



SONAE DISTRIBUIÇÃO, SGPS, SA

Head Office: R. João Mendonça, 529 - 4464-501 SENHORA DA HORA

Share Capital 1.100.000.000 Euros

Porto Commercial Registry and Fiscal Number 501 532 927

REPORT AND ACCOUNTS

31 MARCH 2008



REPORT OF THE BOARD OF DIRECTORS

31 MARCH 2008

Management Report

Sonae Distribuição – S.G.P.S., S.A.

To the Shareholders,


In accordance with Portuguese Law and the company's articles of association, we hereby present the management report of Sonae Distribuição - S.G.P.S., S.A. (previously called Modelo Continente, SGPS, S.A.) for the quarter ending 31 March 2008.

Business activity

Sonae Distribuição ended the 1st quarter of 2008 with consolidated turnover of 927 million Euro, equal to an increase of 28% compared to the same period of last year. The following factors contributed decisively towards this important increase in sales:

- An increase of 3% on a like for like store basis.
This performance includes the positive impact from the earlier Easter period in comparison to last year. However, it serves mainly to demonstrate the very positive activity of the company in a quarter that compares with a particularly demanding period of 2007 when the Continente and Modelo loyalty cards were launched with great success. Against this background, the highlight was strengthening the turnover level achieved in the first months of 2007 on a like for like basis for food retail stores (through an increase in sales of 1%), and the significant increase of 6% on a like for like basis in non food retail, which was the result of highly satisfactory performance by most brands;
- The strategy of strong organic growth which resulted over the last twelve months in the opening of 129 new stores corresponding to 74,000 m² (+ 25,000 m² in food retail and 49,000 m² in non food retail);
- The integration as from 31 December 2007 of the hypermarkets acquired from Carrefour (Portugal), equal to 95,000 m² of additional sales area;
- The contribution from the petrol stations of the ex Carrefour hypermarkets.

We note that in the period under consideration, turnover of food retail brands totalled 646 million Euro, up 23% compared to the same period of last year, while that of the non food retail segment was 247 million Euro, an increase of 24%. Taking the two segments together, the company's retail brand portfolio



had total turnover of 893 million Euro, equal to an increase of 24% over the same quarter of 2007.

In addition, turnover from the petrol stations located in the car parks of the ex Carrefour hypermarkets contributed an extra 4% to the consolidated turnover of the company compared to the same period of last year.

Against a background of very demanding market conditions, marked by the continuation of strong growth in supply⁽¹⁾ and economic slowdown, the company's consolidated operational cash flow totalled 49 million Euro in the first three months of 2008.

This amount includes 9 million Euro of non recurring profits from the sale of a real estate asset in Florianópolis (Brazil), not included in the divestment transaction that took place at the end of 2005. On the other hand, the figure for the same period of 2007 was positively impacted by a net non recurring capital gain of 12 million Euro, resulting from the sale of the real estate assets of the Albufeira and Portimão shopping galleries in Portugal. Excluding both of the above impacts, recurring consolidated operational cash flow totalled 40 million Euro (4.3% of related turnover), which compares positively with 2007 (34 million Euro, equal to 4.7% of turnover), an increase of 18%.


A more detailed analysis of the business segments of the Company shows a contribution of 30 million Euro from all food based retail brands towards the consolidated operational cash flow of the company. This was equal to 4.6% of related turnover, 0.4 p.p. below the same figure for the same period of last year. During the same period, non food retail brands added 7.5 million Euros to the company's consolidated operational cash flow, equal to 3.0% of related turnover (-0.5 p.p. compared to the same period of 2007).

It is also important to note that the trend of the above key profitability indicators combines:

- a positive performance by most of the units on a like for like store basis,
- with the impact of the operating performance of stores which have opened more recently and which are currently in a phase of building up their operations and have not yet reached the benchmark profitability levels of their respective brands.

The figures have also been impacted by the investment in the ex Carrefour stores, which, in line with forecasts made, and because of this, had operational cash flow margins at lower levels than reference company food segment averages during the quarter.

¹ Measured in m2 of sales area.



The company's net consolidated profits for the first quarter of the year totalled 9 million Euro, comparing with the 15 million Euro of the same period of 2007. The fall arose mainly from non recurring events relating to the disposal of real estate assets mentioned above, as well as a more significant component of financial charges.

Investment

Sonae Distribuição ended the 1st quarter of 2008 with 655 stores, including 10 units (5,000 m² of sales area) inaugurated during the first three months of the year. In this context, the company reaffirms its goal of increasing the store network during 2008 with more than 60,000 new m² of sales area compared to that as at 31 December 2007.

Up to the end of March, the Company had already invested 56 million Euro of the 300 million Euro planned for the year, focused not only on new store openings, but also on the refurbishment of less recent units and the development of the logistics architecture of the Company.

Already in April, the Company successfully opened its first Sportzone store of 2008 in Spain (Madrid), with three more new units planned in this country during the year.


Capital structure

As at 31 March 2008, the consolidated net debt of the Company was 1,276 million Euro. This figure is 735 million Euro higher than that reported at the end of the first quarter of last year, and has been directly impacted by the heavy investment plan, which over the last 12 months totalled more than 1,000 million Euro, to support the company's growth both organically and through acquisitions (in particular through the acquisition of the ex Carrefour (Portugal) units).

Outlook

Sonae Distribuição restates the outlook for the current year, which has already been disclosed, based on a turnover growth rate of over 20%⁽²⁾, the continuation of the operational profitability margin of the company⁽²⁾ and investment of around 300 million Euro in the year.

² Excluding sales from petrol station sales, which are awaiting a favourable decision from the Competition Authority in order to definitively transfer their operation to GALP, as part of the agreement signed at the beginning of the year and duly disclosed to the market.



The company will continue its strong pace of organic growth as a way of consolidating its leadership of the Portuguese market. To that end, it reaffirms its goal of increasing its store network throughout 2008 with more than 60,000 new m2 of sales area compared to that reported as at 31 December 2007, while at the same time remaining alert to possible merger and acquisition opportunities that may arise. This objective is part of the ambitious expansion programme presented by Sonae Distribuição for the three year period 2008-2010, which forecasts a significant growth in sale area of above 40%, at the end of which the sales area will be around 1 million m2.

The company will also follow its strategy of "synergetic format development", an example of which will be the opening of the 1st store of its new casual footwear brand "Loop" in the next few weeks.

The year will also be marked by the expansion of the business to Spain, in which 4 Sportzone units will be opened up until the end of the year. The company is also analysing other markets in which it is considering starting business through its portfolio of formats.

At the same time, Sonae Distribuição will continue to strengthen its value proposal through continued investment in process and Customer relationship innovation, contributing as in the past towards strengthening the image of the Company and Consumer recognition.

Matosinhos, 30 April 2008
The Board of Directors

Glossary

- Turnover (t): sales of articles + services rendered.
- Operating cash-flow (EBITDA): operating results - amortisations and depreciation - provisions - impairment losses - reversal of impairment losses.
- Operating results (EBIT): consolidated net profit for the period - income tax + investment profit/losses + profits/losses of associated companies - net financial expenses.
- Profits on ordinary activities: operating results + net financial expenses.
- Net investment: increase in gross fixed assets (tangible and intangible) + changes in perimeter (as a result of acquisitions and disposals) + disposals in gross fixed assets (tangible and intangible) + increases in goodwill. To calculate the investment in acquisitions (measured by changes occurred in consolidation perimeter) it was considered the net accumulated amortizations.
- Net debt: current borrowings + non current borrowings + financial leasing creditors – cash and cash equivalents – other current investments under negotiation + borrowings from participating and/or participated companies.
- Average debt: average of net debt at end of last four quarters.
- Gross Fixed Assets allocated to real estate companies: goodwill net of impairment losses/gains (positive variances between the acquisition cost of investments in Group and associated companies, and the fair value of identifiable assets and liabilities of these companies at the date of their acquisition) + gross Fixed Assets owned by real estate companies of the Group (value of tangible and intangible assets booked at acquisition cost, or acquisition cost re-valued in accordance with generally accepted accounting principles in Portugal).
- Working Capital: customer debts (receivables derived from sales in the normal course of the Group's business) – suppliers (sums to pay resulting from purchases in the normal course of the Group's business) + inventories (goods booked at acquisition cost, less quantity discounts and impairment losses) + other assets and liabilities (State and other public entities + associated companies + accruals and prepayments + deferred taxes + provisions for risks and charges + fixed asset suppliers + sundry debtors and creditors).
- Gearing: ratio between net debt and the company's shareholders' funds.
- Net Capital Employed: gross real estate assets + other gross real estate assets + amortisations and impairment losses + financial investments + working capital
- ROCE ("Return On Capital Employed"): $EBIT / \text{Net Capital Employed}$.
- ROE ("Return On Equity"): $\text{sum of net profits of the last four quarters} / \text{average of the equity at end of last four quarters}$.



CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2008

ASSETS	Notes	IFRS		
		31-03-2008	31-03-2007	31-12-2007
NON CURRENT ASSETS				
Tangible and intangible assets	6	1.808.034.780	1.394.203.318	1.778.774.971
Goodwill	7	564.781.820	58.678.116	563.903.201
Investments	5,8	40.389.061	52.995.802	40.081.414
Deferred tax assets	11	27.376.652	21.765.882	22.286.220
Other non current assets	9	1.774.931	1.859.223	1.820.126
Total non current assets		2.442.357.244	1.529.502.341	2.406.865.932
CURRENT ASSETS				
Inventories		477.811.588	372.295.602	457.866.661
Other current assets	10	229.719.607	210.273.718	228.789.380
Investments	8	56.378.097	33.425.931	57.208.737
Cash and cash equivalents	12	71.924.910	171.370.853	67.853.490
Total current assets		835.834.202	787.366.104	811.718.268
Non current assets held for sale				6.006.580
TOTAL ASSETS		3.278.191.446	2.316.868.445	3.224.590.780
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	13	1.100.000.000	1.100.000.000	1.100.000.000
Own shares		(205.000.000)	(205.000.000)	(205.000.000)
Reserves and retained earnings		(142.247.690)	(224.619.728)	(223.444.442)
Net profit for the period attributable to the shareholders of Sonae Distribuição	23	9.240.214	14.678.254	167.492.214
Total equity attributable to the shareholders of Sonae Distribuição		761.992.524	685.058.526	839.047.772
Minority interests		11.913.161	10.878.322	12.096.474
TOTAL EQUITY		773.905.685	695.936.848	851.144.246
LIABILITIES:				
NON CURRENT LIABILITIES				
Loans	14	1.187.935.219	601.289.818	1.106.503.697
Other non current liabilities	16	12.388.609	13.797.460	12.702.606
Deferred tax liabilities	11	37.486.556	35.820.561	36.423.318
Provisions	19	15.058.828	22.522.801	16.278.593
Total non current liabilities		1.252.869.212	673.430.640	1.171.908.214
CURRENT LIABILITIES				
Loans	14	206.021.768	144.592.616	90.935.925
Other current liabilities	18	1.043.187.167	802.769.238	1.108.394.781
Provisions	19	2.207.614	139.103	2.207.614
Total current liabilities		1.251.416.549	947.500.957	1.201.538.320
TOTAL LIABILITIES		2.504.285.761	1.620.931.597	2.373.446.534
TOTAL EQUITY AND LIABILITIES		3.278.191.446	2.316.868.445	3.224.590.780

The accompanying notes are part of these consolidated financial statements

The Board of Directors,



SONAE DISTRIBUIÇÃO, SGPS, S.A.
CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2008 AND 2007

(Amounts expressed in euro)

(Translation of company financial statements originally issued in Portuguese . Note 27)

	Notes	IFRS	
		1st Quarter 2008	1st Quarter 2007
Operating income:			
Sales		897.624.923	697.853.869
Services rendered		28.914.546	27.604.474
Other operating income		90.077.015	78.064.085
Total operating income		<u>1.016.616.484</u>	<u>803.522.428</u>
Operating expenses:			
Cost of sales		(725.046.966)	(557.771.545)
External supplies and services		(113.385.291)	(93.266.245)
Staff costs		(113.805.963)	(92.959.513)
Amortization and depreciation	6	(26.134.978)	(20.953.910)
Provisions and impairment losses	19	(935.962)	(84.990)
Other operating expenses		(15.418.026)	(13.551.076)
Total operating expenses		<u>(994.727.186)</u>	<u>(778.587.279)</u>
Net operating profit / (loss)		21.889.298	24.935.149
Financial profits		4.073.699	2.281.139
Financial losses		(18.626.676)	(10.146.488)
Financial profit / (loss)		<u>(14.552.977)</u>	<u>(7.865.349)</u>
Financial profit / (loss) related to associated companies		307.646	(1.940)
Profit / (loss) before income tax		7.643.967	17.067.860
Current tax	22	(2.463.585)	(1.960.686)
Deferred tax	22	3.901.555	(481.508)
Income tax	22	<u>1.437.970</u>	<u>(2.442.194)</u>
Profit / (loss) after income tax		9.081.937	14.625.666
Consolidated profit / (loss) for the three months period		<u>9.081.937</u>	<u>14.625.666</u>
Attributable to:			
Equity holders of Sonae Distribuição	23	9.240.214	14.678.254
Minority interests		<u>(158.277)</u>	<u>(52.588)</u>
Profit / (loss) per share (basic and diluted)	23	<u>0,01</u>	<u>0,02</u>

The accompanying notes are part of these consolidated financial statements

The Board of Directors,



SONAE DISTRIBUIÇÃO, SGPS, S.A.
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2008 AND 2007
 (Amounts expressed in euro)
 (Translation of company financial statements originally issued in Portuguese . Note 27)

	Attributable to Shareholders of Parent Company									
	Share Capital	Own Shares	Legal Reserves	Currency Translation Reserves	Hedging Reserves	Other Reserves Retained Earnings	Net Profit/Loss	Total	Minority Interests	Total Equity
Balance as at 1 January 2007	1.100.000.000	(205.000.000)	90.200.000	510.709		(398.681.758)	158.079.602	745.108.553	10.930.910	756.039.463
Appropriation of consolidated profit of 2006:										
Transfer to legal reserves and retained earnings	-		4.800.000			153.279.602	(158.079.602)	-	-	-
Dividends distributed	-					(75.000.000)	-	(75.000.000)	-	(75.000.000)
Changes in reserves										
Generated in current year	-		-	271.719	-	-	-	271.719	-	271.719
Transferred to results	-		-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-		-	-	-	-	-	-	-	-
Others	-		-	-	-	-	-	-	-	-
Net consolidated profit / (loss) for the three months period ended 31 March 2007	-		-	-	-	-	14.678.254	14.678.254	(52.588)	14.625.666
Balance as at 31 March 2007	1.100.000.000	(205.000.000)	95.000.000	782.428	-	(320.402.156)	14.678.254	685.058.526	10.878.322	695.936.848
Balance as at 1 January 2008	1.100.000.000	(205.000.000)	95.000.000	1.104.622	538.169	(320.087.233)	167.492.214	839.047.772	12.096.474	851.144.246
Appropriation of consolidated profit of 2007:										
Transfer to legal reserves and retained earnings	-		4.300.000	-	-	163.192.214	(167.492.214)	-	-	-
Distributed dividends	-		-	-	-	(85.000.000)	-	(85.000.000)	-	(85.000.000)
Changes in reserves										
Generated in current year	-		-	-	(385.980)	-	-	(385.980)	-	(385.980)
Transferred to results	-		-	(909.482)	-	-	-	(909.482)	-	(909.482)
Acquisition of subsidiaries	-		-	-	-	-	-	-	-	-
Others	-		-	-	-	-	-	-	(25.036)	(25.036)
Net consolidated profit / (loss) for the three months period ended 31 March 2008	-		-	-	-	-	9.240.214	9.240.214	(158.277)	9.081.937
Balance as at 31 March 2008	1.100.000.000	(205.000.000)	99.300.000	195.140	152.189	(241.895.019)	9.240.214	761.992.524	11.913.161	773.905.685

The accompanying notes are part of these consolidated financial statements

The Board of Directors,



SONAE DISTRIBUIÇÃO, SGPS, S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2008 AND 31 MARCH 2007

(Amounts expressed in euro)

(Translation of company financial statements originally issued in Portuguese . Note 27)

	Notes	1st Quarter 2008	1st Quarter 2007
<u>OPERATING ACTIVITIES:</u>			
Net cash flow from operating activities (1)		(101.488.736)	(134.686.398)
<u>INVESTING ACTIVITIES:</u>			
Cash receipts related to:			
Investments		232.542	1.540.790
Tangible and intangible assets		379.046	34.671.985
Interests and similar income		2.304.176	1.470.017
Loans granted		39.519.000	39.519.000
		<u>2.915.764</u>	<u>77.201.792</u>
Cash payments related to:			
Investments		(248.435)	(3.671.551)
Tangible and intangible assets		(68.576.428)	(50.907.184)
Loans granted		(1.556)	(39.521.950)
		<u>(68.826.419)</u>	<u>(94.100.685)</u>
Net cash used in investing activities (2)		<u>(65.910.655)</u>	<u>(16.898.893)</u>
<u>FINANCING ACTIVITIES:</u>			
Cash receipts related to:			
Loans obtained		982.250.000	647.900.000
		<u>982.250.000</u>	<u>647.900.000</u>
Cash payments related to:			
Loans obtained		(805.433.501)	(675.415.664)
Interest and similar charges		(26.550.772)	(13.156.053)
Dividends		(831.984.273)	(688.571.717)
		<u>(831.984.273)</u>	<u>(688.571.717)</u>
Net cash used in financing activities (3)		<u>150.265.727</u>	<u>(40.671.717)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(17.133.664)</u>	<u>(192.257.008)</u>
Effect of foreign exchange rate		<u>(233.394)</u>	<u>33.738</u>
Cash and cash equivalents at the beginning of the period		64.268.940	357.690.994
Cash and cash equivalents at the end of the period	12	<u>46.901.882</u>	<u>165.467.724</u>

The accompanying notes are part of these consolidated financial statements

The Board of Directors,

SONAE DISTRIBUIÇÃO, SGPS, S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2008

(Amounts expressed in euro)

1. INTRODUCTION

SONAE DISTRIBUIÇÃO, SGPS, S.A. (“the Company” or “Sonae Distribuição”), has its head office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 and 5 (“Sonae Distribuição Group”).

2. BASIS OF PRESENTATION

Interim financial statements are presented quarterly, in accordance with IAS 34 - “Interim Financial Reporting”.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those adopted in the preparation of the financial statements presented for the year ended 31 December 2007.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION

The subsidiaries, its head offices and percentage of capital held as of 31 March 2008 and 31 December 2007 are as follows:

Company	Head Office	% Capital held 31.03.2008		% Capital held 31.12.2007	
		Direct	Total	Direct	Total
Parent Company					
Sonae Distribuição SGPS, S. A.	Matosinhos				
Sonae Distribuição					
Best Offer – Prestação de Informações pela Internet, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Bikini, Portal de Mulheres, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Canasta – Empreendimentos Imobiliários, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Carnes do Continente – Industria e Distribuição Carnes, S.A.	Santarém	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, S.A.	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, S.A.	Lisbon	99.90%	99.90%	99.86%	99.86%
Difusão - Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Sport Zone Espanha - Comércio de Artículos de Deporte, S.A.	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Efanor – Design e Serviços, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Efanor - Industria de Fios, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Equador & Mendes - Agencia de Viagens e Turismo, Lda	Lisbon	75.00%	67.50%	75.00%	67.50%
Estevão Neves - Hipermercados da Madeira, S.A.	Funchal	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Fozmassimo - Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Imosonae Dois	Maia	100.00%	100.00%	100.00%	100.00%
Global S Hipermercado, Lda.	Matosinhos	100.00%	100.00%	100.00%	100.00%
IGI – Investimento Imobiliário, S.A.	Porto	100.00%	100.00%	100.00%	100.00%
Igimo – Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Iginha – Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti – Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoestrutura – Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Imomuro – Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoresultado – Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema – Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Infofield – Informática, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Inventory - Acessórios de Casa, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MJLF-Empreendimentos Imobiliários, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Modelo - Distribuição de Materiais de Construção, S.A.	Maia	50.00%	50.00%	50.00%	50.00%
Modalfa – Comércio e Serviços, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Modelo.Com - Vendas por Correspondência, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente – Operações de Retalho, S.G.P.S., S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente Seguros – Sociedade de Mediação, S.A.	Porto	75.00%	75.00%	75.00%	75.00%
Modelo Hiper Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Hipermercados Trading, S.A.	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

Company	Head Office	% Capital held 31.03.2008		% Capital held 31.12.2007	
		Direct	Total	Direct	Total
		NA - Equipamentos para o Lar, S.A.	Matosinhos	100.00%	100.00%
NA - Comércio de Artigos de Desporto, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Nova Equador Internacional - Agencia de Viagens e Turismo, Lda	Lisbon	75.00%	67.50%	75.00%	67.50%
Nova Equador P.C.O. E Eventos, Sociedade Unipessoal, Lda	Lisbon	75.00%	67.50%	75.00%	67.50%
Pharmacontinente-Saúde e Higiene, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Predicomercial – Promoção Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Peixes do Continente-Indústria e Distribuição de Peixes, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Solaris Supermercados, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Selifa - Sociedade de Empreendimentos Imobiliários de Fafe, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Sempre à Mão - Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sesagest – Projectos e Gestão Imobiliária, S.A.	Porto	100.00%	100.00%	100.00%	100.00%
Sociloures – Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Socijofra – Sociedade Imobiliária, S.A.	Gondomar	100.00%	100.00%	100.00%	100.00%
Soflorin, B.V.	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brasil, Ltda	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
a) SM Empreendimentos Imobiliários, Ltda	Porto Alegre (Brazil)	100.00%	100.00%	100.00%	100.00%
Sonae Retalho Espanha – Servicios Generales, S.A.	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Sontária - Empreendimentos Imobiliários, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Sonvecap, B.V.	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Sport Zone – Comércio de Artigos de Desporto, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Star-Viagens e Turismo, S.A.	Lisbon	90.00%	90.00%	90.00%	90.00%
Tlantic Sistemas de Informação, Ltda	Porto Alegre (Brazil)	100.00%	100.00%	100.00%	100.00%
Todos os Dias – Comércio Ret. E Explor. Centros Comerciais, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Valor N, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten – Equipamentos para o Lar, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten Espanha, S.A.	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

These companies are consolidated using the full consolidation method.

a) Company merged into Sonae Capital Brasil, Ltda on 7 January 2008.

5. INVESTMENTS IN ASSOCIATED COMPANIES

The associated companies, their head offices, the percentage of the share capital held and the book value as at 31 March 2008 and 31 December 2007 are as follows:

Company	Head Office	% Capital held 31.03.2008		% Capital held 31.12.2007		Carrying amount	
		Direct	Total	Direct	Total	31.03.2008	31.12.2007
		Fundo de Investimento Imobiliário Fechado Imosede	Maia	42,16%	42,16%	42,16%	42,16%
Mundo Vip - Operadores Turísticos, S.A.	Lisbon	33,33%	33,33%	33,33%	33,33%	2.852.607	2.851.706
Sonaegest - Soc. Gestora de Fundos de Investimento, S.A.	Maia	40,00%	40,00%	40,00%	40,00%	703.244	669.644
Sempre a Postos - Produtos Alimentares e Utilidades, S.A.	Lisbon	25,00%	25,00%	25,00%	25,00%	981.717	943.957
						39.389.890	39.082.244

Associated companies were included in the consolidation under the equity method.

The aggregated amounts of major financial indicators of these associated companies as at 31 March 2008 and 31 December 2007 can be summarized as follows:

	31.03.2008	31.03.2007	31.12.2007
Total assets	111,592,386	89,584,353	109,412,246
Total liabilities	24,189,948	44,410,573	22,810,653
Income	28,138,089	26,996,440	132,477,889
Expenses	26,836,653	26,115,876	131,110,770

During the periods ended 31 March 2008 and 2007, movements in Investments in associated companies, were made up as follows:

	31.03.2008		31.03.2007	
	Non current	Current	Non current	Current
Investments in associated companies				
Balance as at 1 January	39,082,244	-	17,823,351	-
a) Increases during the period	-	-	-	-
Transfers (Note 8)	-	-	-	-
Equity method effect	307,646	-	(1,941)	-
Balance as at 31 March	39,389,890	-	17,821,410	-

6. TANGIBLE AND INTANGIBLE ASSETS

During the periods ended 31 March 2008 and 2007, movements in tangible and intangible assets as well as depreciation and accumulated impairment losses, were made up as follows:

Tangible assets - March 2008

	Land and Buildings	Machinery and Equipment	Transport Equipment	Office Equipment	Tools and Fittings	Reusable Containers	Other tangible assets	Tangible assets in progress a)	Advances on account of tangible assets b)	Total tangible
Gross assets:										
Opening balance	1,321,081,939	586,492,798	17,525,840	101,287,132	29,837,028	66,567	1,709,718	125,567,424	14,404,376	2,197,972,822
Changes in perimeter - acquisitions	-	-	-	-	-	-	-	-	-	-
Changes in perimeter - sales	-	-	-	-	-	-	-	-	-	-
Capital expenditure	630,600	266,016	27,450	40,274	14,342	-	-	49,619,912	4,738,486	55,337,080
Disposals	-	(1,637,046)	(137,769)	(35,701)	(9,263)	-	-	(15,383)	-	(1,835,162)
Exchange rate effect	(21,180)	(60,386)	(2,320)	(38,482)	-	-	-	-	-	(122,368)
Transfers / Write-off	(23,066,967)	41,031,708	127,360	(8,324,304)	871,950	-	1,037	(37,430,895)	15,650,000	(11,140,111)
Closing balance	1,298,624,392	626,093,090	17,540,561	92,928,919	30,714,057	66,567	1,710,755	137,741,058	34,792,862	2,240,212,261
Amortization and losses for accumulated impairment										
Opening balance	194,037,229	278,847,315	13,568,935	65,309,111	20,362,366	66,567	1,565,593	-	-	573,757,116
Changes in perimeter - acquisitions	-	-	-	-	-	-	-	-	-	-
Period depreciation	5,190,043	13,407,454	351,969	3,276,910	1,113,363	-	11,655	-	-	23,351,394
Disposals	-	(1,127,453)	(103,829)	(32,245)	(8,379)	-	-	-	-	(1,271,906)
Exchange rate effect	(10,710)	(20,078)	(796)	(10,424)	-	-	-	-	-	(42,008)
Transfers / Write-off	(17,571,285)	16,556,733	(29)	(8,913,327)	6,121	-	-	-	-	(9,921,787)
Closing balance	181,645,277	307,663,971	13,816,250	59,630,025	21,473,471	66,567	1,577,248	-	-	585,872,809
Net book value	1,116,979,115	318,429,119	3,724,311	33,298,894	9,240,586	-	133,507	137,741,058	34,792,862	1,654,339,452

Tangible assets - March 2007

	Land and Buildings	Machinery and Equipment	Transport Equipment	Office Equipment	Tools and Fittings	Reusable Containers	Other tangible assets	Tangible assets in progress a)	Advances on account of tangible assets b)	Total tangible
Gross assets:										
Opening balance	1,027,788,651	479,043,575	15,346,401	96,146,283	8,319,375	80,429	2,006,122	29,402,940	17,147,599	1,675,281,375
Capital expenditure	682,351	206,920	2,448	701,639	166	-	-	31,960,307	6,082,724	39,636,555
Disposals	(23,696,531)	(2,279,331)	(127,160)	(553,101)	(7,305)	(13,862)	(277,629)	(1,350)	-	(26,956,269)
Exchange rate effect	213,355	37,264	1,893	19,471	-	-	-	6,090	-	278,073
Transfers / Write-off	8,288,027	11,963,389	89,721	464,904	433,902	-	2,233	(15,883,117)	(6,620,192)	(1,261,133)
Closing balance	1,013,275,853	488,971,817	15,313,303	96,779,196	8,746,138	66,567	1,730,726	45,484,870	16,610,131	1,686,978,601
Amortization and losses for accumulated impairment										
Opening balance	128,715,051	224,445,608	12,011,068	58,138,134	4,544,535	80,429	1,824,070	-	-	429,758,895
Period depreciation	4,297,418	10,970,012	273,098	2,500,935	372,553	-	11,610	-	-	18,425,626
Disposals	(3,077,016)	(1,167,119)	(126,335)	(440,671)	(7,148)	(13,862)	(277,615)	-	-	(5,109,766)
Exchange rate effect	5,858	6,600	414	3,875	-	-	-	-	-	16,747
Transfers / Write-off	-	(116,548)	-	(162,699)	(62)	-	-	-	-	(279,309)
Closing balance	129,941,311	234,138,553	12,158,245	60,039,574	4,909,878	66,567	1,558,065	-	-	442,812,193
Net book value	883,334,542	254,833,264	3,155,058	36,739,622	3,836,260	-	172,661	45,484,870	16,610,131	1,244,166,408

Intangible assets - March 2008

	Development Costs	Industrial Property and other rights	Software	Premium paid for property occupation rights	Other intangible assets	Intangible assets in progress a)	Advances on account of intangible assets b)	Total intangible
Gross assets:								
Opening balance	469,507	88,603,953	107,561,601	13,863,815	-	16,263,339	-	226,762,215
Capital expenditure		54,069				2,564,732		2,618,801
Disposals		(485)						(485)
Exchange rate effect			(9,832)					(9,832)
Transfers / Write-off			163,255	(352,472)		(856,849)		(1,046,066)
Closing balance	469,507	88,657,537	107,715,024	13,511,343	-	17,971,222	-	228,324,633
Amortization and losses for accumulated impairment								
Opening balance	241,993	5,175,682	53,824,561	12,960,714	-	-	-	72,202,950
Period depreciation	23,475	559,273	2,165,028	35,808				2,783,584
Disposals		(461)						(461)
Exchange rate effect			(4,296)					(4,296)
Transfers / Write-off				(352,472)				(352,472)
Closing balance	265,468	5,734,494	55,985,293	12,644,050	-	-	-	74,629,305
Net book value	204,039	82,923,043	51,729,731	867,293	-	17,971,222	-	153,695,328

Intangible assets - March 2007

	Development Costs	Industrial Property and other rights (c)	Software	Premium paid for property occupation rights	Other intangible assets	Intangible assets in progress a)	Advances on account of intangible assets b)	Total intangible
Gross assets:								
Opening balance	464,840	83,989,039	98,303,747	13,908,707	-	13,319,370	275,000	210,260,703
Capital expenditure		8,041	41,937			3,318,408		3,368,386
Disposals								-
Exchange rate effect			5,003					5,003
Transfers / Write-off		541,757	9,374			(522,529)		28,602
Closing balance	464,840	84,538,837	98,360,061	13,908,707	-	16,115,249	275,000	213,662,694
Amortization and losses for accumulated impairment								
Opening balance	148,308	3,329,177	44,882,011	12,736,678	-	-	-	61,096,174
Period depreciation	23,242	365,655	2,057,075	82,311				2,528,283
Disposals								-
Exchange rate effect			1,327					1,327
Transfers / Write-off								-
Closing balance	171,550	3,694,832	46,940,413	12,818,989	-	-	-	63,625,784
Net book value	293,290	80,844,005	51,419,648	1,089,718	-	16,115,249	275,000	150,036,910

- a) Major amounts included in the caption "Tangible and intangible assets in progress" refer to the following projects:

	31.03.2008	31.03.2007
Remodelling and expansion of stores	133,648,098	43,546,803
Installation licenses	4,779,632	3,841,373
Software projects	13,125,621	11,356,468
	151,553,351	58,744,644

- b) The most significant amounts under the caption "Advances on account of tangible assets" refer to projects of "Modelo" and "Continente" stores for which advance payments were made.

7. GOODWILL

During the periods ended 31 March 2008 and 2007 and 31 December 2007, movements in Goodwill as well as in the corresponding impairment losses, were made up as follows:

	31.03.2008	31.03.2007	31.12.2007
Gross value:			
Opening balance	565,277,427	63,980,187	63,980,187
New companies in the consolidation perimeter	-	-	505,225,085
Increases	878,619	-	-
Decreases	-	(2,463,488)	(3,927,845)
Closing balance	566,156,046	61,516,699	565,277,427
Accumulated impairment losses (Note 19):			
Opening balance	1,374,226	2,838,583	2,838,583
Increases	-	-	-
Decreases	-	-	(1,464,357)
Closing balance	1,374,226	2,838,583	1,374,226
Net book value	564,781,820	58,678,116	563,903,201

Goodwill is not depreciated. Impairment tests on the Goodwill are performed on an annual basis.

In the acquisition of Continente Hipermercados (Ex-Carrefour) there was no fair value allocation because the acquisition took place only at 31 December 2007. Consequently the value of the goodwill amounting to 505,552,934 euro is provisional, and it will be adjusted until the end of 2008.

8. INVESTMENTS

As at 31 March 2008 and 2007 movements in this caption can be detailed as follows:

	31.03.2008		31.03.2007	
	Non current	Current	Non current	Current
<u>Other financial investments</u>				
Balance as at 1 January	785,486	56,093,108	33,804,781	33,211,904
Acquisitions during the period	-	-	-	11,551
Disposals during the period	-	(190,517)	-	(122,100)
Increase / decrease in fair value	-	186,009	284,339	308,919
Transfers	-	-	-	-
Balance as at 31 March	785,486	56,088,600	34,089,120	33,410,274
Accumulated impairment losses (Note 19)	(26,316)	-	(474,728)	-
	759,170	56,088,600	33,614,392	33,410,274
<u>Derivative financial instruments</u>				
Fair value as at 1 January	-	1,115,629	-	49,458
Acquisitions during the period	-	-	-	15,657
Disposals during the period	-	(1,971)	-	(49,458)
Increase / decrease in fair value	-	(824,161)	-	-
Balance as at 31 March	-	289,497	-	15,657
<u>Advances on financial investments</u>				
Balance as at 1 January	240,000	-	900,000	-
Acquisitions during the period	-	-	660,000	-
Transfers	-	-	-	-
Balance as at 31 March	240,000	-	1,560,000	-
Total in other financial investments	999,170	56,378,097	35,174,392	33,425,931

The caption "Other financial investments" can be detailed as follows:

- 759,170 euro (1,304,410 euro as at 31 March 2007), mainly refers to shares held in companies. The investments in non-listed companies and which fair value was not estimated due to the fact that it could not be measured reliably are recorded at acquisition cost less impairment losses. The investments in listed companies are recorded at fair value.
- 56,088,600 euro (65,569,420 euro as at 31 March 2007), relates to deposited amounts on an Escrow Account which are invested in investment funds with superior rating and guarantee contractual liabilities assumed by the Group which may arise from the sale of Sonae Distribuição Brasil, S.A. and for which provisions were recognized (Note 20).

9. OTHER NON CURRENT ASSETS

As at 31 March 2008 and 31 December 2007, the caption "Other non current assets" is detailed as follows:

	31.03.2008	31.12.2007
Loans granted to associated companies	1,016,049	1,015,475
Accounts receivable and other debtors	758,882	804,651
	1,774,931	1,820,126

The amount recorded under loans granted to associates companies bears interest at market rates and are not matured.

The amount recorded under accounts receivable and other debtors refer mainly to legal deposits made by a Brazilian subsidiary, for which the correspondent liabilities, with no defined maturity, are recorded in the caption "Other creditors" (Note 16).

10. OTHER CURRENT ASSETS

As at 31 March 2008 and 31 December 2007, the caption "Other current assets" are detailed as follows:

	<u>31.03.2008</u>	<u>31.12.2007</u>
Clients	40,457,290	45,180,966
Tax and contributions receivable	37,388,306	51,067,860
Other debtors	141,258,498	130,059,315
Advances to fixed assets suppliers	674,495	381,319
Other current assets	<u>32,133,641</u>	<u>23,492,179</u>
	251,912,230	250,181,639
Accumulated impairment losses (Note 19)	<u>(22,192,623)</u>	<u>(21,392,259)</u>
	<u><u>229,719,607</u></u>	<u><u>228,789,380</u></u>

The caption "Other debtors" is essentially composed by receivables related to: (i) debtors balances of suppliers in a total amount of 68,656,261 euro (66,725,484 euro at 31 December 2007); (ii) the amount of 14,576,053 euro (the same amount as at 31 December 2007) described as Special Regime for the Settlement of Debts to the Tax authorities and Social Security, which refers basically to taxes paid that were disputed and subject to reimbursement claims. The Board of Directors believes that the outcome of these claims will be favourable to the Company; (iii) recoverable VAT, that was originated by property transactions of 1,986,722 euro (2,887,859 euro at 31 December 2007).

The caption "Other current assets" is essentially composed by receivable interests amounting to 37,618 euro (741,938 euro at 31 December 2007); an amount of 12,686,439 euro of commercial income (4,222,318 euro at 31 December 2007); receivable commissions amounting to 5,659,272 euro (6,865,234 euro at 31 December 2007); 3,578,095 euro of rents paid in advance (3,259,833 euro at 31 December 2007) and insurance paid in advance amounting to 3,080,401 euro (2,058,068 euro at 31 December 2007).

11. DEFERRED TAX

As at 31 March 2008 and 31 December 2007, deferred tax assets and liabilities, according to the temporary differences that generated them, are made up as follows:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>31.03.2008</u>	<u>31.12.2007</u>	<u>31.03.2008</u>	<u>31.12.2007</u>
Difference between fair value and purchase cost		-	1,943,455	1,943,455
Harmonization adjustments (amortizations and depreciations)	67,376	70,513	29,479,090	29,290,837
Provisions and impairment losses not accepted for tax purposes	5,442,804	4,320,121		-
Write off of fixed assets	9,256,197	9,517,092		-
Write off of deferred costs	7,014	9,644	30,874	32,267
Valuation of financial derivatives	85,424	74,497	54,871	194,556
Reinvestment of capital gains		-	2,380,411	2,394,039
Revaluation of tangible fixed assets		-	2,507,358	2,523,410
Exchange rate differences not included for tax purposes			1,090,497	44,754
Tax losses carried forward	12,250,583	8,010,720		
Others	267,254	283,633		
	<u><u>27,376,652</u></u>	<u><u>22,286,220</u></u>	<u><u>37,486,556</u></u>	<u><u>36,423,318</u></u>

As at 31 March 2008 and 31 December 2007, the carried forward tax losses in accordance with tax returns and income tax estimates of the group companies that recorded the corresponding deferred tax assets (considering an exchange rate at that dates) had the following expiration dates:

	31-03-2008			31-12-2007		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax liabilities	Time limit
With limited time use						
Generated in 2002	11,466,515	2,866,628	2008	12,423,840	3,105,960	2008
Generated in 2003	9,065,672	2,266,418	2009	9,065,672	2,266,418	2009
Generated in 2004	1,567,260	391,815	2010	1,567,260	391,815	2010
Generated in 2005	7,341,505	1,835,377	2011	7,341,505	1,835,377	2011
Generated in 2006	387,074	96,768	2012	387,074	96,768	2012
Generated in 2007	1,257,530	314,383	2013	1,257,531	314,383	2013
Generated in 2008	17,916,773	4,479,194	2014			2014
	<u>49,002,329</u>	<u>12,250,583</u>		<u>32,042,882</u>	<u>8,010,721</u>	
Without limited time use						
	<u>49,002,329</u>	<u>12,250,583</u>		<u>32,042,882</u>	<u>8,010,721</u>	

The deferred tax assets arising from tax losses carried forward were evaluated, and were only recorded if it was probable that taxable profits would occur in the future which may be offset against available tax losses or against deductible temporary differences. This evaluation was based on Sonae Distribuição's companies business plans, periodically reviewed and updated, and on available and identified tax planning opportunities.

As at 31 March 2008 there are tax losses carried forward amounting to 93,477,437 euro (91,117,181 euro at 31 December 2007), for which no deferred tax assets were recognized for prudential reasons.

	31-03-2008			31-12-2007		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2002	1,682,089	420,522	2008	1,814,987	453,747	2008
Generated in 2003	200,291	50,074	2009	200,291	50,074	2009
Generated in 2004	329,687	82,422	2010	329,687	82,422	2010
Generated in 2005	36,519,737	9,129,934	2011	36,519,737	9,129,934	2011
Generated in 2006	161,837	40,459	2012	161,837	40,459	2012
Generated in 2007	24,379,231	6,094,808	2013	24,379,231	6,094,808	2013
Generated in 2008	845,193	211,298	2014			2014
	<u>64,118,065</u>	<u>16,029,517</u>		<u>63,405,770</u>	<u>15,851,444</u>	
With a time limit different from the above mentioned	22,159,837	6,288,950		19,571,433	5,619,101	
Without limited time use	7,199,535	2,447,842		8,139,978	2,767,592	
	<u>93,477,437</u>	<u>24,766,309</u>		<u>91,117,181</u>	<u>24,238,137</u>	

12. CASH AND CASH EQUIVALENTS

As at 31 March 2008 and 31 December 2007 cash and cash equivalents can be detailed as follows:

	31.03.2008	31.12.2007
Cash at hand	4,567,332	5,723,805
Bank deposits	67,322,582	62,094,598
Treasury applications	34,996	35,087
Cash and cash equivalents on the balance sheet	<u>71,924,910</u>	<u>67,853,490</u>
Bank overdrafts (Note 14)	(25,023,028)	(3,584,549)
Cash and cash equivalents on the cash flow statement	<u>46,901,882</u>	<u>64,268,941</u>

Bank overdrafts include amounts recorded in the balance sheet under Current loans.

13. SHARE CAPITAL

As of 31 March 2008, the share capital, which is fully subscribed and paid for, is made up by 1,100,000,000 ordinary shares which do not hold right to any fixed income, with a nominal value of 1 euro each other.

As of 31 March 2008, the subscribed share capital was distributed as follows:

Entity	%
Sonae, SGPS, S.A.	74.98
Sonae Investments, BV	15.93
Own Shares	9.09

As at 31 March 2008, Efanor Investimentos, SGPS, S.A. and its subsidiaries held 52.94% of the Sonae, SGPS, S.A. shares.

14. LOANS

As at 31 March 2008 and 31 December 2007, borrowings can be detailed as follows:

	31.03.2008				31.12.2007			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non current	Current	Non current	Current	Non current	Current	Non current
Bank loans	75,079,842	182,000,000	75,079,842	182,000,000	80,250,354	-	80,250,354	-
Bond loans	99,845,278	1,000,833,474	100,000,000	1,006,925,000	-	1,100,672,731	-	1,106,925,000
Bank overdrafts (Note 12)	25,023,028	-	25,023,028	-	3,584,549	-	3,584,549	-
	<u>199,948,148</u>	<u>1,182,833,474</u>	<u>200,102,870</u>	<u>1,188,925,000</u>	<u>83,834,903</u>	<u>1,100,672,731</u>	<u>83,834,903</u>	<u>1,106,925,000</u>
Other loans	27,716	266,728	27,716	266,728	36,229	276,330	36,229	276,329
Derivatives financial instruments (Note 15)	322,355	-	-	-	281,123	-	-	-
	<u>350,071</u>	<u>266,728</u>	<u>27,716</u>	<u>266,728</u>	<u>317,352</u>	<u>276,330</u>	<u>36,229</u>	<u>276,329</u>
Obligations under finance leases	5,723,549	4,835,017	5,723,549	4,835,017	6,783,670	5,554,636	6,783,670	5,554,636
	<u>206,021,768</u>	<u>1,187,935,219</u>	<u>205,854,135</u>	<u>1,194,026,745</u>	<u>90,935,925</u>	<u>1,106,503,697</u>	<u>90,654,802</u>	<u>1,112,755,965</u>

The repayment schedule of nominal value of borrowings (including bank loans and obligations under finance leases) can be summarized as follows:

	31.03.2008	31.03.2007
2008	205,854,135	90,654,802
2009	3,047,771	103,146,003
2010	66,777,851	67,370,839
2011	82,043,083	82,065,244
2012	350,036,229	350,042,467
2013	155,036,229	155,036,229
+2014	<u>537,085,582</u>	<u>355,095,183</u>
	<u>1,399,880,880</u>	<u>1,203,410,767</u>

Bond loans

Bond loans can be detailed as follows:

Modelo Continente / 2003	82,000,000 EUR
Modelo Continente / 2004	100,000,000 EUR
Modelo Continente / 2005/2010	64,925,000 EUR
Modelo Continente / 2005/2012	150,000,000 EUR
Modelo Continente / 2007/2012	200,000,000 EUR
Sonae Distribuição, SGPS, S.A. / 2007/2015	200,000,000 EUR
Sonae Distribuição Setembro / 2007/2015	310,000,000 EUR

Bonds - MODELO CONTINENTE 2003

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

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate which is variable is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.75% p.a..

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

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

Bonds - MODELO CONTINENTE 2004

10,000,000 bonds – Nominal Value: 10 euro.

Maximum term: 5 (five) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 1.15% p.a..

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

Redemption: At par, in one payment on 18 March 2009, the maturity date of the loan. Early redemption is not possible, either by initiative of the issuer or the bondholders.

Bonds - MODELO CONTINENTE 2005/2010

265,000 bonds – Nominal Value: 245 euro.

Maximum term: 5 (five) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.70% p.a..

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

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

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

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

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

Bonds - MODELO CONTINENTE 2005/2012

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

Maximum term: 7 (seven) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.85% p.a..

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

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

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

Bonds - MODELO CONTINENTE 2007/2012

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

Maximum term: 5 (five) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.5% p.a..

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

Redemption: At par, in one payment on 30 April 2012 the payment date of the 10th coupon.

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

Bonds - Sonae Distribuição 2007/2015

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

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.48% p.a..

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

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

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

Bonds - Sonae Distribuição September 2007/2015

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

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.25% p.a. in the first 3 interest payment dates and 0.55% p.a. from the 4th interest payment date on.

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

Redemption: At par in the following terms:

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

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

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

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

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

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

Other loans non-current

At 31 March 2008 this caption corresponded to repayable grants granted by IAPMEI under the Measure of Support to the Energy Potential and Rationalization (MAPE). These grants do not bear interests and have been attributed for a 12 year period, with a grace period of 3 years redemption after contribution. The grants will be redeemed in half-yearly instalments, occurring the first six months after the grace period. At present, 27,716 euro are classified as “Other loans - current”.

Bank loans

This caption includes the issue of short term commercial paper in the amount of 75,000,000 euro, which bears interests at usual market rates. Additionally, includes a bank loan reimbursable in 2008 in the amount of 79,842 euro.

15. DERIVATIVES

Exchange rate derivatives

The Group uses exchange rate derivatives, essentially to hedge future cash flows.

As at 31 March 2008 and 31 December 2007, the fair value of exchange rate derivatives, calculated taking into consideration the present market value of equivalent financial instruments, is estimated as follows:

	<u>31.03.2008</u>	<u>31.12.2007</u>
Assets (Note 8)	-	1,971
Liabilities (Note 14)	<u>(322,355)</u>	<u>(281,123)</u>
	<u>(322,355)</u>	<u>(279,152)</u>

Gains or losses in the period arising from changes in the fair value of derivatives financial instruments (43,203) euro were recorded directly in the income statement in the caption Net operating expenses.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets (Note 8)		Liabilities (Note 14)	
	<u>31.03.2008</u>	<u>31.12.2007</u>	<u>31.03.2008</u>	<u>31.12.2007</u>
Hedging derivatives	289,497	1,113,658	-	-
Other derivatives	-	1,971	322,355	281,123
	<u>289,497</u>	<u>1,115,629</u>	<u>322,355</u>	<u>281,123</u>

Interest rate derivatives

As at 31 March 2008, the interest rate derivatives used by the Group, refer, mainly, to swaps. These were negotiated to hedge the interest rate risk inherent to bank loans obtained by the group. According to the accounting policies adopted, these derivatives fulfil the requirements to be classified as hedging instruments.

Its fair value amounts to:

	<u>31.03.2008</u>	<u>31.12.2007</u>
Assets	289,496	1,113,658
Liabilities	<u>-</u>	<u>-</u>
	<u>289,496</u>	<u>1,113,658</u>

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

Counterparts issuing derivative financial instruments are selected based on its financial strength and credit risk established by internationally recognized rating agencies. These counterparts are nationally and internationally recognized first class financial institutions.

16. OTHER NON CURRENT LIABILITIES

As at 31 March 2008 and 31 December 2007 the caption "Other non current liabilities" can be detailed as follows:

	<u>31.03.2008</u>	<u>31.12.2007</u>
Participating companies (Note 21)	10,000,000	10,000,000
Other non current trade accounts payable	782,636	830,596
Share-based payments (Note 17)	<u>1,605,973</u>	<u>1,872,010</u>
	<u><u>12,388,609</u></u>	<u><u>12,702,606</u></u>

As at 31 March 2008 and 31 December 2007, the caption "Other non-current liabilities" refers mainly to the estimated amounts to fulfil the legal and tax obligations of Brazilian subsidiaries which were considered appropriate to face future losses on lawsuits and for which legal deposits exist, which are recorded under the caption "Other non-current trade accounts receivables" (Note 9).

The amount payable to participating companies refers to a shareholders' loan granted by a minority shareholder of a subsidiary that bears interest at market rate. The fair value of this loan is similar to its book value.

17. SHARE BASED PAYMENT PLANS

In 2008 and in previous years, Sonae Distribuição Group granted deferred performance bonuses to its directors and eligible employees. These are based on shares to be acquired at nil cost, three years after they were attributed to the employee. The acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The company has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for a Sonae Group company on the vesting date.

Liabilities arising from deferred performance bonuses at 31 March 2008 and 31 December 2007 are made up as follows:

	Year of grant	Vesting year	Number of participants	Fair value	
				<u>31.03.2008</u>	<u>31.12.2007</u>
Shares					
	2005	2008	38	1,810,396	2,690,269
	2006	2009	40	1,317,688	1,958,101
	2007	2010	40	1,114,706	1,699,820
	2008	2011	42	1,838,913	
Total				<u><u>6,081,703</u></u>	<u><u>6,348,190</u></u>

The amounts recorded as at 31 March 2008 and 31 December 2007, related to the responsibilities incurred from the date in which each plan was granted until the mentioned dates can be presented as follows:

	<u>31.03.2008</u>	<u>31.12.2007</u>
Recorded under Other non current liabilities (Note 16)	1,605,973	1,872,010
Recorded under Other current liabilities (Note 18)	1,810,396	2,690,269
Recorded in profit/loss in previous years	<u>(4,562,279)</u>	<u>(628,007)</u>
Recorded in Staff costs	<u>(1,145,910)</u>	<u>3,934,272</u>

The share based payment plans costs are recognized during the year between the grant and vesting date as Staff Costs.

18. OTHER CURRENT LIABILITIES

As at 31 March 2008 and 31 December 2007 the caption "Other current liabilities" can be detailed as follows:

	<u>31.03.2008</u>	<u>31.12.2007</u>
Suppliers	732,225,450	835,856,284
Participating and participated companies	85,000,068	408,665
a) Other accounts payable	32,226,900	35,591,505
Fixed assets suppliers	32,103,727	42,158,108
Taxes and contributions payable	27,228,125	44,222,307
Accrued costs	130,537,280	145,383,430
Deferred income	2,055,221	2,084,213
Share-based payments (Note 17)	1,810,396	2,690,269
	<u>1,043,187,167</u>	<u>1,108,394,781</u>

- a) The caption "Other accounts payable" includes 17,902,747 euro (18,342,279 euro at 31 December 2007) related to means of payment withheld by clients, namely vouchers, gift cards and discount coupons, which were granted under loyalty project "Client card" and not used yet.

19. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and accumulated impairment losses" over the period ended 31 March 2008 and 2007 were as follows:

Captions	Balance			Balance
	31.12.2007	Increase	Decrease a)	
Accumulated impairment losses on investments (Note 8)	26,316	-	-	26,316
Accumulated impairment losses on goodwill (Note 7)	1,374,226	-	-	1,374,226
Accumulated impairment losses on trade account receivables (Note 10)	12,771,387	509,577	(128,536)	13,152,428
Accumulated impairment losses on other debtors (Note 10)	8,620,872	426,385	(7,062)	9,040,195
Accumulated impairment losses on inventories	16,095,728	2,392,260	(2,101,992)	16,385,996
Provisions	18,486,207	-	(1,219,765)	17,266,442
	<u>57,374,736</u>	<u>3,328,222</u>	<u>(3,457,355)</u>	<u>57,245,603</u>

Captions	Balance			Balance
	31.12.2006	Increase a)	Decrease	
Accumulated impairment losses on investments (Note 8)	474,728	-	-	474,728
Accumulated impairment losses on goodwill (Note 7)	2,838,583	-	-	2,838,583
Accumulated impairment losses on trade account receivables (Note 10)	11,167,140	75,526	(119,853)	11,122,813
Accumulated impairment losses on other debtors (Note 10)	6,463,190	9,464	(68,123)	6,404,531
Accumulated impairment losses on inventories	11,542,472	-	-	11,542,472
Provisions	22,117,496	819,162	(274,754)	22,661,904
	<u>54,603,609</u>	<u>904,152</u>	<u>(462,730)</u>	<u>55,045,031</u>

- a) Decrease includes (827,654) euro, related to the effect of changes in the foreign exchange rate in opening balances.

Impairment losses are deducted from the corresponding asset.

The caption Provisions includes 13,499,048 euro (14,628,032 euro at 31 December 2007) to face future estimated outflows in consequence of the disposal of Sonae Distribuição Brasil, S.A., occurred in 2005. This provision is being used as obligations arise.

20. CONTINGENT ASSETS AND LIABILITIES

	<u>31.03.2008</u>	<u>31.12.2007</u>
Guarantees given:		
on tax claims	118,275,535 a)	79,895,859
on municipal claims	14,199,625	11,687,093
Others	42,353,709 b)	45,649,202

- a) Includes guarantees amounting to 84,942,770 euro (46,603,916 euro at 31 December 2007) related to corporate income tax assessments, and guarantees amounting to 26,125,123 euro (27,869,675 euro at 31 December 2007) related to VAT processes.

- b) Includes guarantees amounting to 33,213,383 euro (35,800,646 euro at 31 December 2007) related to VAT reimbursement requests.

During 2007, the subsidiary Sonae Capital Brasil, Ltda, rendered a guarantee in the amount of 23,796,969 euro (65,570,840 Brazilian real), related to a tax claim that is being judged in a Brazilian tax court concerning corporate income tax.

No provision was recorded in order to face possible risks arising from these processes, as it is Board of Directors understanding that they will be solved without arising liabilities to the Group.

21. RELATED PARTIES

As at 31 March 2008 and 31 December 2007 balances and transactions with related parties are made up as follows:

Transactions	Sales and services rendered		Purchases and services obtained		Interest income		Interest expenses	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Parent company	115.848	77.641	177.817	119.793		244.332		
Associated companies	143.963	869.279	2.588.708	1.208.832	14.614	66.653		
Participated companies	11.575.380	12.232.872		35.255				
Participating companies	62.829	58.255	12.892	20.591			119.640	100.750
Other related parties ¹	3.716.981	3.537.348	23.351.260	23.294.529		155.712		
	<u>15.615.001</u>	<u>16.775.395</u>	<u>26.130.677</u>	<u>24.679.000</u>	<u>14.614</u>	<u>466.697</u>	<u>119.640</u>	<u>100.750</u>
			Fixed assets					
	Acquisitions		Disposals					
	31.03.2008	31.03.2007	31.03.2008	31.03.2007				
Parent company			50.000					
Associated companies								
Other related parties ¹	17.023.890	12.034.249		28.317.323				
	<u>17.023.890</u>	<u>12.034.249</u>	<u>50.000</u>	<u>28.317.323</u>				
					Loans			
	Accounts receivable		Accounts Payable		Obtained		Granted	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Parent company	268.657	108.794	70.641.800	499.045				
Associated companies	125.401	919.474	1.685.379	692.339			1.000.000	1.000.000
Participated companies	8.147.987	12.090.910						
Participating companies (Note 16)	172.004	317.726	142.634	432.656	10.000.000	10.000.000	16.049	15.475
Other related parties ¹	15.064.688	8.945.791	37.157.291	29.801.268				
	<u>23.778.737</u>	<u>22.382.695</u>	<u>109.627.104</u>	<u>31.425.308</u>	<u>10.000.000</u>	<u>10.000.000</u>	<u>1.016.049</u>	<u>1.015.475</u>

1) The Subsidiaries of companies under joint control of EFANOR SGPS, S.A. that are not integrated in the Sonae Distribuição SGPS, S.A. Group are classified as "Other related parties".

They are classified as related parties: all subsidiaries, associated companies and entities jointly controlled integrated in the Sonae SGPS, S.A. Group; all subsidiaries and entities jointly controlled integrated in the Sonae Industria SGPS, S.A. Group and Sonae Capital SGPS, S.A. Group; Efanor Investimentos SGPS, S.A. and its affiliates.

The amount recorded under Loans obtained from participating companies refers to loans granted by shareholders of subsidiaries which bear interests at market rates.

22. INCOME TAX

Income tax for the three months period ended 31 March 2007 and 2008 is made up as follows:

	31.03.2008	31.03.2007
Current tax	2,463,585	1,960,686
Deferred tax	(3,901,555)	481,508
	<u>(1,437,970)</u>	<u>2,442,194</u>

23. EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	<u>31.March.2008</u>	<u>31.March.2007</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	9,240,214	14,678,254
Net profit taken into consideration to calculate diluted earnings per share	<u>9,240,214</u>	<u>14,678,254</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,000,000,000	1,000,000,000
Weighted average number of shares used to calculate diluted earnings per share	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Earning per share (basic and diluted)	<u>0.01</u>	<u>0.01</u>

24. DIVIDENDS

In the Annual General Meeting held on 31 March 2008 the payment of dividends amounting to 85,000,000 Euro was approved.

25. SEGMENT INFORMATION

The contribution of the major segments to the consolidated Income Statement for the three months period ended 31 March 2008 and 2007 can be detailed as follows:

	<u>31.03.2008</u>			<u>31.03.2007</u>		
	Turnover	EBITDA	Sales area [.000m ²]	Turnover	EBITDA	Sales area [.000m ²]
Food sector	646,123,607	30,018,929	460	524,856,180	26,054,326	349
Non food sector	246,552,806	7,504,164	254	198,810,380	6,952,951	197
Housing assets sector with income	1,515,822	2,024,413		1,791,783	12,832,053	
Housing assets sector without income		9,023,979			55,211	
Others a)	<u>32,347,234</u>	<u>253,153</u>		<u>(108,468)</u>		
	<u>926,539,469</u>	<u>48,824,638</u>	<u>714</u>	<u>725,458,343</u>	<u>45,786,073</u>	<u>546</u>

a) Include gas stations and consolidation adjustments

26. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 30 April 2008.

27. NOTE ADDED TO TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards. In the event of discrepancies, the Portuguese language version prevails.

Matosinhos, 30 April 2008



INDIVIDUAL FINANCIAL STATEMENTS

31 MARCH 2008

SONAE DISTRIBUIÇÃO, SGPS, S.A.

COMPANY BALANCE SHEETS AS AT 31 MARCH 2008 AND 2007 AND AS AT 31 DECEMBER 2007

(Amounts expressed in euro)

ASSETS	Notes	IFRS		
		31-03-2008	31-03-2007	31-12-2007
NON CURRENT ASSETS				
Tangible and intangible assets	5	77.061	634.887	147.779
Investments	4	2.209.050.391	1.856.466.864	2.009.050.391
Deferred tax assets	6	2.365.490	1.282	304
Other non current assets	7	586.976.341	647.528.488	774.196.909
Total non current assets		<u>2.798.469.283</u>	<u>2.504.631.521</u>	<u>2.783.395.383</u>
CURRENT ASSETS				
Other current assets	8	1.140.700.016	710.722.182	757.053.529
Derivatives	9	289.497		1.113.658
Cash and cash equivalents	10	61.340	23.060.860	48.033
Total current assets		<u>1.141.050.853</u>	<u>733.783.042</u>	<u>758.215.220</u>
TOTAL ASSETS		<u><u>3.939.520.136</u></u>	<u><u>3.238.414.563</u></u>	<u><u>3.541.610.603</u></u>
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	11	1.100.000.000	1.100.000.000	1.100.000.000
Reserves and retained earnings	12	919.266.755	958.974.616	920.514.961
Net profit / (loss) for the quarter		237.786.528	64.830.327	84.137.774
Total equity		<u>2.257.053.283</u>	<u>2.123.804.943</u>	<u>2.104.652.735</u>
TOTAL EQUITY		<u>2.257.053.283</u>	<u>2.123.804.943</u>	<u>2.104.652.735</u>
LIABILITIES:				
NON CURRENT LIABILITIES				
Loans	13	1.182.833.474	593.387.903	1.100.672.731
Deferred tax liabilities	6	75.229	96.390	233.406
Total non current liabilities		<u>1.182.908.703</u>	<u>593.484.293</u>	<u>1.100.906.137</u>
CURRENT LIABILITIES				
Loans	13	124.875.516	134.588.170	2.809
Other current liabilities	14	374.682.634	386.537.157	336.048.922
Total current liabilities		<u>499.558.150</u>	<u>521.125.327</u>	<u>336.051.731</u>
TOTAL LIABILITIES		<u>1.682.466.853</u>	<u>1.114.609.620</u>	<u>1.436.957.868</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3.939.520.136</u></u>	<u><u>3.238.414.563</u></u>	<u><u>3.541.610.603</u></u>

The accompanying notes are part of these financial statements

The Board of Directors,

SONAE DISTRIBUIÇÃO, SGPS, S.A.

COMPANY INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2008 AND 2007

(Amounts expressed in euro)

(Translation of company financial statements originally issued in Portuguese . Note 22)

	Notes	IFRS	
		31-03-2008	31-03-2007
Operating income:			
Services rendered		841.271	4.759.856
Other operating income		73.654	1.711.961
Total operating income		<u>914.925</u>	<u>6.471.817</u>
Operating expenses:			
External supplies and services		(336.485)	(380.329)
Staff costs		(272.770)	(502.659)
Amortization and depreciation	5	(70.719)	(70.823)
Other operating expenses		<u>(311.363)</u>	<u>(785.539)</u>
Total operating expenses		<u>(991.338)</u>	<u>(1.739.350)</u>
Net operating profit / (loss)		(76.413)	4.732.467
Financial profit / (loss)		2.636.755	6.812.637
Profit / (loss) related to investments	18	<u>236.300.137</u>	<u>53.862.491</u>
Profit / (loss) before income tax		238.860.479	65.407.595
Income tax		<u>(1.073.951)</u>	<u>(577.268)</u>
Net profit / (loss) for the quarter	19	<u>237.786.528</u>	<u>64.830.327</u>
Profit / (loss) per share	19	<u>0,24</u>	<u>0,06</u>

The accompanying notes are part of these financial statements

The Board of Directors,

SONAE DISTRIBUIÇÃO, SGPS, S.A.

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2008 AND 2007

(Amounts expressed in euro)

(Translation of company financial statements originally issued in Portuguese . Note 22)

	<u>Share Capital</u>	<u>Legal Reserves</u>	<u>Reserves and retained earnings</u>	<u>Net profit/loss</u>	<u>Total Equity</u>
Balance as at 1 January 2007	1.100.000.000	90.200.000	700.536.702	80.335.955	1.971.072.657
Appropriation of net profit of 2006					
Appropriation of net profit / (loss) of 2006	-	4.800.000	75.535.955	(80.335.955)	-
Dividends distributed	-	-	(75.000.000)	-	(75.000.000)
Changes in reserves					
Own shares hand over	-	-	205.000.000	-	205.000.000
Merger	-	-	(42.098.041)	-	(42.098.041)
Net profit / (loss) for the three months period ended 31 March 2007	-	-	-	64.830.327	64.830.327
Others	-	-	-	-	-
Balance as at 31 March 2007	<u>1.100.000.000</u>	<u>95.000.000</u>	<u>863.974.616</u>	<u>64.830.327</u>	<u>2.123.804.943</u>
Balance as at 1 January 2008	1.100.000.000	95.000.000	825.514.961	84.137.774	2.104.652.735
Appropriation of net profit of 2007					
Appropriation of net profit / (loss) of 2007	-	4.300.000	79.837.774	(84.137.774)	-
Dividends distributed	-	-	(85.000.000)	-	(85.000.000)
Changes in reserves					
Changes in fair value	-	-	(525.143)	-	(525.143)
Others	-	-	139.163	-	139.163
Net profit / (loss) for the three months period ended 31 March 2008	-	-	-	237.786.528	237.786.528
Others	-	-	-	-	-
Balance as at 31 March 2008	<u>1.100.000.000</u>	<u>99.300.000</u>	<u>819.966.755</u>	<u>237.786.528</u>	<u>2.257.053.283</u>

The accompanying notes are part of these financial statement:

The Board of Directors,

SONAE DISTRIBUIÇÃO, SGPS, S.A.

COMPANY STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2008 AND 2007

(Amounts expressed in euro)

(Translation of company financial statements originally issued in Portuguese . Note 22)

	<u>Notes</u>	<u>31-03-2008</u>	<u>31-03-2007</u>
<u>OPERATING ACTIVITIES:</u>			
Cash receipts from trade debtors		3.314.176	20.512.242
Cash payments to trade suppliers		695.542	421.846
Cash paid to employees		717.912	566.760
Net cash flow generated by operations		<u>1.900.722</u>	<u>19.523.636</u>
Income tax paid / (received)		161.344	(2.557.970)
Other cash receipts / payments from operating activities		<u>(254.491)</u>	<u>(2.664.188)</u>
Net cash flow from operating activities (1)		<u>1.484.887</u>	<u>19.417.418</u>
<u>INVESTING ACTIVITIES:</u>			
Cash receipts related to:			
Investments		-	40.383.690
Interests and similar income		36.191.585	23.888.472
Loans granted		751.794.058	634.370.788
		<u>787.985.643</u>	<u>698.642.950</u>
Cash payments related to:			
Investments		(200.000.000)	(68.462.413)
Tangible and intangible assets		(169)	(42)
Loans granted		<u>(724.726.130)</u>	<u>(876.329.882)</u>
		<u>(924.726.299)</u>	<u>(944.792.337)</u>
Net cash used in investing activities (2)		<u>(136.740.656)</u>	<u>(246.149.387)</u>
<u>FINANCING ACTIVITIES:</u>			
Cash receipts related to:			
Loans obtained		1.118.037.800	1.003.987.391
		<u>1.118.037.800</u>	<u>1.003.987.391</u>
Cash payments related to:			
Loans obtained		(959.229.300)	(791.347.592)
Interest and similar charges		(23.566.853)	(11.863.779)
Dividends		<u>(982.796.153)</u>	<u>(803.211.371)</u>
Net cash used in financing activities (3)		<u>135.241.647</u>	<u>200.776.020</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(14.122)</u>	<u>(25.955.949)</u>
Cash and cash equivalents at the beginning of the period	10	45.224	50.030.583
Cash and cash equivalents - effects of the merger		-	(1.301.944)
Cash and cash equivalents at the end of the period	10	<u>31.102</u>	<u>22.772.690</u>

The accompanying notes are part of these financial statements

The Board of Directors,

SONAE DISTRIBUIÇÃO, SGPS, S.A.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2008

(Amounts expressed in euro)

1. INTRODUCTION

SONAE DISTRIBUIÇÃO, SGPS, S.A. (“the Company” or “Sonae Distribuição”, previously named Modelo Continente, SGPS, S.A.) is a Portuguese corporation, whose head office is in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.

Its main activity is the management of investments (Note 4).

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICES

Interim financial statements are presented quarterly, in accordance with IAS 34 - “Interim Financial Reporting”.

The accounting policies adopted are consistent with those described in the file of the annual financial statements for the year ended 31 December 2007.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the period there were neither changes in accounting policies nor correction of errors.

4. INVESTMENTS

As at 31 March 2008 and 31 December 2007, the detail of investments is as follows:

Company	31.March.2008		31.December.2007	
	% held	Closing Balance	% held	Closing Balance
Investments in capital shares:				
Bertimóvel - Sociedade Imobiliária, S.A.	100.00%	875,000	100.00%	875,000
Canasta - Empreendimentos Imobiliários, S.A.	100.00%	1,579,375	100.00%	1,579,375
Chão Verde - Sociedade de Gestão Imobiliária, S.A.	100.00%	2,244,591	100.00%	2,244,591
Citorres - Sociedade Imobiliária, S.A.	100.00%	477,848	100.00%	477,848
Contibomba - Comércio e Distribuição de Combustíveis, S.A.	100.00%	372,000	100.00%	372,000
Contimobe - Imobiliária Castelo Paiva, S.A.	100.00%	231,318,722	100.00%	231,318,722
Cumulativa - Sociedade Imobiliária, S.A.	100.00%	2,095,191	100.00%	2,095,191
Difusão - Sociedade Imobiliária, S.A.	100.00%	50,000	100.00%	50,000
Fozimo - Sociedade Imobiliária, S.A.	100.00%	24,940	100.00%	24,940
Fozmassimo - Sociedade Imobiliária, S.A.	100.00%	6,264,902	100.00%	6,264,902
Fundo de Investimento Imobiliário Imosonae Dois	100.00%	182,228,145	100.00%	182,228,145
Fundo de Investimento Imobiliário Fechado Imosedo	42.16%	34,536,577	42.16%	34,536,577

Company	31.March.2008		31.December.2007	
	% held	Closing Balance	% held	Closing Balance
Investments in capital shares:				
IGI - Investimento Imobiliário, S.A.	100.00%	114,495,350	100.00%	114,495,350
Igimo - Sociedade Imobiliária, S.A.	100.00%	220,000	100.00%	220,000
Iginha - Sociedade imobiliária, S.A.	100.00%	109,000	100.00%	109,000
Imoconti - Sociedade Imobiliária, S.A.	100.00%	50,000	100.00%	50,000
Imoestrutura - Sociedade Imobiliária, S.A.	100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, S.A.	100.00%	539,940	100.00%	539,940
Imoresultado - Sociedade Imobiliária, S.A.	100.00%	109,736	100.00%	109,736
Imosistema - Sociedade Imobiliária, S.A.	100.00%	280,000	100.00%	280,000
Infocfield - Informática, S.A.	10.00%	530,459	10.00%	530,459
Marcas MC zRt	100.00%	72,784,761	100.00%	72,784,761
MJLF - Empreendimentos Imobiliários, S.A.	100.00%	1,719,397	100.00%	1,719,397
Modalfa - Comércio e Serviços, S.A.	10.00%	27,933	10.00%	27,933
Modelo Continente - Operações de Retalho, SGPS, S.A.	100.00%	1,050,000,000	100.00%	1,050,000,000
Modelo Continente Hipermercados, S.A.	56.00%	174,990,240	56.00%	174,990,240
Modelo Continente Seguros - Sociedade de Mediação, Lda	75.00%	161,250	75.00%	161,250
Modelo-Com - Vendas por Correspondência, S.A.	100.00%	12,637,016	100.00%	12,637,016
Predicomercial - Promoção Imobiliária, S.A.	100.00%	6,372,293	100.00%	6,372,293
Selifa - Sociedade de Empreendimentos Imobiliários, S.A.	100.00%	1,408,379	100.00%	1,408,379
Sempre à Mão - Sociedade Imobiliária, S.A.	100.00%	125,000	100.00%	125,000
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	25.00%	249,399	25.00%	249,399
Sesagest - Projectos e Gestão Imobiliária, S.A.	100.00%	36,677,088	100.00%	36,677,088
Socijofra - Sociedade Imobiliária, S.A.	100.00%	550,000	100.00%	550,000
Sociloures - Sociedade Imobiliária, S.A.	100.00%	10,000,000	100.00%	10,000,000
Soflorin, B.V.	100.00%	257,309,037	100.00%	57,309,037
Sonae Capital Brasil, S.A.	37.00%	23,334,858	37.00%	23,334,858
Sonae Retalho Espanha, S.A.	100.00%	2,549,831	100.00%	2,549,831
Sonaegest - Soc. Gest. de Fundos de Investimentos, S.A.	20.00%	159,615	20.00%	159,615
Sondis Imobiliária, S.A.	100.00%	49,940	100.00%	49,940
Sontária - Empreendimentos Imobiliários, S.A.	100.00%	10,600,000	100.00%	10,600,000
Sonvecap, B.V.	100.00%	3,000,000	100.00%	3,000,000
Sportzone - Comércio de Artigos de Desporto, S.A.	10.00%	706,326	10.00%	706,326
Todos os Dias-Comércio Ret. e Expl. de Centros Comerciais, S.A.	100.00%	1,180,000	100.00%	1,180,000
Tlantic Portugal - Sistemas de Informação, S.A.	100.00%	50,000	100.00%	50,000
Valor N, S.A.	100.00%	2,087,315	100.00%	2,087,315
Worten - Equipamentos para o Lar, S.A.	10.00%	462,494	10.00%	462,494
		2,247,618,888		2,047,618,888
Impairment of investments		(38,568,497)		(38,568,497)
		2,209,050,391		2,009,050,391

5. TANGIBLE AND INTANGIBLE ASSETS

Movements in tangible and intangible assets during the three months period ended 31 March 2008 as well as depreciations are made up as follows:

Intangible Assets:				
	Opening Balance	Increases	Decreases	Closing Balance
Gross Assets:	2007-12-31			2008-03-31
Industrial property and other rights	1,401,602			1,401,602
Software	479			479
Intangible assets in progress	136			136
	<u>1,402,217</u>			<u>1,402,217</u>
	Opening Balance	Increases	Write-off/ Reversals	Closing Balance
Accumulated Depreciations and Impairment Losses	2007-12-31			2008-03-31
Industrial property and other rights	1,261,255	70,080		1,331,335
Software	479			479
	<u>1,261,734</u>	<u>70,080</u>		<u>1,331,814</u>
Tangible Assets:				
	Opening Balance	Increases	Decreases	Closing Balance
Gross Assets:	2007-12-31			2008-03-31
Machinery and equipment	2,464			2,464
Transport equipment	19,062			19,062
Office equipment	24,805			24,805
Other tangible assets	679			679
	<u>47,010</u>			<u>47,010</u>
	Opening Balance	Increases	Write-off/ Reversals	Closing Balance
Accumulated Depreciations and Impairment Losses	2007-12-31			2008-03-31
Machinery and equipment	657	61		718
Transport equipment	19,062			19,062
Office equipment	19,316	577		19,893
Other tangible assets	679			679
	<u>39,714</u>	<u>638</u>		<u>40,352</u>
	Opening Balance	Increases	Decreases	Closing Balance
Total Net Assets:	2007-12-31			2008-03-31
Intangible Assets	140,483	(70,080)		70,403
Tangible Assets	7,296	(638)		6,658

6. DEFERRED TAX

Deferred tax assets and liabilities as of 31 March 2008 and 2007 and 31 December 2007, taking into consideration their temporary differences that generated them, can be detailed as follows:

	31.March.2008		31.March.2007		31.December.2007	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Financial instruments		54,871				194,034
Write off of Intangible Assets	12		1,282		304	
Differences between amortizations for accounting and tax purposes		20,358		96,390		39,372
Tax losses carried forward	2,365,478					
	<u>2,365,490</u>	<u>75,229</u>	<u>1,282</u>	<u>96,390</u>	<u>304</u>	<u>233,406</u>

7. OTHER NON CURRENT ASSETS

As of 31 March 2008 and 2007 and 31 December 2007, the caption "Other non current assets" is detailed as follows (Note 21):

	31.March.2008	31.March.2007	31.December.2007
Loans to group companies	586,976,341	647,528,488	774,196,909

These loans bear interest at market rates.

8. OTHER CURRENT ASSETS

As of 31 March 2008 and 2007 and 31 December 2007, the caption "Other current assets" is detailed as follows:

	31.March.2008	31.December.2007
Clients	367,896	3,540,891
Group companies	1,101,196,291	734,444,255
Other debtors	6,494,434	7,101,105
Tax and contributions receivable	9,963,274	9,916,188
Deferred costs	411,409	599,972
Accrued income	22,266,712	1,451,118
	<u>1,140,700,016</u>	<u>757,053,529</u>

- a) The caption "Group companies" includes: (i) 221,625,640 euro related to short term loans to group companies; (ii) 236,300,137 euro related to dividends to be received from associated companies; (iii) 31,497,152 euro related to income tax calculated by the group companies taxed in accordance with the Special Regime for Taxing Groups of Companies; (iv) 611,200,000 euro related to the payment on account due to Continente Hipermercados, S.A. (ex-Carrefour) acquisition performed by Sonae Distribuição on behalf of Modelo Continente Hipermercados, S.A. – Subsidiary in Spain, at 31 December 2007; (v) 550,524 euro related to payments on account performed by Sonae Distribuição on behalf of group companies; (vi) 22,838 euro related to other debtors of group companies.
- b) The caption "Other debtors" includes approximately 5,790,800 euro, related to tax claims to the tax authorities. No provision was recorded in order to face possible losses as it is the Board of Directors understanding that the outcome of these claims will be favourable to the Company.

9. DERIVATIVES FINANCIAL INSTRUMENTS

Interest rate derivatives

As of 31 March 2008 and 31 December 2007, the fair value of interest rate derivatives, calculated based on present market value of equivalent financial instruments is estimated as follows:

	<u>31.March.2008</u>	<u>31.December.2007</u>
<u>Assets</u>	<u>289,497</u>	<u>1,113,658</u>

Changes in the fair value of derivative instruments arisen a net gain in the period of 289,497 euro, excluding the effect of the deferred tax liability. This gain was recorded directly in the Equity caption.

10. CASH AND CASH EQUIVALENTS

As of 31 March 2008 and 2007 and 31 December 2007, the caption "Cash and cash equivalents" can be detailed as follows:

	<u>31.March.2008</u>	<u>31.December.2007</u>
Bank deposits	26,343	13,036
Treasury applications	34,997	34,997
Cash and cash equivalents on the balance sheet	<u>61,340</u>	<u>48,033</u>
Bank overdrafts (Note 13)	(30,238)	(2,809)
Cash and cash equivalents on the statement of cash flow	<u>31,102</u>	<u>45,224</u>

Bank overdrafts includes amounts recorded in the balance sheet under Current loans.

11. SHARE CAPITAL

As of 31 March 2008 and 2007 and 31 December 2007, the share capital, which is fully subscribed and paid for, is made up of 1,100,000,000 ordinary shares with a nominal value of 1 euro each other.

As of 31 March 2008, the subscribed share capital was distributed as follows:

<u>Entity</u>	<u>%</u>
Sonae, SGPS, S.A.	74.98
Sonae Investments, B.V.	15.93
Soflorin, B.V.	<u>9.09</u>

Efanor Investimentos, SGPS, S.A. and its subsidiaries held 52.94% of Sonae S.G.P.S., S.A..

12. RESERVES

	31.March.2008	31.December.2007
Legal reserves	99,300,000	95,000,000
	<u>99,300,000</u>	<u>95,000,000</u>
Reserves and retained earnings:		
Reserves under Article 324 of the CSC	205,000,000	205,000,000
Fair value reserves		
Hedging reserves	152,190	538,170
Other reserves	614,814,565	619,976,791
	<u>819,966,755</u>	<u>825,514,961</u>
	<u>919,266,755</u>	<u>920,514,961</u>

As of 31 March 2008 the company held 99,300,000 euro of legal reserves. According to Portuguese Commercial Law (Portuguese Company's Act, "Código das Sociedades Comerciais") these reserves cannot be distributed except upon dissolution of the company, but can be used to absorb losses after all other reserves have been used up, or to increase capital.

As a result of the acquisition of own shares in 2006, free reserves in the same amount as their acquisition cost were made unavailable in accordance with article 324 of Portuguese Company's Act. This reserve cannot be used until the referred own shares are extinct or disposed to a Company outside the group.

13. LOANS

As of 31 March 2008 and 31 December 2007, loans are made up as follows:

	31.March.2008				31.December.2007			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
Bank loans	25,000,000	182,000,000	25,000,000	182,000,000				
Bank overdrafts	30,238		30,238		2,809		2,809	
Bond loans	99,845,278	1,000,833,474	100,000,000	1,006,925,000		1,100,672,731		1,106,925,000
	<u>124,875,516</u>	<u>1,182,833,474</u>	<u>125,030,238</u>	<u>1,188,925,000</u>	<u>2,809</u>	<u>1,100,672,731</u>	<u>2,809</u>	<u>1,106,925,000</u>

Bond loans

Bond loans can be detailed as follows:

Modelo Continente - 2003	82,000,000
Modelo Continente - 2004	100,000,000
Modelo Continente - 2005/2010	64,925,000
Modelo Continente - 2005/2012	150,000,000
Modelo Continente - 2007/2012	200,000,000
Sonae Distribuição - 2007/2015	200,000,000
Sonae Distribuição September - 2007/2015	310,000,000

Bonds - MODELO CONTINENTE - 2003

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

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate which is variable is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.75% p.a..

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

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

Bonds - MODELO CONTINENTE - 2004

10,000,000 bonds – Nominal Value: 10 euro.

Maximum term: 5 (five) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 1.15% p.a..

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

Redemption: At par, in one payment on 18 March 2009, the maturity date of the loan. Early redemption is not possible, either by initiative of the issuer or the bondholders.

Bonds - MODELO CONTINENTE - 2005/2010

265,000 bonds – Nominal Value: 245 euro.

Maximum term: 5 (five) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.70% p.a..

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

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

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

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

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

Bonds - MODELO CONTINENTE - 2005/2012

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

Maximum term: 7 (seven) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.85% p.a..

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

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

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

Bonds - MODELO CONTINENTE - 2007/2012

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

Maximum term: 5 (five) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.5% p.a..

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

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

Bonds - SONAE DISTRIBUIÇÃO - 2007/2015

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

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.48% p.a..

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

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

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

Bonds - SONAE DISTRIBUIÇÃO SEPTEMBER - 2007/2015

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

Maximum term: 8 (eight) years.

Annual interest rate: The interest rate, which is variable, is indexed to the EURIBOR 6 month rate on the second working day preceding the interest period, with a spread of 0.25% p.a. in the first 3 interest payment dates and 0.55% p.a. from the 4th interest payment date on.

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

Redemption: At par in the following terms:

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

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

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

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

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

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

Bank loans

Includes:

a) Commercial paper in the amount of 207,000,000 euro which bears interests at market rates.

b) The amount of 30,238 euro is a bank overdraft (Note 10).

14. OTHER CURRENT LIABILITIES

As of 31 March 2008 and 2007 and 31 December 2007, the caption “Other current liabilities” can be detailed as follows:

	31.March.2008	31.December.2007
Suppliers	26,568	104,307
Group companies	352,782,498	310,274,622
Other creditors	3,969,555	3,965,364
Tax and contributions payable	333,368	1,184,698
Accrued expenses	17,570,645	20,519,931
	<u>374,682,634</u>	<u>336,048,922</u>

- a) The caption “Group companies” refers mainly to: (i) a payable amount of 259,949,000 euro relating to a short term loan from group companies; (ii) the amount of 7,833,498 euro relating to income tax calculated by the group companies taxed in accordance with the Special Regime for Taxing Groups of Companies; (iii) the amount of 85,000,000 euro relating to dividends granted to shares not held directly or indirectly by Sonae Distribuição.

15. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ending 31 March 2008 are as follows:

Caption	Opening Balance	Increases	Decreases	Closing Balance
Impairment investment losses	<u>38,568,497</u>			<u>38,568,497</u>
	38,568,497			38,568,497

16. CONTINGENT ASSETS AND LIABILITIES

As of 31 March 2008 and 2007 and 31 December 2007 contingent assets and liabilities are made up as follows:

	31.March.2008	31.December.2007
Guarantees given:		
on tax claims	55,876,755	18,821,550
on municipal claims		289,380
	<u>55,876,755</u>	<u>19,110,930</u>

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

17. NET FINANCIAL EXPENSES

As of 31 March 2008 this caption includes the amount of 23,394,207 euro (15,448,741 euro at 31 March 2007) relating to interest income and the amount of 20,243,198 euro (8,337,072 euro at 31 March 2007) relating to interest expense.

18. INVESTMENTS INCOME

As of 31 March 2008 and 31 March 2007, the caption "Investments income" can be detailed as follows:

	<u>31.March.2008</u>	<u>31.March.2007</u>
Dividends	236,300,137	18,193,658
Gains on sale of investments		35,728,616
Losses on sale of investments		(59,783)
	<u>236,300,137</u>	<u>53,862,491</u>

19. EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	<u>31.March.2008</u>	<u>31.March.2007</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	237,786,528	64,830,327
Net profit taken into consideration to calculate diluted earnings per share	<u>237,786,528</u>	<u>64,830,327</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,000,000,000	1,000,000,000
Weighted average number of shares used to calculate diluted earnings per share	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Earning per share (basic and diluted)	<u>0.24</u>	<u>0.06</u>

In the Annual General Meeting held on 31 March of 2008 the payment of dividends amounting to 85,000,000 euro was approved.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue on the 30th April 2008.

21. INFORMATION REQUIRED BY LAW

Article 5, item 4 of Decree-Law 3318/94

During the three months period ended 31 March 2008, shareholders' loan agreements were signed with the following companies:

Sonae Retalho Espanha, S.A.
Soflorin, B.V.
Sonvecap, B.V.

During the three months period ended 31 March 2008, treasury application agreements were signed with the following companies:

Imoresultado – Sociedade Imobiliária, S.A.
Sempre à Mão – Sociedade Imobiliária, S.A.
Continente Hipermercados, S.A.

As at 31 March 2008 and 2007 and 31 December 2007, the receivable balances related to the agreements mentioned above were as follows:

Current (Note 8) and non current (Note 7) loans granted:

COMPANIES	31.March.2008	31.March.2007	31.December.2007
Bertimóvel - Sociedade Imobiliária, S.A.	16,437,000	14,968,000	15,934,000
Canasta - Empreendimentos Imobiliários, S.A.	2,968,000	3,148,000	3,006,000
Chão Verde - Sociedade de Gestão Imobiliária, S.A.	2,843,584	2,853,584	2,791,584
Citorres - Sociedade Imobiliária, S.A.	3,966,000	3,934,000	3,973,000
Contibomba - Comércio e Distribuição de Combustíveis, S.A.	274,000	173,000	214,000
Contimobe - Imobiliária de Castelo Paiva, S.A.	73,195,000	76,496,000	75,909,000
Continente Hipermercados, S.A.	101,450,000		
Cumulativa - Sociedade Imobiliária, S.A.	3,075,000	3,154,000	3,056,000
Difusão - Sociedade Imobiliária, S.A.	28,575,000	18,304,000	25,527,000
Efanor - Industria de Fios, S.A.	3,660,000		1,253,000
Equador & Mendes - Agência Viagens e Turismo, Lda	586,000		213,000
Fozimo – Sociedade Imobiliária, S.A.	2,023,000	2,106,000	1,932,000
Global S - Hipermercados, Lda	517,210		735,000
IGI - Investimento Imobiliário, S.A.	202,585,000	121,554,348	183,902,000
Igimo – Sociedade Imobiliária, S.A.	601,000	639,000	595,000
Iginha - Sociedade Imobiliária, S.A.	14,413,500		14,277,500
Imoconti – Sociedade Imobiliária, S.A.	19,395,222	20,073,400	18,761,222
Imoestrutura - Sociedade Imobiliária, S.A.	604,000	611,000	621,000
Imomuro - Sociedade Imobiliária, S.A.	4,283,897	4,303,897	4,106,897
Imoponte - Sociedade Imobiliária, S.A.		12,746,000	
Imoresultado – Sociedade Imobiliária, S.A.	406,000	375,000	388,000
Imosistema - Sociedade Imobiliária, S.A.	4,597,000	4,655,000	4,565,000
Infofield - Informática, S.A.	8,000,000		5,000,000
MJLF - Empreendimentos Imobiliários, S.A.	3,996,000	4,812,000	3,981,000
Modalfa - Comércio e Serviços, S.A.	17,296,000		11,139,000
Modelo Continente Hipermercados, S.A.	117,139,430	475,503,100	103,322,000
Modelo Continente Seguros - Sociedade de Mediação, Lda	2,178,000		1,400,000
Nova Equador Internacional - Agência de Viagens e Turismo, Lda	150,000		176,000
Pharmacontinente - Saúde e Higiene, S.A.	7,378,000		4,854,000
Predicomercial - Promoção Imobiliária, S.A.	11,266,000	11,478,000	10,950,000
Selifa - Sociedade de Empreendimentos Imobiliários, S.A.	4,210,000	4,509,810	4,189,000
Sempre à Mão - Sociedade Imobiliária, SA	21,128	90,000	17,128
Sesagest - Projectos e Gestão Imobiliária, S.A.	47,495,000	50,257,000	47,354,000

COMPANIES	31.March.2008	31.March.2007	31.December.2007
Socijofra - Sociedade Imobiliária, S.A.	8,300,000	8,297,000	8,131,000
Sociloures - Sociedade Imobiliária, S.A.	33,525,347	39,835,000	31,635,347
Softorin, B.V.	70,000	38,737,330	34,276,568
Solaris Supermercados, S.A	3,419,000		1,171,000
Sonae Retalho Espanha, S.A.	138,002	73,002	13,002
Sondis Imobiliária, S.A.	20,963,159	21,849,000	20,278,159
Sontária - Empreendimentos Imobiliários, S.A.	3,645,502	3,566,617	3,639,502
Sonvecap, B.V.		150,951,000	150,976,000
Sportzone - Comércio de Artigos de Desporto, S.A.	25,160,000	3,411,000	23,336,000
Tlantic Portugal - Sistemas de Informação, S.A.	9,000		4,000
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, S.A.	787,000	1,118,000	1,067,000
Worten - Equipamentos para o Lar, S.A.	7,000,000	46,242,000	7,000,000
	<u>808,601,981</u>	<u>1,150,824,088</u>	<u>835,669,909</u>

As of 31 March 2008 and 2007 and 31 December 2007, the payable balances related to the agreements mentioned above were as follows:

Loans obtained – short term (Note 14):

COMPANIES	31.March.2008	31.March.2007	31.December.2007
Bikini - Portal de Mulheres, S.A.	(3,714,000)		(3,250,000)
Carnes Continente - Indústria e Distribuição de Carnes, S.A.	(2,281,000)		(526,000)
Efanor - Design e Serviços, S.A.	(913,500)		(701,000)
Estevão Neves - Hipermercados da Madeira, S.A.	(3,240,000)		(6,448,000)
Fozmassimo - Sociedade Imobiliária, S.A.	(4,669,000)	(4,921,000)	(4,670,000)
Infofield–Informática, S.A.			(2,076,000)
Marcas MC ZRT	(13,612,000)		(10,178,000)
Modelo.Com - Vendas por Correspondência, S.A.		(3,390,000)	
Modelo Continente Hipermercados, S.A.			(25,124,500)
Modelo Continente - Operações de Retalho, SGPS, SA	(223,379,200)	(261,412,000)	(216,459,000)
Modelo Hiper - Imobiliária, S.A.	(190,500)	(2,186,000)	(40,000)
Nova Equador P.C.O Eventos Sociedade Unipessoal, Lda	(309,000)		
Ok Bazar - Comércio Geral, S.A.		(11,426,000)	
Inventory - Acessórios de Casa, S.A.	(1,145,800)		(1,161,000)
Peixes Continente - Indústria e Distribuição de Peixes, S.A.	(1,095,000)		(639,000)
Pharmacontinente - Saúde, Higiene, S.A.		(38,000)	
Sonvecap, B.V.	(3,590,000)		
SRE - Projectos de Consultoria, S.A.		(364,000)	
Worten - Equipamentos para o Lar, S.A.	(1,810,000)		(36,868,000)
	<u>(259,949,000)</u>	<u>(283,737,000)</u>	<u>(308,140,500)</u>

22. NOTE ADDED TO TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards. In the event of discrepancies, the Portuguese language version prevails.

Matosinhos, 30 April 2008