



SONAE SGPS
MANAGEMENT PRESENTATION 1Q08

June 2008



AGENDA

1 Sonae corporate profile

2 Retail

3 Shopping Centres

4 Telecommunications

5 1Q08 Group results

**Appendix:
Success factors
Macroeconomic environment**

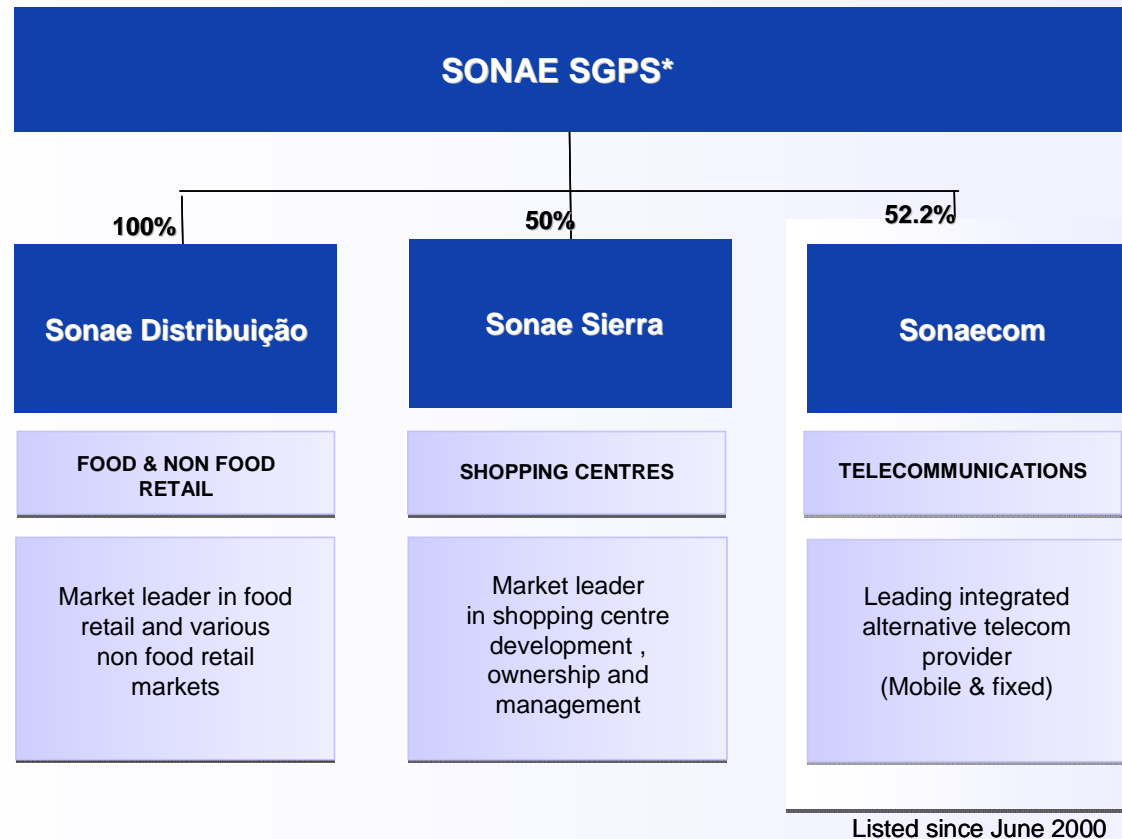


Sonae corporate profile



SONAE CORPORATE PROFILE

Sonae SGPS controls and actively manages a portfolio of companies, each run in an independent manner



*Sonae SGPS kept the insurance brokerage shareholdings owned by a wholly owned subsidiary of Sonae Capital until end 2007



Retail



RETAIL - COMPOSITION

SONAE DISTRIBUIÇÃO

Food Retail

CONTINENTE

Hypermarkets (Average sales area = 8,000 m²)

Modelo

Hypermarkets (Average sales area = 2,000 m²)

Modelo
Bonjour

Supermarkets (Average sales area = 1,000 m²)

Non-Food Retail

worten

Consumer Elect.

VOBIS

Computers

SPORT ZONE

Sports Goods

modalfa

Apparel

Maxmat

DIY

star

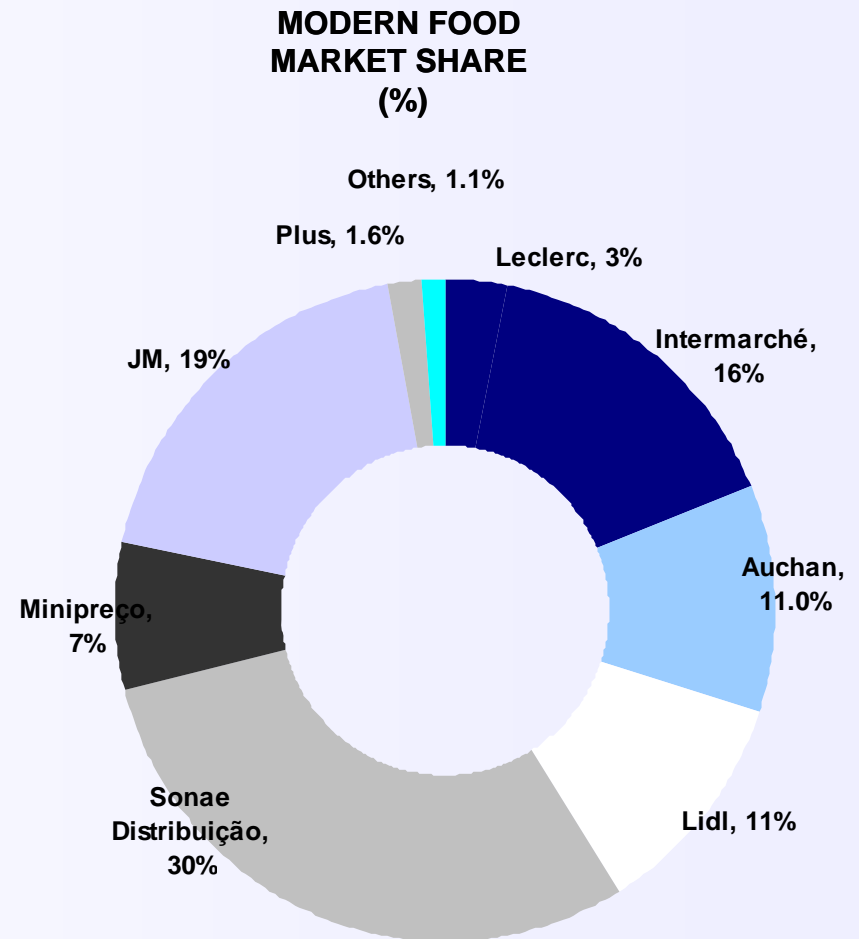
Travel Agencies

+ 6 format start-ups over the last 4 years



RETAIL - KEY FACTS

The leading food retailer in Portugal, considered an international benchmark in the sector in terms of profitability





RETAIL – QUARTERLY CORPORATE DEVELOPMENTS

Integration of Carrefour Portugal

- On 2 January 2008, Carrefour Portugal stores were successfully integrated, including IT systems, Human Resources and rebranding;
- The twelve units were closed for only 2 days, and have delivered very promising sales figures in 1Q08.

Agreement with Galp Energia

- On 14 February 2008, Sonae Distribuição announced an agreement with Galp Energia for the operation of eight petrol stations, acquired as part of the purchase of Carrefour Portugal.

Internationalization of SportZone

- On 23 April 2008, Sonae Distribuição successfully opened its first SportZone store in Spain, Madrid, with a space area of 2,000 m² and 55 employees;
- This opening falls within the company's goal of internationalizing its sportswear chain;
- 3 SportZone stores will be opened in Madrid before the end of 2008 and between 20 and 25 stores until 2010.



RETAIL – 1Q08 RESULTS

Strengthen of leadership position in Portugal, with turnover up by 28% and EBITDA increasing 18%, despite the launch of the loyalty card in January 2007





RETAIL – OUTLOOK FOR 2008

Maintain strong organic growth and store refurbishment

SALES AREA

- 2008: Above 10% CAGR in sales area; more than 60,000 m2 of new sales area.

TURNOVER

- 2008: Above 20% turnover increase.

EBITDA

- 2008: Sustain recurrent EBITDA margin;

CAPEX

- 2008: Total CAPEX of 300 Million euros;
- 2008-2010: Total Capex of 900 Million euros

DEBT LEVEL

- 2008-2010: Maintain debt level.



Shopping Centres



SHOPPING CENTRES - COMPOSITION

SONAE SIERRA

Shopping Centres

Sierra development

- Responsible for development of shopping centres;
- Role of overseeing the procurement and design process.

Sierra investment

- Owns Sonae Sierra's assets – shopping centres and retail parks;
- 51% control of Sierra investment property fund (Sept 2003);
- 60% control of Sierra Portugal fund (April 2008);
- Asset management services.

Sierra management

- Responsible for day to day management of shopping centres (property management);
- Operational management of Sierra's assets and others owned by third parties.

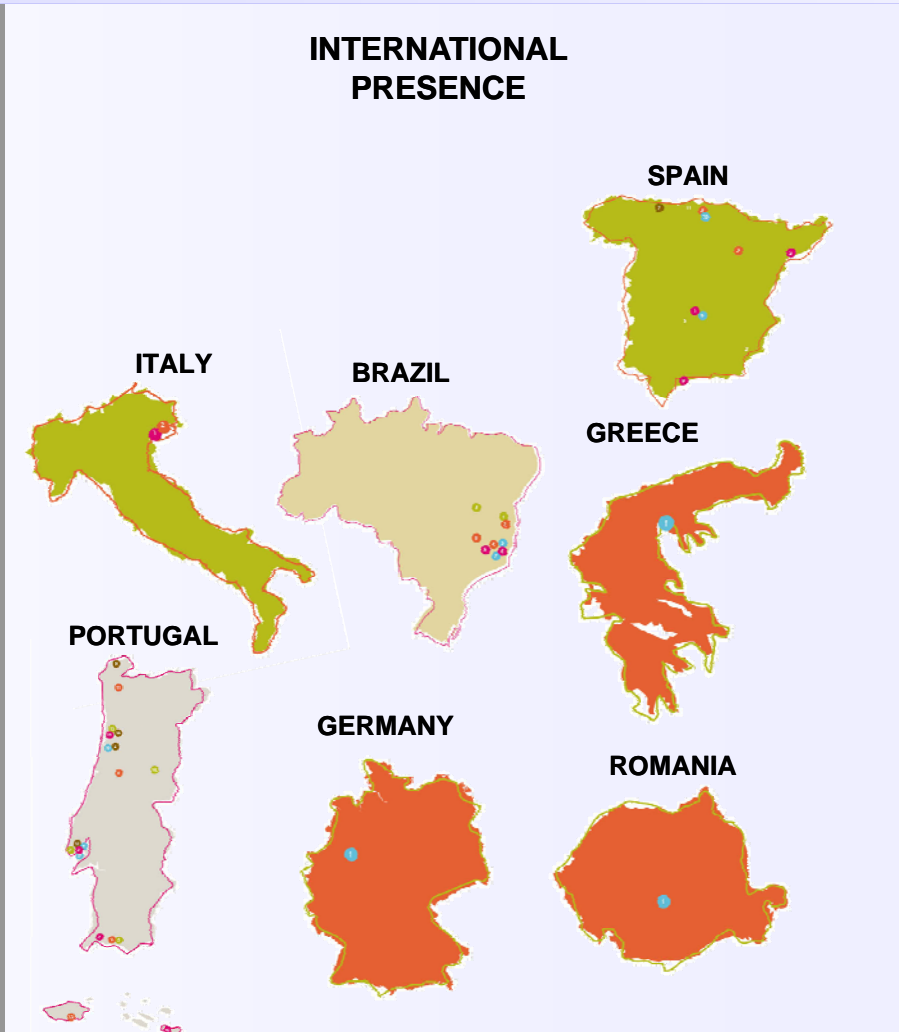
Sierra Brazil

- Similar business structure in Brazil;
- Fully dedicated local management team and partnership with DDR (Developers Diversified Realty).



SHOPPING CENTRES - KEY FACTS

International shopping centre specialist with an integrated approach to the business





SHOPPING CENTRES – QUARTERLY CORPORATE DEVELOPMENTS

Launch of Sierra Portugal Fund (SPF)

- On 27 March 2008, Sonae Sierra launched its second shopping centre investment fund with a total equity of 300 million euros;
- The SPF is seeded with eight Portuguese shopping centres, representing a total market value of over 425 million euros and also benefits from a pipeline of three projects currently being developed in Portugal.

New projects

- On 6 March 2008, Sonae Sierra announced the development of its 11th shopping centre in Brazil, in Londrina, through a partnership with a local associate company, Marco Zero.
- On 2 April 2008, Sonae Sierra and Caelum Development have established a 50:50 Joint Venture for the development of Parklake Plaza, one of Europe's biggest shopping centres, located in Bucharest, Romania.

Openings

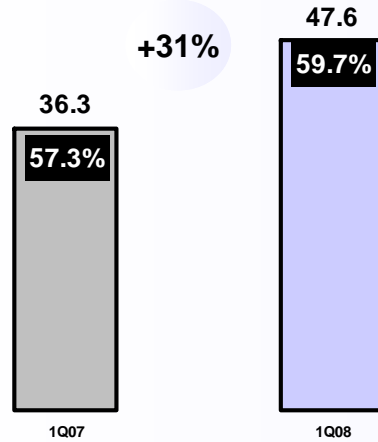
- On 21 April 2008, Sonae Sierra inaugurated "Freccia Rossa" shopping and leisure centre in Brescia, Italy, a 144 million euros investment with 119 shops on 29,700 m² GLA.



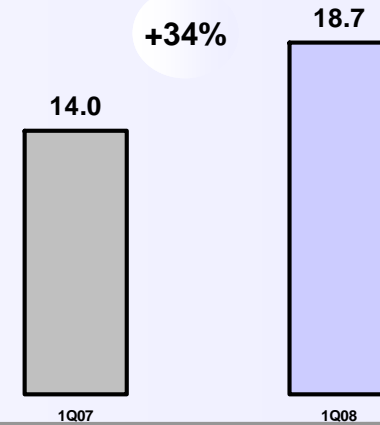
SHOPPING CENTRES – 1Q08 RESULTS

higher profitability, achieving a good set of results underpinned by the significant portfolio of assets under management and the increased pipeline of projects under development

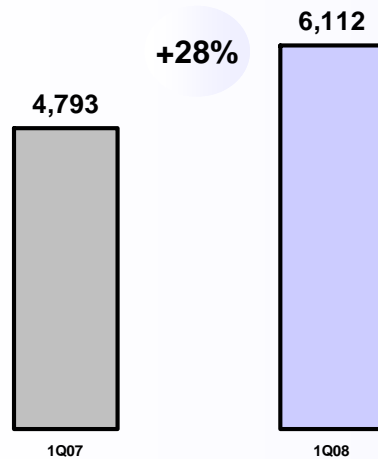
**EBITDA
(M.€)**



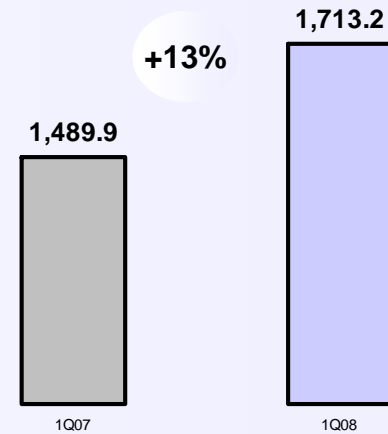
**NET
PROFIT
GROUP
SHARE
(M.€)**



**REAL ESTATE
OPEN MARKET
VALUE
(M.€)**



**REAL ESTATE
NET ASSET
VALUE
(M.€)**





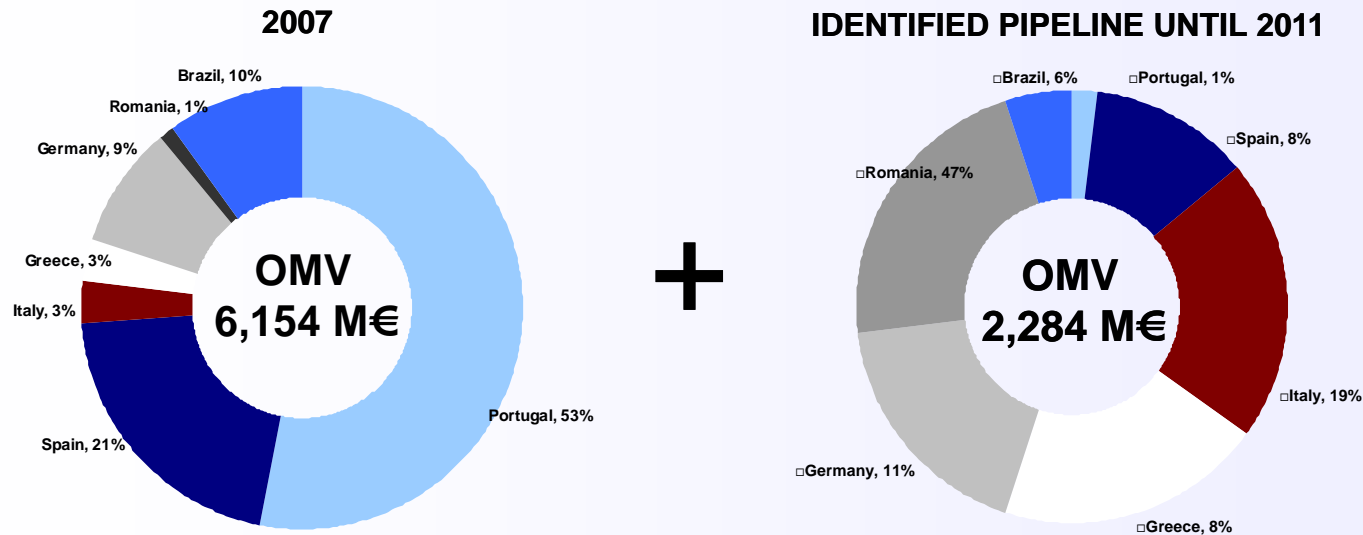
SHOPPING CENTRES – OUTLOOK FOR 2008

Continue developing project pipeline and looking for value adding opportunities

YIELDS

- Yields at historically low levels and scope for valuation gains more limited;
- Operating performance of well-located, well-designed, well-managed shopping centres will remain strong;
- The limited scope for yield compression in mature markets will shift focus to operational optimization and to developments.

4 Shopping centre openings in 2008, with estimated OMV of 90 M€ and 111 thousand Sqm of Gross Lettable Area



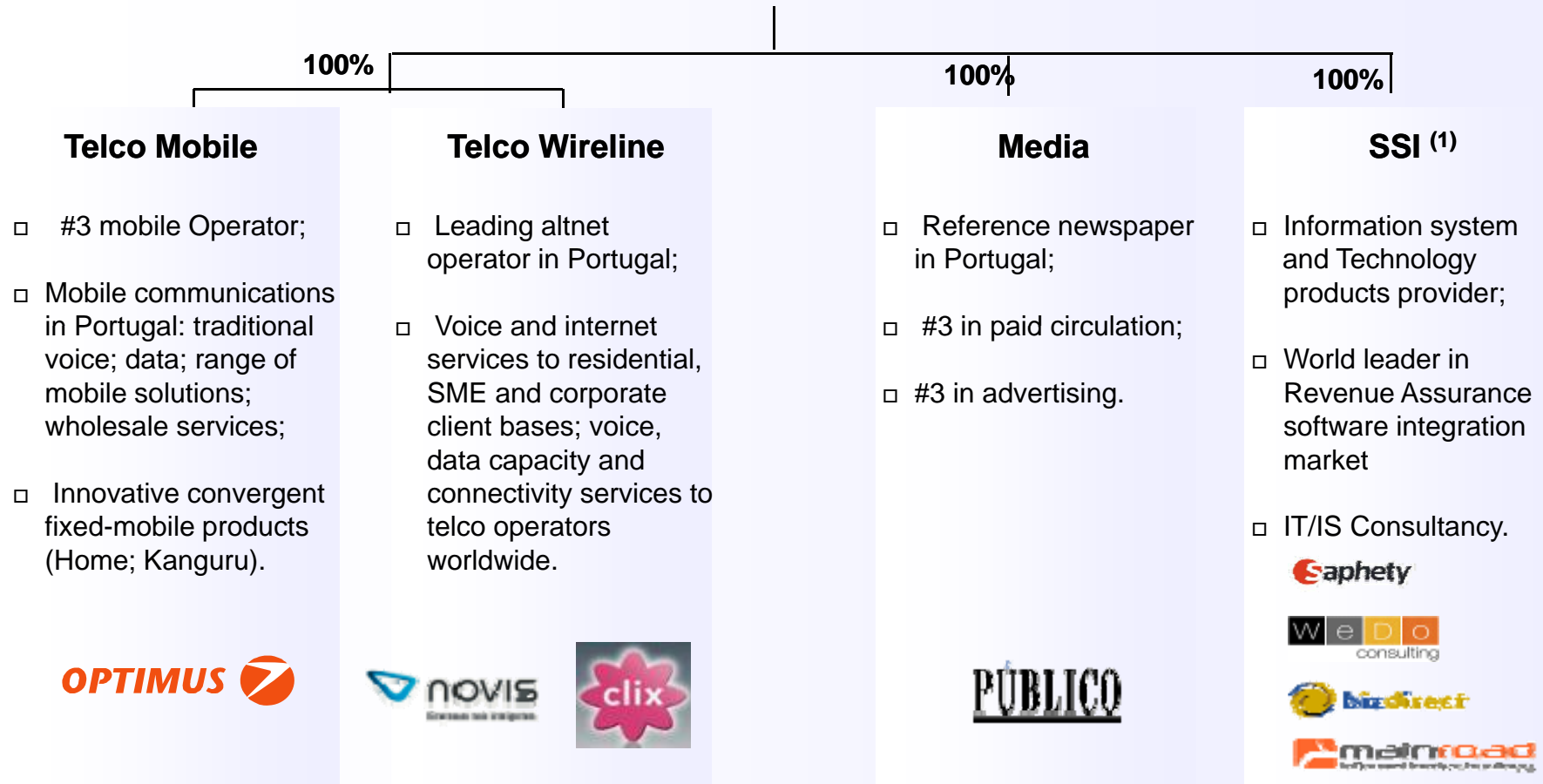


Telecommunications



TELECOMMUNICATIONS - COMPOSITION

SONAECON

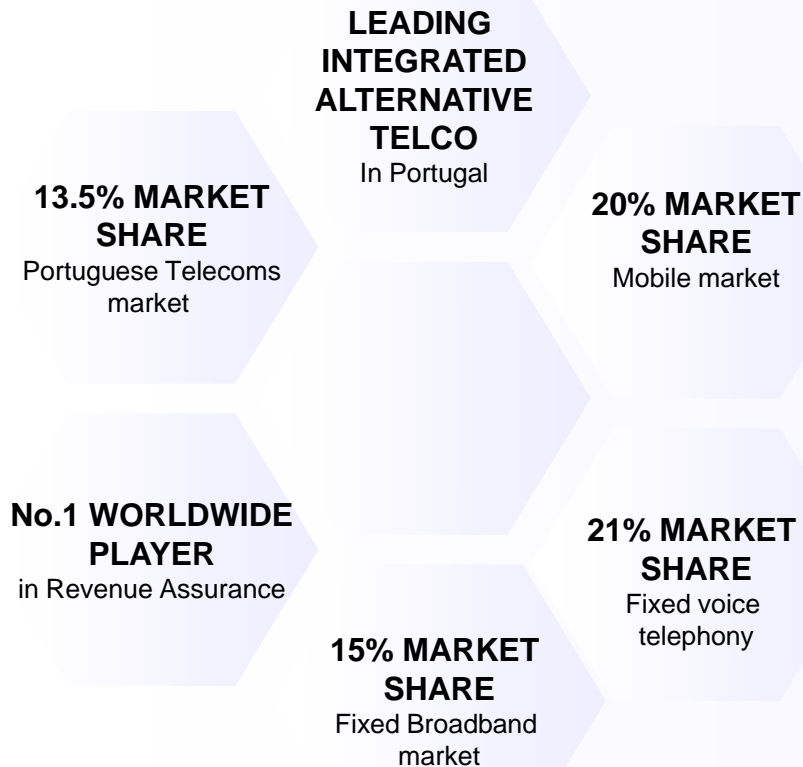


(1) Software and Systems Information

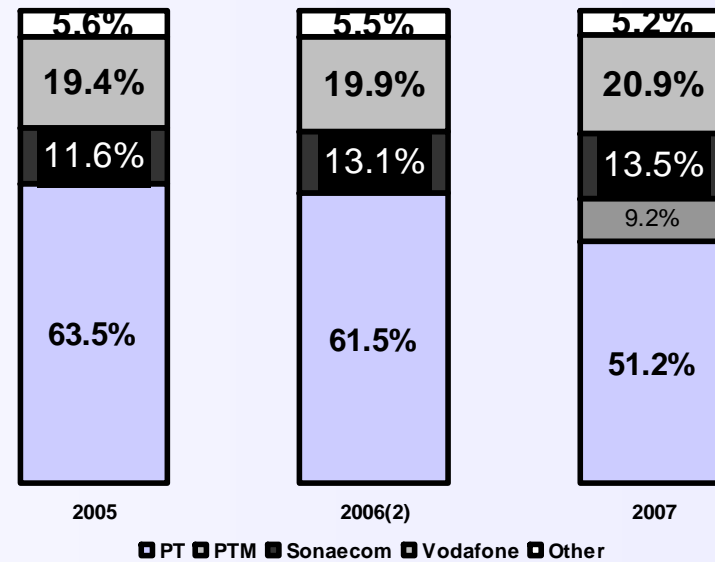


TELECOMMUNICATIONS - KEY FACTS

Organic growth acceleration and strengthening of market shares



PORTUGUESE TELECOMS MARKET EVOLUTION⁽¹⁾ (%)



Notes:

(1) Telecoms revenues only include telecommunications services revenues, excluding, in the case of PTM, cinemas and audiovisuals revenues;

(2) 2006 revenues are adjusted considering Sonaecom acquisitions of ONI and Tele2.



TELECOMMUNICATIONS - QUARTERLY CORPORATE DEVELOPMENTS

Next Generation Network

- On 21 February 2008, Sonaecom announced its 3-year investment plan totalling 240 million euros for deployment of fibre;
- Payback: 9 years; Break-even: year 5;
- Will allow coverage of over 1 million homes and approximately 25% of the Portuguese population;
- Sonaecom proposed to give access to all interested national operators, aligning with regulatory recommendations and best practice in Europe.

New innovative products

- Launch of "TAG";
- Mobile offer aimed at the youth market;
- Introduces, for the first time, unlimited communications among user groups at attractive flat fees.

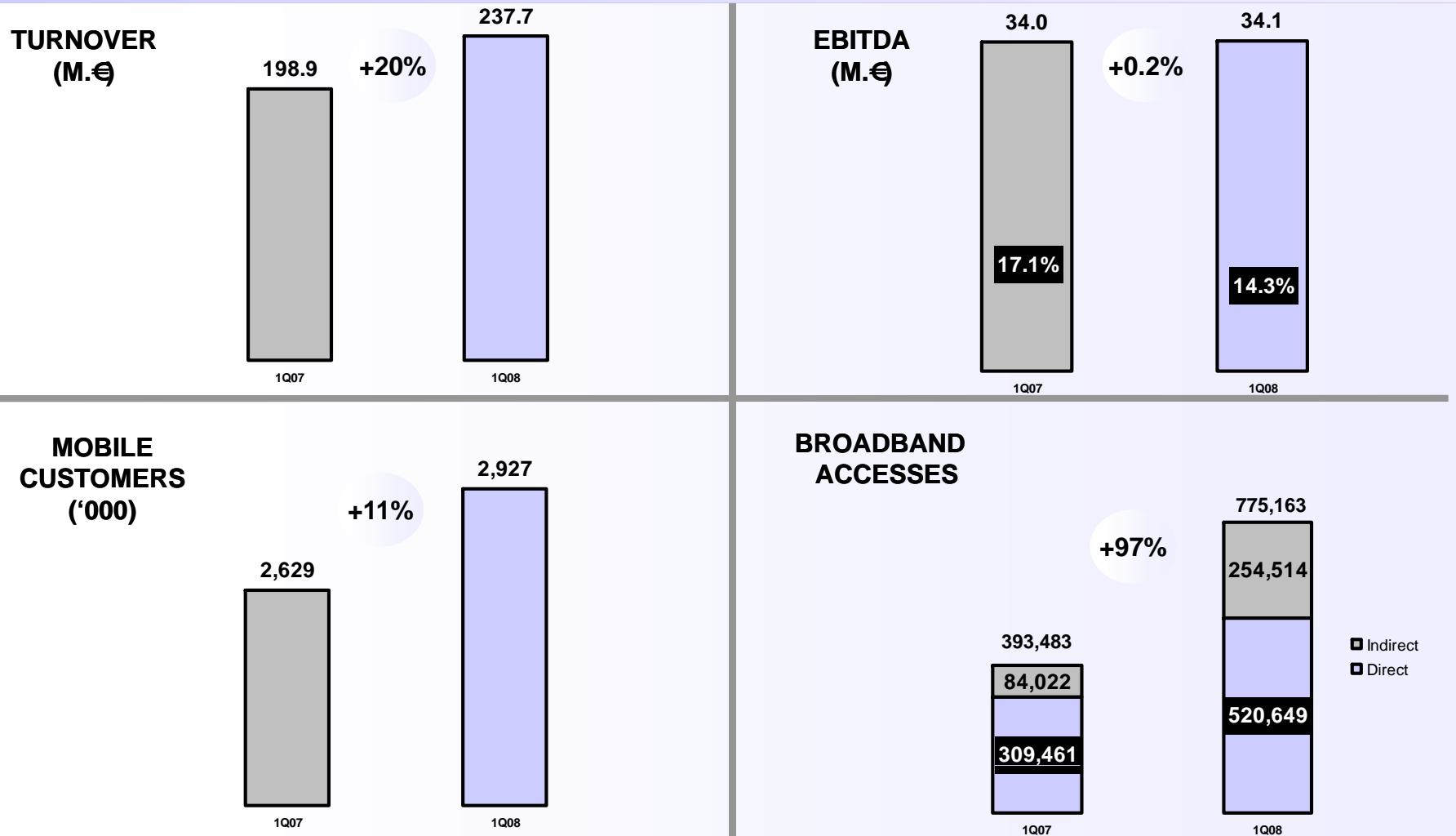
Mobile rebranding

- Launch of a totally new brand and corporate image.



TELECOMMUNICATIONS - 1Q08 RESULTS

Growth in customers and customer revenues, on the back of increased marketing and commercial activity





TELECOMMUNICATIONS - OUTLOOK FOR 2008

Push for growth, improve customer management and lead innovation

ACCELERATE GROWTH AND INCREASE MARKET SHARE

- Increase mobile brand presence/investment;
- Further develop substitution, integrated and convergent offers / market approach.

SUPERIOR CUSTOMER EXPERIENCE

- Accelerate investments in Network;
- Improve Customer Management;
- Lead innovation in products and services.

FOCUS ON PROFITABILITY

- Full integration of network / platforms / organization;
- Integration of acquired Businesses;
- Seek further operating and financial efficiencies.

NEXT GENERATION NETWORK STRATEGY

- Initiating investment in FTTH deployment.



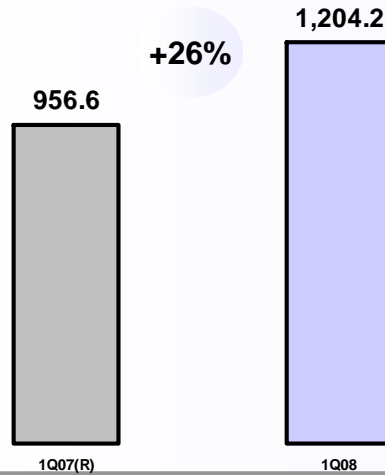
1Q08 Group results



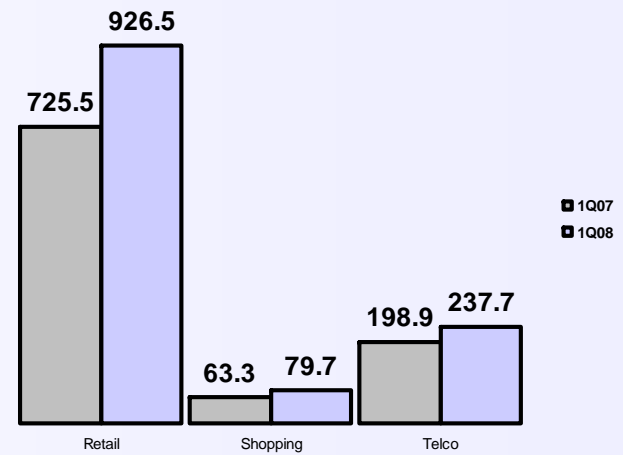
1Q08 GROUP RESULTS

Turnover and Operational Cash Flow improved across all our business units...

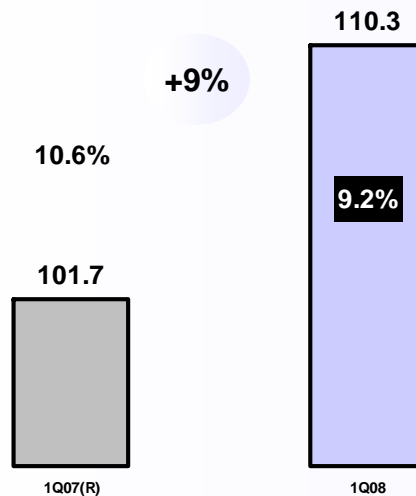
TURNOVER (M.€)



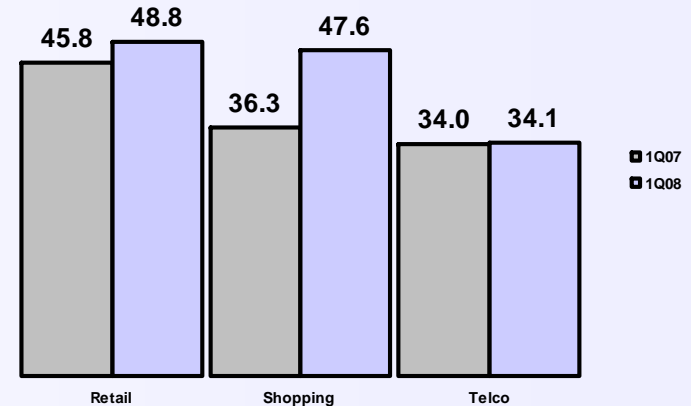
TURNOVER BY BUSINESS (M.€)



EBITDA (M.€)



EBITDA BY BUSINESS (M.€)

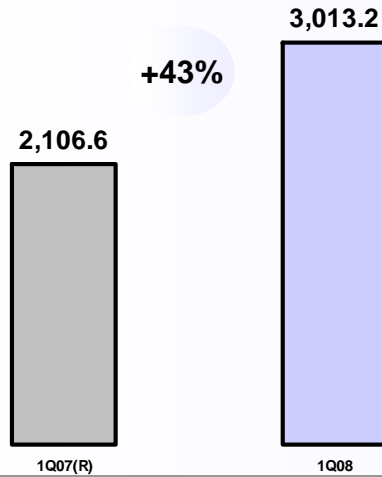




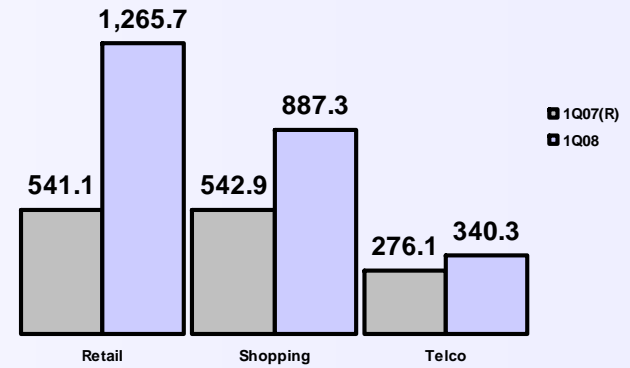
1Q08 GROUP RESULTS

Investment for growth accelerated and leverage increased...

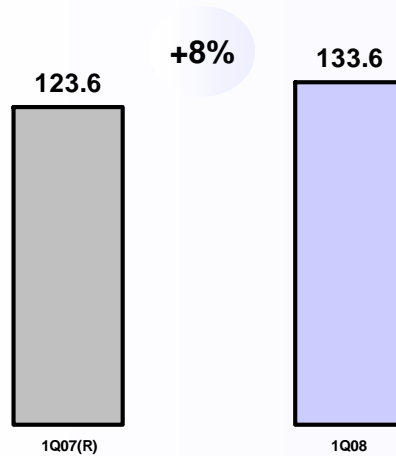
NET DEBT (M.€)



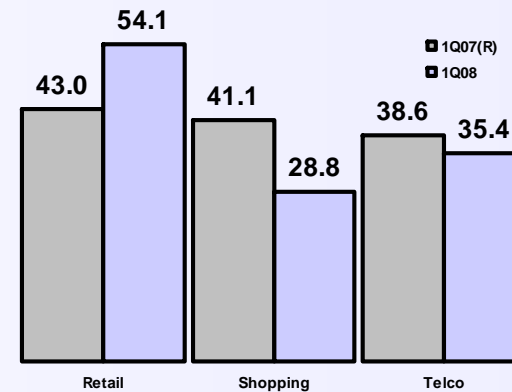
NET DEBT BY BUSINESS (M.€)



CAPEX (M.€)



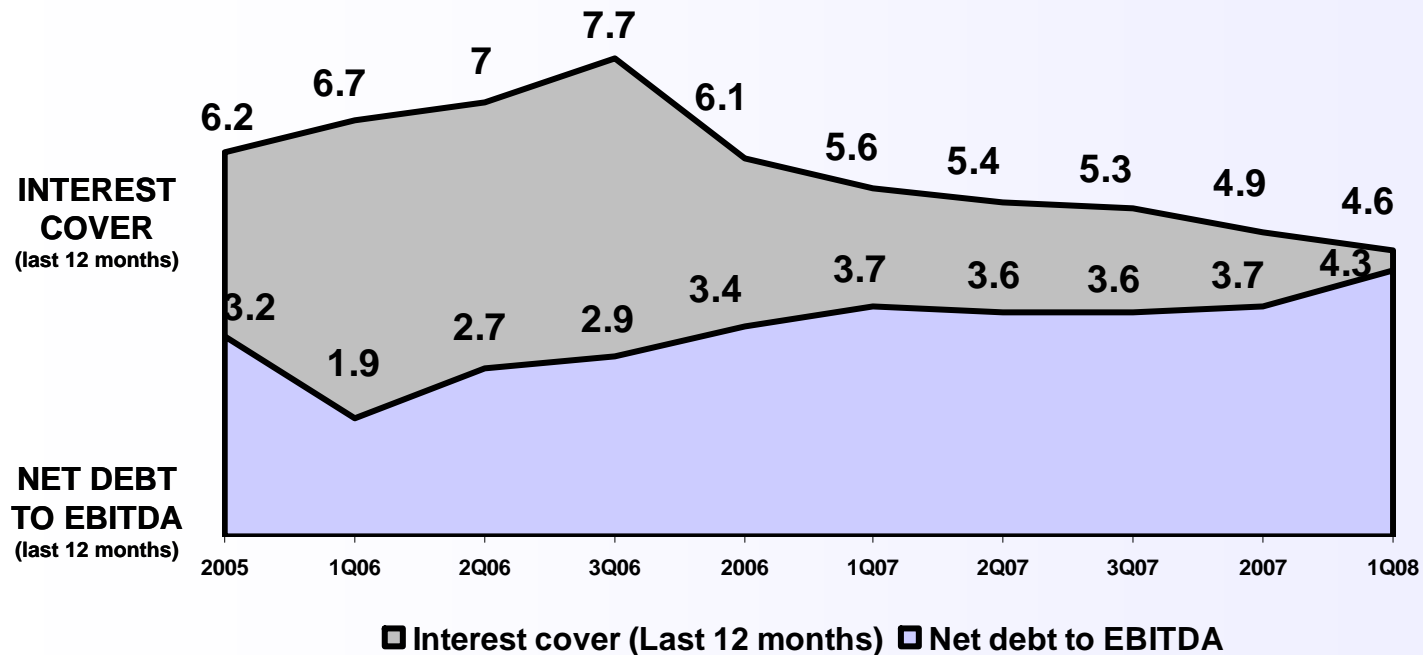
CAPEX BY BUSINESS (M.€)





1Q08 GROUP RESULTS

...notwithstanding, consolidated financial structure is comfortable



- Total gross debt attributable to the Shopping Centres business is fully and exclusively guaranteed by the assets of each project : 29% of Sonae total Gross Debt; 920 million euros;
- In 1Q08, EBITDA (last 12 months) only includes one quarter's contribution from the Carrefour operation acquired at end 2007, while Net Debt reflects full acquisition price of 664 million euros; 21% of Sonae total Gross Debt



Appendix: Success factors



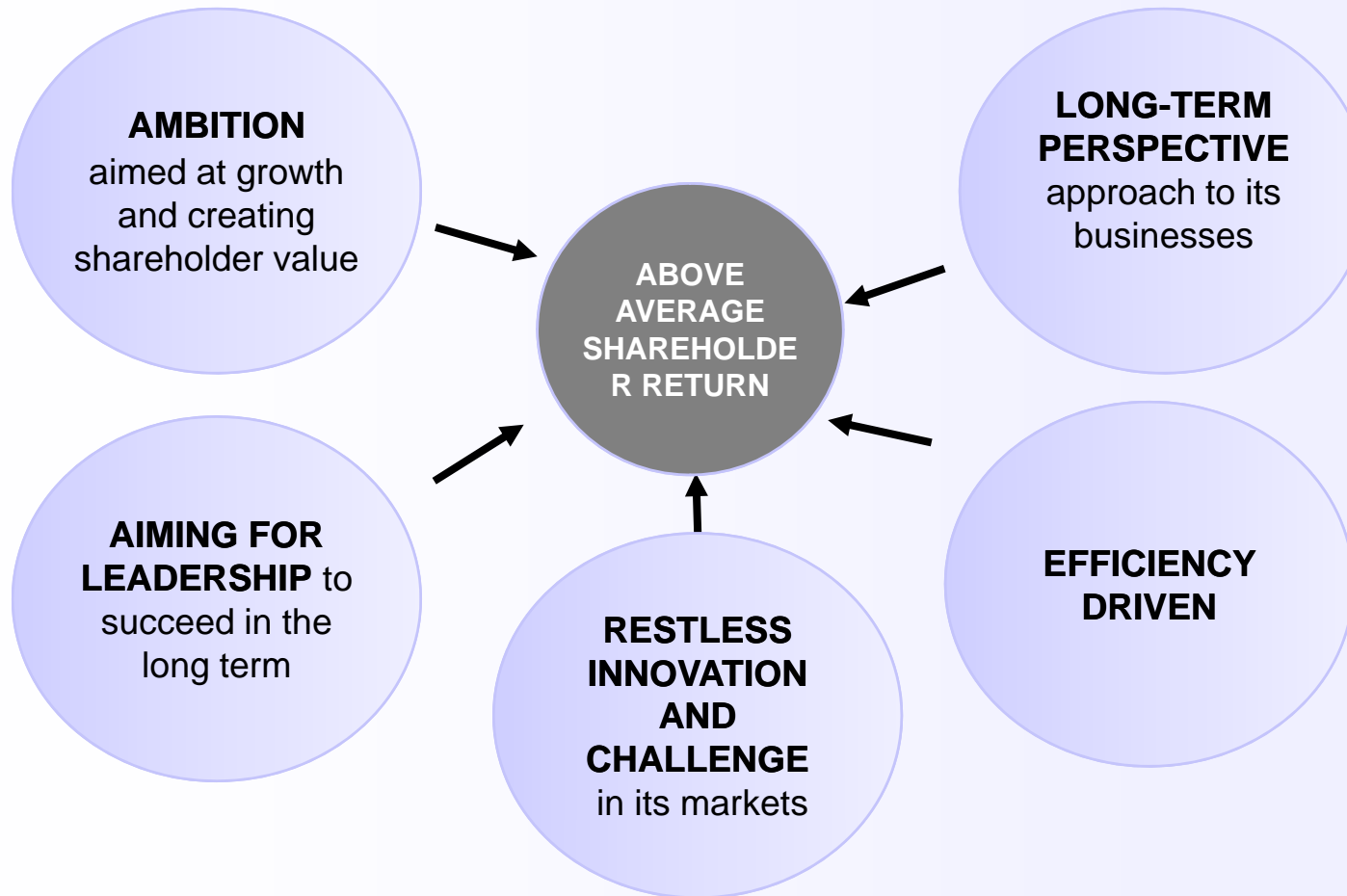
APPENDIX – SUCCESS FACTORS: HOLDING AS VALUE ENHANCER





APPENDIX – SUCCESS FACTORS: STRONG VALUES AND MANAGEMENT CULTURE

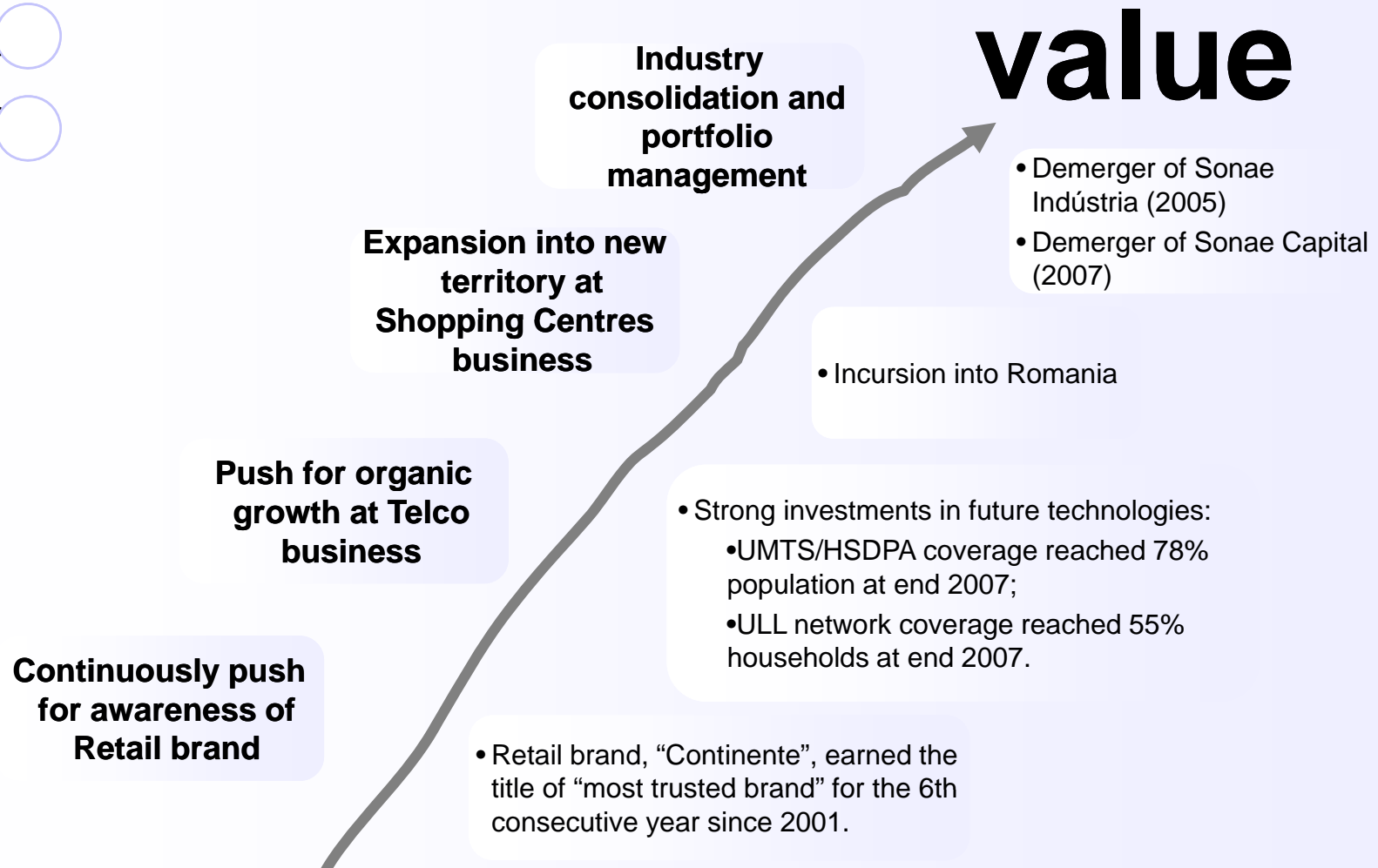
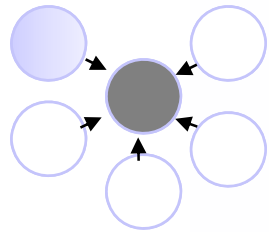
Sonae: a Group with confirmed sustainable growth and profitability





APPENDIX – SUCCESS FACTORS: AMBITION AIMED AT GROWTH & CREATING VALUE

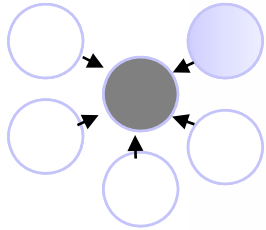
Ambition aligned to offer superior economic value to our shareholders





APPENDIX – SUCCESS FACTORS: LONG-TERM PERSPECTIVE APPROACH

Focus on profitability does not stop us from preparing the future



LONG TERM GROWTH EVENTS

Retail and Shopping centres assets

- Assets' location are premium, unique and difficult to replicate;
- Important competitive advantage on the long-run.

Shopping centre integrated approach to business

- Policy of partial ownership, development and management activities;
- Proactive approach to management as a complement to a “develop and hold” policy;
- long-term view of investment ensures shopping increases value over time.

Tender Offer

- Tender Offer for Portugal Telecom, the telecoms incumbent in Portugal

Fibre investment plan

- FTTH;
- 250 million euros of expected investment;
- Coverage of more than 25% of population.

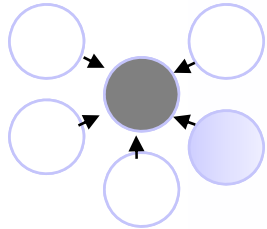
Internationalization strategy at Retail

- 1 Sportzone store opened in Madrid;
- Planned: 3 Sportzone stores in Spain until end 2008; 20 to 25 new stores until 2010.



APPENDIX – SUCCESS FACTORS: EFFICIENCY DRIVEN

Continuously pushing for efficiency gains



Merger of mobile and fixed divisions

- Anticipating the future convergence of technologies;
- Separation of fixed and mobile markets became obsolete

Improvement in productivity indices at Retail

- Continuing efforts to modernize the company: 30 major refurbishments in older assets during 2007;
- Investments in logistics, processes and technology;
- Strengthening of competencies in international procurement;
- More than 1,300 thousand hours of professional training.

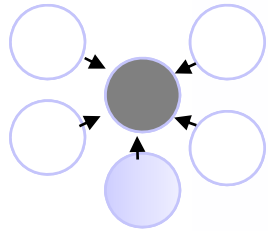
Development capability at shopping centre business

- Integrated approach generates a virtuous cycle of knowledge: problems encountered on the management side is fed back to the development area, that incorporates those on their future projects;

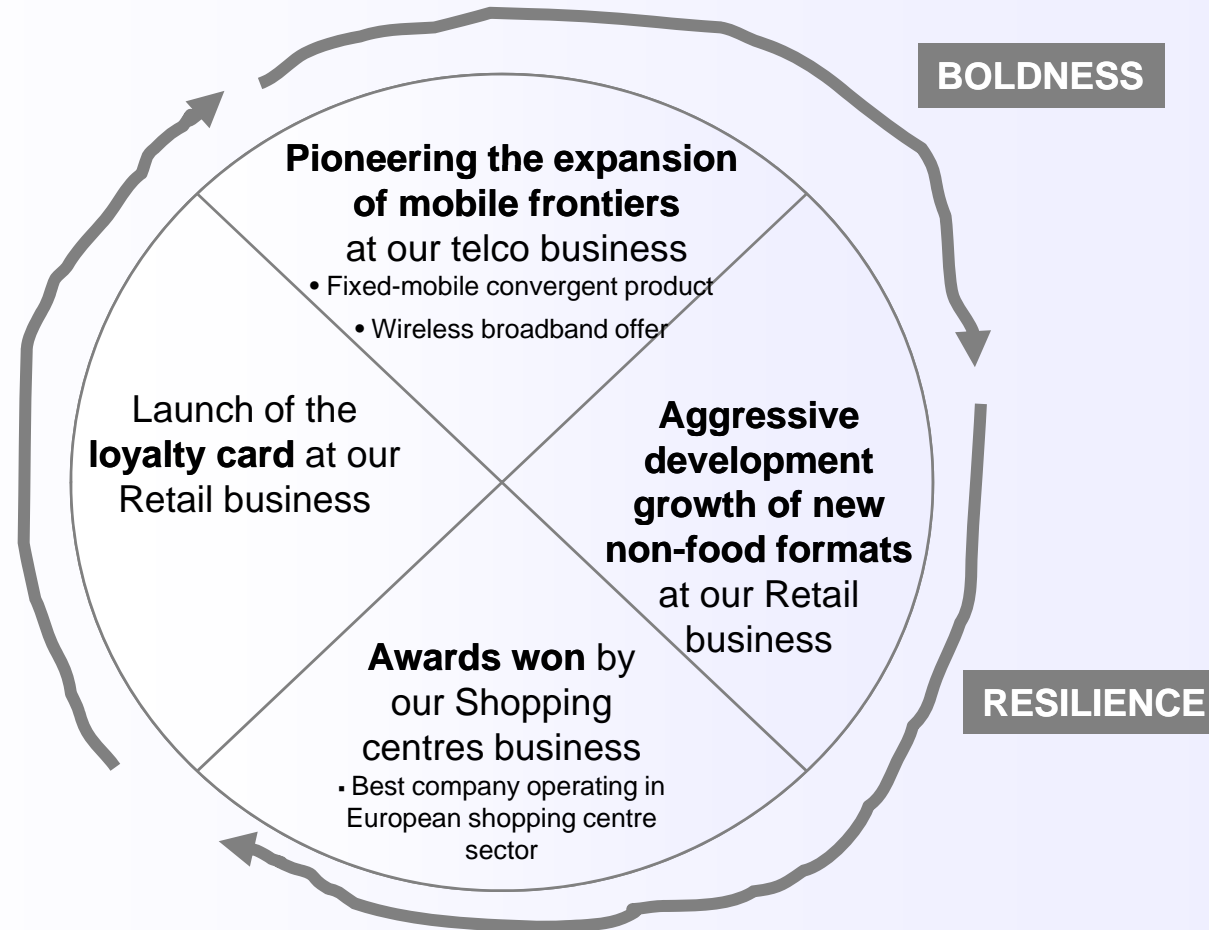


APPENDIX – SUCCESS FACTORS: ETERNAL CHALLENGER IN ITS MARKETS

Relentlessly exploring new and challenging business opportunities



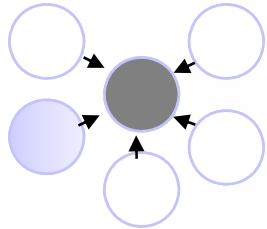
INNOVATION





APPENDIX – SUCCESS FACTORS: AIM FOR LEADERSHIP

Aiming to be number one player in our markets



Acquisition of Carrefour

- Reinforcement of market leadership from 25% to 30%;
- 12 hypermarkets in operation;
- 13 licensed projects;
- Total sales area (including projects): 166.500 m²

Acquisition of Tele2 and ONI Residential and SoHo customers

- Broadband market share increased from 9% to 15%;
- Sonaecom consolidated its position as the leading Altnet provider.

Acquisition of Software and System Information companies

- WeDo became world leader in Revenue Assurance with acquisition of Cape Technologies;
- Reinforcement of leadership with acquisition of Tecnológica;
- Diversification of business, with acquisition of Praesidium, company operating internationally in the risk management consultancy market.

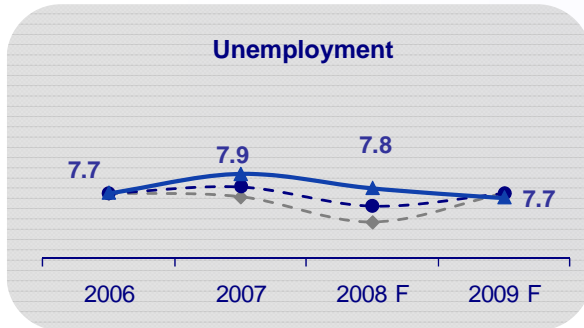
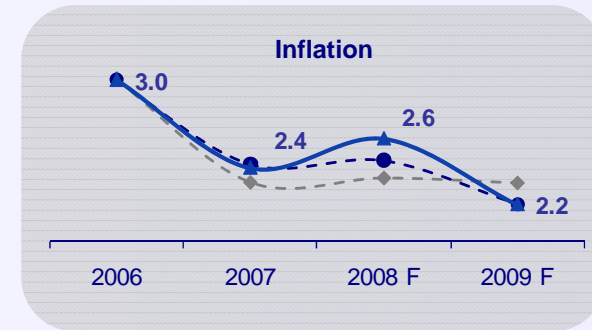
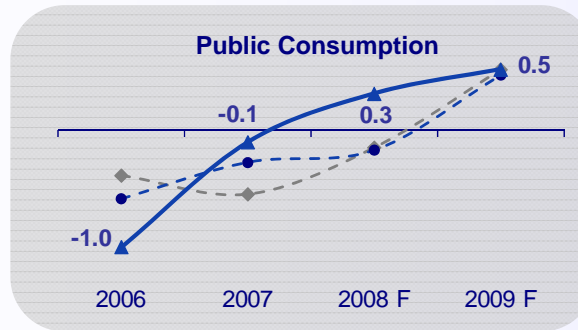
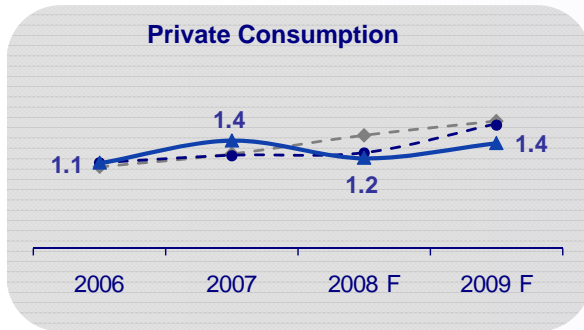
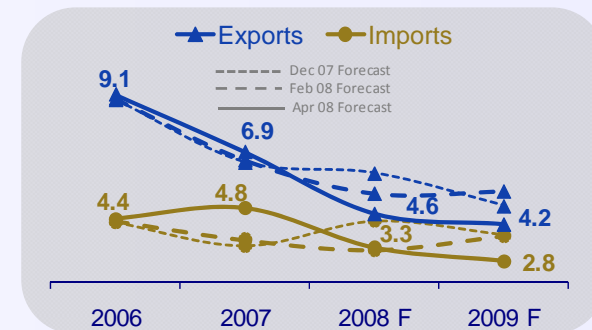
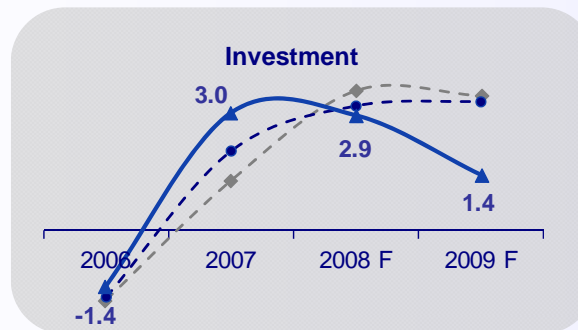
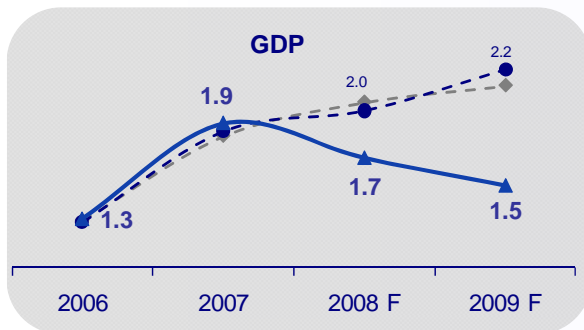


Appendix: macroeconomic environment



APPENDIX – MACROECONOMIC ENVIRONMENT: PORTUGUESE INDICATORS

Portuguese GDP is expected to decelerate in the forecasted period, damped by the slowdown in economic activity in major trading partners, as well as by the credit market turmoil and the increase in energy and food prices. Contribution of internal demand is expected to decline, as a result of the slowdown both in investment and in private consumption. Household spending, both consumption and investment, will be damped by high inflation, tighter financial conditions and increased uncertainty. However, positive note should be posted on the consumer confidence indicator evolution in April. The external sector is forecasted to post a positive contribution on the economy. Imports will decelerate in line with domestic demand behaviour. Exports will also decelerate in line with the predicted slowdown in external demand, specially in Spain, the major market for Portuguese exports.



Source: Average of Banco de Portugal, OECD, European Commission and IMF forecasts % figures

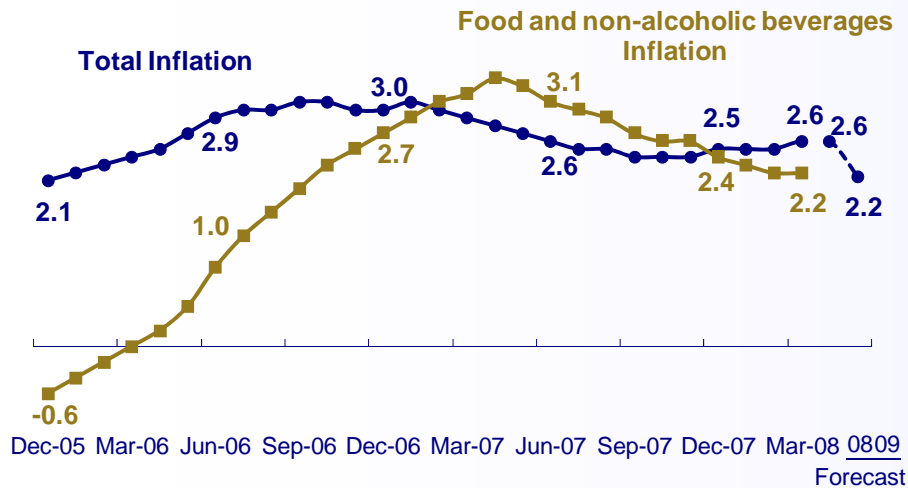
---◆--- Previous Forecast
 —●— Updated Forecast



APPENDIX – MACROECONOMIC ENVIRONMENT: PORTUGUESE INFLATION

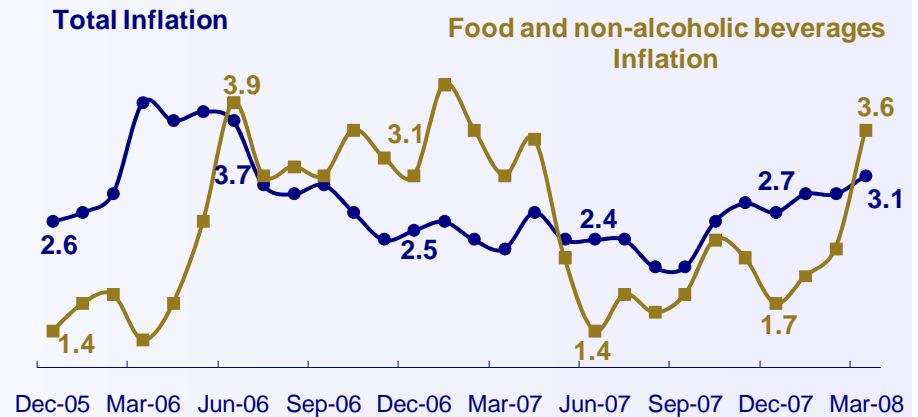
Total inflation has been rising and is forecasted to reach higher levels than in last year as a result of increasing oil and commodity prices. Pressure on the demand side for food and energy has been rising, specially due to China sustained demand growth. On the other hand, food prices are rising due to increasing production of bio fuels. Furthermore, due to the lack of confidence experienced in financial markets some investors are moving toward commodities. In Portugal and the Euro Area, the rise in fuel prices has been partially limited by the Euro appreciation against the US dollar, as the Brent is paid in US dollars.

**Consumer Price Index
(annual average rate - %)**



Source: INE

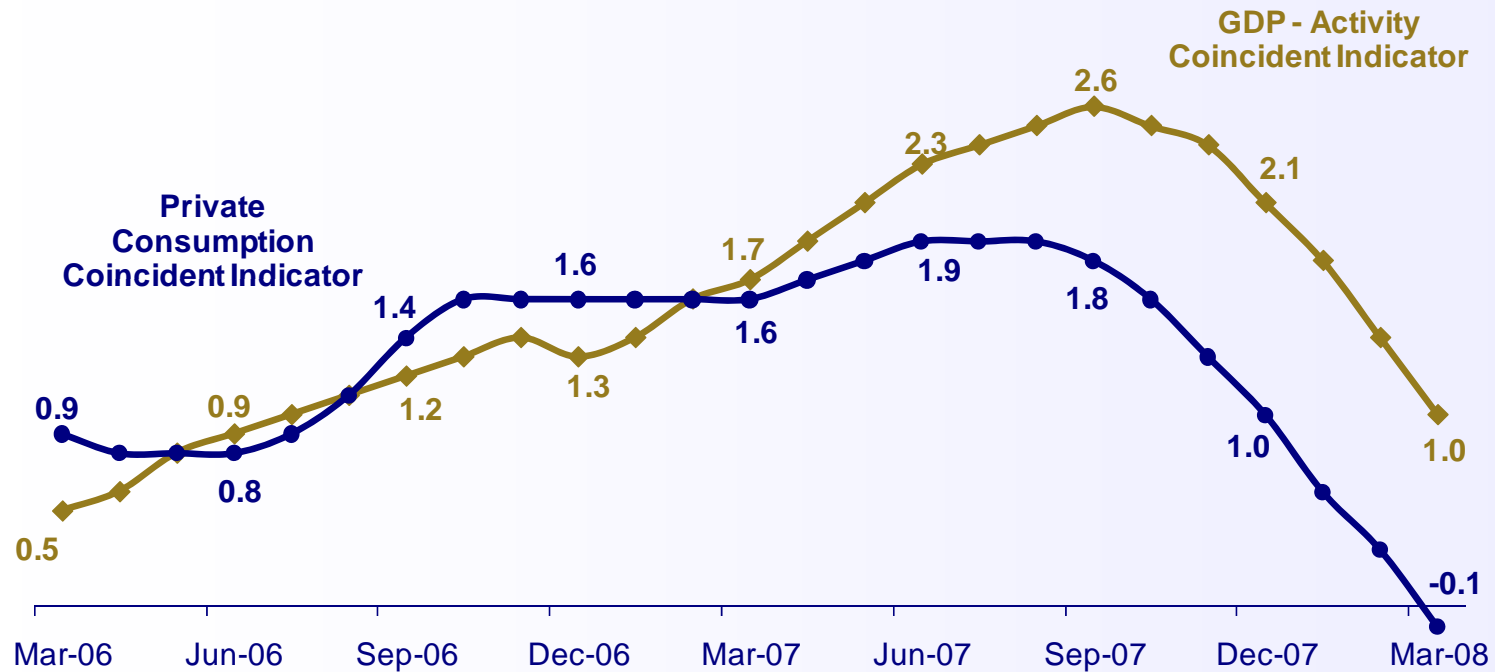
**Consumer Price Index
(year on year rate of change - %)**





APPENDIX – MACROECONOMIC ENVIRONMENT: PORTUGUESE COINCIDENT INDICATORS OF GROWTH AND PRIVATE CONSUMPTION

Coincident indicator for private consumption has been declining since the beginning of the financial markets turmoil, however the same indicator for economic activity inflected its path only by September. Inflationary pressures and rising risk spreads are already affecting the disposable income of families and the coincident indicator already shows a decrease in private consumption in March 08, when compared to the same period last year. Nevertheless, in April consumers confidence inflected its decreasing path, which may lead us to expect positive effects on private consumption afterwards.



Year on Year rate of change



APPENDIX – MACROECONOMIC ENVIRONMENT: GLOSSARY

- **Euro Area Consumer Confidence Indicator (Eurostat)**, is a short-term statistics based on a consumer survey that includes questions about respondents' perception about their financial situation over the next 12 months, general economic situation over the next 12 months, unemployment expectations over the next 12 months and savings over the next 12 months.
- **Portugal Consumer Confidence Indicator (INE)**, idem.
- **Private Consumption Coincident Indicator (Banco de Portugal)**, is a proxy of the year on year private consumption growth rate. This indicator is calculated based on monthly available data: private consumption; retail trade turnover index; sales of passenger vehicles; retail sales volume (trade survey); nights spent in hotels in Portugal by residents in the country; index of sales of consumer goods manufactured in Portugal to residents in the country; households' financial situation (consumers' survey).
- **Activity Coincident Indicator (Banco de Portugal)**, is a proxy of the year on year real GDP growth rate. This indicator is calculated based on monthly available data: retail sales volume (retail trade survey); sales of heavy commercial vehicles; cement sales; manufacturing production index; households' financial situation (consumer survey); new job vacancies and an external economic environment proxy.
- **Euro Area Economic Sentiment Indicator (Eurostat)**, is a composite indicator made up of five sectoral confidence indicators with different weights: industrial confidence indicator, services confidence indicator, consumer confidence indicator, construction confidence indicator, retail trade confidence indicator. Confidence indicators are arithmetic means of seasonally adjusted balances of answers to a selection of questions closely related to the reference variable they are supposed to track (e.g. industrial production for the industrial confidence indicator). Surveys are defined within the Joint Harmonised EU Programme of Business and Consumer Surveys. The economic sentiment indicator is calculated as an index with mean value of 100 and standard deviation of 10 over a fixed standardised sample period.