



SONAE DISTRIBUIÇÃO, SGPS, SA

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

Share Capital 1.000.000.000 Euros

Porto Commercial Registry and Fiscal Number 501 532 927

**REPORT AND CONDENSED
FINANCIAL STATEMENTS**

30 JUNE 2009



MANAGEMENT REPORT

SONAE DISTRIBUIÇÃO, SGPS, S.A.**MANAGEMENT REPORT**

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. for the six months ending 30th June 2009.

1. Turnover

Sonae Distribuição ended the 1st half of 2009 with a consolidated turnover of 2.048 million Euro (9% more than the same period last year, or 10% on an ex-fuel basis).

The food based formats saw their turnover increase by 8% compared to the first half of 2008. The following were decisive factors which contributed to this positive evolution:

- the organic growth witnessed over the last 12 months with the opening of 80 stores (37 thousand sqm);
- an increase in sales on a comparable store basis which surpassed 3% in 1H09 (~5% in 2Q) based on (i) strengthening of the value proposition of the private label programme carried out via the enlargement of the product range and the re-packaging (with particular attention paid to the way in which the products nutritional information is communicated to the clients—“Follow the Colours Programme”; (ii) good performance of the perishables category as a result of a more defined offer segmentation; and (iii) an array of commercial initiatives designed to respond to the difficulties which the Portuguese families are facing in the current economic crisis, which in turn have allowed for a strengthening in the fidelity levels of the client base of the Continente and Modelo formats.

It is important to highlight that the positive growth in L4L turnover not only helped sustain the gains in market share, but that it was obtained from a notable increase in volumes which more than compensated for the average decrease in product prices compared to the same period in 2008.

The turnover of the specialised retail formats increased by 25%, as a result of the organic growth of the last 12 months, with the opening of 96 stores (81 thousand sqm) in Portugal and Spain. Turnover decreased 3% on a comparable basis (with an increase of 2% in 2Q09). It is worth highlighting the good performance of the textile and sportswear formats (with an increase in sales on a comparable store basis), and the significant market share gains which the consumer electronics and household good formats have experienced in Portugal.

The internationalisation programme of the specialised retail formats began at the end of the 2Q08 with the Sport Zone format, and today counts a portfolio of 23 stores and 39 thousand sqm distributed between the Worten, Sport Zone and Zippy formats (since June 2009). On the whole, during 1H09, the operation in Spain contributed with 13% of the total specialised retail sales.

2. EBITDA

Sonae Distribuição's consolidated operational cash-flow totalled 127 million Euro during the first six months of 2009, generating a margin of 6.2% of the turnover.

In the same period last year, the EBITDA was impacted by a non-recurring gain of 9 million Euro resulting from the sale of a real estate asset in Florianópolis (Brasil). Excluding this one-off impact, recurrent EBITDA grew by 8% in the period. This growth is extremely positive, particularly considering that it accommodates investment expenses associated with the entrance into the Spanish market. Additionally it denotes an improvement in margins of the overall businesses in the Portuguese market.

Operational cash-flow of the food retail formats totalled 69 million Euro, which corresponds to 4.8% of the turnover. The increase in operational profitability compared to 2008 is justified by the previously mentioned turnover performance, and by the continued implementation of efficiency programmes at an operational level.

The specialised retail formats contributed to the Company's EBITDA in 2 million Euro. This figure already considers the negative contribution of the Spanish operation which is justified by the entry costs, the fact that the store portfolio is at its infancy stage and hasn't as yet reached its benchmark productivity levels, and by the refurbishment and reconversion costs of the (ex-Boulangier) stores into Worten stores. The operation in Portugal evolved positively, and presented a slight increase in EBITDA margin. In light of the difficult time the Portuguese economy is experiencing, the evolution of the profitability levels of the specialised retail formats in Portugal must be emphasised in that it was attained owed to important gains in the operations efficiency.

The retail real estate unit generated an EBITDA of 57 million Euro. Excluding the one-off gain of 9 million Euro resulting from the sale of a real estate asset in Florianópolis (Brazil) in 2008, the EBITDA increased 19%, reflecting the increase of the asset portfolio resulting from the organic expansion of the retail operations in Portugal.

3. Net Income

In 1H09, the Company presented a net income of 29 million Euro. Compared to the same period in 2008, the net income presented a decrease of ~10 million Euro which is justified by:

- (i) Materialization of a non-recurrent gain of 9 million Euro in 2008 from the sale of a real estate asset in Brazil (as referred above);
- (ii) Increase of depreciation charges resulting from the investment plan carried out over the last 12 months which exceeded 400 million Euro;
- (iii) Accommodation of the initial entry effort into the Spanish market.

4. CAPEX

In the first six months of the year, the Company realised a gross technical investment of 168 million Euro in accordance with the growth plans for the Portuguese and Spanish market, which allowed for the opening of 29 thousand sqm in addition to the preparation for expansion in 2H09. In this chapter, it is also important to state that the Company hopes to be able to maintain a strong rhythm of growth of its store portfolio, in such a way that it anticipates surpassing 900 thousand sqm of sales area by the end of 2009.

5. Capital structure

Net debt increased by 310 million Euro, reflecting the organic growth programme and refurbishment of the store portfolio in addition to the normal development of the working capital requirements; net debt to EBITDA (last 12 months) was 4.3x, demonstrating a positive evolution compared to the ratio in 1H08 (4.4x)

6. Corporate Governance

No significant changes took place in the year that are worthy of mention, and the guidelines set out in the Consolidated Management Report for the year 2008, concerning Corporate Governance remained unchanged.

7. Outlook

Sonae Distribuição's results clearly demonstrate its resilience to the financial and economic crisis and its ability to present a strong performance in tough times. The Company is confident in reaching its growth and value creation objectives in Portugal, and plans to continue with its internationalisation plans. Nonetheless, Sonae Distribuição's investment plans for 2009 will be adapted as required to the changing macroeconomic situation which remains highly uncertain.

Matosinhos, 24th August 2009

The Board of Directors

Duarte Paulo Teixeira de Azevedo (President)

Nuno Manuel Moniz Trigo Jordão (CEO)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Álvaro Carmona e Costa Portela

Glossary

- Turnover (t): sales of articles + services rendered.
- Operating cash-flow (EBITDA): operating results - amortisations and depreciation - provisions and losses and reversal of impairment as well as negative consolidation differences.
- Operating results (EBIT): consolidated net profit for the period - income tax + investment profit/losses + profits/losses of associated companies - net financial expenses.
- Gross technical investment: increase in gross fixed assets (tangible and intangible)
- Net debt: current borrowings + noncurrent borrowings + financial leasing creditors – cash and cash equivalents – other current investments under negotiation + borrowings from participating and/or participated companies.



APPENDIX

Statement under the terms of Article 246, paragraph 1, c) of the Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the first half 2009 Financial Statements, the limited review audit report and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards as adopted by European Union, giving a truthful (fairly) and appropriate image, of the assets and liabilities, financial position and the results of the issuer and of the companies included in the consolidation perimeter and that the Management Report faithfully describes the business evolution, the performance and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Matosinhos, 24th August 2009

Duarte Paulo Teixeira de Azevedo (President)

Nuno Manuel Moniz Trigo Jordão (CEO)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Álvaro Carmona e Costa Portela

Article 447 of Portuguese Companies Act and Article 14, paragraph 7 of CMVM Regulation nr. 05/2008

Disclosure of shares and other securities held by members of the Board of Directors and by people discharging managerial responsibilities, as well as by people closely connected with them (article 248 B of the Portuguese Securities Code), and disclosure of the respective transactions during the year involving such shares and other securities.

Appendix to the Report of the Board of Directors required by article 447 of the Portuguese Companies Act and article 14, paragraph 7 of CMVM Regulation nr. 05/2008

Date	Additions		Reductions		Balance as of 30.06.2009
	Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
Duarte Paulo Teixeira de Azevedo (*)(**)(***)					
					1
					1,969,996
					3,293 (a)
Ângelo Gabriel Ribeirinho dos Santos Paupério (*)					
					250.000
Alvaro Carmona e Costa Portela (*)					
					125.934
(1) Efanor Investimentos, SGPS, SA					
					659,650,000
					2,000,000
(2) Pareuro, BV					
					400,000,000
(3) Migracom, SGPS, SA					
					1,485,000
					150,000
(4) Imparfin, SGPS, SA					
					4,105,280

(*) Member of the Board of Directors

(**) Member of the Board of Directors of Efanor Investimentos, SGPS, SA (indirectly dominant company) (1)

(***) Member of the Board of Directors of Imparfin, SGPS, SA (4)

(a) Shares held by underage descendents under his/her charge

Article 448

Number of shares held by shareholders, owning more than 10%, 33% and 50% of the company's share capital.

Appendix to the Report of the Board of Directors required by article 448 of the Portuguese Companies Act

Shareholders	Number of shares held as of 30.06.2009
Sonae, SGPS, SA	824,780,810
Sonae Investments, BV	175,219,190

Qualified holdings

Shares held and voting rights of companies owning more than 2% of the share capital of the company.

Shareholders	Nr. of shares	% of Share Capital	% of Voting Rights
Sonae, SGPS, SA	824,780,810	82.48%	82.48%
Sonae Investments, BV	175,219,190	17.52%	17.52%
Total attributable	1,000,000,000	100.00%	100.00%



**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 AND 2008 AND AS AT 31 DECEMBER 2008

(Amounts expressed in euro)

(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

ASSETS	Notes	IFRS		
		30-06-2009	30-06-2008	31-12-2008
NON-CURRENT ASSETS:				
Tangible assets	8	2,156,929,299	1,739,896,786	1,924,301,269
Goodwill	9	523,174,276	509,626,705	521,020,094
Intangible assets	8	163,690,718	154,189,127	164,289,356
Associated companies	6	2,060,562	39,192,222	64,671,483
Other financial investments	10	774,777	999,170	2,358,971
Deferred tax assets	13	77,128,252	26,349,074	67,426,816
Other non current assets	11	2,630,616	2,037,562	2,284,632
Total Non-Current Assets		2,926,388,500	2,472,290,646	2,746,352,621
CURRENT ASSETS:				
Inventories		565,709,359	466,978,464	530,819,483
Trade account receivables and other current assets	12	275,368,760	232,713,366	209,905,263
Other financial investments	10	52,859,402	63,658,568	62,805,722
Cash and cash equivalents	14	49,125,276	48,073,643	115,119,080
Total Current Assets		943,062,797	811,424,041	918,649,548
Non current assets held for sale		-	15,680,523	5,863,383
TOTAL ASSETS		3,869,451,297	3,299,395,210	3,670,865,552
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	15	1,000,000,000	1,100,000,000	1,000,000,000
Own Shares	15	-	(205,000,000)	-
Reserves and retained earnings		(166,607,428)	(140,795,282)	(250,902,510)
Net profit for the period attributable to the shareholders of the Parent Company		28,512,203	39,426,657	170,993,512
Total equity attributable to the shareholders of the Parent Company		861,904,775	793,631,375	920,091,002
Minority interests		73,805,478	11,887,736	11,201,548
TOTAL EQUITY		935,710,253	805,519,111	931,292,550
LIABILITIES:				
NON CURRENT LIABILITIES:				
Loans	16	1,432,072,884	1,255,074,355	1,243,067,911
Other non current liabilities	18	13,566,621	11,426,001	11,688,394
Deferred tax liabilities	13	85,882,198	49,426,487	81,182,365
Provisions	21	11,547,638	18,637,375	12,953,754
Total non current liabilities		1,543,069,341	1,334,564,218	1,348,892,424
CURRENT LIABILITIES:				
Loans	16	195,066,473	226,592,085	152,913,563
Suppliers and other current liabilities	20	1,193,936,242	930,221,682	1,235,452,452
Provisions	21	1,668,988	2,498,114	2,314,563
Total current liabilities		1,390,671,703	1,159,311,881	1,390,680,578
TOTAL LIABILITIES		2,933,741,044	2,493,876,099	2,739,573,002
TOTAL EQUITY AND LIABILITIES		3,869,451,297	3,299,395,210	3,670,865,552

The accompanying notes are part of these condensed financial statements.

The Board of Directors

CONDENSED CONSOLIDATED INCOME STATEMENTS

 FOR THE PERIODS ENDED 30 JUNE 2009 AND 2008
 (Amounts expressed in euro)

 (Translation of condensed consolidated financial statements originally issued in Portuguese.
 In case of discrepancy the Portuguese version prevails)

	Notes	IFRS			
		2009		2008	
		2 nd Quarter ¹	30-06-2009	2 nd Quarter ¹	30-06-2008
Operational income:					
Sales		1,033,657,548	1,990,123,055	916,017,861	1,813,642,784
Services rendered		31,284,031	57,794,981	36,834,275	65,748,821
Other operational income		110,418,656	205,699,478	108,934,736	199,011,751
Total operational income		1,175,360,235	2,253,617,514	1,061,786,872	2,078,403,356
Operational expenses:					
Cost of sales		(809,055,265)	(1,569,144,052)	(710,298,416)	(1,435,345,382)
External supplies and services		(140,723,677)	(271,344,156)	(145,129,064)	(258,514,355)
Staff costs		(125,186,619)	(249,907,715)	(115,803,706)	(229,609,669)
Depreciation and amortisation	8	(33,994,298)	(65,519,192)	(28,553,434)	(54,688,412)
Provisions and impairment losses	21	(1,891,065)	(2,359,948)	(1,377,943)	(2,313,905)
Other operational expenses		(19,237,469)	(35,532,437)	(12,626,465)	(28,044,491)
Total operational expenses		(1,130,088,393)	(2,193,807,500)	(1,013,789,028)	(2,008,516,214)
Operational profit/(loss)		45,271,842	59,810,014	47,997,844	69,887,142
Financial Income		1,254,026	3,015,296	3,217,742	7,291,441
Financial Expenses		(14,470,400)	(34,950,292)	(20,111,726)	(38,738,402)
Net financial profit		(13,216,374)	(31,934,996)	(16,893,984)	(31,446,961)
Profit/(Loss) related to associated companies	6	(1,643,942)	(1,230,244)	(197,668)	109,978
Profit/(Loss) related to investments	5	1,680,051	1,680,051	150,169	150,169
Profit/(Loss) before income tax		32,091,577	28,324,825	31,056,361	38,700,328
Current Income Tax	24	(4,344,649)	(7,846,595)	(747,022)	(3,210,607)
Deferred Income Tax	24	(825,928)	7,200,565	(207,789)	3,693,766
Income Tax	24	(5,170,577)	(646,030)	(954,811)	483,159
Profit/(Loss) after taxation		26,921,000	27,678,795	30,101,550	39,183,487
Consolidated Profit/(Loss) for the period		26,921,000	27,678,795	30,101,550	39,183,487
Attributable to:					
Equity holders of the Parent Company		27,097,308	28,512,203	30,186,443	39,426,657
Minority interests		(176,308)	(833,408)	(84,893)	(243,170)
Profit/(Loss) per share (basic and diluted)¹	25	0.03	0.03	0.03	0.04

¹ Prepared in accordance with "IAS 34 - Interim Financial Reporting" and not subjected to independent review.

The accompanying notes are part of these condensed financial statements.

The Board of Directors

SONAE DISTRIBUIÇÃO, SGPS, S.A.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED 30 JUNE 2009 AND 2008

(Amounts expressed in euro)

(Translation of condensed consolidated financial statements originally issued in Portuguese.

In case of discrepancy the Portuguese version prevails)

	2009		2008	
	2 nd Quarter ¹	30-06-2009	2 nd Quarter ¹	30-06-2008
Notes				
Net Profit/(Loss) for the period	26,921,000	27,678,795	30,101,550	39,183,487
Differences relating the exchange rate effect	46,100	112,019	74,529	(834,953)
Changes on fair value of hedging derivatives	812,889	(2,832,747)	1,874,666	1,349,523
Tax relating to other comprehensive income	(123,186)	1,022,298	(496,787)	(357,624)
Other comprehensive income for the period	735,803	(1,698,430)	1,452,408	156,946
Total comprehensive income for the period	<u>27,656,803</u>	<u>25,980,365</u>	<u>31,553,958</u>	<u>39,340,433</u>
Attributable to:				
Equity holders of the Parent Company	27,833,111	26,813,773	31,638,851	39,583,603
Minority interests	<u>(176,308)</u>	<u>(833,408)</u>	<u>(84,893)</u>	<u>(243,170)</u>

¹ Prepared in accordance with "IAS 34 - Interim Financial Reporting" and not subjected to independent review.

The accompanying notes are part of these condensed financial statements.

The Board of Directors

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED AT 30 JUNE 2009 AND 2008

(Amounts expressed in euro)

(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

Notes	Attributable to Shareholders of Parent Company							Net Profit	Total	Minority Interests	Total Equity	
	Share Capital	Own Shares	Legal Reserves	Currency Translation Reserves	Hedging Reserves	Retained Earnings	Sub-total					
Balance as 1 January 2008	1,100,000,00€	(205,000,000)	95,000,000	1,104,622	538,169	(320,087,233)	(223,444,442)	167,492,214	839,047,772	12,141,277	851,189,04€	
Total comprehensive income for the period	-	-	-	(834,953)	991,899	-	156,946	39,426,657	39,583,603	(243,170)	39,340,433	
Appropriation of consolidated profit of 2007												
Transfer to legal reserves and retained earnings	-	-	4,300,000	-	-	163,192,214	167,492,214	(167,492,214)	-	-	-	
Dividends distributed	26	-	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)	-	(85,000,000)	
Others		-	-	-	-	-	-	-	-	(10,371)	(10,371)	
Balance at 30 June 2008	<u>1,100,000,00€</u>	<u>(205,000,000)</u>	<u>99,300,000</u>	<u>269,669</u>	<u>1,530,068</u>	<u>(241,895,019)</u>	<u>(140,795,282)</u>	<u>39,426,657</u>	<u>793,631,37€</u>	<u>11,887,736</u>	<u>805,519,111</u>	
Balance at 1 January 2009	15	1,000,000,00€	-	99,300,000	3,666	(3,316,342)	(346,889,834)	170,993,512	920,091,002	11,201,548	931,292,550	
Total comprehensive income for the period		-	-	-	112,019	(1,810,449)	-	(1,698,430)	28,512,203	26,813,773	(833,408)	25,980,365
Appropriation of consolidated profit of 2008												
Transfer to legal reserves and retained earnings		-	-	14,700,000	-	-	156,293,512	170,993,512	(170,993,512)	-	-	
Dividends distributed	26	-	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)	(4,169)	(85,004,169)	
Changes in the consolidated perimeter	7	-	-	-	-	-	-	-	-	63,441,507	63,441,507	
Others		-	-	-	-	-	-	-	-	-	-	
Balance at 30 June 2009	15	<u>1,000,000,00€</u>	<u>-</u>	<u>114,000,000</u>	<u>115,685</u>	<u>(5,126,791)</u>	<u>(275,596,322)</u>	<u>28,512,203</u>	<u>861,904,77€</u>	<u>73,805,478</u>	<u>935,710,253</u>	

The accompanying notes are part of these condensed financial statements

The Board of Directors

SONAE DISTRIBUIÇÃO, SGPS, S.A.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 30 JUNE 2009 AND 2008
(Amounts expressed in euro)

(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

	Notes	IFRS			
		2009		2008	
		2 nd Quarter ¹	30-06-2009	2 nd Quarter ¹	30-06-2008
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		199,397,662	9,850,808	5,968,496	(95,520,240)
INVESTMENT ACTIVITIES:					
Cash receipts arising from:					
Financial Investments		-	1,000,000	29,930,561	30,163,103
Tangible and intangible assets		2,916,569	3,756,673	6,565,944	6,944,990
Interest and similar income		1,057,300	3,559,360	2,974,863	5,279,039
Dividends		200,000	200,000	150,169	150,169
Loans granted		10,972,814	11,972,814	-	-
		<u>15,146,683</u>	<u>20,488,847</u>	<u>39,621,537</u>	<u>42,537,301</u>
Cash Payments arising from:					
Financial Investments	7	(8,242,704)	(15,629,636)	(8,270,326)	(8,518,761)
Tangible and intangible assets		(65,768,134)	(171,361,503)	(51,287,496)	(119,863,924)
Loans granted		(7,577,250)	(9,703,500)	(2,426)	(3,982)
Others		(1,426)	(1,426)	-	-
		<u>(81,589,514)</u>	<u>(196,696,065)</u>	<u>(59,560,248)</u>	<u>(128,386,667)</u>
Net cash used in investment activities (2)		<u>(66,442,831)</u>	<u>(176,207,218)</u>	<u>(19,938,711)</u>	<u>(85,849,366)</u>
FINANCING ACTIVITIES:					
Cash receipts arising from:					
Loans obtained		3,565,300,588	5,388,224,838	1,847,000,000	2,829,250,000
Others		-	-	-	-
		<u>3,565,300,588</u>	<u>5,388,224,838</u>	<u>1,847,000,000</u>	<u>2,829,250,000</u>
Cash Payments arising from:					
Loans obtained		(3,570,933,098)	(5,141,951,213)	(1,750,082,504)	(2,555,516,005)
Interest and similar charges		(13,360,966)	(43,667,764)	(13,182,850)	(39,733,622)
Dividends		(85,004,170)	(85,004,170)	(85,000,000)	(85,000,000)
Others		(105,484)	(213,630)	(215,430)	(215,430)
		<u>(3,669,403,718)</u>	<u>(5,270,836,777)</u>	<u>(1,848,480,784)</u>	<u>(2,680,465,057)</u>
Net cash used in financing activities (3)		<u>(104,103,130)</u>	<u>117,388,061</u>	<u>(1,480,784)</u>	<u>148,784,943</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		28,851,701	(48,968,349)	(15,450,999)	(32,584,663)
Exchange rate effect		76,707	142,157	244,189	10,795
Cash and cash equivalents at the beginning of the period	14	14,115,459	91,870,059	46,901,882	64,268,940
Cash and cash equivalents at the end of the period	14	<u>43,043,867</u>	<u>43,043,867</u>	<u>31,695,072</u>	<u>31,695,072</u>

¹ Prepared in accordance with "IAS 34 - Interim Financial Reporting" and not subjected to independent review.
The accompanying notes are part of these condensed financial statements.

The Board of Directors

SONAE DISTRIBUIÇÃO, SGPS, S.A.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009

(Amounts expressed in Euro)

(Translation of notes to condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancies the Portuguese version prevails.)

1. INTRODUCTION

SONAE DISTRIBUIÇÃO, SGPS, S.A. (“the Company” or “Sonae Distribuição”), with head office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, is the Parent-company of a group of companies, as detailed in Notes 4, 5 and 6 (“Sonae Distribuição Group”).

The business activity of the group Sonae Distribuição is divided between the following segments: food retail basis, non food retail, investment management, retail real estate. The mentioned segments are described in the 27th note.

2. BASIS OF PRESENTATION

Annual financial statements are presented in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

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

It has been adopted for the first time the revised version of IAS 1 – Presentation of Financial Statements (effective since 1 January 2009), which caused some changes in the disclosures, but with no impacts in the results or in the financial position of the Group.

Additionally it has been adopted the IFRS 8 – Operating Segments, which caused a change in the segments reported by the Group (Note 27), but had no impact on financial position or results.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2008, except for the ones adopted for the first time, mentioned above.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION

The subsidiaries, its head offices and percentage of capital held as of 30 June 2009 and 31 December 2008 are as follows:

Firma	Head Office	% held 30.06.2009		% held 31.12.2008	
		Direct	Total	Direct	Total
Parent Company					
Sonae Distribuição SGPS, S.A.	Matosinhos				
Sonae Distribuição					
Arat Inmuebles, S.A.	Madrid (Espanha)	100.00%	100.00%	100.00%	100.00%
Azulino - Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
a) BB Food Service, S.A.	Maia	100.00%	100.00%	-	-
Bertimóvel - Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Best Offer – Prestação de Informações pela Internet, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Bikini, Portal de Mulheres, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
c) Bom Momento - Comércio Retalhista, S.A.	Maia	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%
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.	Lisboa	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Difusão - Sociedade Imobiliária, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Edições Book.it, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Efanor – Design e Serviços, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Estevão Neves - Hipermercados da Madeira, S.A.	Funchal	100.00%	100.00%	100.00%	100.00%
Farmácia Seleção, S.A.	Matosinhos	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%
d) Fundo de Investimento Imobiliário Fechado Imosedo	Maia	54.55%	54.55%	49.00%	49.00%
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%
b) Good And Cheap - Comércio Retalhista, S.A.	Matosinhos	100.00%	100.00%	-	-
b) Hipotética - Comércio Retalhista, S.A.	Matosinhos	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%
c) Just Sport - Comércio de Artigos de Desporto, S.A.	Matosinhos	100.00%	100.00%	-	-
Marcas MC, zRT	Budapeste (Hungria)	100.00%	100.00%	100.00%	100.00%
MJLF-Empreendimentos Imobiliários, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
Modalfa – Comércio e Serviços, S.A.	Maia	100.00%	100.00%	100.00%	100.00%
b) Modalloop - Vestuário e Calçado, S.A.	Matosinhos	100.00%	100.00%	-	-
Modelo - Distribuição de Materiais de Construção, S.A.	Maia	50.00%	50.00%	50.00%	50.00%
Modelo Continente – Operações de Retalho, S.G.P.S., S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, S.A.	Matosinhos	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 Seguros – Sociedade de Mediação, S.A.	Porto	75.00%	75.00%	75.00%	75.00%

Company	Head Office	% held 30.06.2009		% held 31.12.2008	
		Directo	Total	Directo	Total
		Modelo Hiper Imobiliária, S.A.	Maia	100.00%	100.00%
Modelo Hipermercados Trading, S.A.	Madrid(Espanha)	100.00%	100.00%	100.00%	100.00%
NA - Comércio de Artigos de Desporto, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
NA - Equipamentos para o Lar, S.A.	Matosinhos	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%
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%
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%
SIAL Participações, Ltda	São Paulo (Brasil)	100.00%	100.00%	100.00%	100.00%
Socijofra – Sociedade Imobiliária, S.A.	Gondomar	100.00%	100.00%	100.00%	100.00%
Sociloures – Sociedade Imobiliária, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Soflorin, B.V.	Amesterdão (Holanda)	100.00%	100.00%	100.00%	100.00%
Solaris Supermercados, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brasil, Ltda	São Paulo (Brasil)	100.00%	100.00%	100.00%	100.00%
Sonae Retalho Espanha – Servicios Generales, S.A.	Madrid (Espanha)	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.	Amesterdão (Holanda)	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%
Sport Zone Espanha - Comercio de Articulos de Deporte, S.A.	Madrid (Espanha)	100.00%	100.00%	100.00%	100.00%
Tlantic Portugal - Sistemas de Informação, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Tlantic Sistemas de Informação, Ltda	Porto Alegre (Brasil)	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%
c) Well W - Electrodomésticos e Equipamentos, S.A.	Matosinhos	100.00%	100.00%	-	-
Worten – Equipamentos para o Lar, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten Espanha Distribución, S.L.	Madrid (Espanha)	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio e Distribuição, S.A.	Matosinhos	100.00%	100.00%	100.00%	100.00%
Zippy - Comercio e Distribución, S.A.	Madrid (Espanha)	100.00%	100.00%	100.00%	100.00%

- a) Subsidiary incorporated on 13 February 2009.
b) Subsidiaries incorporated on 25 February 2009.
c) Subsidiaries incorporated on 27 February 2009.
d) Subsidiary included in the consolidation by the equity method in the last period, now being included through the full consolidation method, since there was a change in the percentage held as a consequence of the capital increase operation as of 29 May 2009.

These companies have been included in the consolidation by the full consolidation method taking into consideration that these companies are controlled by Sonae Distribuição, S.G.P.S., S.A..

5. JOINTLY CONTROLLED COMPANIES

The jointly controlled companies, their head offices, the percentage of the share capital held and their book value as at 30 June 2009 and 31 December 2008 are as follows:

Company	Head Office	% Held 30.06.2009		% Held 31.12.2008	
		Direct	Total	Direct	Total
		Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	50.00%
Nova Equador Internacional - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
Star Viagens e Turismo, S.A.	Lisbon	50.00%	50.00%	50.00%	50.00%
Raso, SGPS, S.A.	Lisbon	50.00%	50.00%	50.00%	50.00%
Geotur - Viagens e Turismo, S.A.	Lisbon	50.00%	50.00%	50.00%	50.00%
Marcas do Mundo - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
Movimento Viagens - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
Viajens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%
e) Puravida - Viagens e Turismo, S.A.	Lisbon	50.00%	50.00%	-	-

- e) Company acquired on the 13 May 2009.

These entities were consolidated using the proportionate consolidation method.

Aggregate amounts, excluding intragroup eliminations, corresponding to the percentage of capital held in these jointly controlled companies included in the financial statements for the period, using the proportionate consolidation method, can be summarised as follows:

	30.06.2009	31.12.2008
Non-current assets	33,712,299	32,979,413
Current Assets	24,322,491	23,608,916
Non-current liabilities	3,414,705	3,384,155
Current liabilities	27,646,251	24,677,123
Income	48,394,564	26,367,368
Expenses	49,931,104	27,296,543

During the first half of 2009 Sonae Distribuição Group sold the remaining participation held on Star Viagens e Turismo, S.A. capital (40%) to Raso S.G.P.S., S.A.. From this sale a 1,480,051 euro capital gain resulted, and was registered under the caption investment results.

6. INVESTMENTS IN ASSOCIATED COMPANIES

Associated companies balance, their head offices and the percentage of share capital held as at 30 June 2009 and 31 December 2008 are as follows:

Company	Head Office	% Held		% Held		Balance	
		30.06.2009		31.12.2008		30.06.2009	31.12.2008
		Direct	Total	Direct	Total		
a) Fundo de Investimento Imobiliário Fechado Imosede	Maia	-	-	49.00%	49.00%	-	62,809,585
Sonaegest - Soc. Gestora de Fundos de Investimento, S.A.	Maia	40.00%	40.00%	40.00%	40.00%	776,596	719,654
Sempre a Postos - Produtos Alimentares e Utilidades, S.A.	Lisbon	25.00%	25.00%	25.00%	25.00%	1,283,966	1,142,244
						2,060,562	64,671,483

a) Included in consolidation through the full consolidation method since May 2009.

Associated companies were consolidated using the equity method.

The aggregated values of main financial indicators of associated companies can be summarized as follows:

	Total Assets		Total Liabilities		Income		Net profit for the year	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Fundo de Investimento Imobiliário Fechado Imosede	-	145,208,519	-	17,721,259	-	47,387,840	-	25,606,150
Sonaegest - Soc. Gestora de Fundos de Investimento, S.A.	2,135,276	1,939,235	193,785	140,099	463,423	447,982	142,355	160,494
Sempre a Postos - Produtos Alimentares e Utilidades, S.A.	14,158,572	16,226,862	10,069,348	11,657,883	32,319,020	30,993,390	566,886	373,789
	16,293,848	163,374,616	10,263,133	29,519,241	32,782,443	78,829,212	709,241	26,140,433

During the periods ended 30 June 2009 and 2008, movements in investments in associated companies, are made up as follows:

<u>Investments in associated companies</u>	30.06.2009	30.06.2008
	Non-current	Non-current
Opening Balance	64,671,483	39,082,244
Transfers (note 7)	(61,380,677)	-
Equity method	(1,230,244)	109,978
Closing balance	2,060,562	39,192,222

7. CHANGES IN THE CONSOLIDATED PERIMETER

The most relevant acquisitions that occurred in the six months period ended 30 June 2009 were the ones that follow:

Acquisitions

Company	Head Office	% Held 30.06.2009		% Held 31.12.2008	
		Direct	Total	Direct	Total
		Fun do de Investimento Imobiliário Fechado Imosedede	Maia	54.55%	54.55%
Puravida - Viagens e Turismo, S.A.	Lisbon	50.00%	50.00%	-	-

The acquisitions mentioned above had the following impact on the consolidated financial statements for the six months period ended 30 June 2009:

	Imosedede	Puravida	Total
	Fair Value	Book Value	
Acquired net assets			
Tangible and intangible assets (Note 8)	145,466,691	6,987	145,473,678
Other current assets	10,880,766	32,040	10,912,806
Cash and cash equivalents	7,960,473	305,073	8,265,546
Deferred taxes	(3,110,940)	-	(3,110,940)
Other liabilities	(21,625,820)	(58,835)	(21,684,655)
	<u>139,571,170</u>	<u>285,265</u>	<u>139,856,435</u>
Goodwill (Note 9)	341,129	1,813,053	2,154,182
Badwill	(90,052)	-	(90,052)
Transfers of associated investments (Note 6)	(61,380,677)	-	(61,380,677)
Minority interests	(63,441,507)	-	(63,441,507)
Purchase amount	<u>15,000,063</u>	<u>2,098,318</u>	<u>17,098,381</u>
Payments made	15,000,063	429,932	15,429,995
Costs that arose from acquisition	-	84,193	84,193
Advances made (Note 10)	-	1,584,193	1,584,193
	<u>15,000,063</u>	<u>2,098,318</u>	<u>17,098,381</u>
Net cash outflow arising from acquisition			
Payments made	15,000,063	514,126	15,514,189
Cash and cash equivalents acquired	(7,960,473)	(305,073)	(8,265,546)
	<u>7,039,590</u>	<u>209,053</u>	<u>7,248,643</u>

The caption "Cash payments arising from financial investments" in the condensed consolidated cash flow statements besides the amount of cash payments shown in the table above (7,248,643 euro) includes, 6,574,720 euro relating adjustments to the purchase price of the affiliates Boulanger and Arat during the second half of 2008 and 1,806,273 euro relating other investments.

The impacts of the acquisitions, mentioned above, on the consolidated income statement were as follows:

Operational income	970,870
Operational expenses	(294,607)
Net financial expenses	<u>4,101</u>
Profit/(loss) before income tax	<u>680,364</u>
Income tax	(357,706)
Net profit/(loss) June 2009	<u><u>322,658</u></u>

If the above mentioned purchases had been reported with reference to 1 January 2009, the net profit/(loss) for the six months period ended 30 June 2009 would have changed by (1,944,153) euro and the total operational income by 2,911,876 euro.

8. TANGIBLE AND INTANGIBLE ASSETS

During the periods ended 30 June 2009 and 2008, movements in tangible and intangible assets as well as depreciation and accumulated impairment losses, were made up as follows:

Tangible assets - June 2009

	Land and buildings	Basic Equipment	Transport Equipment	Tools and fittings	Office Equipment	Other tangible assets	Tangible assets in progress a)	Advances on account of tangible assets b)	Total tangible
Gross cost:									
Opening balance	1,496,938,520	717,639,990	19,243,726	29,029,229	100,438,037	1,798,343	150,327,349	45,435,160	2,560,850,354
Changes in consolidation perimeter - Acquisitions	94,326,259	-	-	-	-	-	51,140,432	-	145,466,691
Investment	8,692,169	483,774	28,072	26,862	1,597,054	-	148,982,467	460,000	160,270,398
Disinvestment	(2,100)	(8,355,813)	(327,916)	(207,577)	(947,016)	(15,686)	(935,336)	-	(10,791,444)
Exchange rate effect	53,092	150,635	5,765	-	103,500	-	-	-	312,992
Transfers/write-off c)	20,397,242	108,900,548	1,182,654	3,806,437	4,654,243	12,533	(142,635,547)	(11,547,734)	(15,229,624)
Ending balance	1,620,405,182	818,819,134	20,132,301	32,654,951	105,845,818	1,795,190	206,879,365	34,347,426	2,840,879,367
Amortisation and losses for accumulated impairment									
Opening balance	192,480,780	340,961,819	14,532,932	20,345,679	66,543,019	1,684,856	-	-	636,549,085
Period depreciation	12,398,930	34,772,390	936,605	2,491,645	6,993,452	24,889	-	-	57,617,911
Disinvestment	(231)	(7,347,290)	(315,195)	(184,505)	(851,866)	(15,686)	-	-	(8,714,773)
Exchange rate effect	29,071	63,871	3,053	-	35,062	-	-	-	131,057
Transfers/write-off	(91)	(1,004,651)	(4,846)	(14,649)	(607,187)	(1,788)	-	-	(1,633,212)
Ending balance	204,908,459	367,446,139	15,152,549	22,638,170	72,112,480	1,692,271	-	-	683,950,068
Net book value	1,415,496,723	451,372,995	4,979,752	10,016,781	33,733,338	102,919	206,879,365	34,347,426	2,156,929,299

Tangible assets - June 2008

	Land and buildings	Basic Equipment	Transport Equipment	Tools and fittings	Office Equipment	Other tangible assets	Tangible assets in progress a)	Advances on account of tangible assets b)	Total tangible
Gross cost:									
Opening balance	1,373,226,659	611,940,338	17,360,019	25,992,678	99,895,259	1,776,285	108,991,496	30,054,376	2,269,237,110
Investment	3,343,264	422,058	28,114	34,381	1,345,892	-	96,576,687	5,973,460	107,723,856
Disinvestment	(1,944)	(6,891,362)	(313,549)	(87,052)	(462,912)	(1,755)	(51,247)	-	(7,809,821)
Exchange rate effect	12,437	35,554	1,369	-	23,083	-	-	-	72,443
Transfers/write-off	7,059,117	39,921,542	310,339	2,043,283	(6,775,713)	3,582	(74,069,646)	(900,000)	(32,407,496)
Closing balance	1,383,639,533	645,428,130	17,386,292	27,983,290	94,025,609	1,778,112	131,447,290	35,127,836	2,336,816,092
Amortisation and losses for accumulated impairment									
Opening balance	176,465,944	294,383,715	13,415,792	17,174,030	64,152,887	1,632,160	-	-	567,224,528
Period depreciation	10,821,297	27,706,471	715,364	2,314,901	6,967,794	23,404	-	-	48,549,231
Disinvestment	(1,944)	(5,815,398)	(277,219)	(82,214)	(413,422)	(1,755)	-	-	(6,591,952)
Exchange rate effect	6,408	12,578	535	-	6,608	-	-	-	26,129
Transfers/write-off	(2,449,586)	(258,569)	(33,072)	(52,868)	(9,493,648)	(887)	-	-	(12,288,630)
Ending balance	184,842,119	316,028,797	13,821,400	19,353,849	61,220,219	1,652,922	-	-	596,919,306
Net book value	1,198,797,414	329,399,333	3,564,892	8,629,441	32,805,390	125,190	131,447,290	35,127,836	1,739,896,786

Intangible assets - June 2009

	Development costs	Industrial property and other rights	Software	Premium period for property occupation rights	Other intangible assets	Intangible assets in progress a)	Total intangible
Gross cost:							
Opening balance	1,772,968	93,146,363	122,614,082	16,744,110	17,457	20,204,279	254,499,259
Changes in consolidation perimeter - Acquisitions	-	31,051	-	-	998	-	32,049
Investment	-	199,046	2,342	-	-	7,617,868	7,819,256
Disinvestment	-	-	(3,550)	-	-	-	(3,550)
Exchange rate effect	-	-	26,997	-	-	-	26,997
Transfers/write-off	-	805,395	1,944,920	-	-	(3,303,163)	(552,848)
Closing balance	1,772,968	94,181,855	124,554,791	16,744,110	18,455	24,518,984	261,791,163
Amortisation and losses for accumulated impairment losses							
Opening balance	1,516,052	8,010,594	64,555,623	16,127,634	-	-	90,209,903
Changes in consolidation perimeter - Acquisitions	-	25,062	-	-	-	-	25,062
Period depreciation	60,457	1,476,905	6,321,111	42,808	-	-	7,901,281
Disinvestment	-	-	(2,496)	-	-	-	(2,496)
Exchange rate effect	-	-	15,595	-	-	-	15,595
Transfers/write-off	-	(47,020)	(1,880)	-	-	-	(48,900)
Ending balance	1,576,509	9,465,541	70,887,953	16,170,442	-	-	98,100,445
Net book value	196,459	84,716,314	53,666,838	573,668	18,455	24,518,984	163,690,718

Intangible assets - June 2008

	Development costs	Industrial property and other rights	Software	Premium period for property occupation rights	Intangible assets in progress	Total intangible
Gross cost:						
Opening balance	469,507	88,603,953	107,561,601	13,863,815	16,263,339	226,762,215
Investment	-	95,054	55,367	-	6,578,819	6,729,240
Disinvestment	-	(485)	-	-	(558,941)	(559,426)
Exchange rate effect	-	-	5,773	-	-	5,773
Transfers/write-off	-	275,350	5,453,606	(352,472)	(6,133,415)	(756,931)
Ending balance	469,507	88,973,872	113,076,347	13,511,343	16,149,802	232,180,871
Amortisation and losses for accumulated impairment						
Opening balance	241,993	5,175,682	53,824,561	12,960,714	-	72,202,950
Period depreciation	46,951	1,134,906	4,890,984	66,342	-	6,139,183
Disinvestment	-	(461)	-	-	-	(461)
Exchange rate effect	-	-	2,797	-	-	2,797
Transfers/write-off	-	-	(253)	(352,472)	-	(352,725)
Ending balance	288,944	6,310,127	58,718,089	12,674,584	-	77,991,744
Net book value	180,563	82,663,745	54,358,258	836,759	16,149,802	154,189,127

a) Most significant values included in the caption “Tangible and intangible assets in progress” refer to the following projects:

	30.06.2009	30.06.2008
Refurbishment and expansion of stores	147,162,637	127,736,001
Renewal of the business park in Maia	58,910,612	-
Installation licenses	7,453,831	4,721,144
Software projects	17,048,825	11,327,025
Others	822,444	3,812,922
	<u>231,398,349</u>	<u>147,597,092</u>

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

c) The transfers for the caption “Advance on account of tangible assets” includes 7,450,000 euro, that refer to the repeal of two contracts for stores of the associated company Continente Hipermercados, S.A. (ex-Carrefour), that led to the recovery of the mentioned advances. Additionally it's included under this caption an amount of approximately 3,100,000 euro related with recoverable VAT.

9. GOODWILL

During the periods ended 30 June 2009 and 31 December 2008, movements in goodwill, as well as in the corresponding impairment losses, were made up as follows:

	30.06.2009	31.12.2008
Gross value:		
Opening balance	529,211,677	521,729,135
New companies in the consolidation perimeter (Note 7)	1,813,053	10,217,517
Increases	-	6,659,286
Transfers (Note 7)	341,129	-
Decreases	-	(9,394,261)
Closing balance	<u>531,365,859</u>	<u>529,211,677</u>
Accumulated impairment losses (note 21):		
Opening balance	8,191,583	1,374,226
Increases	-	6,817,357
Closing balance	<u>8,191,583</u>	<u>8,191,583</u>
Net book value	<u>523,174,276</u>	<u>521,020,094</u>

Goodwill is allocated to each business segments, being afterwards distributed by each cash generating unit inside each format, namely each of the retail brands and individual stores.

Goodwill allocation to real estate is done to each existing real-estate at acquisition date.

Impairment tests on Goodwill are performed on an annual basis, whenever there are evidences that goodwill could be in impairment.

As at 30 June 2009 and 31 December 2008, goodwill is made up as follows:

	30.06.2009	31.12.2008
Food retail brands	429,826,294	429,826,294
Non food retail brands	61,679,282	61,679,282
Investments management	24,317,799	22,504,745
Retail real estate	7,350,901	7,009,772
	<u>523,174,276</u>	<u>521,020,094</u>

10. OTHER INVESTMENTS

As at 30 June 2009 and 2008, this caption is as follows:

	30.06.2009		30.06.2008	
	Non-current	Current	Non-current	Current
<u>Other financial investments</u>				
Opening balance at 1 January	787,936	60,956,595	785,486	56,093,108
Purchases during the period	-	1,806,302	-	5,219,106
Disposals during the period	-	(10,780,843)	-	-
Increase/(decrease) in fair value	-	877,220	-	236,109
Closing balance at 30 June	787,936	52,859,274	785,486	61,548,323
Accumulated impairment losses (Note 21)	(13,159)	-	(26,316)	-
Closing balance at 30 June	774,777	52,859,274	759,170	61,548,323
<u>Derivative financial instruments</u>				
Fair value at 1 January	-	1,849,128	-	1,115,629
Purchases during the period (Note 17)	-	128	-	1,513
Disposals during the period	-	(72,494)	-	(1,971)
Increase/(decrease) in fair value	-	(1,776,634)	-	995,074
Closing balance at 30 June	-	128	-	2,110,245
<u>Advances for Financial Investments</u>				
Opening balance at 1 January	1,584,193	-	240,000	-
Purchases during the period (Note 7)	(1,584,193)	-	-	-
Closing balance at 30 June	-	-	240,000	-
	774,777	52,859,402	999,170	63,658,568

Under the caption other financial investments is recorded an amount of 45,139,650 euro (56,094,121 euro as of 30 June 2008) related to deposited amounts on an Escrow Account which are applied 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 recorded (Note 21).

In accordance with the guarantee schedule, the amount deposited in the Escrow account should have already been fully paid to the Company, however there are some differences of opinion that are being negotiated between parties implying the delay of its release. The management, based on Portuguese and Brazilian lawyer's legal opinions, believes that no impairment loss should be recognized and that the amount deposited in the Escrow account will be fully paid in the short term.

The caption "Other current investments" includes a financial application (BRL) amounting as at 30 June 2009 to 7,713,861 euro. This application bears interest at usual market rate.

11. OTHER NON CURRENT ASSETS

As at 30 June 2009 and 31 December 2008, other non-current assets are detailed as follows:

	30.06.2009	31.12.2008
Trade accounts receivable and other debtors	2,630,616	2,284,632
	2,630,616	2,284,632

Most significant values included in "Trade accounts receivable and other debtors" refer to:

a) 749,201 euro (634,470 euro as at 31 December 2008) related to legal deposits made by a Brazilian subsidiary, for which are recorded the correspondent liabilities in the caption "Other creditors" (Note 18), with no defined maturity.

b) 1,881,415 euro (1,638,156 euro as at 31 December 2008) related with guarantees of lease contracts of group stores located in Spain, which are not past due at this date.

12. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2009 and 31 December 2008, trade accounts receivable and other current assets are as follows:

	<u>30.06.2009</u>	<u>31.12.2008</u>
Clients	43,357,424	45,954,326
Tax and contributions receivable	52,340,940	31,480,470
Other debtors	117,587,803	121,546,416
Advances to fixed assets suppliers	810,971	389,736
Other current assets	<u>88,540,352</u>	<u>35,391,992</u>
	302,637,490	234,762,940
Accumulated Impairment losses (Note 21)	<u>(27,268,730)</u>	<u>(24,857,677)</u>
	<u><u>275,368,760</u></u>	<u><u>209,905,263</u></u>

The caption "Other debtors" is essentially composed by receivables related to: (i) debtor balances of suppliers in a total amount of 65,702,821 euro (74,985,105 euro in 31 December 2008); (ii) the amount of 14,576,053 euro (the same amount as at 31 December 2008) described as Special Regime for the Settlement of Debts to the Tax Authorities and Social Security, which refers to taxes paid that are being disputed and subject to reimbursement claims. The Board of Directors believes that the outcome of these claims will be favourable to the Group; (iii) recoverable VAT, that was originated by property transactions, in a total amount of 8,573,631 euro (5,217,586 euro as at 31 de December 2008); (iv) a receivable amount of 6,651,202 euro (6,948,162 euro as at 31 December 2008) resulting from the disposal of a tangible asset held by a Brazilian subsidiary.

The caption "Other current assets" is essentially composed by receivable interests amounting to 297,157 euro (1,469,109 euro on 31 December 2008); an amount of 69,595,708 euro of receivable discounts from suppliers (17,377,253 euro on 31 December 2008); receivable commissions amounting to 1,809,525 euro (1,586,611 euro on 31 December 2008); 5,027,758 euro of rents paid in advance (4,407,778 euro on 31 December 2008) and insurance paid in advance amounting to 3,351,905 euro (2,714,292 euro in 31 December 2008).

13. DEFERRED TAX

Deferred tax assets and liabilities as at 30 June 2009 and 31 December 2008 are as follows, taking into consideration its temporary differences:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
Fair value allocation	2,670,995	3,845,829	25,919,770	24,038,802
Amortisation and Depreciation harmonisation adjustments	23,402	16,129	43,139,230	39,264,318
Provisions and impairment losses not accepted for tax purposes	6,293,470	6,773,980	-	-
Write-off of tangible and intangible assets	8,740,574	9,289,029	-	-
Goodwill amortisation	-	-	10,470,024	6,980,016
Write-off of deferred costs	-	-	23,912	26,697
Valuation of derivatives	2,047,072	1,423,045	34	490,019
Reinvested capital gains	-	-	2,769,137	2,257,793
Revaluation of tangible fixed assets	-	-	2,201,930	2,279,573
Exchange differences not taxed	-	-	1,313,601	5,326,355
Tax losses carry forward	56,820,654	44,487,390	-	-
Others	<u>532,085</u>	<u>1,591,414</u>	<u>44,560</u>	<u>518,792</u>
	<u><u>77,128,252</u></u>	<u><u>67,426,816</u></u>	<u><u>85,882,198</u></u>	<u><u>81,182,365</u></u>

As at 30 June 2009 and 31 December 2008, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carry forward can be summarised as follows:

	30.06.2009			31.12.2008		
	Tax losses	Deferred tax assets	Expiry Date	Tax losses	Deferred tax assets	Expiry Date
With limited time use						
Generated in 2003	310,145	77,536	2009	464,904	116,226	2009
Generated in 2004	212,609	53,152	2010	212,609	53,152	2010
Generated in 2005	196,781	49,195	2011	196,781	49,196	2011
Generated in 2006	387,074	96,769	2012	387,074	96,768	2012
Generated in 2007	23,731,317	5,932,829	2013	23,480,028	5,870,008	2013
Generated in 2008	4,179,476	1,044,869	2014	4,624,321	1,156,080	2014
Generated in 2009	10,126,712	2,531,678	2015			
	<u>39,144,114</u>	<u>9,786,028</u>		<u>29,365,717</u>	<u>7,341,430</u>	
With a time limit different from the above mentioned	155,461,349	46,638,405		118,469,447	35,540,834	
Without limited time use	<u>1,165,356</u>	<u>396,221</u>		<u>4,720,959</u>	<u>1,605,126</u>	
	<u>195,770,819</u>	<u>56,820,654</u>		<u>152,556,123</u>	<u>44,487,390</u>	

Deferred tax assets recognized were assessed and only recognized to the extent it is probable that sufficient taxable profits will be available in the future against which the deferred tax assets can be used, or when taxable temporary differences are recognized by the same entity and expected to reverse in the same period. This assessment was based on business plans of Sonae Distribuição companies, which are periodically reviewed and updated, and on identified and available tax planning opportunities.

The caption "Deferred tax assets" includes the amount 22,301,798 euro (18,240,105 euro as at 31 December 2008) relating to tax losses carried forward of Worten España, S.L.. The company business plan refers the expectation to recover the tax losses between 4 and 8 years. The fiscal term to recover these losses is 15 years since the year the tax loss is generated.

As at 30 June 2009 the Company had carry forward tax losses in the amount of 50,812,783 euro (35,431,056 euro as at 31 December 2008) for which no deferred tax asset were recognized for prudential reasons.

	30.06.2009			31.12.2008		
	Tax Losses	Deferred tax assets not recognized	Expiry Date	Tax Losses	Deferred tax assets not recognized	Expiry Date
With limited time use						
Generated in 2003	243,228	60,808	2009	297,644	74,411	2009
Generated in 2004	292,987	73,247	2010	329,687	82,422	2010
Generated in 2005	-	-	2011	-	-	2011
Generated in 2006	161,837	40,459	2012	161,837	40,459	2012
Generated in 2007	754,657	188,665	2013	754,657	188,664	2013
Generated in 2008	4,588,056	1,147,015	2014	4,358,286	1,089,571	2014
Generated in 2009	1,337,396	334,349	2015			
	<u>7,378,161</u>	<u>1,844,543</u>		<u>5,902,111</u>	<u>1,475,527</u>	
With limited time use different from the mentioned above	35,261,318	9,689,424		27,046,989	7,459,955	
Without limited time use	<u>8,173,304</u>	<u>2,778,923</u>		<u>2,481,956</u>	<u>843,865</u>	
	<u>50,812,783</u>	<u>14,312,890</u>		<u>35,431,056</u>	<u>9,779,347</u>	

14. CASH AND CASH EQUIVALENTS

As at 30 June 2009 and 31 December 2008 cash and cash equivalents are can be detailed as follows:

	30.06.2009	31.12.2008
Cash at hand	5,680,357	5,715,220
Bank deposits	43,444,919	109,368,864
Treasury investments	-	34,996
Cash and cash equivalents on the balance sheet	49,125,276	115,119,080
Bank overdrafts (Note 16)	(6,081,409)	(23,249,021)
Cash and cash equivalents on the statement of cash flows	43,043,867	91,870,059

Bank overdrafts, are recorded in the balance sheet under the caption Current loans.

15. SHARE CAPITAL AND RESERVES

As at 30 June 2009, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares which do not hold right to any fixed income, with a nominal value of 1 Euro each.

As at 30 June 2009, the subscribed share capital was held as follows:

Entity	%
Sonae, SGPS, S.A.	82.48
Sonae Investiments, BV	17.52

As of 30 June 2009, Efanor Investimentos S.G.P.S., S.A. and its subsidiaries held 52.98% of the share capital of Sonae, SGPS, S.A..

During the 2nd semester of 2008 the Company reduced its share capital in 100,000,000 shares through the extinction of own shares acquired, with an acquisition cost of 205,000,000 euro.

16. LOANS

As at 30 June 2009 and 31 December 2008, loans are made up as follows:

	30.06.2009				31.12.2008			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non current	Current	Non current	Current	Non Current	Current	Non Current
Bank loans	176,325,666	369,539,835	176,333,333	369,666,667	20,000,000	230,000,000	20,000,000	230,000,000
Bonds	-	1,051,633,390	-	1,056,925,000	99,978,611	1,001,716,603	100,000,000	1,006,925,000
Bank overdrafts (Note 14)	6,081,409	-	6,081,409	-	23,249,021	-	23,249,021	-
	182,407,075	1,421,173,225	182,414,742	1,426,591,667	143,227,632	1,231,716,603	143,249,021	1,236,925,000
Other loans	24,875	231,727	24,875	231,727	35,487	241,328	35,487	241,328
Derivatives (Note 17)	8,895,098	-	n.a	n.a	5,369,980	-	n.a	n.a
	8,919,973	231,727	24,875	231,727	5,405,467	241,328	35,487	241,328
Obligations under finance leases	3,739,425	10,667,932	3,739,425	10,667,932	4,280,464	11,109,980	4,280,464	11,109,980
	195,066,473	1,432,072,884	186,179,042	1,437,491,326	152,913,563	1,243,067,911	147,564,972	1,248,276,308

The repayment schedule of Borrowings (including bank loans and obligations under finance leases) is summarized as follows:

	30.06.2009		31.12.2008
	<u>Capital</u>		<u>Capital</u>
N+1	186,179,042	N+1	147,564,972
N+2	71,386,634	N+2	68,728,626
N+3	302,881,991	N+3	82,894,574
N+4	170,433,874	N+4	350,766,043
N+5	177,165,777	N+5	155,789,127
N+6	357,183,872	N+6	230,820,063
After N+6	358,439,178	After N+6	359,277,875
	<u>1,623,670,368</u>		<u>1,395,841,280</u>

BOND LOANS

Bond loans can be detailed as follows:

Modelo Continente / 2003	82,000,000 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 September / 2007/2015	310,000,000 EUR
Sonae Distribuição / 2009/2014	50,000,000 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.

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 - 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.

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 dates of the loan, except if 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.

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 dates 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.

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 dates 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.

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.

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.

Bonds – SONAE DISTRIBUIÇÃO – 2009/2014

1,000 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.

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

Redemption: 6 (six) half yearly successive instalments, starting on the 5th interest payment date (each one with a “Redemption Instalment”), always matching with an interest payment date, reducing the nominal value, according to the redemption plan as follows:

i) €8,000,000 (eight million euro), on the 5th, 6th, 7th, 8th and 9th interest payment date;

ii) €10,000,000 (ten million euro), on the 10th interest payment date.

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

The average interest rate for bond loans, for the semester ended at 30 June 2009, was on average 2.58%.

Modelo Continente/2004 Bond Loan of 100,000,000 euro, was totally reimbursed on the 18th March 2009, according to issuance conditions.

Other Loans – non current

At 30 June 2009 this caption corresponds to repayable grants from IAPMEI under the Measure of Support to the Energy Potential and Rationalization (MAPE). These grants do not bear interests and were attributed by a 12 years period, with a grace period of 3 years redemption after attribution. The grants will be reimbursed in half-yearly instalments, occurring the first six months after the grace period. At present, 24,875 euro are classified as “Other loans – currents”.

Bank loans

This caption includes an amount of 20,000,000 euro related to a term loan contracted during March 2009 (3,333,333 euro are registered as current and 16,666,667 euro as non-current).

Additionally, includes 353,000,000 euro related with the issue of commercial paper programmes available for 5 years commitment, and to a 475,000,000 euro limit. Since Sonae Distribuição intends to keep these loans for a period superior to one year, those were recorded as non-current.

This caption also includes the issue of short term commercial paper in the amount of 173,000,000 euro.

17. DERIVATIVES
Exchange rate derivatives

The Group uses exchange rate derivatives, according to its risk management policy.

As at 30 June 2009 and 31 December 2008, the fair value of the exchange rate derivatives, calculated taking into consideration the present market value of equivalent financial instruments, is estimated as follows:

	<u>30.06.2009</u>	<u>31.12.2008</u>
Assets (Note 10)	128	72,494
Liabilities (Note 16)	749,572	(475,848)
	<u>749,700</u>	<u>(403,354)</u>

Gains or losses for the year arising from changes in the fair value of derivative financial instruments amounted (346,090) euro ((124,202) euro in 2008), were recorded directly in the income statement in the caption “Net Operating Expenses”.

Interest rate derivatives

As at 30 June 2009, the derivatives used by the Group essentially refer to swaps. These were negotiated to hedge the interest rate risk inherent to bank loans borrowed by the Group. According to the accounting policies adopted, these derivatives were classified as hedging instruments.

Its fair value amounts to:

	<u>30.06.2009</u>	<u>31.12.2008</u>
Assets	-	1,776,634
Liabilities	(8,145,526)	(4,894,132)
	<u>(8,145,526)</u>	<u>(3,117,498)</u>

These interest rate derivatives were booked at fair value, at the balance sheet date, based on valuations performed within the Group using specific software and on external valuations when this software does not deal specific instruments.

Fair value of derivatives

The fair value of the derivatives is detailed as follows:

	Assets (note 10)		Liabilities (note 16)	
	<u>30.06.2009</u>	<u>31.12.2008</u>	<u>30.06.2009</u>	<u>31.12.2008</u>
Hedging derivatives	-	1,776,634	8,145,526	4,894,132
Other derivatives	128	72,494	749,572	475,848
	<u>128</u>	<u>1,849,128</u>	<u>8,895,098</u>	<u>5,369,980</u>

18. OTHER NON CURRENT LIABILITIES

As at 30 June 2009 and 31 December 2008 "Other non-current liabilities" were made up as follows:

	<u>30.06.2009</u>	<u>31.12.2008</u>
Participating companies (Note 23)	10,481,188	10,500,460
Fixed Assets suppliers	1,312,500	-
Other non current trade accounts payable	785,073	664,848
Share based payments (Note 19)	<u>987,860</u>	<u>523,086</u>
	<u>13,566,621</u>	<u>11,688,394</u>

As at 30 June 2009 and 31 December 2008, the caption "Other non-current trade accounts payable" refers mainly to the estimated amounts to fulfil the legal and tax obligations of a Brazilian subsidiary 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 liabilities" (Note 11), with no defined maturity.

The amount payable to participating companies refers to a shareholders' loan granted by a minority shareholder to a subsidiary that bears interest at usual market rate. The fair value of this loan is similar to its book value, with no defined maturity.

19. SHARE BASED PAYMENT PLANS

In 2009 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 purchase can be exercised during the period between the third anniversary of the grant date and the end of that year. The company has the choice to settle its responsibilities in cash rather than through shares. The option can only be exercised if the employee still works for the Sonae Group at the vesting date.

Liabilities arising from deferred performance bonuses as at 30 June 2009 and 31 December 2008 are made up as follows:

	Year of grant	Vesting year	Number of participants	Fair value	
				<u>30.06.2009</u>	<u>31.12.2008</u>
Shares					
	2006	2009	40		508,264
	2007	2010	40	677,350	429,971
	2008	2011	42	1,118,438	709,315
	2009	2012	42	<u>2,571,852</u>	
Total				<u>4,367,640</u>	<u>1,647,550</u>

The amount recorded in the financial statements as at 30 June 2009 and 31 December 2008, that are related to the responsibilities incurred from the date in which each plan was granted to the period then ended, can be presented as follows:

	<u>30.06.2009</u>	<u>31.12.2008</u>
Recorded as non-current liabilities (Note 18)	987,860	523,086
Recorded as other current liabilities (Note 20)	564,459	508,264
Recorded in profit and loss in previous years	<u>(298,073)</u>	<u>(2,735,184)</u>
Recorded in staff costs	<u>1,254,246</u>	<u>(1,703,834)</u>

The share based payment plans costs are recognized during the years between the grant and vesting date as payroll costs.

20. SUPPLIERS AND OTHER CURRENT LIABILITIES

As at 30 June 2009 and 31 December 2008 this caption can be detailed as follows:

	30.06.2009	31.12.2008
Suppliers	870,435,781	898,101,628
Participated and participating companies	1,050,154	782,843
a) Other accounts payable	46,278,534	46,794,863
Fixed assets suppliers	99,353,572	104,851,843
Taxes and contribution payables	30,817,097	35,975,550
b) Accrued costs	144,381,580	147,113,377
Deferred income	1,055,065	1,324,084
Share based payments (Note 19)	564,459	508,264
	<u>1,193,936,242</u>	<u>1,235,452,452</u>

a) The caption "Other accounts payable" includes an amount of 26,282,605 euro (20,680,677 euro as of 31 December 2008) related to means of payments withheld by clients, namely, vouchers, gift cards and discount coupons, which were granted under the loyalty project "Cartão Cliente" and not yet used.

b) The caption "Accrued costs" includes: i) personnel costs amounting to 88,882,744 euro (81,422,113 euro as at 31 December 2008); ii) accrued interests of 9,366,911 euro (22,419,351 euro as at 31 December 2008); iii) advertising costs of 5,911,705 euro (7,886,789 euro as at 31 December 2008); iv) other external supplies and services amounting to 24,222,374 euro (19,553,604 euro as at 31 December 2008); v) rents 6,098,758 euro (6,151,609 euro as at 31 December 2008); vi) Real Estate Municipality tax of 3,495,711 euro (3,287,268 euro as at 31 December 2008); and vii) import expenses in the amount of 4,487,138 euro (3,938,231 euro as at 31 December 2008).

21. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and impairment losses" for the six months period, ended 30 June 2009 and 2008 were as follows:

Captions	31.12.2008	Increases a)	Decreases	Final 30.06.2009
Accumulated impairment losses on investments (Note 10)	13,159	-	-	13,159
Accumulated impairment losses on goodwill (Note 9)	8,191,583	-	-	8,191,583
Accumulated impairment losses on trade accounts receivable (Note 12)	12,717,269	573,877	(217,347)	13,073,799
Accumulated impairment losses on other debtors (Note 12)	12,140,408	2,095,997	(41,474)	14,194,931
Accumulated impairment losses - inventories	18,510,507	2,239,516	(5,341,407)	15,408,616
Provisions	15,268,317	766,235	(2,817,926)	13,216,626
	<u>66,841,243</u>	<u>5,675,625</u>	<u>(8,418,154)</u>	<u>64,098,714</u>

Captions	31.12.2007	Increases	Decreases	Final 30.06.2008
Accumulated Impairment losses on Investments (Note 10)	26,316	-	-	26,316
Accumulated Impairment losses on goodwill (Note 9)	1,374,226	-	-	1,374,226
Accumulated impairment losses on trade accounts receivable (Note 12)	12,771,387	830,337	(144,452)	13,457,272
Accumulated Impairment losses on other debtors (Note 12)	8,620,872	1,483,568	(10,068)	10,094,372
Accumulated Impairment losses - Inventories	16,095,728	8,028,441	(8,072,187)	16,051,982
Provisions	21,456,707	-	(321,218)	21,135,489
	<u>60,345,236</u>	<u>10,342,346</u>	<u>(8,547,925)</u>	<u>62,139,657</u>

a) Increases include 1,076,161 euro of exchange rate effect over opening balances.

Impairment losses are deducted from the corresponding asset carrying amount.

Provisions caption includes 6,900,914 euro (6,016,688 euro as of 31 December 2008) relating to contingencies assumed by the company, when selling the subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred.

22. CONTINGENT ASSETS AND LIABILITIES

	30.06.2009	31.12.2008
Guarantees rendered:		
relating to tax claims awaiting outcome	192,554,262 a)	113,907,257
related to local and municipal claims awaiting outcome	16,801,229	23,255,089
Others	37,804,999 b)	43,437,911

a) Includes guarantees amounting to 126,729,786 euro (82,679,557 euro as at 31 December 2008) as well as 60,459,525 euro (24,212,158 euro as at 31 December 2008) related to appeals against additional corporate income tax and VAT assessments, respectively.

b) Includes guarantees of 8,552,357 euro (9,170,327 euro as at 31 December 2008) related to VAT reimbursement requests.

The subsidiary Sonae Capital Brasil, Ltda rendered a guarantee amounting to 26,448,145 euro (BRL 72,649,760), (21,856,170 euro – BRL 70,892,539, as at 31 December 2008) on a tax claim related to income tax, which is being judged by tax courts.

As a consequence of the sale of a subsidiary company in Brazil, the Group guaranteed the buyer all the losses incurred by that company arising on unfavourable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 30 June 2009, the amount claimed by the Brazilian Tax Authorities concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, amount to near 2.5 million euro.

Furthermore, there are other tax lawsuits relating to the sold subsidiary totalling 71 million euro (65 million euro as at 31 December 2008, being that the variation is mainly caused by the exchange rate effect) for which the Board of Directors, based on the external lawyers' assessment, understand, will not imply losses to the sold subsidiary, above the referred 40 million euro.

No provision has been recorded in order to face possible risks arising from these processes, as the Board of Directors believes that they will be solved without arising additional liabilities to the Group.

23. RELATED PARTIES

Balances and transactions with related parties as of 30 June 2009 and 31 December 2008 are detailed as follows:

Transactions	Sales and services rendered		Purchases and services attained		Interest income		Interest expense	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Parent company	220,126	299,157	806,682	272,585	-	-	136,710	176,862
Associated companies	542,216	782,678	157,782	173,185	-	-	-	-
Participated companies	24,865,903	25,273,084	-	-	-	-	-	-
Participating companies	-	-	-	-	-	-	159,409	239,279
Jointly controlled companies	415,685	-	1,012,598	-	88,629	-	2,162	-
Other related parties ¹	2,921,600	7,137,946	44,341,400	40,577,787	-	-	-	-
	<u>28,965,530</u>	<u>33,492,865</u>	<u>46,318,462</u>	<u>41,023,557</u>	<u>88,629</u>	<u>-</u>	<u>298,281</u>	<u>416,141</u>

Transactions of Fixed Assets	Purchase of assets		Disposal of assets	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Parent company	-	-	-	50,000
Associated companies	-	-	-	-
Participated companies	39	-	2,527	-
Jointly controlled companies	1,495	-	4,089,324	-
Other related parties ¹	19,559,862	9,387,010	(84,079)	8,610
	<u>19,561,396</u>	<u>9,387,010</u>	<u>4,007,772</u>	<u>58,610</u>

Balances	Accounts receivable		Accounts payable		Loans			
	30.06.2009	31.12.2008	30.06.2009	31.12.2008	Obtained		Granted	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008	30.06.2009	31.12.2008	30.06.2009	31.12.2008
Parent company	441,309	343,935	1,519,419	168,426	-	-	-	-
Associated companies	2,274,088	4,630,548	67,874	39,082	-	-	-	-
Participated companies	10,253,034	10,623,607	25,737	-	-	-	-	-
Participating companies (Note 18)	-	-	159,409	-	10,481,188	10,481,188	-	-
Jointly controlled companies	240,040	5,029,706	238,189	6,614,454	31,000	126,000	3,018,522	4,223,500
Other related parties ¹	11,268,065	15,699,086	40,269,246	43,719,433	-	-	-	1,000,000
	<u>24,476,536</u>	<u>36,326,882</u>	<u>42,279,874</u>	<u>50,541,395</u>	<u>10,512,188</u>	<u>10,607,188</u>	<u>3,018,522</u>	<u>5,223,500</u>

(1) The affiliated or jointly controlled companies of Grupo Efanor, not included in Sonae Distribuição Group as at 30 June 2009 are considered as Other related parties.

Apart from the above mentioned transactions there are no other transactions with related companies.

As of 30 June 2009 and 2008, and as of 31 December 2008 there were no transactions with key management staff or Directors of the Company, nor loans were granted to them.

The recorded amounts as Obtained Loans from participating companies refer to loans conceded to subsidiaries by its shareholders, which bear interests at market rates.

24. INCOME TAX

Income tax for the six months period ended 30 June 2009 and 2008 is detailed as follows:

	30.06.2009	30.06.2008
Current tax	7,846,595	3,210,607
Deferred tax	(7,200,565)	(3,693,766)
	<u>646,030</u>	<u>(483,159)</u>

25. EARNINGS PER SHARE

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

	<u>2nd Quarter 2009</u>	<u>30.06.2009</u>	<u>2nd Quarter 2008</u>	<u>30.06.2008</u>
Net profit				
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	27,097,308	28,512,203	30,186,443	39,426,657
Net profit taken into consideration to calculate diluted earnings per share:	<u>27,097,308</u>	<u>28,512,203</u>	<u>30,186,443</u>	<u>39,426,657</u>
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,000,000,000	1,000,000,000	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>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Profit/(Loss) per share (basic and diluted)	0.03	0.03	0.03	0.04

26. DIVIDENDS

In the Shareholders Annual General Meeting held on the 1st of April 2009, the payment of a gross dividend 0.085 euro per share (same value in 2008) corresponding to a total of 85,000,000 euro was approved.

27. SEGMENT INFORMATION

The Group adopted for the first time in 2009 the IFRS 8 - Operating Segments, which implies that the information to be disclosed by operating segments is reported consistently with the one reported to the board of directors. On the other hand, the IAS 14 - Segment Reporting, standard adopted by the group in reports of previous periods, implied the entities to present their segments within two natures (Geographic and Business) in accordance with risks and benefits. Consequently, the definition of the segments were changed.

The operating segments are as follows:

- Food retail
- Non food retail
- Investment management
- Retail real estate

The contribution of the major segments for the six months period ended 30 June 2009 and 2008 can be detailed as follows:

30 June 2009	<u>Food retail</u>	<u>Non food retail</u>	<u>Investment management</u>	<u>Retail real estate</u>	<u>Eliminations and adjustments</u>	<u>Total</u>
Turnover	1,490,745,621	473,094,205	82,525,874	59,914,108	(58,361,772)	2,047,918,036
Ex-Fuel	1,428,157,957	473,094,205	82,525,874	59,914,108	(58,361,772)	1,985,330,372
Fuel	62,587,664	-	-	-	-	62,587,664
EBITDA	69,263,055	1,996,767	(1,364,366)	56,826,389	-	126,721,845
EBIT	33,721,128	(14,318,655)	(3,589,737)	43,997,278	-	59,810,014
Net capital employed	566,549,512	308,111,757	83,565,056	1,512,208,199	-	2,470,434,524
Sales area [.000m2]	499	266	67	-	-	832

	Food retail	Non food retail	Investment management	Retail real estate	Eliminations and adjustments	Total
30 June 2008						
Turnover	1,400,674,286	379,259,649	95,904,061	53,610,188	(50,056,579)	1,879,391,605
Ex-Fuel	1,327,520,641	379,259,649	95,904,061	53,610,188	(50,056,579)	1,806,237,960
Fuel	73,153,645	-	-	-	-	73,153,645
EBITDA	55,515,700	12,020,450	2,383,158	56,735,631	-	126,654,939
EBIT	23,131,197	716,993	421,935	45,617,017	-	69,887,142
Net capital employed	550,836,515	218,107,214	82,714,758	1,332,773,513	-	2,184,432,000
Sales area [.000m2]	468	194	63	-	-	725
31 December 2008						
Net capital employed	483,262,439	175,597,561	86,226,162	1,414,522,193	-	2,159,608,355
Sales area [.000m2]	492	247	70	-	-	809

Food retail

Includes the contribution of the business activity of the company related to food retail (Continente, Modelo, Bom Bocado, Área Saúde and Book.it) and petrol (operated under Continente).

Non food retail

Includes the contribution of the business activity of the company related to non food retail (Worten, Worten Mobile, Vobis, Sport Zone, Loop, Modalfa and Zippy).

Investment Management

Includes the contribution of the Group activity associated to travel agencies and Maxmat.

Retail real estate

Includes the contribution of real estate assets managed by Sonae Distribuição, mainly commercial galleries attached to Continente and Modelo units.

Consolidation adjustments

Includes consolidation adjustments and intragroup eliminations. This amount includes mainly, in the turnover component, the elimination of rents charged by the retail real estate segment to other segments of the Group.

Operational cash-flow (EBITDA)

Operational income – amortisations and depreciations – provisions and impairment losses – reversal of impairment losses – negative Goodwill.

Operating income (EBIT)

Consolidated profit – income tax - profit/(loss) related to investments - profit/(loss) related to associated companies – net financial income.

Net capital employed

Gross tangible assets + other gross fixed assets (including Goodwill) + amortizations and impairment losses + financial investments + working capital.

28. SUBSEQUENT EVENTS

At the 21st of July 2009, Sonae Distribuição completed the refinancing of its medium and long term debt facilities maturing during 2009, including the 100,000,000 euro bond issue “Modelo Continente 2004” repaid in March 2009, by contracting new medium and long term credit facilities amounting to 165,000,000 euro, with an average maturity of approximately 4 years.

29. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 24th of August 2009.

Matosinhos, 24th of August 2009

The Board of Directors,

Duarte Paulo Teixeira de Azevedo (President)

Nuno Manuel Moniz Trigo Jordão (CEO)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Álvaro Carmona e Costa Portela



**CONDENSED INDIVIDUAL
FINANCIAL STATEMENTS**

SONAE DISTRIBUIÇÃO, SGPS, S.A.
CONDENSED INDIVIDUAL BALANCE SHEETS AS AT 30 JUNE 2009 AND 2008 AND AS AT 31 DECEMBER 2008

(Amounts expressed in euro)

 (Translation of condensed individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

<u>ASSETS</u>	<u>Notes</u>	<u>30/06/2009</u>	<u>30/06/2008</u>	<u>31/12/2008</u>
NON-CURRENT ASSETS:				
Intangible assets		8,263	10,655	9,392
Tangible assets		3,637	6,019	4,766
Investments	4	2,345,770,104	2,186,732,635	2,328,609,041
Deferred tax assets	5	3,105,500	-	1,296,945
Other non current assets	6	1,159,661,488	583,597,524	1,263,332,780
Total Non-Current Assets		<u>3,508,548,992</u>	<u>2,770,346,833</u>	<u>3,593,252,924</u>
CURRENT ASSETS:				
Trade account receivables and other current assets	7	368,140,096	953,818,257	341,191,208
Hedging derivatives		-	2,108,731	1,776,634
Cash and cash equivalents	8	2,375,197	77,448	51,426,604
Total Current Assets		<u>370,515,293</u>	<u>956,004,436</u>	<u>394,394,446</u>
TOTAL ASSETS		<u>3,879,064,285</u>	<u>3,726,351,269</u>	<u>3,987,647,370</u>
<u>EQUITY AND LIABILITIES</u>				
EQUITY:				
Share capital	9	1,000,000,000	1,100,000,000	1,000,000,000
Reserves and retained earnings		940,099,855	920,644,635	760,798,223
Net profit for the period		2,922,066	242,859,085	266,112,081
TOTAL EQUITY		<u>1,943,021,921</u>	<u>2,263,503,720</u>	<u>2,026,910,304</u>
LIABILITIES				
NON CURRENT LIABILITIES:				
Loans	10	1,421,173,225	1,250,088,962	1,231,716,603
Deferred tax liabilities	5	1,448	553,380	472,363
Total Non-Current Liabilities		<u>1,421,174,673</u>	<u>1,250,642,342</u>	<u>1,232,188,966</u>
CURRENT LIABILITIES:				
Loans	10	176,355,298	124,932,000	121,455,044
Suppliers and other current liabilities	11	330,366,867	87,273,207	602,198,924
Hedging derivatives		8,145,526	-	4,894,132
Total Current Liabilities		<u>514,867,691</u>	<u>212,205,207</u>	<u>728,548,100</u>
TOTAL LIABILITIES		<u>1,936,042,364</u>	<u>1,462,847,549</u>	<u>1,960,737,066</u>
TOTAL EQUITY AND LIABILITIES		<u>3,879,064,285</u>	<u>3,726,351,269</u>	<u>3,987,647,370</u>

The accompanying notes are part of these condensed financial statements

The Board of Directors

SONAE DISTRIBUIÇÃO, SGPS, S.A.

CONDENSED INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2009 AND 2008

(Amounts expressed in euro)

(Translation of condensed individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

	Notes	2009		2008	
		2 nd Quarter ¹	30/06/2009	2 nd Quarter ¹	30/06/2008
Operational income:					
Services rendered		394,395	791,797	849,876	1,691,147
Other operational income		272,314	1,637,016	394,279	467,933
Total operational income		<u>666,709</u>	<u>2,428,813</u>	<u>1,244,155</u>	<u>2,159,080</u>
Operational expenses:					
External supplies and services		(322,469)	(860,095)	(282,795)	(619,280)
Staff costs		(352,060)	(587,150)	3,111	(269,659)
Depreciation and amortisation		(1,113)	(2,259)	(71,276)	(141,995)
Other operational expenses		(578,411)	(1,727,031)	(430,057)	(741,420)
Total operational expenses		<u>(1,254,053)</u>	<u>(3,176,535)</u>	<u>(781,016)</u>	<u>(1,772,354)</u>
Operational profit/(loss)		<u>(587,344)</u>	<u>(747,722)</u>	<u>463,139</u>	<u>386,726</u>
Financial Income		23,453,721	40,870,365	21,221,470	44,615,676
Financial Expenses		<u>(14,035,400)</u>	<u>(36,770,825)</u>	<u>(19,740,327)</u>	<u>(40,497,778)</u>
Net financial profit		<u>9,418,321</u>	<u>4,099,540</u>	<u>1,481,143</u>	<u>4,117,898</u>
Investment loss/income	14	-	1,050,859	-	236,300,137
Profit/(Loss) before taxation		<u>8,830,977</u>	<u>4,402,677</u>	<u>1,944,282</u>	<u>240,804,761</u>
Income tax		<u>(2,877,408)</u>	<u>(1,480,611)</u>	<u>3,128,275</u>	<u>2,054,324</u>
Profit/(Loss) for the period	15	<u>5,953,569</u>	<u>2,922,066</u>	<u>5,072,557</u>	<u>242,859,085</u>
Profit/(Loss) per share	15	<u>0.006</u>	<u>0.003</u>	<u>0.005</u>	<u>0.243</u>

¹ Prepared in accordance with "IAS 34 - Interim Financial Reporting" and not subjected to independent review.
The accompanying notes are part of these condensed financial statements

The Board of Directors

SONAE DISTRIBUIÇÃO, SGPS, S.A.

CONDENSED INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2009 AND 2008

(Amounts expressed in euro)

(Translation of condensed individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

Notes	2009		2008	
	2 nd Quarter ¹	30-06-2009	2 nd Quarter ¹	30-06-2008
Net Profit/(Loss) for the period (I)	5,953,569	2,922,066	5,072,557	242,859,085
Changes on fair value of hedging derivatives	812,888	(2,832,747)	1,874,666	1,349,523
Deferred tax resulting from changes in hedging and fair value reserves	(123,186)	1,022,298	(496,786)	(357,623)
Other comprehensive income for the period (II)	689,702	(1,810,449)	1,377,880	991,900
Total comprehensive income for the period (I+II)	6,643,271	1,111,617	6,450,437	243,850,985

¹ Prepared in accordance with "IAS 34 - Interim Financial Reporting" and not subjected to independent review.
The accompanying notes are part of these condensed financial statements

The Board of Directors

SONAE DISTRIBUIÇÃO, SGPS, S.A.

CONDENSED INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2009 AND 2008

(Amounts expressed in euro)

(Translation of condensed individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

	Share Capital	Legal Reserve	Hedging Reserve	Other Reserves and Retained Earnings	Sub total	Net Profit/(Loss)	Total Equity
Balance as at 1 January 2008	1,100,000,000	95,000,000	538,170	824,976,791	920,514,961	84,137,774	2,104,652,735
Total comprehensive income for the period	-	-	991,900	-	991,900	242,859,085	243,850,985
Appropriation of profit of 2007: Transfer to legal reserves and retained earnings	-	4,300,000	-	79,837,774	84,137,774	(84,137,774)	-
Dividends distributed	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)
Balance as at 30 June 2008	<u>1,100,000,000</u>	<u>99,300,000</u>	<u>1,530,070</u>	<u>819,814,565</u>	<u>920,644,635</u>	<u>242,859,085</u>	<u>2,263,503,720</u>
Balance as at 1 January 2009	1,000,000,000	99,300,000	(3,316,342)	664,814,565	760,798,223	266,112,081	2,026,910,304
Total comprehensive income for the period	-	-	(1,810,449)	-	(1,810,449)	2,922,066	1,111,617
Appropriation of profit of 2008: Transfer to legal reserves and retained earnings	-	14,700,000	-	251,412,081	266,112,081	(266,112,081)	-
Dividends distributed	-	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)
Balance as at 30 June 2009	<u>1,000,000,000</u>	<u>114,000,000</u>	<u>(5,126,791)</u>	<u>831,226,646</u>	<u>940,099,855</u>	<u>2,922,066</u>	<u>1,943,021,921</u>

The accompanying notes are part of these condensed financial statements

The Board of Directors

SONAE DISTRIBUIÇÃO, SGPS, S.A.

CONDENSED INDIVIDUAL CASH FLOW STATEMENTS

FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2009 AND 2008

(Amounts expressed in euro)

(Translation of condensed individual financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

	Notes	2009		2008	
		2 nd Quarter ¹	30-06-2009	2 nd Quarter ¹	30-06-2008
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		7,238,698	7,495,610	23,044,775	24,529,662
INVESTMENT ACTIVITIES:					
Cash receipts arising from:					
Financial Investments		-	-	-	23,817,756
Interest and similar income		8,345,092	54,456,342	117,020	36,308,605
Dividends		440,859	440,859	236,300,137	236,300,137
Loans granted		745,228,412	1,129,774,412	760,113,497	1,511,907,555
		<u>754,014,363</u>	<u>1,184,671,613</u>	<u>996,530,654</u>	<u>1,808,334,053</u>
Cash Payments arising from:					
Financial Investments	4	(15,000,063)	(17,172,063)	(1,500,000)	(201,500,000)
Tangible and intangible assets		-	-	-	(189)
Loans granted		(582,267,577)	(1,075,325,620)	(804,618,450)	(1,529,344,580)
		<u>(597,267,640)</u>	<u>(1,092,497,683)</u>	<u>(806,118,450)</u>	<u>(1,730,844,749)</u>
Net cash used in investment activities (2)		<u>156,746,723</u>	<u>92,173,930</u>	<u>190,412,204</u>	<u>77,489,304</u>
FINANCING ACTIVITIES:					
Cash receipts arising from:					
Loans obtained		3,986,572,533	6,332,136,033	1,410,976,550	2,529,014,350
		<u>3,986,572,533</u>	<u>6,332,136,033</u>	<u>1,410,976,550</u>	<u>2,529,014,350</u>
Cash Payments arising from:					
Loans obtained		(4,050,065,923)	(6,348,538,723)	(1,551,729,050)	(2,510,958,350)
Interest and similar charges		(12,510,254)	(45,871,456)	(11,479,278)	(35,046,131)
Dividends		(85,000,000)	(85,000,000)	(85,000,000)	(85,000,000)
		<u>(4,147,576,177)</u>	<u>(6,479,410,179)</u>	<u>(1,648,208,328)</u>	<u>(2,631,004,481)</u>
Net cash used in financing activities (3)		<u>(161,003,644)</u>	<u>(147,274,146)</u>	<u>(237,231,778)</u>	<u>(101,990,131)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		2,981,777	(47,604,606)	42,957	28,835
Cash and cash equivalents at the beginning of the period		(636,212)	49,950,171	31,102	45,224
Cash and cash equivalents at the end of the period	8	<u>2,345,565</u>	<u>2,345,565</u>	<u>74,059</u>	<u>74,059</u>

¹ Prepared in accordance with "IAS 34 - Interim Financial Reporting" and not subjected to independent review.

The accompanying notes are part of these condensed financial statements

The Board of Directors

SONAE DISTRIBUIÇÃO, SGPS, S.A.
NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009

(Amounts expressed in euro)

(Translation of notes to condensed company financial statements originally issued in Portuguese.
In case of discrepancies the Portuguese version prevails.)

1. INTRODUCTION

SONAE DISTRIBUIÇÃO, SGPS, S.A. (“the Company” or “Sonae Distribuição”), 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”.

It has been adopted for the first time the revised version of IAS 1, being effective since 1 January 2009, in which there were some changes made to the disclosures but there were neither impacts on results nor on financial position.

The other changes that occurred in the IFRS during the present period had no relevant impacts in the company financial statements.

The accounting policies adopted are consistent with those described in the file of the annual financial statements for the year ended 31 December 2008.

3. CHANGES IN ACCOUNTING POLICES AND CORRECTION OF ERRORS

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

4. INVESTMENTS

As at 30 June 2009 and 31 December 2008, the detail of investments is as follows:

Company	30.June.2009		31.December.2008	
	% Capital Held	Final Balance	% Capital Held	Final Balance
Investments in equity				
Azulino - Imobiliária, S.A.	100.00%	498,025	100.00%	498,025
Bertimóvel - Sociedade Imobiliária, S.A.	100.00%	1,645,000	100.00%	1,375,000
Edições Book.it - S.A.	100.00%	1,000,000	100.00%	1,000,000
Canasta - Empreendimentos Imobiliários, S.A.	100.00%	1,669,375	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%	422,000	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%	2,205,191	100.00%	2,095,191
Difusão - Sociedade Imobiliária, S.A.	100.00%	50,000	100.00%	50,000

Farmácia Selecção, S.A.	89.00%	89,000	100.00%	100,000
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%	158,410,389	100.00%	158,410,389
Fundo de Investimento Imobiliário Fechado Imosedo	54.50%	64,415,021	49.00%	49,414,958
IGI - Investimento Imobiliário, SA	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%	609,000	100.00%	109,000
Imoconti - Sociedade Imobiliária, S.A.	100.00%	380,000	100.00%	50,000
Imoestrutura - Sociedade Imobiliária, S.A.	100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, S.A.	100.00%	759,940	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
Infofield - Informática, S.A.	10.00%	542,459	10.00%	530,459
Marcas MC zRt	100.00%	72,784,761	100.00%	72,784,761
MJLF - Empreendimentos Imobiliários, S.A.	100.00%	1,809,397	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%	284,190,240	56.00%	284,190,240
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
Raso, SGPS, S.A.	50.00%	24,500,000	50.00%	24,500,000
Selifa - Sociedade de Empreendimentos Imobiliários, S.A.	100.00%	1,488,379	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%	257,309,037
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%	349,940	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%	170,000	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
		2,391,638,601		2,374,477,538
Financial Investments Impairment		(45,868,497)		(45,868,497)
		2,345,770,104		2,328,609,041

On the 31st March 2009 the company sold 11% of their participation in Farmácia Selecção, SA, share capital to a subsidiary.

On the 29th May 2009 the company subscribed 20,687 participation units in the real estate fund "Fundo de Investimento Imobiliário Fechado Imosedo" amounting to 15,000,063 euro, ensuring the majority in the fund capital.

5. DEFERRED TAX

Deferred tax assets and liabilities as of 30 June 2009 and 31 December 2008, taking into consideration the temporary differences that generated them, can be detailed as follows:

	Assets		Liabilities	
	30.June.2009	31.December.2008	30.June.2009	31.December.2008
Financial Instruments	1,848,435	1,296,945		470,808
Differences between amortisations for accounting and tax purposes			1,448	1,555
Tax losses carried forward	1,257,065			
	<u>3,105,500</u>	<u>1,296,945</u>	<u>1,448</u>	<u>472,363</u>

6. OTHER NON CURRENT ASSETS

As of 30 June 2009 and 31 December 2008, the caption "Other non-current assets" is detailed as follows (Note 17):

	30.June.2009	31.December.2008
Loans to group companies	1,159,661,488	1,263,332,780

These loans bear interests at usual market rates and do not have a defined maturity.

7. TRADE DEBTORS AND OTHER CURRENT ASSETS

As of 30 June 2009 and 31 December 2008, the caption "Other current assets" is detailed as follows:

	30.June.2009	31.December.2008
Trade debtors	175,953	1,506,614
Group companies	318,332,175	321,814,399
Other debtors	6,863,478	7,404,536
Tax and contributions receivables	7,264,177	7,528,261
Other current assets	35,504,313	2,937,398
	<u>368,140,096</u>	<u>341,191,208</u>

The caption "Group Companies" includes: (i) the amount of 312,800,500 euro (263,578,000 euro as at 31 December 2008) related to short term loans to group companies (Note 17); (ii) the amount of 610,000 euro related to dividends receivable from participated companies; (iii) the amount of 4,921,675 euro (13,599,657 euro as at 31 December 2008) related income tax calculated by the companies taxed in accordance with the Special Regime for Taxing Group Companies;

The caption "Other debtors" includes approximately 5,790,887 euro (the same amount as at 31 December 2008), related to tax claims of tax assessments paid to tax authorities. No provision or impairment was recorded in order to face possible losses as it is understood by the Board of Directors that the outcome of these claims will be favourable to the Company.

The caption "Other current assets" includes mainly receivables relating to interest from loans granted to group companies.

8. CASH AND CASH EQUIVALENTS

As of 30 June 2009 and 31 December 2008, the caption “Cash and cash equivalents” can be detailed as follows:

	30.June.2009	31.December.2008
Cash at hand	1,603	
Bank deposits	373,594	51,391,607
Treasury investments	2,000,000	34,997
Cash and cash equivalents on the balance sheet	<u>2,375,197</u>	<u>51,426,604</u>
Bank overdrafts	(29,632)	(1,476,433)
Cash and cash equivalents on the statement of cash flows	<u>2,345,565</u>	<u>49,950,171</u>

Bank overdrafts are recorded in the balance sheet under the caption “Current loans” (Note 10).

9. SHARE CAPITAL

As of 30 June 2009 and 31 December 2008, the share capital, which is fully subscribed and paid for, is made up of 1,000,000,000 ordinary shares with a nominal value of 1 euro each.

During the 2nd semester of 2008 the Company reduced its share capital in 100,000,000 shares through the extinction of own shares acquired.

As of 30 June 2009 and 31 December 2008, the subscribed share capital was held as follows:

	30.June.2009	31.December.2008
	%	%
Sonae, SGPS, S.A.	82.48	82.48
Sonae Investments B.V	<u>17.52</u>	<u>17.52</u>

10. LOANS

As of 30 June 2009 and 31 December 2008, loans are made up as follows:

	30.June.2009	31.December.2008
Nominal value of bond loans	1,056,925,000	1,006,925,000
Up-front fees with the issuance of borrowings	(5,291,610)	(5,208,397)
Bond Loans	<u>1,051,633,390</u>	<u>1,001,716,603</u>
Nominal value of bank loans	369,666,667	230,000,000
Up-front fees with the issuance of borrowings	(126,832)	-
Bank Loans	<u>369,539,835</u>	<u>230,000,000</u>
Non current loans	<u>1,421,173,225</u>	<u>1,231,716,603</u>
Nominal value of bond loans	-	100,000,000
Up-front fees with the issuance of borrowings	-	(21,389)
Bond Loans	-	<u>99,978,611</u>
Nominal value of bank loans	176,333,333	20,000,000
Up-front fees with the issuance of borrowings	(7,667)	-
Bank overdrafts	29,632	1,476,433
Current loans	<u>176,355,298</u>	<u>121,455,044</u>

Bond loans

Bond loans can be detailed as follows:

Modelo Continente - 2003	82,000,000
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
Sonae Distribuição September - 2009/2014	50,000,000

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.

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 - 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.

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 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.

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 dates 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.

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 dates 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.

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.

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 12 th 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.

Bonds – SONAE DISTRIBUIÇÃO SEPTEMBER – 2009/2014

1,000 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.

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

Redemption: 6 (six) half yearly successive instalments, starting on the 5th interest payment date (each one with a “Redemption Instalment”), always matching with an interest payment date, reducing the nominal value, according to the redemption plan as follows:

i) €8,000,000 (eight million euro), on the 5th, 6th, 7th, 8th and 9th interest payment date;

ii) €10,000,000 (ten million euro), on the 10th interest payment date.

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

The average interest rate for bond loans, for the semester ended 30 June 2009, was on average 2,58%.

Bonds – MODELO CONTINENTE – 2004

Modelo Continente/2004 Bond Loan of 100,000,000 euro, was totally reimbursed on the 18th March 2009, according to issue conditions.

Bank Loans

This caption includes an amount of 20,000,000 euro related to a term loan contracted during March 2009, of which 16,666,667 euro are registered as non-current and 3,333,333 euro as current. This caption also includes an issue of commercial paper totalling 353,000,000 euro as it concerns to commercial paper programmes which issues are committed by financial institutions for a period of 5 years, and is the Company’s intention to maintain this funding scheme for a period greater than 1 year.

The caption Bank loans, also includes several issues of commercial paper, , under commercial paper programmes committed by financial institutions for short term periods, in the amount of 173,000,000 euro.

11. SUPPLIERS AND OTHER CURRENT LIABILITIES

As of 30 June 2009 and 31 December 2008, the caption “Suppliers and other current liabilities” can be detailed as follows:

	30.June.2009	31.December.2008
Suppliers	27,209	101,260
Group companies	313,272,364	575,639,729
Other creditors	582,457	5,650
Tax and contributions payable	2,010,655	2,152,100
Other current liabilities	14,474,182	24,300,185
	<u>330,366,867</u>	<u>602,198,924</u>

The caption “Group companies” refers to: (i) payable amount of 306,433,310 euro (568,836,000 euro as at 31 December 2008) relating to a short term loan from group companies (Note 17); (ii) the amount of 6,605,923 euro (6,558,171 euro as at 31 December 2008) relating to income tax computed by the group companies taxed in accordance with the Special Regime for Taxing Groups of Companies; (iii) the amount of 233,130 euro (the same amount as at 31 December 2008) related with a reimbursement claim of the 2003 special payment on account of income tax paid by the companies taken into consideration for the Special Regime for Taxing Groups of Companies.

The caption “Other current liabilities” includes mainly accrued interests not yet due relating to loans obtained.

12. CONTINGENT ASSETS AND LIABILITIES

As of 30 June 2009 and 31 December 2008 contingent assets and liabilities are made up as follows:

	30.June.2009	31.December.2008
Guarantees rendered:		
on tax claims a)	91,316,785	53,558,849
on municipal claims	289,380	289,380
others	10,761,323	14,633,113
	<u>102,367,488</u>	<u>68,481,342</u>

a) Includes the amount of 89,329,404 euro (51,519,330 euro as at 31 December 2008) referring to corporate income tax claims awaiting outcome and the amount of 1,985,386 (same amount as at 31 December 2008) relating to stamp duty claims.

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

13. FINANCIAL PROFIT/(LOSS)

As at 30 June 2009, this caption includes the amount of 40,870,365 euro (44,615,616 euro as at 30 June 2008) related to receivable interests and the amount of 35,504,961 euro (39,438,566 euro as at 30 June 2008) related to payable interest.

14. INVESTMENTS NET INCOME

As of 30 June 2009 and 2008 Investments net income is made up as follows:

	<u>30.June.2009</u>	<u>30.June.2008</u>
Dividends	1,050,859	236,300,137
	<u>1,050,859</u>	<u>236,300,137</u>

15. EARNINGS PER SHARE

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

	<u>30.June.2009</u>	<u>30.June.2008</u>
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	2,922,066	242,859,085
Net profit taken into consideration to calculate diluted earnings per share	<u>2,922,066</u>	<u>242,859,085</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 share used to calculate the diluted earnings per share	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Earnings per share (basic and diluted)	0.003	0.243

In the annual General Meeting held on 1 April of 2009 the payment of dividends amounting to 85,000,000 euro was approved.

16. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on the 24th August of 2009.

17. INFORMATION REQUIRED BY LAW
Art 5, item 4 of Decree-Law 3318/94

During the six month period ended on 30 June 2009, shareholders' loan agreements were signed with the following companies:

Soflorin, B.V.

During the six months period ended on 30 June 2009, treasury application agreements were signed with the following companies:

Azulino – Imobiliária, S.A.
 Canasta – Empreendimentos Imobiliários, S.A.
 Chão Verde – Sociedade de Gestão Imobiliária, S.A.
 Cumulativa – Sociedade Imobiliária, S.A.
 Estevão Neves – Hipermercados da Madeira, S.A.
 Imomuro – Sociedade Imobiliária, S.A.
 Imosistema – Sociedade Imobiliária, S.A.
 Imoresultado – Sociedade Imobiliária, S.A.

Marcas MC, ZRT
 Modelo Continente Hipermercados, S.A. – Sucursal España
 MJLF – Empreendimentos Imobiliários, S.A.
 NA – Comércio e Artigos de Desporto, S.A.
 Nova Equador P.C.O. Organização de Eventos, S.U., Lda
 Raso, S.G.P.S., S.A.
 Selifa – Sociedade de Empreendimentos Imobiliários, S.A.
 Sonvecap B.V.
 Todos os Dias – Comércio Retalhista e Exploração de Centros Comerciais, S.A.

As of 30 June 2009 and 31 December 2008, the receivable balances related to the agreements mentioned above were as follows:

Current (Note 7) and non-current (Note 6) granted loans:

COMPANY	30.June.2009	31.December.2008
Azulino - Imobiliária, S.A.	4,027,256	4,193,256
Bertimóvel - Sociedade Imobiliária, S.A.	20,839,000	18,910,000
Canasta - Empreendimentos Imobiliários, S.A.	2,720,000	2,916,000
Chão Verde - Sociedade de Gestão Imobiliária, S.A.	2,632,584	2,622,584
Citorres - Sociedade Imobiliária, S.A.	3,661,000	3,662,000
Contibomba - Comércio e Distribuição de Combustíveis, S.A.	81,000	134,000
Contimobe - Imobiliária Castelo Paiva, S.A.	70,279,000	72,759,000
Continente Hipermercados, S.A.	117,070,000	180,735,000
Cumulativa - Sociedade Imobiliária, S.A.	3,025,000	2,961,000
Difusão - Sociedade Imobiliária, S.A.	29,149,000	28,726,000
Equador & Mendes - Agência Viagens e Turismo, Lda	368,000	354,000
Estevão Nenes - Hipermercados da Madeira, S.A.	2,070,000	-
Fozimo – Sociedade Imobiliária, S.A.	1,799,000	1,809,000
IGI - Investimento Imobiliário, S.A.	250,335,000	227,072,000
Igimo – Sociedade Imobiliária, S.A.	585,000	557,000
Iginha – Sociedade Imobiliária, S.A.	13,891,500	14,179,500
Imoconti – Sociedade Imobiliária, S.A.	17,639,222	17,904,222
Imoestrutura - Sociedade Imobiliária, S.A.	483,000	491,000
Imomuro - Sociedade Imobiliária, S.A.	4,042,897	4,160,897
Imoresultado – Sociedade Imobiliária, S.A.	418,000	404,000
Imosistema - Sociedade Imobiliária, S.A.	4,457,000	4,421,000
Infocfield - Informática, S.A.	17,898,000	9,980,000
MJLF - Empreendimentos Imobiliários, S.A.	3,680,000	3,785,000
Modalfa - Comércio e Serviços, S.A.	4,473,000	1,604,000
Modelo Continente - Operações de Retalho, SGPS, S.A.	56,047,000	46,280,000
Modelo Continente Hipermercados, S.A.	50,000,000	154,022,000
Modelo Continente Seguros - Sociedade de Mediação, Lda	6,733,000	5,390,000
NA - Equipamentos para o Lar, S.A.	2,198,000	735,000
Nova Equador P.C.O Organização de Eventos, S.U, Lda	72,000	-
Pharmacontinente - Saúde e Higiene, S.A.	11,658,000	9,995,000
Predicomercial - Promoção Imobiliária, S.A.	11,301,000	11,277,000
Raso, S.G.P.S., S.A.	3,366,043	3,250,000
Selifa - Sociedade de Empreendimentos Imobiliários, S.A.	3,883,000	3,977,000
Sempre à Mão - Sociedade Imobiliária, SA	30,900,128	24,294,128
Sesagest - Projectos e Gestão Imobiliária, S.A.	35,141,348	36,775,183
Socijofra - Sociedade Imobiliária, S.A.	7,957,000	7,865,000
Sociloures - Sociedade Imobiliária, S.A.	29,847,347	30,083,347
Soflorin, B.V.	546,309,000	536,540,000
Sonae Retalho España, S.A.	235,002	235,002
Sondis Imobiliária, S.A.	26,231,159	22,317,159

Sontária - Empreendimentos Imobiliários, S.A.	3,096,502	3,243,502
Sportzone - Comércio de Artigos de Desporto, S.A.	42,387,000	17,323,000
Star Viagens e Turismo, S.A.	2,231,000	4,843,000
Tlantic Portugal - Sistemas de Informação, S.A.	43,000	83,000
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, S.A.	-	81,000
Valor N, S.A.	4,154,000	3,586,000
Worten - Equipamentos para o Lar, S.A.	19,441,000	-
Zippy Comércio e Distribuição, S.A.	3,607,000	375,000
	<u>1,472,461,988</u>	<u>1,526,910,780</u>

From the amounts above, as at 30 June 2009, 1,159,661,488 euro (1,263,332,780 euro as at 31 December 2008) are recorded as non-current assets.

As of 30 June 2009 and 31 December 2008, the payable balances related to the agreements mentioned above were as follows:

Loans obtained – Short term (Note 11):

COMPANY	30.June.2009	31.December.2008
Best Offer - Prestação de Informações pela Internet, S.A.	(2,476,000)	(2,120,000)
Bikini - Portal de Mulheres, S.A.	(3,896,000)	(3,173,000)
Carnes Continente - Indústria e Distribuição de Carnes, S.A.	(9,856,000)	(6,867,000)
Edições Book.it - S.A.	(1,002,000)	(1,023,000)
Efanor - Design e Serviços, S.A.	(1,914,000)	(1,211,000)
Estevão Neves - Hipermercados da Madeira, S.A.	-	(1,319,000)
Farmácia Seleção, S.A.	(98,000)	(100,000)
Fozmassimo - Sociedade Imobiliária, S.A.	(2,355,000)	(2,853,000)
Global S - Hipermercados, Lda	(750,500)	(1,808,000)
Inventory - Acessórios de Casa, S.A.	(1,208,000)	(1,186,000)
Marcas MC ZRT	(37,700,379)	-
Modelo Continente Hipermercados, S.A.	(8,310,431)	(198,432,000)
Modelo Hiper - Imobiliária, S.A.	(1,483,000)	(1,859,000)
Modelo.Com - Vendas por Correspondência, S.A.	(9,328,000)	(8,696,000)
NA - Comércio e Artigos de Desporto, S.A.	(310,000)	(49,000)
Nova Equador Internacional - Agência de Viagens e Turismo, Lda	(62,000)	(46,000)
Nova Equador P.C.O Organização de Eventos, S.U, Lda	-	(206,000)
Peixes Continente - Indústria e Distribuição de Peixes, S.A.	(1,209,000)	(1,060,000)
Solaris Supermercados, S.A.	(2,352,000)	(284,000)
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, S.A.	(290,000)	-
Sonvecap, B.V.	(221,833,000)	(291,686,000)
Worten - Equipamentos para o Lar, S.A.	-	(44,858,000)
	<u>(306,433,310)</u>	<u>(568,836,000)</u>

Matosinhos, 24th August 2009.

The Board of Directors

Duarte Paulo Teixeira de Azevedo (Presidente)

Nuno Manuel Moniz Trigo Jordão (CEO)

Ángelo Gabriel Ribeirinho dos Santos Paupério

Álvaro Carmona e Costa Portela



**AUDITOR'S LIMITED
REVIEW REPORT**

LIMITED REVIEW REPORT PREPARED BY THE AUDITOR REGISTERED WITH
CMVM ON HALF-YEAR FINANCIAL INFORMATION

(Translation of a report originally issued in Portuguese.
In case of discrepancies the Portuguese version prevails)

Introduction

1. In accordance with the Securities Market Code, we hereby present our Limited Review Report on the financial information of Sonae Distribuição, SGPS, S.A. (“Company”) for the half-year ended 30 June 2009 included in: the Report of the Board of Directors, the Consolidated and Individual Balance Sheets (that reflect a total assets of 3.869.451.297 Euro and 3.879.064.285 Euro, respectively, and a Consolidated and Individual equity of 935.710.253 Euro and 1.943.021.921 Euro respectively, including a consolidated net profit attributable to the Company’s equity holders of 28.512.203 Euro and a individual net profit of 2.922.066 Euro), the Consolidated and Individual Statements of Profit and loss, Comprehensive Income, Changes in equity and Cash flows for the half-year then ended and the related notes.
2. The amounts in the consolidated and individual financial statements, as well as the additional financial information, are in accordance with the accounting records of the companies included on consolidation.

Responsibilities

3. The Company’s Board of Directors is responsible for: (i) the preparation of consolidated and individual financial information that present a true and fair view of the financial position of the Company and of the companies included in the consolidation and the consolidated and individual results of their operations, comprehensive income, changes in equity and cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union for the purposes of interim financial reporting (IAS 34) and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria; (iv) the maintenance of an appropriate internal control system; and (v) informing any significant facts that have influenced its operations and the operations of the companies included on consolidation, its financial position, comprehensive income or results.
4. Our responsibility is to review the financial information contained in the above mentioned documents, namely verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and to issue a moderate assurance, professional and independent report on that financial information based on our work.

Scope

5. The objective of our work was to obtain moderate assurance as to whether the above mentioned financial information is free of material misstatement. Our work was performed in accordance with the Auditing Standards issued by the Portuguese Institute of Statutory Auditors, was planned in accordance with that objective, and consisted essentially of enquiries and analytical procedures with the objective of reviewing: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting principles used, taking into consideration the circumstances and the consistency of their application; (iii) the applicability, or not, of the going concern concept; (iv) the presentation of the financial information; and (v) whether, in all material respects, the consolidated and individual financial information is complete, true, timely, clear, objective and licit as required by the Securities Market Code.
6. Our work also included verifying that the consolidated and individual financial information included in the Report of the Board of Directors is consistent with the other above mentioned financial information.

7. We believe that our work provides a reasonable basis for issuing the present limited review report on the half-year financial information.

Opinion

8. Based on our work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated and individual financial information for the half-year ended 30 June 2009 referred to in paragraph 1 above of Sonae Distribuição, S.G.P.S., S.A. is not exempt from material misstatement that affects its conformity with International Financial Reporting Standards as adopted by the European Union for the purposes of interim financial reporting (IAS 34) and that, in terms of the definitions included in the Auditing Standards referred to in paragraph 5 above, it is not complete, true, timely, clear, objective and licit.

Porto, 24 August 2009

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral