

(Translation from the Portuguese Original)

Earnings Announcement 1st Quarter 2008

1. Highlights

1.1. Performance in the period

- Turnover grew 8% to 45 million euro...

...reflecting progress in the sale of City Flats apartments and the outcome of more aggressive commercial policies in Spred's businesses

- EBITDA amounted to negative 1.2 million euro...

...mostly due to non-capitalised costs associated with the development of the Troiaresort

- Profit for the period totalled 39.2 million euro...

...mostly reflecting the capital gain on the sale of Contacto – Sociedade de Construções, SA (46.4 million euro), highlighting Sonae Capital's commitment to pursue the review of its business portfolio

2. Consolidated Financial Statements Review

2.1. Disclaimer

Given that Sonae Capital, SGPS, SA was incorporated as part of a demerger from Sonae, SGPS, SA, no historical consolidated financial statements exist for the company, since it was exempt from preparing them as a wholly owned affiliate of Sonae, SGPS, SA.

Thus, to ensure comparability of financial data, pro forma financial statements were produced for the year 2007 (profit and loss account for the three month period ended 31 March 2007 and balance sheet as at 31 December 2007), considering a historical business portfolio equivalent to the current business portfolio of Sonae Capital, SGPS, SA.

Therefore, the pro forma consolidated financial statements do not include the contribution of Contacto – Sociedade de Construções, SA sold on 21 February 2008.

2.2. Profit and Loss Account

Turnover	1Q 2008	1Q 2007	Δ
Tourism	11,433.1	9,633.4	+18.7%
Spred	33,748.5	32,315.7	+4.4%
Holding & Others	136.8	344.3	-60.3%
Eliminations & Adjustments	(337.4)	(499.6)	+32.5%
Total	44,981.1	41,793.8	+7.6%

Unit: 10³ Euro

Main drivers for the 3.2 million euro increase in consolidated turnover for the quarter were as follows:

- Around 61% of the 1.8 million euro increase in Tourism's contribution was due to the sale of City Flats apartments. Fitness and hotel businesses have also posted positive contributions to the increase in consolidated turnover in the quarter;
- Spred increased its contribution by 1.5 million euro as a result of higher turnover at the Selfrio Group, arising from a strong growth in turnover from the air conditioning business due to a sales strategy sustained by a more aggressive commercial policy.

Operational Cash-Flow (EBITDA)¹	1Q 2008	1Q 2007	Δ
Tourism	(1,349.9)	(1,224.5)	-10.2%
Spred	956.4	1,759.0	-45.6%
Holding & Others	(656.3)	(577.9)	-13.6%
Eliminations & Adjustments	(117.7)	0.1	-
Total	(1,167.6)	(43.3)	> -100%

Unit: 10³ Euro

The 1.1 million euro decrease in consolidated operational cash-flow (EBITDA) reflects:

- The impact of costs associated with the marketing and promotion of the Troiaresort project (not yet materialised in sales);
- Lower margin at Selfrio Group, namely in the refrigeration business;
- Box Lines lower contribution as a result of higher fuel costs.

Operational profit (EBIT) amounted to negative 4.8 million euro, a 3.0 million euro decrease, as a result of lower operational cash-flow (EBITDA) and impairment losses recorded on Other Debtors.

¹ Operational Cash-Flow (EBITDA) = Operating Profit (EBIT) + Amortisations and Depreciations + Provisions and Impairment Losses – Reversal of Impairment Losses and Provisions (included in Other Operating Income)

Net Financial Expenses amounted to 2.9 million euro, compared to 1.9 million euro in the same period last year. Zooming in on financial expenses, the increase is explained by the increase in market interest rates.

The 48.8 million euro Investment Income for the quarter relates mostly to the capital gain on the sale of Contacto – Sociedade de Construções, SA (46.4 million euro) and dividends of Sonae Indústria (2.7 million euro). Investment income in the first quarter of 2007 amounted to 4.8 million euro, arising from the sale of an additional 3.92% stake in ba Vidro.

2.3. Balance Sheet

Capex²	1Q 2008
Tourism	16,034.8
Spred	1,737.3
Holding & Others	18.2
Total	17,790.3

Unit: 10^{^3} Euro

Capex for the period reached 17.8 million euro, most of which associated with Troiaresort delivering a close to 10 million euro contribution. Other major contributors were Imosede, which owns the Business Park in Maia, and Atlantic Ferries, with a 4.6 million euro and a 1.6 million euro contribution, respectively.

As at 31 March 2008, net debt³ stood at 184.9 million euro, a 12.7 million euro increase compared to 31 December 2007, mostly explained by the financing of the Troiaresort project.

Gearing⁴ was 44.9%, compared to 48.1% in 2007. Interest cover⁵ for the last 12 months amounted to 0.5, which compares with 0.6 as at 31 December 2007.

3. Business Review

3.1. Resort and Residential Development

	1Q 2008	1Q 2007	Δ
Turnover	1,253.5	-	-
Operational Cash-Flow (EBITDA)	(2,768.3)	(2,504.0)	-10.5%

Contribution to consolidated figures

Unit: 10^{^3} Euro

Turnover for the first quarter of 2008 reached 1.2 million euro, reflecting sales deeds of City Flats apartments, and operational cash-flow (EBITDA) was negative 2.8 million euro (negative 2.5 million euro in the first quarter of 2007) impacted by

² Capex = Investment in Fixed Assets.

³ Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.

⁴ Gearing = Net Debt / Equity.

⁵ Interest Cover ratio = EBITDA / Net Financial Charges.

costs associated with the marketing and promotion of the Troiaresort project (not yet materialised in sales).



[Marina Apartments - Troiaresort]

The Troiaresort project continues according to planned, and the development of investment projects is underway.

During the first quarter of 2008, works carried out included:

- construction of touristic apartments (Beach, Marina and Central Building);
- construction of 90 villas in the beach area (Troia Village);
- construction of common infrastructure and full refurbishment of Aparthotels Aqualuz Troia Mar, Troia Rio and Troia Lagoa; and
- urban upgrade (landscaping) of the Troia Peninsula.

Sales data (as at 15 May 2008)

Resorts

Sales of touristic apartments is progressing according to expectations, with promissory sales agreements signed for 46% of Beach apartments and 63% of Marina apartments.

Promissory sales agreements for second-house villa plots have been signed for 22 plots out of a total of 96.

	Promissory Sales Agreements	Average Area (m²)	Average Sales Price (€/m²)	Average Sales Price (€/m² GCA⁶)
Beach Apartments [211 units]	98	127.1*	4,005	n.a.
Marina Apartments [78 units]	49	83.8*	3,853	n.a.
Golf and Beach Villa Plots [96 units]	22	2,117**	564	3,473

* Includes indoor area as well as balcony and terrace areas.

** All plots have a GCA of 343.8 m².

⁶ GCA = Gross Construction Area.

Residential Property Development

Out of a total of 212 City Flats apartments, 87 sales deeds and 2 promissory sales agreements have been signed.



[Delfim Pereira da Costa building]

Construction of *Delfim Pereira da Costa* building, included in the Efanor project, started. The building comprises 40 apartments with a gross construction area above ground of 12,600 m² (11,162 m² of total selling area), and the first promissory sales agreement was signed in the period.

Renovation of the old Efanor community building, to accommodate the Efanor School, is proceeding as scheduled, and should be concluded by the end of July, so that the school can start operations during the academic year 2008/2009. After the conclusion of works, the building will be rented to *Fundação Belmiro de Azevedo* (non profit organisation) that will run the school.

	Apartments Sold*	Average Area (m²)**	Average Sales Price (€/m²)	Rentals
City Flats/Lofts (<i>Quinta das Sedas</i> – Building E) [106 units]	2	41.4	2,239	11
City Flats/Lofts (<i>Quinta das Sedas</i> – Building F) [106 units]	87	49.7	2,018	-
Efanor – Building <i>Delfim Pereira da Costa</i> [40 units]	1	190.2	2,497	n.a.

* 87 sales deeds already signed.

** Includes indoor area as well as balcony and terrace areas.

3.2. Real Estate Asset Management

	1Q 2008	1Q 2007	Δ
Turnover	2,305.1	2,459.6	-6.3%
Operational Cash-Flow (EBITDA)	1,163.1	929.0	+25.2%

Contribution to consolidated figures

Unit: 10³ Euro

Turnover for the first quarter of 2008 amounted to 2.3 million euro and operational cash-flow (EBITDA) reached 1.2 million euro, compared to 2.4 million euro and 0.9 million euro in the first quarter of 2007, respectively.

Turnover for the period comprises income from: rents (1.5 million euro), representing 66% of total turnover; sale of real estate assets (0.4 million euro)

and; others, namely condominium management, car parks and management services (0.4 million euro).

Turnover by Area	1Q 2008	
Sale of Real Estate Assets	432.0	19%
Rents	1,516.9	66%
Car Parks	141.5	6%
Condominium Management	191.4	8%
Management Services	23.3	1%
Total	2,305.1	100%

Unit: 10³ Euro

3.3. Touristic Operations

	1Q 2008	1Q 2007	Δ
Turnover	7,874.0	7,173.2	+9.8%
- Hotels	2,567.5	2,260.5	+13.6%
- Fitness	4,570.1	4,142.4	+10.3%
- Funcenter	736.4	638.5	+15.3%
- Other	-	131.8	-
Operational Cash-Flow (EBITDA)	365.3	607.1	-39.8%
- Hotels	(1,165.7)	(612.0)	-90.5%
- Fitness	1,434.3	1,136.0	+26.3%
- Funcenter	257.9	73.0	> 100%
- Other	(161.2)	10.1	-

Contribution to consolidated figures

Unit: 10³ Euro

➡ Hotels

The first quarter of the year is usually less positive for the hotel business, since it typically follows a seasonal pattern.

Regarding contributions per hotel (Hotel Porto Palácio and Aparthotels Aqualuz Lagos, Troia Mar, Troia Rio and Troia Lagoa) the following should be highlighted:



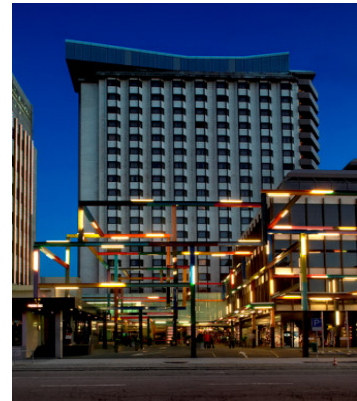
[Apartment – Troia Mar and Troia Rio]

Hotels in the Troia Peninsula remained closed, following the refurbishment and improvement works within the development project of UNOP⁷ 1 of Troiaresort. Reopening of these units, with 232 apartments, is expected during 2008.

⁷ UNOP = Operational Planning Unit.

The renewed hotel complex *Pólo da Boavista*, which includes a 5 star hotel with 251 rooms, and a series of complementary products (congress centre, SPA, VIP Lounge, catering and events organisation, and a restaurant area with 5 restaurants), was the major contributor to growth in the quarterly turnover of the Hotel business.

Turnover generated by the hotel and congress centre amounted to around 2.5 million euro, a 13% growth over the same period of the previous year.



[Hotel Porto Palácio]

Average revenue per sold room during the period confirms the excellence of Hotel Porto Palácio, which has been implementing commercial policies aimed at increasing the occupancy rate. Operational cash-flow (EBITDA) was of negative 0.6 million euro due to the combined effect of expected first quarter lower activity level and to the initial stage of growth and market recognition of recently opened assets, with less than one year of operation – new restaurants and SPA.

➡ Fitness



[Aqualuz health club]

Performance of the Fitness business reflects the implementation of policies which ensure continued growth and improved activity levels. Actions carried out intended to consolidate existing units, taking proactive steps to spot new locations to the expansion of the business.

Maintaining 10 health clubs under operation, the average number of active members reached 29,550, higher than the average number in 2007.

Turnover totalled, in the first quarter of 2008, around 4.6 million euro, a 10% growth on the same period last year, and operational cash-flow (EBITDA) was 1.4 million euro, representing a 26% increase over the first quarter of 2007.

Funcenter



[Bowling – Funcenter Colombo]

As for the entertainment business, the good quarterly performance of Funcenter Colombo, confirms the winning concept put into operation in this location and the additional efficiency gains arising from the commercial policies and operational optimisation assumed.

The 15% growth in turnover to 0.7 million euro, together with a strong cost decrease, generated an operational cash flow (EBITDA) of circa 0.3 million euro, more than double that of last year's comparable period.

3.4. Selfrio Group (70% Sonae Capital, 30% Johnson Controls Inc.)

	1Q 2008	1Q 2007	Δ
Turnover	17,767.7	15,859.5	+12.0%
Operational Cash-Flow (EBITDA)	1,112.3	1,313.5	-15.3%

Contribution to consolidated figures

Unit: 10³ Euro



[Maintenance services]

In the first quarter of 2008 the consolidated turnover of Selfrio Group companies reached 17.7 million euro, increasing 12% compared with the previous year's quarter.

The reason for this increase in turnover is linked mainly to a strong growth of Sistavac⁸ sales in the air conditioning business due to a sales strategy sustained by a more aggressive commercial policy.

This increase in Sistavac⁸ sales was also sufficient to absorb the decline that Selfrio⁹ had in sales due to postponements of investments that are still expected to be recovered at the end of this semester or beginning of the next.

⁸ Sistavac – Air conditioning, ventilation and related electrical installations.

⁹ Selfrio – Refrigeration, in particular commercial and industrial cold for retail and hotel chains.

Consolidated operational cash-flow (EBITDA) of the Group reached 1.1 million euro decreasing 15% compared with the previous year's quarter. Despite Sistavac's¹⁰ good performance, the activity of air conditioning was not enough to generate operational cash-flow to offset the decreases felt in Selfrio¹¹ and Sopair (company in Spain).

At the end of the first semester operational cash-flow (EBITDA) is expected to revert the trend, positively comparing with historical figures and accompanying the growth of turnover.

3.5. Atlantic Ferries

	1Q 2008	1Q 2007	Δ
Turnover	833.0	-	-
Operational Cash-Flow (EBITDA)	(138.8)	(49.3)	> -100%

Contribution to consolidated figures

Unit: 10³ Euro



[Ferries *Pato Real* and *Rola do Mar*]

Indicators for the period are not comparable with those of the first quarter of 2007, because transport activity only began on 9 October 2007.

However, compared with that of last quarter of 2007, turnover increased 32.2%.

During the quarter, 2,800 monthly passenger tickets were sold. Sales of single tickets for the different tariffs were as follows:

219,018 passengers	100,132 light vehicles	2,573 heavy vehicles	2,124 two wheel vehicles
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¹⁰ Sistavac – Air conditioning, ventilation and related electrical installations.

¹¹ Selfrio – Refrigeration, in particular commercial and industrial cold for retail and hotel chains.

3.6. Box Lines

	1Q 2008	1Q 2007	Δ
Turnover	10,991.7	11,459.3	-4.1%
Operational Cash-Flow (EBITDA)	262.8	449.2	-41.5%

Contribution to consolidated figures

Unit: 10³ Euro



[S. Gabriel, one of Box Lines freighted ships]

During the first quarter of the year the business performed in line with budget.

The cabotage market is undergoing a small decrease (2.5%), reflecting the slowdown in economic activity.

The company is actively looking for other business developments outside the cabotage area.

3.7. TP¹² (50% Sonae Capital, 50% Endesa Group)

	1Q 2008	1Q 2007	Δ
Turnover	8,448.4	8,514.2	-0.8%
Operational Cash-Flow (EBITDA)	1,823.4	2,387.9	-23.6%

Statutory accounts

Unit: 10³ Euro



[Wind Farm Serra da Capucha]

TP's first quarter of 2008 turnover is in line with the same period last year in spite of the forecasted end of the operation of Companhia Térmica Lusol cogeneration unit (with a 0.5 million euro contribution to the first quarter of 2007 turnover).

The EBITDA was impacted by i) the end of operation of Companhia Térmica Lusol; ii) the lag (of around 6 months) between the increase in fuel prices and the increase in electrical tariffs (in fuel cogeneration units only) and, iii) some operational problems in two cogeneration units, leading to both margin decrease and accrued maintenance costs.

¹² Company accounted for using the Equity Method.

3.8. Auto Sector¹³ (50% Sonae Capital, 50% Salvador Caetano Group)

The Group's activity in the auto sector is carried out by a number of companies, the most significant being Finlog, in the car fleet management business, and Guérin, which operates in the Rent-a-Car business.

➡ Finlog

	1Q 2008	1Q 2007	Δ
Turnover	10,755.5	7,819.0	+37.5%
Operational Cash-Flow (EBITDA)	5,326.8	3,955.9	+34.6%

Statutory accounts

Unit: 10³ Euro

At the end of the first quarter of 2008, Finlog had 7,942 active contracts, in line with the end of 2007. Nevertheless, the weight of renting contracts in its core business grew by 7.8%, while management of used vehicles guarantees decreased. This trend follows that of the passenger auto sector, which grew 3.9% compared to the same period last year.

Turnover amounted to 10.7 million euro and profit before taxes was negative 0.4 million euro.

➡ Guérin

	1Q 2008	1Q 2007	Δ
Turnover	6,362.8	5,191.8	+22.5%
Operational Cash-Flow (EBITDA)	281.0	(251.5)	-

Statutory accounts

Unit: 10³ Euro

In the first quarter of 2008 rental days reached 331,660, compared to 263,191 rental days in the same period of 2007. Turnover grew from 5.2 million euro in the first quarter of 2007 to 6.4 million euro in the period.

Profit before taxes was negative 1.6 million euro, as usual during winter months, compared to negative 1.1 million euro in the same period last year.

¹³ Companies accounted for using the Equity Method.

3.9. Norscut¹⁴

	1Q 2008	1Q 2007	Δ
Turnover	25,083.5	-	-
Operational Cash-Flow (EBITDA)	23,503.5	(70.8)	-
Statutory accounts			

Unit: 10³ Euro



[Overpass in A24 motorway]

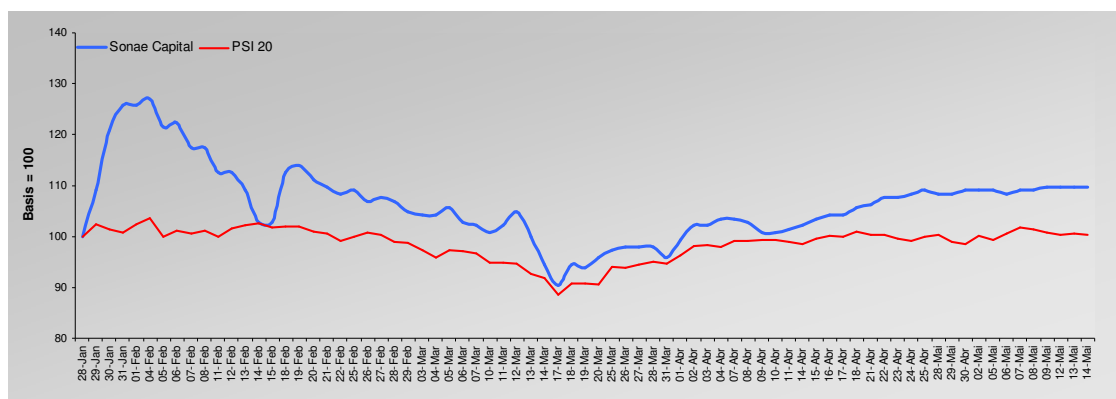
Norscut highway traffic has increased 17% in the first quarter of 2008¹⁵, leading to a turnover in line with the project tender forecast.

Financial costs are also in line with forecasts (Norscut has a full interest rate hedge in the current project phase).

3.10. Sonae Indústria

Sonae Capital, SGPS, SA has a 6.801% shareholding in Sonae Indústria, SGPS, SA. The shares of Sonae Indústria are listed on the Euronext Lisbon stock exchange. Taking into account the closing share price of Sonae Indústria as at 31 March 2008, 4.40 euro, the market value of this shareholding was 41.9 million euro.

4. Share Price Performance



Source: Euronext Lisbon

The shares of Sonae Capital were listed on Euronext Lisbon on 28 January 2008. Since that date and until the end of the first quarter, Sonae Capital's share price performance was influenced by the downward market trend.

¹⁴ Company accounted for using the Equity Method.

¹⁵ Year forecast according to historical seasonality.

Up to 31 March 2008, Sonae Capital's share price declined 4.2%, slightly better than the 5.3% decrease in the Portuguese Stock Market reference index (PSI-20). Taking 14 May 2008 as a reference, share price grew 9.7%, compared to a 0.4% increase in the PSI-20.

Sonae Capital's share was considerably liquid during the quarter since nearly 43% of the issued shares were traded on the regulated market.

Closing Price:	Date	€
- Beginning of Period	28-Jan-08	1.44
- End of Period	31-Mar-08	1.38
- Maximum	04-Feb-08	1.83
- Minimum	17-Mar-08	1.30

Average daily traded quantity: 2,429,694

Source: Euronext Lisbon

During the first quarter of the year, the following events were announced to the market:

- 21 February 2008
Sale of the whole shareholding in Contacto – Sociedade de Construções, SA to Soares da Costa, Construção, SGPS, SA, following the terms of the initial agreement of 3 January 2008. The sales price was settled at 81.5 million euro, generating a cash inflow of 17.5 million euro.
- 3 March 2008
On this date, SC, SGPS, SA, a wholly owned subsidiary of Sonae Capital, SGPS, SA, completed an unsecured bond issue of 50 million euro, with a tenor of 10 years and a put exercisable from the end of the eighth year onwards.
- 31 March 2008
Sale of 12.25% of the share capital of Spinveste – Promoção Imobiliária, SA and 12.25% of the share capital of Spinveste – Gestão Imobiliária, SGII, SA for 5 million euro, to Espimaia (owned by former Sonae managers). Additionally, a call option was granted to Espimaia for the remaining shareholding in both companies, to be exercised up to 31 December 2011. This transaction implies a net asset valuation of 40.8 million euro.

After the reporting date, Sonae Capital, SGPS, SA announced:

- The agreement reached with Salvador Caetano Auto, SGPS, SA about the terms for the definitive sale of the shareholding of 50% in Choice Car, SGPS, SA for a total price of 12.5 million euro.
- The negotiation of the end of the agreement regarding the phased disposal of its entire shareholding in ELMO, SGPS, SA, company that controls 100% of Plysorol SAS and its subsidiaries.

- The promissory agreement signed with a company wholly owned by Hagen Imobiliária, SA for the sale of a parcel of land where the Hotel Resort, within the Troiaresort project, will be built. The promissory sale will have an estimated impact of 13 million euro on the consolidated results of Sonae Capital, to be recognized on the date of the definitive sale agreement.

5. Corporate Governance

The Shareholders' General Meeting held on 9 April 2008 approved the following resolutions in order to comply with corporate governance best practices.

5.1. Board of Directors

Four non-executive independent Directors were appointed to the Board of Directors, leading to an increase in the number of its members from 3 to 7. Configuration of the Board of Directors complies with recommendations, 5-A and 6, on Corporate Governance issued in November 2005 by the Portuguese Securities Market Commission (CMVM) – “Recomendações da CMVM sobre o Governo das Sociedades Cotadas”. These recommendations regard, respectively, to the inclusion of a sufficient number of non-executive members in the Board of Directors and to the inclusion of a sufficient number of independent members among the latter.

Presently the Board of Directors is made up as follows:

- Belmiro Mendes de Azevedo (Chairman)
- Francisco de La Fuente Sánchez (non-executive)
- José Luís dos Santos Lima Amorim (executive)
- Mário Pereira Pinto (executive)
- Paulo José Jubilado Soares de Pinho (non-executive)
- Pedro Manuel Bastos Mendes Rezende (non-executive)
- Rafael Cerezo Laporta (non-executive).

This resolution aims at strengthening the skills of the Board of Directors, namely in what regards the approval of the portfolio configuration strategy and of the annual business plan and any significant changes to it. Non-executive members are acknowledged professionals in business, finance, academia and consultancy and, together with executive directors, will define the company's strategic guidelines and goals to ensure value creation for shareholders.

A meeting of the Board of Directors shall normally be held at least once every quarter and, in addition, whenever the Chairman or two Board Directors convene a meeting. The Board of Directors can only take decisions if the majority of Board members are present or represented. Decisions shall be taken by a majority of votes.

5.2. Internal Committees

The Board of Directors appointed, on 9 April 2008, an Executive Committee with the following members:

- Belmiro Mendes de Azevedo (Chairman of the Board of Directors and Chief Executive Officer)
- José Luís dos Santos Lima Amorim (Chief Financial Officer)
- Mário Pereira Pinto.

The Executive Committee is responsible for managing and executing day-to-day operations, with particular emphasis on the management of the portfolio of businesses and financial coordination. The powers and responsibilities of the Executive Committee exclude:

- a) Appointing the Chairman of the Board;
- b) Co-optation of a substitute for a member of the Board;
- c) Convening Shareholders' General Meetings;
- d) Approving the Annual Report and Accounts;
- e) Granting any pledges, guarantees or charges over the assets of the Company;
- f) Deciding to change the Company's registered office or to approve any share capital increases;
- g) Deciding on mergers, de-mergers or modifications to the corporate format of the Company;
- h) Approving the annual portfolio management strategy;
- i) Approving the annual business plan and significant changes to it.

On that same date, the Board of Directors appointed a Board Audit and Finance Committee (BAFC) and a Board Nomination and Remuneration Committee (BNRC).

The BAFC is composed of the following non-executive independent directors:


- Francisco de La Fuente Sánchez (Chairman)
- Paulo José Jubilado Soares de Pinho

Amongst its tasks and powers, the BAFC is responsible for monitoring and auditing the company's financial reporting processes and accounting policies, for evaluating risk associated with the company's activities on behalf of the Board, and overseeing Corporate Governance. The BAFC meets directly with the external auditors and the internal audit team.

The BNRC appointed consists of the following non-executive independent directors:

- Rafael Cerezo Laporta (Chairman)
- Pedro Manuel Bastos Mendes Rezende

The BNRC is responsible for supervising the preparation of proposals on remuneration of executive and non-executive directors and liaises with the Shareholders' Remunerations Committee ("Comissão de Vencimentos"). The compensation policy to be followed by the Remunerations Committee was approved in the Shareholders' General Meeting held on 9 April 2008, therefore complying with recommendation 8-A of CMVM's recommendations on Corporate Governance.



The proposed policy to be applied to the members of the statutory governing bodies is based on the understanding that initiative, effort and commitment are essential foundations for delivering good performance. It also aims to align individual contributions with the company's strategic objectives, focussing primarily on performance compensation.

Under these guidelines, fixed remuneration is primarily linked to personal skills and the responsibility level inherent to each function, while variable remuneration is linked to the level of success achieved by the company as well as by the companies managed by each individual.

The compensation policy corresponding to the period 2007 to 2010 follows these guiding principles:

Executive Directors

a) the compensation policy for executive Directors includes three components: (i) a Fixed Remuneration, established on an annual basis, (ii) a Short Term Variable Bonus, established on the first quarter of the following year to which it respects, and (iii) a Medium/Long Term Variable Bonus, with the aim of aligning the interests of executive Directors with the ones of all shareholders, attributed annually, discretionary and with deferred payment;

b) Individual compensation considers that (i) the definition of each executive Director fixed remuneration is based on personal skills and the responsibility level inherent to each function. This remuneration will be based on the company situation and market practices; (ii) the Short Term Variable Bonus is based on the achievement of predefined objectives, based on performance indicators of the business and of the teams under their responsibility, as well as to individual performance indicators; (iii) the Medium/Long Term Variable Bonus is based on the responsibility inherent to each function and on individual skills, and on the achievement of predefined objectives, which are linked to performance indicators, and may be converted in Sonae Capital shares or its equivalent in cash on the date of payment, calculated using the share market price on the due date.

Non Executive Directors

The remuneration of non-executive Directors is made up of a fixed amount which is based on the company situation and market practices.

Fiscal Board

The remuneration of members of the Fiscal Board is made up of a fixed amount which is based on the company situation and market practices.

Board of the General Shareholders Meeting

The remuneration of the members of the Board of the General Shareholders Meeting shall be made up of a fixed amount based on the company situation and market practices.

The compensation policy is in accordance with recommendation 8-A of CMVM's recommendations on Corporate Governance, except for the disclosure of the individual remuneration of Directors on an annual basis.

The remaining content of the 2007 Corporate Governance Report has not changed.

6. Financial Statements

6.1. Income Statement

	1Q 2008	1Q 2007 ¹⁶	Δ
Turnover	44,981.1	41,793.8	+7.6%
Other Operational Income	1,537.9	970.5	+58.5%
Total Operational Income	46,519.0	42,764.3	+8.8%
Cost of Goods Sold and Materials Consumed	(8,697.0)	(9,163.6)	-5.1%
Change in Stocks of Finished Goods and Work in Progress	11,957.9	2,534.7	> 100%
External Supplies and Services	(38,912.3)	(25,925.2)	+50.1%
Staff Costs	(10,460.0)	(9,307.2)	+12.4%
Other Operational Expenses	(915.5)	(822.8)	+11.3%
Total Operational Expenses	47,026.8	42,684.1	+10.2%
Operational Cash-Flow (EBITDA)	(1,167.7)	(43.3)	> -100%
Depreciation and Amortisation	(1,973.7)	(1,705.1)	+15.8%
Provisions and Impairments Losses	(2,333.9)	(102.0)	> -100%
Operating Profit (EBIT)	(4,815.5)	(1,726.9)	> -100%
Net Financial Expenses	(2,888.3)	(1,930.0)	+49.6%
Share of Results of Associated Undertakings	(1,374.8)	634.5	-
Investment Income	48,791.8	4,806.0	> 100%
Profit before Taxation	39,713.3	1,783.6	> 100%
Taxation	(463.9)	(278.0)	+66.9%
Profit for the Period	39,249.3	1,505.6	> 100%
Equity Holders of Sonae Capital	39,009.1	926.2	> 100%
Minority Interests	240.3	579.4	-58.5%

Unit: 10³ Euro

¹⁶ Continued operations.

6.2. Balance Sheet

	1Q 2008	YE 2007 ¹⁷	Δ
Tangible and Intangible Assets	344,815.3	328,841.8	+4.9%
Goodwill	61,726.7	62,517.5	-1.3%
Investments	73,426.3	96,171.9	-23.7%
Other Non-Current Assets	30,542.5	38,429.5	-20.5%
Total Non-Current Assets	510,510.8	525,960.7	-2.9%
Stocks	150,209.0	142,074.7	+5.7%
Trade Account Receivables and Other Current Assets	86,638.9	83,788.0	+3.4%
Investments held for Trading	22.7	0.5	>100%
Cash and Cash Equivalents	26,834.4	43,956.5	-39.0%
Total Current Assets	263,705.1	269,819.8	-2.3%
Total Assets	774,215.9	795,780.5	-2.7%
Equity Attributable to Equity Holders of Sonae Capital	369,986.6	321,033.2	+15.3%
Equity Attributable to Minority Interests	41,571.8	36,758.8	+13.1%
Total Equity	411,558.4	357,792.0	+15.0%
Bank Loans	201,651.3	191,453.6	+5.3%
Deferred Tax Liabilities	2,303.9	2,307.1	-0.1%
Other Non-Current Liabilities	43,524.7	45,903.5	-5.2%
Total Non-Current Liabilities	247,479.9	239,664.1	+3.3%
Bank Loans	10,122.0	24,751.0	-59.1%
Trade Creditors and Other Current Liabilities	103,873.0	169,757.9	-38.8%
Provisions	1,182.5	3,815.5	-69.0%
Total Current Liabilities	115,177.6	198,324.4	-41.9%
Total Liabilities	362,657.5	437,988.5	-17.2%
Total Equity and Liabilities	774,215.9	795,780.5	-2.7%
Net Debt	184,916.2	172,247.5	+7.4%

Unit: 10^{^3} Euro

Maia, 15 May 2008

The Board of Directors

¹⁷ Continued operations.

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