



SONAE, SGPS, SA

Sociedade Aberta

Head Office: Lugar do Espido - Via Norte - 4471- 909 MAIA

Share Capital: Euro 2,000,000,000

Maia Commercial Registry and Fiscal Number 500 273 170

REPORT AND ACCOUNTS

31 MARCH 2007

(Translation from the Portuguese original)

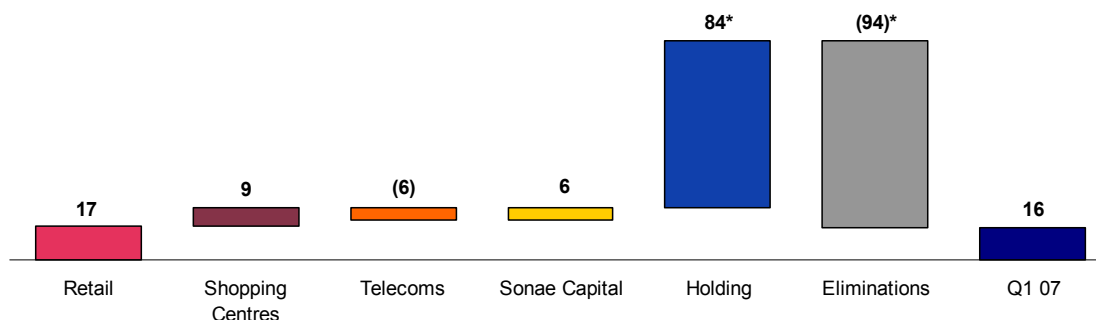


REPORT OF THE BOARD OF DIRECTORS

31 MARCH 2007

Values in million euro

Contributions to Consolidated Profit for the Period



* Includes dividends paid by the Retail business and the Shopping Centres business.

Values in million euro

Financial Indicators	31.12.2006	31.03.2007	Δ
Total Assets	6,320.9	6,236.2	-1.3%
Total Equity	1,694.7	1,672.4	-1.3%
Net Debt	2,062.8	2,232.6	+8.2%
Annualised Interest cover	6.1	5.5	-9.8%
Net Debt/annualised EBITDA	3.4	3.7	+7.8%

MAIN CORPORATE EVENTS DURING THE PERIOD

Following the announcement made on 22 December 2004, a further 3.92% of ba Vidro was sold in January 2007, generating a capital gain of 3.8 million euro.

On 12 January 2007, the offer for the whole of the share capital of Portugal Telecom and of PT Multimedia was registered with the Portuguese Securities and Exchange Commission (CMVM), following the announcement, on 22 December 2006, from the Competition Authority, disclosing the commitments to be undertaken by Sonaecom to allow the offer to proceed. The offer consideration was increased to 10.5 euro per share (from the previous 9.5 euro per share) on 15 February 2007. The offer terminated automatically on 2 March 2007 because proposed changes to the articles of association of Portugal Telecom, which was one of the conditions on which the offer was dependent, were not approved by a qualified majority of its shareholders. On 6 March 2007, Sonaecom announced that it has sold on the Lisbon Stock Exchange, 11,291,657 shares, representing over 1% of the share capital of Portugal Telecom. These shares were sold at an average price of 9.6151 euro, generating a 2.5 million euro gain.

On 5 and 6 March 2007, Sonaecom purchased 1,894,326 own shares on the Lisbon Stock Exchange, representing 0.517% of Sonaecom's share capital. These acquisitions intended to fully cover the obligations under the Company's Medium Term Incentive Plan attributed to its employees. Following these acquisitions, Sonae SGPS's shareholding represents 1.379% of Sonaecom's total voting rights.

CORPORATE GOVERNANCE

Main changes to Corporate Governance practices of Sonae SGPS, SA were as follows:

Governing Bodies

- On 3 May 2007, the Shareholders' General Meeting of Sonae, SGPS, SA elected the members of the Board of Directors for the four year period 2007 to 2010:
 - Belmiro Mendes de Azevedo
 - Álvaro Carmona e Costa Portela
 - José Álvaro Cuervo Garcia
 - Ângelo Gabriel Ribeirinho dos Santos Paupério
 - Duarte Paulo Teixeira de Azevedo
 - José Manuel Neves Adelino
 - Luíz Felipe Palmeira Lampreia
 - Michel Marie Bon
 - Nuno Manuel Moniz Trigo Jordão
- The elected Board of Directors has appointed Belmiro Mendes de Azevedo as Chairman and an Executive Committee with the following members:
 - Duarte Paulo Teixeira de Azevedo (Chief Executive Officer)
 - Álvaro Carmona e Costa Portela
 - Ângelo Gabriel Ribeirinho dos Santos Paupério
 - Nuno Manuel Moniz Trigo Jordão
- The elected Board of Directors has appointed the following Board Committees:
 - Audit and Finance Committee, with the following members:
 - Michel Marie Bon (Chairman)
 - José Álvaro Cuervo Garcia
 - José Manuel Neves Adelino
 - Luíz Felipe Palmeira Lampreia

 - Nomination and Remuneration Committee, with the following members:
 - Belmiro Mendes de Azevedo (Chairman)
 - Luíz Felipe Palmeira Lampreia
 - Michel Marie Bon

- In the four year period 2007 to 2010, the company will be audited by a Fiscal Board and by a Statutory Audit Firm, elected by the Shareholders' General Meeting as follows:

Fiscal Board:

- Daniel Bessa Fernandes Coelho (Chairman)
- Arlindo Dias Duarte Silva
- Jorge Manuel Felizes Morgado
- Óscar José Alçada da Quinta (Substitute)

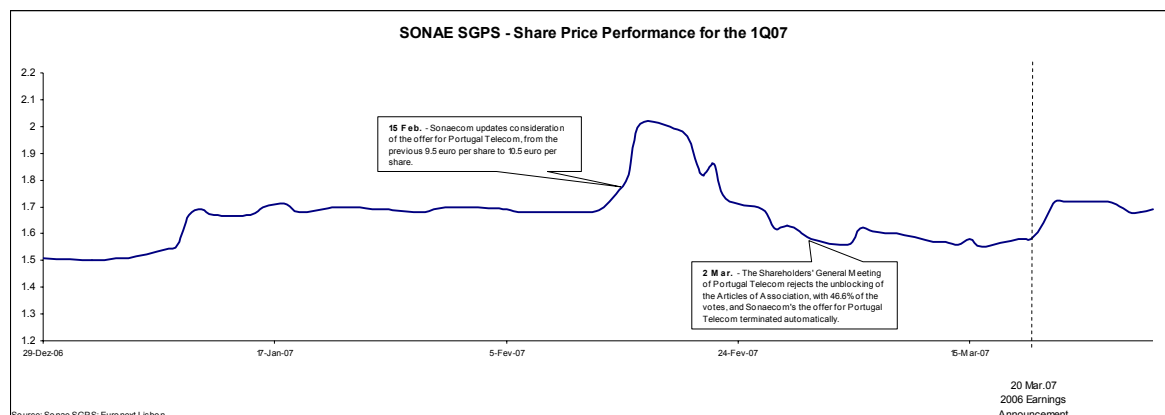
Statutory Auditor:

- Deloitte & Associados, SROC, represented by António Marques Dias or by Jorge Manuel Araújo de Beja Neves
- On 3 May 2007, the Shareholders' General Meeting of Sonae, SGPS, SA elected the members of the Remuneration Committee for the four year period 2007 to 2010:
 - Belmiro Mendes de Azevedo (Chairman)
 - Artur Eduardo Brochado dos Santos Silva
 - Bruno Walter Lehmann

Shareholder representation and voting rights

- On 3 May 2007, the Shareholders' General Meeting of Sonae, SGPS, SA elected the members of the Board of the Shareholders' General Meeting for the four year period 2007 to 2010:
 - Manuel Cavaleiro Brandão (Chairman)
 - Maria da Conceição Cabaços (Secretary)
- Under the new Articles of Association, approved on 3 May 2007 by the Shareholders' General Meeting of Sonae, SGPS, SA:
 - Shareholders must provide proof of their title as shareholders at least 5 days in advance of each meeting (in the previous version 8 days), to participate in the Shareholders' General Meeting of Sonae SGPS, SA
 - One vote corresponds to one share (in the previous version, one vote corresponded to each group of one thousand shares)

SHARE PERFORMANCE



During the first quarter of the year, Sonae SGPS's share price performance continued to be impacted by the succession of events and news regarding the tender offer for Portugal Telecom.

Up to 31 March 2007, Sonae SGPS's share price increased 11.9%, which compares with a general stock market gain of 4.1%, as measured by the Portuguese Stock Market Index (PSI-20).

The highest closing price in the period was achieved on 16 February at 2.01 euro per share, and on average, approximately 17.0 million shares were traded daily.

OWN SHARES

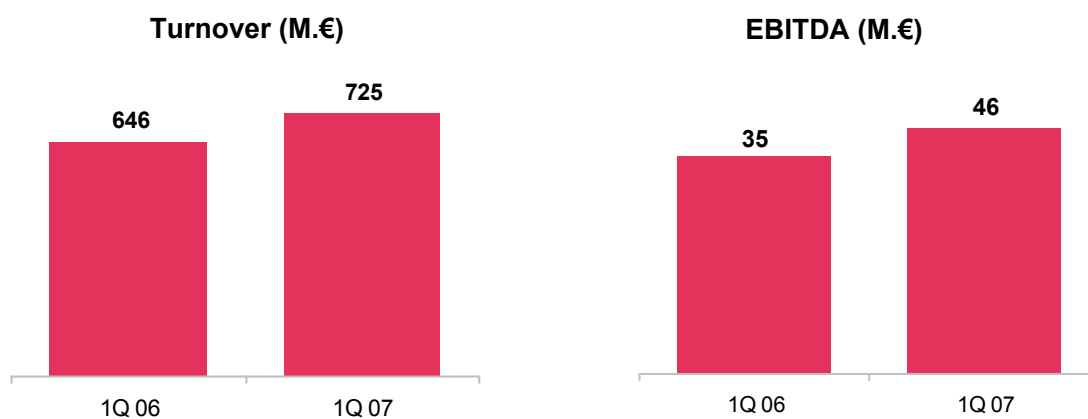
No own shares were purchased or sold during the first quarter of 2007. Thus, as at 31 March 2007, Sonae, SGPS, SA continues to hold directly or through its affiliated companies 133,418,572 own shares, representing 6.671% of its share capital.

BUSINESS ANALYSIS ¹¹

RETAIL

Values in million euro

	1Q 06	1Q 07	Δ
Turnover	646	725	+12%
Operational Cash Flow (EBITDA)	35	46	+32%
EBITDA Margin (% of turnover)	5.4%	6.3%	+0.9 p.p.
Profit Attributable to Equity Holders of Modelo Continente	21	15	-29%



¹¹ The figures included in this section are those from the consolidated financial statements of each business.

Main highlights

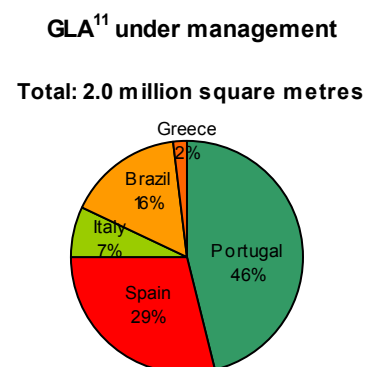
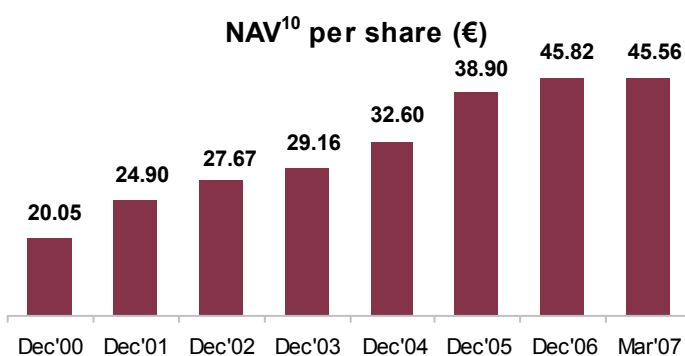
- Consolidated turnover amounted to 725 million euro (646 million euro). This 12% increase resulted from the positive performance of the like for like store portfolio, both in food and non food retail, and from the impact of the organic growth strategy that has been followed, leading to the opening over the last 12 months of 88 new stores (circa 44 thousand m²). Also of significance was the launch of the Continente and Modelo loyalty cards which, because of the strong adherence of customers, are already benchmarks in the Portuguese retail market.
- Consolidated operational cash flow (EBITDA) amounted to 46 million euro (35 million euro), corresponding to a 32% growth. This cash flow represents 6.3% (5.4%) of consolidated turnover, a 0.9 p.p. increase.
- Current profit for the period was 17 million euro (11 million euro), an over 50% growth, reflecting the good performance in the first quarter of the year.
- Consolidated net profit for the quarter totalled 15 million euro (21 million euro). Excluding the 13 million euro price adjustment from the sale of the Brazilian retail operations to Wal-Mart, which impacted results for the first quarter of 2006, consolidated net profit grew 87%.
- As at 31 March 2007, net debt totalled 541 million euro (428 million euro). The increase over 31 March 2006 is explained by the acquisition, at the end of 2006, of 100 million own shares for a total amount of 205 million euro.
- The Retail business opened 11 new non-food stores in the first quarter of the year (1 Modalfa, 1 Max Mat, 2 Zippy, 1 Star, 4 Área Saúde and 2 Worten Mobile), adding 3 thousand m² to its store portfolio. As at 31 March 2007, the company had 490 stores (124 food and 366 non food), corresponding to 546 thousand m² (349 thousand m² food and 197 thousand m² non food).

SHOPPING CENTRES

Values in million euro

	1Q 06	1Q 07	Δ
Operational Cash Flow (EBITDA)	35	36	+3%
Direct Net Profit ⁸	20	22	+12%
Total Net Profit	27	19	-28%
Profit Attributable to Equity Holders of Sonae Sierra	22	14	-36%

	31.12.06	31.03.07	Δ
NAV ¹⁰ per share	45.82	45.56	-0.6%
Asset gearing ⁹	29.4%	30.5%	+1.1 p.p.



⁸ Direct Net Profit = Net Profit before Minorities + Deferred Tax – Value created on Investments – Gain realised on Properties – Corporate Tax

⁹ Asset Gearing = Net Bank Debt / (Total Assets – Cash and Cash Equivalents and Current Investments).

¹⁰ NAV – Net Asset Value.

¹¹ GLA – Gross Lettable Area.

Main highlights

- Consolidated Direct Net Profit from investments grew 12% to 22 million euro (20 million euro, due to the increase in the portfolio of shopping centres (opening of RioSul, in Seixal, and acquisition of Shopping Centre Modelo de Albufeira and Shopping Centre Continente de Portimão, in the Algarve) and a generally good rental performance of all the operating portfolio, which was partially offset by the negative effect of the sale, in October 2006, of 50% of Sonae Sierra Brazil.
- Consolidated Indirect Net Profit amounted to negative 3 million euro (positive 7 million euro). In the first quarter of 2006, Indirect Net Profit was positively impacted by the opening of RioSul, in Seixal, and by the sale of Avenida M40, in Madrid, to the Sierra Fund. Consequently, consolidated Total Net Profit decreased 28% to 19 million euro (27 million euro).
- As at the date of this report Sonae Sierra is the owner or co-owner of 44 shopping and leisure centres, with more than 1.6 million m² of GLA¹².
- As at 31 March 2007, the company had fifteen new projects under development: in Portugal, Setúbal Retail Park, in Setúbal, Lima Retail Park, in Viana do Castelo, 8^a Avenida, in São João da Madeira, and Évora shopping and leisure centre, in Évora; in Spain, Plaza Mayor Shopping, in Malaga, El Rosal shopping and leisure centre, in Ponferrada, and Las Pulianas, in Granada; in Germany, Alexa, in Berlin, and Weiterstadt, near Frankfurt; in Italy, Freccia Rossa, in Brescia, Gli Orsi, in Biella, and Le Terrazze, in La Spezia; in Greece, Galatsy Olympic Hall, in Athens, and Larissa, in Larissa; and in Brazil, Manaus Shopping, in Manaus.
- As at 31 March 2007, the NAV¹³ of the properties attributable to Sonae Sierra was 1,481 million euro (1,490 million euro), corresponding to a value per share of 45.56 euro (45.82 euro).
- Prior to the date of this report, on 2 May 2007, the company announced that it has bought, from a Romanian developer based in Ramnicu Valcea and developer of the property, the already operating shopping centre River Plaza Mall, in Romania. The shopping centre has 12,358 m² of GLA¹², representing a 42 million euro investment.

¹² GLA – Gross Lettable Area.

¹³ NAV – Net Asset Value.

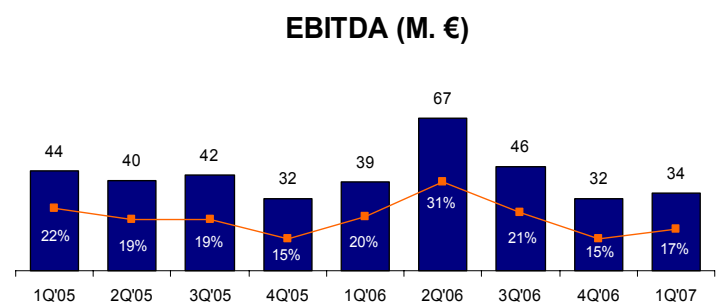
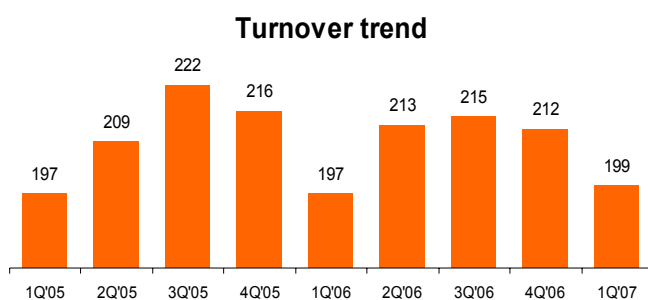
Consolidated figures for the first quarter of 2007 and 2006 are not directly comparable, as Enabler was sold at the end of the first half of 2006.

TELECOMMUNICATIONS

Values in million euro

	1Q 06	1Q 07	Δ
Turnover	197	199	+1%
Operational Cash Flow (EBITDA)	39	34	-13%
EBITDA Margin	19.8%	17.1%	-2.7 p.p.
Profit Attributable to Equity Holders of Sonaecom	-	(6)	(6)

	31.12.06	31.03.07	Δ
Net Debt	338	276	-18%



Main highlights

- Consolidated turnover amounted to 199 million euro (197 million euro), a 1% increase, notwithstanding the negative impact of the lower mobile termination rates and lower roaming in tariffs, and the impact of the sale of Enabler at the end of the first half of 2006. Sonaecom Fixed and Optimus grew their business contributions to consolidated turnover by 23% and 1%, respectively.
- Consolidated operational cash flow (EBITDA) amounted to 34 million euro (39 million euro), posting a 13% decrease and generating an EBITDA margin of 17% (20%). This decrease derived both from the lower contribution of Optimus and of S&SI to consolidated EBITDA. The latter reflects the sale of Enabler (excluding this impact S&SI's contribution remained in line with the previous year's figure). Optimus' lower contribution was mostly due to a one off benefit in the form of credit from equipment suppliers granted in the first quarter of 2006, to lower mobile termination rates and to higher handset subsidisation costs.
- Depreciation and amortisation increased 4 million euro to 37 million euro (33 million euro), due to the higher asset base resulting from the extension of the UMTS/High Speed network and the extension of Sonaecom Fixed access network capillarity. Net Financial charges increased to 4 million euro (3 million euro), circa 17%, mainly due to the higher average cost of debt and the temporarily higher gross debt in the form of shareholder loans granted by Sonae SGPS, 1.2 billion euro, related to the guarantee for the public tender offer for Portugal Telecom.
- Consequently, consolidated net profit decreased 11 million euro to negative 6 million euro (positive 5 million euro).
- Consolidated gross debt stood at 466 million euro, roughly in line with 31 December 2006. Consolidated liquidity increased around 64 million euro, reflecting the free cash flow generated in the quarter. Consolidated net debt as at 31 March 2007 stood at 276 million euro (272 million euro), 62 million euro below net debt as at 31 December 2006.

SONAE CAPITAL

Sonae Capital is made up of businesses in Tourism, Engineering Services and Real Estate Development, Facility Management, Insurance Brokerage and Risk Management and Seed and Risk Capital.

Values in million euro

	1Q 06	1Q 07	Δ
Turnover	111	111	-
Operational Cash-Flow (EBITDA)	2	6	+4
Profit for the period	6	5	-17%

Consolidated turnover of Sonae Capital remained in line with the previous year comparable, amounting to 111 million euro.

Consolidated operational cash flow (EBITDA) increased 4 million euro to 6 million euro (2 million euro), mainly due to better overall operational performance of the Seed and Risk Capital businesses.

Consolidated net profit for the period was 5 million euro (6 million euro), down 17%. In the first quarter of 2006, net profit was positively impacted by the gain on the sale of Star, the travel agency format, to the Retail business.

SONAE, SGPS, SA – Stand Alone Activity

The activity of Sonae, SGPS, SA, as a stand alone company, is focused on the management of its holdings in affiliated companies.

During the first quarter of 2007, Sonae, SGPS, SA, sold 40,481,436 Sonaecom, SGPS, SA's shares (11.05% of the corresponding share capital) to Sontel, BV, decreasing its direct shareholding to 1.66%.

Prior to the date of this report, on 11 April 2007, Sonae, SGPS, SA completed a bond issue of 150 million euro.

CONSOLIDATED PROFITABILITY

Consolidated turnover for the quarter grew 9%, up to 1,043 million euro (960 million euro). The Retail business was the main growth driver, with a contribution increase of 74 million euro, up 11%, due to: strong performance of the like for like store portfolio, opening of 88 new stores (circa 44 thousand m²) in the last 12 months and the positive impact of the new Continente and Modelo loyalty cards. Other businesses' contributions remained slightly above previous year comparables.

Consolidated operational cash flow (EBITDA) for the quarter was 108 million euro (98 million euro), a 10% growth, generating a **consolidated EBITDA margin** of 10.3% (10.1%). The Retail business growth strategy continued to deliver good results, with the respective contribution to consolidated EBITDA growing by 14 million euro to 48 million euro (34 million euro). Sonae Capital's higher contribution to consolidated EBITDA, circa 7 million euro (2 million euro), resulted from operational improvements in the Seed and Risk Capital business area. The contribution of the Shopping Centres business to consolidated EBITDA decreased 6 million euro to 18 million euro (24 million euro). EBITDA from operations increased 3% to 36 million euro (35 million euro), while value created on investment properties decreased 7 million euro (in the first quarter of 2006, contribution to consolidated EBITDA was impacted by around 5 million euro associated with the opening of RioSul Shopping in March 2006). The lower contribution of the Telecommunications business to consolidated EBITDA, 37 million euro (40 million euro), reflects the lower contribution from the mobile business due to lower termination rates, higher handset subsidisation and leased lines costs, notwithstanding positive performance at the fixed and software and systems information businesses.

Consolidated net profit for the quarter was 16 million euro (35 million euro), a 19 million euro decrease mostly explained by higher net financial expenses and lower investment income. Net financial expenses increased 7 million euro to 28 million euro (21 million euro), mainly due to higher interest arising from higher average cost of debt and higher gross debt. Regarding the Telecommunications businesses, the latter was due to Sonae SGPS's loan for the funding of guarantees associated with the tender offer for Portugal Telecom. Contributing to the quarter's profit are 7 million euro (19 million euro) of investment income, which include gains on the sale of an additional 3.92% shareholding in ba Vidro and of Sonaecom's 1% shareholding in Portugal Telecom. As at 31 March 2006, investment income included the 13 million euro price adjustment on the sale of the Brazilian retail operations.

Accordingly, **consolidated net profit attributable to equity holders of Sonae** decreased 10 million euro to 15 million euro (25 million euro).

Contributions to the consolidated total of Sonae, SGPS, SA were as follows:

Values in million euro

	Turnover	EBITDA ⁸	Profit for the Period
Retail	725	48	17
Shopping Centres	37	18	9
Telecommunications	199	37	(6)
Sonae Capital	111	7	6
Holding	4	(1)	84 *
Eliminations	(33)	(1)	(94) *
TOTAL	1,043	108	16

* Includes dividends paid by the Retail business and the Shopping Centres business.

FINANCIAL STRUCTURE

Consolidated net debt⁹ as at 31 March 2007 amounted to 2,233 million euro (1,684 million euro). When compared to 31 December 2006, consolidated net debt increased 170 million euro, because of the normal seasonal increase in the contribution of the Retail business and of the repayment of intragroup loans at the Holding level. Of the total consolidated net debt as at 31 March 2007, 543 million euro are attributable to the Shopping Centres business and are fully and exclusively guaranteed by its own assets.

Contributions to the consolidated net debt of Sonae, SGPS, SA were as follows:

Values in million euro

	31.12.06	31.03.07	Δ
Retail	377	541	164
Shopping Centres	533	543	10
Telecommunications	337	275	(62)
Sonae Capital	101	125	24
Holding	621	748	127
Eliminations	94	1	(93)
TOTAL	2,063	2,233	170

⁸ EBITDA = Operational Profit (EBIT) + Depreciation and Amortisation + Provisions and Impairment Losses – Reversal of Impairment Losses and Provisions (included in Other Operational Income and amounting to 0.4 M.€ in the first quarter of 2007 and 0.9 M.€ in the first quarter of 2006).

⁹ Net Debt = Non-Current Borrowings + Current Borrowings – Cash and Cash Equivalents – Current Investments.

The **ratio of consolidated net debt to consolidated operational cash flow (EBITDA)** for the last 12 months was 3.7 (2.9), which compares with 3.4 as at 31 December 2006. **Annualised interest cover** was 5.5 (6.5), reflecting the higher level of interest expense in the period.

OUTLOOK

The **Retail** business intends to pursue the expansion plan outlined for the year of 2007, increasing sales area by over 10%, corresponding to circa 50,000 m². Other priorities for the year include the consolidation and development of the customer loyalty programmes launched in the last months and to prepare the entrance in a new geography.

The **Shopping Centres** business will continue to develop the existing portfolio of projects, comprising 15 shopping centres, while identifying new projects (greenfield and acquisitions), namely in the Romanian market.

In 2007, the **Telecommunications** business expects to grow its customer base. The business will continue to pursue cost and financial efficiencies, and will actively analyse all acquisition opportunities.

In **Sonae Capital** priorities are set on preparing the spin-off and on developing the Troia resort.

Maia, 10 May 2007

The Board of Directors

Belmiro Mendes de Azevedo

Álvaro Carmona e Costa Portela

Álvaro Cuervo García

Ângelo Gabriel Ribeirinho dos Santos Paupério

Duarte Paulo Teixeira de Azevedo

José Manuel Neves Adelino

Luíz Felipe Palmeira Lampreia

Michel Marie Bon

Nuno Manuel Moniz Trigo Jordão



CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2007

SONAE. SGPS. SA

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2007 AND 31 DECEMBER 2006

(Amounts expressed in euro)

ASSETS	Notes	31.March.2007	31.December.2006
NON-CURRENT ASSETS:			
Tangible and intangible assets	9	2,381,745,646	2,396,093,382
Investment properties	10	1,567,611,608	1,520,211,259
Goodwill	11	261,395,003	250,842,655
Investments	12	166,555,570	264,647,797
Deferred tax assets	15	103,263,626	102,767,409
Other non-current assets	13	45,710,447	44,081,686
Total Non-Current Assets		<u>4,526,281,900</u>	<u>4,578,644,188</u>
CURRENT ASSETS:			
Stocks		529,190,415	481,185,712
Trade account receivables and other current assets	14	645,129,966	565,303,755
Investments held for trading	12	34,164,065	33,261,860
Cash and cash equivalents	16	501,298,068	662,475,440
Total Current Assets		<u>1,709,782,514</u>	<u>1,742,226,767</u>
TOTAL ASSETS		<u><u>6,236,064,414</u></u>	<u><u>6,320,870,955</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	17	2,000,000,000	2,000,000,000
Own shares	17	(141,110,861)	(142,961,431)
Reserves and retained earnings		(604,946,824)	(806,219,141)
Profit/(Loss) for the year attributable to the equity holders of sonae		14,672,787	241,822,233
Equity attributable to the equity holders of Sonae		<u>1,268,615,102</u>	<u>1,292,641,661</u>
Equity attributable to minority interests	18	403,821,509	402,058,314
TOTAL EQUITY		<u>1,672,436,611</u>	<u>1,694,699,975</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	19	2,152,656,669	2,142,696,898
Other non-current liabilities	21	102,415,872	105,487,112
Deferred tax liabilities	15	274,990,631	272,056,372
Provisions	24	58,981,165	63,234,735
Total Non-Current Liabilities		<u>2,589,044,337</u>	<u>2,583,475,117</u>
CURRENT LIABILITIES:			
Loans	19	615,393,326	615,931,494
Trade creditors and other non-current liabilities	23	1,356,905,241	1,424,300,278
Provisions	24	2,284,899	2,464,091
Total Current Liabilities		<u>1,974,583,466</u>	<u>2,042,695,863</u>
TOTAL LIABILITIES		<u>4,563,627,803</u>	<u>4,626,170,980</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,236,064,414</u></u>	<u><u>6,320,870,955</u></u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE. SGPS. SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS ENDED 31 MARCH 2007 AND 2006

(Amounts expressed in euro)

	<u>Notes</u>	<u>31.March.2007</u>	<u>31.March.2006</u>
Operational income			
Sales		765,258,707	688,343,562
Services rendered		277,449,161	271,988,529
Value created on investment properties	10	2,869,336	5,420,980
Other operational income		<u>106,983,228</u>	<u>85,914,176</u>
Total operational income		<u>1,152,560,432</u>	<u>1,051,667,248</u>
Operational expenses			
Cost of goods sold and materials consumed		(610,849,696)	(544,213,313)
Changes in stocks of finished goods and work in progress		10,342,576	4,329,217
External supplies and services		(275,251,808)	(255,089,654)
Staff costs		(148,604,868)	(142,996,617)
Depreciation and amortisation		(60,339,804)	(54,331,107)
Provisions and impairment losses		(3,867,968)	(1,587,099)
Other operational expenses		<u>(20,119,955)</u>	<u>(15,282,186)</u>
Total operational expenses		<u>(1,108,691,523)</u>	<u>(1,009,170,759)</u>
Operational profit/(loss)		43,868,909	42,496,488
Net financial expenses		(27,660,387)	(20,541,862)
Share of results of associated undertakings	12	297,449	565,594
Investment income		<u>6,757,222</u>	<u>19,448,218</u>
Profit/(Loss) before taxation		23,263,193	41,968,438
Taxation	27	<u>(7,238,623)</u>	<u>(7,062,161)</u>
Profit/(Loss) after taxation		16,024,570	34,906,277
Profit/(Loss) for the year	28	<u>16,024,570</u>	<u>34,906,277</u>
Attributable to:			
Equity holders of Sonae		14,672,787	24,656,481
Minority interests		<u>1,351,783</u>	<u>10,249,796</u>
Profit/(Loss) per share			
Basic	29	0.007861	0.013213
Diluted	29	<u>0.007861</u>	<u>0.013213</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, S.G.P.S., S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2007 AND 2006

(Amounts expressed in euro)

	Attributable to Equity Holders of Sonae				Total	Minority Interests	Total Equity
	Share Capital	Own Shares	Reserves and Retained Earnings	Net Profit/(Loss)			
Balance as at 1 January 2006	2,000,000,000	(143,630,520)	(1,228,449,591)	512,803,285	1,140,723,174	394,707,612	1,535,430,786
Appropriation of profit of 2005:							
Transfer to legal reserves and retained earnings	-	-	512,803,285	(512,803,285)	-	-	-
Dividends distributed	-	-	(59,790,522)	-	(59,790,522)	-	(59,790,522)
Changes in reserves							
In conversion reserves	-	-	2,068,173	-	2,068,173	146,504	2,214,677
In hedge and fair value reserves	-	-	13,269,751	-	13,269,751	887,724	14,157,475
In other reserves	-	-	(3,754,741)	-	(3,754,741)	2,535,649	(1,219,092)
Consolidated Profit/(Loss) for the three months ended 31 March 2006	-	-	-	24,656,481	24,656,481	10,249,796	34,906,277
Balance as at 31 March 2006	<u>2,000,000,000</u>	<u>(143,630,520)</u>	<u>(763,853,645)</u>	<u>24,656,481</u>	<u>1,117,172,316</u>	<u>408,527,285</u>	<u>1,525,699,601</u>
Balance as at 1 January 2007	2,000,000,000	(142,961,431)	(806,219,141)	241,822,233	1,292,641,661	402,058,314	1,694,699,975
Appropriation of profit of 2006:							
Transfer to legal reserves and retained earnings	-	-	241,822,233	(241,822,233)	-	-	-
Dividends distributed	-	-	(55,997,443)	-	(55,997,443)	-	(55,997,443)
Changes in reserves							
In conversion reserves	-	-	2,136,312	-	2,136,312	222,009	2,358,321
In hedge and fair value reserves	-	-	11,615,213	-	11,615,213	(2,365,303)	9,249,910
In other reserves	-	1,850,570	1,696,002	-	3,546,572	2,554,704	6,101,276
Consolidated Profit/(Loss) for the three months ended 31 March 2007	-	-	-	14,672,787	14,672,787	1,351,783	16,024,570
Balance as at 31 March 2007	<u>2,000,000,000</u>	<u>(141,110,861)</u>	<u>(604,946,824)</u>	<u>14,672,787</u>	<u>1,268,615,102</u>	<u>403,821,509</u>	<u>1,672,436,611</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, S.G.P.S., S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007 AND 2006

(Amounts expressed in euro)

<u>OPERATING ACTIVITIES</u>	<u>Notes</u>	<u>31.March.2007</u>	<u>31.March.2006</u>
Net cash flow from operating activities (1)		<u>(101,870,137)</u>	<u>(132,641,009)</u>
 <u>INVESTMENT ACTIVITIES</u>			
Cash receipts arising from:			
Investments		119,532,222	273,624,150
Tangible, intangible assets and propertie investments			
Dividends		1,041,922	1,503,115
Others		<u>25,643,380</u>	<u>9,421,628</u>
		<u>150,305,107</u>	<u>294,139,032</u>
Cash Payments arising from:			
Investments		(20,998,314)	(13,964,825)
Tangible, intangible assets and propertie investments			
Others		<u>(9,044,716)</u>	<u>(12,801,150)</u>
		<u>(189,766,931)</u>	<u>(163,001,167)</u>
Net cash used in investment activities (2)		<u>(39,461,824)</u>	<u>131,137,865</u>
 <u>FINANCING ACTIVITIES</u>			
Cash receipts arising from:			
Loans obtained		3,631,252,315	168,462,467
Capital increases, additional paid in capital and share premiums		-	251,119
		<u>3,631,252,315</u>	<u>168,713,586</u>
Cash Payments arising from:			
Loans obtained		(3,608,335,871)	(610,523,057)
Interest and similar charges		(45,282,874)	(45,239,529)
Reimbursement of capital and paid in capital		(78,380)	-
Dividends		(568,860)	(184,073)
Others		<u>(768,213)</u>	<u>(115,215)</u>
		<u>(3,655,034,198)</u>	<u>(656,061,874)</u>
Net cash used in financing activities (3)		<u>(23,781,883)</u>	<u>(487,348,288)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(165,113,844)</u>	<u>(488,851,432)</u>
Effect of foreign exchange rate		<u>(93,995)</u>	<u>(141,749)</u>
Cash and cash equivalents at the beginning of the period	16	<u>648,811,274</u>	<u>893,621,052</u>
Cash and cash equivalents at the end of the period	16	<u>483,791,425</u>	<u>404,911,369</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, SGPS, SA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED AS AT 31 MARCH 2007

(Amounts expressed in euro)

1. INTRODUCTION

SONAE, SGPS, SA (“the Company” or “Sonae”), whose head-office is at Lugar do Espido, Via Norte, Apartado 1011, 4471-909 Maia, Portugal, is the parent company of a group of companies, as detailed in Notes 4 to 7 (“Sonae Group”). The Group’s operations and business segments are described in Note 31.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of annual financial statements for the year ended 31 December 2006.

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS” – previously named International Accounting Standards – “IAS”), issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) or by the previous Standing Interpretations Committee (“SIC”), applicable to financial years beginning on 1 January 2007.

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

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the period there were no changes in accounting policies or prior period errors.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by the Group as at 31 March 2007 and 31 December 2006 are as follows:

COMPANY	Head Office	Percentage of capital held			
		31 March 2007		31 December 2006	
		Direct	Total	Direct	Total
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Modelo Continente					
Bertimóvel - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Best Offer-Prest. Inf. p/Internet, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bikini, Portal de Mulheres, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Cacetinho-Com. Retalhista e Expl.Centros Com., SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Canasta – Empreendimentos Imobiliários, SA	a) Maia	100.00%	100.00%	100.00%	100.00%

	Carnes do Continente -Ind. Distr. Carnes, SA	a)	Santarém	100.00%	100.00%	100.00%	100.00%
	Chão Verde - Soc.Gestora Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Citorres-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Contibomba - Comérc. Distr. Combustíveis, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Contimobe-Imobil.Castelo Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
	Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Difusão-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Distrifin - Comercio y Prest.Servicios, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Efanor-Design e Serviços, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Efanor-Indústria de Fios, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Equador & Mendes, Lda	a)	Lisbon	75.00%	75.00%	75.00%	75.00%
	Estevão Neves-Hipermercados Madeira, SA	a)	Madeira	100.00%	100.00%	100.00%	100.00%
	Fozimo-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Fozmassimo-Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Fundo de Investimento Imobiliário Imosona e Dois	a)	Maia	100.00%	100.00%	100.00%	100.00%
4)	Fundo Fechado de Investimento Imobiliário Efisa Imobiliário	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
	Global S-Hipermercado, Lda	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	IGI-Investimento Imobiliário, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Igimo-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imoconti- Soc.Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoestrutura-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imomuro-Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoponte-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imoresultado-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imosistema-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Infofield-Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Inventory-Acessórios de Casa, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
	Max Office Artigos Serviços p/escrit., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	MJLF – Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modalfa-Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modelo - Dist.de Mat. de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
	Modelo Continente Hipermercados,SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Continente, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Continente-Oper.Retalho SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Modelo,SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modelo.com-Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modis Distribuição Centralizada, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	NA - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	-	-
1)	NA - Equipamentos para o Lar, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Nova Equador Internacional,Ag.Viag.T, Lda	a)	Lisbon	75.00%	75.00%	75.00%	75.00%

	OK Bazar-Comércio Geral, SA	a)	Ermesinde	100.00%	100.00%	100.00%	100.00%
2)	Parcium - Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Peixes do Continente - Indústria e Distribuição de Peixes, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Predicomercial-Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Selifa – Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sesagest-Proj.Gestão Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SM Empreendimentos Imobiliários, Ltda	a)	Porto Alegre (Brazil)	100.00%	100.00%	100.00%	100.00%
	Socijofra-Sociedade Imobiliária, SA	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
	Sociloures-Soc.Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Solaris - Supermercados, SA	a)	Viana do Castelo	100.00%	100.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho Espana-Servicios Gen., SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sontária-Empreend.Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonvecap, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sport Zone-Comércio Art.Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	SRE-Projectos e Consultadoria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Star-Viagens e Turismo, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	100.00%	100.00%	100.00%
	Todos os Dias-Com.Ret.Expl.C.Comer., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten-Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonaecom							
	Digitmarket-Sistemas de Informação, SA	a)	Maia	75.10%	38.87%	75.10%	38.99%
	M3G-Edições Digitais, SA	a)	Lisbon	100.00%	51.24%	100.00%	51.40%
	Mainroad Serviços em Tecnologias de Informação, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Miauger-Org. Gestão Leilões El., SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Novis Telecom, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Optimus Telecomunicações, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Optimus Towering-Explor. Torres Telecom, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Per-Mar-Sociedade de Construções, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Público-Comunicação Social, SA	a)	Porto	99.00%	51.24%	99.00%	51.40%
	Saphety Level - Trusted Services, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Sonae Matrix Multimédia, SGPS, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Sonae Telecom SGPS, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%
	Sonae.com,SGPS, SA	a)	Maia	51.92%	51.76%	51.92%	51.92%
	Sonae.com-Sistemas de Informação, SGPS, SA	a)	Maia	100.00%	51.76%	100.00%	51.92%

	Sonaecom BV	a)	Amsterdam (The Netherlands)	100.00%	51.76%	100.00%	51.92%
	Sonaetelecom, BV	a)	Amsterdam (The Netherlands)	100.00%	51.76%	100.00%	51.92%
	We Do Brasil-Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	51.28%	99.91%	50.66%
	We Do Consulting-Sistemas de Informação, SA	a)	Maia	99.08%	51.24%	97.66%	50.71%
	Sonae Capital						
	Águas Furtadas - Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Aqualuz - Turismo e Lazer, Lda	a)	Lagos	100.00%	100.00%	100.00%	100.00%
	Aquapraia-Investimentos Turísticos, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
3)	Atlantic Ferries - Traf.Loc.Flu.e Marit., SA	a)	Grândola	100.00%	100.00%	100.00%	72.80%
	Azulino Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Bloco Q-Sociedade Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Bloco W-Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Box Lines Navegação, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
3)	Casa Agrícola João e António Pombo, SA	a)	Portel	66.67%	66.67%	66.67%	32.67%
	Casa da Ribeira - Hotelaria e Turismo, SA	a)	Marco de Canaveses	100.00%	100.00%	100.00%	100.00%
	Centro Residencial da Maia,Urban., SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Cinclus Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Cinclus-Plan. e Gestão de Projectos, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Contacto Concessões, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
6)	SC - Engenharia e Promoção Imobiliária, SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Contacto-Sociedade de Construções, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Country Club da Maia-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Cronosáude – Gestão Hospitalar, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Elmo SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Empreend.Imob.Quinta da Azenha, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Espimaia -Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Esprit du Monde, SA	a)	Portel	100.00%	66.67%	100.00%	32.67%
	Friengineering, SA	a)	Matosinhos	100.00%	35.07%	100.00%	50.10%
	Fundo de Investimento Imobiliário Imosede	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Golf Time - Golfe e Inv.Turísticos, SA	a)	Porto	75.00%	75.00%	75.00%	75.00%
3)	Iginha-Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	49.00%
	Imoarea Investimentos Turísticos, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imobiliária da Cacela, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoclub-Serviços Imobiliários, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imodivor - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imoferro-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imohotel-Emp.Turist.Imobiliários, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imopenínsula - Sociedade Imobiliária, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Imoresort - Sociedade Imobiliária, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%

	Imosedas-Imobiliária e Serviços, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Implantação - Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Insulatroia - Sociedade Imobiliária, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Integrum-Serviços Partilhados, SA	a)	Maia	100.00%	35.07%	100.00%	35.07%
	Interlog-SGPS, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
3)	Investalentejo, SGPS, SA	b)	Vila de Conde	100.00%	100.00%	49.00%	49.00%
	INVAUDE - Gestão Hospitalar, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Ipaper-Industria Papeis Impregnados, SA	a)	Maia	100.00%	51.00%	100.00%	24.99%
	Isoroy Casteljaloux	a)	Casteljaloux (France)	100.00%	100.00%	100.00%	100.00%
	Leroy Gabon, SA	a)	Libreville (Gabon)	99.99%	99.99%	99.99%	99.99%
	Libra Serviços, Lda	a)	Funchal	100.00%	100.00%	100.00%	100.00%
	Marimo -Exploração Hoteleira Imobiliária, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Marina de Troia, SA	a)	Troia	100.00%	100.00%	100.00%	100.00%
	Marina Magic - Exploração de Centros Lúd, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
	Marmagno-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Martimope - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Marvero-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	MDS - Corretores de Seguros, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	NAB, Sociedade Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Parcomarco, Gest Parq Est Centros Comer	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Partnergiro-Empreendimentos Turísticos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	35.07%	100.00%	35.07%
	Placage d'Okoumé du Gabon	a)	Libreville (Gabon)	99.88%	99.88%	99.88%	99.88%
	Plysol SAS	a)	Niort (France)	100.00%	100.00%	100.00%	100.00%
	Porturbe-Edifícios e Urbanizações, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Praedium II-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Praedium III-Serviços Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Praedium-SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Prédios Privados Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Predisedas-Predial das Sedas, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Promessa Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Promosedas-Prom.Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Publimeios-Soc.Gestora Part. Finan., SA	a)	Maia	50.10%	50.10%	50.10%	50.10%
4)	Quinta da Covilhã-Empr.Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Rochester Real Estate, Ltd	a)	Kent (U.K.)	100.00%	100.00%	100.00%	100.00%
	Safira Services-Limpeza Espaços Verd., SA	a)	Porto	51.00%	25.55%	51.00%	25.55%
	Saúde Atlântica - Gestão Hospitalar, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	SC Insurance Risks Services, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	SC-Consultadoria,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Selfrio,SGPS, SA	a)	Matosinhos	70.00%	35.07%	70.00%	35.07%
	Selfrio-Engenharia do Frio, SA	a)	Matosinhos	100.00%	35.07%	100.00%	35.07%
3)	Sete e Meio - Investimentos e Consultadoria, SA	a)	Grândola	100.00%	100.00%	100.00%	49.00%

3)	Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA	a)	Grândola	100.00%	100.00%	100.00%	49.00%
	SII - Soberana Investimentos Imobiliários, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Sistavac-Sist.Aquecimento,V.Ar C., SA	a)	Matosinhos	100.00%	35.07%	100.00%	35.07%
	SKK-Central de Distr., SA	a)	Porto	100.00%	35.07%	100.00%	35.07%
	SKKFOR - Ser. For. e Desen. de Recursos, SA	a)	Maia	96.00%	33.67%	96.00%	33.67%
	SMP-Serv. de Manutenção Planeamento, SA	a)	Matosinhos	100.00%	35.07%	100.00%	35.07%
	Société de Tranchage Isoroy SAS	a)	France	100.00%	100.00%	100.00%	100.00%
	Société des Essences Fines Isoroy	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
	Soconstrução, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Soira-Soc.Imobiliária de Ramalde, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Solinca III-Desporto e Saúde, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
	Solinca-Investimentos Turísticos, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Solinfitness - Club Malaga, SL	a)	Malaga (Spain)	100.00%	100.00%	100.00%	100.00%
3)	Soltroia-Imob.de Urb.Turismo de Troia, SA	a)	Lisbon	100.00%	100.00%	100.00%	73.99%
	Sonae Capital,SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Sonae Financial Participations, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae International, Ltd	a)	London (U.K.)	100.00%	100.00%	100.00%	100.00%
	Sonae Turismo - SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Sonae Turismo Gestão e Serviços, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Sontur, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sopair, SA	a)	Madrid (Spain)	100.00%	35.07%	60.00%	30.06%
	Sótaqua - Soc. de Empreendimentos Turist, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Spinarq, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Spinveste - Promoção Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Spinveste-Gestão Imobiliária SGII, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Textil do Marco, SA	a)	Marco de Canaveses	90.37%	90.37%	90.37%	90.37%
	Torre São Gabriel-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Troiaresort - Investimentos Turísticos, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Troiaverde-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Tulipamar-Expl.Hoteleira Imob., SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
	Urbisedas-Imobiliária das Sedas, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Venda Aluga-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	World Trade Center Porto, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Others						
	Aglom Investimentos, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Aserraderos de Cuellar, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Espmen - Investimentos Imobiliários, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
5)	Imoplamac Gestão de Imóveis, SA	a)	Santarém	10.00%	10.00%	100.00%	100.00%
	Somit-Soc.Mad.Ind.Transformadas, SA	a)	Oliveira do Hospital	100.00%	100.00%	100.00%	100.00%
	Sonae Investments, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia	80.00%	70.00%	80.00%	70.00%
	Sontel, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%

- 1) Company acquired or incorporated in the period;
- 2) Company merged into Modelo Continente, SGPS, SA;
- 3) Company shown under Others in the previous period;
- 4) Company wound up in the period;
- 5) Sale of 90% of the company in the period;
- 6) Ex - Contacto - SGPS, SA.

- a) Majority of voting rights;
- b) Management control.

These group companies are consolidated using the full consolidation method.

5. JOINTLY CONTROLLED COMPANIES

Jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 31 March 2007 and 31 December 2006 are as follows:

COMPANY	Head Office	Percentage of capital held			
		31 March 2007		31 December 2006	
		Direct	Total	Direct	Total
Sonae Sierra					
3DO Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
3DO ShoppingCentre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
3shoppings - Holding,SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
Aegean Park Constructions Real Estate and Development, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
ALEXA Administration GmbH	Dusseldorf (Germany)	100.00%	24.75%	100.00%	24.75%
ALEXA Holding GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	25.00%	100.00%	25.00%
ALEXA Site GmbH & Co. KG	Dusseldorf (Germany)	99.00%	24.75%	99.00%	24.75%
Algarveshopping- Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
Arrãbidashopping- Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
2) Athienitis Larissa, SA	Larissa (Greece)	100.00%	25.00%	-	-
Avenida M-40, BV	Amsterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
Avenida M-40, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Boavista Shopping Centre, BV	Amsterdam (The Netherlands)	100.00%	25.00%	100.00%	25.00%
Cascaishopping- Centro Comercial, SA	Maia	50.00%	12.53%	100.00%	12.53%
Cascaishopping Holding I, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
Centro Colombo- Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
Centro Vasco da Gama-Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
Clérigosshopping- Gestão do C.Comerc., SA	Maia	100.00%	50.00%	100.00%	50.00%
Coimbrashopping- Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
2) Dory, SA	Larissa (Greece)	100.00%	25.00%	-	-
Dos Mares - Shopping Centre, BV	Amsterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
Dos Mares-Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%

	El Rosal Shopping, SA	Madrid (Spain)	70.00%	35.00%	70.00%	35.00%
3)	Paracentro - Gestão de Gal.Comerc. SA	Maia	100.00%	50.00%	100.00%	50.00%
	Estação Viana- Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Freccia Rossa- Shopping Centre, Srl	Sondrio (Italy)	50.00%	25.00%	50.00%	25.00%
	Fundo Investimento Imob. Shopping Parque D. Pedro Shopping, SA	São Paulo (Brazil)	100.00%	24.27%	100.00%	24.13%
	Gaiashopping I- Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Gaiashopping II- Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Gli Orsi - Shopping Centre, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Guimarãesshopping- Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Iberian Assets, SA	Madrid (Spain)	49.78%	12.47%	49.78%	12.47%
	Inparsa-Gestão de Galeria Comerc., SA	Maia	100.00%	50.00%	100.00%	50.00%
2)	Kamaras, SA	Larissa (Greece)	100.00%	25.00%	-	-
	La Farga - Shopping Centre, SL	Madrid (Spain)	100.00%	12.47%	100.00%	12.47%
2)	Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	-	-
	Le Terrazze - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
	Lima Retail Park, SA	Viana do Castelo	50.00%	25.00%	50.00%	25.00%
	Loureshopping- Centro Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Luz del Tajo, BV	Amsterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Madeirashopping- Centro Comercial, SA	Funchal	50.00%	12.53%	50.00%	12.53%
	Maiashopping- Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	MC Property Management, SA	Athens (Greece)	75.00%	18.75%	75.00%	18.75%
4)	Airone Center, Srl	Venice (Italy)	100.00%	25.05%	100.00%	25.05%
	NorteShop. Retail and Leisure Centre, BV	Amsterdam (The Netherlands)	50.00%	12.53%	50.00%	12.53%
	Norteshopping-Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Oeste Retail Park - Gestão de G.Comer., SA	Maia	50.00%	25.00%	100.00%	50.00%
	Park Avenue Develop. of Shop. Centers, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada	50.00%	12.53%	50.00%	12.53%
	Parque D. Pedro 1, BV	Luxemburg	100.00%	25.00%	100.00%	25.00%
	Parque D. Pedro 2, BV	Luxemburg	100.00%	25.00%	100.00%	25.00%
	Parque de Famalicão - Empr. Imob., SA	Maia	100.00%	50.00%	100.00%	50.00%
	Parque Príncipe, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	23.57%	100.00%	23.30%
	Pátio Penha Shopping, Ltda	São Paulo (Brazil)	99.99%	23.57%	99.99%	23.30%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	23.57%	100.00%	23.30%
	Pátio Sertório Shopping Ltda	São Paulo (Brazil)	100.00%	23.57%	100.00%	23.30%
	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Plaza Eboli, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Plaza Mayor Holding, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, BV	Amsterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ocio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Plaza Mayor Shopping, SA	Maia	75.00%	37.50%	75.00%	37.50%
	Pridelease Investments, Ltd	Cascais	100.00%	50.00%	100.00%	50.00%
	Proj.Sierra Charagionis 1 -Dev.Sh.C., SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
	Project SC 1, BV	Amsterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
2)	Project SC 2, BV	Amsterdam (The Netherlands)	100.00%	50.00%	-	-
	Project Sierra – Shopping Centre, GmbH	Vienne (Austria)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 1, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 2 - Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 2, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 3, BV	Amsterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%

	Project Sierra 4, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Brazil 1, BV	Amsterdam (The Netherlands)	100.00%	25.00%	100.00%	25.00%
	Project Sierra Germany 1- Shopping Centre, GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
2)	Project Sierra Germany 3 (three), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	-	-
2)	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	-	-
	Project Sierra Holding Portugal IV, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Holding Portugal V, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Italy 1 - Shopping Centre, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Italy 3, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Portugal I- C.Comercial, SA	Maia	50.00%	25.00%	50.00%	25.00%
	Project Sierra Portugal II-C.Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Portugal III-C.Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Portugal IV-C.Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Portugal V-C.Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Portugal VI - C. Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Portugal VII - C. Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Portugal VIII - C Comercial, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 1, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2-C. Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 3, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 3-C. Comercial, SA	Madrid (Spain)	50.00%	25.00%	100.00%	50.00%
	Project Sierra Spain 4 BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 5 BV	Amsterdam (The Netherlands)	50.00%	25.00%	100.00%	50.00%
2)	Project Sierra 5 BV	Amsterdam (The Netherlands)	100.00%	50.00%	-	-
	Rio Sul - Centro Comercial, SA	Maia	50.00%	25.00%	50.00%	25.00%
	SC Aegean, BV	Amsterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	SC Mediterraneum Cosmos, BV	Amsterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
	Serra Shopping - Centro Comercial, S.A.	Lisbon	50.00%	25.00%	50.00%	25.00%
	Shopping Centre Parque Principado, BV	Amsterdam (The Netherlands)	100.00%	25.05%	100.00%	25.05%
	Shopping Penha, BV	Amsterdam (The Netherlands)	100.00%	25.00%	100.00%	25.00%
	Sierra Asset Management-Gest. Activos, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Brazil 1, BV	Amsterdam (The Netherlands)	100.00%	25.00%	100.00%	25.00%
	Sierra Charagionis Develop. of Shop, Centers, SA	Athens (Greece)	50.00%	25.00%	50.00%	25.00%
	Sierra Charagionis Propert.Management, SA	Athens (Greece)	50.00%	25.00%	50.00%	25.00%
	Sierra Corporate Services- Ap.Gestão, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Corporate Services Holland, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Develop.Iberia 1, Prom.Imob., SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Germany Holding, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Greece, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Holding, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Italy, Srl	Sondrio (Italy)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Spain-Prom.C.Com., SL	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%

6. INVESTMENTS IN ASSOCIATED COMPANIES

Associated companies, their head offices and the percentage of share capital held as at 31 March 2007 and 31 December 2006 are as follows:

COMPANY	Head Office	Percentage of capital held				Book Value	
		31 March 2007		31 December 2006		31 March 2007	31 December 2006
		Direct	Total	Direct	Total		
Modelo Continente							
Mundo Vip – Operadores Turísticos, SA	Lisbon	33.33%	33.33%	33.33%	33.33%	2,928,236	3,097,390
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	605,757	506,796
Sonae Sierra							
Campo Limpo Lda	São Paulo (Brazil)	20.00%	4.70%	20.00%	5.00%	882,283	851,744
Mediterranean Cosmos Shop. Centre Investments, SA	Athens (Greece)	39.90%	9.98%	39.90%	9.98%	9,123,511	9,196,940
SIC Indoor – Gest. Suportes Publicitários, SA	Oeiras	35.00%	17.50%	35.00%	17.50%	-	-
Sonaecom							
Profimetrics - Software Solutions, SA	Maia	30.00%	15.53%	30.00%	15.58%	7,788	29,530
SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto	45.00%	23.06%	45.00%	23.13%	148,536	143,674
Unipress - Centro Gráfico, Lda	Vila Nova de Gaia	40.00%	20.50%	40.00%	20.56%	463,374	476,980
Sonae Capital							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	-	-
CarPlus – Comércio de Automóveis, SA	Vila Nova de Gaia	100.00%	50.00%	100.00%	50.00%	-	-
Change, SGPS, SA	Porto	50.00%	50.00%	50.00%	50.00%	2,082,566	2,043,244
Choice Car - Comércio de Automóveis, SA	Porto	100.00%	50.00%	100.00%	50.00%	-	-
Choice Car SGPS, SA	Maia	50.00%	50.00%	50.00%	50.00%	1,027,813	1,057,626
Developpement & Partenariat Assurances, SA	Paris (France)	35.00%	35.00%	35.00%	35.00%	1,199,249	1,338,660
Etablissement A. Mathe, SA	France	27,74%	27,74%	27,74%	27,74%	71,276	57,475
Finlog - Aluguer e Comércio de Automóveis, SA	Matosinhos	100.00%	50.00%	100.00%	50.00%	-	-
Guerin – Rent a Car (Dois), Lda	Lisbon	100.00%	50.00%	100.00%	50.00%	-	-
Interclean, SA	Brazil	49.99%	12.77%	49.99%	12.77%	434,236	436,750
Lazam Corretora, Ltda	Brazil	45.00%	45.00%	45.00%	45.00%	2,292,430	2,278,646
Lidergraf - Artes Gráficas, Lda	Vila de Conde	25.50%	25.50%	25.50%	25.50%	1,205,397	1,153,522
Luso Assistência - Gestão de Acidentes, SA	Porto	100.00%	50.00%	100.00%	50.00%	-	-
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	25.00%	25.00%	25.00%	25.00%	-	-
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
Pargeste SGPS, SA	Maia	40.00%	40.00%	40.00%	40.00%	-	131
Sociedade de Construções do Chile, SA	Lisbon	100.00%	50.00%	100.00%	50.00%	-	-
Sociedade Imobiliária Troia - B3, SA	Grândola	20.00%	20.00%	20.00%	20.00%	480,560	478,162
Sodesa, SA	Lisbon	50.00%	50.00%	50.00%	50.00%	784,192	676,236
TP - Sociedade Térmica, SA	Porto	50.00%	50.00%	50.00%	50.00%	8,271,639	7,743,948
Vastgoed One - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Vastgoed Sun - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Total (Note 12)						32,032,843	31,591,454

Nil balances shown result from the reduction to acquisition cost of amounts determined by the equity method.

Associated companies are consolidated using the equity method.

As at 31 March 2007 and 31 December 2006, aggregate values of main financial indicators of associated companies can be analysed as follows:

	31 March 2007	31 December 2006	31 March 2006
Total Assets	1,406,008,394	1,383,264,475	1,008,740,553
Total Liabilities	1,223,108,392	1,207,976,396	950,759,490
Income	99,527,650	408,902,543	79,813,973
Expenses	86,301,357	360,623,116	77,328,895

7. GROUP COMPANIES, JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES EXCLUDED FROM CONSOLIDATION AND INVESTMENTS HELD FOR SALE

Group companies, jointly controlled companies and associated companies excluded from consolidation, their head offices, percentage of share capital held and book value as at 31 March 2007 and 31 December 2006 are made up as follows:

COMPANY	Reason for exclusion	Head Office	Percentage of capital held				Book Value	
			31 March 2007		31 December 2006		31 March 2007	31 December 2006
			Direct	Total	Direct	Total		
Modelo Continente								
Dispar – Distrib. de Participações, SGPS, SA		Lisbon	7.14%	7.14%	7.14%	7.14%	4,988	4,988
Inscó – Insular de Hipermercados, SA		Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Sonae Sierra								
Ercasa Cogeneracion SA		Grancasa (Spain)	10.00%	1,25%	10.00%	1,25%	24,045	23,949
Sonaecom								
Altitude, SGPS, SA		Lisbon	11.54%	5.97%	11.54%	5.99%	1,000,000	1,000,000
Despegar.com		Porto	5.50%	2.85%	5.50%	2.86%	-	-
Lusa - Agência de Notícias de Portugal, SA		Lisbon	1.38%	0.71%	1.38%	0.71%	197,344	197,344
Minhodigital.com - Inv. na Área Tecnológ., SA		Porto	4.76%	2.44%	4.76%	2.41%	-	-
Outsystems, Software de Rede, SA		Oeiras	1.50%	0.77%	1.50%	0.75%	-	-
1) Portugal Telecom, SGPS, SA		Lisbon	1.00%	0.52%	1.00%	0.52%	-	111,109,905
Sonae Capital								
2)3) Bar-Bar-Idade Glass - Serviços de Gestão e Investimentos, SA		Porto	3.92%	3.92%	7.83%	7.83%	6,117,133	12,060,507
Delphinus – Soc. de Tur. e Div. de Tróia, SA	a)	Grândola	79.00%	79.00%	79.00%	79.00%	-	-
Plysolor Contreplaques, SAS	a)	France	100.00%	100.00%	100.00%	100.00%	37,000	37,000
2) Sonae Indústria, SGPS, SA		Maia	6.80%	6.80%	6.80%	6.80%	87,884,393	71,414,143
Spigur - Mediação de Seguros Lda	a)	Porto	100.00%	100.00%	-	-	250,000	-
Sonae RE, SA	a)	Luxemburg	100.00%	100.00%	100.00%	100.00%	1,250,000	1,250,000
Fun International Entertainment, SA	a)	Porto	50.00%	50.00%	50.00%	50.00%	-	-
Infratroia – Emp. de Infraest. de Troia, E.N.	a)	Grândola	25.90%	25.90%	25.90%	25.90%	55,662	55,662
Net, SA		Lisbon	2.80%	2.80%	2.80%	2.80%	11,132	11,132
Sear - Sociedade Europeia de Arroz, SA		Santiago do Cacém	15.00%	15.00%	15.00%	15.00%	150,031	150,031
Société Naturel de Bois Gabonais		Gabon	4.24%	4.24%	4.24%	4.24%	-	-
Spidouro S.P.E.I. Douro e Trás-os-Montes, SA		Vila Real	8.30%	8.30%	8.30%	8.30%	-	-
Others								
Sonae Investimentos América Latina, Lda	a)	São Paulo (Brazil)	99.99%	99.99%	99.99%	99.99%	25,687	25,687
First Assur, SA		France	11.08%	11.08%	11.08%	11.08%	959,724	959,724
Imoplamac Gestão de Imóveis, SA		Santarém	10.00%	10.00%	100.00%	100.00%	62,000	-
Other investments							35,745,391	34,008,074
Total (Note 12)							134,522,727	233,056,343

a) Group company, jointly controlled company or associated company for which, at the date of the issuance of these financial statements, complete financial information was not available;

- 1) Company sold in the period;
- 2) Investment measured at fair value;
- 3) Sale of 3.92% of the share capital of the associated company in the period.

Nil balances shown above result from deduction of impairment losses from related investments (Note 12).

The caption other investments includes 32,784,710 euro (32,500,370 euro as at 31 December 2006) of deposits in an Escrow Account. Amounts in the escrow account are invested in funds with superior rating (Note 12).

8. CHANGES TO THE CONSOLIDATION PERIMETER

Main disposals of companies over the nine months period ended 31 March 2007 are as follows:

Acquisitions

FIRMA	Head Office	Percentage of capital held	
		31 March 2007	
		Directo	Total
Sonae Sierra			
Athienitis Larissa, SA	Larissa (Greece)	100.00%	25.00%
Dory, SA	Larissa (Greece)	100.00%	25.00%
Kamaras, SA	Larissa (Greece)	100.00%	25.00%

Disposals

COMPANY	Head Office	Percentage of capital held	
		31 March 2007	
		Direct	Total
Others			
Imoplamac Gestão de Imóveis, SA	Santarém	100.00%	100.00%

Acquisitions mentioned above had the following impact on the financial statements as at 31 March 2007:

	Acquisition Date	31 March 2007
Net assets acquired		
Investment Properties	2,483,079	6,396,000
Tangible and intangible assets	521	521
Other assets	2,938,116	96,596
Cash and cash equivalents	652,185	125,452
Borrowings	(2,662,484)	-
Deferred tax liabilities	-	(978,230)
Other liabilities	(524,897)	(618,069)
	2,886,520	5,022,270
Goodwill	978,230	
Total consideration paid	3,864,750	
Cash consideration paid	3,864,750	
Amounts payable	-	
	3,864,750	
Net cash outflow arising from acquisitions		
Cash consideration paid	3,864,750	
Cash and cash equivalents acquired	(652,185)	
	3,212,565	

The impact of these acquisitions on the income statement is immaterial.

Net assets of group companies sold and the corresponding carrying amounts as at the date of disposal and as at 31 December 2006 are as follows:

	<u>Date of disposal</u>	<u>31 December 2006</u>
Net assets disposed of		
Tangible and intangible assets (Note 9)	22,006,992	22,006,992
Deferred tax assets	-	-
Other assets	87,942	87,942
Cash and cash equivalents	4,176	4,176
Other liabilities	(17,133,677)	(17,133,677)
Provisions	-	-
	<u>4,965,433</u>	<u>4,965,433</u>
Goodwill	<u>461,115</u>	<u>461,115</u>
	5,426,548	<u>5,426,548</u>
Gain/(loss) on sale	<u>(26,548)</u>	
Total consideration	<u>5,400,000</u>	
Cash received	-	
Amounts receivable	<u>5,400,000</u>	
	<u>5,400,000</u>	
Net cash inflow arising from disposals		
Cash consideration received	-	
Cash and cash equivalents disposed of	<u>(4,176)</u>	
	<u>(4,176)</u>	

The impact of these disposals on the income statement is as follows:

	<u>31 December 2006</u>
Turnover	2,821,886
Other operational income	749
Other operational expenses	(692,076)
Net financial expenses	(1,098,534)
Investment income and share of results in associated undertakings	-
Profit before taxation	<u>1,032,025</u>
Taxation	(119,422)
Profit for the period	<u>912,603</u>

9. TANGIBLE AND INTANGIBLE ASSETS

During the three months period ended 31 March 2007, movements in Tangible and Intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Tangible assets				Total Tangible Assets
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	
Gross cost:					
Opening balance as at 1 January 2007	1,541,496,347	1,352,497,051	294,607,327	125,240,759	3,313,841,484
Changes in consolidation perimeter (Note 8)	(25,921,652)	-	-	-	(25,921,652)
Capital expenditure	4,263,652	1,086,899	1,106,416	79,050,626	85,507,593
Disposals	(19,119,125)	(3,016,527)	(1,103,745)	(901,045)	(24,140,442)
Exchange rate effect	224,351	41,522	30,832	6,090	302,795
Transfers	6,644,525	37,334,239	2,402,873	(52,193,869)	(5,812,232)
Closing balance as at 31 March 2007	1,507,588,098	1,387,943,184	297,043,703	151,202,561	3,343,777,546
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2007	299,267,901	726,645,865	212,044,751	1,307,069	1,239,265,586
Changes in consolidation perimeter (Note 8)	(3,914,661)	-	-	-	(3,914,661)
Charge for the period	10,444,263	32,136,190	7,268,971	5,367	49,854,791
Disposals	(2,445,045)	(2,029,007)	(1,014,555)	-	(5,488,607)
Exchange rate effect	5,858	8,134	11,044	-	25,036
Transfers	(689,228)	(215,054)	(199,586)	473,686	(630,182)
Closing balance as at 31 March 2007	302,669,088	756,546,128	218,110,625	1,786,122	1,279,111,963
Carrying amount					
As at 31 March 2007	1,204,919,010	631,397,056	78,933,078	149,416,439	2,064,665,583

Major amounts included in the caption Tangible assets in progress, refer to the following projects:

Refurbishment and expansion of stores located in Portugal	38,625,917
Deployment of mobile network	9,594,170
Deployment of fixed network	6,477,410
Troia project	24,075,384
Ferrie boat project	13,089,642
Hotel Aqualuz refurbishment	15,369,608
Others	42,184,308
	149,416,439

	Intangible assets			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
Gross cost:				
Opening balance as at 1 January 2007	235,905,652	311,575,079	21,733,405	569,214,136
Changes in consolidation perimeter (Note 8)	(410)	-	-	(410)
Capital expenditure	68,121	211,434	6,431,126	6,710,681
Disposals	-	(2,925)	(17,556)	(20,481)
Exchange rate effect	57	5,608	-	5,665
Transfers	597,700	1,589,787	(2,891,884)	(704,397)
Closing balance as at 31 March 2007	236,571,120	313,378,983	25,255,091	575,205,194
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2007	38,004,148	209,692,503	-	247,696,651
Changes in consolidation perimeter (Note 8)	(410)	-	-	(410)
Charge for the period	3,770,952	6,730,237	-	10,501,189
Disposals	(249)	(134,089)	-	(134,338)
Exchange rate effect	-	1,522	-	1,522
Transfers	8,997	51,620	-	60,617
Closing balance as at 31 March 2007	41,783,438	216,341,793	-	258,125,231
Carrying amount				
As at 31 March 2007	194,787,682	97,037,190	25,255,091	317,079,963

As at 31 March 2007, the amount under the caption Patents and other similar rights includes net assets related with UMTS technology (111,802,442 euro) and the fair value attributed to a group of brands with indefinite useful lives, among which the "Continente" brand (75,000,000 euro).

10. INVESTMENT PROPERTIES

Investment properties are recorded at fair value. These assets are owned by the shopping centres business and as such are consolidated using the proportional method.

As at 31 March 2007 and 31 December 2006, Investment properties are detailed as follows:

	<u>31 March 2007</u>	<u>31 December 2006</u>
Investment properties in operation	1,367,418,666	1,346,937,845
Investment properties in progress	200,192,942	173,273,414
	<u>1,567,611,608</u>	<u>1,520,211,259</u>

Investment properties in operation correspond to the fair value of the Group's share of shopping centres, which can be detailed as follows:

	<u>31 March 2007</u>		<u>31 December 2006</u>	
	Amount	Yield	Amount	Yield
Portugal	849,202,401	5,50% e 6,50%	840,682,401	5,50% e 6,50%
Spain	381,613,086	5,00% e 7,15%	381,610,876	5,00% e 7,15%
Italy	67,332,500	5,15% e 6,50%	67,332,500	5,15% e 6,50%
Brazil	69,270,679	10,50% e 11,50%	57,312,068	10,50% e 11,50%
	<u>1,367,418,666</u>		<u>1,346,937,845</u>	

The fair value of each investment property was determined by a valuation as at 31 December 2006, performed by an independent entity, based on valuation criteria generally accepted in the real estate business.

Value created on investment properties over the three months periods ended 31 March 2007 and 2006 can be detailed as follows:

	<u>31 March 2007</u>	<u>31 March 2006</u>
Properties which were under development and were concluded during the nine months period	-	5,420,980
Changes in fair value of investment properties in operation	2,869,336	-
Adjustments to construction cost estimates of properties under development which were transferred to investment properties	-	-
	<u>2,869,336</u>	<u>5,420,980</u>

As at 31 March 2007 and 31 December 2006, Investment properties in progress can be detailed as follows:

	<u>31 March 2007</u>	<u>31 December 2006</u>
Portugal:		
Alverca	2,858,800	2,858,800
Arrabidashopping - expansion	563,392	131,250
Cacém Shopping	955,703	937,807
Caldas da Rainha Shopping	928,177	623,843
Lima Retail Park	3,015,010	2,918,714
Parque de Famalicão	1,499,755	1,498,238
Setubal Retail Park	785,913	784,989
Torres Colombo	947,506	920,697
VIII Avenida	12,582,334	10,509,651
Others	179,123	163,866
Germany:		
Alexa	60,177,387	54,525,305
Weiterstadt	16,601,070	15,416,661
Others	214,357	10,586
Brazil:		
Others	135,034	77,882
Spain:		
Dos Mares - expansion	1,660,352	1,660,352
El Rosal	36,157,513	32,249,181
Las Pulianas	1,746,871	1,289,297
Plaza Mayor Shopping	13,397,581	11,580,899
Greece:		
Aegean Park	4,773,202	4,771,822
Larissa	7,478,163	-
Galatsy Olympic Hall	1,561,858	1,106,965
Others	11,804	11,445
Italy:		
Freccia Rossa	21,305,161	19,419,339
Gli Orsi	8,676,559	8,671,559
Le Terraze	1,155,126	960,723
Valecenter - expansion	751,259	-
Others	73,932	173,543
	<u>200,192,942</u>	<u>173,273,414</u>

As at 31 March 2007, the following investment properties were mortgaged:

3DO	La Farga
Airone	El Rosal
Alexander Platz	Loureshopping
Algarveshopping	Luz del Tajo
Arrabidashopping	Madeirashopping
Avenida M40	Maiashopping
Cascaishopping	Norteshopping
Centro Colombo	Parque Atlântico
Centro Vasco da Gama	Parque Principado
Coimbrashopping	Plaza Éboli
Dos Mares	Plaza Mayor
Estação Viana	Plaza Mayor Shopping
Freccia Rossa	Rio Sul
Gaiashopping	Serra Shopping
Grancasa	Valecenter
Guimarãeshopping	Valle Real
Kareaga	Viacatarina
	Zubiarte

11. GOODWILL

During the three months period ended 31 March 2007, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	31 March 2007
Gross value:	
Opening balance	264,411,899
Increases	13,651,315
Decreases	(3,098,967)
Closing balance	<u>274,964,247</u>
Accumulated impairment losses:	
Opening balance	13,569,244
Increases	-
Decreases	-
Closing balance	<u>13,569,244</u>
Carrying amount:	<u>261,395,003</u>

During the period, increases in shareholdings generated goodwill amounting to 12,673,601 euro (14,745,310 euro as at 31 December 2006).

12. INVESTMENTS

As at 31 March 2007, this caption is made up as follows:

	31 March 2007	
	Non current	Current
<u>Investment in associated companies</u>		
Opening balance as at 1 January	28,632,903	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Equity method effect	460,559	-
Transfers	(19,170)	-
Closing balance as at 31 March	<u>29,074,292</u>	-
Goodwill transferred to Investments	2,958,551	-
Accumulated impairment losses (Note 24)	-	-
<u>Investment in associated companies (Note 6)</u>	<u>32,032,843</u>	-
<u>Investments in group companies, jointly controlled companies or associated companies excluded from consolidation</u>		
Opening balance as at 1 January	12,671,340	-
Acquisitions in the period	1,703,074	-
Disposals in the period	-	-
Transfers	62,096	-
Closing balance as at 31 March	<u>14,436,510</u>	-
Accumulated impairment losses (Note 24)	(9,077,744)	-
	<u>5,358,766</u>	-
<u>Investments held for sale</u>		
Fair value (net of impairment losses) as at 1 January	229,462,747	33,212,402
Acquisitions in the period	-	11,551
Disposals in the period	(117,970,519)	(1,039,339)
Increase/(Decrease) in fair value	16,470,250	-
Transfers	1,201,483	1,226,158
Fair value (net of impairment losses) as at 31 March	<u>129,163,961</u>	<u>33,410,772</u>
<u>Other Investments (Note 7)</u>	<u>134,522,727</u>	<u>33,410,772</u>
<u>Derivative financial instruments (Note 20)</u>		
Fair value as at 1 January	-	49,458
Acquisitions in the year	-	15,657
Disposals in the year	-	(49,458)
Increase/(Decrease) in fair value	-	737,636
Fair value as at 31 March	<u>-</u>	<u>753,293</u>
	<u>166,555,570</u>	<u>34,164,065</u>

Investments held for sale are disclosed above, net of accumulated impairment losses (Note 24) amounting to 2,740,064 euro.

The use of the equity method had the following impacts: 297,449 euro are recorded in Share of results of associated undertakings and 163,110 euro are recorded as Other changes in Reserves.

The caption Investments held for sale includes 65,569,420 euro of deposits in an Escrow Account, of which 32,784,710 euro disclosed as current assets and 32,784,710 euro as non-current assets, in accordance with the time schedule of the guarantee. Amounts in the escrow account are invested in investment funds with superior rating and guarantee contractual contingent liabilities which may arise from the sale of the Brazilian subsidiaries.

In 2005, at the moment of the sale of Brazilian subsidiaries, was recorded a provision of 27,000,000 euro for future commitments, the balance of this provision is 22,522,801 euro at 31 March 2007 (Note 24).

13. OTHER NON-CURRENT ASSETS

As at 31 March 2007 and 31 December 2006, Other non-current assets are detailed as follows:

	31 March 2007			31 December 2006		
	Gross Value	Accumulated losses impairment (Note 24)	Carrying Amount	Gross Value	Accumulated losses impairment (Note 24)	Carrying Amount
Loans granted to related parties						
Bar-Bar-Idade Glass - Serviç.de Gest.e Invest., SA	6,444,936	-	6,444,936	6,402,717	-	6,402,717
Andar - Sociedade Imobiliária, SA	3,081,173	-	3,081,173	2,953,673	-	2,953,673
Norscut - Concessionária de Scut Interior Norte, SA	6,824,813	-	6,824,813	6,019,613	-	6,019,613
Others	1,926,770	(270,489)	1,656,281	1,932,716	(270,489)	1,662,227
	<u>18,277,692</u>	<u>(270,489)</u>	<u>18,007,203</u>	<u>17,308,719</u>	<u>(270,489)</u>	<u>17,038,230</u>
Trade accounts receivable and other debtors						
Legal deposits	803,525	-	803,525	803,525	-	803,525
Assets arising from to the sale of financial investmei	11,867,813	-	11,867,813	12,444,829	-	12,444,829
Lisbon and Malaga Town Councils	4,400,585	-	4,400,585	4,400,585	-	4,400,585
Rent deposits from tenants	4,061,478	-	4,061,478	4,077,459	-	4,077,459
Others	2,607,931	(651,796)	1,956,135	1,714,853	(721,326)	993,527
	<u>23,741,332</u>	<u>(651,796)</u>	<u>23,089,536</u>	<u>23,441,251</u>	<u>(721,326)</u>	<u>22,719,925</u>
Derivative financial instruments (Note 20)	4,613,708	-	4,613,708	4,035,714	-	4,035,714
Other non-current assets	-	-	-	287,817	-	287,817
	<u>46,632,732</u>	<u>(922,285)</u>	<u>45,710,447</u>	<u>45,073,501</u>	<u>(991,815)</u>	<u>44,081,686</u>

14. TRADE DEBTORS AND OTHER CURRENT ASSETS

As at 31 March 2007 and 31 December 2006, Trade debtors and other current assets are detailed as follows:

	31 March 2007	31 December 2006
Trade accounts receivable	339,750,480	344,504,959
Taxes recoverable	119,080,185	108,120,283
Securitisation of trade receivables	5,749,254	3,421,873
Trade suppliers - debit balances	27,281,540	27,236,144
Special regime for payment of tax and social security debts	14,576,053	14,576,053
VAT recoverable on retail estate assets	21,363,507	16,805,134
Other debtors	50,581,109	42,206,687
Accounts receivable from the sale of investments	12,475,557	14,009,841
Accounts receivable from the sale of tangible assets	3,940,955	3,136,367
Loans granted to associated companies	28,387,398	8,875,129
Invoices to be issued	65,500,220	49,928,069
Commercial discounts	12,740,457	5,004,703
Deferred cost - Rents	10,870,691	3,533,571
Deferred cost - External supplies and services	13,578,871	10,669,057
Other current assets	18,808,553	11,391,737
	<u>744,684,830</u>	<u>663,419,607</u>
Accumulated impairment losses (Note 24)	(99,554,864)	(98,115,852)
	<u>645,129,966</u>	<u>565,303,755</u>

15. DEFERRED TAXES

Deferred tax assets and liabilities as at 31 March 2007 and 31 December 2006 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Difference between fair value and acquisition cost in investment properties	-	-	234,829,968	231,612,650
Harmonisation adjustments	204,559	221,230	23,060,757	23,557,165
Provisions and impairment losses not accepted for tax purposes	12,057,537	12,559,298	4,713,998	4,277,987
Write off of tangible and intangible assets	23,675,331	24,983,311	-	-
Write off of deferred costs	33,676,548	31,301,988	2,207,784	2,154,133
Valuation of hedging derivatives	71,079	106,066	1,511,726	1,182,960
Revaluation of tangible assets	-	-	2,922,047	2,973,586
Tax losses carried forward	33,062,823	33,155,303	-	-
Reinvested capital gains/(losses)	-	-	4,203,458	4,227,223
Others	515,749	440,213	1,540,893	2,070,668
	<u>103,263,626</u>	<u>102,767,409</u>	<u>274,990,631</u>	<u>272,056,372</u>

In accordance with the tax statements and tax estimates presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 31 March 2007 and 31 December 2006, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	31 March 2007			31 December 2006		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2001	2,054,479	513,619	2007	2,985,335	746,334	2007
Generated in 2002	19,958,963	4,989,741	2008	21,471,094	5,367,773	2008
Generated in 2003	26,990,277	6,747,569	2009	30,965,815	7,741,453	2009
Generated in 2004	4,576,447	1,144,112	2010	4,448,448	1,112,113	2010
Generated in 2005	13,053,835	3,263,460	2011	12,472,541	3,118,136	2011
Generated in 2006	14,707,240	3,676,809	2012	14,719,573	3,679,893	2012
Generated in 2007	3,126,412	781,604	2013	-	-	
	<u>84,467,653</u>	<u>21,116,914</u>		<u>87,062,806</u>	<u>21,765,702</u>	
Without limited time use	11,088,055	3,622,102		11,098,655	3,626,486	
With a time limit different from the above mentioned	<u>27,235,193</u>	<u>8,323,807</u>		<u>25,509,200</u>	<u>7,763,115</u>	
	<u>38,323,248</u>	<u>11,945,909</u>		<u>36,607,855</u>	<u>11,389,601</u>	
	<u>122,790,901</u>	<u>33,062,823</u>		<u>123,670,661</u>	<u>33,155,303</u>	

As at 31 March 2007 and 31 December 2006, Deferred tax assets resulting from tax losses carried forward were re-assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recorded to the extent that future profits will arise which may be offset against available tax losses or against deductible temporary differences.

As at 31 March 2007 tax losses carried forward, amounting to 1,259,716,131 euro, have not originated deferred tax assets for prudential reasons. These may be summarised as follows:

	31 March 2007			31 December 2006		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2001	116,208,721	29,052,179	2007	117,286,551	29,321,637	2007
Generated in 2002	492,059,250	123,014,817	2008	500,522,978	125,130,749	2008
Generated in 2003	58,116,841	14,529,213	2009	58,549,755	14,637,441	2009
Generated in 2004	39,261,906	9,815,478	2010	39,704,702	9,926,178	2010
Generated in 2005	202,559,928	50,639,984	2011	208,993,098	52,248,279	2011
Generated in 2006	81,870,889	20,467,725	2012	58,965,992	14,741,500	2012
Generated in 2007	15,754,963	3,938,739	2013	-	-	
	<u>1,005,832,498</u>	<u>251,458,135</u>		<u>984,023,076</u>	<u>246,005,784</u>	
Without limited time use	34,967,575	11,855,811		195,577,768	59,103,221	
With a time limit different from the above mentioned	<u>218,916,058</u>	<u>66,379,295</u>		<u>39,974,434</u>	<u>13,464,826</u>	
	<u>1,259,716,131</u>	<u>329,693,241</u>		<u>1,219,575,278</u>	<u>318,573,831</u>	

16. CASH AND CASH EQUIVALENTS

As at 31 March 2007 and 31 December 2006, Cash and cash equivalents can be detailed as follows:

	31 March 2007	31 December 2006
Cash at hand	4,694,838	4,173,072
Bank deposits	207,351,550	527,873,385
Treasury applications	289,251,680	130,428,983
Cash and cash equivalents in the balance sheet	501,298,068	662,475,440
Bank overdrafts (Note 19)	(17,506,643)	(13,664,166)
Cash and cash equivalents in the statement of cash flows	<u>483,791,425</u>	<u>648,811,274</u>

Bank overdrafts are disclosed in the balance sheet under Current bank loans.

17. SHARE CAPITAL

As at 31 March 2007, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed remuneration, with a nominal value of 1 euro each. As at that date, the company and group companies held 133,418,572 own shares (133,418,572 shares as at 31 December 2006), at a cost of 141,110,861 euro (142,961,431 euro as at 31 December 2006).

As at 31 March 2007, the following entities held more than 20% of the subscribed share capital:

Entity	%
Efanor Investimentos, SGPS, SA and associated companies	52.94

18. MINORITY INTERESTS

Movements in minority interests in the periods ended 31 March 2007 and 31 December 2006 are as follows:

	31 March 2007	31 December 2006
Opening balance as at 1 January	402,058,314	394,707,612
Dividends	-	(5,348,382)
Changes resulting from currency translation	222,009	(140,357)
Disposal of companies	-	(925,013)
Increased shareholding by acquisitions	4,662,820	(85,479,259)
Changes in hedge and fair value reserves	(2,365,303)	1,165,585
Others	(2,108,116)	1,222,284
Profit for the period attributable to minority interests	1,351,785	96,855,844
Closing balance	<u>403,821,509</u>	<u>402,058,314</u>

19. BORROWINGS

As at 31 March 2007 and 31 December 2006, Borrowings are made up as follows:

	31 March 2007			31 December 2006			Repayable on
	Amount limit	Outstanding amount		Amount limit	Outstanding amount		
		Current	Non Current		Current	Non Current	
Bank loans							
Sonae, SGPS, SA - commercial paper	350,000,000	325,800,000	-	350,000,000	260,500,000	-	Aug/2014
Modelo Continente, SGPS, SA - commercial paper	163,000,000	132,900,000	-	163,000,000	160,000,000	-	Sep/2009
a)b) Sonae Sierra subsidiaries	520,922,005	11,055,769	362,634,490	517,922,005	13,396,517	358,307,169	Jan/2007 to May/2027
a)c) Sonae Sierra subsidiaries	420,176,674	3,635,759	269,482,673	408,176,674	4,280,961	263,292,660	May/2010 to Dec/2025
Optimus	450,000,000	-	324,458,200	450,000,000	-	324,458,200	Jun/2009
Sonae Investments BV	32,154,000	6,150,940	3,075,470	32,154,000	6,150,940	4,613,205	Sep/2008
e) Sonae Turismo - commercial paper	110,000,000	-	82,299,993	110,000,000	-	73,050,000	Aug/2009
d) Investalentejo	-	-	-	40,000,000	40,000,000	-	Fev/2007
Others		10,693,079	11,767,993		12,636,383	8,078,556	
		490,235,547	1,053,718,818		496,964,801	1,031,799,790	
Bank overdrafts (Note 16)		17,506,643	-		13,664,166	-	
Amortised cost for bank loans and bonds		(507,780)	(13,645,556)		(577,968)	(14,698,227)	
Bank loans		507,234,410	1,040,073,263		510,050,999	1,017,101,563	
Bonds:							
Bonds Sonae / 97		74,819,686	-		74,819,686	-	Oct/2007
Bonds Sonae / 05		-	100,000,000		-	100,000,000	Mar/2013
Bonds Sonae 2006/2011		-	250,000,000		-	250,000,000	May/2011
Bonds Modelo Continente / 2003		-	82,000,000		-	82,000,000	Oct/2011
Bonds Modelo Continente / 2004		-	100,000,000		-	100,000,000	Mar/2009
Bonds Modelo Continente / 2005		-	265,000,000		-	265,000,000	Aug/2010
Bonds Modelo Continente / 2005		-	150,000,000		-	150,000,000	Aug/2012
Bonds Sonaecom / 2005		-	150,000,000		-	150,000,000	Jun/2013
Amortised cost for bank loans and bonds		(29,547)	(9,544,986)		(42,394)	(10,020,068)	
		74,790,139	1,087,455,014		74,777,292	1,086,979,932	
Other loans		25,246,721	7,330,649		21,707,821	7,369,965	
Hedging derivatives (Note 20)		92,529	116,983		116,043	121,116	
Other loans		25,339,249	7,447,633		21,823,864	7,491,081	
Obligations under finance leases		8,029,527	17,680,761		9,279,339	31,124,322	
		615,393,326	2,152,656,669		615,931,494	2,142,696,898	

- These amounts are proportionate considering the percentage held by the group;
- These loans are guaranteed by mortgages of investment properties held by these affiliated companies;
- These loans are guaranteed by a pledge of shares held in those affiliated companies;
- This loan is guaranteed by Sonae, SGPS, SA;
- Sonae Capital, SGPS, SA is a co-guarantor in this loan.

Credit facilities at Optimus bear interest at a rate equal to Euribor plus a spread linked to Optimus' financial performance, measured amongst others by the ratio of Net Debt to EBITDA. The guarantee facility used to secure loans made by the European Investment Bank (EIB) will be repaid in 2 instalments (30% in June 2008 and 70% in June 2009). The revolving credit facility will be repaid in June 2009.

Interest rate of the bonds are equal to Euribor 6 months plus a spread between 0.70% and 1.15%. In the non current bonds are included 665,000,000 euro that have the option to make whole or partial reimbursements in certain conditions.

Derivatives are recorded at fair value (Note 20).

The repayment schedule of the nominal value of borrowings may be summarised as follows:

	31 March 2007	31 December 2006
N+1 ^{a)}	617,213,909	616,442,048
N+2	123,389,663	129,570,172
N+3	431,754,245	424,233,376
N+4	332,833,883	334,879,674
N+5	353,118,588	354,825,551
After N+5	933,258,065	923,779,069
	<u>2,791,568,352</u>	<u>2,783,729,890</u>

a) Includes amounts drawn under commercial paper programmes.

20. DERIVATIVES

Exchange rate derivatives

The Group uses exchange rate derivatives, essentially to hedge future cash flows.

The Group contracted several exchange rate forwards and options in order to manage its exchange rate exposure.

As at 31 March 2007, the fair value of exchange rate derivatives, calculated based on present market value of equivalent financial instruments, is of 92,529 euro (116,043 euro as at 31 December 2006), included in Current liabilities, and of 753,293 euro (49,458 euro as at 31 December 2006) in the caption Current investments. The total amount of 737,636 euro recorded as assets relates to exchange rate hedging of investment obligations arising from the sale of 50% of Sonae Sierra Brazil to DDR.

Gains in the period arising from changes in the fair value of instruments that do not qualify for hedging accounting treatment, amounting to 727,349 euro, were recorded directly in the income statement in the caption Net financial expenses.

Interest rate derivatives

As at 31 March 2007, derivatives used by the Group essentially refer to "swaps" and interest rate options ("cash flow hedges"). These were negotiated to hedge the interest rate risk of loans amounting to 418,140,171 euro (315,050,239 euro as at 31 December 2006). The fair value of these derivatives amounts to 4,496,724 euro (3,914,598 euro as at 31 December 2006), and is disclosed as Investments 4,613,708 euro (4,035,714 euro as at 31 December 2006) and as current liabilities 116,983 euro (121,116 euro as at 31 December 2006). As at 31 March 2007 all derivatives are hedge derivatives.

These interest rate derivatives are valued at fair value, at the balance sheet date, based on valuations performed by the Group using specific software and on external valuations when this software does not deal with specific instruments. The fair value of swaps was calculated, as at the balance sheet date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg. The calculation of the fair value of options was based on the "Black-Scholes" and similar models.

The hedging principles used by the Group when negotiating these financial derivatives are as follows:

- Perfect "matching" between cash in-flows and out-flows, i.e., rate setting dates of bank loans coincide with those of the interest rate derivative;
- Perfect "matching" of indices used: the index of the hedging derivative and that of the related loan are the same;
- In a scenario of an extreme increase in interest rates, the maximum financing cost is limited.

Counterparts issuing derivative financial instruments are selected based on financial strength and credit risk established by internationally recognised rating agencies. These counterparts are nationally and internationally recognised first class financial institutions.

Interest rate and exchange rate derivatives

As at 31 March 2007 no contracts existed related to interest rate and exchange rate derivatives.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Investments		Borrowings	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Derivatives not qualified as hedging	753,293	49,458	92,529	116,043
Hedging derivatives				
Exchange rate	-	-	-	-
Interest rate	4,613,708	4,035,714	116,983	121,116
Interest and exchange rate	-	-	-	-
Other derivatives	-	-	-	-
	<u>5,367,001</u>	<u>4,085,172</u>	<u>209,512</u>	<u>237,159</u>

21. OTHER NON-CURRENT LIABILITIES

As at 31 March 2007 and 31 December 2006, Other non-current liabilities were made up as follows:

	31 March 2007	31 December 2006
Shareholder loans	39,734,277	39,583,455
Fixed assets suppliers	12,351,341	12,134,380
Other non-current liabilities	35,918,571	34,158,804
Share based payments (Note 22)	14,411,683	19,610,473
	<u>102,415,872</u>	<u>105,487,112</u>

22. SHARE-BASED PAYMENTS

In 2007 and in previous years, the Sonae Group granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost, three years after they were attributed to the employee, or based on share options with the exercise price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The company has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for the Group on the vesting date.

As at 31 March 2007 and 31 December 2006, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

	Year of grant	Vesting year	Number of participants	Fair value	
				31 March 2007	31 December 2006
<u>Shares</u>					
	2003	2006	-	615,437	1,092,254
	2004	2007	54	10,338,222	11,900,666
	2005	2008	446	9,678,921	10,292,929
	2006	2009	481	9,048,060	8,178,748
	2007	2010	513	8,496,244	-
				<u>38,176,884</u>	<u>31,464,597</u>
<u>Options</u>					
	2002	2005	-	-	-
	2003	2006	-	-	-
	2004	2007	-	-	-
	2005	2008	-	-	-
	2006	2009	-	-	-
				<u>-</u>	<u>-</u>
Total				<u>38,176,884</u>	<u>31,464,597</u>

As at 31 March 2007 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	<u>31 March 2007</u>	<u>31 December 2006</u>
Staff costs	3,012,250	14,685,014
Retained earnings	<u>14,694,038</u>	<u>7,896,110</u>
	<u>17,706,288</u>	<u>22,581,124</u>
Other current liabilities	3,294,605	2,970,651
Other non-current liabilities	<u>14,411,683</u>	<u>19,610,473</u>
	<u>17,706,288</u>	<u>22,581,124</u>

The movement in the number of options open in the three months period ended 31 March 2007 is as follows:

	<u>31 March 2007</u>
Opening balance	588,404
Granted in the period	-
Exercised in the period	(449,589)
Expired and not exercised in the period	<u>(61,044)</u>
Closing balance	<u>77,771</u>

Options are only granted on Sonaecom shares, and may be summarised as follows:

	2005	2006	2007	2008	Total
Vesting date	2005	2006	2007	2008	
Exercisable until:	31.03.06	31.03.07	31.03.08	31.03.09	
Exercise price (defined at date of grant)	1.694 €	-	-	-	
Total liability	-	-	-	-	-
Recorded liability	-	-	-	-	-
Number of options open	77,771	-	-	-	77,771
Number of options exercised in the period	(449,589)	-	-	-	(449,589)
Number of options expired but not exercised in the period	(61,044)	-	-	-	(61,044)
Average market-price of options exercised in the period	5.810 €				

23. TRADE CREDITORS AND OTHER NON-CURRENT LIABILITIES

As at 31 March 2007 and 31 December 2006, Trade creditors and other non-current liabilities were made up as follows:

	<u>31 March 2007</u>	<u>31 December 2006</u>
Trade creditors	739,509,825	829,754,736
Shareholders	66,424,510	8,742,299
Fixed asset suppliers	88,352,011	117,671,933
Other accounts payable	78,957,295	72,435,771
Taxes and contributions payable	65,971,227	79,599,406
Property investments accruals	17,077,291	10,099,852
Holiday pay and bonuses	90,956,861	101,953,829
Interest payable	18,449,882	19,120,931
Invoices to be issued	49,308,380	42,812,640
Commissions	7,136,383	10,255,583
Marketing expenses	11,045,527	10,723,832
Other external supplies and services	31,617,321	32,380,739
Accrued income - trade debtors	13,998,509	33,617,990
Accrued income - rents	4,641,012	4,597,545
Pre-paid minutes not yet used	17,319,803	18,324,662
Others	56,139,404	32,208,530
	<u>1,356,905,241</u>	<u>1,424,300,278</u>

24. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the three months period ended 31 March 2007 are as follows:

	Balance as at 31 December 2006	Increase	Decrease	Balance as at 31 March 2007
Accumulated impairment losses on investments (Note 12)	11,817,808	-	-	11,817,808
Accumulated impairment losses on other non-current assets (Note 13)	991,815	-	(69,530)	922,285
Accumulated impairment losses on trade accounts receivable and other debtors (Note 14)	98,115,852	3,413,814	(1,974,802)	99,554,864
Accumulated impairment losses on stocks	25,098,215	3,959,892	(40,083)	29,018,024
Non-current provisions	63,234,735	2,233,051	(6,486,621)	58,981,165
Current provisions	2,464,091	27,463	(206,655)	2,284,899
	<u>201,722,516</u>	<u>9,634,220</u>	<u>(8,777,691)</u>	<u>202,579,045</u>

As at 31 March 2007 and 31 December 2006, Provisions can be analysed as follows:

	31 March 2007	31 December 2006
Expenses to be incurred with the sale of the Brazilian subsidiaries in 2005 (Note 12)	22,522,801	21,978,393
Dismantling of telecommunication sites	15,758,440	15,105,140
Judicial claims	9,778,682	9,508,036
Client guarantees	4,446,779	4,468,711
Others	8,759,362	14,638,546
	<u>61,266,064</u>	<u>65,698,826</u>

Impairment losses are deducted from the book value of the corresponding asset.

25. CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2007 and 31 December 2006, Contingent assets and liabilities were made up as follows:

	31 March 2007	31 December 2006
Guarantees given:		
on tax claims	63,977,586	59,497,367
on judicial claims	4,648,827	4,648,827
on municipal claims	17,041,861	17,678,401
others	131,558,206	126,839,733

Others include the following guarantees:

- 30,756,606 euro (29,731,051 euro as at 31 December 2006) related to guarantees on construction works given to clients;
- 31,497,258 euro (33,330,121 euro as at 31 December 2006) to guarantee partially debts of Sonae Sierra subsidiaries related with the acquisition, sale and exchange of land.

26. RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 March 2007	31 March 2006	31 March 2007	31 March 2006
Parent company and group companies excluded from consolidation	13,749,020	10,726,289	35,255	382,075
Jointly controlled companies	7,607,625	7,256,916	4,092,683	3,766,151
Associated companies	442,341	669,371	4,533,091	3,557,319
Other partners in Group companies	16,052,502	14,236,191	4,178,089	4,378,923
	<u>37,851,488</u>	<u>32,888,767</u>	<u>12,839,118</u>	<u>12,084,468</u>

Transactions	Interest income		Interest expenses	
	31 March 2007	31 March 2006	31 March 2007	31 March 2006
Parent company and group companies excluded from consolidation	-	-	30,399	22,108
Jointly controlled companies	139	55,117	287,044	278,626
Associated companies	4,425	17,762	-	-
Other partners in Group companies	-	-	707,636	575,758
	<u>4,564</u>	<u>72,879</u>	<u>1,025,079</u>	<u>876,492</u>

Balances	Accounts receivable		Accounts payable	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Parent company and group companies excluded from consolidation	13,108,574	14,552,845	64,590	153,280
Jointly controlled companies	9,215,785	7,957,621	4,658,180	5,773,297
Associated companies	1,656,025	1,717,859	1,937,143	2,240,411
Other partners in Group companies	17,760,643	11,244,638	15,364,729	13,826,646
	<u>41,741,027</u>	<u>35,472,963</u>	<u>22,024,642</u>	<u>21,993,634</u>

Balances	Loans			
	Obtained		Granted	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Parent company and group companies excluded from consolidation	12,750,000	12,750,000	3,699,074	6,402,717
Jointly controlled companies	1,176,768	1,179,061	62,246	72,035
Associated companies	-	-	9,107,723	8,432,023
Other partners in Group companies	32,014,166	31,346,566	-	-
	<u>45,940,934</u>	<u>45,275,627</u>	<u>12,869,043</u>	<u>14,906,775</u>

27. TAXATION

As at 31 March 2007 and 2006, Taxation is made up as follows:

	31 March 2007	31 March 2006
Current tax	6,132,419	6,632,005
Deferred tax	1,106,204	430,156
	<u>7,238,623</u>	<u>7,062,161</u>

28. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 31 March 2007 and 2006, the reconciliation of consolidated net profit can be analysed as follows:

	31 March 2007	31 March 2006
Aggregate net profit	570,684,538	450,810,739
Use of the proportionate method	(70,621,332)	(133,991,618)
Harmonisation adjustments	(1,638,100)	8,156,043
Elimination of intragroup dividends	(177,029,439)	(258,513,324)
Elimination of intragroup capital gains and losses	(300,561,351)	(26,249,654)
Elimination of intragroup provisions	(167,000)	(210,000)
Consolidation adjustments to gains/(losses) on sales of investments	(2,862,887)	(5,374,815)
Others	(1,779,859)	278,906
Consolidated net profit for the period	<u>16,024,570</u>	<u>34,906,277</u>

29. EARNINGS PER SHARE

Earnings per share for the period, excluding the effect of discontinuing operations, were calculated taking into consideration the following amounts:

	31 March 2007	31 March 2006
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the nine months period attributable to equity holders of Sonae)	14,672,787	24,656,481
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	<u>14,672,787</u>	<u>24,656,481</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,866,581,428	1,866,023,854
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	<u>1,866,581,428</u>	<u>1,866,023,854</u>
Earnings per share (basic and diluted)	<u>0.007861</u>	<u>0.013213</u>

There are no convertible instruments included in Sonae, SGPS shares, hence there is no dilutive effect.

30. DIVIDENDS

In the Shareholders Annual General Meeting held on 3 May 2007, payment of a gross dividend of 0.03 euro per share (0.025 euro per share in 2006) was approved. The total amount attributed being 55,997,442.84 euro (46,650,596.35 euro in 2005).

31. SEGMENT INFORMATION

In 2007 and 2006, the following were identified as primary business segments:

- Retail
- Shopping Centres
- Telecommunications
- Sonae Capital
- Holding and Others

The contribution of the business segments to the income statement for the three months periods ended on 31 March 2007 and 2005 can be detailed as follows:

31 March 2007	Retail	Shopping Centres	Telecomm.	Sonae Capital	Holding and Others	Consolidation Adjustments	Total
Operational income							
Sales	697,773,260	-	14,570,229	49,125,802	3,789,415	-	765,258,707
Services rendered	24,783,703	33,802,953	181,690,951	37,075,114	96,440	-	277,449,161
Value created on investments properties	-	2,869,336	-	-	-	-	2,869,336
Other operational income	66,589,732	1,017,748	4,488,700	36,743,641	496,304	(2,352,897)	106,983,228
	789,146,695	37,690,037	200,749,880	122,944,557	4,382,160	(2,352,897)	1,152,560,432
Inter-segment income	16,728,061	1,511,225	1,149,374	1,442,355	207,016	(21,038,030)	-
	805,874,756	39,201,262	201,899,254	124,386,912	4,589,176	(23,390,927)	1,152,560,432
Operational cash-flow (EBITDA)	48,240,520	17,824,150	37,257,014	6,473,592	(1,413,752)	(739,228)	107,642,296
Depreciation and amortisation	(20,872,344)	(230,811)	(36,630,606)	(2,375,672)	(255,711)	25,341	(60,339,804)
Provisions and impairment losses	(84,990)	(139,632)	(3,344,257)	(299,096)	-	6	(3,867,968)
Operational profit (EBIT)	27,471,162	17,522,461	(2,705,145)	3,963,775	(1,669,464)	(713,880)	43,868,909
Net financial expenses	(7,865,349)	(4,192,701)	(6,623,310)	(2,747,446)	(6,368,487)	136,908	(27,660,387)
Share of results of associated undertakings	-	164,852	-	(127,428)	-	260,025	297,449
Investment income	-	243	2,574,695	5,995,034	92,166,404	(93,979,154)	6,757,222
Profit before taxation	19,605,813	13,494,855	(6,753,760)	7,083,935	84,128,453	(94,296,101)	23,263,193
Taxation	(2,461,414)	(4,391,430)	835,092	(1,175,889)	(50,938)	5,956	(7,238,623)
Net profit for the period	17,144,399	9,103,425	(5,918,668)	5,908,045	84,077,516	(94,290,145)	16,024,570
- attributable to equity holders of Sonae							14,672,787
- attributable to minority interests							1,351,783
<hr/>							
31 March 2006	Retail	Shopping Centres	Telecomm.	Sonae Capital	Holding and Others	Consolidation Adjustments	Total
Operational income							
Sales	624,918,858	-	15,791,763	45,924,108	1,708,833	-	688,343,562
Services rendered	23,767,209	33,491,788	175,153,920	39,471,131	104,481	-	271,988,529
Value created on investments properties	-	5,420,980	-	-	-	-	5,420,980
Other operational income	48,584,741	4,111,386	6,341,111	26,612,915	217,895	46,128	85,914,176
	697,270,808	43,024,154	197,286,794	112,008,153	2,031,210	46,128	1,051,667,248
Inter-segment income	14,847,276	1,598,408	2,755,781	2,158,783	230,452	(21,590,700)	-
	712,118,084	44,622,562	200,042,575	114,166,936	2,261,662	(21,544,572)	1,051,667,248
Operational cash-flow (EBITDA)	34,375,584	23,490,517	40,103,154	1,945,935	(2,341,434)	(34,030)	97,539,725
Depreciation and amortisation	(19,217,376)	(207,906)	(32,491,391)	(2,259,097)	(258,681)	103,344	(54,331,107)
Provisions and impairment losses	(129,338)	(532,558)	(1,071,726)	3,456	-	143,066	(1,587,099)
Operational profit (EBIT)	15,146,991	22,873,763	6,540,037	323,432	(2,600,115)	212,380	42,496,488
Net financial expenses	(4,133,170)	(5,264,309)	(3,888,953)	(784,370)	(6,616,387)	145,326	(20,541,862)
Share of results of associated undertakings	-	137,034	-	-	-	428,561	565,594
Investment income	12,550,105	594,010	321,699	4,049,745	59,585,307	(57,652,649)	19,448,218
Profit before taxation	23,563,926	18,340,498	2,972,784	3,588,806	50,368,805	(56,866,382)	41,968,438
Taxation	(2,853,418)	(5,039,447)	2,211,374	(1,395,232)	-	14,561	(7,062,161)
Net profit for the period	20,710,508	13,301,051	5,184,158	2,193,575	50,368,805	(56,851,821)	34,906,277
- attributable to equity holders of Sonae							24,656,481
- attributable to minority interests							10,249,796

32. SUBSEQUENT EVENTS

On 11 April 2007, Sonae SGPS, SA completed a bond issue, by private placement, totalling 150,000,000 euro (one hundred and fifty million euro). The bonds are unsecured, have a term of 7 years, and the issue has been arranged by Caixa - Banco de Investimento.

On 30 April 2007, Modelo Continente, SGPS, SA completed a bond issue, by private placement, totalling 200,000,000 euro (two hundred million euro). The bonds are unsecured, have a term of 5 years, and the issue has been arranged by Caixa - Banco de Investimento.

33. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 10 May 2007.



INDIVIDUAL FINANCIAL STATEMENTS

31 MARCH 2007

SONAE. SGPS. SA

BALANCE SHEET AS AT 31 MARCH 2007 AND 31 DECEMBER 2006

(Amounts expressed in euro)

ASSETS	Notes	31.March.2007	31.December.2006
NON-CURRENT ASSETS:			
Tangible and intangible assets		113,288	103,640
Investments	4	2,856,657,318	3,072,592,917
Other non-current assets	5	2,057,000,951	813,344,492
Total Non-Current Assets		<u>4,913,771,557</u>	<u>3,886,041,049</u>
CURRENT ASSETS:			
Trade account receivables and other current assets	6	187,526,909	80,992,631
Cash and cash equivalents	7	4,126,923	130,514,092
Total Current Assets		<u>191,653,832</u>	<u>211,506,723</u>
TOTAL ASSETS		<u><u>5,105,425,389</u></u>	<u><u>4,097,547,772</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	8	2,000,000,000	2,000,000,000
Own shares		(138,044,363)	(138,044,363)
Reserves and retained earnings		1,450,982,604	1,364,273,482
Profit/(Loss) for the period		(411,286)	65,138,044
TOTAL EQUITY		<u>3,312,526,955</u>	<u>3,291,367,163</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	9	347,314,242	347,187,348
Total Non-Current Liabilities		<u>347,314,242</u>	<u>347,187,348</u>
CURRENT LIABILITIES:			
Loans	9	400,590,181	335,277,291
Trade creditors and other non-current liabilities	10	1,044,994,011	123,715,970
Total Current Liabilities		<u>1,445,584,192</u>	<u>458,993,261</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,105,425,389</u></u>	<u><u>4,097,547,772</u></u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE. SGPS. SA

INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS ENDED 31 MARCH 2007 AND 2006

(Amounts expressed in euro)

	Notes	31.March.2007	31.March.2006
Operational income			
Services rendered		350,128	327,085
Other operational income		268,177	39,527
Total operational income		<u>618,305</u>	<u>366,612</u>
Operational expenses			
External supplies and services		(635,786)	(717,524)
Staff costs		(1,443,541)	(1,607,041)
Depreciation and amortisation		(20,526)	(63,965)
Other operational expenses		(181,181)	(290,488)
Total operational expenses		<u>(2,281,034)</u>	<u>(2,679,018)</u>
Operational profit/(loss)		(1,662,729)	(2,312,406)
Net financial expenses		6,591,392	798,157
Investment income	12	(5,339,949)	57,010,988
Profit/(Loss) before taxation		(411,286)	55,496,740
Taxation		-	-
Profit/(Loss) for the period		<u>(411,286)</u>	<u>55,496,740</u>
Profit/(Loss) per share			
Basic	13	(0.0002)	0.0297
Diluted	13	<u>(0.0002)</u>	<u>0.0297</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, S.G.P.S., S.A.

STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2007 AND 2006

(Amounts expressed in euro)

	Notes	Share Capital	Own Shares	Reserves and Retained Earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2006		2,000,000,000	(138,044,363)	980,366,233	98,055,074	2,940,376,944
Appropriation of profit of 2005:						
Transfer to legal reserves		-	-	4,902,754	(4,902,754)	-
Dividends distributed		-	-	-	(46,650,596)	(46,650,596)
Transfer retained earnings		-	-	-	-	-
Purchase/(Sale) of own shares		-	-	-	-	-
Changes in hedge and fair value reserves	14	-	-	780,475	(46,501,724)	(45,721,249)
Transfer to profit/(loss) of the period		-	-	(3,397,511)	-	(3,397,511)
Profit/(Loss) for the three months ended 31 March 2006		-	-	-	55,496,740	55,496,740
Others		-	-	-	-	-
Balance as at 31 March 2006		<u>2,000,000,000</u>	<u>(138,044,363)</u>	<u>982,651,951</u>	<u>55,496,740</u>	<u>2,900,104,328</u>
Balance as at 1 January 2007		2,000,000,000	(138,044,363)	1,364,273,482	65,138,044	3,291,367,163
Appropriation of profit of 2006:						
Transfer to legal reserves		-	-	3,256,902	(3,256,902)	-
Dividends distributed		-	-	-	(55,997,443)	(55,997,443)
Transfer retained earnings		-	-	-	-	-
Changes in reserves	14	-	-	770,833	(5,883,699)	(5,112,866)
Transfer to profit/(loss) of the period		-	-	82,681,387	-	82,681,387
Profit/(Loss) for the three months ended 31 March 2007		-	-	-	(411,286)	(411,286)
Others		-	-	-	-	-
Balance as at 31 March 2007		<u>2,000,000,000</u>	<u>(138,044,363)</u>	<u>1,450,982,604</u>	<u>(411,286)</u>	<u>3,312,526,955</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE. SGPS. SA

CASH FLOW STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2007 AND 2006

(Amounts expressed in euro)

<u>OPERATING ACTIVITIES</u>	<u>Notes</u>	<u>31.March.2007</u>	<u>31.March.2006</u>
Net cash flow from operating activities (1)		<u>(1,291,384)</u>	<u>(1,408,949)</u>
<u>INVESTMENT ACTIVITIES</u>			
Cash receipts arising from:			
Investments		209,070,745	251,717,051
Tangible and intangible assets		150	206
Interest and similar income		20,591,107	7,106,551
Others		400,000	-
Loans granted		<u>358,363,196</u>	<u>50,942,000</u>
		<u>588,425,198</u>	<u>309,765,808</u>
Cash Payments arising from:			
Tangible and intangible assets		(36,939)	(2,007)
Loans granted		<u>(1,628,748,800)</u>	<u>(19,148,000)</u>
		<u>(1,628,785,739)</u>	<u>(19,150,007)</u>
Net cash used in investment activities (2)		<u>(1,040,360,541)</u>	<u>290,615,801</u>
<u>FINANCING ACTIVITIES</u>			
Cash receipts arising from:			
Loans obtained		<u>4,157,832,201</u>	<u>352,830,000</u>
		<u>4,157,832,201</u>	<u>352,830,000</u>
Cash Payments arising from:			
Loans obtained		(3,232,281,500)	(689,447,600)
Interest and similar charges		(10,285,988)	(3,266,968)
		<u>(3,242,567,488)</u>	<u>(692,714,568)</u>
Net cash used in financing activities (3)		<u>915,264,713</u>	<u>(339,884,568)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(126,387,212)	(50,677,716)
Cash and cash equivalents at the beginning of the period	7	130,514,092	197,418,083
Cash and cash equivalents at the end of the period	7	<u>4,126,880</u>	<u>146,740,367</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, SGPS, S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2007

(Amounts expressed in euro)

1. INTRODUCTION

SONAE, SGPS, SA (“the Company” or “Sonae”), whose head-office is at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of annual financial statements for the year ended 31 December 2006.

4. INVESTMENTS

As at 31 March 2007 and 31 December 2006 the Company held investments in the following affiliated and associated undertakings:

Companies	31.March.2007				31.December.2006			
	% Held	Fair Value	Book Value	Fair Value Reserve	% Held	Fair Value	Book Value	Fair Value Reserve
Modelo Continente, SGPS, SA	74.98%	1,690,800,661	1,326,729,831	364,070,830	74.98%	1,690,800,661	1,326,729,831	364,070,830
Sonae Sierra SGPS, SA	50.00%	740,506,350	490,113,339	250,393,011	50.00%	744,950,500	490,113,339	254,837,161
Sonaecom, SGPS, SA	1.37%	22,305,002	23,259,495	(954,493)	12.72%	233,796,451	314,518,614	(80,722,163)
Outras	-	403,045,305	403,045,305	-	-	403,045,305	403,045,305	-
Total		2,856,657,318	2,243,147,970	613,509,348		3,072,592,917	2,534,407,089	538,185,828

5. OTHER NON-CURRENT ASSETS

As at 31 March 2007 and 31 December 2006 other non-current assets are detailed as follows:

	31.March.2007	31.December.2006
Loans granted to group companies	2,056,850,749	813,195,145
Guarantee deposits	8,599	7,744
Other	141,603	141,603
	<u>2,057,000,951</u>	<u>813,344,492</u>

6. TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

As at 31 March 2007 and 31 December 2006 trade account receivables and other current assets are detailed as follows:

	<u>31.March.2007</u>	<u>31.December.2006</u>
Trade account receivables	308,591	790,914
Group companies	163,406,706	77,456,177
Taxes and contributions receivables	1,219,984	1,206,759
Accrued income and prepayments	21,910,075	858,220
Others	<u>681,553</u>	<u>680,561</u>
	<u>187,526,909</u>	<u>80,992,631</u>

7. CASH AND CASH EQUIVALENTS

As at 31 March 2007 and 31 December 2006 cash and cash equivalents can be detailed as follows:

	<u>31.March.2007</u>	<u>31.December.2006</u>
Cash at hand	2,500	2,500
Bank deposits	<u>4,124,423</u>	<u>130,511,592</u>
Cash and cash equivalents on the balance sheet	<u>4,126,923</u>	<u>130,514,092</u>
Bank overdrafts	<u>43</u>	<u>-</u>
Cash and cash equivalents on the cash flow statement	<u>4,126,880</u>	<u>130,514,092</u>

8. SHARE CAPITAL

As at 31 March 2007 and 31 December 2006 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

9. LOANS

As at 31 March 2007 and 31 December 2006 this caption included the following loans:

	<u>31.March.2007</u>	<u>31.December.2006</u>
Nominal value of bonds	350,000,000	350,000,000
Up-front fees not yet charged to income statement	<u>(2,685,758)</u>	<u>(2,812,652)</u>
Bonds	<u>347,314,242</u>	<u>347,187,348</u>
Non-current loans	<u>347,314,242</u>	<u>347,187,348</u>
Commercial paper	325,800,000	260,500,000
Nominal value of Sonae/97 bonds	74,819,685	74,819,685
Up-front fees not yet charged to income statement	(29,547)	(42,394)
Bank overdrafts	<u>43</u>	<u>-</u>
Current loans	<u>400,590,181</u>	<u>335,277,291</u>

Bonds SONAE / 05 amounting to 100,000,000 euro, repayable after 8 years, in one instalment, on 31 March 2013. Interest rate equal to Euribor 6 months plus 0.875%, with interest paid half-yearly.

Bonds Sonae 2006/2011 amounting to 250,000,000 euro, repayable after 5 years, in one instalment, on 10 May 2011. Interest rate equal to Euribor 6 months plus 0.65%, with interest paid half-yearly. The company has the option to make whole or partial reimbursements, at no extra cost, on the date of the 6th and 8th coupons.

Bonds SONAE / 97 amounting to 149,639,369 euro repayable, at par value, in two equal instalments on the 18th and 20th coupons. Interest rate equal to Lisbor (subsequently changed to Euribor) plus 0.17% from the 1st to the 13th coupon, plus 1.17% in the 14th coupon and plus 1.22% from the 15th to the 20th coupons. Half of this loan (74,819,685 euro) was reimbursed at par value in October 2006. The amount owing as at 31 March 2007 will be reimbursed in October 2007.

10. OTHER CURRENT LIABILITIES

As at 31 March 2007 and 31 December 2006, other current liabilities were made up as follows:

	<u>31.March.2007</u>	<u>31.December.2006</u>
Trade creditors	174,797	300,191
Group companies	972,968,701	112,718,000
Taxes and contributions payable	421,886	457,862
Accrued expenses	15,394,178	10,197,321
Others	56,034,449	42,596
	<u>1,044,994,011</u>	<u>123,715,970</u>

11. CONTINGENT ASSETS AND LIABILITIES

	<u>31.March.2007</u>	<u>31.December.2006</u>
Guarantees given:		
on tax claims	1,776,135	1,776,135
on judicial claims	355,199	355,199
Others	-	40,000,000

12. INVESTMENT INCOME

As at 31 March 2007 and 2006, investment income can be detailed as follows:

	<u>31.March.2007</u>	<u>31.March.2006</u>
Dividends received	76,848,426	53,613,493
Profit/(Loss) on sale of investments	(82,188,375)	3,397,495
	<u>(5,339,949)</u>	<u>57,010,988</u>

13. EARNINGS PER SHARE

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

	<u>31.March.2007</u>	<u>31.March.2006</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(411,286)	55,496,740
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	<u>(411,286)</u>	<u>55,496,740</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings	1,866,581,428	1,866,023,854
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	<u>1,866,581,428</u>	<u>1,866,023,854</u>
Profit/(Loss) per share (basic and diluted)	<u>(0.0002)</u>	<u>0.0297</u>

14. CHANGES IN RESERVES

Details of changes in reserves in the three months ended on 31 March 2007 and 2006 may be summarised as follows:

	<u>31.March.2007</u>	<u>31.March.2006</u>
Fair value reserve	(5,112,866)	(45,721,249)
Free reserves	<u>5,883,699</u>	<u>46,501,724</u>
	<u>770,833</u>	<u>780,475</u>

15. SUBSEQUENT EVENTS

The 2006 profit appropriation has been approved in the General Meeting of Shareholders held on 3 May 2007. Dividends amounting to 55,997,442.84 euro have been attributed and are already considered in these financial statements.

On 11 April 2007 the company completed a bond issue, by private placement, totalling 150,000,000 euro (one hundred and fifty million euro). The bonds are unsecured, have a term of 7 years, and were arranged by Caixa - Banco de Investimento.

16. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 10 May 2007.

17. INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the three months ended 31 March 2007 shareholders' loan contracts were entered into with the following companies:

Sonae Investments, BV
Sontel, BV

In the three months ended 31 March 2007 short-term loan contracts were entered into with the following companies:

Modelo Continente, SGPS, SA
Público Comunicação Social, SA
Sonae Investments, BV

As at 31 March 2007 the amounts owed by affiliated undertakings can be summarized as follows:

Loans granted

<u>Companies</u>	<u>Closing Balance</u>
Aglom Investimentos, SGPS, SA	1,345,000
Espmen - Investimentos Imobiliários, SA	7,106
Investalentejo, SGPS, SA	61,106,500
Sonae Capital, SGPS, SA	44,894,780
Sonae Investments, BV	1,831,950,343
Sontel, BV	204,105,300
	<u>2,143,409,029</u>

As at 31 March 2007 the amounts owed to affiliated undertakings can be summarized as follows:

Loans obtained

<u>Companies</u>	<u>Closing Balance</u>
Sonae Investments, BV	972,746,701
Sonaecom, SGPS, SA	222,000
	<u>972,968,701</u>

The Board of Directors