Earnings Announcement

SONAE DISTRIBUIÇÃO

Consolidated Results

For the nine months ending 30th September 2008

Document disclosed on 5th November 2008

01 HIGHLIGHTS OF THE PERIOD

Sonae Distribuição combines a 25% growth in turnover with an increase of 27 M€ of operational cash flow, within a highly demanding market context

- **Turnover increases by 25% (which corresponds to an increase of 20%, excluding the petrol stations contribution).**

- **Operational cash flow totals 222 million Euros (+14%); When calculated in recurrent terms it represents an increase of 17% compared to the same period of last year.**

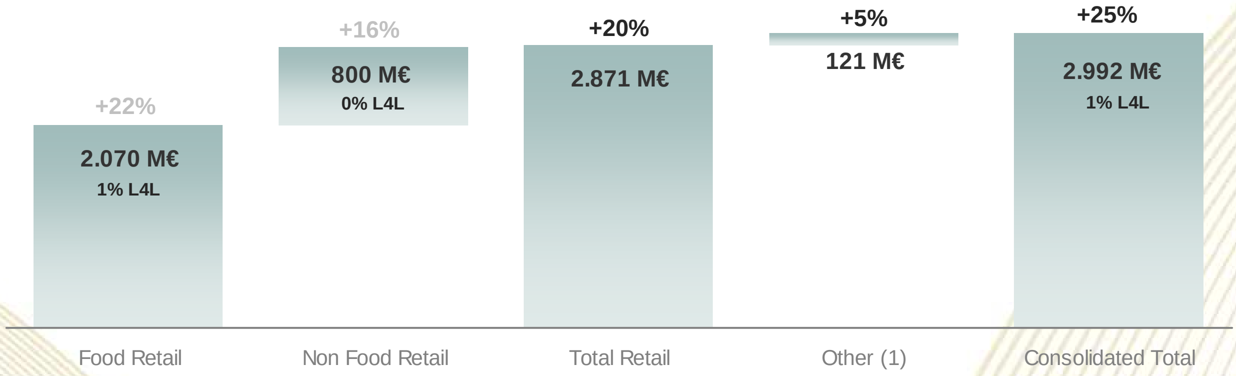
- **Investment of approximately 215 million Euros in the period.**

- **Opening of 76 new stores in Portugal until the end of October, which corresponds to an increase of 6% in the total sales area of the Company.**

- **Entrance in the Spanish market, where to date the Company operates 4 Sportzone and a network of 9 consumer electronics stores acquired from Boulanger.**

02 BUSINESS ACTIVITY

During the first nine months of 2008, Sonae Distribuição, SGPS, SA consolidated turnover reached 2.992 million Euros. This figure corresponds to an increase of 25% compared to the same period in 2007, and is divided in the following way:



- The food based retail formats totaled a turnover of 2.070 M€ for the period, increasing by 22% compared to the first three quarters of the previous year. This increase was the same as that witnessed, in the 3rd trimester of the year in particular.

  The food based retail business registered an increase of 1% during the first 9 months of the year in a comparable store universe (this increase was similar to the last trimester). This performance is mainly owed to the perishable food categories (result of the importance of the project of requalification and enrichment of fresh food product offer currently underway in the Company), and likewise on a significant increase in own and exclusive Sonae Distribuição brands (as a result of the strong investment made in the development and launching of new products and the prevalence of the "trading-down" phenomenon which is characteristic of periods where family disposable income decreases).

  The performance of this business segment benefitted additionally from the strong organic growth carried out over the last 12 months ending in September with the opening of new stores in Portugal which corresponds to circa 30.000 m^2, in addition to the integration of 85.000 m^2 corresponding to the acquisition of ex-Carrefour Portugal hypermarkets.

(1) Includes in particular petrol filling stations

- In the same period, the turnover of the non-food based retail formats totaled 800 million Euros which corresponds to an increase of 16% compared to the figure accumulated in the 3rd trimester of 2007 (13% in the most recent trimester).

  The group of comparable stores of these formats registered, in accumulated terms, a turnover identical to that of the previous year, with a 3% decrease over the last trimester. In a particularly adverse market envirorонment, this business portfolio presents mixed signals - where the Modalfa, Zippy and Sportzone stores demonstrate a very positive behaviour, Worten demonstrates a neutral behavior, and Vobis and Maxmat sales show a non-favourable performance when compared to the previous year.

  Still in this universe, a reference to the increase in the store portfolio of the Company which corresponds to an increase of more than 40.000 new m^2 over the last 12 months ending September 2008.

- The turnover from the petrol stations associated with the Continente hypermarkets totaled 116 million Euros during the period under analysis, contributing to an increase of 5% of the consolidated referential figure of the Company compared to the same period of 2007.

In consolidated terms, and until the 3rd trimester of the year, Sonae Distribuição´s operational cash-flow totaled 222 million Euros increasing by 27 million Euros compared to the same period of last year. In recurrent terms(2), operational cash-flow reached 213 million Euros, which corresponds to an increase of 17% compared to the equivalent figure accumulated in the same trimester of the previous year.

- With regards to the food retail brands, operational cash-flow reached 167 million Euros, or 8,1% of the respective turnover – a ratio in line with that registered in accumulated terms in the 3rd trimester of 2007.

- In the same period, the non-food based retail brands contributed with 42 million Euros, which corresponds to 5,2 % of the respective turnover and an increase of 7% compared to the same period in 2007.

As previously mentioned, the evolution of these indicators was impacted by the adverse current market context and by the remodeling currently underway in the ex-Carrefour stores.

(2) *Referential which does not incorporate in 2008, the non-recurring gain of 9 million Euros associated with the sale of the real estate asset in Brazil, Florianópolis (which was not included in the divestment operation that took place in December 2005). In 2007 this referential does not include the net non-recurrent gain of 12 million Euros resulting from the sale of the real estate assets of the Albufeira and Portimão shopping galleries in Portugal.*

Additionally, it incorporates the initial investment associated with the internationalization operations of the Company in the Spanish market - which particularly penalizes the non-food based segment.

Still in the same period, Sonae Distribuição´s consolidated net profits reached 80 million Euros, compared to 100 million Euros registered in the same period of last year. The difference arose mainly from the non-recurring events relating to capital gains on the disposal of real estate assets mentioned before, as well as a more significant component of financial charges, resulting from the significant investment effort made over the last few years.

03 INVESTMENT

At the end of the 3rd trimester of 2008, Sonae Distribuição accounted for a 688 store portfolio corresponding to 732.000 m^2 of sales area. Nevertheless, at the present date, the Company counts a greater number of stores in its portfolio which totals more than 770.000 m^2 of sales area.

- In Portugal, more specifically concerning the food based universe, the Company strengthened its store portfolio along the year with the opening of 16 new units corresponding to a total of 17.000m^2 sales area. In this context, Mafra and Valongo Continente hypermarkets and Famalicão Modelo mini-hypermarket are worth highlighting, as they result from the quick completion of projects included in the ex-Carrefour Portugal acquisition operation. Today, the food based universe of the Company totals 469.000 m^2 of sales area in 182 store portfolio.
- Sonae Distribuição maintained an intense rhythm of expansion covering the Portuguese market with its non-food based retail formats. This year it opened 60 new units with a sales area of 24.000 m^2. With a portfolio of more than 10 distinct retail formats operating in 520 stores, to date this universe totals 270.000 m^2 of sales area in the Country.
- Today, the Company´s presence in Spain is already a reality and Sonae Distribuição operates in that market 4 Sportzone stores (with a total of 7.000 m^2 sales area) and a network of 9 electronic goods stores (with 22.000 m^2 temporarily operating under the Boulanger brand).

04 CAPITAL STRUCTURE

As at 30th September 2008, Sonae Distribuição´s consolidated net debt reached 1.334 million Euros. This figure, which compares with 574 million Euros reported at the end of September 2007, is directly impacted by the strong investment carried out over the last 12 months, that totaled more than one thousand million Euros.

As mentioned in previous Earnings Announcements, the Company has a solid financing structure given that the Company´s debt is based on long term financing.

05 CORPORATE DEVELOPMENTS

In the context of responsibilities assumed before the Competition Authority, with regards to the acquisition operation of ex-Carrefour Portugal, Sonae Distribuição carried out the following measures:

- Once the non-opposition decision was granted by the Competition Authority, the alienation of Eiras (Coimbra) and Lagoa (Algarve) shopping centre's were carried out, as was the land and retail projects for Modelo, Worten and Modalfa formats in Condeixa;
- Parallel to this, and following the inauguration of the Continente hypermarket in Valongo, the Modelo mini-hypermarket in the same borough was closed. The space will soon be reconverted into a Maxmat store;
- To date, the commitments to reduce the food based retail area in Greater Porto by 5.100 m^2 have been completed, namely by closing the Modelo Bonjour stores in Montezelo (Gondomar) and Shopping Via Catarina, by reducing the sales area of Arrabida Continente hypermarket and by reducing the sales area forecasted in the expansion project of Gaia Shopping Continente hypermarket;
- In the same context, the Company gave powers to the Banco Português de Investimento (BPI) to proceed with the disposal of the project in Viana do Castelo for the building of a food retail establishment.

On 14th October, Sonae Distribuição formalized the deal with RAR Group regarding the creation of a joint operation of travel agencies detained in 50% by each of the Groups and benefitting from a shared management structure.

The Company continues to await a non-opposition decision from the Competition Authority concerning the deal with Petrogal for the running of 8 petrol stations, which the Company acquired as part of the ex-Carrefour Portugal acquisition operation in December 2007.

06 OUTLOOK

For over more than 20 years, Sonae Distribuição has built a unique strategic value by combining a highly attractive format portfolio, with exceptional locations, with a solid base of retail management skills.

Despite a particularly adverse and highly unpredictable economic context, the Company continues to be focused on meeting the guidelines previously communicated, of:

- increasing by 20%[1] the turnover of the global retail format portfolio;
- maintaining the Company´s recurrent operational cash-flow margin at the same level as that of the past[1];
- investing circa 300 million Euros over the year, which will allow for the opening of more than 60.000 m^2 of sales area in Portugal, and begin to count with an additional 30.000 m^2 of sales area in Spain.

Matosinhos, 5th November 2008
The Board of Directors
Sonae Distribuição, SGPS, SA

[1] Excluding sales from petrol station sales, which are awaiting a favorable 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.

SONAE DISTRIBUIÇÃO

07 PROFIT AND LOSS ACCOUNT

Acumulated in 3rd quarter	Sept 2008		Sept 2007		change	
	M.€	% vn	M.€	% vn	M.€	Δ
Turnover	2.992	100	2.394	100	598	-
EBITDA	**222**	**7,4**	**195**	**8,1**	**27**	**-0,7**
Amortization and depreciation	-83	-2,8	-64	-2,7	-18	-0,1
Provisions and impairments	-3	-0,1	0	0,0	-3	-0,1
EBIT	**136**	**4,6**	**130**	**5,4**	**6**	**-0,9**
Net financial expenses	-52	-1,7	-26	-1,1	-26	-0,6
Profits on Ordinary Activities	**85**	**2,8**	**104**	**4,4**	**-19**	**-1,5**
Share of results of associated undertakings and Investment income	1	0,0	0	0,0	1	0,0
Profit before tax	**86**	**2,9**	**104**	**4,3**	**-18**	**-1,5**
Taxation	-6	-0,2	-4	-0,2	-1	0,0
Net Profit for the Period	**80**	**2,7**	**100**	**4,2**	**-19**	**-1,5**
Attributable to equity holders of SD	80	2,7	99	4,1	-19	-1,5
Attributable to minority interests	0	0,0	1	0,0	-1	0,0

3rd quarter	3.º Q 2008		3.º Q 2007		change	
	M.€	% vn	M.€	% vn	M.€	Δ
Turnover	1.112	100	899	100	214	-
EBITDA	**95**	**8,6**	**81**	**9,0**	**14**	**-0,4**
Amortization and depreciation	-28	-2,5	-22	-2,4	-6	-0,1
Provisions and impairments	-1	-0,1	0	0,0	0	0,0
EBIT	**67**	**6,0**	**59**	**6,6**	**8**	**-0,6**
Net financial expenses	-20	-1,8	-8	-0,9	-12	-0,9
Profits on Ordinary Activities	**46**	**4,2**	**51**	**5,6**	**-4**	**-1,5**
Share of results of associated undertakings and Investment income	1	0,1	1	0,1	0	0,0
Profit before tax	**47**	**4,2**	**51**	**5,7**	**-4**	**-1,5**
Taxation	-6	-0,5	-1	-0,1	-5	-0,4
Net Profit for the Period	**41**	**3,7**	**50**	**5,6**	**-9**	**-1,9**
Attributable to equity holders of SD	41	3,6	50	5,5	-9	-1,9
Attributable to minority interests	0	0,0	1	0,1	0	0,0

08 BALANCE SHEET

	September 2008		December 2007 [1]		September 2007	
	M.€	%	M.€	%	M.€	%
Non-current assets and assets held for sale	**2.548**	**66%**	**2.438**	**75%**	**1.621**	**55%**
Tangible and intangible assets	1.968	51%	1.857	57%	1.468	50%
Goodwill	513	13%	506	16%	59	2%
Non-current assets held for sale	0	0%	6	0%	0	0%
Investments	41	1%	40	1%	73	2%
Other non-current assets	26	1%	30	1%	21	1%
Current Assets	**1.290**	**34%**	**801**	**25%**	**1.331**	**45%**
Stocks	490	13%	447	14%	413	14%
Trade debtors and other current assets	236	6%	229	7%	210	7%
Loans to participated companies and/or participants	0	0%	0	0%	168	6%
Investments, cash and cash equivalents	565	15%	125	4%	540	18%
Total Assets	**3.839**	**100%**	**3.240**	**100%**	**2.951**	**100%**
Equity attributable to equity holders of SD	834	22%	839	26%	769	26%
Equity attributable to minority interests	12	0%	12	0%	12	0%
Total Equity	**846**	**22%**	**851**	**26%**	**781**	**26%**
Non-current liabilities	**1.311**	**34%**	**1.185**	**37%**	**1.327**	**45%**
Borrowings and financial leasing creditors	1.232	32%	1.107	34%	1.257	43%
Borrowings from participating and/or participated companies	10	0%	10	0%	10	0%
Other non-current liabilities	68	2%	69	2%	60	2%
Current Liabilities	**1.683**	**44%**	**1.203**	**37%**	**844**	**29%**
Borrowings and financial leasing creditors	656	17%	91	3%	14	0%
Trade creditors and other current liabilities	1.027	27%	1.112	34%	830	28%
Total Liabilities	**2.993**	**78%**	**2.388**	**74%**	**2.170**	**74%**
Total Equity and Liabilities	**3.839**	**100%**	**3.240**	**100%**	**2.951**	**100%**

[1] Given that the subsidiary Continente Hipermercados (corresponding to the ex-Carrefour portfolio) was acquired at the end of the year 2007, the allocation of fair value was not carried out at that date. This exercise was carried out during the first six months of 2008 and is reflected in the new comparative figures presented. It is expectable that this process is totally concluded until the end of the year, as foressen by the IFRS.

9 INFORMATION BY SEGMENTS

The contributions of the main segments identified in the periods under analysis of 2008 and 2007 can be analyzed as follows:

Accumulated in the 3rd quarter	Turnover		EBITDA			
	2008	2007	2008	2007	2008	2007
	M.€		M.€		%v.n.	
Food retail brands	2.070	1.701	167	137	8,1	8,1
Non food retail brands	800	688	42	39	5,2	5,7
Real estate assets with income	5	5	5	18		
Real estate assets without income	0	0	9	0		
Other (1)	116	0	-1	0		
Consolidated	**2.992**	**2.394**	**222**	**195**	**7,4**	**8,1**

3rd quarter	Turnover		EBITDA			
	2008	2007	2008	2007	2008	2007
	M.€		M.€		%v.n.	
Food retail brands	761	624	73	59	9,6	9,4
Non food retail brands	307	273	21	20	6,7	7,2
Real estate assets with income	2	2	2	1		
Real estate assets without income						
Other (1)	43			1		
Consolidated	**1.112**	**899**	**95**	**81**	**8,6**	**9,0**

(1) Includes petrol filling stations and consolidation adjustments

Notes

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

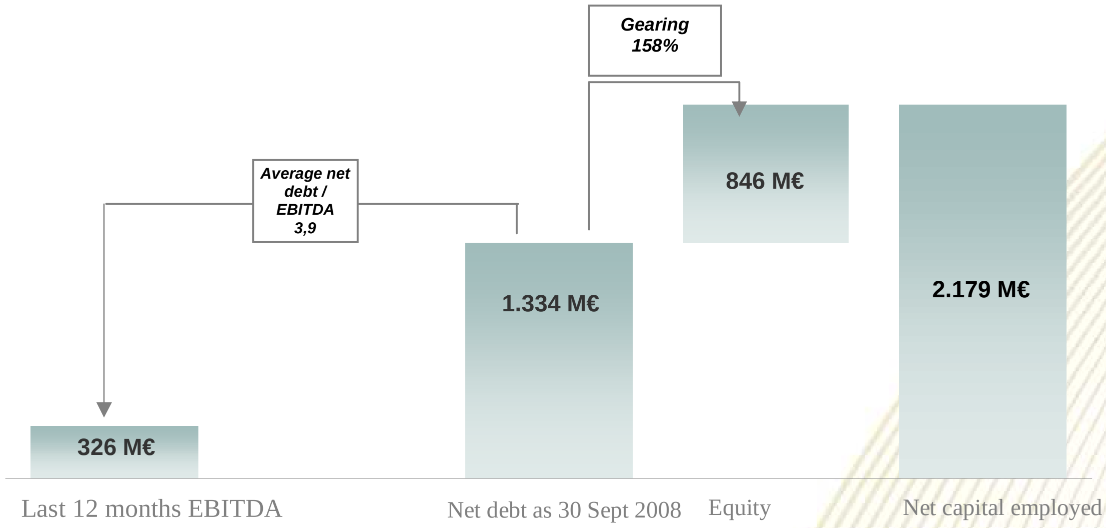
Non food retail brands
includes the contribution of the business activity of the company related to non food retail brands.

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.

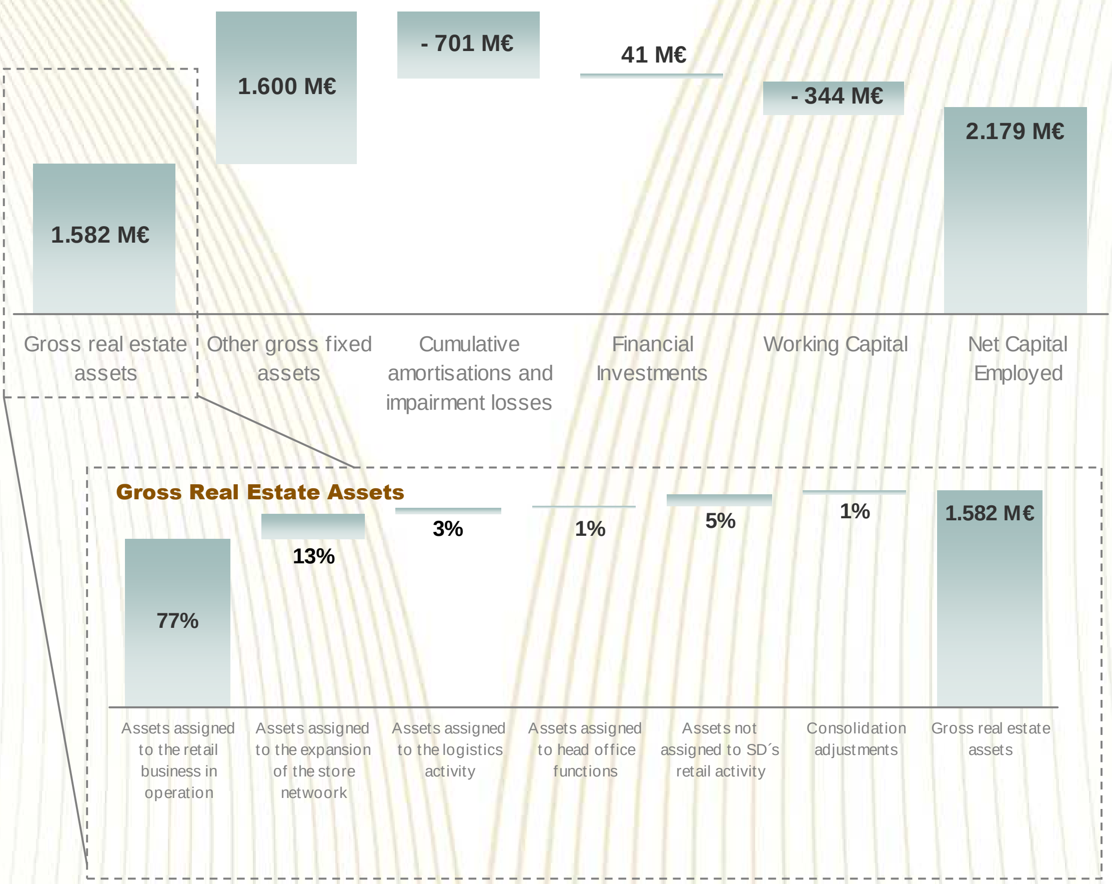
Real estate assets without income
includes the contribution of real estate assets which in most cases will serve to accommodate the organic growth of Sonae Distribuição.

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.

Financial structure



Capital employed



10 STORE PORTFOLIO (September 2008)

	Nr. of Stores						Sales Area ('000 m^2)						
	31 Dec 2007	stores opened	change of banner	acquisitions	stores closed	30 Sept 2008	31 Dec 2007	stores opened	change of banner	acquisitions	stores closed	30 Sept 2008	% owned m^2 (1)
Total	**647**	**61**	**0**	**0**	**-20**	**688**	**710**	**33**	**0**	**0**	**-12**	**732**	**74%**
Portugal	**647**	**58**	**0**	**0**	**-20**	**685**	**710**	**28**	**0**	**0**	**-12**	**727**	**74%**
Food	**173**	**12**	**0**	**0**	**-7**	**178**	**460**	**11**	**0**	**0**	**-8**	**463**	**87%**
Continente	**33**	1	0	0	0	**34**	**257**	5	0	0	0	**261**	**88%**
Outlet	**1**	0	0	0	0	**1**	**2**	0	0	0	0	**2**	**0%**
Modelo (2)	**114**	3	0	0	-5	**112**	**200**	6	0	0	-8	**198**	**86%**
Cafés	**25**	8	0	0	-2	**31**	**2**	0,4	0	0	-0,2	**2**	**96%**
Non food	**474**	**46**	**0**	**0**	**-13**	**507**	**249**	**17**	**0**	**0**	**-4**	**263**	**53%**
Worten	**110**	8	0	0	-2	**116**	**84**	6	0	0	-1	**90**	**61%**
Modalfa	**81**	4	0	0	-4	**81**	**39**	2	0	0	-2	**38**	**90%**
Sportzone	**57**	4	0	0	0	**61**	**44**	3	0	0	0	**47**	**11%**
Vobis	**21**	0	0	0	-1	**20**	**9**	0	0	0	-1	**9**	**9%**
MaxMat e MaxGarden	**31**	2	0	0	0	**33**	**55**	3	0	0	0	**59**	**64%**
Zippy	**22**	3	0	0	0	**25**	**8**	1	0	0	0	**9**	**8%**
Star	**61**	1	0	0	-3	**59**	**4**	0,04	0	0	-0,3	**4**	**20%**
Área Saúde	**67**	10	0	0	-3	**74**	**5**	1	0	0	-0,2	**6**	**86%**
Worten Mobile	**23**	11	0	0	0	**34**	**1**	0,3	0	0	0	**1**	**40%**
Book.it	**1**	1	0	0	0	**2**	**0,2**	0,1	0	0	0	**0,4**	**100%**
Loop	**0**	2	0	0	0	**2**	**0**	0,4	0	0	0	**0,4**	**0%**
Spain	**0**	**3**	**0**	**0**	**0**	**3**	**0**	**5**	**0**	**0**	**0**	**5**	**0%**
Sportzone	**0**	3	0	0	0	**3**	**0**	5	0	0	0	**5**	**0%**

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 30 June 2008 by Sonae Distribuição and which support around 80% of annualised net sales of the Company.

(2) Includes Modelo Bonjour.

11 STORE PORTFOLIO (October 2008)

	Nr. of Stores						Sales Area ('000 m²)					
	31 Dec 2007	stores opened	change of banner	acquisitions	stores closed	30 Oct 2008	31 Dec 2007	stores opened	change of banner	acquisitions	stores closed	30 Oct 2008
Total	**647**	**80**	**0**	**9**	**-21**	**715**	**710**	**49**	**0**	**22**	**-12**	**768**
Portugal	**647**	**76**	**0**	**0**	**-21**	**702**	**710**	**42**	**0**	**0**	**-12**	**739**
Food	**173**	**16**	**0**	**0**	**-7**	**182**	**460**	**17**	**0**	**0**	**-8**	**469**
Continente	**33**	2	0	0	0	**35**	**257**	9	0	0	0	**265**
Outlet	**1**	0	0	0	0	**1**	**2**	0	0	0	0	**2**
Modelo (2)	**114**	4	0	0	-5	**113**	**200**	8	0	0	-8	**200**
Cafés	**25**	10	0	0	-2	**33**	**2**	0,5	0	0	-0,2	**2**
Non food	**474**	**60**	**0**	**0**	**-14**	**520**	**249**	**24**	**0**	**0**	**-4**	**270**
Worten	**110**	10	0	0	-3	**117**	**84**	8	0	0	-1	**91**
Modalfa	**81**	5	0	0	-4	**82**	**39**	2	0	0	-2	**39**
Sportzone	**57**	6	0	0	0	**63**	**44**	5	0	0	0	**49**
Vobis	**21**	0	0	0	-1	**20**	**9**	0	0	0	-1	**9**
MaxMat e MaxGarden	**31**	3	0	0	0	**34**	**55**	5	0	0	0	**60**
Zippy	**22**	4	0	0	0	**26**	**8**	2	0	0	0	**10**
Star	**61**	2	0	0	-3	**60**	**4**	0,1	0	0	-0,3	**4**
Área Saúde	**67**	13	0	0	-3	**77**	**5**	1	0	0	-0,2	**6**
Worten Mobile	**23**	12	0	0	0	**35**	**1**	0,3	0	0	0	**1**
Book.it	**1**	1	0	0	0	**2**	**0,2**	0,1	0	0	0	**0,4**
Loop	**0**	4	0	0	0	**4**	**0**	1	0	0	0	**1**
Spain	**0**	**4**	**0**	**9**	**0**	**13**	**0**	**7**	**0**	**22**	**0**	**29**
Sportzone	**0**	4	0	0	0	**4**	**0**	7	0	0	0	**7**
Electronics	**0**	0	0	9	0	**9**	**0**	0	0	22	0	**22**

Note: sales area values rounded to thousand m².
(2) Includes Modelo Bonjour.

12 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.

The financial calendar for 2009 will be announced in due course