCTURE IN EACH BUSINESS TO SUPPORT FUTURE GROWTH PLANS

Shopping centres  
and Holding  
Loan to Value



■ Sierra ■ Holding

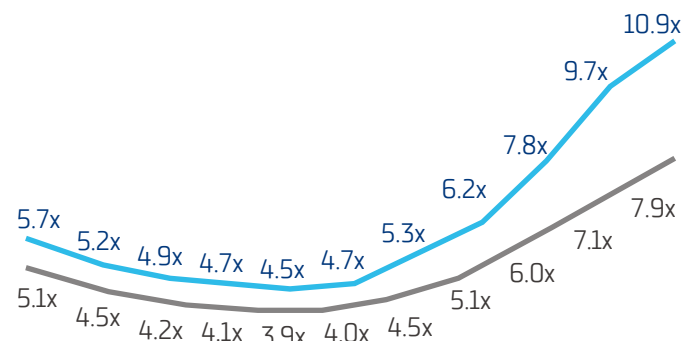
Retail and Telecom  
NET DEBT/EBITDA



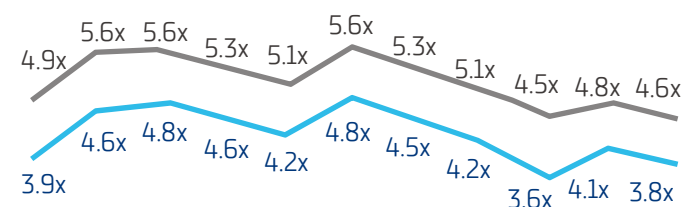
■ Retail ■ SC

# MAJOR IMPROVEMENT IN DEBT RATIOS

EBITDA/INTEREST  
Consolidated figures



NET DEBT/EBITDA  
Consolidated figures



4Q07 1Q08 2Q08 3Q08 4Q08 1Q09 2Q09 3Q09 4Q09 1Q10 2Q10

4Q07 1Q08 2Q08 3Q08 4Q08 1Q09 2Q09 3Q09 4Q09 1Q10 2Q10

■ Without Sonae Sierra

# 6. OUTLOOK FOR 2010

## OUTLOOK FOR RETAIL

The strength of our retail value proposition, clearly demonstrated on our past performance, allows us to be confident on future growth

---

We are “Value Retailers”, with a low and competitive price offer

---

Price positioning explains continuous gains in market share despite a tough consumer market

---

We have proven our ability to manage successfully in challenging environments

## OUTLOOK FOR RETAIL

Sonae will emerge from this recession as a stronger company and with a strengthened long term growth potential

---

### Market leader formats

Continente, Modelo, Worten, SportZone, Zippy and Well's in Portugal

### Maintain gains of market share and profitability

- Value oriented offering
- Food sector as non-cyclical
- Weakness of high cost/low efficiency retailers, reinforced with the economic crisis
- Continuous improvements in operational efficiency

---

### Lower market share formats

Worten, SportZone, Zippy in Spain and Loop, Bom Bocado, book.it in Portugal

### Consistently gain market share

- Value oriented offering
- Resilience on the back of the distinctiveness of the concepts
- Leverage on Sonae's competences and strong asset base



# OUTLOOK FOR RETAIL

Progress on Internationalization  
in line with planned

---

## Strong expansion in Spain with Worten, SportZone and Zippy

- Expecting to end the year with additional 60 thousand m2 of new sales area (~2x the area in YE 2009)
- On track to achieve EBITDA break even, on Spanish operations, by 2012

---

## Angolan market under analysis

---

## Expansion of Sonae SR business frontiers, with opening more than 100 stores, until 2014, in 10 countries

- Worten - Joint Venture Contract for the Canary islands
- SportZone - Joint Venture Contract for the Canary islands
- Zippy - Franchising contracts for Canary Islands and Middle East

---

## Attentive to international expansion opportunities

## OUTLOOK FOR RETAIL

Sonae RP to free up  
invested capital

---

Execute an asset  
monetization plan to  
release circa 50% of  
invested capital  
freehold ownership of  
food retail sales area

---

Focus on Asset  
Management

---

Seek Property  
Development  
opportunities

# OUTLOOK FOR CORE PARTNERSHIPS

## Sonae Sierra

---

Grow in promising markets:

- Speed up expansion in Brazil
- Reinforce emergent markets presence and services to third parties

Continue to make operational improvements in spite of the fall in consumption in certain sectors in Europe

Prepare the company for European recovery in selected countries (freeing up capital and starting up with the best projects)

## Sonaecom

---

Manage cash flow and optimize operational efficiency

Ensure continuous market share gain in the mobile segment

Reinforce SSI's International presence and grow client base through new services and sectors

# SONAE AN ATTRACTIVE INVESTMENT OPPORTUNITY

- **Confirmed growth** in Turnover and Profitability in the face of adverse macroeconomic conditions
- **Value proposal** offer adapted to market demands
- **A clear and ambitious strategy** that will enable for future growth and value creation
- **Strong culture and values**
- **High quality** management teams

