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## **SONAE SIERRA**

### **Consolidated Financial Statements - 1<sup>st</sup> Half year 2009**

#### **INTRODUCTION**

The consolidated Net Profit of Sonae Sierra, for the first half of 2009, was negative in €138.7 million - this compares with a profit of €1.3 million booked in the same period of 2008.

This variation in Net Profit is mainly driven by Indirect Net Profits that were adversely affected by increases in market capitalization yields in Europe, namely in Iberia.

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

The NAV of Sonae Sierra, as of the 30th June 2009, was €1.248 billion and this corresponds to €38.38 per share.

#### **MAIN EVENTS**

The main events during the first seven months of 2009 were the following:

##### **January**

- Sonae Sierra takes over the management of two third-party centres in Spain and Germany. Located in the centre of the German city of Karlsruhe, "Post Galerie" has a Gross Lettable Area (GLA) of 26,000 m<sup>2</sup>, 58 shops, and covers a market of 1.3 million potential consumers. Inaugurated in 1999, the "Los Conquistadores", in Badajoz, has a GLA of 9,700 m<sup>2</sup> and 24 shops, besides a children's play park, five restaurants, eight cinemas and one supermarket. This move reflects Sonae Sierra strategic decision to move into third-party centre management and is proof of the international acknowledgement of our ability to manage shopping centres.
- LOOP5 - second major construction site in Germany receives environmental seal – Sonae Sierra and Foncière Euris have achieved certification in accordance with the ISO 14001 international environmental standard for the management of the construction stage of the Loop5 shopping centre in Weiterstadt after examination by the Lloyd's Register Quality Association (LRQA). Among experts, the certification of the management of the construction in accordance with ISO 14001 is demanding - and Sonae Sierra is the only player in the German market that manages its construction sites in accordance with the ISO 14001 standard.

## **February**

- Sonae Sierra was awarded at the Sustainable Energy Europe Awards (SEE), an initiative of the European Commission with the purpose of awarding the best and the most innovative companies in the area of energetic sustainability at European level. This award, in the Market Transformation category, acknowledges the innovation of Sonae Sierra, in the energetic sustainability area, through the implementation of the "Green Centre" concept in the development and management of its centres.

## **March**

- Sonae Sierra was awarded by Quotidiano Immobiliare as best company in the Retail and Commercial Real Estate sector in Italy. This distinction is the result of a careful selection process carried out by the Steering Committee of Quotidiano Immobiliare made up of 45 among the most important and influential professionals in the Italian real estate industry.
- Sonae Sierra's 2008/2013 Bonds listed on the Lisbon Stock exchange on th 26<sup>th</sup> of March.

## **April**

- Opening of Manauara, in Manaus - Sonae Sierra's 10<sup>th</sup> shopping centre in Brazil, and the 51<sup>st</sup> of its global portfolio, represents an investment of about €88 million. With a GLA of 47,000 m<sup>2</sup>, the centre features 227 shops, 12 of which of large dimensions, including national and international brands, as well as brands well-known to the local public. A total of 52 shops are new to Manaus.
- 8<sup>a</sup> Avenida, Sonae Sierra's shopping centre in S. João da Madeira, Portugal, was distinguished by the International Council of Shopping Centres (ICSC) with the Merit award in the category "New Developments: Medium", at the ICSC European Shopping Centre Awards 2009. Inaugurated in September 2007, 8<sup>a</sup> Avenida brought a new dimension to the shopping and leisure offer in the S. João da Madeira region. With 133 shops, including a supermarket and 14 restaurants, in a Gross Lettable Area (GLA) of 28,268 m<sup>2</sup>, the centre makes available 1,700 free parking spaces.
- Sonae Sierra announced a major change to its corporate bodies for the 2009/2012 mandate. Álvaro Portela has confirmed his intention to retire as CEO of Sonae Sierra at the end of March 2010. The board has approved a number of important decisions and proposals to the Annual General Meeting, implemented on the 1st of April:
  - Fernando Oliveira will move from Sierra Developments to Deputy CEO;
  - Ana Maria Oliveira will move from Sierra Investments to Managing Director of Sierra Developments;
  - Pedro Caupers will move from Property Management & Leasing to Managing Director of Sierra Investments
  - João Correia de Sampaio to be elected to the Board and moved from Property Management and Leasing in Iberia to the same responsibility for Europe, including "Key Accounts".
  - Together with the other Executive Directors, João Pessoa Jorge, Edmundo Figueiredo and António Casanova, this team has on average been at Sierra for more than 18 years and have an unmatched mix of sector knowledge, experience and drive.

## **May**

- Sonae Sierra distinguished at the European Risk Management Awards 2009, an initiative of the British magazine "Strategic Risk", which rewards the best and most innovative actions in the risk management area. This distinction, in the "Best Risk Training Programme" category, acknowledges Sonae Sierra's bet on the development of a Safety & Health culture across the whole company and its shopping centres, namely through the PERSONÆ Project. This distinction is the result of a rigorous selection process carried out by the jury panel of "Strategic Risk", composed by 20 of the most important and prominent scholars and professional of the risk management area in some of the most important multinational companies. Sonae Sierra was also nominated in the "Best Risk Communication of the Year" and "Best Lost Control Strategy of the Year" categories.
- Sonae Sierra and Foncière Euris announced that the LOOP5 centre in Weiterstadt, Germany, will open on October 9, 2009. The large-scale themed centre, whose motto is the world of aviation has a gross lettable area (GLA) of 56,500 m2 with an attractive tenant mix comprising 177 shops and restaurants made up of leading international and national brands as well as local tenants. Owned and developed by Sonae Sierra (50%) and Foncière Euris (50%) the LOOP5 shopping centre represents an investment of €265 million and will create 1,000 jobs.

## **June**

- Sonae Sierra presented the expansion project for GuimarãesShopping, in Guimarães, Portugal. To celebrate its 14th birthday, GuimarãesShopping will benefit from an expansion, representing an investment of 15.2 million euros. After the expansion, the centre will have an extra 4,000 m2 of Gross Lettable Area (GLA), for a new total of 31,500 m2 and will feature a total of 113 shops and 16 restaurants, with 14 new shops and 6 new restaurants, including a new FNAC, which up until now didn't have any stores in the city.
- Sonae Sierra designated as the manager of a third-party centre in Portugal. Inaugurated on the 5<sup>th</sup> of June and located in Tavira, the "Tavira Gran Plaza" centre has a Gross Lettable Area (GLA) of 26,732 m2 and 110 shops, representing an investment of 55 million by its promoter. Sonae Sierra will leverage its centre management know-how in a geographical area where it has no competing property of its own.

## **July**

- Sonae Sierra, an international specialist in shopping centres, won the "Promoter of the Year" prize for the second consecutive year. Part of the "Prémios Construir 2008", the prizes are issued by the "Jornal Construir", a specialized publication for the real estate sector and distinguish the best players in areas like Architecture, Engineering, Constructions and Real Estate.

## **PROSPECTS**

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

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

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

The property investment markets, on the other hand, continue with low levels of liquidity and with prices at historically low levels. This has an immediate impact on the valuation of the shopping centres held by the Group, and a corresponding effect in its Indirect Result. The evolution of these markets is obviously important for the active management of the properties under management by the Group and also for the process of capital recycling that sustains the Group's growth. On this front, the Group believes that there could be positive developments in the near future, namely in terms of growth in liquidity and volume of transactions.

## **BUSINESS ACTIVITIES**

### **SIERRA INVESTMENTS**

Sierra Investments has now a solid portfolio of properties – a total of 39 centres – with centres in operation in all the European markets where Sonae Sierra is present. The table below shows the main indicators for the portfolio, in the percentage of consolidation.

<b>Country</b>	<b>Nr. of centres</b>	<b>GLA (m<sup>2</sup>)</b>	<b>Fixed Rents 6M09 (€000)</b>	<b>Var. Fixed Rents (L-F-L)</b>
Portugal	20	786,404	52,802	1.7%
Spain	13	545,587	26,439	-6.3%
Italy	4	146,665	9,682	23.9%
Germany	2	92,610	8,371	2.6%
Greece	2	65,185	2,904	13.3%
Romania	1	12,249	1,416	-10.1%
	<b>42</b>	<b>1,648,700</b>	<b>101,614</b>	<b>0.5%</b>

## **SIERRA DEVELOPMENTS**

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

At the end of the first six months of 2009, the Company continued to build two new shopping centres and one expansion and has in the development pipeline a total of 11 new projects in Portugal, Italy, Germany, Greece and Romania.

In Portugal, we have continued to work on LeiriaShopping, a new shopping and leisure centre based on the expansion of the existing SC Continente de Leiria hypermarket. This €75 million investment will create a space for approximately 100 shops and restaurants and a new seven-screen cinema. It is due to open in 2010. Besides LeiriaShopping, the Company continued to build the expansion of GuimarãesShopping, which is planned to open in the last quarter of 2009, with a renewed tenant-mix including a FNAC shop.

In Germany, the company is finalising Loop 5 (Weiterstadt) which is due to open on the 9th of October of 2009. Representing an investment of €265 million the shopping centre has already let 95% of its GLA.

Besides those projects already in construction, the pipeline also includes another project in Portugal – Centro Bordalo, one project in Italy – Le Terrazze, one project in Germany – Garbsen, two projects in Greece – Star Dome and Ioannina and three projects in Romania- Craiova, Ploiesti and Parklake.

All these projects are being developed within the framework of our Environmental Management System, which sets the standard for quality and sustainability across our whole portfolio.

Looking ahead, we hope to be able to expand our portfolio of operations in our existing territories and develop fresh projects in new countries.

However, market conditions will curtail our ambition while finance is difficult to arrange and investment partners are reluctant to commit to new schemes. Our more cautious approach will see us delaying the acquisition of sites until we are certain we have commitments from large anchor stores and sound finance in place.

Nevertheless, while we are optimising performance at our existing sites by improving efficiency and costs, we remain optimistic about the long-term future and ready to take advantage of the eventual upturn in market conditions.

## **SIERRA MANAGEMENT**

In line with the current strategy, Sierra Management is actively pursuing third-party owners of shopping centres for its management services. On the first half of 2009, 3 new third-party centres were added, in 3 different countries: Spain ("Los Conquistadores", Badajoz), Germany ("Post Galerie", Karlsruhe) and Portugal ("Tavira Gran-Plaza", Tavira). It now manages 70 centres representing 6,857 contracts and 1,921 million m2 of GLA in Europe, with a new centre (Loop5 in Weiterstadt, Germany) expected for the second half of 2009.

### **Portugal**

Portugal added a new centre under management - the third-party owned "Gran Plaza Tavira". With a portfolio of 32 shopping centres and galleries under management, its performance was affected by the current crisis scenario, with a total of 92 million visits and tenant sales reaching € 994 million, a decrease of 2.1% when compared to the first half of 2008. Sierra Management manages in Portugal a total of 887 thousand m2 GLA, equal to 3,709 tenant contracts. The portfolio occupancy rate was 94.2% against 97.2% in the 2<sup>nd</sup> quarter of 2008.

### **Spain**

Sierra Management added a new third-party centre to its portfolio ("Los Conquistadores", Badajoz), and has a total of 17 shopping centres and galleries under management, with 1,610 tenant contracts, covering 624 thousand m2 of GLA. Performance was affected by the sharp economic slowdown in Spain. During this period, the Spanish portfolio had € 429 million in tenant sales and 41 million visits, an increase of 8.5% over the same period on the previous year, considering the additional portfolio (Plaza Mayor Shopping and Los Conquistadores). The occupancy rate increased slightly to 90.2%.

### **Italy**

Sonae Sierra operation in Italy increased considerably when compared to the previous year, as 2 centres are new (Freccia Rossa, Gli Orsi) and one of the existing was significantly expanded (Valecenter). Sierra Management now has 4 centres under management, with 362 tenant contracts and 147 thousand m2 of GLA. Tenant sales rose to € 106 million, an increase of 269% over the previous year due to the portfolio increase, with 8.5 million visits and 88% occupancy.

### **Greece**

With the opening of Pantheon Plaza on the second half of 2008, Sierra Management now has 2 shopping centre under management, with 470 tenant contracts and 65 thousand m2 of GLA. Tenant sales during this period reached € 94.4 million, an increase of 13.5% over the 1<sup>st</sup> half of 2008, and 5 million visits. The occupancy rate for the total portfolio is now 97.4%.

### **Germany**

Sierra Management currently manages 3 shopping centres in Germany, having added a new third-party centre ("Post Galerie", Karlsruhe). This represents a total of 518 tenant contracts and 120 thousand m2 of GLA. Tenant sales during this period reached € 144 million from 11.6 million visits. The occupancy rate reached 96.7%. A 4<sup>th</sup> centre, Loop5, located in Weiterstadt, is expected to open in October.

### **Romania**

During the first half of 2009, Sierra Management had 2 shopping centres under management in Romania, one of which from a third party owner, with a total of 181 tenant contracts and around 37 thousand m2 of GLA. Visits reached 2.3 million and the occupancy rate was 86.9%.

### **SONAE SIERRA BRAZIL**

In Brazil, Sonae Sierra is the owner (or co-owner) of 10 shopping centres, equal to a total of 358,343 m2 of GLA.

The aim of Sonae Sierra Brazil is to become one of Brazil's leading companies and a partner of choice in the shopping and leisure centre sector. This objective is being achieved through a combination of organic growth and acquisitions, which is being accelerated following the acquisition of 50% of Sonae Sierra Brazil by DDR (Developers Diversified Realty from USA).

In April, Sonae Sierra concluded with success the development of Manauara Shopping (Manaus), representing an investment of €88 million, which was inaugurated with almost 100% of the GLA let.

Sonae Sierra Brazil has now three development projects in pipeline:

- The first is located in the city of Londrina, state of Paraná. The development will be a part of a hotel, residential, commercial and cultural complex. Opening date is scheduled to 2011.
- The second is located in the city of Uberlândia, in the Minas Gerais state. This project will have two levels with 33,000 m2 of GLA. Opening date is scheduled to 2011.
- The third project is located in Goiânia, state of Goiás, and will be the largest and most modern of its kind in the city and its metropolitan area, as it will consist of 78,500 m2 of GLA.

## **FINANCIAL POSITION AND RESULTS**

### **Consolidated Financial Performance**

#### **Profit & Loss Account**

Sonae Sierra Equity Holder's Consolidated Net Profit in the first semester of 2009 was negative of €94.2 million compared with a Consolidated Net Profit of €16.2 million in the same period of last year.

This variation in the Equity Holder's Consolidated Net Profit is mainly driven by the Indirect Net Profit that was adversely affected by the continuous increases in market capitalization yields in Europe, although there were already operational improvements in the Portuguese and German portfolio, but still insufficient to compensate the yield effect.

In the same period Sonae Sierra's Direct Net Profit reached €35.2 million, compared to the €33 million in the same period of 2008 (pro-forma).

The Shopping Centre Operating Income is 7% above the first half of 2008 mostly due to the increase in the portfolio – the openings of 2008 in Europe: Freccia Rossa, Plaza Mayor Shopping, Gli Orsi and Pantheon Plaza; and the opening of Manauara in 2009, in Brazil.

The Company's Net Operating Margin reached €85.9 million in the first semester of 2009, 2% above the same period of last year.

The Company's Results were affected by what happened at the level of Indirect Results. In this area, the Company's Equity Holders booked a loss of €113.9 million at the end of the first semester of 2009, whereas they had booked a loss of €7.7 million in the same period of 2008.

The market value of the investment properties continues to be affected by the negative climate in the properties' markets of most of the developed countries where the Company operates. This context led to an upwards shift of the capitalization yields applied in the valuations carried out on assets in those countries, this increase implying a reduction in the value of the corresponding property.

### **Balance Sheet**

The Consolidated Balance Sheet continues to show a solid financial position. The total assets amounted to €4,129 million at the end of June 2009; the decrease in Investment Properties is fully explained by the devaluation of the investment properties in Europe. As for the Brazilian portfolio, it benefited from the opening of Manauara and a favourable FX effect between December 2008 and June 2009.

The Bank Debt amount remains at a similar level to 2008 year end. The Asset Gearing (measured as net indebtedness less cash and equivalents, as a percentage of total assets excluding cash and equivalents) increased from 45.4% to 47.5%, a level still below the target of 50%.

### **Value Metrics**

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

On the basis of this methodology, the NAV of Sonae Sierra, as of the 30th June 2009, was €1.25 billion, corresponding to a NAV per share of €38.38.

	(€000)
<b>Contribution to consolidated NAV</b>	
Sierra Investments	678.020
Sierra Developments	275.441
Sonae Sierra Brazil	239.602
Sierra Management	2.206
Cash & Others	52.685
<b>Total consolidated NAV</b>	<b>1.247.955</b>

Further to this, the Company uses a second set of value metrics, the Net Operating Margin (NOM) generated by its service activities. In the first semester of 2009, the figures were:

(€000)

	<b>Net Operating Margin</b>	
	<b>6M 09</b>	<b>6M08 PF*</b>
Developments	-40.152	-27.516
Asset Management	3.686	6.263
Property Management	2.050	2.833
<b>Total</b>	<b>-34.416</b>	<b>-18.420</b>
<b>Consolidated</b>	<b>85.879</b>	<b>84.590</b>

The activities Asset Management and Property Management show an adverse variance, basically as a consequence of the value decrease of the existing portfolio and lower letting services.

The Developments' NOM presented has two main components: (i) the operational activity related with the supply of development services to the Company's projects and (ii) the value added in the period to projects during the development phase and the value created on the openings of the last two years.

As a result of the decrease in value of the shopping centres inaugurated in recent years, and the reduced level of services delivered due to the slowdown in the development activity, the Developments Net Operating Margin shows a loss of €40.1 million.

**Sonae Sierra**

<b>Consolidated Profit and Loss Account (€000)</b>	<b>6M 09</b>	<b>6M 08</b>	<b>6M08 PF*</b>	<b>% 09/08 PF</b>
<b>Direct Income from Investments</b>	<b>150.549</b>	<b>157.121</b>	<b>149.167</b>	<b>1%</b>
Operating costs	59.963	63.874	61.344	-2%
Other costs	4.707	3.282	3.233	46%
<b>Direct costs from investments</b>	<b>64.671</b>	<b>67.156</b>	<b>64.577</b>	<b>0%</b>
<b>Net Operating Margin</b>	<b>85.879</b>	<b>89.965</b>	<b>84.590</b>	<b>2%</b>
Depreciation	1.067	1.015	1.015	5%
Net financial costs	42.385	43.742	40.567	4%
Other non-recurrent income/cost	2.751	-716	-716	-
<b>Direct profit before taxes</b>	<b>45.178</b>	<b>44.493</b>	<b>42.293</b>	<b>7%</b>
<b>Corporate tax</b>	<b>10.028</b>	<b>9.624</b>	<b>9.250</b>	<b>8%</b>
<b>Direct net profit</b>	<b>35.150</b>	<b>34.869</b>	<b>33.043</b>	<b>6%</b>
Gains realized on sale of investments	261	13.595	13.595	-98%
Assets at risk provision	-6.440	-4.570	-4.570	-41%
Value created in investments	-213.125	-42.470	-42.913	-397%
<b>Indirect income</b>	<b>-219.304</b>	<b>-33.445</b>	<b>-33.888</b>	<b>-</b>
Deferred tax	-45.410	87	-478	-
<b>Indirect net profit</b>	<b>-173.894</b>	<b>-33.532</b>	<b>-33.410</b>	<b>-</b>
<b>Net profit before minorities</b>	<b>-138.744</b>	<b>1.337</b>	<b>-368</b>	<b>-</b>
<b>Attributable to :</b>				
<b>Equity holders</b>	<b>-94.183</b>	<b>17.479</b>	<b>16.216</b>	<b>-</b>
Minority interests	-44.561	-16.142	-16.583	-169%

**Sonae Sierra**

<b>Consolidated Balance Sheet (€000)</b>	<b>30-06-2009</b>	<b>31-12-2008</b>	<b>Var. (09 - 08)</b>
Investment properties	3.524.427	3.629.503	-105.076
Properties under development and others	364.488	352.171	12.318
Tax shelter	19.478	18.111	1.368
Other assets	165.315	174.406	-9.090
Cash & Equivalents	54.857	117.378	-62.521
<b>Total assets</b>	<b>4.128.566</b>	<b>4.291.567</b>	<b>-163.002</b>
<b>Net worth</b>	<b>985.907</b>	<b>1.103.109</b>	<b>-117.203</b>
<b>Minorities</b>	<b>372.765</b>	<b>419.990</b>	<b>-47.225</b>
Bank loans	1.941.551	1.946.703	-5.152
Shareholder loans from minorities	27.183	27.167	16
Deferred taxes	475.257	516.502	-41.245
Other liabilities	325.902	278.095	47.807
<b>Total liabilities</b>	<b>2.769.894</b>	<b>2.768.468</b>	<b>1.426</b>
<b>Net worth, minorities and liabilities</b>	<b>4.128.566</b>	<b>4.291.567</b>	<b>-163.002</b>

(\*) 6M08 PF\* is restated considering the Sierra Portugal Fund companies only at 42% contribution.

## **Management Financial Statements by business**

We present financial statements by businesses.

### **Sierra Investments – 6M09 Financial Results**

- Shopping Centre Net operating income (NOI) increased by 3% to €86 million
- Direct Profit of €41 million, an increase of 14%
- Losses in Value created on properties of €164 million

In the first six months of 2009, Sierra Investments had a negative contribution to the Consolidated Results of € 85 million. As portfolio owner, it was mostly affected by the upwards adjustment on European market capitalization yields. The company consolidates the Sierra Fund in full, given that it holds effective control with 50.1% of the capital and consolidates the Sierra Portugal Fund by the proportional method, as the interest in SPF is 42%.

#### **Direct profits**

The direct profits of Sierra Investments are derived from the operation of shopping and leisure centres that are part of its portfolio, including those assets that are in the Sierra Fund and in the Sierra Portugal Fund. The direct profits also include the asset management services provided to the properties by Sierra Asset Management.

Direct Profit was 14% above previous year, mainly due to higher shopping centre operating margin (increase of the portfolio and the organic growth of the existing portfolio) and higher financial result (due to lower interest rates on the loans paying variable interest rate), partially compensated by the adverse variance in Asset Management Operating Margin.

The decrease in asset management net operating income over 2008 is due to lower income – decrease in the investment properties market value, as well as, a reduction in the fee charged to Sierra Fund properties.

Net Financial costs are 8% lower compared to 2008 because of lower interest rates, as financial costs are around €9 million lower than in previous year, mainly due to the decrease in the market interest rates and also due to the change in the consolidation method of SPF, which changed from total to proportional.

#### **Indirect profits**

The market value of the investment properties continues to be affected by the negative climate in the properties' markets of most of the developed countries where the Company operates. This context led to an upwards shift of the capitalization yields applied in the valuations carried out on assets in those countries, this increase implying a reduction in the value of the corresponding property. The losses in value created on investment properties reached the amount of €164 million in the first half of 2009, reflecting the mentioned average yield increase.

**Sierra Investments**

<b>Profit &amp; Loss Account</b> (€000)	<b>6M 09</b>	<b>6M 08</b>	<b>% 09/08</b>
Fixed Rental Income	101.614	100.486	1%
Turnover Rental Income	1.913	3.173	-40%
Key-Money Income	3.049	3.516	-13%
Other Income	3.713	4.472	-17%
<b>Retail Operating Income</b>	<b>110.290</b>	<b>111.648</b>	<b>-1%</b>
Property Management Services	5.016	5.748	-13%
Asset Management Services	8.577	12.163	-29%
Letting & Promotion	823	849	-3%
Capital Expenditures	1.250	1.843	-32%
Other Costs	10.807	9.881	9%
<b>Retail Operating Costs</b>	<b>26.472</b>	<b>30.485</b>	<b>-13%</b>
<b>Retail Net Operating Margin</b>	<b>83.817</b>	<b>81.163</b>	<b>3%</b>
Parking Net Operating Margin	1.486	1.482	0%
Co-generation Net Operating Margin	688	637	8%
<b>Shopping Centre Net Operating Income</b>	<b>85.991</b>	<b>83.281</b>	<b>3%</b>
Offices Net Operating Income	98	100	-2%
Income from Asset Management Services	10.002	12.683	-21%
Overheads	6.316	6.419	-2%
<b>Asset Management Net Operating Income</b>	<b>3.686</b>	<b>6.263</b>	<b>-41%</b>
<b>Net Operating Income (NOI)</b>	<b>89.776</b>	<b>89.645</b>	<b>0%</b>
Depreciation and Provisions	2.402	1.223	96%
<b>Recurrent net financial costs/(income)</b>	<b>39.025</b>	<b>42.234</b>	<b>-8%</b>
Non-Recurring costs/(income)	-2.363	-101	-
<b>Results Before Corporate Taxes</b>	<b>50.711</b>	<b>46.289</b>	<b>10%</b>
Corporate Taxes	9.525	10.134	-6%
<b>Direct Profit</b>	<b>41.185</b>	<b>36.154</b>	<b>14%</b>
Realized Property Profit	-428	2.078	-121%
Non-Realised Property Profit	-163.703	-56.738	-189%
<b>Total Indirect Income from Investments</b>	<b>-164.131</b>	<b>-54.661</b>	<b>-200%</b>
Deferred tax	-37.965	-4.682	-
<b>Indirect Profit</b>	<b>-126.166</b>	<b>-49.979</b>	<b>-152%</b>
<b>Net Profit for the Period</b>	<b>-84.981</b>	<b>-13.824</b>	<b>-</b>
<b>Attributable to :</b>			
<b>Equity holders</b>	<b>-45.047</b>	<b>-80</b>	<b>-</b>
Minority interests	-39.934	-13.744	-191%

**Sierra Investments**

<b>Consolidated Balance Sheet</b> (€000)	<b>30-06-2009</b>	<b>31-12-2008</b>	<b>Var. (09 - 08)</b>
Investment properties & others	3.253.773	3.454.681	-200.908
Tenants	23.097	19.820	3.276
Deferred taxes	16.500	15.871	629
Other assets	130.351	110.293	20.057
Group companies	44.678	147.429	-102.751
Cash & Equivalents	26.788	36.238	-9.450
<b>Total assets</b>	<b>3.495.187</b>	<b>3.784.333</b>	<b>-289.146</b>
<b>Net worth</b>	<b>714.840</b>	<b>794.288</b>	<b>-79.448</b>
<b>Minorities</b>	<b>366.164</b>	<b>412.839</b>	<b>-46.675</b>
Bank loans	1.789.510	1.807.633	-18.123
Shareholder loans	27.855	35.096	-7.240
Deferred taxes	431.945	480.566	-48.620
Group companies - Sierra Developments	50.104	88.535	-38.432
Other liabilities	114.769	165.377	-50.609
<b>Total liabilities</b>	<b>2.414.183</b>	<b>2.577.206</b>	<b>-163.024</b>
<b>Net Worth, minorities and liabilities</b>	<b>3.495.187</b>	<b>3.784.333</b>	<b>-289.146</b>

**Sierra Developments – 6M09 Financial Results**

- Development Services delivered of €2.7 million
- Net Profit attributable to Equity holders was negative on €41.7 million

**Sierra Developments Net Profit**

Sierra Developments contributed negatively with € 41.7 million to the Consolidated Net Profit of Sonae Sierra. This negative contribution is mainly related to the negative value created in the investment properties sold to Sierra Investments.

In the case of properties sold to Sierra Investments, opened of less than two years ago, the negative indirect result is a loss of the Developments business.

The income from the development services, capitalized on the projects under development, is lower than on the previous year, mainly related to a reduced pipeline of ongoing projects when compared with the previous year when Sierra had four inaugurations.

The operating costs decreased by 14% when compared with 2008, in line with a slowdown in the business operation, due to the actual property and financial markets conditions.

**Sierra Developments**

<b>Profit &amp; Loss Account</b> <b>(€000)</b>	<b>6M 09</b>	<b>6M 08</b>	<b>% 09/08</b>
Project Development Services Rendered	2.723	6.412	-58%
Value created in projects	-29.646	-18.585	-60%
<b>Operating Income</b>	<b>-26.922</b>	<b>-12.173</b>	<b>-121%</b>
Personnel costs	5.584	5.859	-5%
Other costs	7.645	9.484	-19%
<b>Operating costs</b>	<b>13.229</b>	<b>15.343</b>	<b>-14%</b>
<b>Net Operating Income (NOI)</b>	<b>-40.152</b>	<b>-27.516</b>	<b>-46%</b>
Depreciation and provisions	8	16	-49%
Net financial costs/(income)	3.104	2.572	21%
<b>Profit Before Taxes</b>	<b>-43.264</b>	<b>-30.104</b>	<b>-44%</b>
Corporate taxes	-1.924	-3.697	48%
Deferred tax	377	-4.385	109%
<b>Net Profit for the Period</b>	<b>-41.717</b>	<b>-22.023</b>	<b>-89%</b>
<b>Attributable to :</b>			
<b>Equity holders</b>	<b>-41.717</b>	<b>-22.023</b>	<b>-89%</b>
Minority interests	0	0	-

**Sierra Developments**

<b>Consolidated Balance Sheet</b> <b>(€000)</b>	<b>30-06-2009</b>	<b>31-12-2008</b>	<b>Var.</b> <b>(09 - 08)</b>
Properties under development	333.070	289.855	43.215
Customers	1.564	2.556	-992
Group companies - Sierra Investments	50.104	88.535	-38.432
Other assets	20.889	40.550	-19.662
Group Companies	110.376	55.914	54.462
Cash & Equivalents	15.997	12.107	3.890
<b>Total assets</b>	<b>531.999</b>	<b>489.518</b>	<b>42.481</b>
<b>Net worth</b>	<b>20.009</b>	<b>62.940</b>	<b>-42.932</b>
<b>Minorities</b>	<b>0</b>	<b>0</b>	<b>0</b>
Bank loans	87.208	62.999	24.209
Shareholder loans	320.168	312.600	7.568
Deferred taxes	1.366	992	374
Other liabilities	103.249	49.987	53.262
<b>Total liabilities</b>	<b>511.990</b>	<b>426.577</b>	<b>85.413</b>
<b>Net worth, minorities and liabilities</b>	<b>531.999</b>	<b>489.518</b>	<b>42.481</b>

### Sierra Management

This business contributed with €1.6 million to the Consolidated Results of Sonae Sierra during the first half of 2009, which compares with €2.2 million in the same period of last year.

Net Operating Income (NOI) for this period was €2.1 million versus €2.8 million for the same period last year. The 28% decrease in NOI was mostly driven by the 42% decrease in letting services income due to lower openings both during this period and expected for the second half of 2009. Property Management Services decreased slightly (-2%) reflecting the deterioration of economic situation in Europe resulting in lower tenant sales and an increase in vacancy.

The 3% decrease in operating costs when compared to the same period of last year results from the cost reduction effort being made in the entire managed portfolio. This effort affects both personnel and services costs.

Financial income decreases (30%) due to lower interest rates.

### Sierra Management

	6M 09	6M 08	% 09/08
Property Management Income	14.373	14.647	-2%
Letting Services Income	1.260	2.159	-42%
Other income	1.261	1.357	-7%
<b>Total income from management services</b>	<b>16.894</b>	<b>18.162</b>	<b>-7%</b>
Operating costs	14.845	15.330	-3%
<b>Net operating income (NOI)</b>	<b>2.050</b>	<b>2.833</b>	<b>-28%</b>
Depreciation and Provisions	212	418	-49%
Net financial costs/(income)	-623	-888	30%
Non-recurring costs/(income)	-110	-30	-266%
<b>Results Before Corporate Taxes</b>	<b>2.570</b>	<b>3.333</b>	<b>-23%</b>
Corporate taxes	1.003	1.179	-15%
<b>Net Profit for the period</b>	<b>1.567</b>	<b>2.154</b>	<b>-27%</b>
<b>Atributable to :</b>			
<b>Equity holders</b>	<b>1.516</b>	<b>2.103</b>	<b>-28%</b>
Minority interests	51	51	1%

### Sierra Management

Consolidated Balance Sheet (€000)	30-06-2009	31-12-2008	Var. (09 - 08)
Net fixed assets	399	452	-53
Goodwill	4.257	4.663	-405
Tenants	19.873	16.317	3.556
Tax Shelter	858	731	127
Other assets	10.408	9.195	1.214
Short term investment in group companies	19.222	19.956	-734
Cash & Equivalents	4.040	4.059	-18
<b>Total assets</b>	<b>59.059</b>	<b>55.372</b>	<b>3.687</b>
<b>Net worth</b>	<b>2.206</b>	<b>4.453</b>	<b>-2.247</b>
<b>Minorities</b>	<b>87</b>	<b>127</b>	<b>-40</b>
Shareholder Loans	50	140	-90
Other liabilities	56.716	50.652	6.064
<b>Total liabilities</b>	<b>56.766</b>	<b>50.792</b>	<b>5.974</b>
<b>Net Worth, minorities and liabilities</b>	<b>59.059</b>	<b>55.372</b>	<b>3.687</b>

### **Sonae Sierra Brazil**

Sonae Sierra Brazil comprises development, investment and property management activities in Brazil.

Retail Operating Income reached €20.6 million, an increase of 10% compared with the same period of 2008, mainly related to the opening of Manauara shopping centre and also due to the increase in the activity of the existing centres.

The NOI rose from €13.7 million to €15.3 million, an increase of 11% compared to the first half of 2008. Besides the higher retail operating income, this growth is also sustained by growing income from the services rendered, due to a larger portfolio of projects under development (Londrina, Uberlândia and Goiânia).

When compared with the same period of 2008, the Indirect Result decreased from a profit of €42.8 million in the first half 2008 to a loss of €2.1 million in the first half 2009. This change is mainly due to lower value created in investments properties, as in the first half of 2008 there has been an yield compression which led to a value created in investments properties of €53 million, while in the first half of 2009, the yields remain stable.

**Sonae Sierra Brazil**

<b>Profit &amp; Loss Account (€000)</b>	<b>6M 09</b>	<b>6M 08</b>	<b>% 09/08</b>
Fixed Rental Income	16,768	15,666	7%
Turnover Rental Income	1,207	1,290	-6%
Key-Money Income	1,733	1,049	65%
Other Income	904	658	37%
<b>Retail Operating Income</b>	<b>20,612</b>	<b>18,662</b>	<b>10%</b>
Property Management Services	885	898	-1%
Letting & Promotion Services	510	351	45%
Other Costs	2,796	2,634	6%
<b>Retail Operating Costs</b>	<b>4,191</b>	<b>3,883</b>	<b>8%</b>
Parking Net Operating Margin	603	441	37%
<b>Shopping Centre Net Operating Margin</b>	<b>17,025</b>	<b>15,220</b>	<b>12%</b>
Income from Project Development Services	1,481	236	-
Income from Property Management Services	3,606	3,589	0%
<b>Total Income from Services Rendered</b>	<b>5,087</b>	<b>3,825</b>	<b>33%</b>
Overheads	6,860	5,331	29%
<b>Net Operating Income (NOI)</b>	<b>15,252</b>	<b>13,715</b>	<b>11%</b>
Depreciation	200	90	122%
Provisions	195	480	-59%
Net financial costs/(income)	1,795	-353	-
Non-recurring costs/(income)	9	719	-99%
<b>Results Before Corporate Taxes</b>	<b>13,054</b>	<b>12,779</b>	<b>2%</b>
Corporate taxes	2,068	2,594	-20%
<b>Direct Profit</b>	<b>10,986</b>	<b>10,185</b>	<b>8%</b>
Realised Property Profit	0	1,073	-
Non-Realised Property Profit	-8,084	53,059	-115%
Non-Realised Property Profit (Under Dev.)	1,731	8,823	-80%
<b>Total Indirect Income from Investments</b>	<b>-6,353</b>	<b>62,955</b>	<b>-110%</b>
Deferred tax	-4,242	20,125	-121%
<b>Indirect profit</b>	<b>-2,111</b>	<b>42,830</b>	<b>-105%</b>
<b>Net Profit for the Period</b>	<b>8,875</b>	<b>53,015</b>	<b>-83%</b>
<b>Attributable to:</b>			
<b>Equity holders</b>	<b>8,706</b>	<b>51,292</b>	<b>-83%</b>
Minority interests	169	1,722	-90%

**Sonae Sierra Brazil**

<b>Consolidated Balance Sheet (€000)</b>	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>Var. (09 - 08)</b>
Properties	593,118	461,041	132,077
Tenants	6,190	5,968	222
Deferred taxes	4,022	3,287	736
Other assets	20,797	14,817	5,980
Cash & Equivalents	4,255	3,929	326
<b>Total Assets</b>	<b>628,382</b>	<b>489,042</b>	<b>139,340</b>
<b>Net worth</b>	<b>436,101</b>	<b>349,812</b>	<b>86,289</b>
<b>Minorities</b>	<b>16,883</b>	<b>13,332</b>	<b>3,551</b>
Bank loans	74,733	41,980	32,752
Deferred taxes	81,261	71,021	10,240
Other liabilities	19,405	12,896	6,508
<b>Total liabilities</b>	<b>175,398</b>	<b>125,898</b>	<b>49,500</b>
<b>Net Worth, minorities and liabilities</b>	<b>628,382</b>	<b>489,042</b>	<b>139,340</b>

Maia, 20 August 2009.

The Board of Directors

Duarte Paulo Teixeira de Azevedo  
Chairman (non-executive)

Álvaro Carmona e Costa Portela  
President

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Fernando Maria Guedes Machado Antunes Oliveira  
Vice President

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Ana Maria Guedes Antunes de Oliveira  
Director (non-executive)

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José Edmundo Medina Barroso de Figueiredo  
Director

---

Ângelo Ribeirinho Paupério  
Director (non-executive)

---

Mark Robin Preston  
Director (non-executive)

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António José Santos Silva Casanova  
Director

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Neil Leslie Jones  
Director (non-executive)

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João Eduardo Correia de Sampaio  
Director

---

Nicholas Richard Scarles  
Director (non-executive)

---

João Gonçalo Sasseti Pessoa Jorge  
Director

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Pedro José D'Hommée Caupers  
Director

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

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

Maia, 20 August 2009

The Board of Directors

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

## STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2009 AND 2008 AND 31 DECEMBER 2008

(Translation of balance sheets originally issued in Portuguese - Note 13)

(Amounts stated in Euro)

ASSETS	Notes	30 June 2009	31 December 2008
<b>NON CURRENT ASSETS:</b>			
Investment properties	5	3,273,736,393	3,367,900,315
Investment properties in progress	5	336,085,448	319,473,774
Property, plant and equipment		3,137,353	3,157,778
Goodwill	6	49,891,134	49,891,134
Intangible assets		5,850,238	6,018,443
Investments in associates and companies excluded from consolidation	3	82,153,036	90,819,350
Deferred tax assets		32,822,386	29,298,963
Derivative financial instruments		49,603	150,019
State and other public entities		101,954	101,954
Other non current assets		21,470,220	21,126,422
Total non current assets		<u>3,805,297,765</u>	<u>3,887,938,152</u>
<b>CURRENT ASSETS:</b>			
Trade receivables		38,603,424	34,016,532
State and other public entities		45,177,486	50,851,560
Other receivables		40,558,024	34,613,660
Other current assets		16,503,890	25,225,551
Cash and cash equivalents		49,299,314	110,255,972
Total current assets		<u>190,142,138</u>	<u>254,963,275</u>
Assets held for sale		11,565,000	11,565,000
Total assets		<u><u>4,007,004,903</u></u>	<u><u>4,154,466,427</u></u>
<b>EQUITY, MINORITY INTERESTS AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital		162,244,860	162,244,860
Reserves		57,329,112	57,329,112
Translation Reserve		(14,113,398)	(44,900,171)
Hedging Reserve		(24,466,344)	(17,883,782)
Retained earnings		899,095,442	1,062,445,216
Consolidated net profit for the period attributable to the equity holders of Sonae Sierra		(94,183,115)	(116,126,337)
Equity attributable to the equity holders of Sonae Sierra		<u>985,906,557</u>	<u>1,103,108,898</u>
Minority interests	10	372,790,478	419,990,239
Total Equity		<u>1,358,697,035</u>	<u>1,523,099,137</u>
<b>LIABILITIES:</b>			
<b>NON CURRENT LIABILITIES:</b>			
Long term debt - net of current portion	7	1,570,511,226	1,641,263,920
Debentures loans - net of current portion	7	74,600,106	74,550,091
Derivative financial instruments	7	44,925,274	32,637,612
Other shareholders	9	11,567,337	13,715,980
Finance Lease Creditors		839,653	839,653
Trade payables		2,260,892	860,626
Other non current liabilities		14,155,619	14,008,647
Provisions		10,839,439	109,182
Deferred tax liabilities		468,421,054	504,682,107
Total non current liabilities		<u>2,198,120,600</u>	<u>2,282,667,818</u>
<b>CURRENT LIABILITIES:</b>			
Current portion of long term debt	7	173,847,803	100,502,128
Current portion of long term of debentures loans	7	(98,451)	(96,091)
Short term debt and other borrowings	8	7,283,311	12,040,423
Other shareholders	9	61,855,590	12,859,662
Trade payables		64,694,495	68,907,753
State and other public entities		21,542,376	14,234,365
Other payables		21,668,333	23,577,969
Other current liabilities		99,393,811	116,673,263
Total current liabilities		<u>450,187,268</u>	<u>348,699,472</u>
Total equity, minority interests and liabilities		<u><u>4,007,004,903</u></u>	<u><u>4,154,466,427</u></u>

The accompanying notes form an integral part of these consolidated statements of profit and loss.

The Board of Directors



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

### CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE

FOR THE PERIODS ENDED 30 JUNE 2009 AND 2008

(Translation of balance sheets originally issued in Portuguese - Note 13)

(Amounts stated in Euro)

	Notes	2009	31.12.2008	2008
<b>Operating revenue:</b>				
Services rendered		178,891,705	364,776,068	181,849,665
Variation in fair value of the investment properties	5	(200,847,968)	(230,413,765)	(43,331,078)
Other operating revenue		10,169,820	20,723,757	9,869,530
<b>Total operating revenue</b>		<b>(11,786,443)</b>	<b>155,086,060</b>	<b>148,388,117</b>
<b>Operating expenses:</b>				
Cost of inventories sold		-	-	-
External supplies and services		(70,596,577)	(153,067,733)	(70,643,569)
Personnel expenses		(27,700,520)	(52,464,351)	(26,424,490)
Depreciation and amortisation		(1,112,450)	(2,368,863)	(1,068,073)
Provisions and impairment		(5,502,104)	(3,799,994)	(1,969,992)
Other operating expenses		(11,322,476)	(74,635,983)	(10,010,717)
<b>Total operating expenses</b>		<b>(116,234,127)</b>	<b>(286,336,924)</b>	<b>(110,116,841)</b>
<b>Net operating profit</b>		<b>(128,020,570)</b>	<b>(131,250,864)</b>	<b>38,271,276</b>
<b>Financial income</b>				
Financial income		4,295,073	27,689,403	14,170,948
<b>Financial expenses</b>				
Financial expenses		(43,135,021)	(115,473,331)	(57,271,521)
Share of results of associated undertakings	3	(6,039,868)	(7,208,152)	521,850
Investment income	4	829,316	21,882,988	14,779,749
<b>Profit before income tax</b>		<b>(172,071,070)</b>	<b>(204,359,956)</b>	<b>10,472,302</b>
<b>Income tax</b>				
Income tax		33,326,641	6,175,529	(9,135,297)
<b>Profit after income tax</b>		<b>(138,744,429)</b>	<b>(198,184,427)</b>	<b>1,337,005</b>
<b>Net profit after tax from discontinuing operations</b>				
Net profit after tax from discontinuing operations		-	-	-
<b>Consolidated net profit for the period</b>		<b>(138,744,429)</b>	<b>(198,184,427)</b>	<b>1,337,005</b>
<b>Attributable to:</b>				
Equity holders of Sonae Sierra		(94,183,115)	(116,126,337)	17,478,759
Minority interests	10	(44,561,314)	(82,058,090)	(16,141,754)
<b>Consolidated net profit per share:</b>		<b>(138,744,429)</b>	<b>(198,184,427)</b>	<b>1,337,005</b>
<b>Consolidated net profit per share:</b>				
Basic		(2.897)	(3.572)	0.538
Diluted		(2.897)	(3.572)	0.538

The accompanying notes form an integral part of these consolidated statements of profit and loss.

The Board of Directors



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

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED 30 JUNE 2009 AND 2008

*(Translation of balance sheets originally issued in Portuguese - Note 13)*

*(Amounts stated in Euro)*

	Notes	2009	2008
Consolidated net profit for the period		(138,744,429)	1,337,005
Changes in the currency translation differences		32,012,968	6,837,473
Changes in the fair value of hedging instruments		(13,566,435)	22,213,158
Income tax related to components of other comprehensive income		3,387,470	(5,606,182)
Others		(757,552)	(6,762)
Other comprehensive income of the period		21,076,451	23,437,687
Total comprehensive income for the period		<u>(117,667,978)</u>	<u>24,774,692</u>
Attributable to:			
Equity holders of Sonae Sierra		(70,382,181)	17,378,261
Minority interests		<u>(47,285,797)</u>	<u>7,396,431</u>
		<u>(117,667,978)</u>	<u>24,774,692</u>

The accompanying notes form an integral part of these consolidated statements of profit and loss.

The Board of Directors



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

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 JUNE 2009 AND 2008

(Translation of balance sheets originally issued in Portuguese - Note 13)

(Amounts stated in Euro)

	Attributable to Equity Holders of Sonae Sierra									
	Notes	Share capital	Reserves			Retained earnings	Net profit	Total	Minority Interests	Total
			Legal Reserves	Translation reserve	Hedging reserve					
Balance at 31 December 2007		162,244,860	57,329,112	2,642,409	5,697,406	896,326,381	214,896,663	1,339,136,831	448,969,565	1,788,106,396
Appropriation of consolidated net profit for 2007:										
Transfer to legal reserves and retained earnings		-	-	-	-	165,150,243	(165,150,243)	-	-	-
Dividends distributed		-	-	-	-	-	(49,746,420)	(49,746,420)	(6,704,366)	(56,450,786)
Currency translation differences		-	-	6,556,564	-	-	-	6,556,564	280,909	6,837,473
Fair value of hedging instruments	7	-	-	-	12,758,694	-	-	12,758,694	9,454,464	22,213,158
Deferred tax in fair value of hedging instruments	7	-	-	-	(3,267,418)	-	-	(3,267,418)	(2,338,764)	(5,606,182)
Capital increase		-	-	-	-	-	-	-	78,065,960	78,065,960
Acquisitions/sale of subsidiaries effect (Note 3)	4	-	-	-	(778,457)	778,457	-	-	82,770,453	82,770,453
Consolidated net profit for period ended 30 June 2008		-	-	-	-	-	17,478,759	17,478,759	(16,141,754)	1,337,005
Others		-	-	-	-	(6,584)	-	(6,584)	(178)	(6,762)
Balance at 30 June 2008		<u>162,244,860</u>	<u>57,329,112</u>	<u>9,198,973</u>	<u>14,410,225</u>	<u>1,062,248,497</u>	<u>17,478,759</u>	<u>1,322,910,426</u>	<u>594,356,289</u>	<u>1,917,266,715</u>
Balance at 31 December 2008		162,244,860	57,329,112	(44,900,171)	(17,883,782)	1,062,445,216	(116,126,337)	1,103,108,898	419,990,239	1,523,099,137
Appropriation of consolidated net profit for 2007:										
Transfer to legal reserves and retained earnings		-	-	-	-	(116,126,337)	116,126,337	-	-	-
Dividends distributed		-	-	-	-	(46,820,160)	-	(46,820,160)	(15,735)	(46,835,895)
Currency translation differences		-	-	30,786,773	-	-	-	30,786,773	1,226,195	32,012,968
Fair value of hedging instruments	7	-	-	-	(8,869,564)	-	-	(8,869,564)	(4,696,871)	(13,566,435)
Deferred tax in fair value of hedging instruments	7	-	-	-	2,287,002	-	-	2,287,002	1,100,468	3,387,470
Capital increase		-	-	-	-	-	-	-	101,771	101,771
Consolidated net profit for period ended 30 June 2009		-	-	-	-	-	(94,183,115)	(94,183,115)	(44,561,314)	(138,744,429)
Others		-	-	-	-	(403,277)	-	(403,277)	(354,275)	(757,552)
Balance at 30 June 2009		<u>162,244,860</u>	<u>57,329,112</u>	<u>(14,113,398)</u>	<u>(24,466,344)</u>	<u>899,095,442</u>	<u>(94,183,115)</u>	<u>985,906,557</u>	<u>372,790,478</u>	<u>1,358,697,035</u>

The accompanying notes form an integral part of these consolidated statement of changes in equity.

The Board of Directors

## SONAE SIERRA, SGPS, S.A. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED 30 JUNE 2009 AND 2008

(Translation of balance sheets originally issued in Portuguese - Note 13)

(Amounts stated in Euro)

	2009	2008
<b>OPERATING ACTIVITIES:</b>		
Received from clients	178,645,367	182,660,521
Paid to suppliers	(71,155,835)	(64,785,970)
Paid to personnel	(29,476,405)	(28,506,081)
<b>Flows from operations</b>	<b>78,013,127</b>	<b>89,368,470</b>
(Payments)/receipts of income tax	(5,132,516)	(7,005,772)
Other (payments)/receipts relating to operating activities	7,609,235	268,153
<b>Flows from operating activities [1]</b>	<b>80,489,846</b>	<b>82,630,851</b>
<b>INVESTING ACTIVITIES:</b>		
<b>Receipts relating to:</b>		
Investments	2,072,107	91,019,760
Tangible fixed assets	7,508,262	10,469,625
Interest income	3,866,115	1,078,273
Dividends	18,007	13,572,963
Other	4,771,644	-
	18,236,135	116,140,621
<b>Payments relating to:</b>		
Investments	(893,205)	(6,697,565)
Tangible fixed assets	(100,583,504)	(174,764,115)
Intangible fixed assets	(245,885)	(391,510)
Other	(2,205,044)	(6,430,823)
Variation in Loans granted	(1,144,742)	(14,848,527)
<b>Flows from investing activities [2]</b>	<b>(86,836,245)</b>	<b>(86,991,919)</b>
<b>FINANCING ACTIVITIES:</b>		
<b>Receipts relating to:</b>		
Capital increase and share premiums	-	3,216,000
Bank loans obtained	50,345,079	-
Other	-	3,216,000
	50,345,079	3,216,000
<b>Payments relating to:</b>		
Interest expenses	(46,583,723)	(53,145,225)
Dividends	(359,334)	(54,330,036)
Decrease of share capital - nominal value and discounts and premiums	-	-
Bank loans obtained	(55,120,058)	-
Other	-	(107,475,261)
Variation in Loans obtained - others	596,793	140,473,565
<b>Flow from financing activities [3]</b>	<b>(51,121,243)</b>	<b>36,214,304</b>
<b>Variation in cash and cash equivalents [4]=[1]+[2]+[3]</b>	<b>(57,467,642)</b>	<b>31,853,236</b>
<b>Effect of exchange differences</b>	<b>284,449</b>	<b>3,933</b>
<b>Effect of the acquisitions and sales of companies:</b>		<b>305</b>
Harvey Dos	1,003,025	-
Vuelta	(19,424)	-
<b>Cash and cash equivalents at the beginning of the year</b>	<b>98,215,595</b>	<b>55,988,648</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>42,016,003</b>	<b>87,846,122</b>

The accompanying notes form an integral part of these consolidated statements of cash flows.

# **SONAE SIERRA, SGPS, S.A. AND SUBSIDIARIES**

## Notes to the consolidated financial statements as of 30 June 2009

*(Translation of notes originally issued in Portuguese – Note 13)*

*(Amounts stated in Euro)*

### **1 INTRODUCTION**

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

The Group’s operations consist of Investment, Management and Development of Shopping Centres.

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

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

### **2 PRINCIPAL ACCOUNTING POLICIES**

The half year consolidated financial statements of Sonae Sierra have been prepared on a going concern basis, from the accounting records of the companies included in the consolidation, maintained in accordance with generally accepted accounting principles in the countries of each company adjusted in the consolidation process, to International Financial Reporting Standards (“IFRS”), as approved by the European Union, applicable to economic years beginning on 1 January 2009.

The accompanying consolidated financial statements refer to the half year ended 30 June 2009 consolidated accounts of Sonae Sierra and have been prepared according to the International Financial Reporting Standards (“IFRS”), as adopted by the European Union, for the interim financial reporting (IAS34).

The Board of Directors of the Company considers that the accompanying consolidated financial statements and their notes have, under IAS 34 – Interim Financial Reporting, an adequate presentation of the interim consolidated information. For additional information about the accounting policies of the Group and other information, the consolidated financial statements of the Company and their notes for the year 2008 should be consulted.

## New accounting standards and their impact in these consolidated financial statements

Until the date of approval of these consolidated financial statements, the European Union endorsed the following standards and interpretations, mandatorily applicable to the economic year of the Group, beginning in 1 January 2009:

	<u>Effective Date</u>
IFRS 1/IAS 27 - Measuring investments in subsidiaries, jointly controlled entities and associates on first time adoption	01-Jan-09
IAS 39/IFRS 7 – Reclassification of Financial Assets	01-Jul-08
IFRS 2 - Share Based Payments (Amendments) - Vesting Conditions and Cancellations	01-Jan-09
IFRS 8 - Operating Segments	01-Jan-09
IAS 1 - Presentation of financial statements (Revised)	01-Jan-09
IAS 23 - Borrowing costs (Revised)	01-Jan-09
IAS 32/IAS 1 - Puttable instruments	01-Jan-09
Annual Improvements 2007 (*)	01-Jan-09
IFRIC 13 - Customer loyalty programmes	01-Jul-08

(\*) The Annual Improvements 2007, includes the revision of 32 accounting standards, including the IAS 40 - Investment Property

With the exception of IAS 40- Investment Property (part of the “Annual Improvements 2007”), which the Group decided to adopt early in 2008, the other standards endorsed by the European Union, as mentioned above, were adopted by the Group for the first time in 2009, since they do not represent any significant impact in the consolidated financial reports, with the exception of the changes on the presentation level, under IAS 1- Presentation of financial statements (revised) and IFRS 8 – Operating Segments.

The revision of the IAS 40 – Investment Property, is part of the “Annual Improvements 2007” and has as consequence a change in the treatment of investment properties under construction or development, now covered by IAS 40 – Investment Property, whereas previously they were covered by IAS 16 – Property, Plant and Equipment. Under this change of scope of IAS 40 – Investment Property, prospectively adopted by the Group as from 2008, the investment properties under development will be (if the fair value model is adopted for the subsequent investment property valuation), when the conditions to determine a reliable fair value are met, measured at fair value and the counterpart will be booked in the income statement.

As of the approval date of the financial statements, were endorsed by the European Union the following standards, with mandatory applicability in future economic years:

	<u>Effective Date</u>
IFRS 3/IAS 27 (Revised 2008)	01-Jul-09
IFRIC 12 - Service concession arrangements	01-Jan-10
IFRIC 15 – Agreements for the construction of Real Estate	01-Jan-10
IFRIC 16 – Hedges of a Net Investment in a Foreign Operation	01-Jul-09

These standards already issued by the European Union were not adopted by the Group on the first half of 2009, as its applicability is not mandatory. It is not expected to have significant prospective impacts on the financial statements of the Group, due to the adoption of those standards.

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

	Effective Date
IAS 39 – Amendments (eligible hedged items)	01-Jul-09
IFRIC 17 – Distribution of Non-cash Assets to Owners	01-Jul-09
IFRIC 18 – Transfer of assets from customers	01-Jul-09
Amendment to IFRS7 - Improving disclosures about financial instruments	01-Jan-09
Improvements to IFRS (2008)	Several (the first date will be 01-Jul-09)

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

### 3 INVESTMENTS IN ASSOCIATES AND COMPANIES EXCLUDED FROM CONSOLIDATION

The associated companies and other companies excluded from consolidation, their head offices, percentages of their share capital held by the Group and balance as of 30 June 2009 and 31 December 2008, are as follows:

	Head Office	30 June 2009				% own	Balance sheet amount	Net profit held
		Assets	Liabilities	Equity	Net Profit			
<b>Associated companies:</b>								
Campo Limpo Lda	S. Paulo (Brazil)	36,152,305	7,901,477	28,250,828	1,513,668	10.00%	2,825,086	151,367
Mediterranean Cosmos Shopping Centre Investments S.A.	Athens (Greece)	197,098,336	130,697,037	66,401,299	2,751,027	19.95%	13,247,060	548,829
SIC INDOOR - Gestão de Suportes de Publicidade, S.A.	Lisbon	182,686	1,376,426	(1,193,740)	(149,634)	35%	-	-
Sierra Portugal Real Estate ("SPF") <sup>(1)</sup>	Luxemburg	380,591,665	254,827,572	125,764,093	(16,115,119)	42%	52,820,920	(6,768,350)
Goodwill SPF (Note 4)							12,823,766	-
Sonaegest - Soc. Gestora de Fundos de Investimento, S.A.	Maia	2,175,604	235,041	1,940,563	141,428	20%	388,113	28,286
							82,104,945	(6,039,868)
<b>Other participations:</b>								
Ercasa Cogeneración S:A	Grancasa (Spain)					5%	48,091	-
							48,091	-
							82,153,036	(6,039,868)

	Head Office	31 December 2008					% own	Balance sheet amount	Net profit held
		Assets	Liabilities	Equity	Net Profit				
<b>Associated companies:</b>									
Campo Limp Lda	S. Paulo (Brazil)	29,144,678	6,419,124	22,725,554	5,109,965	10.00%	2,272,558	510,996	
Mediterranean Cosmos Shopping Centre Investments S.A.	Athens (Greece)	205,964,757	131,419,616	74,545,141	12,576,854	19.95%	14,871,756	2,509,084	
SIC INDOOR - Gestão de Suportes de Publicidade, S.A.	Lisbon	182,686	1,376,426	(1,193,740)	(149,634)	35%	-	-	
Sierra Portugal Real Estate ("SPF") (*)	Luxemburg	410,203,997	266,291,257	143,912,740	(24,412,469)	42%	60,443,352	(10,253,237)	
Goodwill SPF							12,823,766	-	
Sonaegest - Soc. Gestora de Fundos de Investimento, S.A.	Maia	1,939,235	140,099	1,799,136	125,023	20%	359,827	25,005	
							<u>90,771,259</u>	<u>(7,208,152)</u>	
<b>Other participations:</b>									
Ercasa Cogeneración S/A	Grancasa (Spain)					5%	48,091	-	
							<u>48,091</u>	<u>-</u>	
							<u>90,819,350</u>	<u>(7,208,152)</u>	

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

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

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

During the years ended 30 June 2009 and 2008, the movement occurred in associated companies was as follows:

	30.06.09	30.06.08
Opening balance	90,771,259	24,150,282
Capital decrease	(2,094,750)	(7,978,005)
Effect of the application of the equity method:		
Hedging reserve	(932,859)	194,926
Translation reserve	419,174	88,500
Net profit	(6,039,868)	521,850
Dividends	(18,011)	-
	<u>82,104,945</u>	<u>16,977,553</u>

## 4 ACQUISITION AND SALE OF COMPANIES

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

### Sale of subsidiaries:

During the half year ended 30 June 2009 no significant acquisitions or sales occurred. The most important operation was the exchange of shares of Sociedade Parque Principado, S.L. 50 % held in 31 December 2008 by Shopping Centre Principado, BV: in April 2009 the company Shopping Centre Principado BV (50% held by the Group) acquired 50% of Harvey Dos Iberica, S.L. ("Harvey") in exchange for the shares held on Vuelta Omega, S.L. ("Omega"), in the amount of Euro 5,700,168. The Shopping Centre Principado BV sold to Vuelta, also during the halfyear ended in 30 June 2009, the 50% held on Parque Principado S.L., and Harvey acquired the remainder 50% of share capital of Parque Principado. After these operations, the

company Parque Principado S.L. is still held on 50% by Shopping Centre Principado BV, resulting these operations on a gain of Euro 568,258.

The main acquisitions and sales of companies occurred during 2008 were as follows:

**Acquisitions:**

In June 2008 the Group acquired 100% of the company S.C. SRP Development S.A. (now Project Sierra Four, Srl) (“Ploiesti”) for the amount of Euro 22,361,523, with a Goodwill of Euro 3,434,798 (Note 5).

In October 2008 the Group acquired 100% of the company Gli Orsi 1 Shopping Centre, Srl (the owner of the shopping centre “Gli Orsi” in Italy) (“Gli Orsi”), for the amount of Euro 96,220,321, with a Goodwill of Euro 4,164,977 (Note 5).

**Sale of subsidiaries:**

In 27 of March, 27 of June and 25 of July, the Group sold 40%, 9.692% and 8.305%, respectively, of its share in the Sierra Portugal Real Estate (“SPF”), which owns or co-owns the following assets:

Company	Head office	Percentage of share capital held by SPF
8ª Avenida Centro Comercial, S..A.	Maia	100.00%
Arrábidashopping- Centro Comercial, S.A.	Maia	50.00%
Gaiashopping I- Centro Comercial, S.A.	Maia	50.00%
Gaiashopping II- Centro Comercial, S.A.	Maia	50.00%
Loureshopping- Centro Comercial, S.A.	Maia	50.00%
Oeste Retail Park - Gestão Galerias Comerciais, SA	Maia	50.00%
Rio Sul- Centro Comercial, S.A.	Lisbon	50.00%
Serra Shopping- Centro Comercial, S.A.	Covilhã	50.00%
Sol Retail Park - Gestão Galerias Comerciais, SA	Maia	50.00%

This sale generated a net gain of Euro 19,047,917. With the sale occurred in July 2008, the SPF is no longer a subsidiary company of the Group and became an associated company. As consequence, and with reference to 30 June 2008, the SPF was incorporated in the enclosed consolidated financial statements by the equity method.

The effect of the SPF sale occurred during 2008, was as follows:

		31.03.08	30.06.08	30.06.08	Total
Cash and cash equivalents	(I)	6,594,942	8,244,193	8,244,193	
Investment properties		419,751,000	425,876,000	425,876,000	
Investment properties under construction		3,589,678	47,831	47,831	
Deferred tax assets		2,352,305	2,534,304	2,534,304	
Derivative financial instruments		894,746	-	-	
Trade receivables		1,794,493	1,746,304	1,746,304	
Other current assets		1,798,445	3,041,900	3,041,900	
Deferred tax liabilities		(59,458,181)	(61,880,291)	(61,880,291)	
Bank loans and shareholder loans - non current		(189,542,658)	(190,817,356)	(190,817,356)	
Bank loans and shareholder loans - current		(5,628,432)	(3,807,169)	(3,807,169)	
Accounts payable and other liabilities - current		(18,271,697)	(14,542,330)	(14,542,330)	
Identifiable assets and liabilities at sales date		163,874,641	177,678,465	177,678,465	
% sold		40.000%	9.692%	8.305%	
Minorities	(II)	65,549,856	17,220,597	14,756,197	
Profit/ (loss) on sale	(III)	25,469,904	6,041,039	5,243,803	36,754,746
		(12,212,238)	(2,959,025)	(2,535,566)	(17,706,829)
		13,257,666	3,082,014	2,708,237	19,047,917
Sale amount	(IV)=(II+III)	91,019,760	23,261,636	20,000,000	134,281,396
Net cash flow	(IV-I)	84,424,818	15,017,443	11,755,807	

The effect related to the consideration of the SPF as associated company, with reference at 30 June 2008, consisted in removing the net assets of the SPF (which includes the assets of the company and of its subsidiaries mentioned above), in the amount of Euro 74,624,956. The remaining goodwill related to this subgroup, in the amount of Euro 12,823,766 was also reclassified from the caption of "Goodwill" to the caption "Investments in associates and companies excluded from consolidation" (Notes 3 and 6).

In July 2008 the company Sierra Investments Holdings, BV (held at 100% by the Group) sold the 50% of the investment held in the jointly controlled Mediterrean Cosmos, BV. (which owns 39.9% of the company Pylea, S.A, from Greece) to Sierra European Retail Real Estate Assets Holdings, BV ("Sierra BV"), (held by the Group at 50.1%) by the amount of Euro 14,137,309. Considering that Sierra BV is held by the Group in 50.1%, only 49.9% of the total gain in this sale was recorded (Euro 1,683,647). On the other hand, being Sierra BV a subsidiary of the Group and integrated in the accompanying consolidated financial statements by the full consolidation method, the company Mediterrean Cosmos, BV is still consolidated in the group accounts using the proportional consolidation method. In 2009 the already mentioned price of sale was increased to Euro 568,544 with a recognised gain of 49.9% of this amount: Euro 283,704.

## 5 INVESTMENT PROPERTIES

The movement in investment properties during the half years ended 30 June 2009 and 2008 was as follows:

	30.06.2009					
	Investment properties					
	in operation	"Fit Out"	in progress		Advances	Total
at cost			at fair value			
Opening balance	3,360,369,315	7,531,000	164,703,304	147,177,562	7,592,908	3,687,374,089
Increases	5,158,762	100,000	12,767,633	59,196,081	3,603,302	80,825,778
Write-off	-	-	(4,064,360)	-	-	(4,064,360)
Fit-out receivables	-	(422,057)	-	-	-	(422,057)
Transfers	-	-	6,202,584	(303,947)	-	5,898,637
Increases by transfer from investment properties in progress:						
Production cost	712,19,493	-	-	(712,19,493)	-	-
Adjustment to fair value	(1,161,825)	-	-	6,229,848	-	5,068,023
Variation in fair value of the investment properties between years:						
Gains	4,276,803	122,382	-	-	-	4,399,185
Losses	(209,957,851)	(357,325)	-	-	-	(210,315,176)
Currency translation differences	36,857,696	-	(49,544)	4,027,319	222,251	41,057,722
Closing balance	3,266,762,393	6,974,000	179,559,617	145,107,370	11,418,461	3,609,821,841

  

	30.06.2008				
	Investment properties				
	in operation	"Fit Out"	in progress at		Total
cost			Advances		
Opening balance	3,730,358,451	9,784,500	380,985,835	4,218,421	4,125,347,207
Increases	24,397,178	-	11,792,482	-	36,189,660
Impairment	-	-	(3,748,952)	-	(3,748,952)
Sales	-	-	(1,035,000)	-	(1,035,000)
Fit-out receivables	-	(425,325)	-	-	(425,325)
Transfers	-	-	(195,706)	-	(195,706)
Increases by transfer from investment properties in progress:					
Production cost	87,220,211	1,400,000	(86,994,698)	(1,625,513)	-
Adjustment to fair value	19,318,370	(129,500)	-	-	19,188,870
Variation in fair value of the investment properties between years :					
Gains	35,721,041	63,702	-	-	35,784,743
Losses	(97,210,637)	(1,094,054)	-	-	(98,304,691)
Increases through acquisitions of companies	-	-	32,095,596	-	32,095,596
Currency translation differences	7,478,590	-	482,991	-	7,961,581
Closing balance	3,807,283,204	9,599,323	433,382,548	2,592,908	4,252,857,983

During half year ended in 30 June 2009, Manuara Shopping (Brazil) and Torre Oriente (Portugal) opened to the public. These properties had already been adjusted to the correspondent fair value in 31 December 2008 as a consequence of the early adoption of the change on IAS 40- Investment Properties (as a part of the Annual Improvements 2007), the Group decided to prospectively adopt from that year on. This way, with the public opening in 2009 of these properties, they were transferred of them from caption "Investment Properties under development at fair value" to "Investment Properties in operation".

On the first half of 2008 the properties public openings were Freccia Rossa and the expansion of Arrábida Shopping.

The amount of Euro 6,202,584 under caption "Investment Properties under Development at cost" refers to the transfer of the Development Funds at Risk to caption "Provisions". This provision that, in 30 June 2009 is Euro 10,475,000 and is classified in Non-Current Liabilities, refers to estimated potential losses incurred

on projects under development, and for which either there is no construction license or the budget is not yet approved by the Board of Directors.

The amount of Euro 4,064,360 recorded under caption "Investment Properties at cost" refers to the write-off of the capitalized costs regarding projects which the Group may abandon, due to their non-viability, being the most significant: project Puerta Granada, in Spain, in the amount of Euro 2,065,706 and projects Centro Bordalo and Setúbal Retail Park in Portugal, in the amounts of Euro 534,711 and Euro 603,589, respectively.

By the end of 2008, the subsidiary Project Sierra Spain 3, S.A. (PSS3) paid to Inversiones Tobet-3, SL (Tobet) the amount of Euro 10,765,000 (amount corresponding to the proportion held by the Group) under a conditional share-purchase agreement of two parcels of land in Pulianas (Granada), on which was intended to build a shopping center (project Puerta Granada). By the time of the contract elaboration, Tobet provided a bank guarantee in the same amount to ensure compliance with the pre-conditions set out in the agreement. As those conditions were not met, the Group decided to abandon the project, having the bank guarantee been executed on 21 July 2009. The guaranteed amount has however still not been received due to an injunction approved by a court in Granada due to a lawsuit initiated by Tobet against PSS3.

In addition, due to a promissory share-purchase agreement, for a future plot, between PSS3 and Ikea Ibérica, SAU (IKEA), the Group received until 2008 an advance from IKEA in the amount of Euro 1,725,000 (amount corresponding to the proportion held by the Group), and PSS3 provided a bank guarantee to IKEA. In July 2009, it was decided to cancel the agreement and the amounts received from Ikea were reimbursed by PSS3.

The amount of Euro -1,161,825 under caption "Adjustment to fair value" refers to the gain/loss with the transfer of investment properties "Manauara" (Euro -4,479,854) and "Torre Oriente" (Euro 3,318,029) from "In progress at fair value" to "In operation".

At 30 June 2009, 31 December 2008 and 30 June 2008 investment properties in operation corresponded to the fair value of the Group's proportion of the following shopping centres:

	30.06.09				31.12.08				30.06.08			
	% of consolidation	10 yr discount rate	Exit Yield	Amount	% of consolidation	10 yr discount rate	Exit Yield	Amount	% of consolidation	10 yr discount rate	Exit Yield	Amount
<b>Portugal:</b>												
8ª Avenida	-	-	-	-	-	-	-	-	100%	8.80%	6.55%	68,342,000
AlgarveShopping	100%	8.30%	6.05%	141,485,000	100%	7.90%	5.65%	149,053,000	100%	7.50%	5.25%	156,397,000
ArrábidaShopping	50%	8.70%	6.45%	87,909,500	50%	8.25%	6.00%	90,530,500	100%	7.90%	5.65%	196,128,000
C C Continente de Portimão	-	-	-	-	-	-	-	-	50%	8.90%	6.65%	12,380,000
C C Modelo de Albufeira	-	-	-	-	-	-	-	-	50%	9.05%	6.80%	7,001,000
CascaShopping	50%	8.10%	5.85%	168,546,500	50%	7.75%	5.50%	175,940,000	50%	7.35%	5.10%	188,309,500
Centro Colombo	50%	8.05%	5.80%	378,940,000	50%	7.75%	5.50%	396,941,500	50%	7.35%	5.10%	399,701,500
Centro Vasco da Gama	50%	7.95%	5.70%	155,680,500	50%	7.30%	5.40%	157,613,500	50%	7.30%	5.05%	159,267,500
CoimbraShopping	100%	10.00%	7.75%	23,674,000	100%	9.35%	7.10%	25,325,000	100%	8.90%	6.65%	29,512,000
Estação Viana	100%	9.20%	6.95%	76,959,000	100%	8.75%	6.50%	82,513,000	100%	8.35%	6.10%	86,290,000
GaiaShopping	50%	8.70%	6.45%	80,062,000	50%	8.20%	5.95%	87,267,000	100%	7.80%	5.55%	184,868,000
GuimarãesShopping	100%	9.15%	6.90%	46,291,000	100%	8.80%	6.55%	46,653,000	100%	8.40%	6.15%	48,918,000
LouresShopping	-	-	-	-	-	-	-	-	50%	7.95%	5.70%	63,052,000
MadeiraShopping	50%	9.55%	7.30%	36,644,000	50%	9.15%	6.90%	37,722,000	50%	8.75%	6.50%	39,474,500
MaiaShopping	100%	9.65%	7.40%	52,166,000	100%	9.10%	6.85%	54,690,000	100%	8.70%	6.45%	61,230,000
NorteShopping	50%	8.00%	5.75%	193,471,500	50%	7.70%	5.45%	203,064,000	50%	7.30%	5.05%	210,004,500
Parque Atlântico	50%	9.60%	7.35%	33,671,000	50%	9.15%	6.90%	34,416,000	50%	8.75%	6.50%	36,818,500
RioSul Shopping	-	-	-	-	-	-	-	-	50%	7.85%	5.60%	59,364,500
Serra Shopping	-	-	-	-	-	-	-	-	50%	8.35%	6.10%	23,232,000
Torre Colombo Ocidente	25%	10.10%	7.85%	1,513,000	25%	9.75%	7.50%	1,691,500	25%	9.40%	7.15%	1,759,500
Torre Colombo Oriente	25%	9.40%	7.15%	14,254,250	25%	9.75%	7.50%	1,827,500	25%	9.40%	7.15%	1,547,000
ViaCatarina	50%	9.40%	7.15%	29,773,500	50%	8.95%	6.70%	32,490,500	50%	8.55%	6.30%	33,226,000
			<u>1,521,040,750</u>				<u>1,577,738,000</u>				<u>2,066,823,000</u>	
<b>Brazil:</b>												
Parque D. Pedro	50%	12.75%	8.25%	128,440,480	50%	13.45%	8.25%	108,067,905	50%	-	8.00%	131,185,017
Pátio Boavista	50%	14.25%	9.75%	10,634,083	50%	14.95%	9.75%	9,638,630	50%	-	9.25%	13,689,160
Manuara Shopping	50%	13.50%	9.00%	61,374,825	-	-	-	-	-	-	-	-
Shopping Metrópole (83%)	50%	13.00%	8.50%	32,359,079	50%	13.70%	8.50%	26,373,554	50%	-	8.00%	33,634,361
Shopping Penha (73,18%)	50%	13.75%	9.25%	19,245,672	50%	14.45%	9.25%	15,851,504	50%	-	8.75%	20,757,175
Shopping Plaza Sul (30%)	50%	13.00%	8.50%	13,900,776	50%	13.70%	8.50%	11,746,751	50%	-	8.00%	14,245,126
Sierra Enplanta	50%	-	-	14,317,075	50%	-	-	11,652,318	50%	-	-	15,496,865
			<u>280,271,990</u>				<u>183,330,662</u>				<u>229,007,704</u>	
<b>Spain:</b>												
Avenida M40	100%	13.30%	10.80%	22,348,000	100%	12.35%	9.35%	30,742,000	100%	10.65%	7.65%	46,149,000
Dos Mares	100%	9.45%	6.95%	48,250,000	100%	9.25%	6.25%	54,110,000	100%	8.65%	5.65%	59,762,000
El Rosal	100%	9.95%	7.45%	95,432,000	100%	9.90%	6.90%	110,921,000	100%	9.60%	6.60%	125,859,000
Grancasa	50%	8.75%	6.25%	82,251,000	50%	8.70%	5.70%	94,548,000	50%	8.40%	5.40%	101,760,000
Max Center	50%	8.95%	6.45%	72,180,500	50%	8.75%	5.75%	83,196,500	50%	8.50%	5.50%	90,121,000
La Farga	50%	11.05%	8.55%	22,954,000	50%	10.40%	7.40%	27,594,000	50%	9.65%	6.65%	30,930,500
Luz del Tajo	100%	9.15%	6.65%	92,240,000	100%	9.35%	6.35%	96,798,000	100%	8.65%	5.65%	107,983,000
Plaza Éboli	100%	10.35%	7.85%	39,373,000	100%	10.60%	7.60%	46,424,000	100%	9.50%	6.50%	56,359,000
Plaza Mayor	100%	11.25%	8.75%	53,477,000	100%	11.80%	8.80%	57,965,000	100%	10.80%	7.80%	64,876,000
Plaza Mayor Shopping	100%	9.15%	6.65%	62,979,000	100%	9.60%	6.60%	63,582,000	-	-	-	-
Parque Principado	50%	9.20%	6.70%	78,049,000	50%	9.20%	6.20%	84,997,000	50%	8.55%	5.55%	95,437,500
Valle Real	50%	9.15%	6.65%	44,174,000	50%	9.10%	6.10%	48,979,000	50%	8.90%	5.90%	49,528,500
Zubiarte	50%	10.80%	8.30%	22,627,500	50%	11.00%	8.00%	25,353,500	50%	9.35%	6.35%	35,800,000
			<u>736,335,000</u>				<u>825,210,000</u>				<u>864,565,500</u>	
<b>Italy:</b>												
Airone	100%	8.70%	7.70%	16,191,000	100%	8.70%	7.70%	17,796,000	100%	8.70%	6.40%	19,129,000
Valecenter/Warner Village	100%	8.00%	6.90%	139,476,000	100%	8.00%	6.90%	147,302,000	100%	8.05%	5.75%	155,001,000
Freccia Rossa	50%	8.10%	6.00%	70,650,000	50%	8.10%	5.80%	76,427,000	50%	7.35%	5.05%	88,987,000
Gli Orsi	100%	9.00%	7.00%	99,473,000	100%	8.50%	6.20%	123,679,000	-	-	-	-
			<u>325,790,000</u>				<u>365,204,000</u>				<u>263,117,000</u>	
<b>Germany:</b>												
Alexa	50%	6.50%	6.00%	171,388,653	50%	6.50%	6.00%	171,461,653	50%	6.00%	5.50%	176,473,000
Münster Arkaden	100%	6.50%	6.00%	158,695,000	100%	6.50%	5.75%	156,290,000	100%	5.75%	5.50%	167,231,000
			<u>330,083,653</u>				<u>327,751,653</u>				<u>343,704,000</u>	
<b>Romania:</b>												
River Plaza Mall	100%	10.50%	8.75%	31,604,000	100%	9.75%	8.00%	37,542,000	100%	8.80%	7.00%	40,066,000
			<u>31,604,000</u>				<u>37,542,000</u>				<u>40,066,000</u>	
<b>Greece:</b>												
Pantheon Plaza	50%	10.25%	7.00%	41,637,000	50%	10.75%	7.00%	43,593,000	-	-	-	-
			<u>41,637,000</u>				<u>43,593,000</u>				<u>-</u>	
			<u>3,266,762,393</u>				<u>3,360,369,315</u>				<u>3,807,283,204</u>	

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

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

The methodology used to compute the market value of the investment properties consists in preparing 10 years projections of income and expenses of each shopping mall which are then discounted to the valuation date using a discount market rate. The residual amount at the end of year 10 is computed by applying a return rate (“Exit yield” or “cap rate”) on the projected net income of year 11. The market values so obtained are then tested by calculating and analyzing the capitalization yield that is implicit in those values – corresponding to the yield shown in the list above. Projections are intended to reflect the actual best estimate of the valuer regarding future revenues and costs of each shopping. Both the return rate and discount rate are defined in accordance to the local real estate and institutional market conditions, being the reasonability of the market value thus obtained tested in terms of initial return.

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

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

### **Market uncertainty**

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

Since September 2008 we have seen unprecedented events, such as the failure of several major banks, the effective nationalization of others, and substantial reductions in interest rates.

As a consequence, there has been a significant reduction in market evidence upon which to base the valuation and so a greater degree of judgment had to be exercised.

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

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

As of 30 June 2009, 31 December 2008 and 30 June 2008 the recoverable amount of the fit out contracts existing in each investment property was as follows:

	30.06.09				31.12.08				30.06.08			
	% of consolidation	10 yr discount rate	Yield	Amount	% of consolidation	10 yr discount rate	Yield	Amount	% of consolidation	10 yr discount rate	Yield	Amount
<b>Portugal:</b>												
8ª Avenida	-	-	-	-	-	-	-	-	100%	8.80%	6.55%	633,000
AlgarveShopping	100%	8.30%	6.05%	209,000	100%	7.90%	5.65%	260,000	100%	7.50%	5.25%	310,000
Estação Viana	100%	9.20%	6.95%	1,026,000	100%	8.75%	6.50%	1,013,000	100%	8.35%	6.10%	1,080,000
Centro Vasco da Gama	50%	7.95%	5.70%	271,000	50%	7.30%	5.40%	439,000	-	-	-	-
CoimbraShopping	100%	10.00%	7.75%	36,000	100%	9.35%	7.10%	38,000	-	-	-	-
GaiaShopping	50%	8.70%	6.45%	21,500	50%	8.20%	5.95%	43,000	100%	7.80%	5.55%	135,000
LoureShopping	-	-	-	-	-	-	-	-	50%	7.95%	5.70%	576,500
MadeiraShopping	50%	9.55%	7.30%	87,000	50%	9.15%	6.90%	112,000	50%	8.75%	6.50%	148,500
NorteShopping	50%	8.00%	5.75%	447,000	50%	7.70%	5.45%	649,000	50%	7.30%	5.05%	674,823
Parque Atlântico	50%	9.60%	7.35%	472,500	50%	9.15%	6.90%	487,500	50%	8.75%	6.50%	485,500
RioSul Shopping	-	-	-	-	-	-	-	-	50%	7.85%	5.60%	484,000
Serra Shopping	-	-	-	-	-	-	-	-	50%	8.35%	6.10%	245,500
				<u>2,570,000</u>				<u>3,041,500</u>				<u>4,772,823</u>
<b>Spain:</b>												
Avenida M40	100%	13.30%	10.80%	744,000	100%	12.35%	9.35%	794,000	100%	10.65%	7.65%	945,000
Dos Mares	100%	9.45%	6.95%	27,000	100%	9.25%	6.25%	39,000	100%	8.65%	5.65%	51,000
El Rosal	100%	9.95%	7.45%	531,000	100%	9.90%	6.90%	539,000	100%	9.60%	6.60%	555,000
Plaza Mayor	100%	11.25%	8.75%	1,790,000	100%	11.80%	8.80%	1,888,000	100%	10.80%	7.80%	2,006,000
				<u>3,092,000</u>				<u>3,260,000</u>				<u>3,557,000</u>
<b>Italy:</b>												
Freccia Rossa	50%	8.10%	6.00%	1,215,000	50%	8.10%	5.80%	1,229,500	50%	7.35%	5.05%	1,269,500
				<u>1,215,000</u>				<u>1,229,500</u>				<u>1,269,500</u>
<b>Greece:</b>												
Pantheon Plaza	50%	10.25%	7.00%	97,000	-	-	-	-	-	-	-	-
				<u>97,000</u>				<u>-</u>				<u>-</u>
				<u>6,974,000</u>				<u>7,531,000</u>				<u>9,599,323</u>

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

At 30 June 2009 and 31 December 2008 the following investment properties had been given in guarantee of bank loans:

- Airone
- Alexa
- Algarveshopping
- Alverca
- Arrabidashopping
- Avenida M40
- Cascaishopping
- Centro Colombo
- Centro Vasco da Gama
- Coimbrashopping
- Dos Mares
- El Rosal
- Estação Viana
- Freccia Rossa
- Gaishopping
- Gli Orsi
- Grancasa
- Guimarãeshopping
- La Farga
- Leiria
- Loop 5
- Luz del Tajo
- Madeirashopping
- Maiashopping
- Max Center
- Manauara
- Munster Arkaden
- Norteshopping
- Parque Atlântico
- Parque Principado
- Plaza Éboli
- Plaza Mayor
- Plaza Mayor Shopping
- River Plaza Mall
- Torre Ocidente
- Torre Oriente
- Valecenter
- Valle Real
- Viacatarina
- Zubiarte

At 30 June 2009 and 31 December 2008 there were no material contractual obligations to purchase, construct or develop investment properties or for repairs or maintenance, other than those referred to above.

Investment properties in progress at 30 June 2009, 31 December 2008 and 30 June 2008 are made up as follows:

	30.06.09	31.12.08	30.06.08
<b>Investment property at cost:</b>			
<b>Portugal:</b>			
Alverca	6,112,334	6,010,683	6,031,303
Cacém Shopping	-	2,169,920	2,165,427
Centro Bordalo	3,355,817	2,860,384	2,074,840
Parque de Famalicão	1,255,000	1,255,000	1,255,000
Setubal Retail Park	867,908	1,466,531	1,572,307
Torre Ocidente	383,960	-	104,402
Guimarães Shopping - expansion	7,558,082	208,634	-
Others	20	-	47,831
<b>Germany:</b>			
Garbsen	1,520,261	459,619	280,922
Alexa	-	-	14,641,984
Others	-	241,296	-
<b>Brazil:</b>			
Uberlândia Shopping	4,037,552	2,832,749	3,202,481
Boulevard Londrina Shopping	2,156,339	225,163	-
Goiânia Shopping	6,421,471	4,665,931	-
Pátio Boavista	-	1,292,352	-
Shopping Metrôpole (1)	3,635,040	-	-
Others	190,513	-	691,029
<b>Spain:</b>			
Plaza Mayor Shopping	-	-	44,888,215
Puerta Granada	10,971,210	12,786,749	10,444,311
Dos Mares - expansion	2,809,804	2,809,804	2,809,804
Alfaz del Pi	19,150,000	19,448,408	19,606,841
Los Barrios	6,300,000	6,402,127	-
Others	21,251	-	-
<b>Greece:</b>			
Aegean Park	9,836,603	9,763,211	9,754,260
Pantheon Plaza	1,777,328	1,765,343	27,303,602
Galatsi Shopping	10,752,243	8,154,296	6,646,206
Ioannina	26,953,738	24,850,480	22,592,802
<b>Italy:</b>			
Gli Orsi	-	-	74,903,675
Le Terraze	10,821,130	7,635,583	3,308,593
Caldogno	9,823,990	9,325,000	8,944,828
Pavia	2,999,877	7,510,471	7,290,500
Others	14,131	12,913	139,862
<b>Romania:</b>			
Craiova Shopping	27,226,801	24,691,249	46,012,819
Ploiesti Shopping	14,025,675	13,452,316	33,885,568
	<u>190,978,078</u>	<u>172,296,212</u>	<u>350,599,412</u>
<b>Investment property at fair value:</b>			
<b>Portugal:</b>			
Leiria Shopping	22,524,413	13,762,501	570,213
Torre Oriente	-	6,620,569	2,118,293
<b>Brazil:</b>			
Manauara Shopping	-	35,885,040	21,070,448
<b>Germany:</b>			
Loop 5	122,582,957	90,909,452	61,617,090
	<u>145,107,370</u>	<u>147,177,562</u>	<u>85,376,044</u>
	<u>336,085,448</u>	<u>319,473,774</u>	<u>435,975,456</u>

(1) This amount corresponds to an advance payment for the acquisition of an additional percentage of Shopping Metrôpole. At the moment the ownership percentage is 83%.

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

Investment properties in progress include borrowing expenses incurred during the construction period. As of 30 June 2009 and 31 December 2008, total borrowing expenses capitalised amounted to Euro 2,674,084 and Euro 17,087,140, respectively.

## 6 GOODWILL

During the years ended 30 June 2009 and 31 December 2008, the movement in Goodwill was as follows:

	30.06.09 (6 months)	31.12.08 (12 months)
<b>Assets:</b>		
Opening balance	70,906,376	96,294,760
Increases (Note 4)	-	7,765,255
Sales (Note 4)	-	(17,706,829)
Transfer to associated companies (Note 4)	-	(12,823,766)
Price adjustment	-	389,500
Exchange rate change	-	(165,480)
Disposals and regularisations	-	(2,847,064)
Closing balance	<u>70,906,376</u>	<u>70,906,376</u>
<b>Accumulated depreciation and impairment losses:</b>		
Opening balance	21,015,242	13,331,443
Impairments for the year	-	10,530,863
Sales and disposals	-	(2,847,064)
Closing balance	<u>21,015,242</u>	<u>21,015,242</u>
<b>Net assets</b>	<u><u>49,891,134</u></u>	<u><u>49,891,134</u></u>

During the year ended at 31 December 2008 it was made in "Sierra Management Spain, SA" the write-off of the Goodwill, because its net balance was null.

The impairment losses recognized in 2008 refer to the following goodwill:

Craiova	5,139,604
Larissa	1,956,461
Ploiesti	3,434,798
	<u><u>10,530,863</u></u>

At 30 June 2009 and 31 December 2008 Goodwill was made up as follows:

	30.06.09				31.12.08	
	Year of aquisition	Amount	Depreciation and impairment losses of the year	Accumulated depreciation and impairment losses	Book value	Book value
Sierra Management Spain, SA						
	1999	1,518,231	-	1,518,231	-	-
	2000	45,211	-	45,211	-	-
	2002	1,274,080	-	1,274,080	-	-
	2003	9,542	-	9,542	-	-
		(2,847,064)	-	(2,847,064)	-	-
		-	-	-	-	-
Iberian Assets, S.A:						
Grancasa	2002	2,673,793	-	1,203,207	1,470,586	1,470,586
Max Center	2002	8,287,406	-	3,729,334	4,558,072	4,558,072
Valle Real	2002	(1,014,298)	-	(456,434)	(557,864)	(557,864)
Valle Real	2003	1,667,583	-	667,034	1,000,549	1,000,549
		11,614,484	-	5,143,141	6,471,343	6,471,343
La Farga						
	2002	132,194	-	59,488	72,706	72,706
	2005	406,310	-	159,433	246,877	246,877
		538,504	-	218,921	319,583	319,583
Alexa						
	2004	10,876,616	-	-	10,876,616	10,876,616
	2005	(7,995,503)	-	-	(7,995,503)	(7,995,503)
		2,881,113	-	-	2,881,113	2,881,113
ArrábidaShopping						
	2007	12,229,864	-	-	12,229,864	12,229,864
	2008	389,500	-	-	389,500	389,500
	2008	(7,318,853)	-	-	(7,318,853)	(7,318,853)
	2008	(5,300,511)	-	-	(5,300,511)	(5,300,511)
		-	-	-	-	-
GaiaShopping						
	2007	17,911,231	-	-	17,911,231	17,911,231
	2008	(10,387,977)	-	-	(10,387,977)	(10,387,977)
	2008	(7,523,254)	-	-	(7,523,254)	(7,523,254)
		-	-	-	-	-
Parque Principado						
	2004	997,416	-	-	997,416	997,416
Avenida M40						
	2005	1,180,575	-	1,180,575	-	-
Plaza Eboli						
	2005	3,355,876	-	2,190,514	1,165,362	1,165,362
Luz del Tajo						
	2005	3,655,115	-	736,126	2,918,989	2,918,989
Dos Mares						
	2005	1,298,307	-	-	1,298,307	1,298,307
Valecenter						
	2005	29,355,532	-	1,015,102	28,340,430	28,340,430
River Plaza Mall						
	2007	1,333,614	-	-	1,333,614	1,333,614
Craiova						
	2007	5,139,604	-	5,139,604	-	-
Larissa						
	2007	1,956,461	-	1,956,461	-	-
Ploiesti (Note 4) (*)						
	2008	3,434,798	-	3,434,798	-	-
Gli Orsi (Note 4)						
	2008	4,164,977	-	-	4,164,977	4,164,977
		70,906,376	-	21,015,242	49,891,134	49,891,134

(\*) includes a negative exchange rate variation since the acquisition date of Euro 165.480

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

## 7 BANK LOANS

At 30 June 2009 and 31 December 2008 bank loans obtained were made up as follows:

	Financing Entity		30.06.09			31.12.08			Reimbursement	
			Limit	Used amount		Limit	Used amount		Due date	plan
				Short term	Medium and long term		Short term	Medium and long term		
<b>Bond Loans:</b>										
Sonae Sierra SGPS	Caixa BI	-	75,000,000	-	75,000,000	75,000,000	-	75,000,000	Jul/2013	Hal Year
<b>Bank Loans:</b>										
3shoppings - Holding, SGPS, SA	Eurohypo	(b)	59,007,790	1296,875	57,710,915	59,007,790	1296,875	57,710,915	Jul/2026	Annual
Airone Shopping Centre, SA	Eurohypo	(b), (c)	8,000,000	-	8,000,000	8,000,000	-	8,000,000	May/2012	Quarterly
ALEXA Shopping Centre GmbH	Eurohypo	(a), (b), (c)	98,904,582	-	98,904,582	98,904,582	-	98,904,582	Oct/2015	Annual
ALEXA Shopping Centre GmbH	Eurohypo	(a), (b)	-	-	-	4,000,000	-	-	-	FALTA
Algarveshopping- C.C., S.A.	European Property Capital 3 p.l.c.	(b), (c)	13,312,496	13,312,496	-	14,092,496	1580,000	12,512,496	May/2010	Quarterly
Sierra B.V.	European Property Capital 3 p.l.c.	(b), (c)	45,247,970	45,247,970	-	45,460,880	427,960	45,032,920	May/2010	Quarterly
Arrábidoshopping - C.C., S.A.	Eurohypo	(a), (b), (c)	17,008,750	1286,250	15,722,500	17,647,500	1277,500	16,370,000	Mar/2017	Quarterly
Arrábidoshopping - C.C., S.A. Avenida M-40, S.A.	Eurohypo	(a), (b)	9,362,517	339,573	9,022,944	9,362,517	339,573	9,022,944	Mar/2017	Annual
	Westdeutsche ImmoBank	(a), (f)	55,178,750	39,535,150	15,643,600	55,861,250	34,341,850	21,519,400	Dec/2014	Quarterly
Cascaishopping - C.C., S.A.	Eurohypo	(a), (b)	54,670,920	1842,840	52,828,080	56,206,620	1535,700	54,670,920	May/2027	Annual
Cascaishopping - C.C., S.A.	Eurohypo	(a), (b), (c)	26,000,000	-	26,000,000	26,000,000	-	26,000,000	Jan/2016	Final
Centro Colombo - C.C., S.A.	Eurohypo	(a), (b)	12,250,000	-	12,250,000	12,250,000	-	12,250,000	May/2017	Final
Centro Colombo - C.C., S.A.	Eurohypo, ING	(a), (b), (c)	50,000,000	-	500,000	50,000,000	-	500,000	May/2017	Final
Shopping C. Colombo, BV	Eurohypo, ING	(a), (b), (c)	-	-	49,500,000	-	-	49,500,000	-	-
Centro Vasco da Gama, S.A.	ING Belgium SA/NV	(a), (b), (c)	57,200,000	1950,000	55,250,000	58,175,000	1950,000	56,225,000	Aug/2016	Quarterly
Dos Mares - Shop. Centre S.A.	Aareal Bank	(b)	19,175,000	900,000	18,275,000	19,625,000	900,000	18,725,000	Sep/2012	Quarterly
El Rosal Shopping, SA	Eurohypo	(b)	77,397,500	9,263,770	68,133,730	79,472,500	4,150,000	75,322,500	Jul/2017	Quarterly
Estação Viana - C.C., S.A.	BES	(b), (c)	35,616,000	2,016,000	33,600,000	36,624,000	2,016,000	34,608,000	Dec/2015	Hal Year
Freccia Rossa - Shop.C. S.r.l.	Unicredit	(a), (b), (c)	54,244,445	894,034	53,350,411	54,578,631	756,436	53,822,195	Dec/2025	Hal Year
Freccia Rossa - Shop.C. S.r.l.	Unicredit	(a)	8,177,088	-	8,177,088	13,250,045	-	13,250,045	Dec/2012	Hal Year
Gaiashopping I - C.C., S.A.	Eurohypo	(a), (b)	25,850,000	412,500	25,437,500	25,850,000	412,500	25,437,500	Nov/2026	Annual
Gaiashopping I - C.C., S.A.	Eurohypo	(a), (b)	9,700,000	237,500	9,462,500	9,800,000	212,500	9,587,500	Aug/2016	Annual
Gli Orsi - Shopping Centre S.r.l.	Bayern LB	(a), (b), (c)	80,000,000	829,117	79,170,883	80,000,000	-	79,170,883	Dec/2017	Hal Year
Iberian Assets, SA	Eurohypo	(a), (b)	20,734,917	1,953,289	18,781,628	21,636,437	1,878,163	19,758,274	Jun/2019	Hal Year
Iberian Assets, SA	BBVA	(a), (b)	24,699,500	549,000	24,150,500	24,699,500	549,000	24,150,500	Jul/2018	Final
Iberian Assets, SA	BBVA	(a), (b)	22,394,406	900,000	21,494,406	22,819,407	850,000	21,969,407	Nov/2020	Final
Iberian Assets, SA	BBVA	(a), (b)	15,025,303	-	15,025,303	15,025,303	-	15,025,303	Jan/2026	Final
Iberian Assets, SA	BBVA	(a)	2,000,000	703,054	1,296,946	2,000,000	2,900,055	-	May/2010	Final
La Farga - Shopping Centre, SL	Eurohypo	(a), (b)	15,000,000	750,000	14,250,000	15,000,000	-	15,000,000	Apr/2014	Annual
Loop 5-Shopping Centre, GmbH	Bayern LB	(a), (b)	93,750,000	228,171	93,521,829	93,750,000	-	93,521,829	Jan/2019	Quarterly
Luz del Tajo C.C. S.A.	Hypo Real Estate	(b), (c)	45,700,000	-	45,700,000	45,700,000	-	45,700,000	Jun/2014	Final
Madeirashopping - C.C., S.A.	ING Real Estate Finance	(a), (b)	18,000,000	-	18,000,000	18,000,000	-	18,000,000	Aug/2015	Quarterly
Münster Arkaden, BV	Nord LB	(b), (c)	126,437,197	1,926,208	124,510,989	140,000,000	1,870,814	122,639,175	Dec/2016	Quarterly
Norteshopping - C.C., S.A.	BPI	(a), (b)	31,655,784	-	31,655,784	35,397,970	-	35,397,970	Dec/2014	Quarterly
Norteshopping - C.C., S.A.	BPI	(a), (b)	12,629,879	3,742,186	8,887,693	10,057,126	3,040,526	7,016,600	Jul/2011	Quarterly
Norteshopping - C.C., S.A.	BPI	(a), (b)	-	-	-	230,048	-	230,048	Jun/2009	Quarterly
Norte Shopping B.V.	Eurohypo	(a), (b)	42,504,217	815,730	41,688,487	42,912,081	815,730	42,096,351	Jun/2009	Quarterly
Park Avenue, Develop. Sh.C., SA	Eurohypo	(a), (c)	6,000,000	6,000,000	-	6,000,000	6,000,000	-	Sep/2009	Quarterly
Parque Atlântico Shop - C.C., SA	CGD, BCP	(a), (b)	16,800,000	1,400,000	15,400,000	17,500,000	1,400,000	16,100,000	Dec/2015	Quarterly
Parque Principado S.L.	Calyon	(a), (b), (c)	56,700,000	-	56,700,000	56,700,000	-	56,700,000	Jul/2013	Final
Pátio Boavista Shopping Ltda	Banco Bradesco	(a), (d)	2,730,375	2,730,375	-	-	-	-	Jun/2010	Monthly
Pátio Sertório Shopping Ltda	Banco Itaú	(a), (d)	4,563,354	4,563,354	-	3,853,750	1,104,713	-	Feb/2010	Final
Pátio Sertório Shopping Ltda	Unibanco	(a), (d)	1,565,486	1,565,486	-	1,325,750	1,325,750	-	Aug/2009	Final
Pátio Sertório Shopping Ltda	BASA	(a),(b),(d),(e)	18,249,972	-	20,393,415	17,311,139	-	13,958,941	Dec/2020	Monthly
Pátio Sertório Shopping Ltda	BANIF	(a), (c)	910,125	910,125	-	770,750	770,750	-	Sep/2009	Final
Plaza Eboil - C.C. S.A.	Hypo Real Estate	(b), (c)	33,633,546	583,437	33,050,109	34,741,409	1,107,863	33,633,546	Nov/2010	Quarterly
Plaza Mayor Shopping, SA	Eurohypo	(b)	37,000,000	1,020,000	32,980,000	37,000,000	-	32,335,600	Oct/2017	Quarterly
Plaza Mayor Shopping, SA	Eurohypo	-	4,500,000	2,632,535	-	4,500,000	2,632,535	-	Oct/2009	Monthly
Plaza Mayor - Parque de Ocio, S.A.	Eurohypo	(b)	27,706,658	1,562,631	26,144,027	29,149,087	1,442,429	27,706,658	Apr/2018	Annual
Project Sierra Portugal I SA	CGD	(b)	10,500,000	-	3,998,622	10,500,000	-	3,998,622	Aug/2011	Quarterly
Project Sierra Portugal VISA	CGD	(b)	50,000,000	-	12,656,651	50,000,000	-	9,425,525	Dec/2023	Quarterly
Project Sierra Portugal VISA	CGD	-	3,700,000	183,724	-	3,700,000	405,180	-	Dec/2010	Quarterly
Project Sierra Srl	Société	(b), (c)	-	-	-	14,860,811	75,000	14,785,811	-	-
River Plaza Mall Srl	Société	(b), (c)	27,999,800	4,970,000	23,029,800	14,860,811	1843,500	13,017,311	May/2018	Quarterly
Sierra Investimentos, Ltda.	Banco Itaú	(a),(d)	4,550,625	4,550,625	-	3,853,750	3,545,001	-	Feb/2010	Final
Sierra Investimentos, Ltda.	Banco ABC	(a),(c),(d)	1,820,250	1,820,250	-	-	-	-	Sep/2010	Monthly
Sonae Sierra SGPS	Caixa BI	-	-	-	-	15,000,000	15,000,000	-	-	-
Torre Ocidente Imobiliária, S.A.	CGD	(a), (b)	12,250,000	-	1,972,125	12,250,000	-	1,937,310	Feb/2017	Hal Year
Torre Oriente Imobiliária, S.A.	CGD	(a), (b)	12,500,000	-	8,604,229	12,500,000	-	5,958,720	Feb/2016	Hal Year
Valecenter Srl	Eurohypo	(b), (c)	96,990,000	2,440,000	94,550,000	97,600,000	1,830,000	95,770,000	Jun/2015	Quarterly
Via Catarina- C.C., S.A.	Eurohypo	(a), (b)	18,424,000	294,000	18,130,000	18,718,000	294,000	18,424,000	Feb/2027	Annual
Zubiarte Inversiones Inmobil.SL.	ING Real Estate Finance	(a), (b)	23,300,000	7,460,750	15,839,250	23,800,000	-	23,800,000	Jun/2017	Quarterly
<b>Total Bank Loans</b>			<b>1,859,229,202</b>	<b>175,619,005</b>	<b>1,583,610,197</b>	<b>1,910,391,940</b>	<b>102,107,951</b>	<b>1,654,569,311</b>		
<b>Deferred bank expenses incurred on the issuance of bank debt</b>				<b>(1,869,653)</b>	<b>(1,155,962)</b>		<b>(1,710,114)</b>	<b>(1,175,300)</b>		
				<b>173,749,352</b>	<b>1,645,111,332</b>		<b>100,406,037</b>	<b>1,715,814,011</b>		
<b>Fair value of the financial hedging instruments - asset</b>					<b>(49,603)</b>			<b>(150,918)</b>		
<b>Fair value of the financial hedging instruments - liability</b>					<b>44,925,274</b>			<b>32,637,612</b>		
					<b>173,749,352</b>	<b>1,689,987,003</b>		<b>100,406,037</b>	<b>1,748,301,604</b>	

(a) These amounts are considered at the control proportion held by the Group

(b) To guarantee the repayment of these loans, the Group pledged the real estate properties owned by these companies

(c) To guarantee the repayment of this loan, the Group pledged the shares of this subsidiary

(d) Sonae Sierra Brasil, SA as guarantor.

(e) Sierra Investimento Brasil, Ltda as guarantor.

(f) The Sierra B V has a guarantee of Euro 16,928,750 which was implemented in July and paid in August 2009.

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

At 30 June 2009 and 31 December 2008, bank loans classified as medium and long term are repayable as follows:

	30.06.09	31.12.08
N+1	175,619,005	102,107,951
N+2	79,629,062	133,856,358
N+3	59,735,770	51,704,433
N+4	75,062,295	70,410,262
N+5	268,580,179	198,674,472
N+6 and follow ing years	1,173,662,988	1,274,923,785
	<u>1,832,289,299</u>	<u>1,831,677,262</u>

At 30 June 2009 and 31 December 2008, the Group's financial instruments related to interest rate "Swaps" and "Zero Cost Collars" were as follows:

	30.06.09			31.12.08		
	Fair value of the financial instrument			Fair value of the financial instrument		
	Loan	Asset	Liability	Loan	Asset	Liability
Financial hedging instruments:						
"Swaps":						
Airone / BBVA	8,000,000	-	497,816	8,000,000	-	387,029
Alexa / Eurohypo	100,000,000	-	6,040,082	100,000,000	-	4,511,398
ArrábidaShopping / BBVA	-	-	-	17,647,500	-	43,529
ArrábidaShopping / BBVA	9,362,518	-	441,942	9,362,518	-	301,509
Colombo / BBVA	112,750,000	-	8,125,266	112,750,000	-	6,736,801
Shopping Colombo BV/ BBVA	49,500,000	-	3,567,190	49,500,000	-	2,957,620
El Rosal / BES	38,698,750	-	1,909,063	39,736,250	-	1,366,495
El Rosal / BES	38,698,750	-	2,121,115	39,736,250	-	1,720,080
Estação Viana / BES	35,616,000	-	573,156	36,624,000	(45,390)	-
Freccia Rossa / Unicredit	32,150,221	-	1,245,132	32,644,776	-	473,621
Freccia Rossa / Unicredit	4,950,421	-	347,518	4,980,919	-	243,081
Gaiashopping / Caixa BI	25,850,000	-	1,242,322	25,850,000	-	713,747
Iberian / Eurohypo	10,838,500	-	3,227	10,838,500	12,446	-
Iberian / Eurohypo	8,225,000	-	2,495	8,225,000	11,923	-
Iberian / Eurohypo	5,636,000	-	1,678	5,636,000	6,472	-
Iberian / Eurohypo	15,025,303	-	1,834	15,025,303	(34,349)	-
Münster Arkaden / BPI	126,437,197	-	7,862,040	127,358,053	-	6,086,979
Norteshopping / Eurohypo / BPI	44,285,663	-	1,238,618	-	-	412,452
Norteshopping BV / Eurohypo	42,504,216	-	1,265,968	42,912,081	-	402,172
Parque Atlántico / BBVA	16,800,000	-	137,212	17,500,000	-	168,490
Plaza Mayor Shopping / BES	34,000,000	-	27,228	-	-	-
Project Sierra Srl/ Société Générale	-	-	-	15,000,000	-	1,209,617
River Plaza / Société Générale	28,000,000	-	2,448,869	15,000,000	-	1,209,658
Valecenter / Eurohypo	6,558,750	-	78,086	6,600,000	-	40,775
Valecenter / Eurohypo	14,160,938	-	221,315	14,250,000	-	88,037
Valecenter / Eurohypo	23,850,000	-	(126,610)	-	-	-
Viacatarina / BPI	18,424,000	-	1,203,415	18,718,000	-	872,091
		-	40,475,977		(48,898)	29,945,181
"Zero Cost Collars":						
Cascaishopping / Santander	26,000,000	-	621,048	26,000,000	-	328,583
Centro Vasco da Gama / ING	57,200,000	-	232,181	57,200,000	-	181,282
Dos Mares / BBVA	19,175,000	-	230,966	19,625,000	-	109,828
Gaiashopping / BBVA	9,700,000	-	315,126	9,800,000	-	200,463
Luz del Tajo / Hypo Real Estate	36,560,000	-	485,126	36,560,000	-	130,000
MadeiraShopping / BBVA	9,000,000	-	49,005	9,000,000	-	21,896
Parque Principado / Calyon	56,700,000	(49,603)	-	56,700,000	(101,121)	-
Plaza Eboli / Hypo Real Estate	30,485,000	-	522,784	30,485,000	-	355,000
Valecenter / Eurohypo	52,750,000	-	1,993,061	52,750,000	-	1,365,379
		(49,603)	4,449,297		(101,121)	2,692,431
		(49,603)	44,925,274		(150,019)	32,637,612

The fair value of the financial hedging instruments was recorded under Hedging reserves of the Group (Euro -28,583,066 and Euro -20,883,705 in 30 June 2009 and 31 December 2008, respectively) and hedging reserves of the minorities (Euro -16,292,605 and Euro -11,603,888 in 30 June 2009 and 31 December 2008, respectively).

The interest rate "Swaps" and "Zero Cost Collars" are stated at their fair value at the balance sheet date, determined by the valuation made by the bank entities with which the derivatives were contracted. The computation of the fair value of these financial instruments was made taking into consideration the actualisation to the balance sheet date of the future cash-flows relating the difference between the interest rate to be paid by the Company to the bank entity with which the swap or collar was negotiated and the variable interest rate to be received by the Company from the bank entity that granted the loan.

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

- Perfect matching between the cash-flows paid and received: there is coincidence between the dates of interest payments of the loans obtained and their date of the derivatives flows with the bank;
- Perfect matching in the index interest rate used: the reference index interest rate used in the derivatives and in the loan are coincident;

- In a scenario of increase or decrease in interest rates, the maximum amount of interest payable is perfectly calculated.

## 8 OTHER BANK LOANS

At 30 June 2009 and 31 December 2008 this caption was made up as follows:

	30.06.09		31.12.08	
	Limit	Short term	Limit	Short term
Short term facilities:				
Cascaishopping - C.C., S.A.	2,618,689	-	2,495,793	-
Centro Colombo - C.C., S.A.	5,234,974	1,179,702	5,234,974	1,092,698
Sierra B.V.	10,000,000	599,889	10,000,000	9,515,635
Sierra Management Portugal, SA	249,399	-	249,399	-
Sonae Sierra, SGPS, SA	103,907,438	1,400,683	88,907,438	-
Via Catarina- C.C., S.A.	1,000,000	361,404	1,000,000	92,520
Bank overdrafts	-	3,741,633	-	1,339,570
	<u>123,010,500</u>	<u>7,283,311</u>	<u>107,887,604</u>	<u>12,040,423</u>

## 9 ACCOUNTS PAYABLE TO OTHER SHAREHOLDERS

At 30 June 2009 and 31 December 2008 this caption was made up as follows:

	30.06.09		31.12.08	
	Short term	Medium and long term	Short term	Medium and long term
SIERRA Investments (Luxembourg) 1 Sarl ("Luxco 1"):				
Arrábidashopping- Centro Comercial, S.A.	-	576,395	17,477	1,250,045
Centro Colombo- Centro Comercial, S.A.	-	-	-	-
Centro Vasco da Gama - Centro Comercial, S.A.	-	3,838,523	-	3,838,523
SC Mediterranean Cosmos B.V.	-	247,473	-	827,996
Sierra European Retail Real Estate Assets Holdings BV	8,318,839	-	7,023,425	-
Zubiarte Inversiones Inmob,SA	-	1,765,054	-	1,703,480
	<u>8,318,839</u>	<u>6,427,445</u>	<u>7,040,902</u>	<u>7,620,044</u>
SIERRA Investments (Luxembourg) 1 Sarl ("Luxco 2"):				
Arrábidashopping- Centro Comercial, S.A.	-	461,116	13,981	1,000,036
Centro Colombo- Centro Comercial, S.A.	-	-	-	-
Centro Vasco da Gama - Centro Comercial, S.A.	-	3,070,719	-	3,070,719
SC Mediterranean Cosmos B.V.	-	196,014	-	662,398
Sierra European Retail Real Estate Assets Holdings BV	6,657,041	-	5,618,739	-
Zubiarte Inversiones Inmob,SA	-	1,412,043	-	1,362,783
	<u>6,657,041</u>	<u>5,139,892</u>	<u>5,632,720</u>	<u>6,095,936</u>
Sonae SGPS, SA	23,410,080	-	-	-
Grosvenor	23,410,080	-	-	-
Others	59,550	-	186,040	-
	<u>46,879,710</u>	<u>-</u>	<u>186,040</u>	<u>-</u>
	<u>61,855,590</u>	<u>11,567,337</u>	<u>12,859,662</u>	<u>13,715,980</u>

The amount of Euro 23,410,000 payable to Sonae Sierra, S.G.P.S., S.A. and to Grosvenor refer to distribution of dividends in 2009 regarding the result of 2008, which are still pending from payment.

## 10 MOVEMENT IN MINORITY INTERESTS

During the years ended 30 June 2009 and 31 December 2008 the movement in minority interests was as follows:

	%	Balance		P&L		
		30.06.09	31.12.08	30.06.09	31.12.08	30.06.08
Sierra BV	49.900%	374,771,812	418,089,773	(39,640,944)	(76,167,354)	(12,863,853)
SPF	49.962%	-	-	-	441,523	1,460,797
Brazilian companies	3.7358%	8,441,350	6,697,017	84,321	1,546,742	861,196
Others		(10,422,684)	(4,796,551)	(5,004,691)	(7,879,001)	(5,599,894)
		<u>372,790,478</u>	<u>419,990,239</u>	<u>(44,561,314)</u>	<u>(82,058,090)</u>	<u>(16,141,754)</u>

## 11 SEGMENT INFORMATION

The Group adopted for the first time the IFRS 8 – Operational Segments, according to which the disclosed segment information must be the information internally used by the management of the Group.

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

- Sierra Investments
- Sierra Developments
- Sierra Management
- Sonae Sierra Brazil
- Corporate Centre

The Sonae Sierra's reportable segment information for the half years ended 30 June 2009 and 2008 regarding the statement of profit and loss can be detailed as follows:

	30.06.09	30.06.08
Net Operating Margin		
Sierra Investments	89,775,602	89,644,666
Sierra Developments	(40,151,606)	(27,515,601)
Sierra Management	2,049,659	2,832,529
Sonae Sierra Brazil	7,625,822	6,857,283
Corporate center	547,122	391,875
Eliminations and adjustments	26,032,321	17,754,393
Consolidated	85,878,920	89,965,145
Direct profit before taxes		
Sierra Investments	50,710,760	46,288,563
Sierra Developments	(43,264,440)	(30,104,054)
Sierra Management	2,570,393	3,333,072
Sonae Sierra Brazil	6,526,805	6,389,371
Corporate center	0	(414,911)
Eliminations and adjustments	28,634,536	19,000,671
Consolidated	45,178,055	44,492,712
Indirect income		
Sierra Investments	(164,131,044)	(54,660,798)
Sonae Sierra Brazil	(3,176,558)	31,477,405
Eliminations and adjustments	(51,996,473)	(10,261,338)
Consolidated	(219,304,076)	(33,444,731)
Corporate tax + Deferred tax		
Sierra Investments	28,439,461	(5,452,213)
Sierra Developments	1,547,718	8,081,411
Sierra Management	(1,002,947)	(1,179,355)
Sonae Sierra Brazil	1,087,296	(11,359,511)
Corporate center	-	109,951
Eliminations and adjustments	5,310,496	89,098
Consolidated	35,382,024	(9,710,618)
Net profit before minorities		
Sierra Investments	(84,980,824)	(13,824,449)
Sierra Developments	(41,716,722)	(22,022,642)
Sierra Management	1,567,446	2,153,718
Sonae Sierra Brazil	4,437,544	26,507,265
Corporate center	0	(304,960)
Eliminations and adjustments	(18,051,442)	8,828,431
Consolidated	(138,743,997)	1,337,363

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

	Net Operating Margin		Direct profit before taxes		Indirect income		Corporate tax + Deferred tax		Net profit before minorities	
	30.06.09	30.06.08	30.06.09	30.06.08	30.06.09	30.06.08	30.06.09	30.06.08	30.06.09	30.06.08
Value created in projects in Sierra Developments <sup>(1)</sup>	29,645,847	19,016,780	29,645,847	19,016,780	(29,645,847)	(4,570,054)	-	-	-	14,446,726
Price adjustment made in December 2008 regarding the forecasted price adjustment for 2009	-	-	-	-	(22,298,785)	-	6,471,082	-	(15,827,703)	-
Sonae Sierra Brazil Margins <sup>(2)</sup>	-	-	-	-	-	(4,411,390)	-	1,499,873	-	(2,911,518)
Provisions	(2,268,127)	(1,117,962)	-	-	-	-	-	-	-	-
Others	(1,345,399)	(144,425)	(1,011,311)	(16,109)	(51,842)	(1,279,893)	(1,160,586)	(1,410,775)	(2,223,738)	(2,706,777)
Eliminations and adjustments	26,032,321	17,754,393	28,634,536	19,000,671	(51,996,473)	(10,261,338)	5,310,496	89,098	(18,051,442)	8,828,431

(1) "Sierra Developments" segment recognises in the accounts the value created in the assets, that have been sold to the segment "Sierra Investments", by a maximum period of 2 years after the opening date of the assets or, if occurs sooner, until it's sold to third parties.

(2) "Sonae Sierra Brazil" recognised in 2008 an estimation of the margins in their projects at the balance sheet date.

The Sonae Sierra's reportable segment information for the half year ended 30 June 2009 and the year ended 31 December 2008, regarding the statement of financial position, can be analysed as follows:

	30.06.09	31.12.08
Investment properties		
Sierra Investments	3,253,773,201	3,454,680,915
Sonae Sierra Brazil	296,559,124	230,520,554
Investment Properties under development and others (Sierra Investments and Brazil)	(25,905,805)	(55,698,932)
Consolidated	3,524,426,520	3,629,502,537
Tax shelter		
Sierra Investments	16,500,191	15,871,318
Sierra Management	858,240	731,052
Sonae Sierra Brazil	2,011,185	1,643,413
Eliminations and adjustments	108,662	(135,143)
Consolidated	19,478,278	18,110,640
Bank loans		
Sierra Investments	1,789,509,971	1,807,632,533
Sierra Developments	87,208,028	62,998,559
Sonae Sierra Brazil	37,366,457	20,990,242
Corporate center	76,376,933	90,000,000
Hedging (Sierra Investments)	(48,910,129)	(34,917,842)
Consolidated	1,941,551,262	1,946,703,492
Deferred taxes liabilities		
Sierra Investments	431,945,170	480,565,579
Sierra Developments	1,366,079	992,030
Sonae Sierra Brazil	40,630,435	35,510,477
Eliminations and adjustments	1,315,318	(565,774)
Consolidated	475,257,002	516,502,312

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

### Statement of profit and loss

	30.06.09	30.06.08
Net Operating Margin - segments	85,878,920	89,965,145
Equity method adjustment <sup>(1)</sup>	5,846,399	(3,564,543)
Indirect Income:		
Variation in fair value of the investment properties	(200,847,968)	(43,331,078)
Variation in fair value of the investment properties - equity method	(11,456,061)	814,544
Other indirect income	(821,051)	46,870
Depreciations and provisions	(7,507,281)	(5,585,195)
Others	886,472	(74,467)
Net Operating Profit	(128,020,570)	38,271,276
Corporate tax + Deferred Tax - segments	35,382,024	(9,710,618)
Equity method adjustment <sup>(1)</sup>	(2,141,345)	718,019
Others	85,962	(142,698)
Income tax	33,326,641	(9,135,297)

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

### Statement of financial position

	30.06.09	31.12.08
Investment properties - segments	3,524,426,520	3,629,502,537
Equity method adjustment <sup>(1)</sup>	(188,814,881)	(199,727,476)
Alexa Arches - lease debt	839,653	840,153
Goodwill <sup>(2)</sup>	(62,714,901)	(62,714,901)
Others	2	2
Investment properties	3,273,736,393	3,367,900,315
Bank loans - segments	1,941,551,262	1,946,703,492
Equity method adjustment <sup>(1)</sup>	(101,569,516)	(103,009,776)
Financing costs	(13,428,616)	(15,457,214)
Others	(409,135)	23,969
Debt - current and non-current	1,826,143,995	1,828,260,471

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

(2) Sierra Investments includes the Goodwill under the caption "Investment Properties".

## 12 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorised for issuance on the 20 August 2009. However these financial statements are still depending on the approval by the Shareholders General Meeting, in accordance with company law prevailing in Portugal.

## 13 NOTE ADDED FOR TRANSLATION

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

Maia, 20 August 2009.

The Board of Directors

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

(Translation of a report originally issued in Portuguese)

**Introduction**

1. In accordance with the Securities Market Code (Código dos Valores Mobiliários) we hereby present our Limited Review Report on the consolidated financial information of Sonae Sierra, S.G.P.S., S.A. (“the Company”) for the half year ended 30 June 2009 included in the: Directors Report, the Consolidated Statement of Financial Position (that reflect a total of Euro 4,007,004,903 and shareholders’ equity of Euro 1,358,697,035, including a consolidated net loss attributable to the shareholders of the Company of Euro 94,183,115), the Consolidated Statement of Profit and Loss, the Comprehensive Income, Changes in Shareholders’ Equity and Cash Flows for the half year then ended and the corresponding Notes.
2. The amounts in the consolidated financial statements, as well as the additional financial information, are in accordance with the accounting records of the companies included in the consolidation, adjusted in the consolidation process as indicated in the Note 2 of the Notes.

**Responsibilities**

3. The Company’s Board of Directors is responsible for: (i) the preparation of consolidated financial information that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated comprehensive income of their operations, changes in equity and cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria; (iv) the maintenance of an appropriate internal control system; and (v) informing any significant facts that have influenced their operations or the operations of the companies included in the consolidation, their financial position or comprehensive income.
4. Our responsibility is to review the financial information contained in the above mentioned documents, namely verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and to issue a moderate assurance, professional and independent report on that consolidated financial information based on our work.

**Scope**

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

6. Our work also included verifying the consistency of the consolidated financial information included in the Directors Report with the remaining documents referred to above.
7. We believe that our work provides a reasonable basis for issuing this Limited Review Report on the half year consolidated financial information.

**Opinion**

8. Based on our work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated financial information for the half year ended 30 June 2009, referred to in paragraph 1 above of Sonae Sierra, S.G.P.S., S.A., is not exempt from material misstatements that affect its conformity with International Financial Reporting Standards as adopted by the European Union, for the purposes of interim financial reporting (IAS 34), and that, in accordance with the definitions included in the standards referred to in paragraph 5 above, it is not complete, true, timely, clear, objective and licit.

Lisbon, 20 August 2009

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