SONAE INVESTIMENTOS, SGPS, SA

Head Office: Rua João Mendonça, 529 – 4464-501 Senhora da Hora

Share Capital 1.000.000.000 Euro

Porto Commercial Registry and Fiscal Number 501 532 927

REPORT AND ACCOUNTS

31 DECEMBER 2009

Management Report

SONAE INVESTIMENTOS, SGPS, SA

Management Report 2009

Sonae Investimentos, SGPS, S.A., is the current trade name of Sonae Distribuição, SGPS, S.A. The Company changed its trade name in November, 2009. The new approved trade name did not result in any changes, namely, regarding agreements entered into.

1 MAIN HIGHLIGHTS

During the course of 2009, a Sonae Investimentos, SGPS, SA delivered a consolidated turnover of 4.546 million Euro – which represents an increase of 8% compared to the previous year. During the same period, the Company´s consolidated cash-flow reached 356 million Euro. This figure represents a ratio over total net sales of 7.8%, 0.6 p.p. less than the previous year, that is owed to the investment effort associated with the expansion in the Spanish market, which will contribute to the future growth of the Company.

Focusing on the evolution of the Company´s activity, we highlight the following aspects:

The **food based business** increased turnover (ex-fuel) by 6% to 3,106 million Euro reflecting:

- a 1% like-for-like sales growth, with higher like-for-like volumes (+5%) offsetting the lower average price per unit (-4%), the latter reflecting the phenomena of trading down and deflation;
- organic growth over the last 12 months with the opening of 39 thousand m2 of sales area (89 stores);
- the success o the customer loyalty card; and
- the significant investment in own brands, accounting for 23% of the FMCG category at the end of 2999 (20% in 2008).

This business segment improved cash-flow by 6% to 199 million Euro, representing a margin on sales of 6.4%. This performance reflected gains in market share, improvements in operational efficiency, namely the centralized logistics system and centralized category management. This margin was significant given the background of strong competitive pressures and deflation.

With regards to the specialised retail formats, turnover increased 22% to 1,132 million Euro. This performance is a result of strong organic growth over the last 12 months, with the opening of 61 thousand m2 (77 stores). Like-for-Like sales were down by only 3%, with growth in the textile and sports formats mitigating the performance of the consumer electronics formats. The Spanish operations achieved encouraging growth on a comparable basis, contributing around 13% of total specialised retail sales in 2009.

This business segment witnessed operational cash flow decrease by 8% to 48 million Euro, representing a margin on sales of 4.2%. This decrease reflected two opposite performances: the continuous improvement in the profitability of the Portuguese operations and the investment resulting from the organic growth of operations in Spain, currently at 56 thousand m2 represented by 3 formats: Worten, Sport Zone and Zippy. The Company's target for international growth is to reach breakeven operational cash flow in 2012.

The profitability of the **retail properties** segment reflects mainly internal rents, set in accordance with the returns on the underlying investments, which are broadly in line with market yields. Operational cash flow increased 10% to 111 million Euro owed to the greater asset portfolio resulting from the organic expansion of retail operations in Portugal.

During the same period, the **investment management** segment turnover ascended 168 million Euro, and operational cash flow was negative 2 million Euro.

In 2009, Sonae Investimentos, SGPS, SA, consolidated operational results totalled 210 million Euro. This figure is 13% below that of 2008.

In this same period, the negative financial results totalled 50 million Euro, incorporating a reduction of circa 22 million Euro compared to 2008.
At the same time, the consolidated net Result for 2009 attributable to Shareholders of the Holding Company ascended 138 million Euro, which compares to 171 million Euros in 2008.

2 INVESTMENT

During the course of 2009, Sonae Investimentos realized an overall net investment of 329 million Euro. This amount was directed towards the execution of the Company´s expansion plan, allowing it to end the year with a portfolio of 937 stores and sales area of 899 thousand m2 (+11% on 2008 end of year store portfolio).

- the amount invested by the **food retail** business ascended 137 million Euro, slightly above that of 2008. The amount invested was directed towards: the initial investment (excluding the real estate component) related to the opening of new stores (39 thousand m2); the refurbishment of the store portfolio; the preparation work for future openings and continuous improvements of the logistics infrastructure.

- the amount invested by the **specialised retail** business reached 97 million Euro (up 9 million Euro compared to 2008), reflecting: the initial investment (excluding the real estate component) of the opening of 55 new stores in Portugal (40 thousand m2); the continuous refurbishment investments in the store portfolio and investment expenses associated with the presence in Spain with the opening of 22 stores totalling 22 thousand m2 of sales area.

- the amount invested by the **retail properties** segment reached 90 million Euro reflecting the investment in new stores and investment expenses on account of future openings.

- the amount invested by the investment management unit ascended 3 million Euro.

3 Outlook

In 2010, the Company will pursue a number of actions in line with its target of strengthening its market position in core businesses and increase its international footprint, while continuing to achieve high levels of profitability.

The **food based** retail unit will continue to assure growth and remain a benchmark in terms of cash flow generation and profitability via the following actions:

- implementation of a capital light approach to its expansion, with the majority of the real estate component being held by third parties;
- optimization of working capital by reducing investment in stocks;
- strengthening the value proposition through an improved implementation of commercial initiatives promoted via the loyalty card;
- implementation of efficiency and cost cutting programmes and
- explore adjacent business opportunities.
- Simultaneously, the unit will be alert to possible internationalisation opportunities in markets with strong growth potential and with an underdeveloped retail sector for its expansion and organic growth.

The **specialised retail unit** plans to execute the following growth plan:

- Increase its international presence by:
  - increase its presence in Spain, by focusing more than 70% of additional sales area planned for 2010 in this market; and
  - possible configuration of an additional internationalisation model, based on franchising and other capital light models as a means of accelerating growth
- consolidate market share and profitability in Portugal by:
  - achieving complete coverage of the Portuguese market with the current format portfolio;
  - improve internal efficiency and productivity processes; and
  - optimisation of working capital requirements.

Sonae RP, the **retail property unit** expects to complete the sale & leaseback of its logistics centre in Azambuja and of 20 Modelo supermarkets, in addition to additional similar operations, in order to free up invested capital, and thus finance the internationalisation effort and/or reduce debt.

4 Financial Risk Management

The general financial risk management principles of the Company are found in detail in the appendix to the Income Statement.

5 REMUNERATION OF CORPORATE BODIES

Remuneration of the Board of Directors

Remuneration paid and attributed

The following remuneration was attributed to the Board of Directors (including fixed remuneration, short term variable remuneration and medium term variable remuneration) by the Company and Group´s Companies:

	2008*				2009*			
	Fixed Remuneration	Short Term Variable Remuneration	MediumTerm Variable Remuneration	Total	Fixed Remuneration	Short Term Variable Remuneration	MediumTerm Variable Remuneration	Total
Executive Directors								
Nuno Manuel Moniz Trigoso	414,560	204,040	333,000	951,600	411,560	190,900	290,200	892,660
	414,560	204,040	333,000	951,600	411,560	190,900	290,200	892,660
Non-Executive Directors								
Duarte Paulo Teixeira	54,000	-	-	54,000	50,400	-	-	50,400
Ângelo Gabriel Ribeirinho dos Santos Paupério	-	-	-	-	-	-	-	-
Alvaro Carmona Costa Portela	-	-	-	-	-	-	-	-
	54,000	-	-	54,000	50,400	-	-	50,400
Total	468,560	204,040	333,000	1,005,600	461,960	190,900	290,200	943,060

** Amounts in Euro*

Remuneration of the Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is composed of a set annual amount, based on Company´s financial situation and market practices. The set annual amount for the members of this committee was as follows:

Member of the Statutory Audit Board	2008*	2009*
UHY & Associados, SROC, Lda represented by António Francisco Barbosa dos Santos	8,000	8,000
Arlindo Dias Duarte Silva	10,500	6,000
Óscar José Alçada da Quinta	10,500	6,000
Total	29,000	20,000

** Amounts in Euro*

Remuneration of the Statutory External Auditor

Sonae Investimentos Statutory External Auditor and audit firm is Deloitte who in 2008 and 2009 billed Sonae Investimentos, including affiliated companies as follows:

	2008*	2009*
Statutory Audit	422,033	543,855
Other Compliance and Assurance Services	272,846	15,000
Tax Consultancy Services	87,520	41,500
Other Services	1,184,698	1,018,357
Total	1,967,097	1,618,712

** Amounts in Euro*

Remuneration of the Members of the General Assembly

The remuneration of the members of the General Assembly is constituted by a set figure, as detailed below:

Board of the Shareholders´ General Meeting	2008*	2009*
Chairman	3,750	3,750
Secretary	1,500	1,500
Total	5,250	5,250

** Amounts in Euro*

6 Proposal For Profit Distribution For The Company Sonae Investimentos, SGPS, SA

A dividend distribution of 70 million Euro will be proposed at the Shareholder's Annual General Meeting for shares not held directly or indirectly by Sonae Investimentos, SGPS, S.A. which corresponds to a dividend pay-out ratio of approximately 50% of the consolidated net profits for the year.

The net profits for the year of Sonae Investimentos, SGPS, S.A., as a standalone holding company, totalled 61.758.365,39 Euro, for which the Board of Directors propose the following distribution.

Legal Reserve	3.087.918,27 Euro
Dividends	58.670.447,12 Euro
Total	61.758.365,39 Euro

As a distribution of 70.000.000 Euros is proposed, in the form of dividends, for that purpose 11.329.552,88 Euros, in Free Reserves, shall be used.

The dividends to distribute correspond to the attribution of 0,07 Euro to each one of the 1.000.000.000 shares that constitute the total share capital of the Company.

7 ACKNOWLEDGEMENTS

We thank all of our customers, suppliers, financial institutions and shareholders for their support and preferences demonstrated during the year. We also thank the external auditors and statutory auditors for all of their cooperation throughout the year. Finally a special word of thanks to all of the Sonae Investimentos employees for their enthusiasm, dedication and competence demonstrated once again.

Matosinhos, 15th of March, 2010

The Board of Directors,

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Duarte Paulo Teixeira de Azevedo (President)

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Nuno Manuel Moniz Trigoso Jordão (CEO)

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Ângelo Gabriel Ribeirinho dos Santos Paupério

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Álvaro Carmona e Costa Portela

Glossary

Turnover (t)
sales of articles + services rendered.

Operating cash-flow (EBITDA)
operating results - amortisations and depreciation - provisions and losses and reversal of impairment as well as negative consolidation differences.

Operating results (EBIT)
consolidated net profit for the period - income tax + investment profit/losses + profits/losses of associated companies - net financial expenses.

Profits on ordinary activities
operating results + net financial expenses.

Net investment
increase in gross fixed assets (tangible and intangible) + changes in perimeter (as a result of acquisitions and disposals) + disposals in gross fixed assets (tangible and intangible) + increases in goodwill. To calculate the investment in acquisitions (measured by changes occurred in consolidation perimeter) it was considered the net accumulated amortizations.

Net debt
current borrowings + non current borrowings + financial leasing creditors – cash and cash equivalents – other current investments under negotiation + borrowings from participating and/or participated companies.

Average debt
average of net debt at end of last four quarters.

L4L ("like-for-like")
evolution of turnover in a comparable store universe

Gross Fixed Assets allocated to real estate companies
goodwill net of impairment losses/gains (positive variances between the acquisition cost of investments in Group and associated companies, and the fair value of identifiable assets and liabilities of these companies at the date of their acquisition) + gross Fixed Assets owned by real estate companies of the Group (value of tangible and intangible assets booked at acquisition cost, or acquisition cost re-valued in accordance with generally accepted accounting principles in Portugal).

Working Capital
customer debts (receivables derived from sales in the normal course of the Group's business) – suppliers (sums to pay resulting from purchases in the normal course of the Group's business) + inventories (goods booked at acquisition cost, less quantity discounts and impairment losses) + other assets and liabilities (State and other public entities + associated companies + accruals and prepayments + deferred taxes + provisions for risks and charges + fixed asset suppliers + sundry debtors and creditors).

Gearing
ratio between net debt and the company's shareholders' funds.

Net Capital Employed
gross real estate assets + other gross real estate assets + amortisations and impairment losses + financial investments + working capital.

ROCE ("Return On Capital Employed")
EBIT / Net Capital Employed.

ROE ("Return On Equity")
sum of net profits attributed to shareholders of the last four quarters / average of the equity at end attributable to shareholders of the last four quarters.

Appendix

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

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

Matosinhos, 15th of March, 2010

The Board of Directors,

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Duarte Paulo Teixeira de Azevedo (President)

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Nuno Manuel Moniz Trigoso Jordão (CEO)

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Ângelo Gabriel Ribeirinho dos Santos Paupério

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Álvaro Carmona e Costa Portela

Article 447 of the Portuguese Company Act and of Article 14 paragraph 7 of Portuguese Securities Regulator (CMVM) Regulation nr. 05/2008

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (article 248 B of the Portuguese Securities Code), and disclosure of the respective transactions during the year involving such shares and other securities:

		Additions		Reductions		Balance as of 31.12.2009
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
Duarte Paulo Teixeira de Azevedo (*) (**) (***) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Migracom, SGPS, SA (5)						1,969,996
Sonae, SGPS, SA						3,293 (a)
Ângelo Gabriel Ribeirinho dos Santos Paupério (*) (**)						
Sonae, SGPS, SA						250,000
Álvaro Carmona e Costa Portela (*) (**)						
Sonae, SGPS, SA						125,934

		Additions		Reductions		Balance as of 31.12.2009
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA						659,650,000
Pareuro, BV (2)						2,000,000
(2) Pareuro, BV						
Sonae, SGPS, SA						400,000,000
(3)Sonae, SGPS, SA						
Sonae Investments, BV						2,000,000
Sonae Investimentos, SGPS, SA						824,780,810
(4) Sonae Investments BV						
Sonae Investimentos, SGPS, SA						175,219,190
(5) Migracom, SGPS, SA						
Sonae, SGPS, SA						1,485,000
Imparfin, SGPS, SA (6)						150,000
(6) Imparfin, SGPS, SA						
Sonae, SGPS, SA						4,105,280

(*) Member of the Board of Directors of Sonae, SGPS, SA

(**) Member of the Board of Directors of Sonae, SGPS, SA (directly and indirectly dominant company) (3)

(***) Member of the Board of Directors of Efanor Investimentos SGPS, SA (directly and indirectly dominant company) (1)

(****) Member of the Board of Directors of Imparfin, SGPS, SA (6)

(a) Shares held by underage descendents under his/her charge

Article 448

Number of shares held by shareholders owning more than 10%, 33% and 50% of the company's share capital.

	Number of shares held as of 31.12.2009
Sonae, SGPS, SA	824,780,810
Sonae Investments, BV	175,219,190

Qualified holdings

Shares held and voting rights of companies owning more than 2% of the share capital of the company, as required by article 8 nr.1 b) of Securities Market Regulation Board (CMVM) Regulation 05/2008:

Shareholder	Nr. of shares	% Share Capital	% of Voting Rights
Efanor Investimentos, SGPS, SA			
By Sonae, SGPS, SA	824,780,810	82.478%	82.478%
By Sonae Investments, BV	175,219,190	17.522%	17.522%
Total attributable to Efanor Investimentos, SGPS, SA	1,000,000,000	100.000%	100.000%

Consolidated financial statements

SONAE INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2009 AND 2008

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

ASSETS	Notes	31 December 2009	31 December 2008
NON-CURRENT ASSETS:			
Tangible assets	10	2,198,493,423	1,924,301,269
Intangible assets	11	162,320,303	164,289,356
Goodwill	12	519,885,038	521,020,094
Associated investments	6	2,376,473	64,671,483
Other investments	7 and 9	763,866	2,358,971
Deferred tax assets	20	90,471,037	67,426,816
Other non-current assets	9 and 14	4,336,556	2,284,632
Total Non-Current Assets		2,978,646,696	2,746,352,621
CURRENT ASSETS:			
Inventories	15	588,968,421	530,819,483
Trade account receivables	9 and 16	36,331,126	33,237,057
Other debtors	9 and 17	128,845,634	109,795,744
Taxes recoverable	18	28,379,704	31,480,470
Other current assets	19	32,538,142	35,391,992
Investments	9 and 13	57,659,791	62,805,722
Cash and cash equivalents	9 and 21	111,407,067	115,119,080
Total Current Assets		984,129,885	918,649,548
Assets available for sale		-	5,863,383
TOTAL ASSETS		3,962,776,581	3,670,865,552
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	22	1,000,000,000	1,000,000,000
Legal reserve		114,000,000	99,300,000
Reserves and retained earnings		(279,954,941)	(350,202,510)
Profit/(Loss) for the year attributable to the equity holders of Parent Company		138,171,091	170,993,512
Equity attributable to the equity holders of Parent Company		972,216,150	920,091,002
Equity attributable to minority interests	23	74,344,125	11,201,548
TOTAL EQUITY		1,046,560,275	931,292,550
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	9 and 24	285,894,893	230,000,000
Bonds	9 and 24	987,483,025	1,001,716,603
Obligation under finance leases	9, 24 and 25	8,620,393	11,109,980
Other loans	9 and 24	198,853	241,328
Other non-current liabilities	9 and 27	16,222,928	11,688,394
Deferred tax liabilities	20	96,744,418	81,182,365
Provisions	32	9,263,092	12,953,754
Total Non-Current Liabilities		1,404,427,602	1,348,892,424
CURRENT LIABILITIES:			
Loans	9 and 24	26,390,951	43,249,021
Bonds	9 and 24	64,899,489	99,978,611
Obligation under finance leases	9, 24 and 25	4,704,670	4,280,464
Other loans	9 and 24	7,935,788	5,405,467
Trade creditors	9 and 29	1,062,040,575	898,101,628
Other creditors	9 and 30	133,158,621	152,429,549
Taxes and contributions payable	18	65,634,240	35,975,550
Other current liabilities	31	144,535,487	148,945,725
Provisions	32	2,488,883	2,314,563
Total Current Liabilities		1,511,788,704	1,390,680,578
TOTAL LIABILITIES		2,916,216,306	2,739,573,002
TOTAL EQUITY AND LIABILITIES		3,962,776,581	3,670,865,552

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 31 DECEMBER 2009 AND 2008

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Notes	4th Quarter ended 31 December 2009 (Unaudited)	4th Quarter ended 31 December 2008 (Unaudited)	31 December 2009	31 December 2008
Sales	35	1,285,358,349	1,193,690,754	4,420,413,159	4,074,314,020
Services rendered	35	32,048,367	34,333,511	125,452,037	145,379,164
Investment income		(14,607)	370,430	1,639,444	520,599
Financial income	36	1,808,645	4,845,671	8,269,478	15,254,408
Other income	37	106,960,650	126,971,693	389,849,255	429,296,097
Cost of goods sold and materials consumed	15	(979,720,581)	(906,020,884)	(3,436,653,360)	(3,178,152,943)
External supplies and services	38	(149,007,281)	(152,097,089)	(565,677,205)	(562,471,047)
Staff costs	39	(131,705,543)	(132,549,252)	(504,143,624)	(474,318,470)
Depreciation and amortisation	10 and 11	(39,588,185)	(32,297,294)	(141,185,028)	(115,026,896)
Provisions and impairment losses	32	(3,449,800)	(8,025,341)	(6,867,019)	(10,962,955)
Financial expense	36	(11,445,589)	(25,264,273)	(58,026,872)	(87,266,824)
Other expenses	40	(22,517,715)	(20,042,054)	(71,340,106)	(67,655,276)
Share of results of associated undertakings	6	295,371	12,712,424	(652,675)	13,403,420
Profit/(Loss) before taxation		89,022,081	96,628,296	161,077,484	182,313,297
Taxation	41	(17,161,856)	(5,980,265)	(24,335,041)	(11,497,975)
Profit/(Loss) after taxation		71,860,225	90,648,031	136,742,443	170,815,322
Attributable to:					
Equity holders of Sonae		72,569,366	91,035,606	138,171,091	170,993,512
Minority interests		(709,141)	(387,575)	(1,428,648)	(178,190)
Profit/(Loss) per share					
Basic	43	0.072569	0.091036	0.138171	0.170994
Diluted	43	0.072569	0.091036	0.138171	0.170994

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	31 December 2009	31 December 2008
Net Profit / (Loss) for the period	136,742,443	170,815,322
Exchange differences arising on translation of foreign operations	78,943	(1,100,956)
Changes in hedge and fair value reserves	(1,900,007)	(4,874,682)
Income tax relating to changes in hedge and fair value reserves	775,121	1,020,171
Other comprehensive income for the period	(1,045,943)	(4,955,467)
Total comprehensive income for the period	135,696,500	165,859,855
Attributable to:		
Equity holders of the Parent Company	137,125,148	166,038,045
Minority interests	(1,428,648)	(178,190)

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Attributable to Equity Holders of the Parent Company										
			Reserves and Retained Earnings								
	Share Capital	Own Shares	Legal Reserve	Currency translation Reserve	Hedging Reserves	Other Reserves and Retained Earnings	Total	Net Profit/(Loss)	Total	Minority Interests (Note 23)	Total Equity
Balance as at 1 January 2008	1,100,000,000	(205,000,000)	95,000,000	1,104,622	538,169	(320,087,233)	(223,444,442)	167,492,214	839,047,772	12,141,277	851,189,049
Total compreensive income for the period	-	-	-	(1,100,956)	(3,854,511)	-	(4,955,467)	170,993,512	166,038,045	(178,190)	165,859,855
Appropriation of profit of 2007:											
Transfer to legal reserves and retained earnings	-	-	4,300,000	-	-	163,192,214	167,492,214	(167,492,214)	-	-	-
Dividends distributed	-	-	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)	(13,741)	(85,013,741)
Own shares amortisation	(100,000,000)	205,000,000	-	-	-	(105,000,000)	(105,000,000)	-	-	-	-
Aquisitions and sales of shares of affiliated undertakings	-	-	-	-	-	-	-	-	-	(747,798)	(747,798)
Others	-	-	-	-	-	5,185	5,185	-	5,185	-	5,185
Balance as at 31 December 2008	1,000,000,000	-	99,300,000	3,666	(3,316,342)	(346,889,834)	(250,902,510)	170,993,512	920,091,002	11,201,548	931,292,550
									-		-
Balance as at 1 January 2009	1,000,000,000	-	99,300,000	3,666	(3,316,342)	(346,889,834)	(250,902,510)	170,993,512	920,091,002	11,201,548	931,292,550
Total compreensive income for the period	-	-	-	78,943	(1,124,886)	-	(1,045,943)	138,171,091	137,125,148	(1,428,648)	135,696,500
Appropriation of profit of 2008:											
Transfer to legal reserves and retained earnings	-	-	14,700,000	-	-	156,293,512	170,993,512	(170,993,512)	-	-	-
Dividends distributed	-	-	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)	(4,170)	(85,004,170)
Aquisitions of shares of affiliated undertakings	-	-	-	-	-	-	-	-	-	63,575,395	63,575,395
Equity increases in affiliated companies	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2009	1,000,000,000	-	114,000,000	82,609	(4,441,228)	(275,596,322)	(165,954,941)	138,171,091	972,216,150	74,344,125	1,046,560,275

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR

THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Notes	31 December 2009	31 December 2008
OPERATING ACTIVITIES			
Cash receipts from trade debtors		4,534,192,087	4,191,025,400
Cash paid to trade creditors		(3,555,050,756)	(3,447,780,899)
Cash paid to employees		(501,164,871)	(460,481,254)
Cash flow generated by operations		477,976,460	282,763,247
Income taxes (paid) / received		(6,191,259)	(89,598)
Other cash receipts and (payments) relating to operating activities		4,411,035	4,189,570
Net cash flow from operating activities (1)		476,196,236	286,863,219
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	44	4,432,881	47,265,986
Tangible assets		20,469,381	26,478,666
Intangible assets		155,010	5,525,596
Interest and similar income		4,528,665	8,883,443
Loans granted		3,598,500	281,582,000
Dividends		461,660	150,169
		33,646,097	369,885,860
Cash Payments arising from:			
Investments	44	(21,516,094)	(40,515,025)
Tangible assets		(310,616,677)	(272,497,562)
Intangible assets		(16,228,004)	(21,165,306)
Loans granted		(1,000,000)	(288,387,257)
Others		(1,728)	(31)
		(349,362,503)	(622,565,181)
Net cash used in investment activities (2)		(315,716,406)	(252,679,321)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		10,186,721,460	5,963,981,220
Others		1,000,000	-
		10,187,721,460	5,963,981,220
Cash Payments arising from:			
Loans obtained		(10,197,242,163)	(5,804,741,308)
Interest and similar charges		(69,345,711)	(80,159,356)
Dividends		(85,004,170)	(85,013,741)
Others		(422,298)	(434,986)
		(10,352,014,342)	(5,970,349,391)
Net cash used in financing activities (3)		(164,292,882)	(6,368,171)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(3,813,052)	27,815,727
Effect of foreign exchange rate		(284,775)	214,608
Cash and cash equivalents at the beginning of the period	21	91,870,059	64,268,940
Cash and cash equivalents at the end of the period	21	88,341,782	91,870,059

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

1 INTRODUCTION

Sonae Investimentos, SGPS, S.A., formerly named Sonae Distribuição, SGPS, S.A., has it head-office at Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 6 the Sonae Investimentos Group ("Sonae Investimentos"). Sonae Investimentos´ operations are described in the management report and in Note 45.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying consolidated financial statements are as follows:

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as at the consolidated financial statements issuance date.

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, subsidiaries and joint ventures, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for financial instruments which are stated at fair value.

New accounting standards and their impact on the consolidated financial statement

Up to the financial statements approval date, the following Standards and Interpretations, some of which have became effective during the year 2009, have been endorsed by European Union:

With mandatory application in 2009 :	Effective date (Financial years beginning on/or after)
IFRS 1 / IAS 27 – Amendments (Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate)	01/01/2009
IAS 39 – Amendments (Reclassification of financial assets)	01/07/2008
IFRS 2 – Amendments: Share/based Payment (Vesting conditions and cancellations)	01/01/2009
IAS 23 – Amendments: Borrowing Costs (Revised)	01/01/2009
IAS 32 / IAS 1 – Amendments (Puttable Financial Instruments and Obligations Arising on Liquidation)	01/01/2009
IAS 1 – Amendments: Fist-time Adoption of International Financial Reporting standards (Revised)	01/01/2009
IFRIC 13 - Customer Loyalty Programmes	01/07/2008
IFRS 8 – Operating Segments	01/01/2009
IFRS 7 – Amendments (Improving disclosures about fair value measurements and liquidity risk)	01/01/2009
Annual improvements to International Financial Reporting Standards (2007)	Several (on/after 01/01/2009)

The adoption of the above mentioned standards has not led to material impacts to the enclosed consolidated financial statements of Sonae Investimentos, with the exception of presentation and disclosure improvements as a result of the application of IAS 1 amendments and IFRS 8, as the accounting policies adopted by Sonae Investimentos are already consistent with some of the new standards.

IAS 1 introduces changes in terminology as well as changes to the format and content of financial statements. IFRS 8 replaces the previous IAS 14 and led to a redefinition of the reportable segments of Sonae Investimentos and information to report.

With mandatory application after 2009:	Effective date (Financial years beginning on/or after)
IFRS 3 – Business combinations and IAS 27, consolidated and separate financial statements (revised 2008)	01/07/2009
IFRS 1 (revised) – First-time adoption of International Financial Reporting standards	01/01/2010
IFRIC 12 – Service Concession Arrangements	01/01/2010
IFRIC 15 – Agreements for the Construction of Real Estate	01/01/2010
IFRIC 16 – Hedges of a Net Investment in a Foreign Operation	01/07/2009
IFRIC 9 and IAS 39 – Amendments (Reassessment of embedded derivatives)	Financial periods beginning on/after 30/06/2009

IFRIC 17 – Distributions of Non-cash Assets to Owners	01/07/2009
IAS 39 – Amendments (Qualifying hedging instruments)	01/07/2009
IFRIC 18 – Transfer of Assets from Customers	Transfers on or after 01/07/2009

These standards, although approved ("endorsed") by the European Union, were not adopted by Sonae Investimentos in 2009, because its application is not yet mandatory, and Sonae Investimentos has decided not to adopt them in advance.

No significant impacts are expected to arise in the financial statements resulting from the adoption of these standards, with the exception of the amendments of IFRS 3, and consequent amendment to IAS 27.

Changes to IFRS 3 and IAS 27 bring some changes to business combinations, including: (a) calculating goodwill; (b) the measurement of non-controlling interests (formerly known as minority interests); (c) the recognition and subsequent measurement of contingent payments; (d) the treatment of direct costs related to the concentration; (e) the recognition of purchase transactions of interests in already controlled entities and sales transactions of interests without such resulting in the loss of control; and (f) calculation of the gain/loss on of the sale of participation with loss of control and need of remeasurement of the interests kept in the sold subsidiary.

2.2 Consolidation principles

The main accounting policies adopted by the Group are as follows:

a) Investments in Group companies (subsidiaries)

Investments in companies in which Sonae Investimentos owns, directly or indirectly, more than 50% of the voting rights at Shareholders' General Meetings or is able to establish financial and operational policies so as to benefit from its activities (definition of control normally used by Sonae Investimentos), were included in the consolidated financial statements using the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption Minority interests, in the consolidated balance sheet and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Note 4.

When losses attributable to minority interests exceed the minority interest in the equity of the Sonae Investimentos the excess, and any further losses attributable to minority interests, are charged against the equity holders of Sonae Investimentos except to the extent that minority shareholders have a binding obligation and are able to cover such losses. If the Group subsequently reports profits, such profits are allocated to the equity holders of Sonae Investimentos until the minority's share of losses previously absorbed by the equity holders of Sonae Investimentos has been recovered.

Assets and liabilities of each subsidiary are measured at their fair value at the date of acquisition being that measurement concluded in twelve months. Any excess of the cost of acquisition over the Sonae Investimentos' interest in the fair value of the identifiable net assets acquired is recognized as goodwill (Note 2.2.d)). Any excess of the Sonae Investimentos' share in the fair value of the identifiable net assets acquired over cost is recognized as income in profit or loss for the period of acquisition in the caption "Other income", after reassessment of the estimated fair value attributed to the net assets acquired. Minority interests include their proportion of the fair value of net identifiable assets and liabilities recognized on acquisition of Sonae Investimentos companies.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Adjustments to the financial statements of Sonae Investimentos companies are performed, whenever necessary, in order to adapt accounting policies to those used by Sonae Investimentos. All intra-group transactions, balances, income and expenses and distributed dividends are eliminated on consolidation.

Whenever Sonae Investimentos has, in substance, control over other entities created for a specific purpose, even if no share capital interest is directly held in those entities, these are consolidated by the full consolidation method.

b) Investments in jointly controlled companies

Investments in jointly controlled companies are included in the accompanying consolidated financial statements in accordance with the proportionate consolidation method as from the date joint control is acquired. In accordance with this method, the Group includes in the accompanying consolidated financial statements its share of assets, liabilities, income and expenses of these companies, on a line-by-line basis.

Any excess of the acquisition cost over the Group's interest in the fair value of identifiable net assets acquired is recognized as goodwill (Note 2.2.d)). Any excess of the Group's share in the fair value of net assets acquired over cost is recognized as income in profit or loss for the period of acquisition after reassessment of the estimated fair value of the net assets acquired in the caption "Other operational income".

Sonae Investimentos' share of inter-company balances, transactions and dividends distributed are eliminated.

Investments in jointly controlled companies are classified as such based on shareholders' agreements that establish joint control.

Companies included in the accompanying consolidated financial statements in accordance with the proportionate method are listed in Note 5.

c) Investments in associated companies

Investments in associated companies (companies where Sonae exercises significant influence but does not establish financial and operational policies – usually corresponding to holdings between 20% and 50% in a company's share capital) are accounted for in accordance with the equity method.

Under the equity method, investments are recorded at cost, adjusted by the amount corresponding to Sonae Investimentos' share of changes in equity (including net profit) of associated companies and to dividends received.

Any excess of the cost of acquisition over Sonae Investimentos' share in the fair value of the identifiable net assets acquired is recognized as goodwill (Note 2.2.d)), which is included in the caption Investment in associated companies. Any excess of Sonae Investimentos' share in the fair value of the identifiable net assets acquired over cost is recognized as income in the profit or loss for the period of acquisition, after reassessment of the estimated fair value of the net assets acquired under the caption Share of profit of associates.

An assessment of investments in associated companies is performed when there is an indication that the asset might be impaired. Any impairment loss is recorded in the income statement. Impairment losses recorded in prior years that are no longer justifiable are reversed.

When Sonae Investimentos' share of losses exceeds the carrying amount of the investment, the investment is reported at nil value and recognition of losses is discontinued, unless Sonae Investimentos is committed beyond the value of its investment. In these situations an impairment is recorded for that amount.

The Sonae Investimentos' share in unrealized gains arising from transactions with associated companies is eliminated. Unrealized losses are eliminated, but only to the extent that there is no evidence of impairment of the asset transferred.

Investments in associated companies are disclosed in Note 6.

d) Goodwill

The excess of the cost of acquisition of investments in subsidiaries, jointly controlled and associated companies over Sonae Investimentos' share in the fair value of the assets and liabilities of those companies at the date of acquisition is shown as Goodwill (Note 12) or as Investments in associated companies (Note 6). The excess of the cost of acquisition of investments in foreign companies over the fair value of their identifiable assets and liabilities at the date of acquisition is calculated using the functional currency of each of those companies. Translation to the Sonae Investimentos' functional currency (Euro) is made using the closing exchange rate. Exchange rate differences arising from this translation are recorded and disclosed in "Other Reserves and Retained earnings".

Goodwill is not amortized, but it is subject to impairment tests on an annual basis. Net recoverable amount is determined based on business plans used by Sonae Investimentos management or on valuation reports issued by independent entities. Impairment losses recognized in the period are recorded in the income statement under the caption "Provisions and impairment losses".

Impairment losses related with goodwill will not be reversed unless in the case of goodwill related with associated companies.

Any excess of Sonae Investimentos' share in the fair value of identifiable assets and liabilities in group, jointly controlled and associated companies over cost, is recognized as income in the profit or loss for the period, at the date of acquisition, after reassessment of the fair value of the identifiable assets and liabilities acquired.

e) Translation of financial statements of foreign companies

Assets and liabilities denominated in foreign currencies in the financial statements of foreign companies are translated to euro using exchange rates at the balance sheet date. Profit and loss and cash flows are converted to euro using the average exchange rate for the period. Exchange rate differences originated after 1 January 2004 are recorded as equity under Translation reserves in Reserves and retained earnings. Exchange rate differences that were originated prior to 1 January 2004 (date of transition to IFRS) were written-off through "Other Revenue and Retained earnings".

Goodwill and fair value adjustments arising from the acquisition of foreign companies are recorded as assets and liabilities of those companies and translated to euro using exchange rates at the balance sheet date.

Whenever a foreign company is sold (totally or partially), accumulated exchange rate differences are recorded in the income statement as a gain or loss on the disposal, in the caption Investment income.

Exchange rates used on translation of foreign group, jointly controlled and associated companies are listed below:

	31 December 2009		31 December 2008	
	End of period	Average of period	End of period	Average of period
Brazilian Real	0.3982	0.36282	0.30830	0.37657

2.3 Tangible assets

Tangible assets acquired up to 1 January 2004 (transition date to IFRS) are recorded at acquisition or production cost, or revalued acquisition cost, in accordance with generally accepted accounting principles in Portugal until that date, net of depreciation and accumulated impairment losses.

Tangible assets acquired after that date is recorded at acquisition cost, net of depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis, as from the date the asset is first used, over the expected useful life for each class of assets, and recorded against the income statement caption "Depreciation and amortization".

Impairment losses detected on tangible assets are recorded, in the year in which the estimation is made, estimated against the income statement caption "Provisions and impairment losses".

The depreciation rates used correspond to the following estimated useful lives:

	Years
Land and Buildings	50
Plant and machinery	10 to 15
Vehicles	5
Tools	4
Office equipment	10
Other tangible assets	5

Maintenance and repair costs relating to tangible assets are recorded directly as expenses in the year they are incurred.

Tangible assets in progress represent fixed assets still under construction-development and are stated at acquisition cost net of impairment losses. These assets are depreciated from the date they are completed or become ready for use.

Gains or losses on sale or disposal of tangible assets are calculated as the difference between the selling price and the carrying amount of the asset at the date of its sale-disposal. These are recorded in the income statement under either "Other income" or "Other expenses".

2.4 Intangible Assets

Intangible assets are stated at acquisition cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognized if it is probable that future economic benefits will flow from them, if they are controlled by Sonae Investimentos and if their cost can be reliably measured.

Expenditure on research associated with new technical know-how is recognized as an expense recorded in the income statement when it is incurred.

Expenditure on development is recognized as an intangible asset if Sonae Investimentos demonstrates the technical feasibility and its intention to complete the asset, its ability to sell or use it and the probability that the asset will generate future economic benefits. Expenditure on development which does not fulfill these conditions is recorded as an expense in the period in which it is incurred.

Internal costs associated with maintenance and development of software is recorded as an expense in the period in which they are incurred. Only costs directly attributable to projects for which the generation of future economic benefits is probable are capitalized as intangible assets.

Amortization is calculated on a straight line basis as from the date the asset is first used, over the expected useful life which usually is 5 years. It is recorded in the caption of "Amortizations and depreciations".

Brands and patents with undefined useful lives are not amortized, but are subject to impairment tests on an annual basis.

2.5 Accounting for leases

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

Whether a lease is classified as finance or an operating lease depends on the substance of the transaction rather than the form of the contract.

a) Accounting for leases where Sonae Investimentos is the lessee

Assets acquired through finance lease contracts as well as the correspondent responsibilities, are posted by the financial method, posting in the balance sheet the acquired asset and the pending debts according to the contractual financial plan at fair value or, if less, at the present level of payments. Both the finance charge and the depreciation expense for depreciable assets are taken to the income statement in the period in which they are incurred.

Lease payments under operating lease contracts are recognized as an expense on a straight line basis over the lease term.

b) Accounting for leases where Sonae Investimentos is the lessor

For operating lease agreements where Sonae Investimentos is lessor, assets remain recorded in the Sonae Investimentos' balance sheet and the revenue is recognized on a straight line basis during the period of the agreement.

2.6 Government grants

Government grants are recorded at fair value when there is reasonable assurance that they will be received and that Sonae will comply with the conditions attaching to them.

Grants received as compensation for expenses, namely grants for personnel training, are recognized as income in the same period as the relevant expense.

Grants related to depreciable assets are disclosed as "Other current liabilities" and are recognized as income on a straight line basis over the expected useful lives of those underlying assets.

Grants related to incurred costs are recorded as profit in the extent there is a reasonable assurance that these will be received, that the granted costs have already been incurred and that the Sonae Investments will comply with the conditions necessary for its grant.

2.7 Impairment of non-current assets, except for Goodwill

Assets are assessed for impairment at each balance sheet date whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement under Provisions and impairment losses.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognized in prior years is only recorded when it is concluded that the impairment losses recognized for the asset no longer exist or have decreased. This analysis is performed whenever there is an indication that the impairment loss previously recognized has been reversed. The reversal is recorded in the income statement as "Other income". However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

2.8 Borrowing costs

Borrowing costs are usually recognized as an expense in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of tangible and intangible assets, real estate projects classified as inventories or investment properties are capitalized as part of the cost of the qualifying asset. Borrowing costs are capitalized from the beginning of preparation of the activities to construct or develop the asset up to the time the production or construction is complete or when asset development is interrupted. Any income earned on funds temporarily invested pending their expenditure on the qualifying asset, is deducted from the borrowing costs that qualify for capitalization.

2.9 Inventories

Consumer goods are stated at the lower of cost deducted from discounts obtained and net realizable value. Cost is determined on a weighted average basis.

Differences between cost and net realizable value, if negative, are shown as expenses under the caption "Cost of goods sold and materials consumed".

2.10 Provisions

Provisions are recognized when, and only when, Sonae Investimentos has an obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at the balance sheet date to reflect the best estimate as of that date.

Restructuring provisions are recorded by Sonae Investimentos whenever a formal and detailed restructuring plan exists and that plan has been communicated to the parties involved.

2.11 Financial instruments

Sonae Investimentos classifies the financial instruments in the categories presented and conciliated with the Consolidated Balance Sheet disclosed in Note 9.

a) Investments

Investments are classified into the following categories:

– Held to maturity;
– Investments measured at fair value through profit or loss;
– Available-for-sale.

Held to maturity investments are classified as “Non-Current Assets” unless they mature within 12 months of the balance sheet date. Investments classified as held to maturity have defined maturities and Sonae Investimentos has the intention and ability to hold them until the maturity date.

The investments measured at the fair value through profit or loss include the investments held for trading that Sonae Investimentos acquires with the purpose of trading in the short term. They are classified in the consolidated balance sheet as current investments.

Sonae Investimentos classifies as available-for-sale investments those that are neither included as investments measured at fair value through profit or loss neither as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognized on the trade date, independently of the settlement date.

Investments are initially measured at cost, which is the fair value of the consideration paid for them, including transaction costs apart from investment measured at fair value through results, in which the investments are initially recognized at fair value and transaction costs are recognized in the income statement.

Available-for-sale investments and investments measured at fair value through profit or loss are subsequently carried at fair value, without any deduction for transaction costs which may be incurred on sale, by reference to their quoted market price at the balance sheet date. Investments in equity instruments that do not have a market price and whose fair value cannot be reliably measured are stated at acquisition cost less impairment losses.

Gains or losses arising from a change in fair value of available-for-sale investments are recognized directly in equity, under "Investments Fair value reserve", included in "Reserves and Retained earnings" until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is transferred to net profit or loss for the period.

Changes in the fair value of investments measured at fair value through profit or loss are included in the consolidated income statement for the period under financial expenses or financial income.

Held to maturity investments are carried at amortized cost using the effective interest rate, net of capital reimbursements and interest income received.

b) Trade accounts receivable and other accounts receivables

Trade accounts receivables and other accounts receivable are recorded at their nominal value and presented in the consolidated balance sheet net of impairment losses, recognized under the caption "Impairment losses on accounts receivable", in order to reflect its net realizable value.

Impairment is recognized if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. For this purpose, each Sonae Investimentos subsidiary takes into consideration market information that evidences that the client is not accomplishing its responsibilities as well as historic information about due and not received balances.

Recognized Impairment losses equal the difference between the carrying amount of the receivable and the corresponding present value of the estimated future cash-flows, discounted at the initial effective interest rate. The initial effective interest rate is considered null when the collection is expected within one year.

c) Classification as Equity or Liability

Financial liabilities and equity instruments are classified and accounted for based upon their contractual substance, independently from the legal form they assume.

Equity instruments are contracts that evidence a residual interest in the assets of Sonae Investimentos after deducting all of its liabilities. Equity instruments issued by Sonae Investimentos are recorded at the proceeds received, net of direct issue costs.

d) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.15. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

e) Trade accounts payable

Accounts payable are stated at their nominal value, as they do not bear interests and the effect of discounting is considered immaterial.

f) Derivatives

Sonae Investimentos uses derivatives in the management of its financial risks, only to hedge such risks. Derivatives are not used by the Group for trading purposes.

Sonae Investimentos' criteria for classifying a derivative instrument as a cash flow hedge instrument include:

- The hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;

- The effectiveness of the hedge can be reliably measured;

- There is adequate documentation of the hedging relationships at the inception of the hedge;

- The transaction being hedged is highly probable.

Cash flow hedge instruments used by the Group to hedge the exposure to changes in the interest rates of its loans are initially accounted for at value and subsequently adjusted to the corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption "Hedging Reserves", and then recorded in the income statement over the same period in which the hedged instrument affects profit or loss. The inefficiencies, when they exist, are recorded under "Financial income" and "Financial expenses".

The fair value of these financial instruments is estimated using specific software based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg, through the use of interest rate curves extracted from Bloomberg.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded and deferred in equity under the caption "Hedging Reserves" are transferred to profit and loss of the year or in the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

In those cases in which the derivatives, despite being negotiated to hedge financial risks inherent to the business (essentially, currency "forwards" to hedge future imports of inventories), do not fulfill the criteria for hedge accounting under IAS 39, changes in the fair value are recorded directly in the income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host contract and when these are not stated at fair value. Gains and losses which are not realizable are recorded in the Income statement.

Additionally, the Group also negotiates, in specific situations, interest rate derivatives and foreign exchange rate derivatives directed to hedge fair values. In these cases, the derivatives are stated at fair value through the Income statement. When the hedged instrument is not measured at fair value (i.e. loans which are recorded at amortized cost) the book value is adjusted by the amount which is effectively hedged through the profit and loss.

g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at banks, term deposits and other treasury applications which mature in less than three months and that are subject to insignificant risk of changes in value.

In the consolidated statement of cash flows, cash and cash equivalents also include bank overdrafts, which are included in the consolidated balance sheet caption bank loans.

2.12 Non-current assets held for sale

The non-current assets (or disposal group) are recorded as held for sale if it is expected that the book value will be recovered through the sale and not through the use in the operations. This condition is achieved only if the sale is highly probable and the asset (or disposal group) is available for the immediate sale in the actual conditions. Additionally, there must be in progress actions that should allow concluding the sale within 12 months counting from the classification´s date in this caption. The non-current assets (or disposal group) recorded as held for sale are booked at the lower amount of the historical cost or the fair value deducted from costs, not being amortized after being classified as held for sale

2.13 Share-based payments

Share-based payments result from Deferred Performance Bonus Plans which were attributed by Sonae Investimentos, and are indexed to the evolution of the Sonae SGPS, S.A. shares' price (Parent Company of Sonae Investimentos, SGPS, S.A.).

Share based payments liabilities are measured at fair value on the date they are granted (usually in March each year) and are subsequently remeasured at the end of each reporting period based on the number of shares granted and the corresponding fair value at the closing date. These obligations are stated as staff costs and other current and non-current liabilities, and are recorded on a straight line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates when referring to shares or call options which can be net settled through down payment. In the case of equity-settled share-based payment transactions, these obligations are stated as Staff costs and Reserves and are recorded on a straight line basis between the date the shares are granted and their vesting date.

2.14 Contingent assets and liabilities

Contingent liabilities are not recorded in the consolidated financial statements, being disclosed, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

Contingent assets are not recorded in the consolidated financial statements but disclosed when the existence of future economic benefit is probable.

2.15 Income tax

The tax charge for the year is determined based on the taxable income of each company included in the consolidation perimeter taking into consideration deferred taxes.

Current income tax is determined based on the taxable income of companies included in the consolidation, in accordance with the tax rules in force in their respective country of incorporation.

Deferred taxes are calculated using the balance sheet liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually remeasured using the tax rates that have been enacted or substantively enacted and therefore expected to apply in the periods when the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period.

Deferred tax assets and liabilities are not recognized when the temporary differences arise from goodwill or from the initial recognition of assets and liabilities except if the referred assets and liabilities are recognized in result of a business combination. At each balance sheet date a review is made of the deferred tax assets recognized, being reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in Equity. In these cases the corresponding deferred tax is recorded in Equity.

2.16 Revenue recognition and accrual basis

Revenue from the sale of goods is recognized in the consolidated income statement when the risks and benefits have been transferred to the buyer and the amount of the revenue can be measured reasonably. Sales are recorded net of sales taxes and discounts and other expenses arising from the sale, and are measured as the fair value of the amount received or receivable.

Revenue from services rendered is recorded in the consolidated income statement taking into consideration the stage of completion of the transaction at the balance sheet date.

Revenue related to services rendered by travel agencies is recognized with the issuance of invoice. At balance sheet date, adjustments are made under the caption "Other current assets" and "Other current liabilities" in order to accrue for revenue of the services already rendered but whose billing had not occurred yet, as well as for the associated expenditures.

Dividends are recognized as income in the year in which they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

“Other current assets” and “Other current liabilities” include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but will only correspond to income or expenses in future years, thus being recorded in the income statement of the future period.

2.17 Balances and transactions expressed in foreign currencies

Transactions are recorded in the financial statements of each subsidiary based on the functional currency of that subsidiary using the exchange rates on the date of each transaction.

At each balance sheet date, all monetary assets and liabilities expressed in foreign currencies are translated to the functional currency of each entity at the foreign exchange rates prevailing as of that date. All non-monetary assets and liabilities recorded at fair value and stated in foreign currencies are converted to the functional currency of each subsidiary, using the exchange rate at the date the fair value was determined.

Exchange gains and losses arising from differences between the historical foreign exchange rates and those prevailing at the date of collection, payment or the date of the balance sheet, are recorded as profits or loss for the period, except those related to non-monetary assets or liabilities, in which, the adjustments to the fair value are directly recorded under equity.

When exposure to currency risk is aimed to be minimized, Sonae Investimentos negotiates hedging currency derivatives (Note 2.11.f).

2.18 Subsequent events

Post-balance-sheet events that provide additional information about conditions that existed at the balance sheet date (adjusting events), are reflected in the consolidated financial statements. Post-balance-sheet events that are not adjusting events are disclosed in the notes to the consolidated financial statements when considered to be material.

2.19 Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements include:

a) Useful lives of tangible and intangible assets;

b) Impairment analysis of goodwill and of tangible and intangible assets;

c) Recognition of provisions and of adjustments over assets;

d) Measurement of responsibilities associated with customers' loyalty programs;

e) Determining the fair value of derivative financial instruments;

f) Recoverability of deferred tax assets.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on the best knowledge of past and present events. Although future events are neither controlled by Sonae Investimentos nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements, will be recognized in net income, in accordance with IAS 8, using a prospective methodology.

The main estimates and assumptions in relation to future events included in the preparation of consolidated financial statements are disclosed in the correspondent notes.

2.20 Segment information

Information regarding operating segments identified is included in Note 45.

2.21 Legal reserves, other reserves and Retained earnings

Legal reserves:

Portuguese commercial legislation requires that at least 5% of annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in the case of liquidation of the Company, but it may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Hedging Reserves:

Hedging Reserves reflect the changes in fair value of "cash flow" hedging derivates that are considered as effective (Note 2.11.f), and is not distributable or used to cover losses.

Currency translation reserve:

The currency translation reserve corresponds to exchange differences relating to the translation from the functional currencies of the Sonae Investimentos' foreign subsidiaries and joint ventures into Euro, in accordance with the accounting policy described in Note 2.16) .

3 FINANCIAL RISK MANAGEMENT

Risk management general principles are approved by the Board of Directors, and its implementation is supervised by the Sonae Investimentos' finance department.

3.1 Market risk

The interest and exchange rate risk have a decisive importance in what concerns market risk management.

Sonae Investimentos uses derivatives to hedge certain exposures related to its market risk and does not enter into derivatives or other financial instruments for trading or speculative purposes.

3.1.1 Interest rate risk

Sonae Investimentos' exposure to the interest rate risk arises mainly from the long term loans which bear interests indexed to Euribor.

Sonae Investimentos' aim is to limit the cash-flow and net income volatility having in mind their operational activity profile by the use of an adequate combination of variable and fix rate debt. Sonae Investimentos' policy allows interest rate derivates usage in order to reduce Euribor's variability exposure and not for speculative purposes.

Derivatives used by the group in interest rate risk management qualify as hedging instruments as they configure perfect hedging operations. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges

Sensitivity analysis:

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, these instruments are included in the calculation of income-related sensitivities;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortized cost are not subject to interest rate risk as defined in IFRS 7;

- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;

- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculation with impact in equity (other reserves);

- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;

- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year;

Under these assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the consolidated net profit before tax for the period ended as at 31 December 2009 would decrease by approximately 9 million euro (6.4 million euro decrease as at 31 December 2008) and would have a positive impact in equity of approximately 1.6 million euro, as a consequence of interest rate change effect according to interest rate risk, considering the contractual fixing dates and excluding other effects arising from the company operations.

3.1.2 Exchange rate risk

The impact on the financial statements of changes in exchange rate is immaterial, as the most part of the transactions are denominated in euro. Sonae Investimentos is only exposed to foreign exchange risk due to inventories imports made and denominated in US Dollars.

The exchange risk management purpose is to provide a stable decision platform when deciding and negotiating the purchases of inventories establishing fixed exchange rates. The hedging follows all the purchase process, since procurement up to the formal agreement of purchase.

The exchange risk exposure is monitored through the purchase of forwards with the goal of minimizing the negative impacts of volatility in exposure level as a consequence of changes of the amounts of imports denominated in other currencies rather than euro.

As at 31 December 2009 and 2008 the assets and liabilities denominated in a currency different from the subsidiary functional currency where the following:

	Assets		Liabilities	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Brazilian Real	4,855,304	13,746,578	8,426,783	1,972,126
British Pound	5,184	99,811	228,735	165,548
US Dollar	273,112	2,380,245	6,589,632	6,977,103
Other Currencies	29,981	838	908	-

The amounts presented above, only include assets and liabilities expressed in different currency than the functional currency used by the affiliated or jointly controlled company. Therefore it does not represent any risk of financial statements translation. Considering the exposure above, which is considered immaterial, no sensitivity analysis is disclosed.

3.2 Liquidity risk

The purpose of liquidity risk management is to ensure, at all times, that the group has the financial capacity to fulfill its commitments as they become due and to carry on its business activities and strategy, through the management of the trade off cost and maturity of debt.

Sonae Investimentos follows an active policy of re-financing its debts by maintaining a high level of unused and available on demand resources to face short term needs and by increasing or maintaining an adequate debt maturity, according to the estimated cash-flows, and to the capability of leveraging its balance sheet.

Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination is also considered as an important mean of managing liquidity risk. The group also assures, in its relationship with financial institutions, a high level of diversification of financing sources and counterparties, in order to ease the ability of entering new loan agreements and to minimize the effects of any relationship discontinuance.

The liquidity analysis of each class of financial liabilities is presented in the corresponding notes.

3.3 Credit risk

Sonae Investimentos is exposed to the credit risk in its current operational activity. The credit risk in the scope of its current operational activity is managed through a system of gathering financial and qualitative information from independent entities that supply risk information, in order to allow the assessment of credit risk from debtors. The credit risk from suppliers arises from advances made to or discounts billed to suppliers and are mitigated by the expectation of maintaining the commercial relationship. The amounts presented in the balance sheet are net of impairment losses, thus reflect its fair value.

The group is also exposed to the credit risk in its relationship with financial institutions, in result of bank deposits, debt instruments available facilities, derivates, among others.

The credit risk is limited by risk concentration management and by a selection of counterparties, which have a high national and international prestige, with at least a credit rating of BBB or equivalent.

4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATION FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held as at 31 December 2009 and 2008 are as follows:

				Percentage of capital held			
				31 December 2009		31 December 2008	
	COMPANY		Head Office	Direct	Total	Direct	Total
1)	Sonae Investimentos, SGPS, S.A.		Matosinhos	PARENT	PARENT	PARENT	PARENT
	Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Azulino Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	BB Food Service, SA	a)	Maia	100.00%	100.00%	-	-
	Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Best Offer - Prestação de Informações por Internet, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Bikini, Portal de Mulheres, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Bom Momento - Comércio Retalhista, SA	a)	Maia	100.00%	100.00%	-	-
	Canasta - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Carnes do Continente - Industria e Distribuição Carnes, SA	a)	Santarém	100.00%	100.00%	100.00%	100.00%
	Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Citorres - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

	Contibomba - Comércio e Distribuição de Combustíveis, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
	Continente Hipermercados, SA	a)	Lisboa	100.00%	100.00%	100.00%	100.00%
	Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Difusão - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Edições Book.it, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Efanor - Design e Serviços, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Estevão Neves - Hipermercados da Madeira, SA	a)	Madeira	100.00%	100.00%	100.00%	100.00%
	Farmácia Selecção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Fozmassimo - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
3)	Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	54.55%	54.55%	49.00%	49.00%
	Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Global S - Hipermercados, Lda	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
2)	Good and Cheap - Comércio Retalhista, SA	a)	Matosinhos	100.00%	100.00%	-	-
2)	Hipotética - Comércio Retalhista, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Infofield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Inventory - Acessórios de Casa, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Just Sport - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	-	-

	Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
	MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	MC - SGPS, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Modalloop – Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Modelo - Distribuição de Materiais de Construção, SA	a)	Maia	50%	50%	50%	50%
	Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Continente Seguros - Sociedade Mediação, SA	a)	Porto	75.00%	75.00%	75.00%	75.00%
	Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modelo Hipermercados Trading, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Modelo.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	NA - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	NA - Equipamentos para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Peixes do Continente - Indústria e Distribuição de Peixes, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
4)	Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Predicomercial - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Socijofra - Sociedade Imobiliária, SA	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
	Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Solaris Supermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
2)	Sonaecenter Serviços II, SA	a)	Maia	100.00%	100.00%	-	-
5)	Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%

6)	Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sontária - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonvecap, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sport Zone - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sport Zone Espanã - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
4)	Têxtil do Marco, SA	a)	Marco de Canaveses	80.37%	80.37%	-	-
	Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	100.00%	100.00%	100.00%
	Todos os Dias - Com. Ret. Expl. C. Comer., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
2)	Well W - Electrodomésticos e Equipamentos, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Worten - Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy – Comércio e Distribuição, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

These entities were consolidated using the full consolidation method, considering that they are controlled by Sonae Investimentos SGPS, S.A..

1) Ex - Sonae Distribuição, SGPS, SA;
2) Companies created in the period;
3) Subsidiary included in the consolidation by the equity method in previous periods, is now being included in the consolidation through the full consolidation method, since there was a change in the % held with the capital increase operation as at 26 May 2009, which was fully subscribed by the Group;
4) Company acquired in the period;
5) Ex - IGI - Investimento Imobiliário, SA;
6) Ex - Modelo Continente - Operações de Retalho SGPS, SA;

5 JOINTLY CONTROLLED COMPANIES

Jointly controlled companies included in the consolidation financial statements, their head offices and the percentage of share capital held as at 31 December 2009 and 2008 are as follows:

			Percentage of capital held			
			31 December 2009		31 December 2008	
	COMPANY	Head Office	Direct	Total	Direct	Total
	Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisboa	50.00%	37.50%	50.00%	37.50%
1)	Geotur - Viagens e Turismo, SA	Lisboa	50.00%	50.00%	50.00%	50.00%
	Marcas do Mundo - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisboa	50.00%	50.00%	50.00%	50.00%
	Movimento Viagens - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisboa	50.00%	50.00%	50.00%	50.00%
	Nova Equador Internacional, Agência de Viagens e Turismo, Lda	Lisboa	50.00%	37.50%	50.00%	37.50%
2)	Puravida - Viagens e Turismo, Lda	Lisboa	50.00%	50.00%	-	-
	Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda	Lisboa	50.00%	37.50%	50.00%	37.50%
	Raso SGPS, SA	Lisboa	50.00%	50.00%	50.00%	50.00%
3)	Raso - Viagens e Turismo, SA	Lisboa	50.00%	50.00%	50.00%	50.00%
	Viajens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%

1) Company merged in the period in Raso – Viagens e Turismo, SA;

2) Company acquired in the period;

3) Company created in the merger between Geotur – Viagens e Turismo, SA and Star Viagens e Turismo, SA;

These entities were consolidated using the proportionate consolidation method as referred to in Note 2.2.b).

Aggregate amounts excluding intra-group eliminations corresponding to the percentage of capital held in these jointly controlled companies included in the financial statements for the period using the proportionate consolidation method can be summarized as follows:

	31 December 2009	31 December 2008
Non-current assets	35,087,564	32,979,413
Current assets	30,936,870	23,608,916
Non-current liabilities	3,577,682	3,384,155
Current liabilities	35,666,824	24,677,123

	31 December 2009	31 December 2008
Income	99,308,194	26,367,368
Expenses	102,025,017	27,296,543

The amounts relating to the period ended as at 31 December 2008, compared to two months activity only, because the Investment Management segment companies related to travel business had only been consolidated by the proportional method since October 2008.

6 INVESTMENTS IN ASSOCIATED COMPANIES

Associated companies, their head offices and the percentage of share capital held as at 31 December 2009 and 2008 are as follows:

			Percentage of capital held				Book value	
			31 December 2009		31 December 2008			
	COMPANY	Head Office	Direct	Total	Direct	Total	31 December 2009	31 December 2008
1)	Fundo de Investimento Imobiliário Fechado Imosede	Maia	54.55%	54.55%	49.00%	49.00%	-	62,809,585
	Sonaegest - Soc. Gestora de Fundos de Investimento, SA	Maia	40.00%	40.00%	40.00%	40.00%	824,888	719,654
	Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,551,585	1,142,244
	Total						2,376,473	64,671,483

1) Subsidiary included in the consolidation by the full consolidation method, since there was a change in % held with the capital increase operation as at 26 May 2009 fully subscribed by the Group (Note 9);

Associated companies are consolidated using the equity method as referred in Note 2.2.c).

Aggregated values of financial indicators of associated companies are as follows:

	31 December 2009	31 December 2008
Total Assets	18,725,950	163,374,616
Total Liabilities	10,446,448	29,519,241
Income	69,864,523	112,406,520
Expenses	66,906,494	85,571,156

During the periods ended as at 31 December 2009 and 2008 movements in Investments in associated companies are made up as follows:

	31 December 2009	31 December 2008
Investments in associated companies		
Balance as at 1 January	64,671,483	39,082,244
Increase of share capital in associates	-	14,878,381
Change of consolidation method (Note 8)	(61,380,675)	(2,851,706)
Equity method		
Effect in net income	(914,335)	13,403,420
Effect in equity	-	159,144
	2,376,473	64,671,483

7 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 31 December 2009 and 2008 are as follows:

		Percentage of capital held				Book value	
		31 December 2009		31 December 2008			
COMPANY	Head Office	Direct	Total	Direct	Total	31 December 2009	31 December 2008
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	7.14%	7.14%	7.14%	7.14%	4,988	4,988
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Puravida - Viagens e Turismo, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%	-	1,584,193
Other investments						10,681	16,605
						763,866	2,353,983

During the periods ended as at 31 December 2009 and 2008 movements in other non-current investments are made up as follows:

	31 December 2009	31 December 2008
Investments in other companies		
Opening balance as at 1 January	787,936	785,486
Acquisitions in the period	-	1,000
Changes in consolidation perimeter	2,500	1,450
Disposals in the period	-	-
Transfers	114,645	-
Closing balance as at 31 December	905,081	787,936
Accumulated impairment losses	(141,215)	(13,158)
	763,866	774,778
Financial investments advance:		
Opening balance as at 1 January	1,584,193	240,000
Changes in consolidation perimeter	(1,584,193)	1,584,193
Transfers	-	(240,000)
Closing balance as at 31 December	-	1,584,193
	763,866	2,358,971

The amount of investments in other companies is mainly related with investments in non listed companies, whose fair value was not estimated because it can't be measured in a reliable way. Therefore, Investments in other companies are recorded by their acquisition cost, net of impairment losses.

8 CHANGES IN CONSOLIDATION PERIMETER

Main acquisitions of Companies over the period ended 31 December 2009 are as follows:

COMPANY	Head Office	Percentage of capital held At acquisition date Direct	Total
Food based retail			
Pharmaconcept - Actividades em Saúde, SA	Matosinhos	100.00%	100.00%
Specialized retail			
Têxtil do Marco,SA	Marco de Canaveses	80.37%	80.37%
Investment management			
Puravida - Viagens e Turismo, SA	Lisbon	50.00%	50.00%
Retail real Estate			
Fundo de Investimentos Imobiliário Fechado Imosede	Maia	54.55%	54.55%

Acquisitions mentioned above had the following impact on the consolidated financial statements for the period ended as at 31 December 2009:

	At acquisition date					31 December 2009
	Imosede	Puravida	Pharmaconcept	Textil do Marco	Total	Total
Acquired net assets						
Tangible and intangible assets (Note 10 and 11)	145,502,352	6,987	2,531,862	262,866	148,304,068	157,510,183
Investment properties	-	-	-	-	-	-
Deferred tax assets	-	-	39,615	114,113	153,728	153,728
Other assets	10,880,766	1,087,941	113,318	1,432,228	13,514,253	10,828,210
Cash and cash equivalents	7,960,473	326,903	12,787	11,239	8,311,402	176,044
Loans	-	-	-	-	-	(8,885,513)
Deferred tax liabilities	(3,110,940)	-	(8,294)	-	(3,119,234)	(2,978,052)
Other liabilities	(21,661,480)	(1,136,566)	(2,030,881)	(1,138,244)	(25,967,170)	(15,024,058)
	139,571,171	285,265	658,408	682,203	141,197,047	141,780,542
Goodwill (Note 12)	251,077	1,813,053	143,612	(253,308)	1,954,434	
Shareholders' loans acquisition	-	-	1,977,451	-	1,977,451	
Transfers from associated companies (Note 7)	(61,380,675)	-	-	-	(61,380,675)	
Minority Interests	(63,441,510)	-	-	(133,885)	(63,575,395)	
Acquisition price	15,000,063	2,098,318	2,779,471	295,010	20,172,862	
Payments made accounted as investments	15,000,063	429,932	425,020	-	15,855,015	
Costs related to acquisitions	-	84,193	117,000	-	201,193	
Advances	-	1,584,193	1,977,451	-	3,561,644	
Amounts not paid	-	-	260,000	295,010	555,010	
	15,000,063	2,098,318	2,779,471	295,010	20,172,862	
Net cash outflow arising from acquisition						
Cash consideration paid	15,000,063	514,125	2,402,471	-	17,916,659	
Cash and cash equivalents acquired	(7,960,473)	(326,903)	(12,787)	(11,239)	(8,311,402)	
	7,039,590	187,222	2,389,684	(11,239)	9,616,497	

Acquisitions mentioned above had the following impact on the consolidated Income statements:

	At 31 December 2009				
	Imosede	Puravida	Pharmaconcept	Textil do Marco	Total
Operational income	6,297,752	34,372	-	-	6,332,124
Operational costs	(1,925,335)	(7,032)	-	-	(1,932,367)
Financial net income	(51,909)	3,011	-	-	(48,898)
Earnings before taxes	4,320,508	30,351	-	-	4,350,859
Taxes	(1,295,301)	(7,206)	-	-	(1,302,508)
Net income	3,025,206	23,145	-	-	3,048,351

Had the above acquisitions been reported to 1 January 2009, operational income would have increased by approximately 6,480,855 euro.

9 FINANCIAL INSTRUMENTS BY CLASS

The financial instruments classification according to the policies disclosed in note 2.11, is as follows:

Financial assets

	Notes	Loans and accounts receivable	Available for sale	Assets at fair value through profit or loss (Note 26)	Hedging derivatives (Note 26)	Sub-total	Assets not within scope of IFRS 7	Total
As at 31 December 2009								
Non-current assets								
Other investments	7	-	763,866	-	-	763,866	-	763,866
Other non-current assets	14	3,768,746	-	-	-	3,768,746	567,810	4,336,556
		3,768,746	763,866	-	-	4,532,612	567,810	5,100,422
Current assets								
Trade receivables	16	36,331,126	-	-	-	36,331,126	-	36,331,126
Other debtors	17	128,845,634	-	-	-	128,845,634	-	128,845,634
Investments	13	57,294,670	-	365,121	-	57,659,791	-	57,659,791
Cash and cash equivalents	21	111,407,067	-	-	-	111,407,067	-	111,407,067
		333,878,497	-	365,121	-	334,243,618	-	334,243,618
		337,647,243	763,866	365,121	-	338,776,230	567,810	339,344,040
As at 31 December 2008								
Non-current assets		-	-	-	-	-	-	-
Other investments	7	1,584,193	774,778	-	-	2,358,971	-	2,358,971
Other non-current assets	14	2,284,632	-	-	-	2,284,632	-	2,284,632
		3,868,825	774,778	-	-	4,643,603	-	4,643,603
Current assets								
Trade receivables	16	33,237,057	-	-	-	33,237,057	-	33,237,057
Other debtors	17	109,795,744	-	-	-	109,795,744	-	109,795,744
Investments	13	60,956,594	-	72,494	1,776,634	62,805,722	-	62,805,722
Cash and cash equivalents	21	115,119,080	-	-	-	115,119,080	-	115,119,080
		319,108,475	-	72,494	1,776,634	320,957,603	-	320,957,603
		322,977,300	774,778	72,494	1,776,634	325,601,206	-	325,601,206

Financial liabilities

	Notes	Financial liabilities recorded at amortised cost	Liabilities at fair value through profit or loss (Note 26)	Hedging derivatives (Note 26)	Sub-total	Liabilities not within scope of IFRS 7	Total
As at 31 December 2009							
Non-current liabilities							
Bank loans	24	285,894,893	-	-	285,894,893	-	285,894,893
Bonds	24	987,483,025	-	-	987,483,025	-	987,483,025
Obligations under finance leases	24 and 25	8,620,393	-	-	8,620,393	-	8,620,393
Other loans	24	198,853	-	-	198,853	-	198,853
Other non-current liabilities	27	13,078,044	-	-	13,078,044	3,144,884	16,222,928
		1,295,275,208	-	-	1,295,275,208	3,144,884	1,298,420,092
Current liabilities							
Bank loans	24	26,390,951	-	-	26,390,951	-	26,390,951
Bonds	24	64,899,489	-	-	64,899,489	-	64,899,489
Obligations under finance leases	24 and 25	4,704,670	-	-	4,704,670	-	4,704,670
Other loans	24	33,466	79,039	7,823,283	7,935,788	-	7,935,788
Trade creditors	29	1,062,040,575	-	-	1,062,040,575	-	1,062,040,575
Other creditors	30	133,158,621	-	-	133,158,621	-	133,158,621
		1,291,227,772	79,039	7,823,283	1,299,130,094	-	1,299,130,094
		2,586,502,980	79,039	7,823,283	2,594,405,302	3,144,884	2,597,550,186
As at 31 December 2008							
Non-current liabilities							
Bank loans	24	230,000,000	-	-	230,000,000	-	230,000,000
Bonds	24	1,001,716,603	-	-	1,001,716,603	-	1,001,716,603
Obligations under finance leases	24 and 25	11,109,980	-	-	11,109,980	-	11,109,980
Other loans	24	241,328	-	-	241,328	-	241,328
Other non-current liabilities	27	11,165,308	-	-	11,165,308	523,086	11,688,394
		1,254,233,219	-	-	1,254,233,219	523,086	1,254,756,305
Current liabilities							
Bank loans	24	43,249,021	-	-	43,249,021	-	43,249,021
Bonds	24	99,978,611	-	-	99,978,611	-	99,978,611
Obligations under finance leases	24 and 25	4,280,464	-	-	4,280,464	-	4,280,464
Other loans	24	35,487	475,849	4,894,131	5,405,467	-	5,405,467
Trade creditors	29	898,101,628	-	-	898,101,628	-	898,101,628
Other creditors	30	152,429,549	-	-	152,429,549	-	152,429,549
		1,198,074,760	475,849	4,894,131	1,203,444,740	-	1,203,444,740
		2,452,307,979	475,849	4,894,131	2,457,677,959	523,086	2,458,201,045

As at 31 December 2009 and 2008 the financial instruments at fair value through profit/loss are the only derivatives that do not qualify as hedging derivatives.

10 TANGIGLE ASSETS

During the periods ended as at 31 December 2009 and 2008 movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Office Equipment	Others	Tangible assets in progress	Tangible Assets
Gross assets:							
Opening balance as at 1 January 2008	1,375,193,385	608,318,528	17,360,019	99,808,365	27,733,475	128,713,285	2,257,127,057
Capital expenditure	12,281,854	794,593	87,703	3,764,790	112,778	306,889,967	323,931,685
Acquisitions of subsidiaries	43,382,873	7,902,569	317,333	2,037,630	159,031	1,090,769	54,890,205
Disposals	(17,373,082)	(22,436,750)	(733,709)	(2,416,761)	(1,391,289)	(352,772)	(44,704,363)
Disposals of subsidiaries	(348,113)	(825,536)	(620)	(1,090,137)	(131,075)	(144,084)	(2,539,565)
Exchange rate effect	(73,196)	(209,195)	(8,278)	(138,129)	-	-	(428,798)
Transfers	83,874,799	124,095,781	2,221,278	(1,527,721)	4,344,652	(240,434,656)	(27,425,867)
Opening balance as at 1 January 2009	1,496,938,520	717,639,990	19,243,726	100,438,037	30,827,572	195,762,509	2,560,850,354
Capital expenditure	13,592,515	1,175,373	85,291	4,039,525	79,557	279,410,521	298,382,782
Acquisitions of subsidiaries (Note 8)	94,389,008	1,165,807	9,721	455,278	52,594	51,140,433	147,212,841
Disposals	(6,290,809)	(17,402,237)	(758,726)	(1,262,921)	(998,921)	(25,706,660)	(52,420,274)
Exchange rate effect	85,614	242,867	7,459	169,281	-	-	505,221
Transfers	125,456,377	245,290,882	1,913,179	8,203,711	6,066,317	(408,143,942)	(21,213,476)
Closing balance as at 31 December 2009	1,724,171,225	948,112,682	20,500,650	112,042,911	36,027,119	92,462,861	2,933,317,448
Accumulated depreciationa and impairment losses							
Opening balance as at 1 January 2008	176,438,150	294,335,832	13,412,163	64,068,105	18,770,702	-	567,024,952
Depreciation and impaiment losses	22,782,486	58,695,133	1,582,106	14,206,032	4,561,447	-	101,827,204
Acquisitions of subsidiaries	2,651,583	3,971,079	218,643	1,249,187	84,019	-	8,174,511
Disposals	(2,503,587)	(16,353,144)	(671,360)	(1,885,722)	(1,288,654)	-	(22,702,467)
Disposals of subsidiaries	(177,254)	(228,724)	(620)	(704,908)	(62,732)	-	(1,174,238)
Exchange rate effect	(39,116)	(81,671)	(3,950)	(44,598)	-	-	(169,335)
Transfers	(6,671,482)	623,314	(4,050)	(10,345,077)	(34,247)	-	(16,431,542)
Opening balance as at 1 January 2009	192,480,780	340,961,819	14,532,932	66,543,019	22,030,535	-	636,549,085
Depreciation and impaiment losses	26,190,902	76,013,208	1,913,068	14,421,593	5,112,918	-	123,651,689
Acquisitions of subsidiaries (Note 8)	18,326	943,697	8,490	425,589	49,132	-	1,445,234
Disposals	(531,802)	(14,723,316)	(742,138)	(3,702,493)	(861,820)	-	(20,561,569)
Exchange rate effect	47,514	107,181	4,018	59,679	-	-	218,392
Transfers	(22,877)	(4,758,399)	(22,523)	(1,507,621)	(167,386)	-	(6,478,806)
Closing balance as at 31 December 2009	218,182,843	398,544,190	15,693,847	76,239,766	26,163,379	-	734,824,025
Carrying amount							
As at 31 December 2008	1,304,457,740	376,678,171	4,710,794	33,895,018	8,797,037	195,762,509	1,924,301,269
As at 31 December 2009	1,505,988,382	549,568,492	4,806,803	35,803,145	9,863,740	92,462,861	2,198,493,423

Most significant amounts included in the caption tangible assets in progress refer to the following projects:

	31 December 2009	31 December 2008
Refurbishment and expansion of stores in the retail businesses located in Portugal	42,956,387	140,769,136
Refurbishment and expansion of stores in the retail businesses located in Spain	4,787,987	5,575,577
Projects of "Modelo" and "Continente" stores for which advance payments were made	13,005,347	45,435,160
Construction in Progress in Maia (Business Park)	30,981,983	-
Others	731,157	3,982,636
	92,462,861	195,762,509

The value of disposals in "Tangible assets in progress" includes 24,633,750 euro of advances from a group company for acquisition of land made in previous years whose development projects have been stopped, having been received the amounts advanced.

11 INTANGIBLE ASSETS

During the periods ended as at 31 December 2009 and 2008, movements in intangible assets as well as amortisation and accumulated impairment losses are made up as follows:

	Industrial property and other rights	Software	Premium paid for property occupation	Others	Intangible assets in progress	Total Intangible Assets
Gross assets:						
Opening balance as at 1 January 2008	88,603,953	107,561,601	13,863,815	469,507	14,840,839	225,339,715
Capital expenditures	718,856	171,790	49,861	117,000	21,375,793	22,433,300
Acquisition of subsidiaries	884,987	998,542	4,250,161	1,203,918	-	7,337,608
Disposals	(188,864)	(5,044)	-	-	(719,330)	(913,238)
Disposal of subsidiaries	(364,185)	(1,282,959)	(1,067,256)	-	(327,837)	(3,042,237)
Exchange rate effect	-	(37,579)	-	-	-	(37,579)
Transfers	3,491,616	15,207,731	(352,471)	-	(14,965,186)	3,381,690
Opening balance as at 1 January 2009	93,146,363	122,614,082	16,744,110	1,790,425	20,204,279	254,499,259
Capital expenditure	636,750	104,497	-	10,500	14,563,291	15,315,038
Acquisition of subsidiaries	2,569,260	2,110	-	-	-	2,571,370
Disposals	(2)	(91,270)	-	-	(117,467)	(208,739)
Exchange rate effect	-	43,529	-	-	-	43,529
Transfers	3,671,700	14,266,288	(1,030,915)	(17,458)	(23,186,918)	(6,297,303)
Closing balance as at 31 December 2009	100,024,071	136,939,236	15,713,195	1,783,467	11,463,185	265,923,154
Accumulated depreciation and impairment losses						
Opening balance as at 1 January 2008	5,175,682	53,824,561	12,960,714	241,993	-	72,202,950
Depreciation of the period	2,343,572	10,640,357	108,260	119,973	-	13,212,162
Acquisition of subsidiaries	647,383	881,560	4,250,160	1,154,086	-	6,933,189
Disposals	(66,143)	(2,792)	-	-	-	(68,935)
Disposal of subsidiaries	(89,895)	(768,135)	(839,028)	-	-	(1,697,058)
Exchange rate effect	-	(19,445)	-	-	-	(19,445)
Transfers	(5)	(483)	(352,472)	-	-	(352,960)
Opening balance as at 1 January 2009	8,010,594	64,555,623	16,127,634	1,516,052	-	90,209,903
Depreciation of the period	3,195,382	14,153,413	79,902	104,642	-	17,533,339
Acquisition of subsidiaries	32,799	2,110	-	-	-	34,909
Disposals	(2)	(4,493)	-	-	-	(4,495)
Exchange rate effect	-	26,854	-	-	-	26,854
Transfers	(116,707)	(3,199,895)	(881,057)	-	-	(4,197,659)
Closing balance as at 31 December 2009	11,122,066	75,533,612	15,326,479	1,620,694	-	103,602,851
Carrying amount						
As at 31 de December de 2008	85,135,769	58,058,459	616,476	274,373	20,204,279	164,289,356
As at 31 de December de 2009	88,902,005	61,405,624	386,716	162,773	11,463,185	162,320,303

Intangible assets in progress were mainly composed of software and software development projects.

Additionally this heading also includes the fair value attributed to a group of brands with indefinite useful lives among which the "Continente" brand amounts to 75,000,000 euro (the same amount as at December 2008).

12 GOODWILL

During the periods ended 31 December 2009 and 2008, movements in goodwill as well as in the corresponding impairment losses, are as follows:

	31 December 2009	31 December 2008
Gross value:		
Opening balance	529,211,677	521,729,135
New companies in the consolidation perimeter	2,297,794	10,217,517
Increases	-	6,659,286
Decreases	(3,432,850)	(9,394,261)
Closing balance	528,076,621	529,211,677
Accumulated impairment losses:		
Opening balance	8,191,583	1,374,226
Increases	-	6,817,357
Closing balance	8,191,583	8,191,583
Carrying amount:	519,885,038	521,020,094

Goodwill is allocated to each business concept (Retail brands), being afterwards distributed by each cash generating unit inside each format.

Goodwill allocation to real estate, is done by each existing real-estate at acquisition

Impairment tests on Goodwill are performed on an annual basis and if there is any indication of impairment loss.

For this purpose, Sonae Investimentos uses the internal valuation results of its business concepts, using annual planning methodologies, supported in 5 year business plans that consider cash-flow projections for each unit which depend on detailed assumptions properly supported. These plans take in consideration the impact of main actions that will be carried out by each business concept as well as study of resources allocation to Sonae Investimentos.

The case scenarios are elaborated with an average capital cost of 7 to 10% depending on the market and business concept. Perpetuity growth rate was considered to be between 0 and 1%.

At 31 December 2009 and 2008, the caption "Goodwill" can be detailed as follows:

	31 December 2009	31 December 2008
Food based retail	404,610,544	404,466,932
Specialised retail	84,184,028	84,184,028
Investment management	20,884,949	22,504,746
Retail Real Estate	3,410,263	3,069,134
Others	6,795,254	6,795,254
	519,885,038	521,020,094

13 OTHER INVESTMENTS

As at 31 December 2009 and 2008 this caption is made up as follows:

	31 December 2009	31 December 2008
Other investments:		
Opening balance as at 1 January	60,956,595	56,093,108
Increases in the period	7,118,919	6,029,076
Decreases in the period	(10,780,844)	(27,829)
Increase/(Decrease) in fair value	-	(1,137,760)
Transfers	-	-
Closing balance as at 31 December	57,294,670	60,956,595
Accumulated impairment losses	-	-
	57,294,670	60,956,595
Derivative financial instruments		
Fair value as at 1 January	1,849,128	1,115,629
Acquisitions in the period	365,121	72,494
Disposals in the period	(72,494)	(1,971)
Increase/(Decrease) in fair value	(1,776,634)	662,976
Fair value as at 31 December (Note 26)	365,121	1,849,128
Other Investments	57,659,791	62,805,723

Under the caption other financial investments is recorded an amount of 45,121,122 euro (56,042,299 euro as at 31 December 2008), related to deposited amounts on an Escrow Account which are invested in investments funds with superior rating and guarantee contractual liabilities assumed by Sonae Investimentos which may arise from the sale of Sonae Distribuição Brasil, S.A. and for which provisions were recorded (Note 32).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn't happen as there are some points of disagreement on the use of the Escrow Account, namely as to whether or not, to retain the Escrow Account for ongoing fiscal procedures that have not yet been decided (Note 33). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers, that this amount shall be entirely received up to 31 December 2010, and that there are legal means that may be operated so as to compel the buyer to authorize the return of the Escrow account. If the negotiations currently under way between the two parties do not succeed, it is the intention of the Board to make use of such legal means.

14 OTHER NON-CURRENT ASSETS

As at 31 December 2009 and 2008, "Other non-current assets" are detailed as follows:

	31 December 2009	31 December 2008
Trade accounts receivable and other debtors		
Bails	2,949,266	1,638,456
Legal deposits	819,480	634,470
Others	-	11,706
Total financial instruments (Note 9)	3,768,746	2,284,632
Other non-current assets	567,810	-
	4,336,556	2,284,632

Most significant values included in "Trade accounts receivable and other debtors" refer to:

a) 819,480 euro (634,470 euro as at 31 December 2008) related to legal deposits made by a Brazilian subsidiary, for which are recorded the correspondent liabilities in the caption "Other non-current liabilities" (Note 27), with no defined maturity;

b) 2,949,266 euro (1,638,456 euro as at 31 December 2008) related with guarantees of lease contracts in group stores located in Spain, which are not matured until this date.

15 INVENTORIES

As at 31 December 2009 and 2008, Inventories are as follows:

	31 December 2009	31 December 2008
Raw materials and consumables	478,165	-
Goods for sale	607,095,836	549,329,990
Finished and intermediate goods	202,575	-
Work in progress	146,535	-
	607,923,111	549,329,990
Accumulated impairment losses on Inventories (Note 32)	(18,954,690)	(18,510,507)
	588,968,421	530,819,483

Cost of goods sold as at 31 December 2009 and 2008 may be detailed as follows:

	31 December 2009	31 December 2008
Opening balance	549,329,990	460,751,262
Changes in consolidation perimeter	1,154,739	6,626,869
Purchases	3,500,491,469	3,263,407,621
Adjustments	(6,711,302)	(4,893,306)
Closing balance	607,923,111	549,329,990
	3,436,341,785	3,176,562,456
Impairment losses (Note 32)	311,575	1,590,487
Reversal of impairment losses	-	-
	3,436,653,360	3,178,152,943

The amounts recorded under "Adjustments" for the years ended 31 December 2009 and 2008 correspond mainly to donation to social solidarity institutions.

16 TRADE ACCOUNTS RECEIVABLE

As at 31 December 2009 and 2008, trade accounts receivable are detailed as follows:

	31 December 2009	31 December 2008
Trade accounts receivable	36,212,476	33,535,398
Doubtful receivables	8,659,576	12,418,928
	44,872,052	45,954,326
Accumulated impairment losses on Trade debtors (Note 32)	(8,540,926)	(12,717,269)
	36,331,126	33,237,057

Current trade accounts receivable caption includes 8,082,308 euro (11,420,811 Euro as at 31 December 2008) related to travel agency clients, as well as 15,127,459 euro (12,366,082 Euro as at 31 December 2008), related to gross sales to participated companies.

The values presented above mainly refer to debts originated by Sonae Investimentos current activity. The amounts presented on the face of the balance sheet are net of impairment losses, do not bear interests and the discount effect is immaterial. As a result, amounts disclosed are considered to reflect their fair value.

As at 31 December 2009 and 2008, the ageing of the trade receivables is as follows:

	Trade Receivables	
	31 December 2009	31 December 2008
Not due	17,466,169	14,208,471
Due but not impaired	-	-
0 - 30 days	6,875,051	4,165,062
30 - 90 days	10,254,066	9,927,462
+ 90 days	1,619,721	3,971,796
Total	18,748,838	18,064,320
Due and impaired	-	-
0 - 90 days	144,612	221,725
90 - 180 days	69,111	713,896
180 - 360 days	526,502	643,027
+ 360 days	7,916,820	12,102,887
Total	8,657,045	13,681,535
	44,872,052	45,954,326

The trade accounts receivable not due do not present any sign of impairment. The amounts disclosed are considered to reflect their fair value.

17 OTHER DEBTORS

As at 31 December 2009 and 2008, "Other debtors" are as follows:

	31 December 2009	31 December 2008
Granted loans to related companies	1,008,193	3,627,454
Other debtors		
Trade suppliers - debtor balances	70,708,453	74,985,105
Credit sales sold to third parties	1,275,849	3,608,238
Grants related to incurred costs	-	1,286,546
Special regime for settlement of tax and social security debts	13,999,945	14,576,053
VAT recoverable on real estate assets	17,696,916	5,217,586
Accounts receivable from the disposal of tangible fixed assets	4,957,938	8,770,261
Advances on suppliers	14,642,280	389,736
Other current assets	21,044,317	9,475,173
	144,325,698	118,308,698
Accumulated impairment losses (Note 32)	(16,488,257)	(12,140,408)
Total of financial instruments (Note 9)	128,845,634	109,795,744

As at 31 December 2009, the amounts disclosed as 'Trade suppliers - debtor balances' relates with commercial discounts billed to suppliers to be net settled with future purchases.

The amount disclosed as "Special regime for settlement of tax and social security debts" corresponds to taxes which were disputed and subject to reimbursement claims. The Board of Directors is confident of the arguments presented by the Group and expects court decisions to be in favour of the Group. As a result, Sonae Investimentos hasn´t recorded any related impairment losses

Granted loans to related companies earn interests at market rates and do not have defined maturity but are deemed to be received within 12 months.

As at 31 December 2009 and 2008, the "Other debtors" ageing, without impairment losses, is as follows:

	Other Debtors	
	31 December 2009	31 December 2008
Not due	62,081,785	28,336,185
Due but not impaired	-	-
0 - 30 days	25,607,258	37,841,183
30 - 90 days	28,560,869	32,337,439
+ 90 days	11,734,186	11,463,590
Total	65,902,313	81,642,212
Due and impaired		
0 - 90 days	417,361	16,390
90 - 180 days	58,523	3,730
180 - 360 days	2,435,882	2,263,746
+ 360 days	14,438,027	9,673,889
Total	17,349,793	11,957,755
	145,333,891	121,936,152

There is no indication that the debtors not due will not fulfill their obligations on normal conditions, the carrying amount of other debtors is estimated to be approximately its fair value.

18 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2009 and 2008, Taxes recoverable and taxes and contributions payable are made up as follows:

	31 December 2009	31 December 2008
Taxes recoverable		
Income taxation	1,924,355	10,266,097
VAT	24,964,725	20,176,000
Other taxes	1,490,624	1,038,373
	28,379,704	31,480,470
Taxes and contributions payable		
Income taxation	29,309,595	8,563,639
VAT	24,620,277	14,962,758
Staff income taxes withheld	1,918,973	2,097,197
Social security contributions	9,383,376	9,787,580
Other taxes	402,019	564,376
	65,634,240	35,975,550

19 OTHER CURRENT ASSETS

As at 31 December 2009 and 2008, "Other current assets" are made up as follows:

	31 December 2009	31 December 2008
Commercial Discounts	13,001,652	17,377,253
Interests to be received	1,674,227	1,469,109
Commissions to be received	1,640,164	1,586,611
Rents	3,916,650	4,407,778
Condominiums management fee's	1,702,948	1,712,853
Insurance premiums paid in advance	3,054,380	2,714,292
Other current assets	7,548,122	6,124,096
	32,538,142	35,391,992

The amounts disclosed as Commercial Discounts relate essentially to promotional campaigns in the group's stores, reimbursed by the suppliers, which will be billed in the next period.

20 DEFERRED TAX

Deferred tax assets and liabilities as at 31 December 2009 and 2008 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Difference between fair value and acquisition cost	3,450,247	3,845,829	29,131,447	24,038,802
Harmonisation adjustments	29,142	16,129	47,638,444	39,264,318
Provisions and impairment losses not accepted for tax purposes	5,308,282	6,773,980	-	-
Write-off of tangible and intangible assets	7,811,377	9,289,029	-	-
Write-off of deferred costs	-	-	21,922	26,697
Valuation of hedging derivatives	1,622,203	1,423,045	96,757	490,019
Amortisation of Goodwill for tax purposes	-	-	13,960,032	6,980,016
Non taxed exchange differences	-	-	928,553	5,326,355
Revaluation of tangible assets	-	-	2,129,663	2,279,573
Tax losses carried forward	72,114,888	44,487,390	-	-
Reinvested capital gains/(losses)	-	-	2,102,270	2,257,793
Others	134,898	1,591,414	735,330	518,792
	90,471,037	67,426,816	96,744,418	81,182,365

During the periods ended 31 December 2009 and 2008, movements in "Deferred tax assets and liabilities" are as follows:

	Deferred tax assets		Deferred tax liabilities	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Opening balance	67,426,816	36,003,939	81,182,365	50,612,269
Effects in net income:				
Difference between fair value and acquisition cost	(395,583)	(5,699,762)	1,981,706	(371,250)
Amortisation and Depreciation harmonisation adjustments	98,883	(1,692,041)	8,391,966	9,803,023
Provisions and impairment losses not accepted for tax purposes	(1,898,596)	2,920,784	-	-
Write-off of tangible and intangible assets	(1,478,421)	(192,340)	-	768,125
Write-off of deferred costs	-	(9,646)	(4,774)	(5,570)
Valuation of hedging derivatives	(105,155)	51,602	77,546	18,689
Revaluation of tangible assets	-	-	(149,910)	(238,251)
Tax losses carried forward	27,076,410	17,612,719	-	-
Amortisation of Goodwill for tax purposes	-	-	6,980,016	6,980,016
Non taxed exchange differences	-	-	(5,422,220)	6,462,069
Reinvested capital gains/(losses)	-	-	(155,523)	(136,246)
Changes in tax rates	-	-	-	-
Others	(1,456,513)	1,314,108	160,953	1,433,999
	21,841,025	14,305,424	11,859,760	24,714,604
Effects in equity:				
Valuation of hedging derivatives	304,313	1,296,945	(470,808)	276,774
Exchange rate effect	745,155	(817,364)	1,051,253	(1,192,218)
Others	-	(6,326)	2,614	(5,586)
	1,049,468	473,255	583,059	(921,030)
Acquisitions of subsidiaries (Note 8)	153,728	26,103	3,119,234	23,992
Disposals of subsidiaries	-	(40,723)	-	(1,107)
Allocation of fair value on companies acquisitions	-	16,658,818	-	6,753,637
Closing balance	90,471,037	67,426,816	96,744,418	81,182,365

During 2008, at the Specialized Retail segment, deferred tax assets amounting 18,240,000 euro were recorded related to tax losses carried forward from the subsidiary Worten España, S.A. generated in the current and in past years, of which 11,829,000 Euro were previous to the acquisition, and therefore had impact in the calculated negative goodwill in 2008. During 2009, the Company recorded deferred tax assets amounting to 9,144,723 euro, related to tax losses carried forward generated in the current year, from the subsidiary Worten Espanã, S.A. and 6,635,228 euro from the subsidiary Sport Zone Espanã, S.A.. The deferred tax assets recording are supported by the company's business plans that estimate its recoverability in a period from 6 to 8 years (the last in a more conservative perspective). In Spain, the reporting period of tax losses is 15 years.

As at 31 December 2009 and 2008, in Portuguese companies the tax rate used to calculate the deferred tax assets arising from tax losses carried forward was 25%. For the deferred tax assets arising from other temporary differences, the considered rate was 26.5%. Deferred tax assets relating to other countries are calculated using the tax rate of those countries.

As at 31 December 2009 and 2008, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	31 December 2009			31 December 2008		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2003	-	-	2009	464,904	116,226	2009
Generated in 2004	159,844	39,961	2010	212,609	53,152	2010
Generated in 2005	509,857	127,464	2011	196,781	49,196	2011
Generated in 2006	-	-	2012	387,074	96,768	2012
Generated in 2007	15,270,805	3,817,701	2013	23,480,028	5,870,008	2013
Generated in 2008	3,571,591	892,898	2014	4,624,321	1,156,080	2014
Generated in 2009	10,454,096	2,613,524	2015	-	-	
	29,966,194	7,491,549		29,365,717	7,341,430	
Without limited time use	940,305	319,704		4,720,959	1,605,126	
With a time limit different from the above mentioned	214,345,452	64,303,636		118,469,447	35,540,834	
	215,285,757	64,623,339		123,190,406	37,145,960	
	245,251,950	72,114,888		152,556,123	44,487,390	

As at 31 December 2009 and 2008, deferred tax assets to recognize were assessed and only recognized to the extent it was probable that sufficient taxable profits will be available in the future against which the deferred tax assets can be used, or when taxable temporary differences are recognized by the same entity and expected to reverse in the same period. This assessment was based on business plans of Sonae Investimentos companies, which are periodically reviewed and updated, and on identified and available tax planning opportunities.

As at 31 December 2009, there were tax losses carried forward, amounting to 30,903,888 euro (35,431,056 euro as at December 2008), for which no deferred tax asset were recognized for prudential reasons.

	31 December 2009			31 December 2008		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2003	-	-	2009	297,644	74,411	2009
Generated in 2004	292,987	73,247	2010	329,687	82,422	2010
Generated in 2005	22,523	5,631	2011	-	-	2011
Generated in 2006	337,684	84,420	2012	161,837	40,459	2012
Generated in 2007	819,543	204,886	2013	754,657	188,664	2013
Generated in 2008	5,191,322	1,297,831	2014	4,358,286	1,089,571	2014
Generated in 2009	3,391,900	847,975	2015	-	-	
	10,055,959	2,513,990		5,902,111	1,475,527	
Without limited time use	5,871,991	1,996,477		2,481,956	843,865	
With a time limit different from the above mentioned	14,975,938	3,756,324		27,046,989	7,459,955	
	30,903,888	8,266,791		35,431,056	9,779,347	

21 CASH AND CASH EQUIVALENTS

As at 31 December 2009 and 2008, Cash and cash equivalents are as follows:

	31 December 2009	31 December 2008
Cash at hand	6,120,299	5,715,220
Bank deposits	105,275,640	109,368,864
Treasury applications	11,128	34,996
Cash and cash equivalents on the balance sheet	111,407,067	115,119,080
Bank overdrafts (Note 24)	(23,065,285)	(23,249,021)
Cash and cash equivalents on the statement of cash flows	88,341,782	91,870,059

Bank overdrafts are disclosed in the balance sheet under Current bank loans.

22 SHARE CAPITAL

As at 31 December 2009, the share capital, which is fully subscribed and paid for, is made up of 1.000.000.000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

At 31 December 2009, the following entities held more than 20% of the subscribed share capital:

Entity	%
Sonae, SGPS, S.A.	82.48 %
Sonae Investments, BV	17.52 %

As at 31 December 2009, Efanor Investimentos, SGPS, S.A. and its subsidiaries held 52,98% of the share capital of Sonae, SGPS, S.A..

23 MINORITY INTERESTS

Movements in minority interests during the periods ended as at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
Opening balance as at 1 January	11,201,548	12,141,277
Dividends	(4,170)	(13,741)
Acquisition of subsidiaries	63,575,395	-
Disposal of subsidiaries	-	(78,917)
Increased shareholding by acquisitions	-	(159,047)
Others	1,000,000	(509,834)
Profit for the period attributable to minority interests	(1,428,648)	(178,190)
Closing balance as at 31 December 2009	74,344,125	11,201,548

24 BORROWINGS

As at 31 December 2009 and 2008, Borrowings are made up as follows:

	31 December 2009			31 December 2008		
		Outstanding amount			Outstanding amount	
	Amount limit	Current	Non-Current	Amount limit	Current	Non-Current
Bank loans						
Sonae Investimentos, SGPS, S.A. - commercial paper	692,500,000	-	271,000,000	563,000,000	20,000,000	230,000,000
Continente Hipermercados SA - commercial paper	30,000,000	-	-	80,000,000	-	-
Others		3,333,333	15,000,000		-	-
		3,333,333	286,000,000		20,000,000	230,000,000
Bank overdrafts (Note 21)		23,065,285	-		23,249,021	-
Up-front fees beard with the issuance of loans		(7,667)	(105,107)		-	-
Bank loans		26,390,951	285,894,893		43,249,021	230,000,000
Bonds						
Bonds Modelo Continente / 2003		-	82,000,000		-	82,000,000
Bonds Modelo Continente / 2004		-	-		100,000,000	-
Bonds Modelo Continente / 2005/2010		64,925,000	-		-	64,925,000
Bonds Modelo Continente / 2005/2012		-	150,000,000		-	150,000,000
Bonds Modelo Continente / 2007/2012		-	200,000,000		-	200,000,000
Bonds Sonae Distribuição / 2007/2015		-	200,000,000		-	200,000,000
Bonds Sonae Distribuição / 2007/2015		-	310,000,000		-	310,000,000
Bonds Sonae Distribuição / 2009/2014		-	50,000,000		-	-
Up-front fees bearded with the issuance of loans		(25,511)	(4,516,975)		(21,389)	(5,208,397)
Bonds		64,899,489	987,483,025		99,978,611	1,001,716,603
Other loans		33,466	198,853		35,487	241,328
Derivative instruments (Note 26)		7,902,322	0		5,369,980	0
Other loans		7,935,788	198,853		5,405,467	241,328
Obligations under finance leases (Note 25)		4,704,670	8,620,393		4,280,464	11,109,980
		103,930,898	1,282,197,164		152,913,564	1,243,067,911

The interest rate as at 31 December 2009 of bonds and loans was on average 1.65% (5.59% as at 31 December 2008). The fair value of these loans is estimated to be similar to their market value.

The derivative instruments are recorded at fair value (Note 26).

The face value loans and interests maturities are as follows (including obligations under financial leases):

	31 December 2009		31 December 2008	
	Capital	Interests	Capital	Interests
N+1 a)	96,061,754	29,795,282	147,564,972	66,716,594
N+2	95,469,679	28,206,844	68,728,626	55,769,267
N+3	370,883,410	24,724,436	82,894,574	53,805,885
N+4	205,263,112	19,684,796	350,766,043	43,237,233
N+5	255,078,237	7,737,123	155,789,127	33,010,729
After N+5	360,124,809	5,820,539	590,097,938	37,832,856
	1,382,881,001	115,969,020	1,395,841,280	290,372,564

a) Includes amounts drawn under commercial paper programs.

The maturities above were estimated in accordance with the contractual terms of loans, which do not have any financial covenants.

As at 31 December 2009 and 2008, the available credit facilities are as follows:

	31 December 2009		31 December 2008	
	Commitments of less than one year	Commitments of more than one	Commitments of less than one year	Commitments of more than one year
Unused credit facilities amounts	359,466,654	204,000,000	331,361,827	170,000,000
Agreed credit facilities amounts	382,351,624	475,000,000	374,610,849	400,000,000

25 OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2009 and 2008, Obligations under finance leases are as follows:

Obligations under finance leases	Minimum finance lease payments		Present value of minimum finance lease payments	
Amounts under finance leases:	31 December 2009	31 December 2008	31 December 2009	31 December 2008
N+1	5,027,261	4,880,462	4,704,670	4,280,431
N+2	1,834,291	4,238,393	1,635,399	3,805,515
N+3	1,675,151	1,508,582	1,521,156	1,222,858
N+4	1,009,822	1,060,137	893,569	833,536
N+5	803,933	875,130	708,624	682,634
After N+5	4,086,663	5,102,134	3,861,645	4,565,470
	14,437,121	17,664,838	13,325,063	15,390,444
Interests	(1,112,058)	(2,274,394)		
	13,325,063	15,390,444		
Current obligations under finance leases			4,704,670	4,280,464
Non-current obligations under finance leases			8,620,393	11,109,980

Lease agreements bear interests at usual market rates and have defined contracted lines and, generally, the lessee has call options over the leased assets.

As at 31 December 2009 and 2008, the fair value of financial obligations under financial lease contracts is similar to its book value.

Obligations under finance leases are guaranteed by related assets.

As at 31 December 2009 and 2008, the net value of assets acquired under finance leases can be detailed as follows:

	31 December 2009	31 December 2008
Assets acquired under finance leases		
Land and buildings	30,878,104	31,389,745
Vehicles	46,590	85,190
Fixture and Fittings	5,170,024	4,252,561
Total tangible assets	36,094,718	35,727,496

As at 31 December 2009, the acquisition cost of Tangible assets amounted to 47,776,405 euro (44,883,379 euro as at 31 December 2008).

26 DERIVATIVES

Exchange rate derivatives

In what concerns financial risk management policy, Sonae Investimentos uses exchange rate derivatives, essentially to hedge future cash flows.

As at 31 December 2009, the fair value of the exchange rate derivatives, calculated taking into consideration present market value of equivalent financial instruments, is estimated as follows:

	31 December 2009	31 December 2008
Assets (Note 13)	365,121	72,494
Liabilities (Note 24)	(79,039)	(475,848)
	286,082	(403,354)

Gains and losses for the year arising from changes in the fair value of exchange rate derivatives amounting to (617,803) euro ((124,202) euro as at 2008) were recorded directly in the income statement under the caption "Other expenses".

Interest rate derivatives

The derivatives recorded as liabilities, as at 31 December 2009, were swaps and zero cost dollars in what concerns liabilities. According to the accounting principles, those instruments meet all the requirements to be designated as interest rate hedging instruments.
The fair value is as follows:

	31 December 2009	31 December 2008
Assets (Note 13)	-	1,776,634
Liabilities (Note 24)	(7,823,283)	(4,894,132)
	(7,823,283)	(3,117,498)

These interest rate derivatives are valued at fair value, at the balance sheet date, based on valuations performed by Sonae Investimentos using specific software and on external valuations when this software does not deal with specific instruments. The fair value of interest rate derivatives was calculated, as at the balance sheet date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Derivatives not qualified as hedging				
Exchange rate	365,121	72,494	79,039	475,848
Interest rate	-	-	-	-
Hedging derivatives				
Exchange rate	-	-	-	-
Interest rate	-	1,776,634	7,823,283	4,894,132
Interest and exchange rate	-	-	-	-
Other derivatives	-	-	-	-
	365,121	1,849,128	7,902,322	5,369,980

27 OTHER NON-CURRENT LIABILITIES

As at 31 December 2009 and 2008 "Other non-current liabilities" are made up as follows:

	31 December 2009	31 December 2008
Shareholders loans	10,931,827	10,500,460
Fixed assets suppliers	1,287,500	-
Other non-current liabilities	858,717	664,848
Financial instruments	13,078,044	11,165,308
Responsibilities for payments in shares (Note 28)	2,069,462	523,086
Accruals and deferrals	1,075,422	-
Other non-current liabilities	16,222,928	11,688,394

The caption “Other non-current liabilities” mainly refers to the estimated amounts to fulfill the legal and tax obligations of a Brazilian subsidiary which were considered appropriate to face up to future losses on lawsuits and for which legal deposits exist, which are recorded under the caption “Other non-current assets” (Note 14), with no defined maturity.

The amount payable to participating companies refers to a shareholders’ loan granted by a minority shareholder to a subsidiary that bears interest at usual market rate. The fair value of this loan is similar to its book value, with no defined maturity.

28 SHARE BASED PAYMENTS

In 2009 and in previous years, Sonae Investimentos granted deferred performance bonuses to its directors and eligible employees based on shares to be acquired at nil cost, three years after they were attributed to the employee. The acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. Sonae Investimentos has the right to deliver, instead of shares, the equivalent in cash.

As at 31 December 2009 and 2008, the market value of total liabilities arising from share-based payments may be summarised as follows:

	Grant year	Vesting year	Number of participants	Fair value 31 December 2009	Fair value 31 December 2008
Shares					
	2006	2009	40	-	508,264
	2007	2010	40	891,596	429,971
	2008	2011	42	1,468,048	709,315
	2009	2012	42	3,272,289	-
Total				5,631,933	1,647,550

As at 31 December 2009 and 2008 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:

	31 December 2009	31 December 2008
Staff costs	2,666,299	(1,703,834)
Recorded in previous years	294,759	2,735,184
	2,961,058	1,031,350
Other non-current liabilities (Note 27)	2,069,462	523,086
Other current liabilities (Note 31)	891,596	508,264
	2,961,058	1,031,350

The share based payment plan costs are recognized during the years between the grant and vesting date as staff costs.

29 TRADE CREDITORS

As at 31 December 2009 and 2008, Trade creditors are as follows:

		Payable to	
	31 December 2009	Up to 90 days	More than 90 days
Trade creditors - current account	910,506,317	910,299,299	207,018
Trade creditors - Invoice accruals	151,534,258	151,061,225	473,033
	1,062,040,575	1,061,360,524	680,051

		Payable to	
	31 December 2008	Up to 90 days	More than 90 days
Trade creditors - current account	678,898,891	675,810,040	3,088,851
Trade creditors - Invoice accruals	219,202,737	216,906,894	2,295,843
	898,101,628	892,716,934	5,384,694

As at 31 December 2009 and 2008 this caption includes amounts payable to suppliers resulting from Sonae Investimentos operating activity. Sonae Investimentos believes that the fair value of these balances does not differ significantly from the book value and the effect of updating these amounts is not material.

Trade creditors' maturity can be detailed as follows:

	31 December 2009	31 December 2008	31 December 2007
Total Trade creditors	1,062,040,575	898,101,628	835,856,284
Up to 90 days			
Euro	1,061,360,524	892,716,934	832,786,098
% Over Total	99.9%	99.4%	99.6%
More than 90 days	680,051	5,384,694	3,070,186

99.9% of the total payable amount to "Trade creditors" has a maturity of less than 90 days. This figures demonstrates a significant evolution when compared to 2008 and 2007, and accommodates a very significant decrease (-87%, i.e., more 4.7 million euro) of the balance relating to higher maturities.

The balances above include approximately 40 million euro of invoices confirmed to financial institutions by the Group under contracts of "confirming", being those trade creditors capable off discounting these payments in an early date.

30 OTHER CREDITORS

As at 31 December 2009 and 2008, "Other creditors" are as follows:

		Payable to		
	31 December 2009	up to 90 days	90 to 180 days	More than 180 days
Fixed asset suppliers	76,905,111	74,236,764	1,073,012	1,595,335
Other debts	56,253,410	52,037,021	179,767	4,036,622
	133,158,521	126,273,785	1,252,779	5,631,957
Related undertakings	100			
	133,158,621			

		Payable to		
	31 December 2008	up to 90 days	90 to 180 days	More than 180 days
Fixed asset suppliers	104,851,843	103,454,878	731,163	665,802
Other debts	46,794,863	33,785,410	1,248,552	11,760,901
	151,646,706	137,240,288	1,979,715	12,426,703
Related undertakings	782,843			
	152,429,549			

The caption "Other debts" includes:

- 17,236,223 euro (12,132,042 euro as at 31 December 2008) of attributed discounts not yet used related to loyalty card "Cartão Cliente";

- 10,483,469 euro (8,545,635 euro as at December 2008) related to means of payments owned by clients as vouchers, gift cards and discount tickets;

- 5,973,902 euro (11,050,444 euro as at December 2008) related to payable amounts to Sonae Distribuição Brasil, SA buyer as a result of responsibilities assumed with that entity. These amounts were fully provided for;

As at 31 December 2009 and 2008, this caption includes payables amounts to other creditors and fixed assets suppliers that do not bear interests. The Board of Directors believes that the fair value of these payables is approximately its book value and the actualization effect is not material.

31 OTHER CURRENT LIABILITIES

As at 31 December 2009 and 2008, "Other current liabilities" are made up as follows:

	31 December 2009	31 December 2008
Personnel costs	86,486,304	81,422,113
Interest payable	6,631,919	22,419,351
Marketing expenses	7,543,181	7,886,789
Other external supplies and services	27,026,280	22,305,374
Accrued income - rents	4,670,177	6,151,609
Real Estate Municipality tax	3,889,818	3,287,268
Share based payments (Note 28)	891,596	508,264
Others	7,396,212	4,964,957
	144,535,487	148,945,725

The caption "Personnel costs" refers mainly to payroll amounts to be paid during the next year as holiday and holiday pay.

32 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 31 December 2009 and 2008 are as follows:

Caption	Balance as at 31 December 2008	Increase	Decrease	Changes in consolidation perimeter	Balance as at 31 December 2009
Accumulated impairment losses on investments (Note 7)	13,158	128,057	-	-	141,215
Accumulated Impairment losses on goodwill (Note 12)	8,191,583	-	-	-	8,191,583
Accumulated impairment losses on trade account receivables (Note 16)	12,717,269	1,390,904	(5,857,980)	290,733	8,540,926
Accumulated impairment losses on other debtors (Note 17)	12,140,408	4,915,875	(568,026)	-	16,488,257
Accumulated impairment losses on inventories (Note 15)	18,510,507	5,664,153	(5,352,578)	132,608	18,954,690
Non-current provisions	12,953,754	1,548,043	(5,238,705)	-	9,263,092
Current provisions	2,314,563	829,995	(655,675)	-	2,488,883
	66,841,242	14,477,027	(17,672,964)	423,341	64,068,646

Caption	Balance as at 31 December 2007	Increase	Decrease	Changes in consolidation perimeter	Balance as at 31 December 2008
Accumulated impairment losses on investments (Note 7)	26,316	-	-	(13,158)	13,158
Accumulated Impairment losses on goodwill (Note 12)	1,374,226	6,817,357	-	-	8,191,583
Accumulated impairment losses on trade account receivables (Note 16)	12,771,387	1,269,602	(1,085,980)	(237,740)	12,717,269
Accumulated impairment losses on other debtors (Note 17)	9,242,789	2,875,996	(606,821)	628,444	12,140,408
Accumulated impairment losses on inventories (Note 15)	16,095,728	8,902,597	(7,312,110)	824,292	18,510,507
Non-current provisions	17,856,862	-	(7,822,126)	2,919,018	12,953,754
Current provisions	2,207,614	-	(80,000)	186,949	2,314,563
	59,574,922	19,865,552	(16,907,037)	4,307,805	66,841,242

Changes in consolidation perimeter of provisions and impairment losses, during 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
Disposal of companies	-	(1,047,849)
Acquisition of companies	423,341	5,405,628
Others	-	(49,974)
	423,341	4,307,805

As at 31 December 2009 and 2008 increases in provisions and impairment losses are as follows:

	31 December 2009	31 December 2008
Provisions and impairment losses	6,867,019	10,962,955
Exchange rate changes	1,548,043	-
Adjustments for inventories impairments recorded in costs of goods sold (Note 15)	5,796,761	8,246,993
Others	265,204	655,604
	14,477,027	19,865,552

The caption Non-current Provisions includes 5,447,923 Euro (6,016,688 euro as at 31 December 2008) relating to non-current contingencies assumed by the company, when selling the subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred.

33 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2009 and 2008, the major Contingent liabilities were guarantees given, which are detailed as follows:

	31 December 2009	31 December 2008
Guarantees given:		
on tax claims	251,357,651	113,907,257
on municipal claims	8,998,481	23,255,089
others	27,298,016	43,437,911

- 133.891.206 euro (86.679.557 euro as at 31 December 2008) related to appeals against additional corporate income tax and VAT assessments, as well as guarantees amounting to 111,279,306 euro related to a VAT proceeding (24,212,158 euro as at 31 December 2008).

- 687.243 euro (9.170.327 euro as at 31 December 2008) related to VAT reimbursement requests.

During the period ended 31 December 2009, a Retail food segment company has granted a guarantee in favor of tax administration associated with a VAT proceeding, concerning the year 2004, amounting to 30,260,721.33 euro, for which the Company has presented an impugnation.

Additionally, Sonae Investimentos SGPS, SA has granted a guarantee on behalf of the subsidiary referred to above, amounting 46,893,361.33 euro in order to ensure the payment of a VAT debt concerning additional tax settlement related with the period ended as at 2005 The company will carry out an appeal and believes, based on the opinion of their tax advisers, the sentence will be favorable to the company.

A Retail segment company in Brazil granted a guarantee of approximately 28,971,147 euro (72,755,267 Brazilian real), on a tax claim, which is being judged by tax court (70,892,539 Brazilian real as at 31 December 2008).

As a consequence of the sale of a subsidiary company in Brazil, Sonae guaranteed the buyer all the losses incurred by that company arising on unfavorable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2009, the amount claimed by the Brazilian Tax Authorities concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, amount to near 38 million euro, including processes paid under recovery program Brazilian State taxes ("REFIS") in the amount of 22 million euro (56 million Brazilian real).

Furthermore, there are other tax lawsuits totaling 42 million euro for which the Board of Directors, based on the lawyers' assessment, understands will not imply future losses to the old subsidiary

No provision has been registered to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for Sonae Investimentos.

34 OPERACIONAL LEASES

As at 31 December 2009 an amount of 57,739,171 euro (57,403,222 euro as at 31 December 2008) was recorded as cost for the period concerning rents due to operational lease contacts, mainly referring to leased real estate.

Additionally, as at 31 December 2009, Sonae Investimentos had operational lease contracts, as lessee, whose minimum lease payments had the following payment schedule:

	31 December 2009	31 December 2008
Due in:		
N+1 automatically renewal	15,466,049	16,899,357
N+1	52,486,963	37,803,245
N+2	47,808,715	36,141,981
N+3	42,386,524	32,280,359
N+4	36,643,951	27,723,908
N+5	31,307,320	22,730,974
After N+5	203,754,939	121,389,612
	429,854,461	294,969,436

During 2009, it was recognized as period income the amount of 8,894,422 euro (8,793,408 Euro as at 31 December 2008) related to received rents from operational leases, mainly connected with shopping centers explored by others in Sonae Investimentos' property stores.

Additionally, as at 31 December 2009, Sonae Investimentos had operational lease contacts, as lessor, who's minimum lease payments had the following payment schedule:

	31 December 2009	31 December 2008
Due in:		
N+1 automatically renewal	3,920,950	2,508,455
N+1	5,444,607	6,120,683
N+2	4,322,828	4,882,857
N+3	3,689,859	3,855,570
N+4	3,189,790	3,112,041
N+5	2,261,874	2,378,234
After N+5	837,874	1,447,335
	23,667,782	24,305,175

35 TURNOVER

As at 31 December 2009 and 2008, turnover is made up as follows:

	31 December 2009	31 December 2008
Sale of goods	4,420,413,159	4,074,314,020
Services rendered [(a)]	125,452,037	145,379,164
Turnover	4,545,865,196	4,219,693,184

a) Mainly corresponds to the contribution of business travel agencies.

36 NET FINANCIAL EXPENSES

As at 31 December 2009 and 2008, Net financial expenses are as follows:

	31 December 2009	31 December 2008
Expenses		
Interest payable		
related with bank loans and overdrafts	(9,513,362)	(16,297,172)
related with non convertible bonds	(31,798,404)	(59,690,981)
related with financial leases	(277,187)	(440,411)
related with hedge derivatives	(3,283,100)	-
others	(946,881)	(1,066,290)
	(45,818,934)	(77,494,854)
Exchange losses	(4,038,339)	(3,033,662)
Up front fees and commissions related to loans	(3,203,245)	(2,429,807)
Others	(4,966,354)	(4,308,501)
	(58,026,872)	(87,266,824)
Income		
Interest receivable		
related with bank deposits	356,940	1,704,162
others	2,798,840	8,232,684
	3,155,780	9,936,846
Exchange rate gains	5,088,189	5,138,572
Other financial income	25,509	178,990
	8,269,478	15,254,408
Net financial expenses	(49,757,394)	(72,012,416)

37 OTHER OPERATIONAL INCOME

As at 31 December 2009 and 2008, "Other operational income" is as follows:

	31 December 2009	31 December 2008
Supplementary income	358,939,003	372,781,489
Exchange differences	12,240,751	13,428,814
Own work capitalised	7,185,074	8,517,884
Gains on sales of assets	1,197,659	20,023,586
Negative Goodwill (Note 8)	343,359	9,864,000
Impairment losses reversals	1,693,355	1,692,801
Benefits from contractual penalties	1,256,096	81,082
Subsidies	694,906	338,226
Others	6,299,052	2,568,215
	389,849,255	429,296,097

Supplementary income relates mainly to additional receipts from the suppliers of Sonae Investimentos, relating to: i) reimbursement of promotional campaigns carried out in the stores, ii) receipts from suppliers regarding product placement in preferred locations, and iii) discounts for prompt payment obtained.

The caption “Own work capitalized” includes 5,029,196 euro (6,749,753 euro at December 31, 2008), relating to software development conducted by a Brazilian subsidiary.

38 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2009 and 2008, External supplies and services are as follows:

	31 December 2009	31 December 2008
Advertising	106,348,696	95,809,705
Rents	93,462,388	82,827,509
Subcontracts	91,287,263	118,508,131
Transports	49,775,490	43,430,669
Electricity	41,403,606	40,447,745
Services	32,752,622	37,930,264
Maintenance	25,336,634	25,329,433
Security	24,473,170	24,128,821
Cleaning up services	23,646,962	22,256,142
Communications	12,036,824	9,363,594
Travel expenses	5,823,503	4,343,401
Insurances	4,605,479	4,063,301
Others	54,724,568	54,032,332
	565,677,205	562,471,047

39 STAFF COSTS

As at 31 December 2009 and 2008, Staff costs are as follows:

	31 December 2009	31 December 2008
Salaries	399,758,361	375,766,791
Social security contributions	80,756,138	77,039,504
Insurance	7,758,545	7,787,742
Welfare	1,981,599	2,036,349
Other staff costs	13,888,981	11,688,084
	504,143,624	474,318,470

40 OTHER OPERATIONAL EXPENSES

As at 31 December 2009 and 2008, "Other operational expenses" are as follows:

	31 December 2009	31 December 2008
Costs of automatic payment terminals	26,141,831	23,841,339
Exchange differences	11,802,053	12,428,545
Donations	6,790,252	6,011,128
Losses on the disposal of assets	6,060,675	5,927,711
Municipal Property tax	3,246,820	3,188,087
Other taxes	2,569,662	4,840,505
Doubtful debts written-off	816,037	1,267,282
Others	13,912,772	10,150,679
	71,340,106	67,655,276

41 INCOME TAX

As at 31 December 2009 and 2008, Taxation is as follows:

	31 December 2009	31 December 2008
Current tax	34,316,306	9,919,305
Deferred tax (Note 20)	(9,981,265)	1,578,670
	24,335,041	11,497,975

At December 2008 deferred taxation includes 8,830,510 euro, relating to a withholding tax credit on income received from participation units in Real Estate Investment Trusts.

The reconciliation between the profit before taxation and the tax charge for the periods ended 31 December 2009 and 2008 is summarized as follows:

	31 December 2009	31 December 2008
Profit before income tax	161,077,484	182,313,297
Difference between capital (losses)/gains for accounting and tax purposes	(1,768,608)	(5,698,668)
Impairment of goodwill	-	8,509,916
Badwill	(343,360)	(9,864,000)
Provisions and impairment losses not accepted for tax purposes	(6,519,356)	(11,714,876)
Taxable Profit	152,446,160	163,545,669
Use of tax losses that have not originated deferred tax assets	(18,976)	(22,543,972)
Recognition of tax losses that have not originated deferred tax assets	2,305,143	11,344,732
	154,732,327	152,346,429
Income tax rate in Portugal	25.00%	25.00%
	38,683,082	38,086,607
Effect of different income tax rates in other countries	(5,470,586)	(5,217,095)
Effect of increases or decreases in deferred taxes	(8,271,601)	(10,224,993)
Under/(over) taxation estimates	1,106,609	(4,381,093)
Autonomous taxes and tax benefits	975,546	(2,775,977)
Municipality surcharge	1,448,405	1,500,673
Others	(4,136,414)	(5,490,147)
Income tax	24,335,041	11,497,975

42 RELATED PARTIES

Balances and transactions with related parties during the periods ended 31 December 2009 and 2008 are as follows:

	Sales and services rendered		Purchases and services obtained	
Transactions	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Parent company	443,762	633,760	1,515,370	619,228
Jointly controlled companies	845,437	233,575	2,214,073	727,936
Associated companies	32,302,022	17,008,853	764,039	3,402,844
Affiliated companies	57,115,947	54,110,955	-	-
Other related parties (1)	8,986,966	13,385,302	89,541,209	95,561,588
	99,694,134	85,372,445	94,034,691	100,311,596

	Interest income		Interest expenses	
Transactions	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Parent company	16,853	121,540	467,774	225,440
Jointly controlled companies	127,589	59,955	9,125	3,216
Associated companies	-	-	-	-
Affiliated companies	-	-	-	-
Other related parties (1)	41,436	-	387,421	481,188
	185,878	181,495	864,320	709,844

	Accounts receivable		Accounts payable	
Balances	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Parent company	535,294	343,935	1,688,040	168,426
Jointly controlled companies	125,975	5,029,706	202,093	6,614,454
Associated companies	1,446,962	4,918,113	87,091	166,252
Affiliated companies	14,169,568	10,623,607	40,932	-
Other related parties (1)	10,493,463	15,411,521	32,646,869	43,592,262
	26,771,262	36,326,882	34,665,025	50,541,394

	Loans			
	Obtained		Granted	
Balances	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Parent company	-	-	-	-
Jointly controlled companies	-	126,000	-	4,223,500
Associated companies	-	-	-	-
Affiliated companies	-	-	-	-
Other related parties (1)	10,802,648	10,481,188	1,000,000	1,000,000
	10,802,648	10,607,188	1,000,000	5,223,500

1) Other related parties are considered to be related party affiliates or companies under joint control of Efanor SGPS, SA that are not included in Sonae Investimentos, including companies belonging to the Sonae Group, Sonae Indústria and Sonae Capital.

During the year ended December 31, 2008 Sonae Investimentos granted treasury operations to Sonae SGPS, SA, amounting to 280.997.000 euro, which were settled during the year.

During the year ended December 31, 2008 Sonae Investimentos obtained treasury operations from Sonae SGPS, SA in the amount of 85,500,000 euro, which were settled during the year.

The amounts recorded as loans of participating companies represent borrowings to shareholders of subsidiary companies which bear interests at market rate.

The remuneration of the members of the Board of Directors and strategic direction, in all companies within Sonae Investimentos perimeter, in the years ended December 31, 2009 and 2008, are as follows:

	31 December 2009		31 December 2008	
	Board of Directors	Strategic direction [a]	Board of Directors	Strategic direction [a]
Fixed remuneration	461,960	2,320,780	468,560	2,159,920
Variable remuneration Short Term	190,900	1,050,500	204,040	986,636
Variable remuneration Middle Term	290,200	864,200	333,000	659,415
	943,060	4,235,480	1,005,600	3,805,971

(a) Includes employers with responsibility for strategic management of the main companies of Sonae Investimentos (excluding members of the Board of Directors of Sonae Investimentos).

43 EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2009 and 2008, were calculated taking into consideration the following amounts:

	31 December 2009	31 December 2008
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	138,171,091	170,993,512
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	138,171,091	170,993,512
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	1,000,000,000	1,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculated diluted earnings per share	1,000,000,000	1,000,000,000
Earnings per share (basic and diluted)	0.138171	0.170994

On December 31, 2009 and 2008 there is no dilutive effect on the number of shares outstanding.

44 CASH RECEIPTS-PAYMENTS RELATED TO INVESTMENTS

As at 31 December 2009 and 2008, cash receipts and cash payments related to investments are as follows:

	31 December 2009	31 December 2008
Receipts		
Price adjustment of a subsidiary	3,432,850	-
Price adjustment of Continente Hipermercados	-	30,113,103
Sale of 50% of travel business	-	15,700,000
Others	1,000,031	1,452,883
	4,432,881	47,265,986

	31 December 2009	31 December 2008
Payments		
Imosede Capital Increase	15,000,063	14,878,381
Acquisition of Geotur	-	12,028,500
Others	6,516,031	13,608,144
	21,516,094	40,515,025

45 SEGMENT INFORMATION

The contributions of the main segments identified in years 2009 and 2008 can be analyzed as follows:

	Food based Retail	Specialised Retail	Investment Management	Retail Real Estate	Eliminations and adjustments	Total
31 December 2009						
Turnover	3,239,177,441	1,132,040,059	167,667,739	123,117,232	(116,137,275)	4,545,865,196
Ex-Fuel	3,106,023,672	1,132,040,059	167,667,739	123,117,232	(116,137,275)	4,412,711,427
Fuel	133,153,769	-	-	-	-	133,153,769
EBITDA	198,707,702	48,104,311	(1,886,786)	110,938,755	-	355,863,982
EBIT	124,026,421	9,873,941	(7,123,026)	83,071,313	-	209,848,649
Invested capital	421,066,190	249,684,220	79,907,454	1,523,249,390	-	2,273,907,254
Sales area [000 m^2]	528	304	67	-	-	899

	Food based Retail	Specialised Retail	Investment Management	Retail Real Estate	Eliminations and adjustments	Total
31 December 2008						
Turnover	3,081,018,275	928,294,963	202,987,856	109,440,712	(102,048,622)	4,219,693,184
Ex-Fuel	2,929,735,617	928,294,963	202,987,856	109,440,712	(102,048,622)	4,068,410,526
Fuel	151,282,658	-	-	-	-	151,282,658
EBITDA	186,803,377	52,015,207	5,845,524	110,095,656	-	354,759,764
EBIT	123,512,742	27,503,824	1,730,885	87,654,242	-	240,401,693
Invested capital	483,247,828	175,612,172	86,471,044	1,411,291,922	-	2,156,622,966
Sales area [000 m^2]	492	247	70	-	-	809

Food based retail

Includes the contribution of the Group's activity associated with the insignias of food retail (Continente, Modelo, Bom Bocado, Área Saúde and Book.it) and fuels (which is operated under the banner Continente).

Specialized Retail

Includes the contribution of Group activity associated with the insignia of non-food retail (Worten, Worten Mobile, Worten Gamer, Vobis, Sport Zone, Loop, Modalfa e Zippy).

Investment Management

Includes work of the Group's activity associated with Maxmat and travel agencies.

Retail Real Estate

Includes work of real estate assets owned and managed by Sonae Investimentos, including commercial galleries attached to units Continente and Modelo.

Elimination and adjustments

Include consolidation adjustments and eliminations of intra-group balances. In the turnover caption, these values refer mainly to the elimination of rents invoiced by the Real Estate Segment to other Segments.

Operational Cash-flow (EBITDA)

Turnover + Other income – Badwill – Reversion of impairment losses – Operational costs

Capital employed

Gross real estate assets + other fixed assets (including Goodwill) - amortizations and impairment losses + financial investments + working capital

46 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors on 15 March 2010, nevertheless they are still subject to approval at the Shareholders Annual General Meeting.

The Board of Directors

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Duarte Paulo Teixeira de Azevedo (President)

____

Nuno Manuel Moniz Trigoso Jordão (CEO)

____

Ângelo Gabriel Ribeirinho dos Santos Paupério

____

Álvaro Carmona e Costa Portela

Individual financial statements

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL BALANCE SHEETS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

ASSETS	Notes	31.December.2009	31.December.2008
NON-CURRENT ASSETS:			
Intangible assets	6	7,160	9,392
Tangible assets	6	2,786	4,766
Investments	5	2,349,634,766	2,328,609,041
Deferred tax assets	7	1,736,158	1,296,945
Loans granted to group companies	4 , 8	1,000,150,633	1,263,332,780
Total non-current assets		3,351,531,503	3,593,252,924
CURRENT ASSETS:			
Trade accounts receivable	4 , 9	1,319,180	1,506,614
Group companies	4 , 10	310,119,510	321,814,399
Other debtors	4 , 11	6,242,723	7,404,536
Taxes recoverable	12	668,567	7,528,261
Other current assets	4 , 13	4,337,057	2,937,398
Derivatives	4 , 14	-	1,776,634
Cash and cash equivalents	4 , 15	51,973,423	51,426,604
Total current assets		374,660,460	394,394,446
TOTAL ASSETS		3,726,191,963	3,987,647,370
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	1,000,000,000	1,000,000,000
Legal reserve	17	114,000,000	99,300,000
Other reserves	17	826,785,421	661,498,223
Profit for the period		61,758,365	266,112,081
TOTAL EQUITY		2,002,543,786	2,026,910,304
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	4 , 18	285,894,893	230,000,000
Bonds	4 , 18	987,483,025	1,001,716,603
Deferred tax liabilities	7	1,379	472,363
Total non-current liabilities		1,273,379,297	1,232,188,966
CURRENT LIABILITIES:			
Bank loans	4 , 18	3,787,425	21,476,433
Short term portion of non-currents bonds	4 , 18	64,899,489	99,978,611
Derivatives	4 , 14	7,823,283	4,894,132
Trade accounts payable	4 , 19	261,857	101,260
Group companies	4 , 10	342,971,182	575,639,729
Other accounts payable	4	8,151	5,650
Taxes and contributions payable	12	21,559,067	2,152,100
Other current liabilities	4 , 20	8,958,426	24,300,185
Total current liabilities		450,268,880	728,548,100
TOTAL EQUITY AND LIABILITIES		3,726,191,963	3,987,647,370

The accompanying notes are part of these individual financial statements.

The Board of Directors,

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL INCOME STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Notes	4th Quarter ended 31 December 2009 (Unaudited)	4th Quarter ended 31 December 2008 (Unaudited)	31.December.2009	31.December.2008
Services rendered	25	383,016	399,222	1,627,527	1,590,069
Gains or losses on investments	26	54,125,788	12,029,772	55,438,308	248,329,909
Financial income	27	13,150,224	25,621,891	70,363,460	93,227,964
Other income	28	314,733	1,471,397	1,955,230	3,747,733
External supplies and services	29	(366,755)	(447,702)	(1,373,406)	(1,829,373)
Staff costs		(218,129)	(187,269)	(1,184,259)	(608,088)
Depreciation and amortisation	6	(1,111)	(1,246)	(4,469)	(144,511)
Provisions and Impairment losses	22	(539,611)	-	(539,611)	-
Financial expenses	27	(10,141,321)	(23,190,607)	(59,330,458)	(84,545,200)
Other expenses	30	(427,719)	(1,412,465)	(2,303,261)	(3,190,196)
Profit/(Loss) before taxation		56,279,115	14,282,993	64,649,061	256,578,307
Taxation	31	(304,256)	4,435,717	(2,890,696)	9,533,774
Profit/(Loss) after taxation		55,974,859	18,718,710	61,758,365	266,112,081
Earnings per share (basic and diluted)	32	0.056	0.019	0.062	0.266

The accompanying notes are part of these individual financial statements.

The Board of Directors,

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Notes	31.December.2009	31.December.2008
Net Profit / (Loss) for the period		61,758,365	266,112,081
Changes in hedging reserve		(1,900,004)	(4,874,682)
Deferred income tax relating to changes in hedging reserves	7	775,121	1,020,170
Total individual comprehensive income for the period		60,633,482	262,257,569

The accompanying notes are part of these individual financial statements.

The Board of Directors,

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

			Reserves and Retained Earnings					
	Share Capital	Own Shares	Legal Reserve	Hedging Reserve	Other Reserves and Retained Earnings	Total Reserves and Retained Earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2008	1,100,000,000	-	95,000,000	538,170	824,976,791	920,514,961	84,137,774	2,104,652,735
Total comprehensive income for the period	-	-	-	(3,854,512)	-	(3,854,512)	266,112,081	262,257,569
Appropriation of profit of 2007:								
Transfer to legal reserves and retained earnings	-	-	4,300,000	-	79,837,774	84,137,774	(84,137,774)	-
Dividends distributed	-	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)
Acquisition of own shares	-	(255,000,000)	-	-	-	-	-	(255,000,000)
Extinction of own shares	(100,000,000)	255,000,000	-	-	(155,000,000)	(155,000,000)	-	-
Balance as at 31 December 2008	1,000,000,000	-	99,300,000	(3,316,342)	664,814,565	760,798,223	266,112,081	2,026,910,304
Balance as at 1 January 2009	1,000,000,000	-	99,300,000	(3,316,342)	664,814,565	760,798,223	266,112,081	2,026,910,304
Total comprehensive income for the period	-	-	-	(1,124,883)	-	(1,124,883)	61,758,365	60,633,482
Appropriation of profit of 2008:								
Transfer to legal reserves and retained earnings	-	-	14,700,000	-	251,412,081	266,112,081	(266,112,081)	-
Dividends distributed	-	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)
Balance as at 31 December 2009	1,000,000,000	-	114,000,000	(4,441,225)	831,226,646	940,785,421	61,758,365	2,002,543,786

The accompanying notes are part of these individual financial statements.

The Board of Directors,

SONAE INVESTIMENTOS, SGPS, SA

INDIVIDUAL CASH FLOW STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Translation of individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Notes	31.December.2009	31.December.2008
OPERATING ACTIVITIES:			
Cash receipts from trade debtors		2,031,875	3,627,159
Cash paid to trade creditors		1,213,249	1,912,428
Cash paid to employees		863,494	1,696,053
Cash flow generated by operations		(44,868)	18,678
Income taxes (paid) / received		(12,923,498)	(29,820,959)
Other cash receipts and (payments) relating to operating activities		151,041	116,549
Net cash flow from operating activities (1)		13,029,671	29,956,186
INVESTMENT ACTIVITIES:			
Cash receipts arising from:			
Investments		25,471,000	23,817,756
Interest and similar income		71,180,744	80,155,518
Dividends		1,312,520	255,629,909
Others		-	611,200,000
Loans granted		2,838,115,811	3,608,374,675
		2,936,080,075	4,579,177,858
Cash payments arising from:			
Investments		(22,775,937)	(350,676,406)
Tangible assets		(257)	(33)
Intangible assets		-	(171,415)
Loans granted		(2,523,958,552)	(4,299,615,546)
		(2,546,734,746)	(4,650,463,400)
Net cash used in investment activities (2)		389,345,329	(71,285,542)
FINANCING ACTIVITIES:			
Cash receipts arising from:			
Loans obtained		12,394,973,792	5,918,191,730
		12,394,973,792	5,918,191,730
Cash payments arising from:			
Loans obtained		(12,636,398,079)	(5,407,496,230)
Interest and similar charges		(74,389,221)	(79,461,198)
Dividends		(85,000,000)	(85,000,000)
Acquisition of own shares		-	(255,000,000)
		(12,795,787,300)	(5,826,957,428)
Net cash used in financing activities (3)		(400,813,508)	91,234,302
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		1,561,492	49,904,946
Cash and cash equivalents at the beginning of the period	15	49,950,171	45,224
Cash and cash equivalents at the end of the period	15	51,511,663	49,950,171

The accompanying notes are part of these individual financial statements.

The Board of Directors,

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

(Translation of individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

1 INTRODUCTION

SONAE INVESTIMENTOS, SGPS, SA (formerly known as Sonae Distribuição, SGPS, SA), "the Company" or "Sonae Investimentos" it's a Portuguese Corporation, with head-office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.
The Company's main activity is the management of shareholdings (Note 5).

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

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying individual financial statements are as follows:

2.1 Basis of presentation

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), applicable on 1 January 2009, as adopted by the European Union. This standards were issued by the International Accounting Standards Board ("IASB") and interpretations issued by International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), that have been adopted by the European Union.

The accompanying financial statements have been prepared from the books and accounting records on a going concern basis and under the historical cost convention, except for financial instruments and investment properties which are stated at fair value.

New accounting standards and their impact in the financial statements

Up to the approval date of these financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions, some of which have become effective during the year 2009:

With mandatory application in 2009:	Effective Date (for financial years beginning on/after)
IFRS 1 / IAS 27 – Amendments (Cost of an investment in a subsidiary, jointly-controlled entity or associate)	01-01-2009
IAS 39 – Amendments (Reclassification of financial assets)	01-07-2008
IFRS 2 – Share-based Payments - Amendments (Vesting conditions and cancellations)	01-01-2009
IAS 23 – Borrowing Costs (revised)	01-01-2009
IAS 32 / IAS 1 – Amendments (Puttable financial instruments and obligations arising on liquidation)	01-01-2009
IAS 1 – Presentation of financial statements (revised)	01-01-2009
IFRIC 13 – Customer loyalty programmes	01-07-2008
IFRS 8 – Operating segments	01-01-2009
IFRS 7 – Amendments (Improving disclosures about fair value measurements and liquidity risk)	01-01-2009
Improvements to the International Financial Reporting Standards (2007)	Several (on/after 01-01-2009)

The adoption, during the 2009 of the above mentioned Standards did not produce material impacts on the Company financial statements , with the exception of presentation and disclosure improvements, as a result of the adoption of revised version of IAS 1.

The IAS 1 (Revised) changed the terminology, as well as the format and content of the financial statements.

With mandatory application after 2009:	Effective Date (for financial years beginning on/after)
IAS 32 – Amendments (Clarification of right issues)	01-02-2010
IAS 39 – Amendments (Eligible hedged items)	01-07-2009
IFRS 3 – Business Combination e IAS 27 – Consolidated and Separate Financial Statements (revised 2008)	01-07-2009
IFRS 1 (Revised) – First-time adoption of International Reporting Standards	01-01-2010
IFRIC 12 – Service Concession Arrangements	01-01-2010
IFRIC 15 – Agreements for the Construction of Real Estate	01-01-2010
IFRIC 16 – Hedges of a Net Investment in a Foreign Operation	01-07-2009

IFRIC 9 e IAS 39 – Amendments (Reassessment of Embedded Derivates)	Financial years beginning on/after30-06-09
IFRIC 17 – Distributions of Non-cash as-sets to owners	01-07-2009
IFRIC 18 – Transfers of Assets from Customers	Transfers made on/after 01-07-09

The above mentioned endorsed standards were not adopted by Sonae in 2009, because its application is not mandatory for this financial year, and Sonae decided not to make an early adoption of the standards.

It is not expected that material impacts will arise on the adoption of the above mentioned standards.

2.2 Tangible assets

Tangible assets are recorded at acquisition cost net of depreciation and accumulated impairment losses.

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption Depreciation and amortization.

The impairment losses in the realisable value of tangible assets are recorded in the year they arise in the caption of the Income Statement - "Impairment losses".

2.3 Intangible assets

Intangible assets are stated at acquisition cost, net of amortisation and accumulated impairment losses. Intangible assets are only recognised if it is probable that future economic benefits will flow from them, if they are controlled by the Company and if their cost can be reliably measured.

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption Depreciation and amortization.

2.4 Borrowing Costs

Borrowing costs are usually recognised as an expense in the period in which they are incurred on an accruals basis in accordance with effective interest rate method.

2.5 Financial Instruments

The Company classifies the financial instruments in the categories presented and conciliated with the Balance Sheet disclosed in Note 4.

a) Investments in subsidiaries and associates

Equity investments in subsidiaries and associates are accounted for accordingly with IAS 27, at acquisition cost net of impairment losses.

b) Investments

Investments are classified into the following categories:

- Held to maturity
- Investments measured at fair value through profit or loss
- Available for sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the balance sheet date. Investments classified as held to maturity have defined maturities and the Group has the intention and ability to hold them until the maturity date.

The investments measured at fair value through profit or loss include the investments held for trading that the company acquires for sale in a short period of time, and are classified in the balance sheet as current assets.

The Company classifies as available for sale those investments that are neither included as investments measured at fair value through profit or loss nor as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognized on the trade date, independently of the settlement date.

Investments are initially recorded at acquisition cost, which is the fair value of the consideration paid for them. In the case of Investments Held to maturity or Available for sale investments, transaction costs are included in the acquisition costs.

After its initial recording, investments measured at fair value through profit or loss and Available for sale investments are subsequently carried at fair values, by reference to their quoted market value at balance sheet date, without any deduction for transaction costs which may be incurred on sale. Investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are stated at cost, less impairment losses.

Gains or losses arising from a change in fair value of available for sale investments are recognised directly in equity, under Fair value reserve, in the caption Other reserves, until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is transferred to net profit or loss.

Gains or losses arising from a change in fair value of investments measured at fair value through profit or loss are recorded in the Income statement captions Financial expenses or Financial income.

Held to maturity investments are carried at amortised cost using the effective interest rate, net of capital reimbursements and interest income received.

c) Loans and accounts receivable

Loans and accounts receivable are recorded at amortised cost using the effective rate method net of accumulated impairment losses, in order to reflect its realisable value.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when the Company provides money or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the balance sheet date, situations when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 4.

d) Trade accounts receivable

Receivables are stated at net realisable value corresponding to their nominal value less impairment losses (recorded under the caption "Provisions and Impairment losses" in accounts receivable).

Impairment is recognised if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the discount is considered null.

e) Classification as Equity or Liability

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

f) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.8. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

g) Trade accounts payable

Trade accounts payable are stated at their nominal value. There is no discount, as it is immaterial.

h) Derivatives

The Company uses derivatives in the management of its financial risks to hedge such risks. Derivatives are not used for trading purposes.

Derivatives classified as cash flow hedge instruments are used by the Company mainly to hedge interest rate risks on loans obtained. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The gain or loss relating to the ineffective portion of the hedge, if any, is recorded in the Income Statement under Financial Income or Financial Expenses.

The Company's criteria for classifying a derivative instrument as a cash flow hedge instrument include:

- The hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;
- The effectiveness of the hedge can be reliably measured;
- There is adequate documentation of the hedging relationships at the inception of the hedge;
- The transaction being hedged is highly probable.

Cash flow hedge instruments used by the Company to hedge the exposure to changes in interest of its loans are initially accounted for at cost, if any which corresponds to its fair value, and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption Hedging reserves, included in the caption Reserves and Retained Earnings, and then recognised in the income statement over the same period in which the hedged instrument affects profit or loss.

The fair value of these instruments is estimated by the Company using specific software based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg, through the use of interest rate curves taken from Bloomberg.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption Hedging reserve included in the caption Reserves and Retained Earnings, are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host instruments, and this is not stated at fair value through profit or loss.

i) Own Shares

Own shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of own shares are directly recorded in Equity.

j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, term deposits and other treasury applications which mature in less than three months and are subject to insignificant risk of change in value.

In the cash flow statement, cash and cash equivalents also include bank overdrafts, which are included in the balance sheet caption of current bank loans.

k) Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period.

l) Impairment

Financial assets, other than Investments measured at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For non-quoted equity instruments determining whether the investment is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the entity and a suitable discount rate in order to calculate present value.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For investments in subsidiaries (equity investments and loans granted) the impairment analysis is based on the fair value estimate of its net assets.

The above mentioned estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models.

It is the Board of Directors understanding that the use of the above mentioned methodology is adequate to conclude on the eventual existence of financial investments impairment as it incorporates the best available information as at the date of the financial statements.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of equity available for sale securities, impairment losses previously recognised through profit or loss are not reversed. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

2.6 Share-based payments

Share-based payments result from deferred performance bonus plans that are referenced to the evolution of the Sonae, SGPS, S.A. shares' price (parent company of Sonae Investimentos, SGPS, SA).

The value of these responsibilities is determined at the time of assignment (usually in March of each year) and subsequently updated at the end of each reporting period depending on the number of shares allotted and the fair value of the reporting date. The responsibility is recorded on staff costs and other current liabilities, linearly between the date of assignment and expiration date, in proportion to the time between those dates.

2.7 Contingent assets and liabilities

Contingent liabilities are not recorded in the financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

Contingent assets are not recorded in the financial statements but disclosed when future economic benefits are probable.

2.8 Revenue recognition and accrual basis

Revenue from services rendered is recorded in the income statement taking into consideration the stage of completion of the transaction at balance sheet date.

Dividends are recognised as income in the year they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

Other current assets and Other current liabilities include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but that correspond to income or expenses of future years, when they will be recognised in the income statement.

2.9 Subsequent events

Events after the balance sheet date that provide additional information about conditions that existed at the balance sheet date (adjusting events), are reflected in the financial statements. Events after the balance sheet date that are non-adjusting events are disclosed in the notes when material.

2.10 Judgements and estimates

The most significant accounting estimates reflected in the financial statements are as follows:

a) Record of adjustments to the value of assets and provisions;

b) Impairment analysis of financial investments and loans granted to affiliated and associated companies;

Estimates used are based on the best information available during the preparation of these financial statements and are based on the best knowledge of past and present events. Although future events, are not controlled by the Company are not foreseeable, some could occur and have impact on the estimates. Therefore and due to this uncertainty the outcome of the transactions being estimated may differ from the initial estimate. Changes to the estimates used by management that occur after the approval date of these consolidated financial statements, will be recognised in net income prospectively, in accordance with IAS 8.

2.11 Income tax

Sonae Investimentos is taxed in accordance with Special Regime of Taxing Groups of Companies (Parent company). Each company included in this regime records income tax for the year in its individual accounts in the caption "Group companies". When a subsidiary contributes with a tax loss, it reflects, in its individual accounts, the amount of tax corresponding to the loss to be compensated by the profits of the other companies covered by this regime.

Deferred taxes are calculated using the balance sheet liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually remeasured using the tax rates that have been enacted or substantively enacted and therefore expected to apply in the periods when the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period. At each balance sheet date an assessment of the deferred tax assets recognized is made, being reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in Equity.

3 FINANCIAL RISK MANAGEMENT

Risk management general principles are approved by the Board of Directors, and its implementation is supervised by group's finance department.

3.1 Market risk

The interest and exchange rate risk have a decisive importance in the Company's market risk management.

Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae Investimentos does not enter into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

3.1.1 Interest rate risk

The group exposure to the interest rate risk arises mainly from the long term loans which bear interests indexed to Euribor.

The group aim is to limit the cash-flow and net income volatility having in mind their operational activity profile by the use of an adequate combination of variable and fix rate debt. Group's policy allows interest rate derivates usage in order to reduce Euribor's variability exposure and not for speculative purposes.

Derivatives used by the group in interest rate risk management qualify as hedging instruments as they configure perfect hedging operations. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges.

Sensitivity Analysis:

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, they are included in the calculation of income-related sensitivities;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7;

- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;

- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculations;

- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;

- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under the previously mentioned assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the company net profit before tax as at 31 December 2009 would decrease by approximately 1.3 million euro (at 31 December 2008 would decrease 3.4 million euro). Total equity, as at 31 December 2009, would increase by about 1.6 million euro as a result of the effect of changing interest rate up 75 basis points, excluding the effect on Profit and loss for the period.

3.1.2 Exchange rate risk

Sonae does not have any material foreign exchange rate exposure at holding level, since almost all assets and liabilities are denominated in Euro.

3.2 Liquidity risk

The purpose of liquidity risk management is to ensure, at all times, that the group has the financial capacity to fulfill its commitments as they become due and to carry on its business activities and strategy, through the management of the trade off cost and maturity of debt.

The Company follows an active policy of re-financing its debt by maintaining a high level of unused and available on demand resources to face short term needs and by increasing or maintaining an adequate debt maturity, according to the estimated cash-flows, and to the capability of leveraging its balance sheet.

Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination is also considered as an important mean of managing liquidity risk. The group also assures, in its relationship with financial institutions, a high level of diversification of financing sources and counterparties, in order to ease the ability of entering new loan agreement and to minimize the effects of any relationship discontinuance.

The liquidity analysis for financial instruments is presented next to each related liability class note.

3.3 Credit risk

The Company is mainly exposed to credit risk, as a result of the loans granted to participation Companies.

The Company is also exposed to credit risk in its relationship with financial institutions, in result of bank deposits, debt instruments available facilities, derivates, among others.

The credit risk is limited by risk concentration management, and by a selection of counterparties, which have a high national and international prestige, with at least a credit rating of BBB or an equivalent rating issued by other international agencies.

4 FINANCIAL INSTRUMENTS BY CLASS AND FAIR VALUE

The accounting policies disclosed in Note 2.5 as at 31 December 2009, have been applied to the line items below:

Financial assets	31.December.2009				
	Notes	Loans and accounts receivable	Subtotal	Assets not within IFRS 7 scope	Total
Non-current assets:					
Loans granted to group companies	8	1,000,150,633	1,000,150,633	-	1,000,150,633
		1,000,150,633	1,000,150,633	-	1,000,150,633
Current assets:					
Trade accounts receivables	9	1,319,180	1,319,180	-	1,319,180
Group companies	10	310,119,510	310,119,510	-	310,119,510
Other debtors	11	6,242,723	6,242,723	-	6,242,723
Other current assets	13	1,625,756	1,625,756	2,711,301	4,337,057
Cash and cash equivalents	15	51,973,423	51,973,423	-	51,973,423
		371,280,592	371,280,592	2,711,301	373,991,893

Financial Liabilities	31.December.2009					
	Notes	Loans and accounts payable	Derivatives used for cash flow hedging	Subtotal	Liabilities not within IFRS 7 scope	Total
Non-current liabilities:						
Bank loans	18	285,894,893	-	285,894,893	-	285,894,893
Bonds	18	987,483,025	-	987,483,025	-	987,483,025
		1,273,377,918	-	1,273,377,918	-	1,273,377,918
Current liabilities:					-	
Bank loans	18	3,787,425	-	3,787,425	-	3,787,425
Short term portion of non-current bonds	18	64,899,489	-	64,899,489	-	64,899,489
Derivatives	14	-	7,823,283	7,823,283	-	7,823,283
Trade accounts payable	19	261,857	-	261,857	-	261,857
Group companies	10	342,971,182	-	342,971,182	-	342,971,182
Other accounts payable		8,151	-	8,151	-	8,151
Other current liabilities	20	8,102,661	-	8,102,661	855,765	8,958,426
		420,030,765	7,823,283	427,854,048	855,765	428,709,813

The accounting policies disclosed in note 2.5 as at 31 December 2008, have been applied to the items below classified as follows:

Financial assets	31.December.2008					
	Notes	Loans and accounts receivable	Derivatives used for cash flow hedging	Subtotal	Assets not within IFRS 7 scope	Total
Non-current assets:						
Loans granted to group companies	8	1,263,332,780	-	1,263,332,780	-	1,263,332,780
		1,263,332,780	-	1,263,332,780	-	1,263,332,780
Current assets:						
Trade accounts receivables	9	1,506,614	-	1,506,614	-	1,506,614
Group companies	10	321,814,399	-	321,814,399	-	321,814,399
Other debtors	11	7,404,536	-	7,404,536	-	7,404,536
Other current assets	13	1,870,069	-	1,870,069	1,067,329	2,937,398
Derivatives	14	-	1,776,634	1,776,634	-	1,776,634
Cash and cash equivalents	15	51,426,604	-	51,426,604	-	51,426,604
		384,022,222	1,776,634	385,798,856	1,067,329	386,866,185

Financial Liabilities	31.December.2008					
	Notes	Loans and accounts payable	Derivatives used for cash flow hedging	Subtotal	Liabilities not within IFRS 7 scope	Total
Non-current liabilities:						
Bank loans	18	230,000,000	-	230,000,000	-	230,000,000
Bonds	18	1,001,716,603	-	1,001,716,603	-	1,001,716,603
		1,231,716,603	-	1,231,716,603	-	1,231,716,603
Current liabilities:						
Bank loans	18	21,476,433	-	21,476,433	-	21,476,433
Short term portion of non-current bond	18	99,978,611	-	99,978,611	-	99,978,611
Derivatives	14	-	4,894,132	4,894,132	-	4,894,132
Trade accounts payable	19	101,260	-	101,260	-	101,260
Group companies	10	575,639,729	-	575,639,729	-	575,639,729
Other accounts payable		5,650	-	5,650	-	5,650
Other current liabilities	20	23,768,376	-	23,768,376	531,809	24,300,185
		720,970,059	4,894,132	725,864,191	531,809	726,396,000

As at 31 December 2009 and 2008, the only financial instruments recognised at fair value are derivatives which are measured according to valuation techniques which main inputs are observable in the market, namely interest rate curves.

5 INVESTMENTS

As at 31 December 2009 and 2008, the investments caption is made up as follows:

Company		31.December.2009 % held	31.December.2009 Final balance	31.December.2008 % held	31.December.2008 Final balance
Participated companies					
Azulino - Imobiliária, S.A.		100.00%	498,025	100.00%	498,025
Bertimóvel - Sociedade Imobiliária, S.A.		100.00%	1,845,000	100.00%	1,375,000
Canasta - Empreendimentos Imobiliários, S.A.		100.00%	1,669,375	100.00%	1,579,375
Chão Verde - Sociedade de Gestão Imobiliária, S.A.		100.00%	2,244,591	100.00%	2,244,591
Citorres - Sociedade Imobiliária, S.A.		100.00%	477,848	100.00%	477,848
Contibomba - Comércio e Distribuição de Combustíveis, S.A.		100.00%	452,000	100.00%	372,000
Contimobe - Imobiliária Castelo Paiva, S.A.		100.00%	231,318,722	100.00%	231,318,722
Cumulativa - Sociedade Imobiliária, S.A.		100.00%	2,285,191	100.00%	2,095,191
Difusão - Sociedade Imobiliária, S.A.		100.00%	50,000	100.00%	50,000
Edições Book.it - S.A.		100.00%	1,000,000	100.00%	1,000,000
Farmácia Selecção, S.A.		89.00%	89,000	100.00%	100,000
Fozimo - Sociedade Imobiliária, S.A.		100.00%	24,940	100.00%	24,940
Fozmassimo - Sociedade Imobiliária, S.A.		100.00%	6,264,902	100.00%	6,264,902
Fundo de Investimento Imobiliário Fechado Imosede		54.55%	64,415,021	49.00%	49,414,958
Fundo de Investimento Imobiliário Imosonae Dois		100.00%	158,410,389	100.00%	158,410,389
Igimo - Sociedade Imobiliária, S.A.		100.00%	220,000	100.00%	220,000
Iginha - Sociedade imobiliária, S.A.		100.00%	959,000	100.00%	109,000
Imoconti - Sociedade Imobiliária, S.A.		100.00%	380,000	100.00%	50,000
Imoestrutura - Sociedade Imobiliária,S.A.		100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, S.A.		100.00%	799,940	100.00%	539,940
Imoresultado - Sociedade Imobiliária, S.A.		100.00%	109,736	100.00%	109,736
Imosistema - Sociedade Imobiliária, S.A.		100.00%	280,000	100.00%	280,000
Infofield - Informática, S.A.	(c)	-	-	10.00%	530,459
Marcas MC, zRt		100.00%	72,784,761	100.00%	72,784,761
MJLF - Empreendimetos Imobiliários, S.A.		100.00%	1,809,397	100.00%	1,719,397
Modalfa - Comércio e Serviços, S.A.	(c)	-	-	10.00%	27,933
Modelo Continente Hipermercados, S.A.		56.00%	284,190,240	56.00%	284,190,240
Modelo Continente Seguros - Sociedade de Mediação, Lda		75.00%	3,161,250	75.00%	161,250
Modelo.Com - Vendas por Correspondência, S.A.		100.00%	12,637,016	100.00%	12,637,016
Predicomercial - Promoção Imobiliária, S.A.		100.00%	6,372,293	100.00%	6,372,293
Raso, SGPS, S.A.		50.00%	24,500,000	50.00%	24,500,000
Selifa - Sociedade de Empreendimentos Imobililiários, S.A.		100.00%	1,488,379	100.00%	1,408,379
Sempre à Mão - Sociedade Imobiliária, S.A.		100.00%	1,530,558	100.00%	125,000
Sempre a Postos - Produtos Alimentares e Utilidades, Lda		25.00%	249,399	25.00%	249,399
Sesagest - Projectos e Gestão Imobiliária, S.A.		100.00%	36,677,088	100.00%	36,677,088
Socijofra - Sociedade Imobiliária, S.A.		100.00%	550,000	100.00%	550,000
Sociloures - Sociedade Imobiliária, S.A.		100.00%	10,000,000	100.00%	10,000,000
Soflorin, B.V.		100.00%	257,309,037	100.00%	257,309,037
Sonae - Specialized Retail, SGPS, S.A.	(a)	100.00%	1,050,000,000	100.00%	1,050,000,000
Sonae Capital Brasil, S.A.		37.00%	23,334,858	37.00%	23,334,858
Sonae Center Serviços II, S.A.		100.00%	50,000	-	-
Sonae MC - Modelo Continente, SGPS, S.A.		100.00%	50,000	-	-
Sonae Retalho España, S.A.		100.00%	2,549,831	100.00%	2,549,831
Sonaegest - Soc. Gest. de Fundos de Investimentos, S.A.		20.00%	159,615	20.00%	159,615
Sonaerp - Retail properties, S.A.	(b)	100.00%	114,495,350	100.00%	114,495,350
Sondis Imobiliária, S.A.		100.00%	474,940	100.00%	49,940
Sontária - Empreendimentos Imobiliários, S.A.		100.00%	10,600,000	100.00%	10,600,000
Sonvecap, B.V.		100.00%	3,000,000	100.00%	3,000,000
Sportzone - Comércio de Artigos de Desporto, S.A.	(c)	-	-	10.00%	706,326
Tlantic Portugal - Sistemas de Informação, S.A.		100.00%	443,316	100.00%	50,000
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, S.A.		100.00%	1,180,000	100.00%	1,180,000
Valor N, S.A.		100.00%	2,087,315	100.00%	2,087,315
Worten - Equipamentos para o Lar, S.A.	(c)	-	-	10.00%	462,494
			2,395,503,263		2,374,477,538
Impairment of Investments (Note 22)			(45,868,497)		(45,868,497)
			2,349,634,766		2,328,609,041

a) Formerly known as Modelo Continente – Operações de Retalho, SGPS, SA

b) Formerly known as IGI – Investimentos Imobiliários, SA

c) Investments sold in the period to a Group company.

During periods ended 31 December 2009 and 2008, the movements of the caption Investments are as follows:

	31.December.2009	31.December.2008
Investments in Group companies		
Opening balance	1,843,415,177	1,720,117,152
Increases	4,098,874	123,298,025
Decreases	(1,135,212)	-
Final balance	1,846,378,839	1,843,415,177
Accumulated impairment losses (Note 22)	(45,868,497)	(45,868,497)
	1,800,510,342	1,797,546,680
Investments in associated companies		
Opening nalace	409,014	409,014
Final balance	409,014	409,014
Suplementary Capital		
Opening balance	214,480,000	2,480,000
Increases	-	212,000,000
Final balance	214,480,000	214,480,000
Investment Funds		
Opening balance	207,825,347	216,764,722
Increases	15,000,063	14,878,381
Dividends	-	(23,817,756)
Final balance	222,825,410	207,825,347
Contributions of Capital		
Opening balance	108,348,000	107,848,000
Increases	3,677,000	500,000
Decreases	(615,000)	-
Final balance	111,410,000	108,348,000
	2,349,634,766	2,328,609,041

The increase of 4,098,874 euro in the caption "Investments in Group companies" includes the establishment of the subsidiary Sonae MC – Modelo Continente, SGPS, SA amounting to 50,000 euro, the establishment of Sonae Center Serviços II, SA amounting to 50,000 euro and cover losses of Group companies amounting to 3.998.874 euro.

The decrease of 1,135,212 euro in the caption "Investments in Group companies" refers to the disposal of the participations identified with c) in the previous table and to the disposal of 11% of Farmácia Selecção, SA in favor of Sonae Retalho España, SA.

The increase of 15,000,063 euro in the caption "Investment Funds" relates to the capital increase at Fundo de Investimento Imobiliário Fechado Imosede.

6 TANGIBLE AND INTANGIBLE ASSETS

During the periods ended 31 December 2009 and 2008, movements in tangible and intangible assets as well as depreciation and accumulated impairment losses, are as follows:

	Intangible Assets			
Acquisition cost	Industrial property and other rights	Software	Intangible assets in progress	Total intangible assets
Opening balance as at 1 January 2008	1,401,602	479	136	1,402,217
Increases	10,890	-	160,389	171,279
Decreases	-	-	(160,389)	(160,389)
Transfers/disposals	136	-	(136)	-
Opening balance as at 1 January 2009	1,412,628	479	-	1,413,107
Closing balance as at 31 December 2009	1,412,628	479	-	1,413,107
Accumulated depreciation				
Opening balance as at 1 January 2008	1,261,255	479	-	1,261,734
Increases	141,981	-	-	141,981
Opening balance as at1 January 2009	1,403,236	479	-	1,403,715
Increases	2,232	-	-	2,232
Closing balance as at 31 December 2009	1,405,468	479	-	1,405,947
Carrying amount				
As at 31 December 2008	9,392	-	-	9,392
As at 31 December 2009	7,160	-	-	7,160

	Tangible Assets				
Acquisition cost	Machinery and Equipment	Transport equipment	Office equipment	Other Tangible assets	Total Tangible assets
Opening balance as at 1 January 2008	2,464	19,062	24,805	679	47,010
Opening balance as at 1 January 2009	2,464	19,062	24,805	679	47,010
Increases	-	-	257	-	257
Closing balance as at 31 December 2009	2,464	19,062	25,062	679	47,267
Accumulated depreciation					
Opening balance as at 1 January 2008	657	19,062	19,316	679	39,714
Increases	246	-	2,284	-	2,530
Opening balance as at1 January 2009	903	19,062	21,600	679	42,244
Increases	247	-	1,990	-	2,237
Closing balance as at 31 December 2009	1,150	19,062	23,590	679	44,481
Carrying amount					
As at 31 December 2008	1,561	-	3,205	-	4,766
As at 31 December 2009	1,314	-	1,472	-	2,786

7 DEFERRED TAX

Deferred tax assets and liabilities as at 31 December 2009 and 2008 are as follows, split between the different types of temporary differences:

	Assets		Liabilities	
	31.December.2009	31.December.2008	31.December.2009	31.December.2008
Derivatives	1,601,258	1,296,945	-	470,808
Impairment losses of assets not accepted for tax purposes	134,900	-	-	-
Differences between amortisations for accounting and tax purposes	-	-	1,379	1,555
	1,736,158	1,296,945	1,379	472,363

During the periods ended 31 December 2009 and 2008, movements in deferred tax assets and liabilities are as follows:

	Assets		Liabilities	
	31.December.2009	31.December.2008	31.December.2009	31.December.2008
Opening balance	1,296,945	304	472,363	233,406
Effects on income:				
Write-off of intangible assets	-	(304)	-	-
Harmonised adjustments	-	-	(176)	(37,818)
Impairment losses	134,900	-	-	-
	134,900	(304)	(176)	(37,818)
Effects on equity:				
Financial instruments valuation	304,313	1,296,945	(470,808)	276,775
Final balance	1,736,158	1,296,945	1,379	472,363

8 LOANS GRANTED TO GROUP COMPANIES – NON-CURRENT

As at 31 December 2009 and 2008 the non-current assets were as follows (Note 34):

	31.December.2009	31.December.2008
Loans granted to group companies	1,000,150,633	1,263,332,780

These loans earn interests at market rates indexed to Euribor and their fair value is similar to their carrying amount. The loans refer to loans granted to subsidiaries with no defined maturity.

9 TRADE ACCOUNTS RECEIVABLE

The amount of trade accounts receivable refers to Management Fee's, invoiced to Sonae Investimentos, SGPS, S.A. group companies.

Up to the balance sheet date there are no due accounts receivable and there were no impairment losses recorded, as there are no indications that clients will not fulfill their obligations.

10 GROUP COMPANIES – CURRENT

As at 31 December 2009 and 2008, this caption is as follows:

	Receivables	
	31.December.2009	31.December.2008
Short term loans (Note 34)	157,125,888	263,578,000
Interests charged but not received	44,472,734	44,636,742
Taxes - Special Regime for Taxation of Groups of Companies (a	21,753,472	13,599,657
Others (b)	86,767,416	-
	310,119,510	321,814,399

	Payables	
	31.December.2009	31.December.2008
Short term loans (Note 34)	338,078,379	568,836,000
Interests charged but not received	-	12,428
Taxes - Special Regime for Taxation of Groups of Companies (a	4,892,803	6,791,301
	342,971,182	575,639,729

a) Income tax estimated by group companies taxed in accordance with the Special Regime for Taxing of Groups of Companies.

b) Amount related to the disposal of 10% of Modalfa – Comércio e Serviços, SA, Sportzone – Comércio de Artigos de Desporto, SA and Infofield - Informática, SA, as at 31 December 2009.

There were no past due assets thus no impairment loss was recognized as at 31 December 2009 and 2008. The fair value of loans granted is similar to its carrying amount.

11 OTHER DEBTORS

As at 31 December 2009 and 2008, the caption Other debtors can be detailed as follows:

	31.December.2009	31.December.2008
Special regime for payment of tax and social security debts (DL 248-A) (a)	5,214,780	5,790,887
Other debtors	1,567,554	1,613,649
	6,782,334	7,404,536
Accumulated impairment losses (Note 22)	(539,611)	-
	6,242,723	7,404,536

a) The amount disclosed as 'Special regime for payment of tax and social security debts' relates to taxes claimed from tax authorities, being an understanding of Sonae Investimentos that the result of such claims will favour the Company. Therefore, there was no impairment losses recognized.

Debt values identified without impairment losses, not due and without any indication of impairment.

12 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2009 and 2008, Taxes recoverable and taxes and contributions payable are made up as follows:

Assets:

	31.December.2009	31.December.2008
Income tax	668,567	7,528,261
	668,567	7,528,261

Liabilities:

	31.December.2009	31.December.2008
Income tax	21,035,091	-
VAT	221,068	239,631
Social security	2,189	2,144
Withholding tax - Capital gains	19,119	16,923
Others	281,600	1,893,402
	21,559,067	2,152,100

13 OTHER CURRENT ASSETS

As at 31 December 2009 and 2008, the caption Other current assets can be detailed as follows:

Accrued income	31.December.2009	31.December.2008
Interests receivable	241,250	755,132
Indemnity interests	1,337,970	1,071,351
Management fees	46,536	43,586
	1,625,756	1,870,069
Prepayments		
Insurances	196,216	290,633
Interests	195,581	-
Costs with credit facilities	2,319,504	776,696
	2,711,301	1,067,329
Other current assets	4,337,057	2,937,398

14 DERIVATIVES

Interest rate hedging derivatives

As at 31 December 2009 and 2008, the fair value of the derivatives, estimated taking into consideration present market value of equivalent financial instruments, is estimated as follows:

	31.December.2009	31.December.2008
Assets	-	1,776,634
Liabilities	7,823,283	4,894,132

The derivatives recorded as liabilities are interest rate zero cost collars and have the purpose to hedge the volatility of interest rates from the obtained loans.

These interest rate derivatives are valued at fair value, at the balance sheet date, based on valuations using specific software. The fair value of these financial instruments was calculated, as at the balance sheet date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg.

The profits and losses of the period associated to the variation of fair value of the financial instruments amounted a net loss of 2,520,500 euro.

15 CASH AND CASH EQUIVALENTS

As at 31 December 2009 and 2008, cash and cash equivalents can be detailed as follows:

	31.December.2009	31.December.2008
Cash	813	-
Bank deposits	51,972,610	51,391,607
Treasury applications	-	34,997
Cash and cash equivalents on the balance sheet	51,973,423	51,426,604
Bank overdrafts (Note18)	(461,760)	(1,476,433)
Cash and cash equivalents on the cash flow statement	51,511,663	49,950,171

Bank overdrafts are disclosed in the balance sheet in the caption Short term loans.

16 SHARE CAPITAL

As at 31 December 2009, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares (1,000,000,000 as at 31 December 2008), with a nominal value of 1 Euro each.

As at 31 December 2009 and 2008, the subscribed share capital was held as follows:

	31.December.2009	31.December.2008
Sonae, SGPS, S.A.	82.48%	82.48%
Sonae Investments B.V	17.52%	17.52%

17 RESERVES

Legal reserve

The company has set up legal reserves in accordance with Commercial Companies Code. In 2009 and 2008, respectively, 14,700,000 euro and 4,300,000 euro was transferred from profit for the year to legal reserves.

Other reserves

As at 31 December 2009 and 2008 Other reserves detail is as follows:

	31.December.2009	31.December.2008
Hedging reserves	(4,441,225)	(3,316,342)
Other reserves	831,226,646	664,814,565
	826,785,421	661,498,223

Movements occurred in 2009 and 2008 in these reserves are detailed in the Company Statement of changes in equity and in the Company statement of comprehensive income.

Hedging Reserves correspond to the effective portion of changes in fair value of derivatives that qualify for cash flow hedge accounting.

18 BORROWINGS

As at 31 December 2009 and 2008, this caption included the following loans:

	31.December.2009	31.December.2008
Nominal value of bonds	992,000,000	1,006,925,000
Up-front fees not yet charged to income statement	(4,516,975)	(5,208,397)
Bonds	987,483,025	1,001,716,603
Nominal value of bank loans	286,000,000	230,000,000
Up-front fees not yet charged to income statement	(105,107)	-
Bank loans	285,894,893	230,000,000
Non-current borrowings	1,273,377,918	1,231,716,603
Nominal value of bonds	64,925,000	100,000,000
Up-front fees not yet charged to income statement	(25,511)	(21,389)
Short term portion of non-current bonds	64,899,489	99,978,611
Bank loans	3,333,333	20,000,000
Up-front fees not yet charged to income statement	(7,668)	-
Bank overdrafts (Note 15)	461,760	1,476,433
Bank loans	3,787,425	21,476,433
Current borrowings	68,686,914	121,455,044

Loans and interests shall be reimbursed as follows:

	31.December.2009		31.December.2008	
	Capital	Interests	Capital	Interests
2009	-	-	121,476,433	66,148,798
2010	68,720,093	22,675,378	64,925,000	55,384,580
2011	93,333,334	17,482,871	82,000,000	53,519,269
2012	369,333,334	13,975,680	350,000,000	42,985,468
2013	204,333,334	10,596,713	155,000,000	32,794,303
2014	254,333,334	14,762,155	230,000,000	24,247,911
2015	356,666,663	5,455,730	355,000,000	13,070,720
	1,346,720,092	84,948,526	1,358,401,433	288,151,049

The interest amount was calculated considering the applicable interest rates for each loan at 31 December.

As at 31 December 2009 bonds are made up as follows:

Modelo Continente – 2003	82,000,000
Modelo Continente - 2005/2010	64,925,000
Modelo Continente - 2005/2012	150,000,000
Modelo Continente - 2007/2012	200,000,000
Sonae Distribuição - 2007/2015	200,000,000
Sonae Distribuição September - 2007/2015	310,000,000
Sonae Distribuição September - 2009/2014	50,000,000

Bonds – MODELO CONTINENTE – 2003

1,640,000 bonds – Nominal value: 50 euro.

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate which is variable is indexed to the EURIBOR 6 month rate.

Interest payment: Half yearly in arrears, on 15 April and 15 October of each year.

Redemption: At par, in one payment on 15 October 2011, the maturity date of the loan. Early redemption is not possible, either by initiative of the issuer or the bondholders.

Bonds - MODELO CONTINENTE - 2005/2010

265,000 bonds – Nominal value: 245 euro.

Maximum term: 5 (five) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate.

Interest payment: Half yearly in arrears, on 3 February and 3 August of each year.

Redemption: At par, in one payment on 5th year, i.e., in one payment on 3 August 2010, the maturity date of the loan, except if an early redemption occurs.

Early redemption (Call-Option): Early redemption is possible by initiative of the issuer, either totally or partially (by reducing the nominal value of the bonds), on the 2nd, 3rd or 4th year of maturity. In this situation the issuer is obliged to pay a prize of 0.125% over the reimbursed value.

On the 3rd August 2007, the Company partially reimbursed the bonds, according to the issuing conditions. The amount reimbursed per bond was 755 euro plus a premium of 0.94375 euro.

After the reimbursement, the loan was reduced to 64,925,000 euro (265,000 bonds with a 245 euro nominal value).

Bonds - MODELO CONTINENTE - 2005/2012

15,000,000 bonds – Nominal value: 10 euro.

Maximum term: 7 (seven) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate.

Interest payment: Half yearly in arrears, on 2 February and 2 August of each year.

Redemption: At par, in one payment on 2 August 2012 the payment dates of the 14th coupon, except if it an early redemption occurs.

Early redemption (Call-Option): Early redemption is possible by initiative of the issuer, either totally or partially (by reducing the nominal value of the bonds), on the reimbursed dates of 10th, 11th, 12th and 13th coupon, without the obligation of paying any prize.

Bonds - MODELO CONTINENTE - 2007/2012

4,000 bonds – Nominal value: 50,000 euro.

Maximum term: 5 (eight) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate.

Interest payment: Half yearly in arrears, on 30 April and 30 October of each year.

Redemption: At par, in one payment on 30 April 2012 the payment dates of the 10th coupon. Early redemption is not possible, either by initiative of the issuer or the bondholders.

Bonds - SONAE DISTRIBUIÇÃO - 2007/2015

4,000,000 bonds – Nominal value: 50 euro.

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate.

Interest payment: Half yearly in arrears, on 10 February and 10 August of each year.

Redemption: At par, in one payment on 10 August 2015 the payment date of the 16th coupon.

Early redemption (Call-Option): Early redemption is possible by initiative of the issuer, totally, on the payment date of the 10th, 12th or 14th coupons, without the obligation of paying any prize.

Bonds - SONAE DISTRIBUIÇÃO SEPTEMBER - 2007/2015

31,000,000 bonds – Nominal value: 10 euro.

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate.

Interest payment: Half yearly in arrears, on 10 March and 10 September of each year.

Redemption: At par in the following terms:

50% on the date of the 12 the coupon payment (10 September 2013);

50% on the date of the 16th coupon payment (10 September 2015).

Early redemption (Call-Option): Early redemption is possible by initiative of the issuer, either totally or partially, on the payment dates of the 10th, 11th, 12th, 13th, 14th or 15th coupons, without the obligation of paying any prize.

Extraordinary early redemption (Call-Option): Until the end of the 18th month of the loan, within the following conditions:

(i) the loan may be reimbursed total or partially, with no penalization, in each interest payment date;

(ii) the loan may be reimbursed total or partially, subject to Breakage Costs, with a 30 previous days notice during each interest period.

Bonds - SONAE DISTRIBUIÇÃO - 2009/2014

1,000 bonds – Nominal value: 50,000 euro.

Maximum term: 5 (five) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate.

Interest payment: Half yearly in arrears, on 18 March and 18 September of each year.

Redemption: 6 (six) half yearly successive instalments, starting on the 5th interest payment date (each one with a "Redemption Instalment"), always matching with an interest payment date, reducing the nominal value, according to the redemption plan as follows:

i) €8,000,000 (eight million euro), on the 5th, 6th, 7th, 8th and 9th interest payment date;

ii) €10,000,000 (ten million euro), on the 10th interest payment date.

Early redemption is not possible, either by initiative of the issuer or the bondholders.

Bonds - MODELO CONTINENTE - 2004

Modelo Continente/2004 Bond Loan of 100,000,000 euro, was totally reimbursed on the 18th March 2009, according to issue conditions.

As at 31 December 2009 and 2008 the amount of the available credit facilities in order to manage liquidity risk, can be summarized as follows:

	31.December.2009		31.December.2008	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Agreed credit facilities amounts	332,870,074	475,000,000	308,370,074	400,000,000
Available credit facilities amounts	322,219,603	204,000,000	286,893,641	170,000,000

The caption Bank loans includes an amount of 20,000,000 euro related to a term loan contracted during March 2009, of which 15,000,000 euro are registered as non-current and 3,333,333 euro as current.

The commitments of more than one year refer to commercial paper programmes available for 5 years.

As the Company intends to keep these loans for a period superior to one year, those were classified as non-current.

The interest rate for bond and bank loans, for the period ended as at 31 December 2009 was, on average, 1.65% (5.59% as at 31 December 2008).

19 TRADE ACCOUNTS PAYABLE

As at 31 December 2009 and 2008 the trade accounts payable caption presents amounts payable within 90 days, arising on the normal course of activity.

20 OTHER CURRENT LIABILITIES

As at 31 December 2009 and 2008 Other current liabilities were made up as follows:

Accruals	31.December.2009	31.December.2008
Staff costs	320,833	330,879
Deferred performance bonuses (Note 21)	534,932	200,930
Accrued interests	8,073,177	23,610,332
Others	29,484	158,044
	8,958,426	24,300,185

21 SHARE-BASED PAYMENTS

In 2009 and in previous years, the Company granted deferred performance bonuses to its directors and eligible employees. These are based on shares to be acquired at nil cost, three years after they were attributed to the employee. The company has the choice to settle its responsibilities in cash rather than through shares. These rights can only be exercised if the employee still works for Sonae on the vesting date. These responsibilities are measured as described in Note 2.6.

As at 31 December 2009, the outstanding plans were as follows:

	Vesting period			
	Year of grant	Vesting year	Number of participants	Number of shares
Plan 2006	2007	2010	1	191,970
Plan 2007	2008	2011	1	304,828
Plan 2008	2009	2012	1	659,028

The measurement of the Share-Based Plans referred above is referenced to the evaluation of Sonae, SGPS, S.A. shares price. The current plans are considered cash settled.

22 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses for the year ended as at 31 December 2009 are as follows:

	Opening balance	Increases	Final balance
Investments impairment (Note 5)	45,868,497	-	45,868,497
Other debtors impairment losses (Note 11)	-	539,611	539,611

23 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2009 and 2008 the contingent liabilities were detailed as follows:

	31.December.2009	31.December.2008
Guarantees rendered:		
related to tax claims awaiting outcome (a)	95,643,815	53,558,849
related to local and municipal claims awaiting outcome	289,380	289,380
others	10,761,324	14,633,113
Guarantee given in favour of a subsidiary (b)	46,893,361	-

a) Includes the amount of 93,656,343 euro (51,519,330 euro as at 31 December 2008) referring to corporate income tax claims awaiting outcome and the amount of 1,985,386 euro (same amount as at 31 December 2008) relating to stamp duty claims.

b) Guarantee given to Tax Authorities in favour of a subsidiary to suspend a claim from tax authorities.

No provision has been recognized for these tax additional assessments, to which some guarantees were made, as the Board of Directors expects their outcome to be favorable to the Company with no additional liability.

Following the disposal of a Brazilian subsidiary company, the group guaranteed to that subsidiary company buyer all the losses it will have as consequence of tax additional assessments as it is described in the Note of Contingent Assets and Liabilities in the Consolidated financial statements.

24 RELATED PARTIES

Main balances and transactions with related parties as at 31 December 2009 and 2008 are detailed as follows:

	31.December.2009	31.December.2008
Transactions:		
Group companies	1,000,000	1,000,000
Associated companies	627,527	590,069
Services rendered	1,627,527	1,590,069
Parent company		
Group companies	1,648,641	3,046,747
Jointly controlled companies	-	25,000
Other related parties	-	2,674
Other income	1,648,641	3,074,421
Parent company	15,837	120,748
Group companies	69,262,911	90,285,103
Jointly controlled companies	255,178	148,517
Interest income	69,533,926	90,554,368
Parent company	446,080	176,861
Group companies	11,830,371	8,257,961
Jointly controlled companies	18,250	6,516
Interest expenses	12,294,701	8,441,338
Group companies	1,050,860	255,629,909
Associated companies	261,660	-
Dividend income	1,312,520	255,629,909
Group companies	55,416,000	-
Disposal of investments	55,416,000	-
Balance:		
Parent company	15,837	-
Group companies	154,762,925	60,685,244
Jointly controlled companies	111,531	53,601
Associated companies	165,716	350,200
Other related parties	192	56,028
Accounts receivable	155,056,201	61,145,073
Parent company	447,617	-
Group companies	6,597,394	2,620,583
Jointly controlled companies	9,678	16,866
Other related parties	142	17,065
Accounts payable	7,054,831	2,654,514
Group companies	1,151,916,978	1,521,713,780
Jointly controlled companies	5,359,543	5,197,000
Loans granted (Note 34)	1,157,276,521	1,526,910,780
Group companies	338,040,379	568,584,000
Jointly controlled companies	38,000	252,000
Loans obtained (Note 34)	338,078,379	568,836,000

All Sonae, SGPS, S.A. and Efanor Investimentos SGPS, SA subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements.

During the period, the Company granted loans to Sonae, SGPS, S.A. amounting 143,824,000 euro (280,997,000 euro as at 31 December 2008), which were reimbursed during the year; there were also loans obtained from Sonae, SGPS, S.A. amounting to 443,340,000 euro which were reimbursed during the year.

In 2009 and 2008 did not occur any transactions including granted loans with the Company's Directors.

The remuneration of the Board of Directors for the years ended 31 December 2009 and 2008 is detailed as follows:

	31.December.2009	31.December.2008
Fixed	461,960	468,560
Variable - short term	190,900	204,040
Variable - medium term	290,200	333,000
	943,060	1,005,600

As at 31 December 2009 and 2008 there were no balances with Company's Directors.

25 SERVICES RENDERED

The amount of services rendered refers to invoiced services rendered to Sonae Investimentos group companies in Portugal.

26 GAINS OR LOSSES ON INVESTMENTS

As at 31 December 2009 and 2008 investment income is as follows:

	31.December.2009	31.December.2008
Dividends	1,312,520	255,629,909
Gains on the sale of investments	54,125,788	-
Impairment losses on investments	-	(7,300,000)
	55,438,308	248,329,909

The amount recorded under the caption Gains on the sale of investments refers to the sale of shareholding in Group Companies identified in Note 5.

27 FINANCIAL INCOME AND EXPENSES

As at 31 December 2009 and 2008, Net financial expenses are as follows:

	31.December.2009	31.December.2008
Interest receivable		
related w ith bank deposits	52,216	59,530
related to loans granted to group companies	62,728,447	90,554,368
related w ith hedge derivatives	762,600	-
others	6,820,197	2,613,793
Other financial income	-	273
Financial income	70,363,460	93,227,964
Interest payable		
related w ith bank loans and overdrafts	(8,561,485)	(13,760,219)
related w ith non convertible bonds	(31,798,404)	(59,690,981)
related w ith hedge derivatives	(3,283,100)	(131,509)
related to loans obtained from group companies	(12,294,701)	(8,441,338)
others	(16)	(273)
Exchange losses:		
others	-	(23)
Other financial expenses:		
Up front fees and commissions related to loans	(3,195,746)	(2,378,916)
others	(197,006)	(141,941)
Financial expenses	(59,330,458)	(84,545,200)
Net financial expenses	11,033,002	8,682,764

28 OTHER INCOME

As at 31 December 2009 and 2008, Other income is as follows:

	31.December.2009	31.December.2008
Recovery of charges (a)	1,683,427	3,137,897
Gains in tangible assets	-	539,611
Other income	271,803	70,225
	1,955,230	3,747,733

a) Income related to costs assumed by the Company, which were re-charged to participated companies (Note 30).

29 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2009 and 2008, external supplies and services are as follows:

	31.December.2009	31.December.2008
Insurance	749,644	986,150
Services	546,173	713,398
Others	77,589	129,825
	1,373,406	1,829,373

30 OTHER EXPENSES

As at 31 December 2009 and 2008, Other expenses are as follows:

	31.December.2009	31.December.2008
Indirect tax	1,930,856	2,955,438
Bank services	353,769	217,798
Others	18,636	16,960
	2,303,261	3,190,196

Indirect tax as at 31 December 2009 mainly refers to costs of retail stores openings, which were then re-charged to Group companies, which own those new stores (Note 28).

31 INCOME TAX

Income tax charge for the year ended 31 December 2009 and 2008 is made up as follows:

	31.December.2009	31.December.2008
Current tax	(3,025,772)	(448,981)
Deferred tax	135,076	9,982,755
Total	(2,890,696)	9,533,774

The reconciliation between the profit before taxation and the tax charge for the periods ended 31 December 2009 and 2008 is as follows:

	31.December.2009	31.December.2008
Profit before income tax	64,649,061	256,578,307
Income tax rate	25.00%	25.00%
	16,162,265	64,144,577
Use of tax losses that have not been recorded	-	(10,858,858)
Impairment losses not accepted for tax purposes	-	1,825,000
Under/(over) taxation estimates	484,936	(55,645)
Difference between capital (losses)/gains for accounting and tax purposes	(13,531,447)	-
Effect of non-tributable dividends	(328,130)	(64,524,216)
Others	103,071	1,752,650
Tax benefits	-	(1,817,281)
Income tax	2,890,696	(9,533,774)

32 EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2009 and 2008, were calculated taking into consideration the following amounts:

	31.December.2009	31.December.2008
Net profit		
Net profit taken into consideration to calculate basic earnings per share(net profit for the period)	61,758,365	266,112,081
Net profit taken into consideration to calculate diluted earnings per share	61,758,365	266,112,081
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	1,000,000,000	1,000,000,000
Weighted average number of shares used to calculated diluted earnings per share	1,000,000,000	1,000,000,000
Earnings per share (basic and diluted)	0.062	0.266

There are no convertible instruments over Sonae Investimentos, SGPS, SA shares, and so there is no diluting effects on the number of circulating shares.

In the annual General Meeting held on 1 April 2009 a gross dividend of 85,000,000 euro was approved. This was paid during the period.

33 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 15 March 2010.

34 INFORMATION REQUIRED BY LAW

Decree-Law n^er 318/94 art. 5^th n^er 4^th

During the period ended as at 31 December 2009 shareholders' loan contracts were signed with the following companies:

Azulino Imobiliária, SA

Bertimóvel – Sociedade Imobiliária, SA

Canasta – Empreendimentos Imobiliários, SA

Chão Verde – Sociedade de Gestão Imobiliária, SA

Citorres - Sociedade Imobiliária, SA

Contibomba – Comércio e Distribuição de Combustíveis, SA

Contimobe – Imobiliária Castelo Paiva, SA

Continente Hipermercados, SA

Cumulativa – Sociedade Imobiliária, SA

Igimo - Sociedade Imobiliária, SA

Iginha – Sociedade Imobiliária, SA

Imomuro – Sociedade Imobiliária, SA

Imoresultado – Sociedade Imobiliária, SA

Infofield - Informática, SA

MJLF – Empreendimentos Imobiliários, SA

Selifa – Sociedade de Empreendimentos Imobiliários, SA

Sempre à Mão – Sociedade Imobiliária, SA

Sesagest - Projectos e Gestão Imobiliária, SA

Sociloures – Sociedade Imobiliária, SA

Soflorin, B.V.

Sonae - Retail Properties, SA

Sondis Imobiliária, SA

Sontária – Empreendimentos Imobiliários, SA

Sportzone – Comércio de Artigos de Desporto, SA

During the period ended as at 31 December 2009, treasury application agreements were signed with the following companies:

Azulino Imobiliária, SA

BB Food Service, SA

Bertimóvel – Sociedade Imobiliária, SA

Canasta - Empreendimentos Imobiliários, SA

Carnes do Continente – Indústria e Distribuição de Carnes, SA

Chão Verde - Sociedade de Gestão Imobiliária, SA

Contibomba – Comércio e Distribuição de Combustíveis, SA

Contimobe – Imobiliária Castelo Paiva, SA

Continente Hipermercados, SA

Cumulativa - Sociedade Imobiliária, SA

Difusão – Sociedade Imobiliária, SA

Edições Book.it – SA

Estevão Neves – Hipermercados da Madeira, SA

Farmácia Selecção, SA

Fozimo – Sociedade Imobiliária, SA

Fozmassimo – Sociedade Imobiliária, SA

Global S – Hipermercados, SA

Good and Cheap - Comércio Retalhista, SA

Hipotética - Comércio Retalhista, SA

Igimo – Sociedade Imobiliária, SA

Iginha – Sociedade Imobiliária, SA

Imoconti – Sociedade Imobiliária, SA

Imoestrutura – Sociedade Imobiliária, SA

Imomuro - Sociedade Imobiliária, SA

Imoresultado – Sociedade Imobiliária, SA

Imosistema - Sociedade Imobiliária, SA

Infofield - Informática, SA

MJLF - Empreendimentos Imobiliários, SA

Modalfa – Comércio e Serviços, SA

Modaloop - Vestuário e Calçado, SA

Modelo Continente Hipermercados, SA

Modelo Continente Seguros – Sociedade de Mediação, Lda.

NA – Comécio e artigos de Desporto, SA

Nova Equador P.C.O Organização de Eventos, Sociedade Unipessoal, Lda

Predicomercial – Promoção Imobiliária, SA

Raso - SGPS, SA

Raso - Viagens e Turismos, SA

Selifa - Sociedade de Empreendimentos Imobiliários, SA

Sempre à Mão – Sociedade Imobiliária, SA

Sesagest – Projectos e Gestão Imobiliária, SA

Socijofra – Sociedade Imobiliária, SA

Sociloures – Sociedade Imobiliária, SA

Solaris – Supermercados, SA

Sonae - Specialized Retail, SGPS, SA

Sonae, SGPS, SA

Sonae - Retail Properties, SA

Sondis - Sociedade Imobiliária, S.A

Sontária – Empreendimentos Imobiliários, SA

Sportzone – Comércio de Artigos de Desporto, SA

Tlantic Portugal - Sistemas de Informação, SA

Valor N, SA

Well W - Electrodomésticos e Equipamentos, SA

Worten – Equipamentos para o Lar, S A.

As at 31 December 2009 amounts owed by subsidiaries can be detailed as follows:

Current loans granted (Note 10) and non-current (Note 8):

Company	Final balance
Azulino - Imobiliária, SA	3,937,256
BB Food Service, SA	1,571,000
Bertimóvel - Sociedade Imobiliária, SA	19,531,000
Canasta - Empreendimentos Imobiliários, SA	2,598,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	2,470,584
Citorres - Sociedade Imobiliária, SA	3,490,000
Contibomba - Comércio e Distribuição de Combustíveis, SA	69,000
Contimobe - Imobiliária Castelo Paiva, SA	66,914,000
Continente Hipermercados, SA	149,422,888
Cumulativa - Sociedade Imobiliária, SA	2,813,000
Difusão - Sociedade Imobiliária, SA	24,851,000
Edições Book.it - SA	1,597,000
Farmácia Selecção, SA	2,305,000
Fozimo – Sociedade Imobiliária, SA	1,657,000
Fozmassimo - Sociedade Imobliária, SA	1,152,000
Good and Cheap - Comércio Retalhista, SA	6,263,000
Hipotética - Comércio Retalhista, SA	836,000
Igimo – Sociedade Imobiliária, SA	618,000
Iginha – Sociedade Imobiliária, SA	13,015,500
Imoconti – Sociedade Imobiliária, SA	16,588,015
Imoestrutura - Sociedade Imobiliária, SA	400,000
Imomuro - Sociedade Imobiliária, SA	4,026,897
Imoresultado – Sociedade Imobiliária, SA	423,000
Imosistema - Sociedade Imobiliária, SA	4,339,000
MJLF - Empreendimentos Imobiliários, SA	3,527,000
Modelo Continente Hipermercados, SA	10,000
Modelo Continente Seguros - Sociedade de Mediação, Lda	4,508,000
Predicomercial - Promoção Imobiliária, SA	10,360,000
Raso, S.G.P.S., SA	5,359,543
Selifa - Sociedade de Empreendimentos Imobiliários, SA	3,719,926
Sempre à Mão - Sociedade Imobiliária, SA	37,705,128
Sesagest - Projectos e Gestão Imobiliária, SA	32,745,348
Socijofra - Sociedade Imobiliária, SA	7,450,000
Sociloures - Sociedade Imobiliária, SA	28,216,022
Soflorin, B.V.	332,459,926
Solaris Supermercados, SA	562,000
Sonae - Specialized Retail, SGPS, SA	81,418,000
Sonae Retalho España, SA	235,002
SonaeRP - Retail Properties, SA	246,338,000
Sondis Imobiliária, SA	24,897,160
Sontária - Empreendimentos Imobiliários, SA	2,683,326
Valor N, SA	4,194,000
	1,157,276,521

From the above mentioned balances 1,000,150,633 euro are recorded as non-current assets.

The amounts due to group companies as at 31 December 2009 related to the mentioned contracts were the following:

Current loans obtained (Note 10):

Company	Final balance
Carnes Continente - Indústria e Distribuição de Carnes, SA	720,000
Efanor - Design e Serviços, SA	2,371,000
Estêvão Neves - Hipermercados da Madeira, SA	17,470,000
Marcas MC, ZRT	48,685,379
Modelo Continente Hipermercados, SA	156,155,000
Modelo Hiper - Imobiliária, SA	1,848,000
Modelo.Com - Vendas por Correspondência, SA	10,469,000
Raso - Viagens e Turismos, SA	38,000
Tlantic Portugal - Sistemas de Informação, SA	70,000
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA	364,000
Worten - Equipamentos para o Lar, SA	99,888,000
	338,078,379

The Board of Directors,

Duarte Paulo Teixeira de Azevedo (President)

Nuno Manuel Moniz Trigoso Jordão (CEO)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Álvaro Carmona e Costa Portela

Statutory Audit and Auditors' Report

STATUTORY AUDIT AND AUDITORS' REPORT

(This is a translation of a report originally issued in Portuguese.
In the event of discrepancies, the Portuguese language version prevails.)

Introduction

1. In compliance with applicable legislation we hereby present our Statutory Audit and Auditors' Report on the consolidated and individual financial information contained in the Report of the Board of Directors, and the consolidated and individual financial statements of Sonae Investimentos, S.G.P.S., S.A. ("Company" – former Sonae Distribuição, S.G.P.S., S.A. – Note 1) for the year ended 31 December 2009, which comprise the Consolidated and Individual Balance Sheets (that present a total of 3,962,776,581 Euro and 3,726,191,963 Euro, respectively, and consolidated and individual equity of 1,046,560,275 Euro and 2,002,543,786 Euro, respectively, including consolidated net profit attributable to the Company's Equity Holders of 138,171,091 Euro and an individual net profit of 61,758,365 Euro), the Consolidated and Individual Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding notes.

Responsibilities

2. The Board of Directors is responsible for: (i) the preparation of consolidated and individual financial statements that present a true and fair view of the financial position of the Company and of the companies included in the consolidation, the consolidated and individual results of their operations, comprehensive income, changes in equity and cash flows; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control; and (iv) informing any significant facts that have influenced the operations of the Company and companies included in the consolidation, their financial position and results of operations and comprehensive income.

3. Our responsibility is to examine the financial information contained in the documents referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

4. Our examination was performed in accordance with the Auditing Standards issued by the Portuguese Institute of Statutory Auditors, which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Such an examination includes verifying, on a test basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the significant estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Such an examination also includes verifying the consolidation procedures, the application of the equity method and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting principles used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, verifying the adequacy of the overall presentation of the consolidated and individual financial statements and assessing that, in all material respects, the consolidated and individual financial information is complete, true, timely, clear, objective and licit. Our examination also includes verifying that the consolidated and individual financial information included in the Report of the Board of Directors is consistent with the consolidated and individual financial statements. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly in all material respects, the consolidated and individual financial position of Sonae Investimentos, S.G.P.S., S.A. as of 31 December 2009, the consolidated and individual results of its operations, consolidated and individual comprehensive income, changes in consolidated and individual equity and its consolidated and individual cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the information contained therein is, in terms of the definitions included in the auditing standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Porto, 15 March 2010

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

Report and Opinion of The Statutory Audit Board

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

(Translation of a Report and Opinion originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

To the Shareholders of
Sonae Investimentos S.G.P.S, S.A.

1 – Report

1.1 - Introduction

In compliance with the applicable legislation and its mandate, the Statutory Audit Board issues its report on the supervisory action carried out as well as its opinion on the Management Report and remaining consolidated and individual financial statements for the year ended 31 December 2009.

1.2 – Supervision

During the year under analysis, the Statutory Audit Board accompanied, within the scope of its competencies, the management of the Company and its subsidiaries, oversaw, with the scope considered adequate under the circumstances, the evolution of the operations, the regularity of its accounting records, the quality of the financial reporting process, the disclosure of financial information and related accounting policies and valuation criteria, the efficiency of the risk management and internal control systems, as well as the compliance with legal and statutory requirements.

For that purpose, the Statutory Board met, with the periodicity considered adequate, with the managers responsible for planning and control, administrative and accounting, tax issues, internal audit and risk management departments, as well as with the External Auditor who is also the Statutory Auditor of the Company Deloitte & Associados, SROC, S.A..

The Statutory Audit Board examined, with special attention the accounting treatment of operations that had material economic or financial impacts in the development of operations reflected in the financial statements under analysis. The Statutory Audit Board exercised its duties in what relates to the qualification and independence of the External Auditor and Statutory Auditor, and reviewed the planning and results of the internal auditors.

In furtherance of its functions, the Statutory Audit Board examined the management report and remaining documents of accounts, considering that the information disclosed complies with the legal and statutory requirements in place and that it is appropriate for the understanding of the financial position and the results of the operations of the Company and consolidation perimeter. Additionally, the Statutory Audit Board examined Statutory Audit and Auditors' Report issued by the Statutory Auditor and agreed with their content.

2 - Opinion

Considering the above, in the opinion of the Statutory Audit Board the Management Report, the consolidated and individual financial statements, and the net result appropriation proposal presented by the Board of Directors, are in accordance with the accounting, legal and statutory requirements and consequently recommends that those should be approved by the Shareholders.

3 – Responsibility Statement

In accordance with paragraph a), number 1 of article 8º of the Regulation of CMVM nr. 5/2008 and with paragraph c), number 1 of article 245º of the Portuguese Securities Market Code, the members of the Statutory Audit Board inform that, to their knowledge, the information contained in the Management Report and the financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of Sonae Investimentos, SGPS, S.A. and companies included in the consolidation perimeter. Also it is their understanding that the Management Report faithfully describes the business evolution, performance and financial position of Sonae Investimentos, SGPS, S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 16 March 2010

The Statutory Audit Board

UHY & Associados, SROC, Lda. represented by António Francisco Barbosa dos Santos

Arlindo Dias Duarte Silva

Óscar José Alçada da Quinta