



SONAE SGPS MANAGEMENT PRESENTATION

April 2008



AGENDA

- 1 **Sonae SGPS: Who we are**
- 2 **Success factors**
- 3 **2007 Group results**
- 4 **Outlook for 2008**
- 5 **Appendix: Macroeconomic environment**

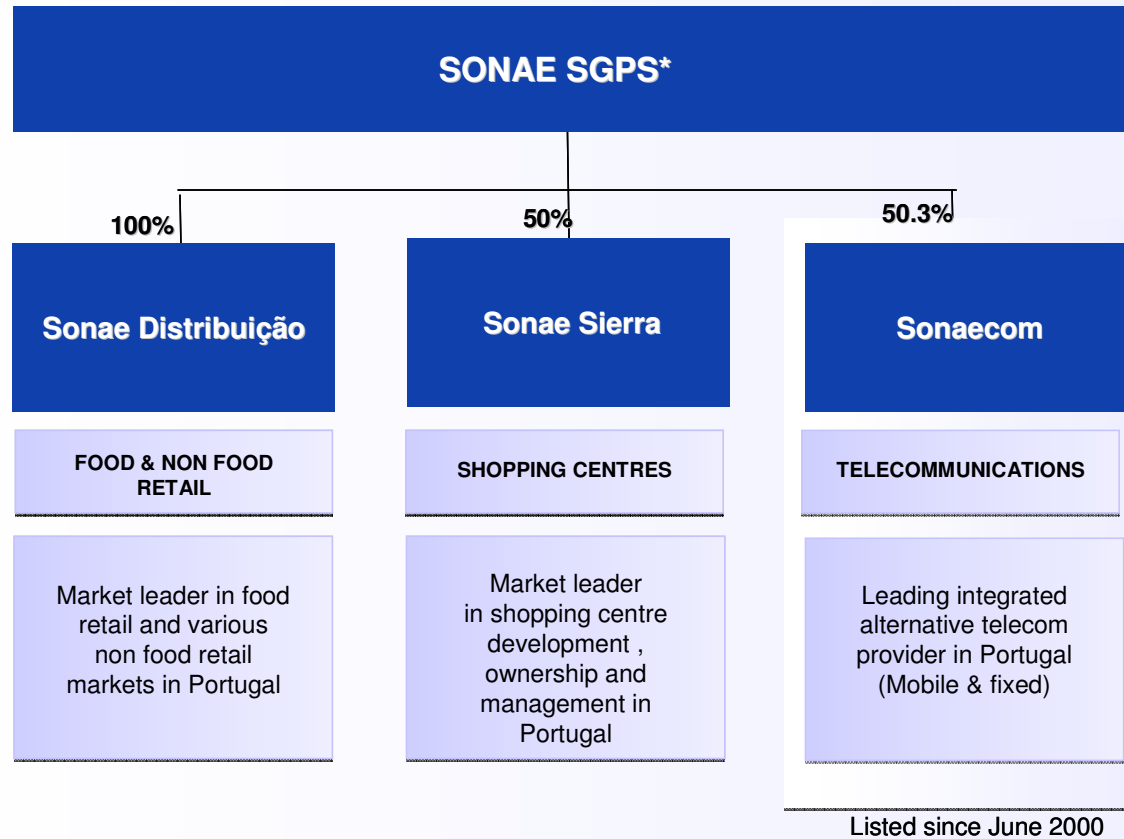


Sonae SGPS: Who we are



SONAE SGPS: WHO WE ARE – 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



SONAE SGPS: WHO WE ARE – RETAIL PORTFOLIO

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



Consumer Elect.



Computers



Sports Goods



Apparel



DIY



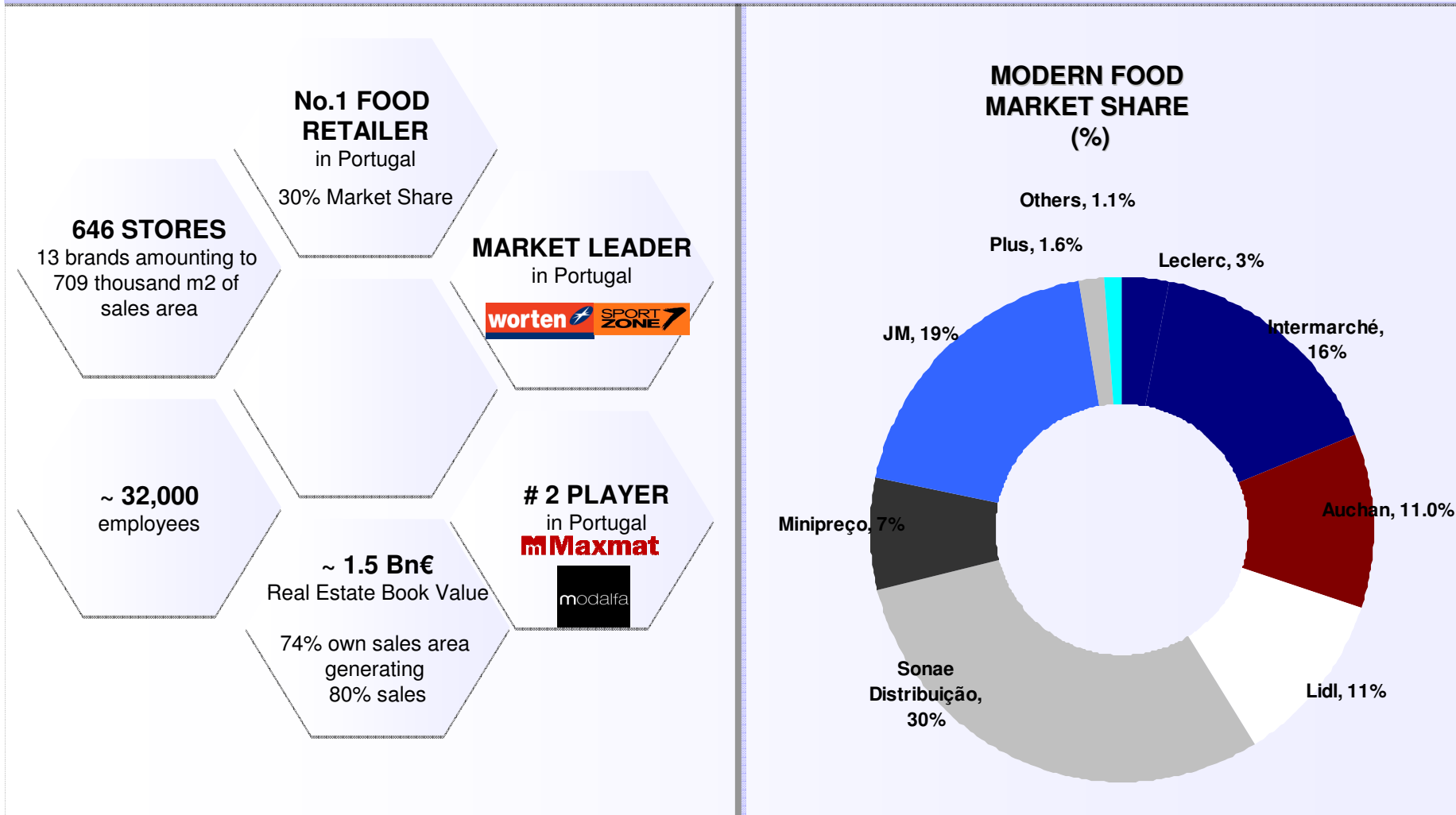
Travel Agencies

+ 4 format start-ups over the last 4 years
+2 format start-ups to be launched in 2008



SONAE SGPS: WHO WE ARE – RETAIL KEY FACTS

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





SONAE SGPS: WHO WE ARE – SHOPPING CENTRE PORTFOLIO

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.

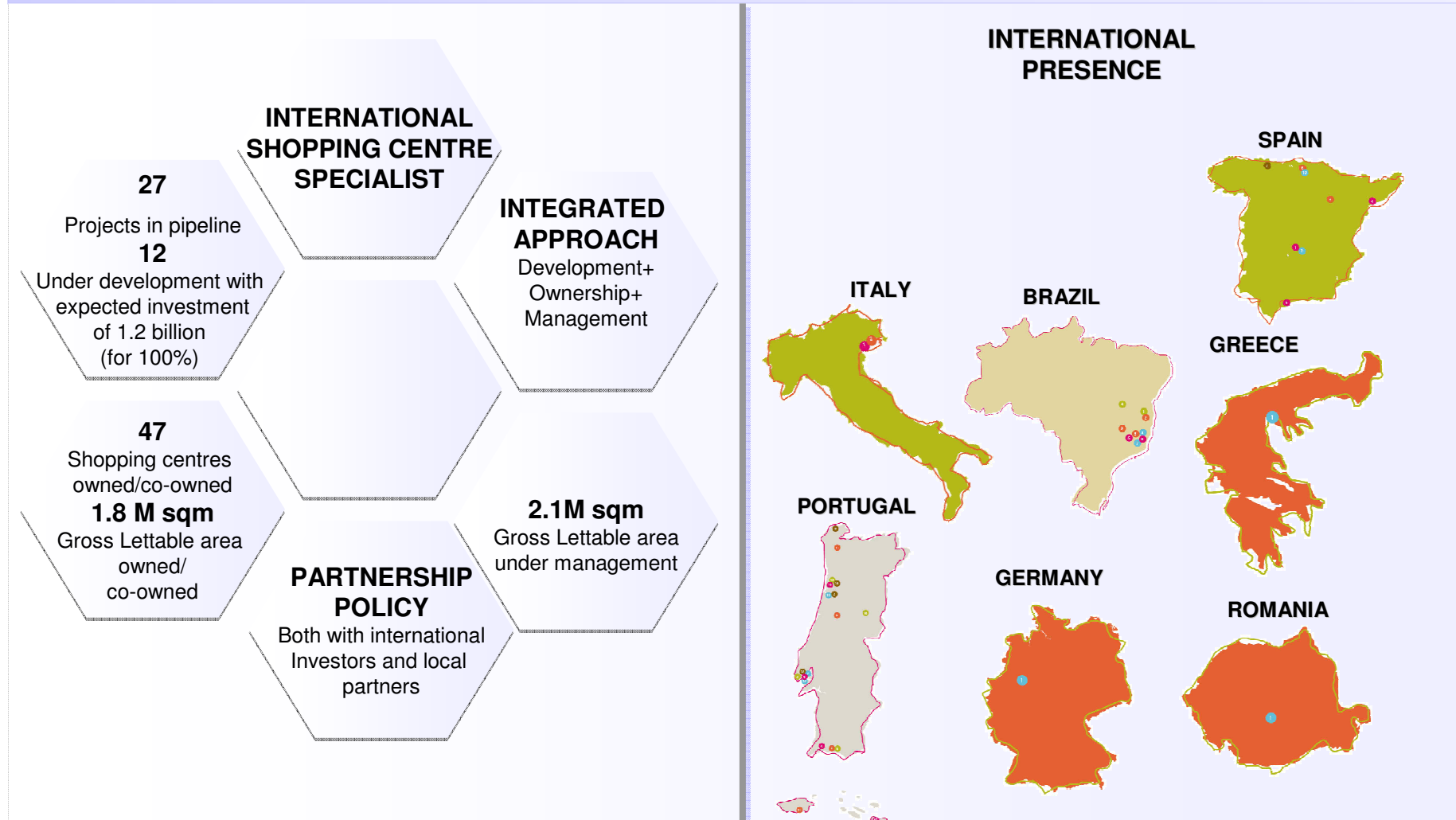
Sierra Brazil

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



SONAE SGPS: WHO WE ARE – SHOPPING CENTRE KEY FACTS

Consolidation of expansion and internationalization strategy throughout 2007





SONAE SGPS: WHO WE ARE – TELECOMMUNICATIONS PORTFOLIO

SONAECOM

100%

Telco Mobile

- #3 mobile Operator;
- Mobile communications in Portugal: traditional voice; data; range of mobile solutions; wholesale services;
- Innovative convergent fixed-mobile products (Home; Kanguru).



100%

Telco Fixed

- Leading altnet operator in Portugal;
- Voice and internet services to residential, SME and corporate client bases; voice, data capacity and connectivity services to telco operators worldwide.



99%

Media

- Reference newspaper in Portugal;
- #3 in paid circulation;
- #3 in advertising.



100%

SSI (1)

- Information system and Technology products provider;
- IT/IS Consultancy.



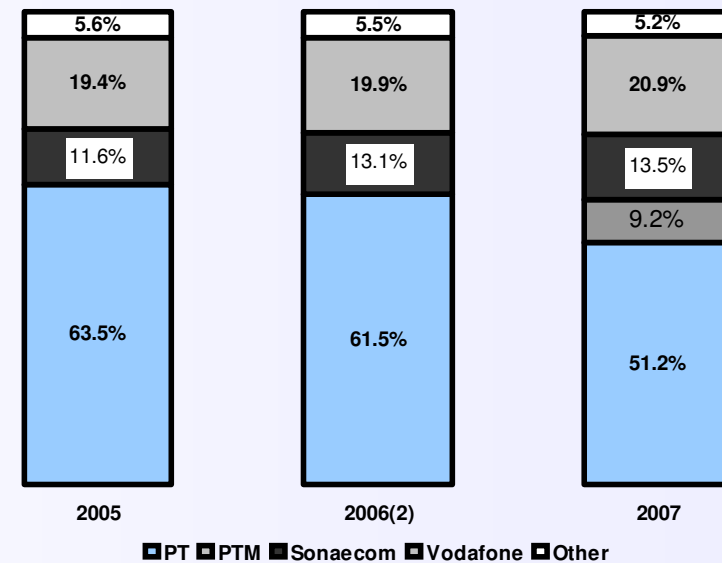


SONAE SGPS: WHO WE ARE – TELECOMMUNICATIONS KEY FACTS

Market position strengthening during 2007



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.



SONAE SGPS: WHO WE ARE – HOLDING AS A VALUE ENHANCER



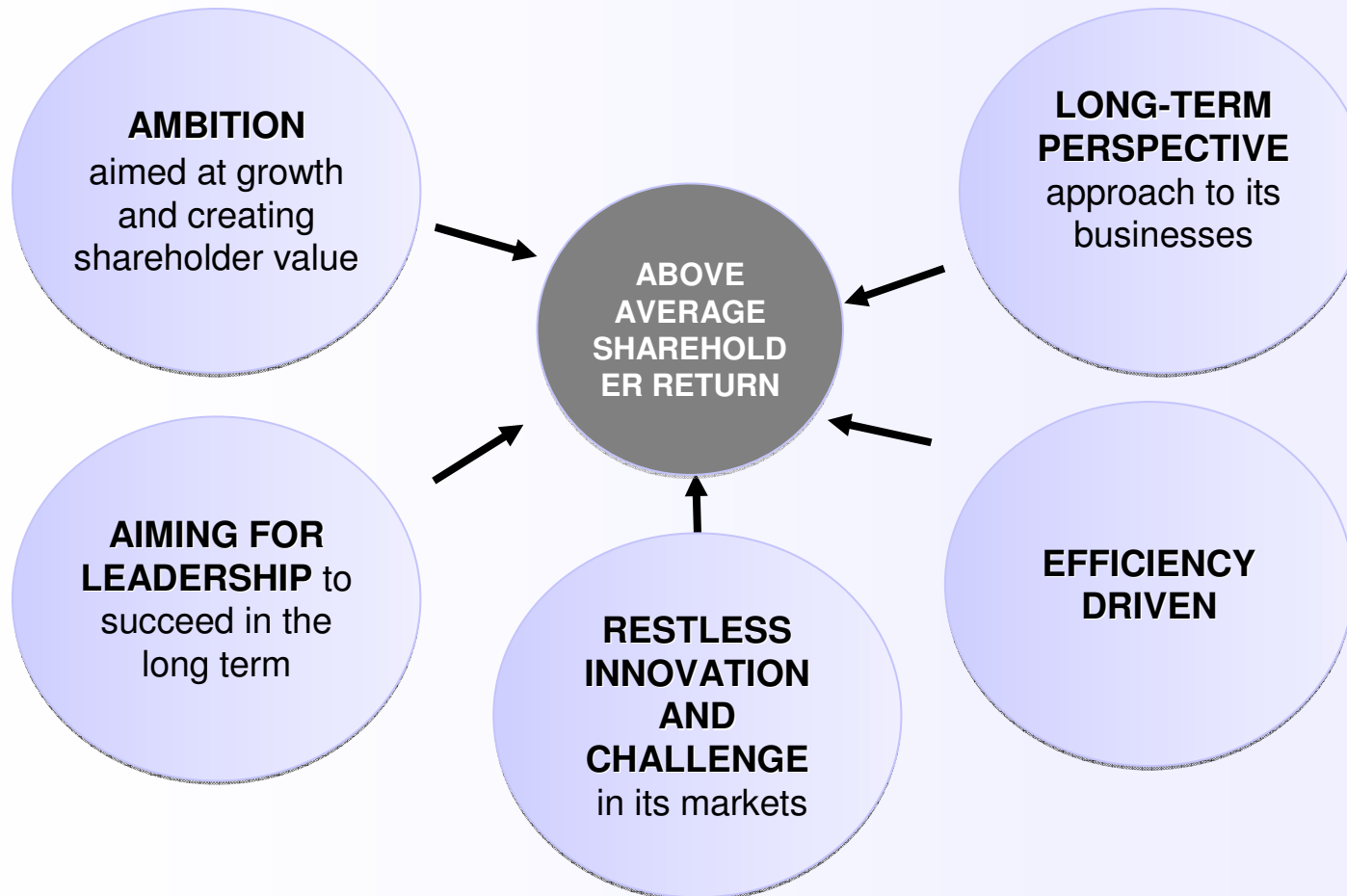


Success factors



SUCCESS FACTORS – STRONG VALUES AND MANAGEMENT CULTURE

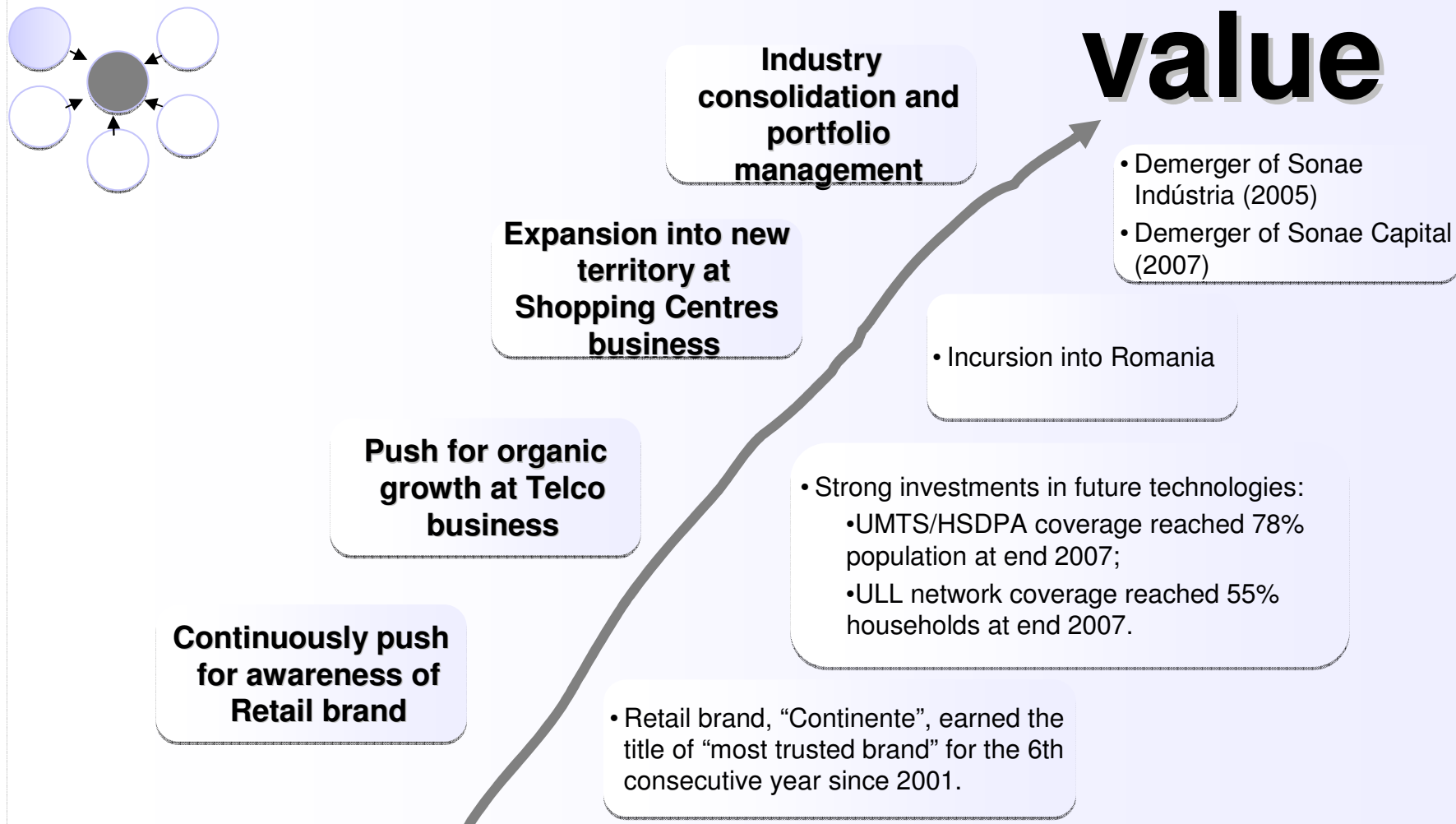
Sonae: a Group with confirmed sustainable growth and profitability





SUCCESS FACTORS – AMBITION AIMED AT GROWTH AND CREATING VALUE

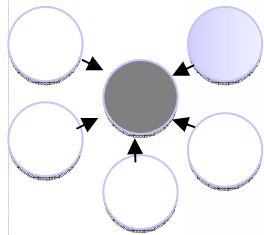
Ambition aligned to offer superior economic value to our shareholders





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.

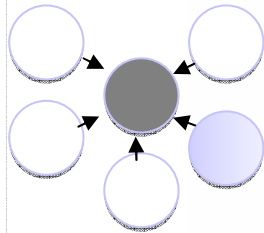
First steps in the internationalization strategy at Retail

- All preparatory work was made to open, in 2008, 4 Sportzone stores in Spain.



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

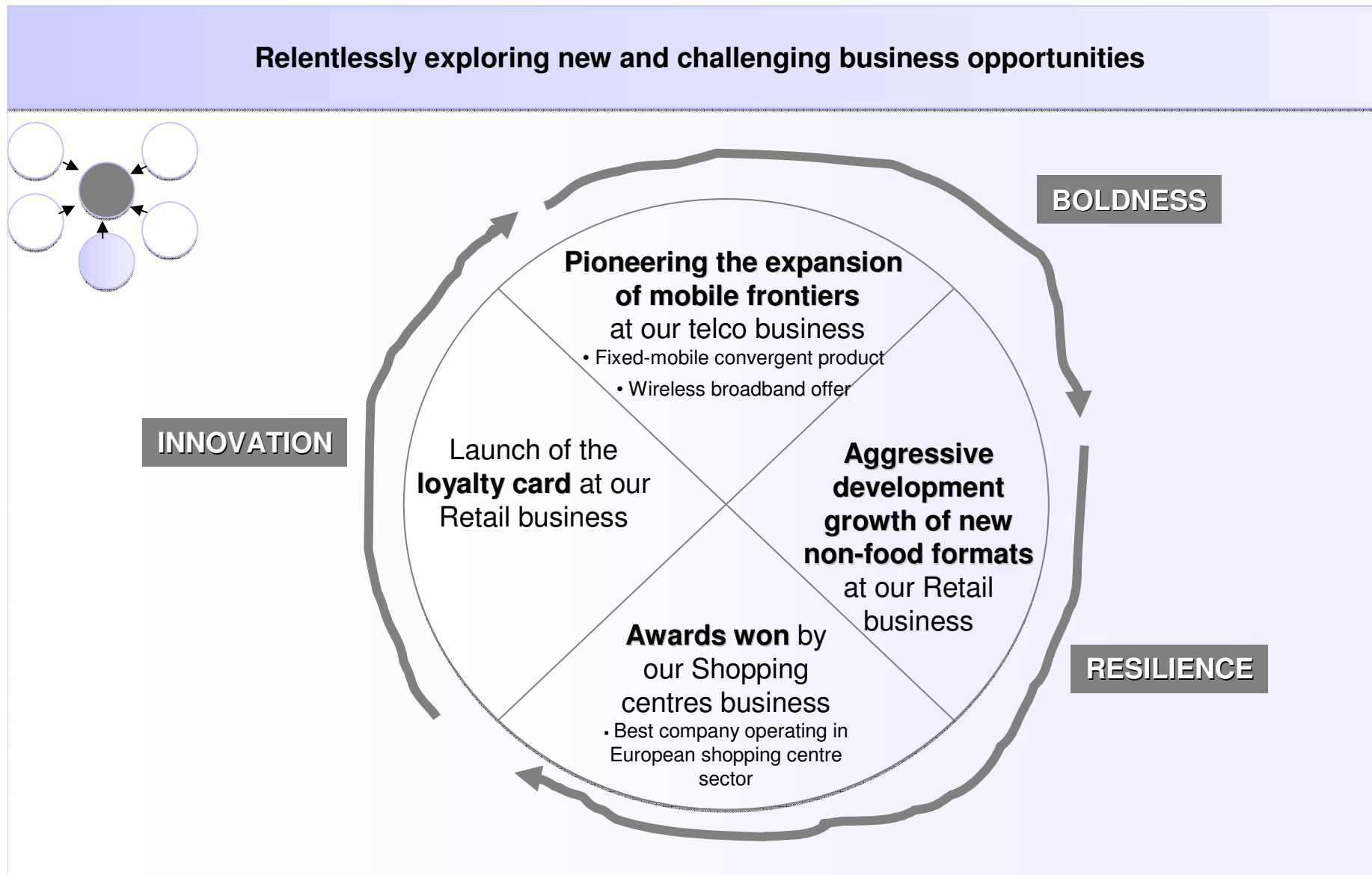
- Continuing efforts to modernize the company: 30 major refurbishments in older assets during 2007;
- Investments in logistics, processes and technology;
- Strengthening of competencies in international procurement;
- More than 1,300 thousand hours of professional training.

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;



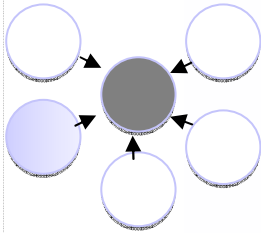
SUCCESS FACTORS – ETERNAL CHALLENGER IN ITS MARKETS





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.



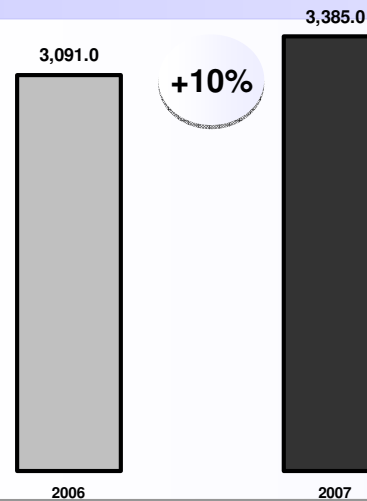
2007 Group results



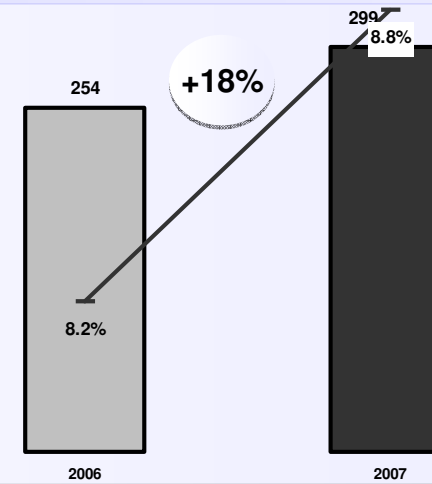
2007 GROUP RESULTS – RETAIL PERFORMANCE 2007

Strong set of results and significant expansion of sales network

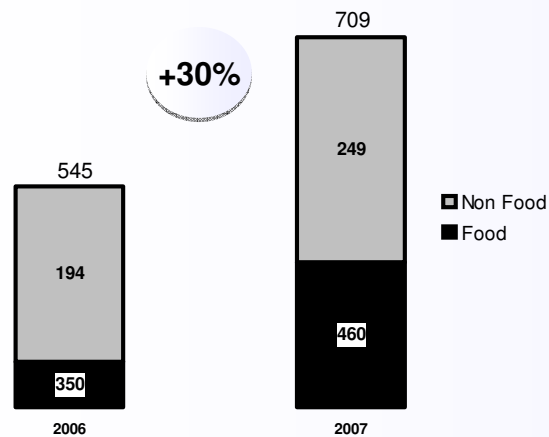
TURNOVER (M.€)



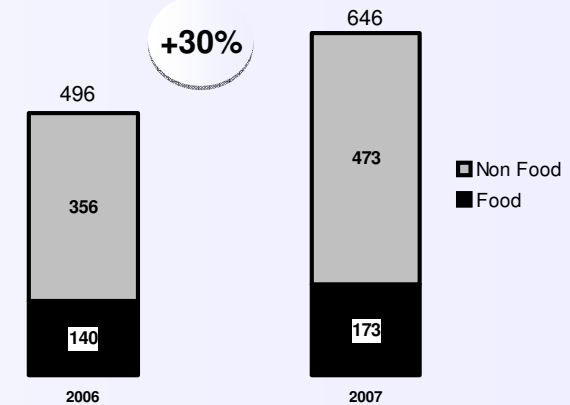
EBITDA (M.€)



Sales Area (‘000 sqm)



Number of stores





2007 GROUP RESULTS – RETAIL CORPORATE DEVELOPMENTS 2007

Loyalty Card

- Launch of loyalty card at Continente and Modelo stores, at 1 January 2007;
- Card allows consumers to take full advantage of continuous promotional campaigns and to accumulate discounts valid for 12 months after the purchase.

Acquisition of Carrefour Portugal

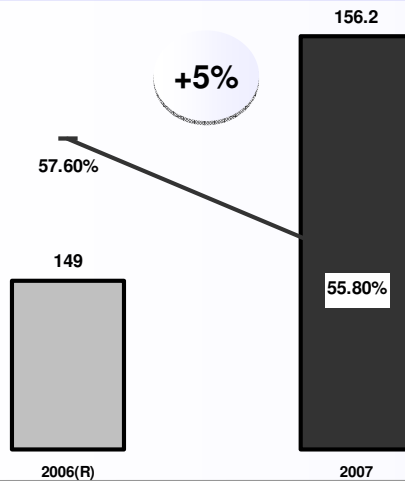
- Sales area expansion by 166,500 m2 and expected impact on EBITDA margin by 50bp;
- Successful integration of 12 stores: convergence of IT/IS, incorporation of Human Resources, refurbishment of stores and rebrand;
- Remedies imposed by Competition Authority in line with expected and not endangering synergies;
- First sales figures promising, with LfL growth



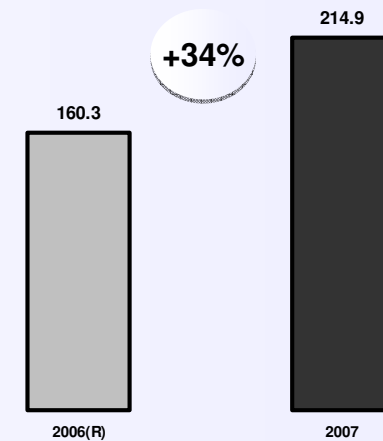
2007 GROUP RESULTS – SHOPPING CENTRE PERFORMANCE 2007

Increase of profitability, having achieved record profits for the year

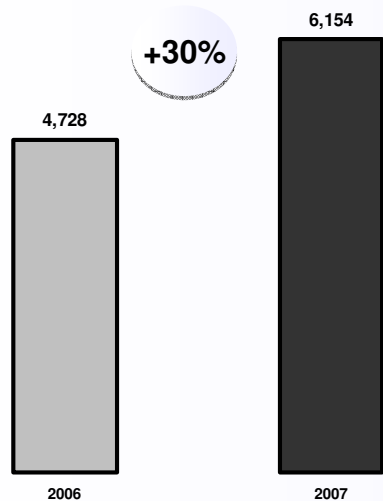
EBITDA
excluding
value created
on Investment
properties
(M.€)



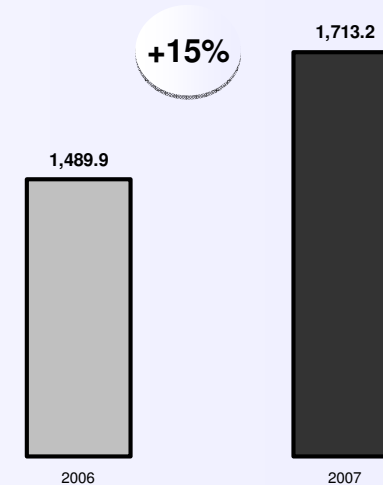
**NET
PROFIT
GROUP
SHARE
(M.€)**



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



**REAL ESTATE
NET ASSET
VALUE
(M.€)**





2007 GROUP RESULTS – SHOPPING CENTRE CORPORATE DEVELOPMENTS 2007

Acquisitions

- ❑ Acquisition of Shopping Centre “Modelo de Albufeira” and “Continente Portimão”;
- ❑ Acquisition of a site in Larissa, in Greece, for development of centre to be open in 2008;
- ❑ Acquisition of Shopping Centre River Plaza Mall, in Romania;
- ❑ Acquisition of Shopping Centre Munster Arkaden, in Germany;
- ❑ Acquisition of 2 greenfield sites in Romania, to be open in 2009 and 2010, respectively;
- ❑ Acquisition of 50% of Gaia Shopping and Arrábida Shopping.

Openings

- ❑ Inauguration of Alexa Shopping centre, in Berlin;
- ❑ Opening of 8ª Avenida Shopping Centre, in S. João da Madeira, Portugal
- ❑ Opening of Shopping Centre El Rosal, in Ponferrada, Spain;

As a subsequent event, in April 2008, Sonae Sierra announced the launch of a 300 million investment fund, Sierra Portugal fund, with assets being transferred to the Fund at NAV as at 31 December 2007.

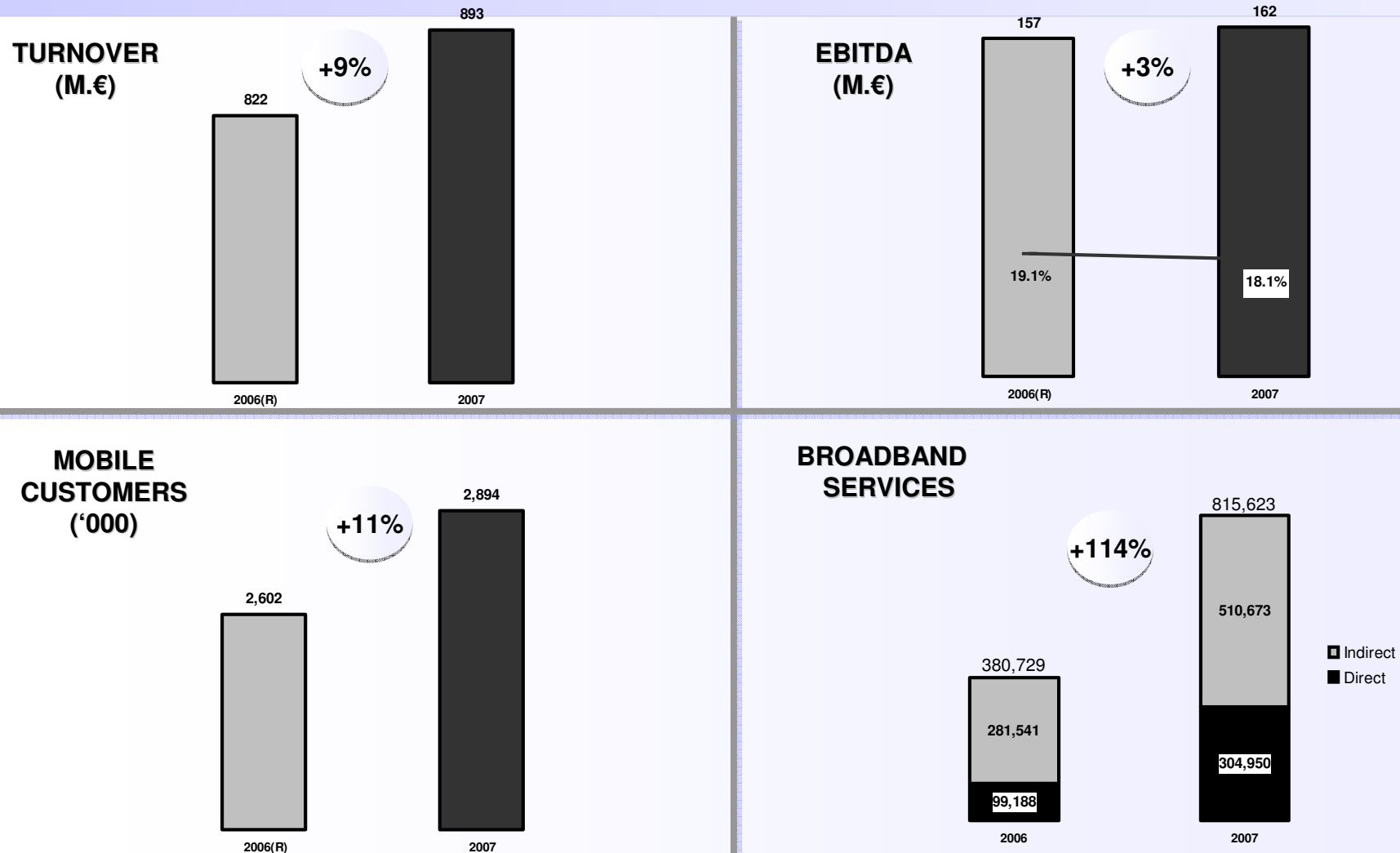
Disposals

- ❑ Sale of 50% of LoureShopping, in Loures, Portugal



2007 GROUP RESULTS – TELECOMMUNICATIONS PERFORMANCE 2007

Solid growth and improved profitability, reflecting the ability to identify and focus on growth opportunities across its markets





2007 GROUP RESULTS – TELECOMMUNICATIONS CORPORATE DEVELOPMENTS 2007

Acquisition of Oni's residential and SOHO and Tele2 Portugal

- Strengthen growth in Direct Access and dilution of fixed costs;
- Opportunity to up-sell: Indirect to Direct; Low-end 2Play to higher value offers; IPTV;
- Direct services grow by 45% to 448.6K services;
- Broadband market share increases to approximately 15%;
- Fixed telephony market share increases to approximately 22% (including Optimus Home).

Acquisition of Cape Technologies and Tecnologica

- Consolidation and clear number 1 player in the international Revenue Assurance arena (WeDo).

Integration of Mobile and Fixed divisions

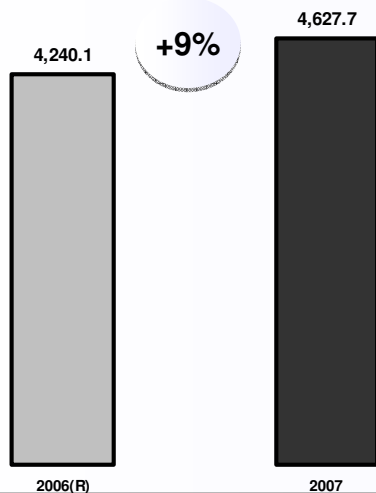
- Reflects convergence of technologies;
- .Adapted to new consumer perspective that made separation of fixed and mobile businesses obsolete and inadequate.



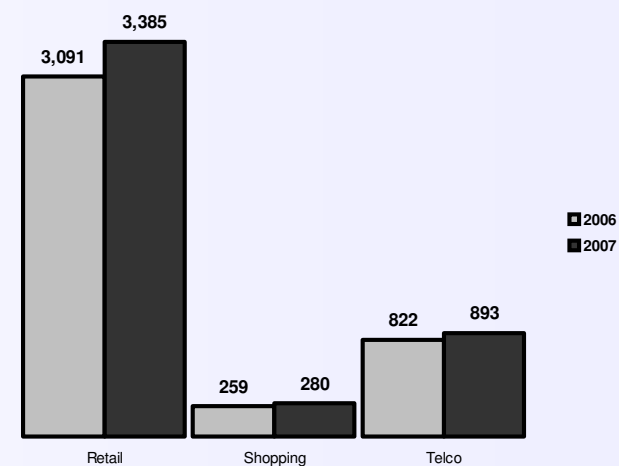
2007 GROUP RESULTS – SONAE PERFORMANCE 2007

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

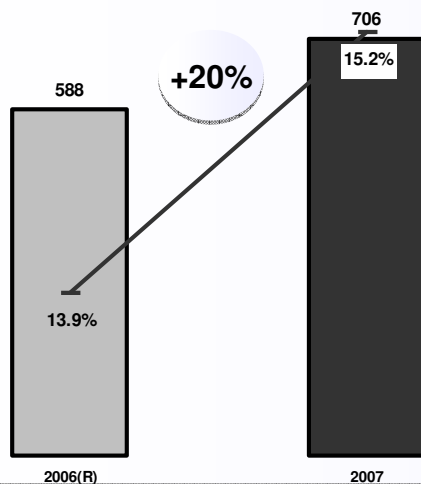
TURNOVER (M.€)



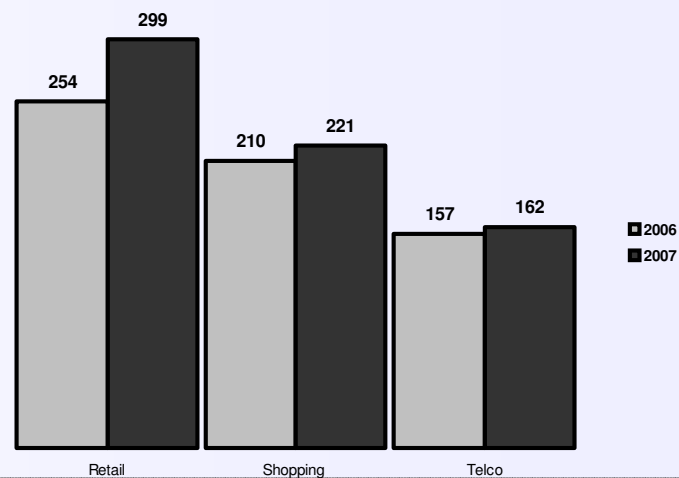
TURNOVER BY BUSINESS (M.€)



EBITDA (M.€)



EBITDA BY BUSINESS (M.€)

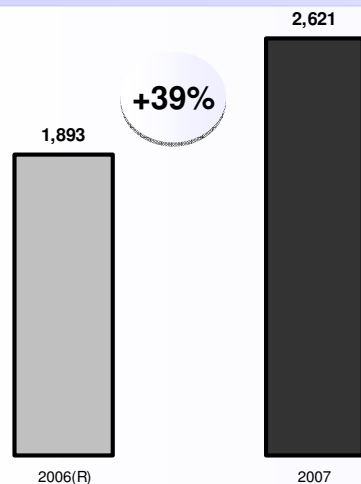




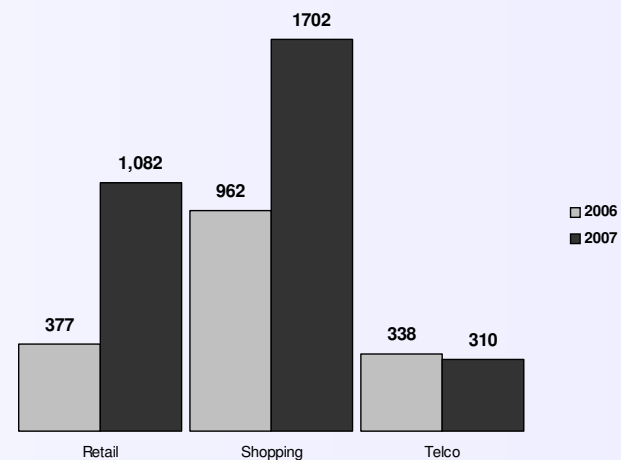
2007 GROUP RESULTS – SONAE PERFORMANCE 2007

Investment for growth accelerated and leverage increased...

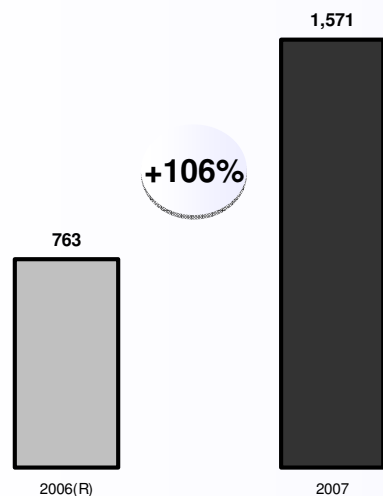
NET DEBT (M.€)



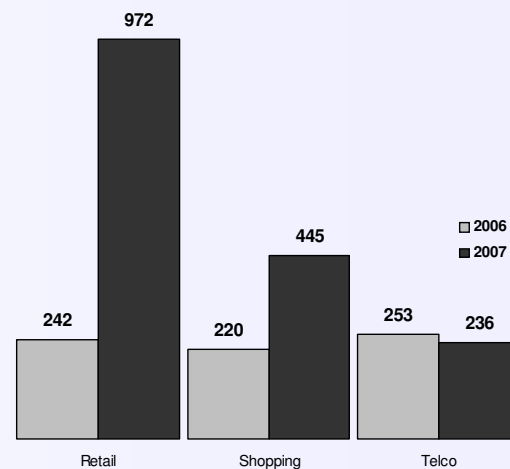
NET DEBT BY BUSINESS (M.€)



CAPEX (M.€)



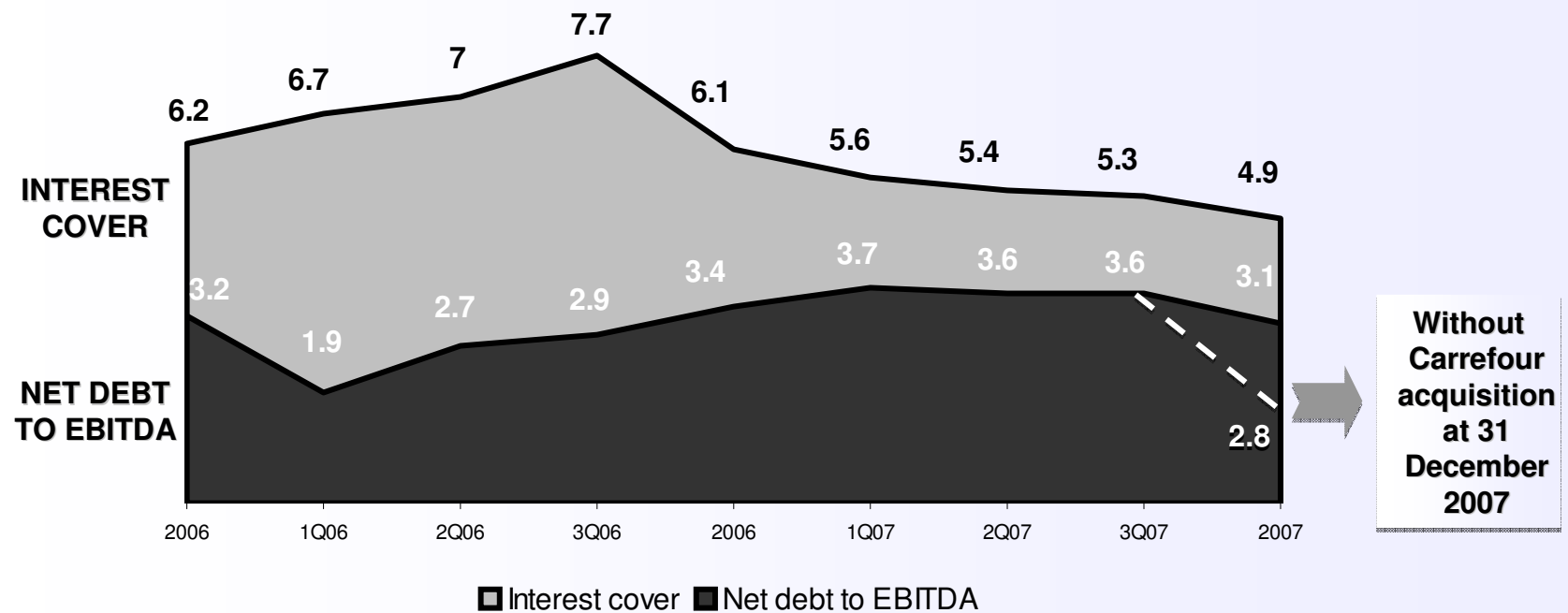
CAPEX BY BUSINESS (M.€)





2007 GROUP RESULTS – SONAE PERFORMANCE 2007

...notwithstanding, consolidated financial structure is comfortable

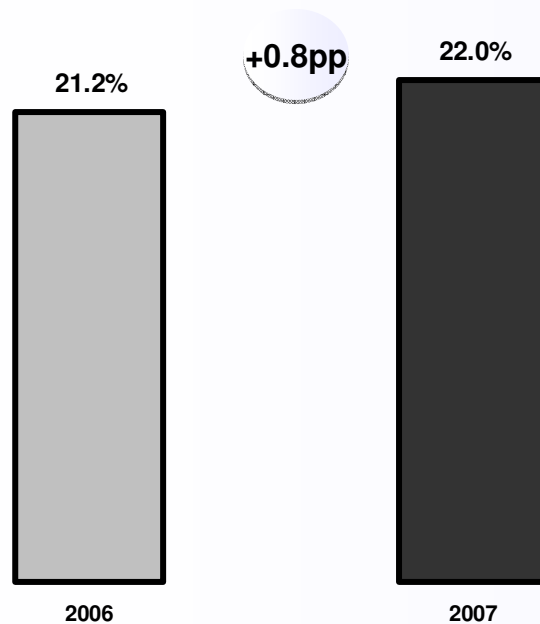




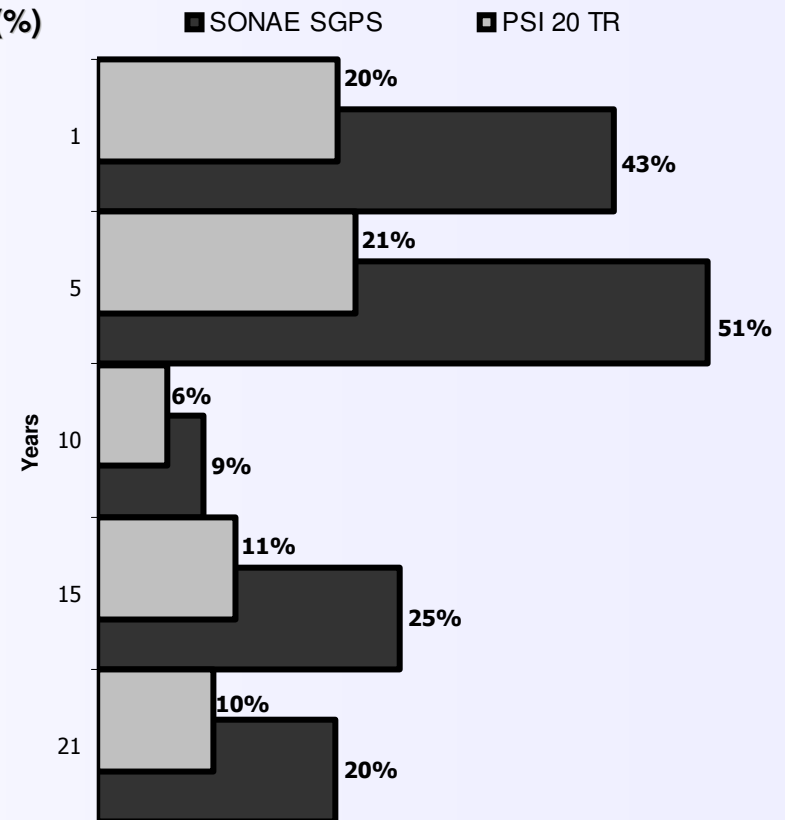
2007 GROUP RESULTS – SONAE PERFORMANCE 2007

2007 results endorsed our capacity to deliver superior shareholder value

RETURN ON EQUITY (%)



CAGR RETURN (%)





Outlook for 2008



OUTLOOK FOR 2008 – CONTINUE TO FOCUS ON GROWTH AT ALL ITS BUSINESSES

Focus on profitable growth

RETAIL

- Continue to push for a strong pace of organic growth;
- Increase sales area by circa 60,000 m²;
- Be attentive to possible acquisition opportunities;
- Initiate the internationalization process, with the opening of 4 Sportzone stores in Spain;
- Extend activity to 2 new businesses: insurance brokerage and a new casual footwear brand.

SHOPPING CENTRES

- Further expand international footprint;
- Accelerate development projects;
- Increase service activities;
- Launch new Sierra Fund – Sierra Portugal Fund.

TELECOMS

- Accelerate growth and increase market share;
- Initiate investment in FTTH deployment;
- Accelerate investments in network: faster data speeds on both wireline and mobile;
- Improve customer management and lead innovation;
- Focus on profitability: full integration of networks, platform and organization.



OUTLOOK FOR 2008 – RETAIL

Maintain strong organic growth and store refurbishment

SALES AREA

- 2008: Above 10% CAGR in 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.



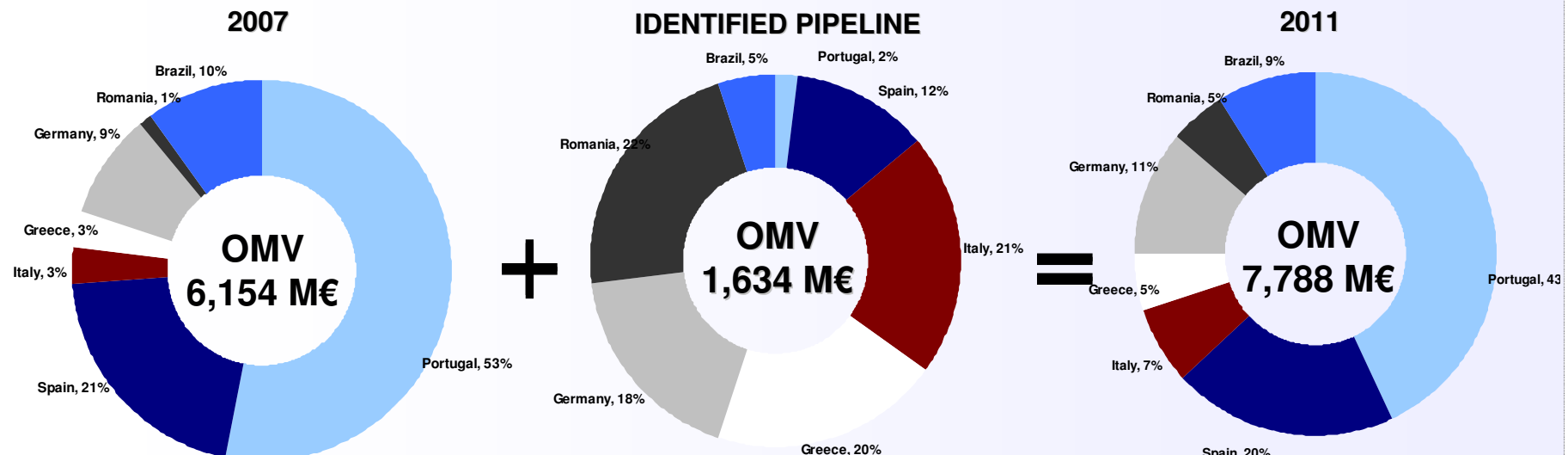
OUTLOOK FOR 2008 – SHOPPING CENTRES

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





OUTLOOK FOR 2008 – TELECOMMUNICATIONS

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

The Future started yesterday...

NGN Strategy



- Initiating investment in FTTH deployment;
- Large scale investment:
 - 240 million euros investment in 3 years;
 - 1 million homes passed; Coverage of more than 25% of Portuguese Population;
 - Payback: 9 years; Break-even: year 5

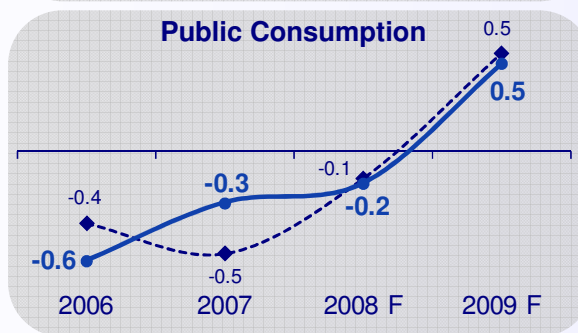
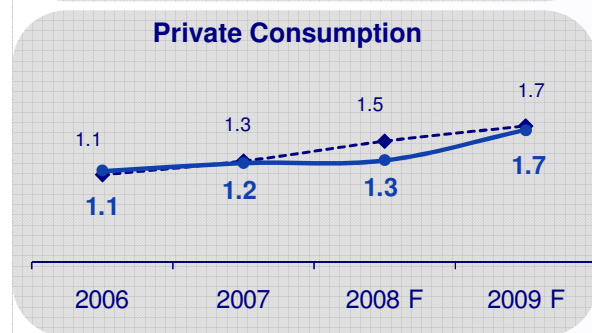
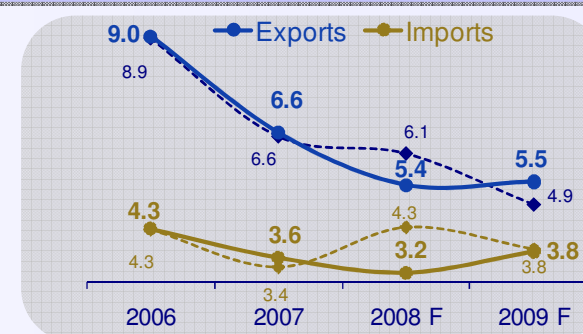
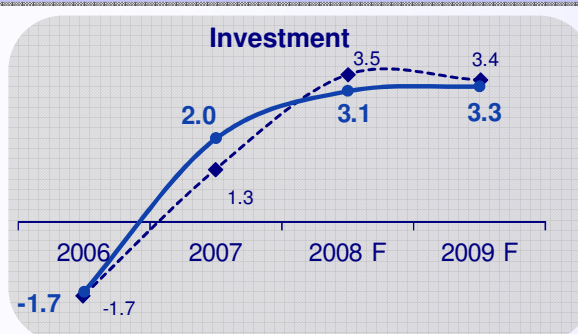


Appendix: Macroeconomic environment



MACROECONOMIC ENVIRONMENT – PORTUGUESE INDICATORS

Over the next two years, Portugal is expected to maintain the growth rhythm achieved in 2007. The IMF downgraded its growth forecast for the US, the Euro Area and the World economy indicating that the present decelerating moment will have worldwide impact. There is no available update for Portugal from the IMF, however, we believe that the available data does not yet fully reflect recent world economic developments such as, the low Portuguese consumer confidence indicator or the expected economic slowdown in Spain, the major market for Portuguese exports. Available forecast is strongly supported on investment, as it is expected that public investment accelerates, with the take off of major public works, and that public consumption increases as the general election approaches (2009), sustaining growth rates in line with the Euro Area in 2008 and 2009.



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

% figures

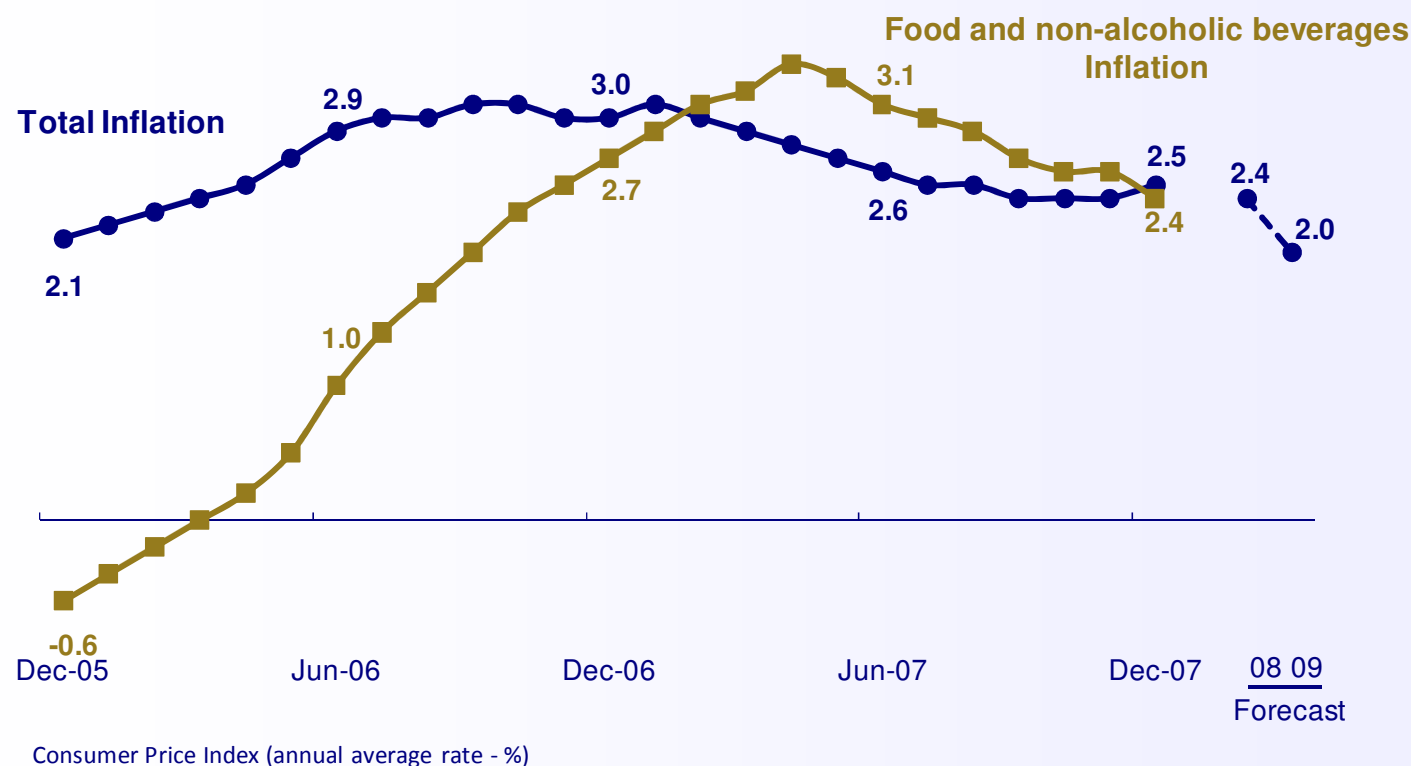
---◆--- Previous Forecast
—●— Updated Forecast



MACROECONOMIC ENVIRONMENT – PORTUGUESE INFLATION

In the period, Food and non-alcoholic beverages inflation reveals a tendency to converge with Total inflation.

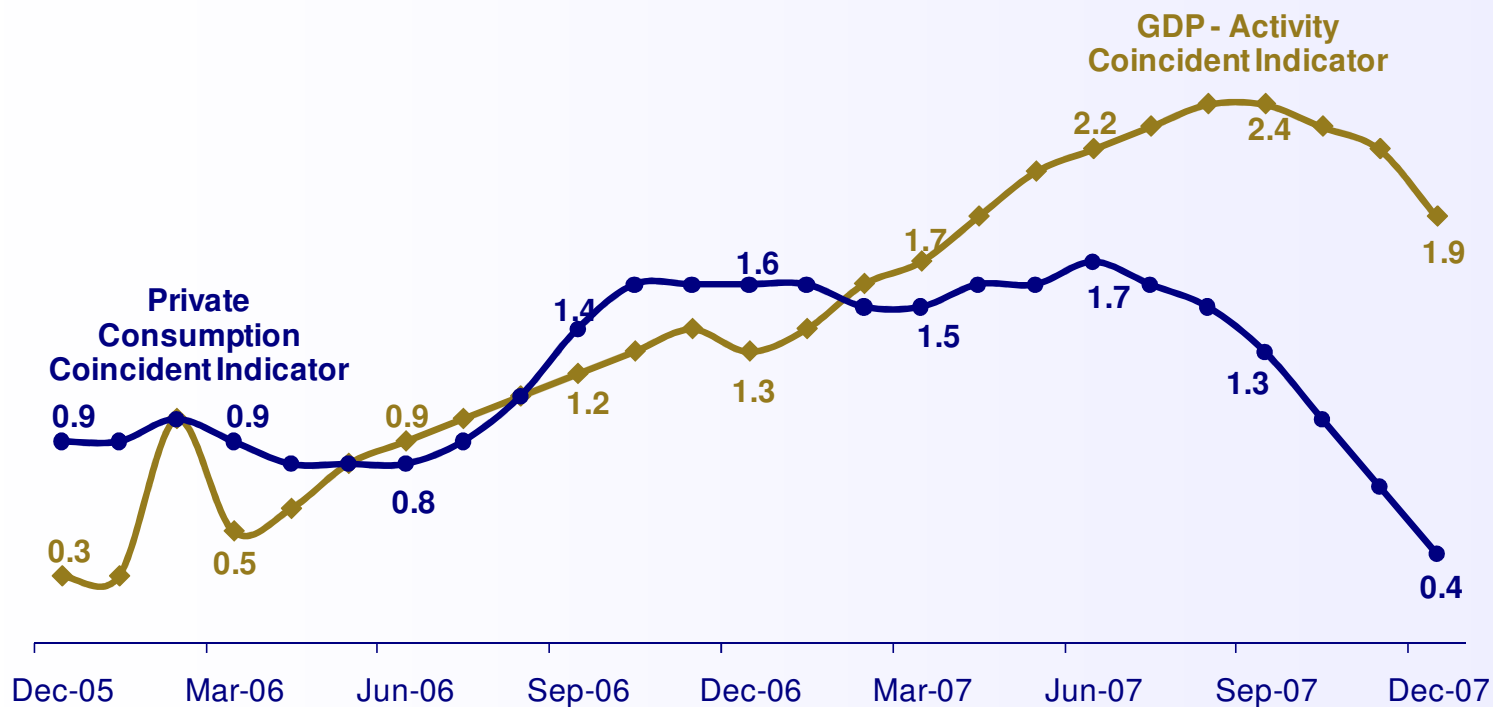
Although it is not revealed in the statistics, pressure on the demand side for food and energy has been rising, specially due to China sustained demand growth. In Portugal and the Euro Area, the rise in fuel prices has been partially compensated by the Euro appreciation against the US dollar, as the Brent is paid in US dollars.





MACROECONOMIC ENVIRONMENT – PORTUGUESE COINCIDENT INDICATORS OF GROWTH AND PRIVATE CONSUMPTION

Just after the US sub-prime crisis detonation by late July, private consumption started to decrease. The economic activity took longer to react to the financial markets turmoil, but it just reverted its positive trend by September, initiating a decreasing path.





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.