Press Release

Consolidated Results • 6 months ending 30 June 2007

Sonae Distribuição – S.G.P.S., S.A.

Highlight

"Sonae Distribuição's turnover grew by 10% in the first half of 2007, reaching 1,495 million Euro. Operational cash-flow increased by 34%, and totalled 114 million Euro. As a result of the very positive trend in sales and operational cash-flow, net profits grew by 13% compared to the same period last year, totalling 49 million Euro.

The company invested more than 100 million Euro in the period, while the number of employees grew to more than 26,000, after the net addition of a further 1,000 new employees in the first six months of the year."

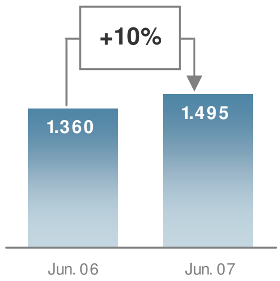
SONAE DISTRIBUIÇÃO

Consolidated Results

Consolidated turnover of Sonae Distribuição totalled 1,495 million Euro for the first six months of 2007, up 10% compared to the same period of last year. The following factors were decisive in achieving this result:

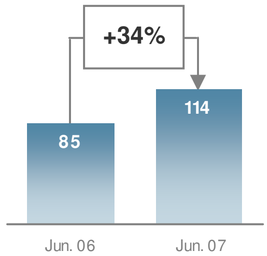
- the **very positive performance of stores on a like for like basis** across most brands (5% growth), reflecting in particular the **strong demand from customers for the Continente Card and Modelo Card**;
- the **high level of organic growth** achieved by the company over the last 12 months, **reflected in the opening of 87 stores with around 54,000 m2 of sales area.**

Turnover (M.€)



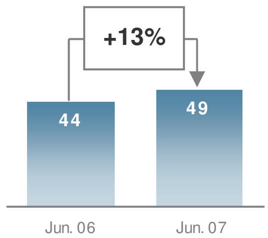
In the first half of 2007, **consolidated operational cash-flow of the company totalled 114 million Euro, an increase of 34% and 29 million Euro** compared to the same period of last year.
Also, on a consolidated basis and in the same period, **the profits on ordinary activities of Sonae Distribuição, rose to 54 million Euro**. This figure is equal to **an increase of 48%** compared to the first six months of 2006, driven by the company's fine performance during the current period.

Operational cash-flow (M.€)



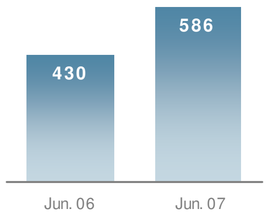
Consolidated net profits of the company amounted to 49 million Euro, an increase of 13% compared to the same period of last year.

Net profit (M.€)



At the end of June, **the company's consolidated net debt totalled 586 million Euro**, reflecting sustained cash-flow generation and the level of investment made.
The change compared to the same period of last year is explained in particular by the acquisition of 100 million own shares at the end of 2006 at a total cost of 205 million Euro. Despite this increase, the company continues to have a strong financial structure, demonstrated by a debt to operational cash-flow ratio[1] of 1.8.

Net debt (M.€)



[1] The ratio is calculated based on the average debt resulting from the last four figures published by the company and from the operational cash flow over the last twelve months

Sales

In the first half of the year, Sonae Distribuição's turnover was 1,495 million Euro, an increase of 10% compared to the same period of last year. In overall terms and for most brands, the very positive performance of stores on a like for like basis and the high level of organic growth achieved by the company should be highlighted.

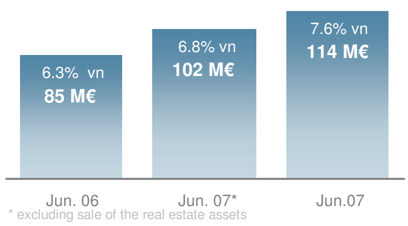
- This performance has taken place against a background of increasing market competition, especially in food retail, due to the strong pace of opening of new stores that has taken place (+10% in the number of m^2 installed compared to June 2006)[2] and which continues to be higher than the sales growth of modern retail operators (+7% on a moving annual basis)[3].
  In spite of this situation, the company's food retail brands showed very significant growth in sales (+10%), with a very positive performance by stores on a like for like basis (+5%), as a direct result of the strong success among customers of the Continente Card and the Modelo Card.

- The company's non food retail brands also showed a very positive trend, with 14% growth in sales. The main highlights were the growth on a like for like basis in terms of stores (+3%), and the strong rate of organic growth achieved (+31,000m^2 over the last 12 months for a total of 77 new stores).

Operational cash-flow

On a consolidated basis, and for the first six months of the year, the company's operational cash flow reached 114 million Euro, an increase of 29 million Euro compared to the same period of 2006.
This increase of 34% was positively impacted by the net non recurring profit of 12 million Euro, as a result of the sale of the real estate assets of the Albufeira and Portimão Shopping Galleries.

Operational cash-flow (M.€)



[2] Estimate Sonae Distribuição
[3] Estimate Sonae Distribuição

If these sales had not taken place, consolidated operational cash-flow for the period would have totalled 102 million Euro, which also compares very favourably with prior periods, and equal to a increase of 0.5 p.p. in the operational profitablity margin of the company.

Investment Programme

Sonae Distribuição ended the first half of the year with 517 stores spread among thirteen brands, with a total of 565,000 m2 of sales area. Its investment plan for 2007 forecasts an increase of more than 10% in installed sales area (with a total of around 50,000 m2).

- In food based retail, the company strengthened its presence in the Portuguese market, opening two new stores and converting the Ovar unit from the Modelo to the Continente brand. The “Outlet Continente” was also launched, a store concept with a very specific role in the offer of opportunities.

- In non food retail, the company continued with the strong pace of opening of new stores, making available around 16,000 new m^2, spread among 40 units. During the period, the company launched a new retail brand for garden products – Maxgarden – two stores having already been opened (Moita and Braga).

In the first six months of 2007, the company’s gross investment totalled more than 100 million Euro, and was mainly spent on increasing the number of projects relating to Sonae Distribuição brands in Portugal.

Store openings 2007

Outlook

Sonae Distribuição continues to maintain its business strategy, which is based on clearly defined objectives:

- growth (both organic, and through acquisition opportunities which arise in the market);
- strengthening of the value proposal to customers through continuous investment in efficiency and innovation.

Independently of the organic growth plan previously established by the company (both in the Portuguese and Spanish markets, in the latter in non food retail), which anticipates investing annually some 200 million Euro over the next three years, Sonae Distribuição informed the financial markets on the 27th of July of an agreement signed with the Carrefour group for the acquisition of 99.8648% of the share capital of Carrefour (Portugal) – Sociedade de Exploração de Centros Comerciais, SA.

On the 6th of August, the Portuguese Competition Authority was notified of this concentration operation as an inherent aspect of the acquisition process.

The company will await the opinion of the Competition Authority, and continues to be confident that this concentration operation will not be opposed.

Once this decision is taken, the deal will enable Sonae Distribuição to strengthen its leadership of the Portuguese food retail market, by immediately increasing the installed sales area of the company by 17% and year on year turnover by more than 16%. At the same time, it will allow Sonae Distribuição to leverage its organic growth programme for the next few years, through integrating projects under development by the company acquired.

Sonae Distribuição is confident that the operation will yield an adequate return through taking advantage of synergies in terms of:

- developing own brands;
- greater competitiveness in international sourcing;
- dilution of fixed costs (in particular logistics and marketing).

Sonae Distribuição is also confident that the operation will benefit consumers, and also both teams of employees.

Consolidated Profit and Loss

1st half 2007

	1st H 2007		1st H 2006		change	
	M.€	% t	M.€	% t	M.€	Δ
Turnover	1,495	100	1,360	100	135	10%
EBITDA	**114**	**7.6**	**85**	**6.3**	**29**	**34%**
Amortization and depreciation	-43	-2.9	-39	-2.9	-4	9%
Provisions and impairments	0	0.0	-1	-0.1	1	-77%
EBIT	**71**	**4.8**	**46**	**3.3**	**26**	**56%**
Net financial expenses	-18	-1.2	-9	-0.7	-8	89%
Profits on Ordinary Activities	**54**	**3.6**	**36**	**2.7**	**17**	**48%**
Share of results of associated undertakings and Investment income	-1	0.1	12	0.9	-13	-
Profit before tax	**53**	**3.5**	**49**	**3.6**	**4**	**8%**
Taxation	-3	-0.2	-5	-0.4	2	-36%
Net Profit for the Period	**49**	**3.3**	**44**	**3.2**	**6**	**13%**
Attributable to equity holders of SD	49	3.3	43	3.1	6	15%
Attributable to minority interests	0	0.0	1	0.1	-1	-68%

Consolidated Profit and Loss

2nd quarter 2007

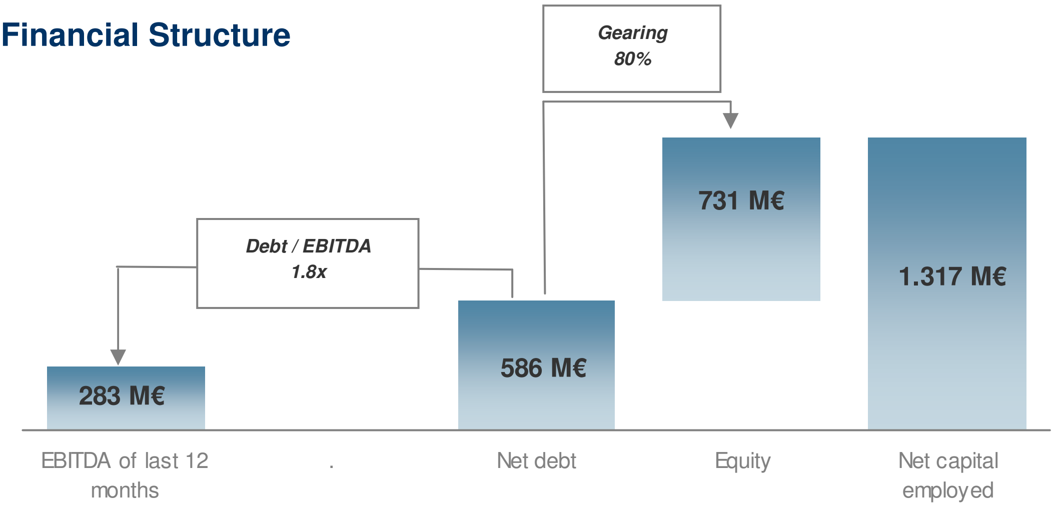
	2nd Q 2007		2nd Q 2006		change	
	M.€	% t	M.€	% t	M.€	Δ
Turnover	770	100	714	100	55	8%
EBITDA	**68**	**8.8**	**50**	**7.1**	**17**	**35%**
Amortization and depreciation	-22	-2.8	-20	-2.8	-2	10%
Provisions and impairments	0	0.0	0	0.0	0	-
EBIT	**46**	**6.0**	**30**	**4.2**	**16**	**53%**
Net financial expenses	-10	-1.3	-5	-0.7	-5	87%
Profits on Ordinary Activities	**37**	**4.7**	**25**	**3.5**	**12**	**46%**
Share of results of associated undertakings and Investment income	-1	-0.1	0	0.0	-1	-
Profit before tax	**35**	**4.6**	**25**	**3.5**	**11**	**42%**
Taxation	-1	-0.1	-2	-0.3	1	-65%
Net Profit for the Period	**35**	**4.5**	**23**	**3.2**	**12**	**53%**
Attributable to equity holders of SD	34	4.5	22	3.1	12	55%
Attributable to minority interests	0	0.0	1	0.1	0	-43%

Consolidated Balance Sheet

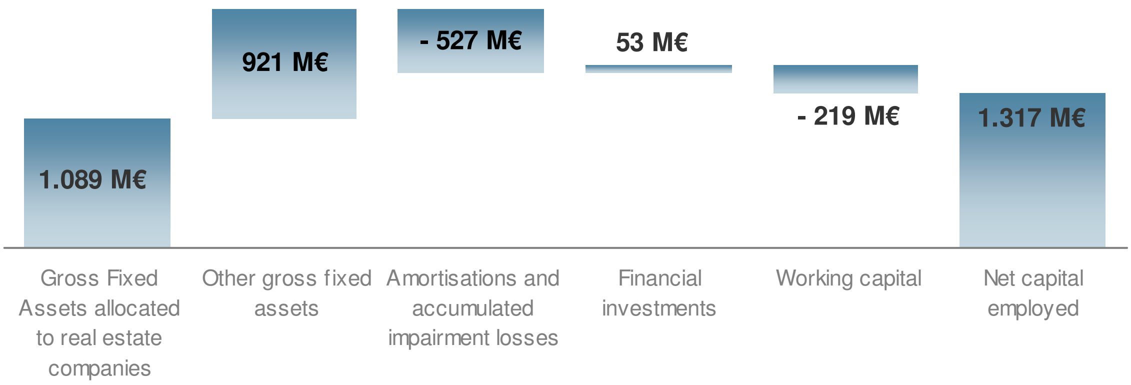
30 June 2007

	June 07		December 06		change	
	M.€	%	M.€	%	M.€	%
Non-current assets	**1,558**	**63%**	**1,533**	**63%**	**25**	**2%**
Tangible and intangible assets	1,425	58%	1,395	57%	30	2%
Goodwill	59	2%	61	3%	-2	-4%
Investments	53	2%	52	2%	1	1%
Other non-current assets	21	1%	25	1%	-4	-15%
Current Assets	**901**	**37%**	**910**	**37%**	**-9**	**-1%**
Stocks	381	15%	341	14%	40	12%
Trade debtors and other current assets	200	8%	177	7%	24	13%
Investments, cash and cash equivalents	320	13%	393	16%	-73	-19%
Total Assets	**2,459**	**100%**	**2,443**	**100%**	**15**	**1%**
Equity attributable to equity holders of SD	720	29%	745	30%	-25	-3%
Equity attributable to minority interests	11	0%	11	0%	0	2%
Total Equity	**731**	**30%**	**756**	**31%**	**-25**	**-3%**
Non-current liabilities	**671**	**27%**	**673**	**28%**	**-2**	**0%**
Borrowings and financial leasing creditors	600	24%	602	25%	-1	0%
Other non-current liabilities	71	3%	72	3%	-1	-1%
Current Liabilities	**1,056**	**43%**	**1,014**	**41%**	**43**	**4%**
Borrowings and financial leasing creditors	306	12%	168	7%	138	82%
Trade creditors and other current liabilities	751	31%	846	35%	-95	-11%
Total Liabilities	**1,728**	**70%**	**1,687**	**69%**	**40**	**2%**
Total Equity and Liabilities	**2,459**	**100%**	**2,443**	**100%**	**15**	**1%**

Financial Structure



Capital Employed



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*
- *Gross investment: increase in gross fixed assets (tangible and intangible) + changes in perimeter (acquisitions)*
- *Net debt: current borrowings + non current borrowings + financial leasing creditors + derivatives – cash and cash equivalents – current investments under negotiation*
- *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*

Store portfolio

30 June 2007

	Nr. of Stores						Sales Area ('000 m2)							
	31 December 2006	stores opened	change of banner	aquisitions	stores closed	30 June 2007	31 December 2006	stores opened	change of banner	aquisitions	stores closed	30 June 2007	% owned m^2 [4]	average 2007[5]
PORTUGAL	480	42	0	0	-5	517	543	20	3	0	-1	565	77%	552
Food formats	**124**	**2**	**0**	**0**	**0**	**126**	**349**	**4**	**3**	**0**	**0**	**356**	**92%**	**352**
Continente	19	0	1	0	0	**20**	162	0	5	0	0	**167**	**100%**	**165**
Outlet	0	1	0	0	0	**1**	0	2	0	0	0	**2**	**0%**	**0**
Modelo	80	1	-1	0	0	**80**	167	2	-2	0	0	**166**	**88%**	**166**
Modelo Bonjour	25	0	0	0	0	**25**	20	0	0	0	0	**20**	**67%**	**20**
Non food formats	**356**	**40**	**0**	**0**	**-5**	**391**	**194**	**16**	**0**	**0**	**-1**	**209**	**51%**	**201**
Worten	87	4	0	0	-2	**89**	63	3	0	0	-0,5	**66**	**60%**	**64**
Modalfa	70	4	0	0	-1	**73**	34	2	0	0	-0,5	**35**	**86%**	**34**
SportZone	48	3	0	0	0	**51**	38	2	0	0	0	**40**	**4%**	**39**
Vobis	21	0	0	0	0	**21**	9	0	0	0	0	**9**	**0%**	**9**
MaxMat	21	2	0	0	0	**23**	39	4	0	0	0	**43**	**69%**	**41**
Zippy	11	4	0	0	0	**15**	5	1	0	0	0	**6**	**0%**	**5**
Star	61	1	0	0	-2	**60**	4	0	0	0	-0,1	**4**	**1%**	**4**
Área Saúde	26	16	0	0	0	**42**	2	1	0	0	0	**3**	**97%**	**3**
Worten Mobile	11	4	0	0	0	**15**	0,4	0,1	0	0	0	**0,5**	**0%**	**0,5**
MaxGarden	0	2	0	0	0	**2**	0	3	0	0	0	**3**	**57%**	**3**

Note: sales area values rounded to thousand m^2.

[4] % of sales area in locations where real estate at 30 June 2007 was owned by Sonae Distribuição and which correspond approximately to 80% of annualized net sales
[5] Average sales area of the year

Sonae Distribuição – S.G.P.S., S.A.

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With Sonae SGPS, S.A. acquiring total control of Sonae Distribuição – S.G.P.S., S.A. under the regulations specified in paragraph 3 of Article 490 of the Commercial Companies' Code, Sonae SGPS, S.A. lost its status as a public company (de-listing), and has thus been excluded from the Euronext stock exchange in Lisbon since 22 September 2006.

However, Sonae Distribuição is in permanent contact with financial markets through its Investor Relations department, which will be pleased to answer any questions or provide information.

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