Earnings Announcement

SONAE DISTRIBUIÇÃO

Consolidated Results

For the quarter ending 31 March 2008

Unaudited financial information

Document disclosed on 7 May 2008

SONAE DISTRIBUIÇÃO

01 HIGHLIGHTS

Sonae Distribuição with sales of 927 million Euro

+28%

growth in turnover

- **Turnover increases 28% to 927 M€** (up 3% on a like for like basis)
- **Operational cash flow totals 49 M€**
- **Net profits of 9 M€**
- **Continuation of organic growth programme** (10 stores opened to date), **reaffirming the goal of adding more than 60,000 new m^{2}of sales area in the current year compared to 31 December 2007**
- **Process of integration of the ex Carrefour hypermarkets taking place according to the plan established**

02 ACTIVITY DURING THE QUARTER

Strong increase in sales

Turnover increases 28% compared to the 1st quarter of 2007

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 m^2 (+ 25,000 m^2 in food retail and 49,000 m^2 in non food retail);

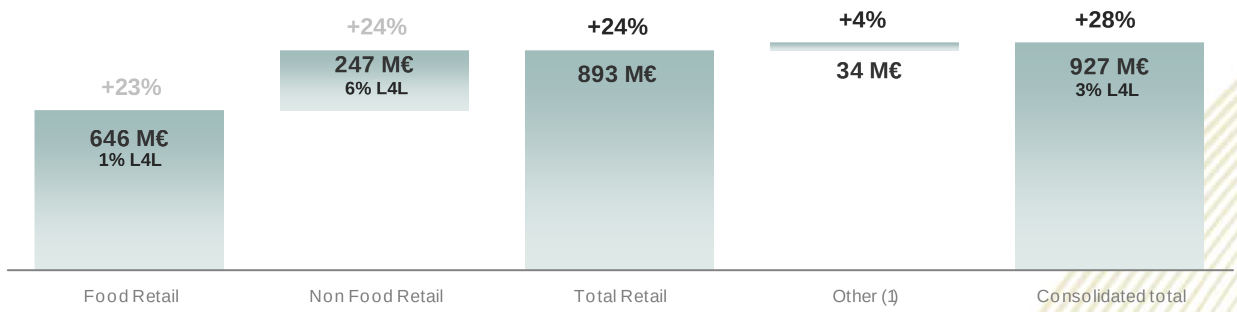
- The integration as from 31 December 2007 of the hypermarkets acquired from Carrefour (Portugal), equal to 95,000 m^2 of additional sales area;

- 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.

In summary:



Operational cash flow

Recurring EBITDA increases 18% 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 [(2)] 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).

[(1)] Includes petrol stations.
[(2)] Measured in m^2 of sales area.

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.

Net Profits

Net profits were 9 million Euro

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.

03 INVESTMENT

Strong growth plan

Sonae Distribuição ended the 1st quarter of 2008 with 655 stores, including 10 units (5,000 m^2 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 m^2 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.

04 CAPITAL STRUCTURE

Appropriate 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).

05 OUTLOOK

A company with a vocation for growth

Sonae Distribuição restates the outlook for the current year, which has already been disclosed, based on a turnover growth rate of over 20%[(1)], the continuation of the operational profitability margin of the company and investment of around 300 million Euro in the year.

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 m^2.

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.

[(1)] 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.

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, 7 May 2008
The Board of Directors

06 PROFIT AND LOSS

	31 Mar 2008		31 Mar 2007		change	
	M.€	% t	M.€	% t	M.€	Δ
Turnover	927	100	725	100	201	28%
EBITDA	**49**	**5.3**	**46**	**6.3**	**3**	**7%**
Amortization and depreciation	-26	-2.8	-21	-2.9	-5	25%
Provisions and impairments	-1	-0.1	0	0.0	-1	-
EBIT	**22**	**2.4**	**25**	**3.4**	**-3**	**-12%**
Net financial expenses	-15	-1.6	-8	-1.1	-7	85%
Profits on Ordinary Activities	**7**	**0.8**	**17**	**2.4**	**-10**	**-57%**
Share of results of associated undertakings and Investment income	0	0.0	0	0.0	0	-
Profit before tax	**8**	**0.8**	**17**	**2.4**	**-9**	**-55%**
Taxation	1	0.2	-2	-0.3	4	-
Net Profit for the Period	**9**	**1.0**	**15**	**2.0**	**-6**	**-38%**
Attributable to equity holders of SD	9	1.0	15	2.0	-5	-37%
Attributable to minority interests	0	0.0	0	0.0	0	-

07 BALANCE SHEET

	March 2008		December 2007		change	
	M.€	%	M.€	%	M.€	%
Non-current assets and assets held for sale	**2,442**	**75%**	**2,413**	**75%**	**29**	**1%**
Tangible and intangible assets	1,808	55%	1,779	55%	29	2%
Goodwill	565	17%	564	17%	1	0%
Assets held for sale	0	0%	6	0%	-6	-100%
Investments	40	1%	40	1%	0	1%
Other non-current assets	29	1%	24	1%	5	21%
Current Assets	**836**	**25%**	**812**	**25%**	**24**	**3%**
Stocks	478	15%	458	14%	20	4%
Trade debtors and other current assets	230	7%	229	7%	1	0%
Investments, cash and cash equivalents	128	4%	125	4%	3	3%
Total Assets	**3,278**	**100%**	**3,225**	**100%**	**54**	**2%**
Equity attributable to equity holders of SD	762	23%	839	26%	-77	-9%
Equity attributable to minority interests	12	0%	12	0%	0	-2%
Total Equity	**774**	**24%**	**851**	**26%**	**-77**	**-9%**
Non-current liabilities	**1,253**	**38%**	**1,172**	**36%**	**81**	**7%**
Borrowings and financial leasing creditors	1,188	36%	1,107	34%	81	7%
Borrowings from participating and/or participated companies	10	0%	10	0%	0	0%
Other non-current liabilities	55	2%	55	2%	0	-1%
Current Liabilities	**1,251**	**38%**	**1,202**	**37%**	**50**	**4%**
Borrowings and financial leasing creditors	206	6%	91	3%	115	127%
Trade creditors and other current liabilities	1,045	32%	1,111	34%	-65	-6%
Total Liabilities	**2,504**	**76%**	**2,373**	**74%**	**131**	**6%**
Total Equity and Liabilities	**3,278**	**100%**	**3,225**	**100%**	**54**	**2%**

08 INFORMATION BY SEGMENTS

The contributions of the main segments identified in the first quarters of 2008 and 2007 can be analysed as follows:

1st quarter 2008	Turnover	Operating cash flow	
	M.€	M.€	% t
Food retail brands	646	30.0	4.6
Non food retail brands	247	7.5	3.0
Real estate assets with income	2	2.0	
Real estate assets without income		9.0	
Other (1)	32	0.2	
Consolidated	**927**	**49**	**5.3**

1st quarter 2007	Turnover	Operating cash flow	
	M.€	M.€	% t
Food retail brands	525	26.1	5.0
Non food retail brands	199	7.0	3.5
Real estate assets with income	2	12.8	
Real estate assets without income		0.1	
Other (1)		-0.1	
Consolidated	**725**	**46**	**6.3**

(1) Includes petrol stations and consolidation adjustments

Notes

Food retail brands

includes the contribution of the business activity of the company related to food retail brands.

Non food retail brands

includes the contribution of the business activity of the company related to non food retail brands.

Real estate assets with income

includes the contribution of real estate assets managed by Sonae Distribuição, in particular shopping galleries annexed to Continente and Modelo units.

Real estate assets without income

includes the contribution of real estate assets which in most cases will serve to accommodate the organic growth of Sonae Distribuição.

Other

figures that because of their nature cannot be allocated to any of the other segments, such as consolidation adjustments and financial investments, which for the final value of capital employed make up almost the entire total.

09 BUSINESS PORTFOLIO

	Nr. of Stores					Sales Area ('000 m^2)					
	31 Dec 2007	stores opened	change of banner	stores closed	31 Mar 2008	31 Dec 2007	stores opened	change of banner	stores closed	31 Mar 2008	% owned m^2 (1)
Portugal	646	10	0	-1	655	709	5	0	-1	714	75%
Food formats	173	0	0	0	173	460	0	0	0	460	87%
Continente	33	0	0	0	33	257	0	0	0	257	87%
Outlet	1	0	0	0	1	2	0	0	0	2	0%
Modelo (2)	114	0	0	0	114	200	0	0	0	200	87%
Cafeterias	25	0	0	0	25	2	0	0	0	2	100%
Non food formats	473	10	0	-1	482	249	5	0	-1	254	53%
Worten	110	1	0	0	111	84	1	0	0	84	61%
Modalfa	81	0	0	0	81	39	0	0	0	39	90%
Sportzone	57	1	0	0	58	44	1	0	0	44	10%
Vobis	21	0	0	-1	20	9	0	0	-1	9	9%
MaxMat and MaxGarden	31	2	0	0	33	55	3	0	0	59	64%
Zippy	22	1	0	0	23	8	0.4	0	0	9	4%
Star	61	0	0	0	61	4	0	0	0	4	7%
Área Saúde	67	4	0	0	71	5	0.3	0	0	6	85%
Worten Mobile	23	1	0	0	24	0.7	0	0	0	0.8	46%

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

(1) % of m^2 of sales area in locations in which the real estate was held as at 31 March 2008 by Sonae Distribuição and which support around 80% of annualised net sales of the company.

(2) Includes Modelo Bonjour.

10 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 / Net Capital Employed.

ROE ("Return On Equity")
sum of net profits of the last four quarters / average of the equity at end of last four quarters.

Financial calendar for the year 2008

05 MARCH	Earnings Announcement 4th Quarter 2007
07 MAY	Earnings Announcement 1st Quarter 2008
06 AUGUST	Earnings Announcement 2nd Quarter 2008
05 NOVEMBER	Earnings Announcement 3rd Quarter 2008