



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

30 SEPTEMBER 2007

(Translation from the Portuguese original)



REPORT OF THE BOARD OF DIRECTORS

30 SEPTEMBER 2007



SONAE, SGPS, SA – Sociedade Aberta
 Lugar do Espido, Via Norte, Apartado 1011
 4471-909 Maia Portugal
 Share Capital: € 2,000,000,000.00
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REPORT OF THE BOARD OF DIRECTORS

FIRST NINE MONTHS OF 2007

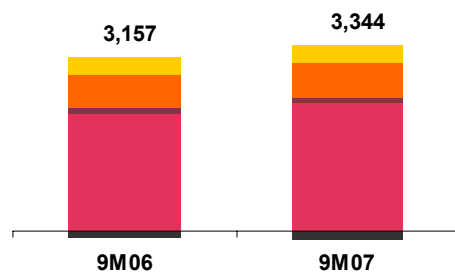
(Unless otherwise stated, the figures presented in this report relate to the first nine months of 2007. The figures shown in brackets are the comparable figures for the same period of the previous year.)

CONSOLIDATED HIGHLIGHTS

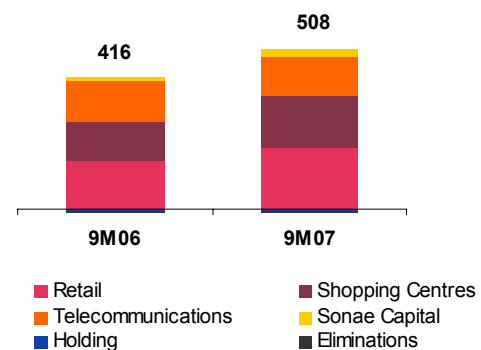
Values in million euro

Economic Indicators	30.09.2006	30.09.2007	Δ
Turnover	3,157.1	3,343.8	5.9%
Operational Cash Flow (EBITDA)	416.1	507.8	22.0%
EBITDA margin	13.2%	15.2%	+2.0 p.p.
Operational Profit (EBIT)	242.8	319.0	31.4%
Profit for the period	185.5	217.2	17.1%
Profit Attributable to Equity Holders of Sonae	122.7	170.6	39.0%

Consolidated Turnover

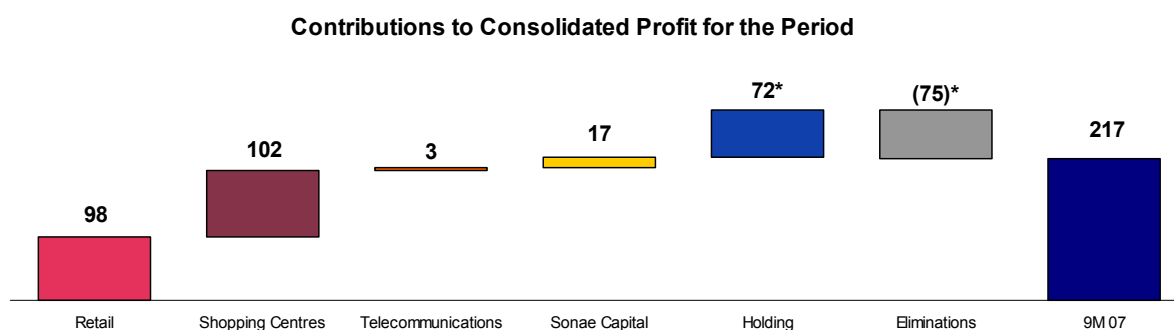


Consolidated EBITDA



■ Retail
■ Telecommunications
■ Holding
■ Shopping Centres
■ Sonae Capital
■ Eliminations

■ Retail
■ Telecommunications
■ Holding
■ Shopping Centres
■ Sonae Capital
■ Eliminations



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

Values in million euro

Financial Indicators	31.12.2006	30.09.2007	Δ
Total Assets	6,320.9	6,902.1	9.2%
Total Equity	1,694.7	1,843.5	8.8%
Net Debt	2,062.8	2,466.3	19.6%
Annualised Interest cover	6.1	5.2	(15.3%)
Net Debt/annualised EBITDA	3.4	3.6	5.9%

MAIN CORPORATE EVENTS DURING THE THIRD QUARTER OF 2007

Sonae Group companies continued to pursue their growth strategies. The main corporate developments in the period were:

- On 27 July 2007, Sonae Distribuição – SGPS, SA, announced that it reached an agreement with the Carrefour Group for the acquisition of 99.8648% of the share capital of Carrefour (Portugal) – Sociedade de Exploração de Centros Comerciais, SA, for a total enterprise value of 662 million euro. The transaction is still subject to approval by the Portuguese Competition Authority.
- On 24 August 2007, the Portuguese Competition Authority released final approval for the acquisition of Oni's residential and SOHO customer base. As the final consideration was dependent on the number of customers effectively transferred to Novis, this was adjusted from the initial 25 million euro to 20 million euro. 75% of the non-adjusted consideration was paid and the last instalment will be paid by the end of the year.
- On 31 August 2007, Sonae Capital sold Isoroy Casteljaloux, a producer of softboard for acoustic and thermal insulation, generating a proceed of 1.3 million euro.
- On 4 September 2007, the Portuguese Competition Authority released final approval for the acquisition of Tele2 Portugal. In the quarter, Sonaecom paid

14.4 million euro, corresponding to 90% of the total consideration of 16 million euro.

- On 28 September 2007, Sonaecom, SGPS, SA announced that WeDo Consulting – Sistemas de Informação, SA had signed an agreement for the acquisition of the total share capital of Cape Technologies Limited, a company incorporated in the Republic of Ireland, with 120 employees, that operates internationally in information systems for the telecommunication industry. The consideration for this acquisition will be 17 million euro plus an additional amount of up to 3 million euro, conditional to the achievement of certain pre-agreed targets. With this acquisition, WeDo becomes the world leader in Revenue Assurance solutions for the Telecoms sector.
- Recently, Sonaecom announced that it had begun the process of merging its Mobile and Fixed divisions. This operation that has been approved by both ANACOM (the Portuguese Telecoms Regulator) and the Minister for Public Works, Transport and Communications, represents an internal reorganisation forming part of the development of the company's integrated telecoms strategy.

Prior to the date of this report:

- On 18 October 2007, Sonae Capital, SGPS, S.A. agreed to sell 75% of Cinclus – Planeamento e Gestão de Projectos, SA for 4.35 million euro and entered into a put option to sell the remaining shareholding after 1 January 2011 for 1.5 million euro (subject to correction depending on the activity of the company). Until that date Sonae Capital SGPS, SA will continue involved in the management of the company and a shareholders agreement will be in place. The initial inflow will be 2.8 million euro and the remaining will be received in two instalments up to October 2009. Taking June 2007 accounts as a reference, this transaction and the corresponding deconsolidation of the company sold, will have an estimated impact in the consolidated results of Sonae,SGPS, SA of 2.5 million euro. This transaction aims to clarify the portfolio of Sonae Capital, SGPS, SA as a result of the on going preparation for its spin-off from Sonae, SGPS, SA;
- On 8 November 2007, the Board of Directors of Sonae SGPS, SA approved the Sonae Capital's demerger (*cisão simples*) project. Sonae SGPS, SA will demerge the whole of its shareholding in Sonae Capital, SGPS, SA. The demerger will result in the incorporation of a new holding company, owning 100% of the share capital of Sonae Capital, SGPS, SA. For each Sonae SGPS share 0.125 of a share of this new company will be attributed. Sonae SGPS Extraordinary Shareholders' General Meeting is scheduled for 14 December 2007. The demerger will be formally registered once the project has been approved by the respective Shareholders' General Meeting. Following this approval: (i) the company will issue the prospectus required to list the new company, (ii) the shares will be demerged and their rights will be traded, and finally (iii) the new company shares will be listed on Euronext Lisbon. The Board of Directors of Sonae, SGPS, SA expects to conclude the process by the end of January 2008;

BUSINESS ANALYSIS¹

RETAIL

Values in million euro

	3Q 06	3Q 07	Δ QoQ	9M 06	9M 07	Δ YoY
Turnover	837	899	7.4%	2,197	2,394	9.0%
Operational Cash Flow (EBITDA)	73	81	11.0%	158	195	23.4%
EBITDA Margin (% of Turnover)	8.7%	9.0%	+0.3 p.p.	7.2%	8.1%	+0.9 p.p.
Profit Attributable to Equity Holders of Sonae Distribuição	46	50	8.7%	89	99	11.2%

	31.12.06	30.09.07	Δ
Net Debt	377	574	52.3%

Operational data

As at 30 September 2007, the Retail business had 535 stores, covering thirteen different formats, representing 574 thousand m² of sales area. Of this area, 77% relates to stores owned by Sonae Distribuição, which represent around 80% of annualised net sales. As at 30 September 2007, the book value of the company's real estate amounted to 1,154 million euro, of which 81% correspond to retail stores and 19% to other real estate assets (central offices, logistics, etc).

In 2007, the Retail business will surpass the initial expectations of organic growth, increasing approximately 12% of its sales area representing approximately 65,000 m², of which 25,000 m² in food retail and 40,000 m² in non-food retail. In the first nine months of the year, gross investment amounted to 171 million euro, comprising 3 new food stores (9 thousand m²) and 57 non-food stores (22 thousand m²).

In relation to the acquisition of 99.8648% of the company Carrefour (Portugal) – Sociedade de Exploração de Centros Comerciais, SA, Sonae Distribuição is still waiting for the final approval from the Portuguese Competition Authority, and remains confident that a non-opposition decision will be taken.

Financial data

Consolidated turnover for the first nine months of the year grew by 9% to 2,394 million euro (2,197 million euro), with an underlying like for like growth of 4%. On the third quarter, turnover grew 7% to 899 million euro (837 million euro).

¹ The figures included in this section are those from the consolidated financial statements of each of the respective businesses

Consolidated operational cash flow (EBITDA) increased 23% in the first nine months of the year to 195 million euro (158 million euro). Operational cash flow (EBITDA) includes approximately 12 million euro of non-recurrent results relating to the sale of real estate assets in Albufeira and Portimão. Excluding this effect, operational cash flow (EBITDA) would have grown 16% or 25 million euro, to 183 million euro, representing a 0.4 p.p. improvement in the operating margin. Operational cash flow (EBITDA) for the third quarter increased 11% to 81 million euro (73 million euro).

Consolidated net profit for the first nine months of the year was 100 million euro (91 million euro), a 10% increase driven by the good operational performance in the period, notwithstanding the negative impact from financial results. Net financial charges increased by 13 million euro to 26 million euro in the first nine months of the year, mainly due to the higher interest rate in the period and to the acquisition, at the end of 2006, of 100 million own shares at a cost of 205 million euro. Excluding the impact of the acquisition of own shares, net profit would have increased by 17%. Retail quarterly net profit increased 6% to 50 million euro (47 million euro).

As at 30 September 2007, consolidated net debt was 574 million euro, which compares with 377 million euro at the end of the 2006. This increase reflects the financing of the company's aggressive expansion plan.

SHOPPING CENTRES

Values in million euro

	3Q 06	3Q 07	Δ QoQ	9M 06	9M 07	Δ YoY
Net Operating Income	33	41	24.2%	105	112	6.4%
Direct Net Profit ²	15	18	20.0%	54	64	18.5%
Indirect Net Profit	-	22	> 100%	100	142	42.0%
Total Net Profit	15	41	> 100%	155	207	33.5%
Profit Attributable to Equity Holders of Sonae Sierra	11	37	> 100%	98	139	41.8%

	31.12.06	30.09.07	Δ
NAV ³ per share	45.82	49.75	8.6%
Asset gearing ⁴	29.4%	36.4%	+7.0 p.p.

Operational data

As at 30 September 2007, the Shopping Centres business owned or co-owned 46 shopping centres and 1 retail park, representing 1.8 million m² of GLA⁵, and had 12 centres under development, representing approximately 425 thousand m² of GLA.

In the third quarter of the year, the portfolio of centres increased through the:

- Opening of Alexa (Berlin, Germany), a 290 million euro investment developed under a 50/50 partnership with Foncière Euris (GLA⁵ of 56,200 m² including 178 stores and 1,600 parking places);
- Opening of 8ª Avenida (S. João da Madeira, Portugal), a 54 million euro investment (GLA⁵ of 30,477 m², including 130 stores and 1,700 parking places).
- After the reporting date, in 23 October 2007, opening of El Rosal (Ponferrada, Spain), a 111 million euro investment (GLA⁵ of 49,500 m², including 147 stores) under a 70/30 partnership with Mall Group.

In order to maintain the fast growth of its asset base, Sonae Sierra acquired two plots of land in Romania (Craiova and Ploiesti) and reached an agreement to acquire a plot of land in Brazil (Uberlândia).

² Direct Net Profit = Net Profit before Minorities + Deferred Tax – Value created on Investments – Gains realised on Properties

³ NAV – Net Asset Value

⁴ Asset Gearing = Net Bank Debt / (Total Assets – Cash and Cash Equivalents and Current Investments).

⁵ GLA – Gross Lettable Area

Financial data

Net operating margin increased 6.4% in the first nine months of the year to 112 million euro (105 million euro), mainly due to higher operational activity arising from the acquisition of: 2 shopping centres in Portugal (Albufeira and Portimão); Münster Arkaden in Germany; River Plaza in Romania; 73% of Shopping Metr pole, 5% of Shopping Tivoli and 10% of Plaza Sul in Brazil.

Direct net profit grew 18% in the first nine months of the year to 64 million euro (54 million euro), being favourably impacted by the increased level of operational activity propelled by new properties opened and acquisitions made in the period.

Indirect net profit increased by 42% to 142 million euro (100 million euro) reflecting the impact of revaluation gains which resulted from the general yield compression in Europe (particularly in Portugal, Spain and Italy) and in Brazil, the openings of Alexa and 8^a Avenida shopping centres and the acquisitions in the period.

Net profit increased by 33% to 207 million euro in the first nine months (155 million euro).

As at 30 September 2007, the NAV per share of the attributable property portfolio stood at 49.75 euro, a 8.6% increase on the 45.82 euro as at 31 December 2006.

In the first nine months of the year, the contributions of the business divisions to Net Asset Value and to Net Operating Income (NOI) were as follows:

Values in million euro	9M06	9M07	Δ %
Value Metrics	NOI	NOI	
Developments	21	29	36%
Asset Management	7	7	-
Property Management	4	4	-
Total	32	41	14%

Values in million euro	9M07
Value Metrics	NAV
Investments	1,004
Developments	324
Brazil	168
Cash	122
Total	1,617

TELECOMMUNICATIONS

Values in million euro

	3Q 06	3Q 07	ΔQoQ	9M 06 ⁶	9M 07	ΔYoY
Turnover	215	231	7.4%	610	644	5.6%
Operational Cash Flow (EBITDA)	46	47	3.5%	124	121	(2.6%)
EBITDA Margin (% of Turnover)	21.3%	20.5%	(0.8 p.p.)	20.3%	18.7%	(1.6 p.p.)
Profit Attributable to Equity Holders of Sonaecom	2	8	> 100%	(0.2)	3	-

	31.12.06	30.09.07	Δ
Net Debt	338.1	313.4	(7.3%)

Operational data

During the third quarter of 2007, the Telecommunications business was able to build on the growth platform achieved in the first half of the year and reinforced customer and customer revenue year-on-year growth.

Mobile

Customers increased by 10.8% to 2.76 million at the end of the third quarter (2.49 million), with 159.2 thousand net additions in the first nine months of the year (138.3 thousand). Data revenues represented 17.1% (13.8%) of service revenues in the first nine months of 2007, up 3.3 p.p., as a result of promotional focus on increasing usage of data services and success of wireless broadband solutions.

During the first nine months of the year, mobile customers generated an Average Revenue Per User (ARPU) of 18.3 euro (19.9 euro). This decrease is mostly explained by the impact of lower operator revenues due to the phased reductions in mobile termination rates and, especially, to falling roaming in tariffs.

Fixed

Sonaecom Fixed strengthened its position as a direct access company and substantially enlarged its customer base with the integration of Oni's residential and SOHO customers and Tele2 Portugal.

At the end of the third quarter of 2007, total services reached 798.5 thousand (371.0 thousand), an increase of 115.2% (15% on a "like for like" comparison). Direct

⁶ Enabler was sold on 30 June 2006 and, in order to allow comparisons between YTD figures, 9M06 have been restated to exclude Enabler's contribution and associated capital gain. All comparisons in this chapter are made on this like for like basis.

access services represented 59.1% (68.4%) of Sonaecom Fixed customer base, or 84.5% excluding recent acquisitions.

SSI

SSI service revenues per employee amounted to 83.8 thousand euro in the first nine months of 2007 (82.5 thousand euro), and equipment sales per employee increased by 5.0% to 1.8 million euro (1.7 million euro).

Financial data

Turnover amounted to 644 million euro in the first nine months of the year (610 million euro), a 5.6% increase notwithstanding the negative impact of lower roaming in tariffs and lower mobile termination rates of 10.8 million euro on Operator Revenues at Optimus. Service revenues increased by 8.4% to 589 million euro (544 million euro). The main contributions to this performance came from: (i) 22.3% higher service revenues at Sonaecom Fixed; (ii) 2.3% increase in Optimus' service revenues, with the growth of customer revenues offsetting the combined negative impact of lower mobile termination rates and roaming in tariffs; (iii) and 10.8% higher service revenues at Software and Systems Information, mainly driven by the good performance of WeDo; (iv) notwithstanding the 9.8% decrease of Público's advertising revenues. The results of Sonaecom Fixed include, since September, 5.0 million euro of revenues generated from the customers acquired from Oni and Tele2 Portugal.

Operational cash flow (EBITDA) totalled 121 million euro in the first nine months of the year (124 million euro), posting a 2.6% decrease and generating an EBITDA margin of 18.7% (20.3%). This performance reflects the negative impact of mobile regulated tariffs and the growth-led investment at Optimus.

Net financial charges increased in the first nine months of the year to 17.6 million euro (12.6 million euro). The higher charges resulted from the accounting effect of writing off 7.2 million euro of outstanding deferred up-front fees related with Optimus' syndicated bank facility which was cancelled and replaced by a new financing facility at Sonaecom SGPS.

Net profit for the first nine months of 2007 decreased to 3.1 million euro (8.3 million euro), reflecting the lower EBITDA and higher net financial charges.

Consolidated gross debt amounted to 327.2 million euro as at 30 September 2007, 136.8 million euro below the 464.0 million euro at the end of 2006. This decrease reflects: (i) the repayment of Optimus' syndicated bank facility of 317 million euro net of up-front fees; (ii) the use of 159 million euro of the new Commercial Paper Program facility; and (iii) an increase of 16.2 million euro related to long term financial leasing contracts in relation to Sonaecom Fixed backbone network.

SONAE CAPITAL

Following the restructuring process, Sonae Capital has focused its portfolio of businesses and its management teams on two main business areas:

- **Sonae Turismo:** Resort and Residential Developments (including the Troia and Efanor projects); Real Estate Asset Management; and Touristic Operations (includes Hotel, Fitness and other Businesses);
- **Spred:** Seed and Venture Capital; Joint Ventures; and Financial shareholdings (includes, among others, 6.8% shareholding in Sonae Indústria).

Values in million euro

	3Q 06	3Q 07	ΔQoQ	9M 06 ¹	9M 07	ΔYoY
Turnover	90	85	(5.6%)	322	313	(2.8%)
Operational Cash Flow (EBITDA)	4	7	68.3%	10	22	> 100%
Operational Profit (EBIT)	3	4	46.6%	7	13	99.8%
Profit for the period	(1)	4	-	11	13	23.8%

¹Sum of Sonae Capital's consolidated accounts with Sonae Turismo's consolidated accounts. Sonae Capital acquired a majority stake in Sonae Turismo on 26 July 2006, and as from that date, Sonae Turismo was included in the consolidated accounts under the full consolidation method.

Financial data

Consolidated turnover decreased 2.8% during the first nine months of the year, to 313 million euro (322 million euro). This figure includes 87.9 million euro from the contribution (up to their disposal) of Plysorol, Safira and Isoroy Casteljaloux turnover. On a like for like basis⁷, consolidated turnover grew 16% to 225 million euro. On the first arm of the new Sonae Capital structure – Sonae Turismo – hotel and fitness centre businesses increased their contribution to consolidated turnover by 10.5 million euro following the hotel refurbishment and the value creation proposal fine tuning on the fitness centre business. Still within Sonae Turismo, Praedium also increased its contribution to consolidated turnover by 6.7 million euro. On the other Sonae Capital arm – Spred – Selfrio and Contacto increased their contributions to consolidated turnover by 6.2 and 6.6 million euro, respectively.

Consolidated operational cash flow (EBITDA), more than doubled to 22 million euro on the first nine months 2007 when compared to same period last year (10 million euro). This growth also includes 8.2 million euro contribution from businesses disposed during 2007 (Plysorol, Safira and Isoroy Casteljaloux). On a like for like basis⁷, consolidated operational cash-flow (EBITDA) grew more than 50% to 13.8 million euro driven by contribution improvements from the Hotel and Fitness Centre businesses (+5.4 million euro) and Selfrio Group (+1.4 million euro).

⁷ Excluding the contribution of Plysorol, Safira and Isoroy Casteljaloux, disposed during 2007, and also excluding the contribution of businesses disposed during 2006 (Cuellar, Imoplamac and Bertimóvel).

Investment income totalled 10.9 million euro and related essentially to the gain obtained, 9.8 million euro, on the sale of 7.83% shareholding in ba Vidro and dividends received from the company. In the first nine months of 2006, investment income included 4.6 million euro associated with the sale of ba Vidro shareholding and a 7.8 million euro gain on the sale of Star Viagens to Sonae Distribuição.

Consolidated net profit for the period amounted to 13 million euro (11 million euro), with the increase being explained by improved operating profitability notwithstanding higher financial charges related with higher average leverage.

As at 30 September 2007, consolidated net financial debt, including Sonae SGPS's loans, amounted to 253.9 million euro, at first half 2007 level (258.1 million euro) and comparable with 165.5 million euro in 31 December 2006.

SONAE, SGPS, SA – Stand Alone Activity

During the first quarter of 2007, Sonae, SGPS, SA, sold 40,481,436 Sonaecom, SGPS, SA shares (11.05% of the respective share capital) to a wholly owned company, Sontel, BV, decreasing its direct shareholding to 1.66%.

On 25 April 2007, Sonae, SGPS, SA sold a further 5,000,000 Sonaecom, SGPS, SA shares, decreasing its direct shareholding to 0,006%. At 30 September 2007, Sonae, SGPS, SA owns 50.204% of the share capital of Sonaecom, SGPS, SA, either directly or indirectly.

On 11 April 2007, Sonae, SGPS, SA completed a bond issue of 150 million euro, refinancing existing debt under more favourable terms and extending debt maturity.

Net profits for the first nine months of 2007 amounted to 12 million euro, mainly resulting from net interest income, as dividends received were offset by losses on sales of investments to subsidiaries.

CONSOLIDATED PROFITABILITY

Segmental information (contributes to consolidated accounts)

M.€	3Q06	3Q07	% chg 3Q07/3Q06	9M06	9M07	% chg 9M07/9M06
Turnover	1,158.0	1,206.5	4.2%	3,157.1	3,343.8	5.9%
Retail	837.1	898.8	7.4%	2,203.3	2,393.9	8.7%
Shopping Centres	37.7	39.3	4.2%	108.9	112.8	3.6%
Telecommunications	214.5	230.9	7.6%	624.0	644.3	3.3%
Sonae Capital	90.3	84.2	(6.8%)	322.0	312.5	(3.0%)
Holding and others	2.1	6.4	> 100%	7.0	14.7	> 100%
Eliminations & Adjustments	(23.5)	(53.0)	<-100%	(108.0)	(134.5)	24.5%
Operational Cash-Flow (EBITDA)	138.6	173.9	25.5%	416.1	507.8	22.0%
Retail	73.0	80.9	10.8%	157.9	197.0	24.8%
Shopping Centres	19.0	37.3	96.3%	125.2	168.8	34.7%
Telecommunications	48.1	49.7	3.3%	132.2	127.6	(3.5%)
Sonae Capital	4.2	6.8	61.9%	10.2	20.6	> 100%
Holding and others	(3.1)	(1.9)	38.7%	(6.6)	(5.2)	21.2%
Eliminations & Adjustments	(2.6)	1.2	-	(2.7)	(1.0)	63.0%
Profit for the Period	44.8	76.0	69.6%	185.5	217.2	17.1%
Retail	49.9	49.6	(0.6%)	93.2	98.1	5.2%
Shopping Centres	7.1	21.5	> 100%	77.2	102.4	32.5%
Telecommunications	2.9	7.8	> 100%	38.2	3.1	(91.9%)
Sonae Capital	(1.2)	6.2	-	1.9	16.7	> 100%
Holding and others	14.0	(10.1)	-	61.0*	71.8*	17.7%
Eliminations & Adjustments	(27.8)	1.1	-	(85.8)*	(74.9)*	12.7%

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

Consolidated turnover for the first nine months of the year amounted to 3,344 million euro (3,157 million euro), a 6% increase mostly delivered by the Retail business, which increased its contribution by 191 million euro, being approximately 9%, driven by 4% “like for like” growth (reflecting the success of the loyalty programs launched by the company) and by new openings (in the last 12 months, the Retail business opened 84 stores, representing around 35 thousand m² of sales area). The Shopping Centres business increased its contribution to consolidated turnover by 4%, to 113 million euro (109 million euro), as a result of the growth in the company’s portfolio of assets under operation. The Telecommunications business has also achieved a 20 million euro growth in its contribution, up to 644 million euro (624 million euro), notwithstanding the negative impact of lower termination rates and roaming-in tariffs and the fact that Sonaecom’s contribution in the first nine months of 2006 was still positively impacted by Enabler’s 6 months contribution (as the company was only sold at the end of the first half of 2006). Sonae Capital’s contribution decreased slightly to 313 million euro (322 million euro). Consolidated turnover for the third quarter grew 4% to 1,207 million euro (1,158 million euro).

Consolidated operational cash flow (EBITDA) for the first nine months of the year was 508 million euro (416 million euro), generating a consolidated EBITDA margin of 15.2% (13.2%). Retail's contribution grew 39 million euro to 197 million euro (158 million euro), reflecting productivity gains achieved throughout the company and a 12 million euro gain from the sale of Albufeira and Portimão assets during the first half of 2007. The Shopping Centres business grew its contribution to consolidated EBITDA to 169 million euro (125 million euro) through the value created on investment properties, which benefited from the general yield compression in Europe (particularly in Portugal, Spain and Italy) and in Brazil, the openings of Alexa (Berlin, Germany) and 8ª Avenida (S. J. da Madeira, Portugal) and the acquisitions in the period. The Telecommunications business contribution amounted to 128 million euro (132 million euro), a 3% decrease, explained by the negative impact of the regulated tariffs on the mobile business, despite of the strong operational results at the Fixed and S&SI business units. Sonae Capital's contribution increased 11 million euro, up to 21 million euro (10 million euro) mostly due to operational improvements in the Seed and Risk Capital business area.

In the first nine months of the year, net financial expenses totalled 95 million euro (65 million euro). This increase is mostly explained by the higher level of interest expenses resulting from an increase in indexing interest rates and from the higher level of average gross debt in the period.

Investment income totalled 42 million euro in the first nine months of the year (52 million euro) and included gains on the sale of the plywood business (Plysorol) and of the cleaning business (Safira) that were part of Sonae Capital's portfolio, as well as the sale of a small part of the shareholding in Sonaecom and the sale of the remaining shareholding in ba Vidro (7,83%). In the first nine months of 2006, investment income included the gain on the sale of an additional 3.92% shareholding in ba Vidro, a price adjustment on the prior year sale of the Brazilian retail operations and the gain on the sale of Enabler.

Profit for the first nine months of the year increased 17% to 217 million euro (185 million euro), reflecting both operational improvements and the increased value of the Group's portfolio of assets.

FINANCIAL STRUCTURE

Segmental information

M.€	FY06	9M06	9M07	% chg 9M07/FY06	% chg 9M07/9M06
Consolidated Net Debt	2,062.8	2,176.0	2,466.3	19.6%	13.3%
Stand Alone Net Financial Debt⁸					
Retail	376.7	315.7	563.5	49.6%	78.5%
Shopping Centres	476.8	536.0	747.0	56.7%	39.4%
Telecommunications	337.3	348.3	313.5	(7.1%)	(10.0%)
Sonae Capital	141.5	71.7	251.1	77.5%	> 100%
Holding and others	730.5	904.3	591.2	(19.1%)	(34.6%)

Consolidated net investment for the first nine months of the year totalled 473 million euro. The Retail business invested 121 M.€, approximately 26% of total group investment, opening 3 food stores (9 thousand m² of sales area) and increasing its of non-food stores portfolio by 52 (22 thousand m² of sales area). The Shopping Centres contribution to consolidated investment amounted to 276 million euro, and reflects: (i) acquisition of Münster Arkaden in Germany, River Plaza in Romania and the shareholding increase in Metr pole, Tivoli and Plaza Sul Shopping Centres in Brazil; (ii) openings of Alexa, in Germany and of 8^a Avenida, in Portugal; and (iii) progress on shopping centres under development. In the first nine months of 2007, the Telecommunications business contributed with 37 million euro to consolidated net investment. This contribution includes the acquisition of Oni's residential and SOHO customers and Tele2 Portugal, partly offset by the sale of 1% PT shareholding in the first quarter 2007. Investment in Sonae Capital amounted to around 73 million euro, most of which was associated with the development of the Tr ia project, the opening of fitness centres and refurbishment of hotels, the acquisition of 14% in Cooper Gay, the acquisition of Investalentejo and of an additional stake in Selfrio.

Consolidated net debt as at 30 September 2007 amounted to 2,466 million euro, an increase of 290 million euro and 86 million euro when compared to 30 September 2006 and to the end of first semester 2007, respectively. The Retail business increased its net financial debt by 248 million euro on 30 September 2006 in order to finance its expansion plan. Of the total consolidated net debt as at 30 September 2007, the 747 million euro contribution from the Shopping Centres business is fully and exclusively guaranteed by its own assets. The increase in Sonae Sierra's net financial debt reflects the acquisitions of the year and the financing of projects under development. Sonaecom decreased its net financial debt by 35 million euro to 313 million euro (348 million euro on 30 September 2006) reflecting the free cash flow generated in the period and the movements in gross debt explained above in Sonaecom's chapter. Sonae Capital's net financial debt amounted to 251 million euro (72 million euro on 30 September 2006). The 179 million euro increase is mostly explained by the investment in the Tr ia project, in the refurbishment of hotels, and by acquisitions made within the reconfiguration of the company's portfolio. Stand alone net financial debt at the holding company decreased by 313 million euro to 591

⁸ Includes Non-Current borrowings + Current borrowing - Cash and cash equivalent - Current investments ± Loans from/(to) Sonae SGPS

million euro (904 million euro on 30 September 2006), in line with the objective of reducing net debt at the holding level, set by the Sonae SGPS Board of Directors.

The ratio of consolidated net debt to consolidated EBITDA for the last 12 months was 3.6x, which compares with 3.4x as at 31 December 2006 and 3.3x as at 30 September 2006. The variation is explained by the increase in consolidated net debt described above. Interest cover of the last 12 months reduced to 5.2x, reflecting the higher level of interest expenses resulting from higher index interest rates.

Maia, 29 November 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 Trigoso Jordão



CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2007

SONAE, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

(Amounts expressed in euro)

ASSETS	Notes	30.September.2007	31.December.2006
NON-CURRENT ASSETS:			
Tangible and intangible assets	9	2,483,587,240	2,396,093,382
Investment properties	10	1,942,544,593	1,520,211,259
Goodwill	11	288,957,958	250,842,655
Investments	6, 7 e 12	195,897,938	264,647,797
Deferred tax assets	15	111,025,123	102,767,409
Other non-current assets	13	54,544,004	44,081,686
Total Non-Current Assets		<u>5,076,556,856</u>	<u>4,578,644,188</u>
CURRENT ASSETS:			
Stocks		574,180,993	481,185,712
Trade account receivables and other current assets	14	611,351,257	565,303,755
Investments held for trading	12	28,446,313	33,261,860
Cash and cash equivalents	16	611,607,547	662,475,440
Total Current Assets		<u>1,825,586,110</u>	<u>1,742,226,767</u>
TOTAL ASSETS		<u><u>6,902,142,966</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	(139,441,418)	(142,961,431)
Reserves and retained earnings		(624,220,448)	(806,219,141)
Profit/(Loss) for the year attributable to the equity holders of sonae		170,617,096	241,822,233
Equity attributable to the equity holders of Sonae		<u>1,406,955,230</u>	<u>1,292,641,661</u>
Equity attributable to minority interests	18	436,527,786	402,058,314
TOTAL EQUITY		<u>1,843,483,016</u>	<u>1,694,699,975</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	17	2,922,256,587	2,142,696,898
Other non-current liabilities	21	85,910,440	105,487,112
Deferred tax liabilities	15	317,161,813	272,056,372
Provisions	24	73,647,137	63,234,735
Total Non-Current Liabilities		<u>3,398,975,977</u>	<u>2,583,475,117</u>
CURRENT LIABILITIES:			
Loans	19	184,122,041	615,931,494
Trade creditors and other non-current liabilities	23	1,466,958,345	1,424,300,278
Provisions	24	8,603,587	2,464,091
Total Current Liabilities		<u>1,659,683,973</u>	<u>2,042,695,863</u>
TOTAL LIABILITIES		<u><u>5,058,659,950</u></u>	<u><u>4,626,170,980</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,902,142,966</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 NINE MONTHS ENDED 30 SEPTEMBER 2007 AND 2006

(Amounts expressed in euro)

	<u>Notes</u>	<u>30.September.2007</u>	<u>30.September.2006</u>
Operational income			
Sales		2,450,563,750	2,299,848,553
Services rendered		893,123,037	857,296,099
Value created on investment properties	10	122,597,032	72,312,615
Other operational income		<u>334,034,225</u>	<u>285,907,827</u>
Total operational income		<u>3,800,318,044</u>	<u>3,515,365,093</u>
Operational expenses			
Cost of goods sold and materials consumed		(1,932,385,284)	(1,799,599,847)
Changes in stocks of finished goods and work in progress		39,844,864	9,937,280
External supplies and services		(908,367,073)	(827,238,349)
Staff costs		(431,304,452)	(422,461,346)
Depreciation and amortisation		(173,554,323)	(167,105,601)
Provisions and impairment losses		(17,601,249)	(12,619,274)
Other operational expenses		<u>(57,833,927)</u>	<u>(53,398,988)</u>
Total operational expenses		<u>(3,481,201,444)</u>	<u>(3,272,486,125)</u>
Operational profit/(loss)		319,116,600	242,878,968
Net financial expenses		(95,263,825)	(65,012,628)
Share of results of associated undertakings		164,311	3,388,078
Investment income		41,793,820	51,673,037
Profit/(Loss) before taxation		<u>265,810,906</u>	<u>232,927,455</u>
Taxation	27	<u>(48,596,948)</u>	<u>(47,376,709)</u>
Profit/(Loss) after taxation		<u>217,213,958</u>	<u>185,550,746</u>
Profit/(Loss) for the year	28	<u>217,213,958</u>	<u>185,550,746</u>
Attributable to:			
Equity holders of Sonae		170,617,096	122,742,052
Minority interests		<u>46,596,862</u>	<u>62,808,694</u>
Profit/(Loss) per share			
Basic	29	0.091413	0.065772
Diluted	29	<u>0.091413</u>	<u>0.065772</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE QUARTERS ENDED 30 SEPTEMBER 2007 AND 2006

(Amounts expressed in euro)

	2007	2006
Notes	<u>3rd Quarter</u>	<u>3rd Quarter</u>
Operational Income		
Sales	886,743,565	856,440,122
Services rendered	319,761,741	301,610,951
Value created on investment properties	19,823,969	887,856
Other operational income	122,360,539	99,079,159
Total operational income	<u>1,348,689,814</u>	<u>1,258,018,087</u>
Operational expenses		
Cost of goods sold and materials consumed	(702,496,550)	(669,852,299)
Changes in stocks of finished goods and work in progress	6,993,161	3,652,840
External supplies and services	(324,674,239)	(294,162,803)
Staff costs	(133,060,837)	(137,066,065)
Depreciation and amortisation	(58,503,468)	(56,935,025)
Provisions and impairment losses	(2,764,773)	(7,028,413)
Other operational expenses	(20,326,195)	(17,957,783)
Total operational expenses	<u>(1,234,832,901)</u>	<u>(1,179,349,549)</u>
Operational profit/(loss)	113,856,913	78,668,538
Net financial expenses	(39,554,365)	(23,782,856)
Share of results of associated undertakings	337,817	992,460
Investment income	9,426,537	2,350,385
Profit/(Loss) before taxation	<u>84,066,902</u>	<u>58,228,527</u>
Taxation	(8,062,815)	(13,424,260)
Profit/(Loss) after taxation	<u>76,004,087</u>	<u>44,804,268</u>
Profit/(Loss) for the year	<u>76,004,087</u>	<u>44,804,268</u>
Attributable to:		
Equity holders of Sonae	68,611,043	37,668,538
Minority interests	<u>7,393,044</u>	<u>7,135,730</u>
Profit/(Loss) per share		
Basic	29 0.036750	0.020180
Diluted	29 <u>0.036750</u>	<u>0.020180</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 NINE MONTHS ENDED 30 SEPTEMBER 2007 AND 2006

(Amounts expressed in euro)

	Attributable to Equity Holders of Sonae						Total Equity
	Share Capital	Own Shares	Reserves and Retained Earnings	Net Profit/(Loss)	Total	Minority Interests	
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	-	-	(46,650,596)	-	(46,650,596)	(4,525,759)	(51,176,355)
Changes in reserves							
In conversion reserves	-	-	4,959,844	-	4,959,844	43,251	5,003,095
In hedge and fair value reserves	-	-	3,769,880	-	3,769,880	800,182	4,570,062
In other reserves	-	669,089	(2,218,289)	-	(1,549,200)	(25,085,587)	(26,634,787)
Consolidated Profit/(Loss) for the nine months ended 30 September 2006	-	-	-	122,742,052	122,742,052	62,808,694	185,550,746
Balance as at 30 September 2006	2,000,000,000	(142,961,431)	(755,785,467)	122,742,052	1,223,995,154	428,748,392	1,652,743,546
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)	(12,675,293)	(68,672,736)
Changes in reserves							
In conversion reserves	-	-	4,698,996	-	4,698,996	228,473	4,927,469
In hedge and fair value reserves	-	-	(8,306,040)	-	(8,306,040)	(1,802,062)	(10,108,102)
In other reserves	-	3,520,013	(219,053)	-	3,300,960	2,121,493	5,422,453
Consolidated Profit/(Loss) for the nine months ended 30 September 2007	-	-	-	170,617,096	170,617,096	46,596,862	217,213,958
Balance as at 30 September 2007	2,000,000,000	(139,441,418)	(624,220,448)	170,617,096	1,406,955,230	436,527,786	1,843,483,016

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007 AND 2006

(Amounts expressed in euro)

<u>OPERATING ACTIVITIES</u>	<u>Notes</u>	<u>30.September.2007</u>	<u>30.September.2006</u>
Net cash flow from operating activities (1)		<u>238,974,389</u>	<u>240,494,193</u>
<u>INVESTMENT ACTIVITIES</u>			
Cash receipts arising from:			
Investments		200,743,784	335,194,109
Tangible, intangible assets and propertie investments		34,534,053	18,492,471
Dividends		1,740,677	4,114,630
Others		<u>47,992,383</u>	<u>28,851,059</u>
		<u>285,010,897</u>	<u>386,652,269</u>
Cash Payments arising from:			
Investments		(173,156,678)	(624,980,669)
Tangible, intangible assets and propertie investments		(580,241,525)	(376,328,015)
Others		<u>(20,824,804)</u>	<u>(14,463,925)</u>
		<u>(774,223,007)</u>	<u>(1,015,772,609)</u>
Net cash used in investment activities (2)		<u>(489,212,110)</u>	<u>(629,120,340)</u>
<u>FINANCING ACTIVITIES</u>			
Cash receipts arising from:			
Loans obtained		6,313,553,701	1,693,703,517
Capital increases, additional paid in capital and share premiums		<u>1,058,505</u>	<u>1,122,732</u>
		<u>6,314,612,206</u>	<u>1,694,826,249</u>
Cash Payments arising from:			
Loans obtained		(5,930,638,457)	(1,875,053,491)
Interest and similar charges		(111,530,695)	(86,801,396)
Reimbursement of capital and paid in capital		(83,073)	(895,881)
Dividends		(68,876,916)	(57,715,549)
Others		<u>(1,775,384)</u>	<u>(376,030)</u>
		<u>(6,112,904,525)</u>	<u>(2,020,842,347)</u>
Net cash used in financing activities (3)		<u>201,707,681</u>	<u>(326,016,098)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(48,530,040)</u>	<u>(714,642,245)</u>
Effect of foreign exchange rate		<u>398,711</u>	<u>(89,446)</u>
Cash and cash equivalents at the beginning of the period	16	<u>648,811,274</u>	<u>893,621,051</u>
Cash and cash equivalents at the end of the period	16	<u>599,882,523</u>	<u>179,068,252</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 NINE MONTHS ENDED AS AT 30 SEPTEMBER 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 30 September 2007 and 31 December 2006 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 September 2007		31 December 2006	
		Direct	Total	Direct	Total
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Sonae Distribuição					
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%
7) 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)	Lisboa	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 Imosonae Dois	a)	Maia	100.00%	100.00%	100.00%	100.00%
4)	Fundo Fechado de Investimento Imobiliário Efisa Imobiliário	a)	Lisboa	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%
3)	Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	49.00%
	Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoestrutura - Sociedade 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%
	Imoresultado - Sociedade 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%
4)	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%
1)	Modelo Continente Seguros - Sociedade Mediação, SA	a)	Porto	100.00%	100.00%	-	-
	Modelo Continente - Operações 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%
7)	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)	Lisboa	75.00%	75.00%	75.00%	75.00%
7)	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)	Pharmacocontinente - 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%
	Softlorin, 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%
8)	Sonae Distribuição, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho Espana - Servicios Generales, 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 Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
7)	SRE - Projectos e Consultadoria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Star - Viagens e Turismo, SA	a)	Lisboa	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%	37.90%	75.10%	38.99%
	M3G - Edições Digitais, SA	a)	Lisboa	100.00%	49.96%	100.00%	51.40%
	Mainroad Serviços em Tecnologias de Informação, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Miauger - Org. Gestão Leilões El., SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Novis Telecom, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Optimus Telecomunicações, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Optimus Towering - Explor. Torres Telecom, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Per-Mar - Sociedade de Construções, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Público - Comunicação Social, SA	a)	Porto	99.00%	49.96%	99.00%	51.40%
	Saphety Level - Trusted Services, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Sonae Matrix Multimédia, SGPS, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Sonae Telecom, SGPS, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Sonaecom, SGPS, SA	a)	Maia	50.62%	50.47%	51.92%	51.92%
	Sonaecom - Sistemas de Informação, SGPS, SA	a)	Maia	100.00%	50.47%	100.00%	51.92%
	Sonaecom BV	a)	Amsterdam (The Netherlands)	100.00%	50.47%	100.00%	51.92%
	Sonaetelecom, BV	a)	Amsterdam (The Netherlands)	100.00%	50.47%	100.00%	51.92%
1)	Tecnológica Telecomunicações Ltda	a)	Rio de Janeiro (Brazil)	99.99%	50.13%	-	-
1)	Telemilénio - Telecomunicações Soc.Unipessoal, Lda	a)	Lisboa	100.00%	50.47%	-	-
	We Do Brasil - Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	50.14%	99.91%	50.66%
	We Do Consulting - Sistemas de Informação, SA	a)	Maia	99.99%	50.18%	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) 5)	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%
	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%
	Cronosaúde - Gestão Hospitalar, SA	a)	Porto	100.00%	50.00%	100.00%	100.00%
1)	DMJB, SGPS, SA	a)	Maia	100.00%	100.00%	-	-
10)	Elmo SGPS, SA	a)	Maia	60.00%	60.00%	100.00%	100.00%
	Empreend.Imob.Quinta da Azenha, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
5)	Espimaia - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3) 5)	Esprit du Monde, SA	a)	Portel	100.00%	66.67%	100.00%	32.67%
	Friengineering, SA	a)	Matosinhos	100.00%	70.00%	100.00%	50.10%
	Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Golf Time - Golfe e Inv.Turisticos, SA	a)	Porto	75.00%	75.00%	75.00%	75.00%
	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%
9)	Imoponte - Soc.Imobiliaria, SA	a)	Maia	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%	70.00%	100.00%	35.07%
	Interlog - Sociedade Gestora de Participações Sociais, SA	a)	Lisboa	100.00%	100.00%	100.00%	100.00%
3)	Investalentejo, SGPS, SA	b)	Vila de Conde	100.00%	100.00%	49.00%	49.00%
	Invesaude - Gestão Hospitalar, SA	a)	Maia	100.00%	50.00%	100.00%	100.00%
3) 5)	Ipaper - Industria Papeis Impregnados, SA	a)	Maia	100.00%	51.00%	100.00%	24.99%
5)	Isoroy Casteljaloux	a)	Casteljaloux (France)	100.00%	100.00%	100.00%	100.00%
10)	Leroy Gabon, SA	a)	Libreville (Gabon)	99.99%	59.99%	99.99%	99.99%
	Marimo - Exploração Hoteleira e 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 Centros Lúdicos, SA	a)	Lisboa	100.00%	100.00%	100.00%	100.00%
	Marmagno - Exploração Hoteleira e Imobiliária, 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 - Corretor 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%
4)	Parcomarco, Gest Parq Est Centros Comer	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
1)	Pargeste, SGPS, SA	a)	Maia	89.99%	89.99%	-	-
	Partnergiro - Empreendimentos Turísticos, Lda	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Paulo Jorge Pacheco, Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	35.07%
10)	Placage d'Okoumé du Gabon	a)	Libreville (Gabon)	99.88%	59.93%	99.88%	99.88%
10)	Plysorol SAS	a)	Niort (France)	100.00%	60.00%	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	100.00%	100.00%	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%
5)	Safira Services - Limpeza Espaços Verd., SA	a)	Porto	51.00%	51.00%	51.00%	25.55%
	Saúde Atlântica - Gestão Hospitalar, SA	b)	Maia	50.00%	50.00%	100.00%	100.00%
6)	SC - Engenharia e Promoção Imobiliária, SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SC Insurance and Risk Services, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	SC - Sociedade de Consultadoria, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Selfrio, Sociedade Gestora de Participações Sociais, SA	a)	Matosinhos	70.00%	70.00%	70.00%	35.07%
	Selfrio - Engenharia do Frio, SA	a)	Matosinhos	100.00%	70.00%	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%
	S.I.L. - 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%	70.00%	100.00%	35.07%
	SKK - Central de Distr.para Refrig.e Climatização, SA	a)	Porto	100.00%	70.00%	100.00%	35.07%
	SKKFOR - Ser. For. e Desen. de Recursos Humanos, Lda	a)	Maia	96.00%	67.20%	96.00%	33.67%
	SMP - Serv. de Manutenção e Planeamento, SA	a)	Matosinhos	100.00%	70.00%	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)	Lisboa	100.00%	100.00%	100.00%	100.00%
	Solinca - Investimentos Turísticos, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	Soifitness - Club Malaga, SL	a)	Malaga (Spain)	100.00%	100.00%	100.00%	100.00%
3)	Soltroia - Soc.Imob.de Urb.e Turismo de Troia, SA	a)	Lisboa	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%	70.00%	60.00%	30.06%
	Sótaqua - Soc. de Empreendimentos Turísticos da Quarteira, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Spinarq - Arquitectura e Projectos, 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%
	Troiareort - 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

5)	Aglom Investimentos, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
5)	Aserraderos de Cuellar, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
4)	Espmen - Investimentos Imobiliários, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
5)	Imoplamac Gestão de Imóveis, SA	a)	Santarém	100.00%	100.00%	100.00%	100.00%
11)	Libra Serviços, Lda	a)	Funchal	100.00%	100.00%	100.00%	100.00%
5)	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 Sonae Distribuição, SGPS, SA;
 - 3) Company shown under Others in the previous period;
 - 4) Company wound up in the period;
 - 5) Company sold in the period;
 - 6) Ex - Contacto - SGPS, SA.
 - 7) Company merged into Modelo Continente Hipermercados, SA;
 - 8) Ex - Modelo Continente, SGPS, SA;
 - 9) Company shown under Sonae Distribuição in the previous period;
 - 10) Due to the sale of 40% of the share capital of Elmo, SGPS, SA on 27 June 2007 with transfer of control, this company and all its subsidiaries were excluded from consolidation since that date;
 - 11) Company shown under Sonae Capital in the previous period;
 - 12) Ex - Spigur - Mediação de Seguros, Lda.
- 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 30 September 2007 and 31 December 2006 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 September 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%
3) Airone - Shopping Centre, Srl	Venice (Italy)	100.00%	25.05%	100.00%	25.05%
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%
Arrábidasshopping - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%

1)	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	100.00%	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%
1)	Colombo Towers Holding, BV	Haya (The Netherlands)	50.00%	25.00%	-	-
	Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	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%
	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%	24.30%	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%
	La Farga - Shopping Centre, SL	Madrid (Spain)	100.00%	12.47%	100.00%	12.47%
1)	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%
6)	Loop 5, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	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%
7)	Munster Arkaden BV	Hoofddorp (The Netherlands)	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.Comerc., SA	Maia	50.00%	25.00%	100.00%	50.00%
1)13)	Pantheon Plaza 2, SA	Larissa (Greece)	100.00%	25.00%	-	-
1)14)	Pantheon Plaza 3, SA	Larissa (Greece)	100.00%	25.00%	-	-
9)	Pantheon Plaza BV	Amsterdam (The Netherlands)	50.00%	25.00%	100.00%	50.00%
2)	Paracentro - Gestão de Gal.Comerc. SA	Maia	100.00%	50.00%	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 Principado, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	23.64%	100.00%	23.30%
	Pátio Penha Shopping, Ltda	São Paulo (Brazil)	99.99%	23.64%	99.99%	23.30%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	23.64%	100.00%	23.30%
	Pátio Sertório Shopping Ltda	São Paulo (Brazil)	100.00%	23.64%	100.00%	23.30%
1)	Pátio Uberlândia Shopping Ltda	São Paulo (Brazil)	100.00%	23.64%	-	-
	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, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
1)	Project 4, Srl	Milan (Italy)	99.90%	49.95%	-	-
	Project SC 1, BV	Amsterdam (The Netherlands)	50.00%	25.00%	50.00%	25.00%
1)	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 2, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
1)	Project Sierra 5, BV	Amsterdam (The Netherlands)	100.00%	50.00%	-	-
1)	Project Sierra 6, BV	Amsterdam (The Netherlands)	100.00%	50.00%	-	-
	Project Sierra Brazil 1, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	25.00%
	Project Sierra Germany 1 - Shopping Centre, GmbH	Dusseldorf (Alemanha)	50.00%	25.00%	50.00%	25.00%
	Project Sierra Germany 2 (two), Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
1)	Project Sierra Germany 3 (three), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	-	-
1)	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	-	-
4)	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 2 - Dev.of Shopping Centres, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Italy 3 - Shopping Centre, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
1)	Project Sierra One Srl	Bucharest (Romania)	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%
1)	Project Sierra Srl	Bucharest (Romania)	100.00%	50.00%	-	-
1)	Project Sierra Three Srl	Bucharest (Romania)	100.00%	50.00%	-	-
1)	Project Sierra Two Srl	Bucharest (Romania)	100.00%	50.00%	-	-
	Rio Sul - Centro Comercial, SA	Maia	50.00%	25.00%	50.00%	25.00%
8)	River Plaza BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
1)10)	River Plaza Mall, Srl	Ramnicu Valcea (Romania)	100.00%	50.00%	-	-
1)	S.C. Microcom Doi Srl	Bucharest (Romania)	100.00%	50.00%	-	-
	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.	Lisboa	50.00%	25.00%	50.00%	25.00%
5)	Shopping Centre Colombo Holding, BV	Amsterdam (The Netherlands)	50.00%	12.53%	100.00%	50.00%
	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%
1)	Sierra Developments Services Srl	Bucharest (Romania)	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%
	Sierra Developments - Serv. Prom.Imob., SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Enplanta, Ltda	São Paulo (Brazil)	100.00%	23.64%	100.00%	23.30%
	Sierra European R.R.E. Assets Hold., BV	Amsterdam (The Netherlands)	50.10%	25.05%	50.10%	25.05%
	Sierra GP, Ltd	Guernsey (U.K.)	100.00%	49.99%	100.00%	49.99%
	Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	23.64%	100.00%	23.30%
	Sierra Investments (Holland) 1, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments (Holland) 2, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments Holdings, BV	Amsterdam (The Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra Italy Holding, BV	Amsterdam (The Netherlands)	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 30 September 2007 and 31 December 2006 are as follows:

COMPANY	Head Office	Percentage of capital held				Book Value	
		30 September 2007		31 December 2006		30 September 2007	31 December 2006
		Direct	Total	Direct	Total		
Sonae Distribuição							
Mundo Vip - Operadores Turísticos, SA	Lisboa	33.33%	33.33%	33.33%	33.33%	3,020,083	3,097,390
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisboa	25.00%	25.00%	25.00%	25.00%	880,962	506,796
Sonae Sierra							
Campo Limpo Lda	São Paulo (Brazil)	20.00%	4.70%	20.00%	5.00%	1,050,986	851,744
Mediterranean Cosmos Shop. Centre Investments, SA	Athens (Greece)	39.90%	9.98%	39.90%	9.98%	9,944,916	9,196,940
SIC Indoor - Gest. Suportes Publicitários, SA	Oeiras	35.00%	17.50%	35.00%	17.50%	-	-
Sonaecom							
Net Mall SGPS, SA	Maia	39.51%	19.94%	39.51%	20.51%	-	-
Profimetrics - Software Solutions, SA	Maia	30.00%	15.14%	30.00%	15.58%	7,788	29,530
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	Porto	45.00%	22.48%	45.00%	23.13%	190,434	143,674
Unipress - Centro Gráfico, Lda	Vila Nova de Gaia	40.00%	19.98%	40.00%	20.56%	463,740	476,980
Sonae Capital							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	-	-
Car Plus - 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%	2,053,951	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%	-	1,057,626
3) Cooper Gay (Holding) Limited	U.K.	13.68%	13.68%	-	-	19,679,587	-
Developpment & Partenariat Holding 2, SA	Paris (France)	35.00%	35.00%	35.00%	35.00%	1,175,288	1,338,660
Etablissement A. Mathe, SA	France	27,74%	27,74%	27,74%	27,74%	22,130	57,475
Finlog - Aluguer e Comércio de Automóveis, SA	Matosinhos	100.00%	50.00%	100.00%	50.00%	-	-
Guerin - Rent a Car (Dois), Lda	Lisboa	100.00%	50.00%	100.00%	50.00%	-	-
1) InterClean, SA	Brasil	49.99%	12.77%	49.99%	12.77%	-	436,750
4) Island Rent, Aluguer de Automóveis, SA	Loures	50.00%	50.00%	-	-	-	-
Lazam Corretora, Ltda	Brazil	45.00%	45.00%	45.00%	45.00%	2,879,900	2,278,646
Lidergraf - Artes Gráficas, Lda	Vila de Conde	24.50%	24.50%	25.50%	25.50%	999,899	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	Lisboa	25.00%	25.00%	25.00%	25.00%	1,037,481	-
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisboa	15.00%	15.00%	15.00%	15.00%	-	24,000
2) Pargeste SGPS, SA	Maia	40.00%	40.00%	40.00%	40.00%	-	131
Sociedade de Construções Chile, SA	Lisboa	100.00%	50.00%	100.00%	50.00%	-	-
Sociedade Imobiliária Troia - B3, SA	Grândola	20.00%	20.00%	20.00%	20.00%	455,197	478,162
Sodesa - Comercialização de Energia, SA	Lisboa	50.00%	50.00%	50.00%	50.00%	792,929	676,236
TP - Sociedade Térmica Portuguesa, SA	Porto	50.00%	50.00%	50.00%	50.00%	9,023,948	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)						53,679,219	31,591,454

1) Associated company sold in the period;

2) Due to the acquisition of 49.99% of the share capital of the associated company, this company was included on consolidation;

3) Associated company acquired in the period;

4) Associated company incorporated in the period.

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

	30 September 2007	31 December 2006	30 September 2006
Total Assets	1,945,036,837	1,383,264,475	1,163,940,170
Total Liabilities	1,735,211,937	1,207,976,396	1,007,404,572
Income	338,945,753	408,902,543	240,714,772
Expenses	324,447,512	360,623,116	237,389,895

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 30 September 2007 and 31 December 2006 are made up as follows:

COMPANY	Reason for exclusion	Head Office	Percentage of capital held				Book Value	
			30 September 2007		31 December 2006		30 September 2007	31 December 2006
			Direct	Total	Direct	Total		
Sonae Distribuição								
Dispar - Distrib. de Participações, SGPS, SA		Lisboa	7.14%	7.14%	7.14%	7.14%	4,988	4,988
Inscó - Insular de Hipermerc., 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		Lisboa	11.54%	5.82%	11.54%	5.99%	1,000,000	1,000,000
1) Despegar.com		Porto	-	-	5.50%	2.86%	-	-
Lusa - Agên. de Noticias de Portugal, SA		Lisboa	1.38%	0.69%	1.38%	0.71%	197,344	197,344
Minhodigital.com - Inv. na Área Tecnológ., SA		Porto	4.76%	2.39%	4.76%	2.41%	-	-
1) Outsystems, Software de Rede, SA		Oeiras	-	-	1.50%	0.75%	-	-
1) Portugal Telecom, SGPS, SA		Lisboa	-	-	1.00%	0.52%	-	111,109,905
Sonae Capital								
4) Arbiworld BV		Porto	100.00%	100.00%	-	-	9,986,500	-
1) Bar-Bar-Idade Glass - Serviços de Gestão e Investimentos, SA		Porto	-	-	7.83%	7.83%	-	12,060,507
Delphinus - Soc. de Tur. e Div. de Tróia, SA	a)	Grândola	79.00%	79.00%	79.00%	79.00%	-	-
3) Elmo SGPS, SA		Maia	60.00%	60.00%	100.00%	100.00%	-	-
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		Lisboa	2.80%	2.80%	2.80%	2.80%	11,132	11,132
Operscut - Operação e Manutenção de Auto-estradas, SA		Lisboa	15.00%	15.00%	15.00%	15.00%	24,000	-
1) Plysorol Contreplaques, SAS	a)	France	100.00%	100.00%	100.00%	100.00%	-	37,000
Sociedade Europeia de Arroz - SEAR, SA		Santiago do Cacém	15.00%	15.00%	15.00%	15.00%	150,031	150,031
2) Sonae Indústria, SGPS, SA		Maia	6.80%	6.80%	6.80%	6.80%	75,031,902	71,414,143
Sonae RE, SA	a)	Luxemburg	100.00%	100.00%	100.00%	100.00%	1,250,000	1,250,000
Spidouro S.P.E.I. Douro e Trás-os-Montes, SA		Vila Real	8.30%	8.30%	8.30%	8.30%	-	-
Outras								
First Assur, SA		France	11.08%	11.08%	11.08%	11.08%	959,724	959,724
Sonae Investimentos América Latina, Lda	a)	São Paulo (Brazil)	99.99%	99.99%	99.99%	99.99%	25,687	25,687
Other investments							52,749,507	34,008,074
Total (Note 12)							142,218,719	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) Due to the sale of 40% of the share capital of Elmo, SGPS, SA on 27 June 2007 with transfer of control, this company and all its subsidiaries were excluded from consolidation since that date;

4) Company acquired in the period, but excluded from consolidation due to the existence of purchase and sale options on these shares.

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

The caption other investments includes 31,750,000 euro (32,500,370 euro as at 31 December 2006) of deposits in an Escrow Account and 17,250,000 euro of an advance to the acquisition of Cape Technology that will be finalized on 1 October 2007. Amounts in the escrow account are invested in funds with superior rating (Note 12).

8. CHANGES TO THE CONSOLIDATION PERIMETER

Main acquisitions and disposals of companies over the nine months period ended 30 September 2007 are as follows:

Acquisitions

Company	Head Office	Percentage of capital held	
		Direct	Total
Sonae Distribuição			
Modelo Continente Seguros - Soc.Mediação, SA	Porto	100.00%	100.00%
Sonae Sierra			
Athienitis Larissa, SA	Larissa (Greece)	100.00%	25.00%
Colombo Towers Holding, BV	Haya (The Netherlands)	50.00%	25.00%
Pantheon Plaza 2, SA	Larissa (Greece)	100.00%	25.00%
Pantheon Plaza 3, SA	Larissa (Greece)	100.00%	25.00%
River Plaza Mall, Srl	Ramnicu Valcea (Romania)	100.00%	50.00%
S.C. Microcom Doi Srl	Bucharest (Romania)	100.00%	50.00%
Sonaecom			
Tecnológica Telecomunicações Ltda	Rio de Janeiro (Brazil)	100.00%	50.47%
Telemilénio - Telecomunicações Soc.Unipessoal, Lda	Lisboa	100.00%	50.47%
Sonae Capital			
DMJB, SGPS, SA	Maia	100.00%	100.00%
Pargeste, SGPS, SA	Maia	89.99%	89.99%

Disposals

COMPANY	Head Office	Percentage of capital held	
		Direct	Total
Sonae Capital			
Casa Agrícola João e António Pombo, SA	Portel	66.67%	66.67%
Elmo SGPS, SA	Maia	60.00%	60.00%
Espimaia - Sociedade Imobiliária, SA	Maia	100.00%	100.00%
Esprit du Monde, SA	Portel	100.00%	66.67%
Ipaper - Industria Papeis Impregnados, SA	Maia	100.00%	51.00%
Isoroy Casteljaloux	Casteljaloux (France)	100.00%	100.00%
Leroy Gabon, SA	Libreville (Gabon)	99.99%	59.99%
Placage d'Okoumé du Gabon	Libreville (Gabon)	99.88%	59.93%
Plysorol SAS	Niort (France)	100.00%	60.00%
Safira Services - Limpeza Espaços Verd., SA	Porto	51.00%	51.00%
Outras			
Agloma Investimentos, SGPS, SA	Maia	100.00%	100.00%
Aserraderos de Cuellar, SA	Madrid (Spain)	100.00%	100.00%
Imoplamac Gestão de Imóveis, SA	Santarém	100.00%	100.00%
Somit-Soc.Mad.Ind.Transformadas, SA	Oliveira do Hospital	100.00%	100.00%

Acquisitions mentioned above had the following impact on the financial statements as at 30 September 2007:

	<u>Acquisition Date</u>	<u>30 September 2007</u>
Net assets acquired		
Investment Properties	46,499,183	49,611,474
Tangible and intangible assets (Note 9)	8,920,415	10,521,003
Other assets	19,114,483	13,015,298
Cash and cash equivalents	3,881,152	3,301,477
Borrowings	(10,959,872)	-
Deferred tax liabilities	(4,660,260)	(5,634,190)
Other liabilities	<u>(27,315,320)</u>	<u>(17,569,429)</u>
	35,479,781	53,245,633
Minority interests (Note 18)	7,879,912	<u>6,986,878</u>
Goodwill (Note 11)	<u>27,528,381</u>	
	<u>70,888,074</u>	
Total consideration paid	<u>70,888,074</u>	
Cash consideration paid	68,476,946	
Amounts payable	<u>2,411,128</u>	
	<u>70,888,074</u>	
Net cash outflow arising from acquisitions		
Cash consideration paid	68,476,946	
Cash and cash equivalents acquired	<u>(3,881,152)</u>	
	<u>64,595,794</u>	

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

	<u>30 September 2007</u>
Operational income	4,140,602
Operational expenses	(4,093,624)
Net financial expenses	<u>(60,014)</u>
Profit before taxation	(13,036)
Taxation	<u>(81,423)</u>
Profit for the period	<u>(94,459)</u>

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)	51,424,477	49,041,112
Stocks	32,852,550	32,014,126
Other assets	89,562,092	47,927,796
Cash and cash equivalents	9,125,507	1,140,753
Borrowings	(20,671,442)	(18,004,898)
Other liabilities	<u>(120,480,557)</u>	<u>(92,415,269)</u>
	41,812,627	19,703,620
Minority interests (Note 18)	(2,171,988)	(1,338,294)
Goodwill (Note 11)	<u>1,705,596</u>	<u>719,606</u>
	41,346,235	<u>19,084,932</u>
Impairment of amounts receivable	19,794,479	
Gain/(loss) on sale	<u>(1,791,924)</u>	
Total consideration	<u>59,348,790</u>	
Amounts received		
Sales price received	26,584,899	
Loans reimbursed	9,985,596	
Amounts to be received	<u>22,778,295</u>	
	<u>59,348,790</u>	

Net cash inflow arising from disposals	
Cash consideration received	36,570,495
Cash and cash equivalents disposed of	(9,125,507)
	<u>27,444,988</u>

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

	Date of disposal	31 December 2006
Turnover	85,460,999	164,743,452
Other operational income	8,943,200	18,268,684
Cost of goods sold and materials consumed	(47,007,780)	(80,986,571)
Other operational expenses	(39,852,500)	(101,592,004)
Net financial expenses	(2,940,346)	(7,388,936)
Investment income and share of results in associated undertakings	1,836,591	9,942
Profit before taxation	6,440,164	(6,945,433)
Taxation	(278,133)	(1,011,549)
Profit for the period	<u>6,162,031</u>	<u>(7,956,982)</u>

9. TANGIBLE AND INTANGIBLE ASSETS

During the nine months period ended 30 September 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)	(59,946,151)	(67,723,605)	(13,985,312)	(5,425,165)	(147,080,233)
Capital expenditure	19,043,938	13,020,250	4,685,239	280,649,725	317,399,152
Disposals	(23,883,845)	(28,018,271)	(6,021,743)	(1,711,487)	(59,635,346)
Exchange rate effect	456,438	85,177	63,708	18,743	624,066
Transfers	36,875,466	117,018,608	10,044,076	(179,939,840)	(16,001,690)
Closing balance as at 30 September 2007	<u>1,514,042,193</u>	<u>1,386,879,210</u>	<u>289,393,295</u>	<u>218,832,735</u>	<u>3,409,147,433</u>
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)	(30,188,779)	(56,535,740)	(13,512,566)	(2,214,305)	(102,451,390)
Charge for the period	25,117,172	94,093,688	21,500,390	1,700	140,712,950
Disposals	(7,723,054)	(9,282,101)	(5,190,029)	-	(22,195,184)
Exchange rate effect	12,086	18,527	23,893	-	54,506
Transfers	(512,651)	(411,616)	(210,092)	914,674	(219,685)
Closing balance as at 30 September 2007	<u>285,972,675</u>	<u>754,528,623</u>	<u>214,656,347</u>	<u>9,138</u>	<u>1,255,166,783</u>
Carrying amount					
As at 30 September 2007	<u>1,228,069,518</u>	<u>632,350,587</u>	<u>74,736,948</u>	<u>218,823,597</u>	<u>2,153,980,650</u>

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

Refurbishment and expansion of stores Retail segment located in Portugal	90,112,513
Deployment of mobile network	23,607,040
Deployment of fixed network	8,977,165
Troia project	34,134,270
Ferrie boat project	20,411,223
Hotel Aqualuz refurbishment	4,995,784
Others	36,585,602
	<u>218,823,597</u>

	Intangible assets			
	Patents and other similar rights	Others	Intangible assets in progress	Total Intangible Assets
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)	(2,195,900)	1,810,858	-	(385,042)
Capital expenditure	21,196,206	483,720	21,803,955	43,483,881
Disposals	(10,736)	(362,674)	(504,057)	(877,467)
Exchange rate effect	120	11,815	-	11,935
Transfers	2,290,637	12,284,203	(18,358,236)	(3,783,396)
Closing balance as at 30 September 2007	257,185,979	325,803,001	24,675,067	607,664,047
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)	(1,761,500)	(631,065)	-	(2,392,565)
Charge for the period	12,270,464	20,615,114	-	32,885,578
Disposals	(423)	(435,283)	-	(435,706)
Exchange rate effect	-	9,210	-	9,210
Transfers	243,843	50,446	-	294,289
Closing balance as at 30 September 2007	48,756,532	229,300,925	-	278,057,457
Carrying amount				
As at 30 September 2007	208,429,447	96,502,076	24,675,067	329,606,590

As at 30 September 2007, the amount under the caption Patents and other similar rights includes net assets related with UMTS technology (113,034,255 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 30 September 2007 and 31 December 2006, Investment properties are detailed as follows:

	30 September 2007	31 December 2006
Investment properties in operation	1,708,279,289	1,346,937,845
Investment properties in progress	234,265,304	173,273,414
	<u>1,942,544,593</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:

	30 September 2007		31 December 2006	
	Amount	Yield	Amount	Yield
Portugal	972,905,500	4,90% e 6,75%	840,682,401	5,50% e 6,50%
Spain	390,810,953	5,00% e 6,90%	381,610,876	5,00% e 7,15%
Germany	162,317,401	5,50%	-	-
Brazil	81,910,485	9,50% e 10,50%	57,312,068	10,50% e 11,50%
Italy	79,004,500	5,15% e 6,50%	67,332,500	5,15% e 6,50%
Romania	21,330,450	7,00%	-	-
	<u>1,708,279,289</u>		<u>1,346,937,845</u>	

The fair value of each investment property was determined by a valuation as at 30 June 2007, performed by an independent entity, based on valuation criteria generally accepted in the real estate business.

Value created on investment properties over the nine months periods ended 30 September 2007 and 2006 can be detailed as follows:

	<u>30 September 2007</u>	<u>30 September 2006</u>
Properties which were under development and were concluded during the nine months period	17,268,649	5,563,980
Changes in fair value of investment properties in operation	114,630,314	71,176,286
Adjustments to construction cost estimates of properties under development which were transferred to investment properties	(9,301,931)	(4,427,651)
	<u>122,597,032</u>	<u>72,312,615</u>

As at 30 September 2007 and 31 December 2006, Investment properties in progress can be detailed as follows:

	<u>30 September 2007</u>	<u>31 December 2006</u>
Portugal:		
8ª Avenida	-	10,509,651
Alverca	2,987,716	2,858,800
Arrabidashopping - expansion	1,007,276	131,250
Cacém Shopping	994,675	937,807
Caldas da Rainha Shopping	969,749	623,843
Lima Retail Park	-	2,918,714
Maiashopping - expansion	1,102,264	63,300
Parque de Famalicão	627,500	1,498,238
Setubal Retail Park	785,536	784,989
Torres Colombo	521,161	920,697
Others	336,255	100,566
Germany:		
Alexander Platz	7,320,993	54,525,305
Loop 5	21,725,454	15,416,661
Others	306,118	10,586
Brazil:		
Manauara Shopping	3,471,857	19,504
Others	530,922	58,379
Spain:		
Dos Mares - expansion	1,669,352	1,660,352
El Rosal	53,519,965	32,249,181
Las Pulianas	2,082,539	1,289,297
Plaza Mayor Shopping	16,096,663	11,580,899
Greece:		
Aegean Park	4,844,679	4,771,822
Galatsi Olympic Hall	2,861,055	1,106,965
Pantheon Plaza	12,185,738	-
Others	12,664	11,445
Italy:		
Caldogno	3,984,265	-
Freccia Rossa	26,875,819	19,419,339
Gli Orsi	23,402,730	8,671,559
Le Terraze	1,618,191	960,723
Pavia	3,251,904	-
Valecenter	2,980,421	-
Others	78,566	173,543
Romania:		
Craiova	20,113,277	-
Ploiesti	16,000,000	-
	<u>234,265,304</u>	<u>173,273,414</u>

As at 30 September 2007, the following investment properties were mortgaged:

8ª Avenida	Lima Retail Park
Airone	Loop 5
Albufeira	Loureshopping
Alexander Platz	Luz del Tajo
Algarveshopping	Madeirashopping
Arrabidashopping	Maiashopping
Avenida M40	Munster Arkaden
Cascaishopping	Norteshopping
Centro Colombo	Parque Atlântico
Centro Vasco da Gama	Parque Principado
Coimbrashopping	Plaza Éboli
Dos Mares	Plaza Mayor
El Rosal	Plaza Mayor Shopping
Estação Viana	Portimão
Freccia Rossa	Rio Sul
Gaiashopping	Serra Shopping
Grancasa	Valecenter
Guimarãeshopping	Valle Real
Kareaga	Viacatarina
La Farga	Zubiarte

11. GOODWILL

During the nine months period ended 30 September 2007, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	<u>30 September 2007</u>
Gross value:	
Opening balance	264,411,899
Increases arising from acquisition of companies (Note 8)	27,528,381
Increases arising from changes in percentage of ownership	17,912,539
Decreases arising from disposals of companies (Note 8)	(1,705,596)
Decreases arising from changes in percentage of ownership	(10,224,405)
Closing balance	<u>297,922,818</u>
Accumulated impairment losses:	
Opening balance	13,569,244
Increases	1,301,596
Decreases	(5,905,980)
Closing balance	<u>8,964,860</u>
Carrying amount:	<u>288,957,958</u>

12. INVESTMENTS

As at 30 September 2007, this caption is made up as follows:

	30 September 2007	
	Non current	Current
<u>Investment in associated companies</u>		
Opening balance as at 1 January	28,632,903	-
Acquisitions in the period	25,457,579	-
Disposals in the period	(533,617)	-
Equity method effect	(21,172,079)	-
Transfers	146,133	-
Closing balance as at 30 September	32,530,919	-
Goodwill	21,148,300	-
Accumulated impairment losses (Note 24)	-	-
<u>Investment in associated companies (Note 6)</u>	53,679,219	-
<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	20,837,744	-
Disposals in the period	(2,319,119)	-
Transfers	(151,163)	-
Closing balance as at 30 September	31,038,802	-
Accumulated impairment losses (Note 24)	(7,927,776)	-
	23,111,026	-
<u>Investments held for sale and held for trading</u>		
Fair value (net of impairment losses) as at 1 January	229,462,747	33,212,402
Acquisitions in the period	9,986,500	3,964,163
Disposals in the period	(128,964,854)	(14,213,900)
Increase/(Decrease) in fair value	3,617,759	(1,458,715)
Transfers	5,005,541	2,961,011
Fair value (net of impairment losses) as at 30 September	119,107,693	24,464,961
<u>Other Investments (Note 7)</u>	142,218,719	24,464,961
<u>Derivative financial instruments (Note 20)</u>		
Fair value as at 1 January	-	49,458
Acquisitions in the year	-	9,773
Disposals in the year	-	(49,458)
Increase/(Decrease) in fair value	-	3,971,579
Fair value as at 30 September	-	3,981,352
	195,897,938	28,446,313

Investments held for sale are disclosed above, net of accumulated impairment losses (Note 24) amounting to 20,818,589 euro.

The use of the equity method had the following impacts: 164,311 euro are recorded in Share of results of associated undertakings, - 427,300 are recorded in Dividends, -18,189,749 are recorded as goodwill and -2,719,341 euro are recorded as Other changes in Reserves.

The caption Investments held for sale and held for trading includes 56,082,703 euro of deposits in an Escrow Account, of which 24,332,703 euro disclosed as current assets and 31,750,000 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 22,675,830 euro at 30 September 2007 (Note 24).

13. OTHER NON-CURRENT ASSETS

As at 30 September 2007 and 31 December 2006, Other non-current assets are detailed as follows:

	30 September 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	-	-	-	6,402,717	-	6,402,717
Andar - Sociedade Imobiliária, SA	3,249,673	-	3,249,673	2,953,673	-	2,953,673
Norscut - Concessionária de Scut Interior Norte, SA	12,664,713	-	12,664,713	6,019,613	-	6,019,613
Others	3,728,640	(280,489)	3,448,151	1,932,716	(270,489)	1,662,227
	<u>19,643,026</u>	<u>(280,489)</u>	<u>19,362,537</u>	<u>17,308,719</u>	<u>(270,489)</u>	<u>17,038,230</u>
Trade accounts receivable and other debtors						
Legal deposits	787,746	-	787,746	803,525	-	803,525
Assets arising from to the sale of financial investments	16,656,642	-	16,656,642	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	4,173,067	-	4,173,067	4,077,459	-	4,077,459
Others	2,405,229	(651,796)	1,753,433	1,714,853	(721,326)	993,527
	<u>28,423,269</u>	<u>(651,796)</u>	<u>27,771,473</u>	<u>23,441,251</u>	<u>(721,326)</u>	<u>22,719,925</u>
Derivative financial instruments (Note 20)	7,409,994	-	7,409,994	4,035,714	-	4,035,714
Other non-current assets	-	-	-	287,817	-	287,817
	<u>55,476,289</u>	<u>(932,285)</u>	<u>54,544,004</u>	<u>45,073,501</u>	<u>(991,815)</u>	<u>44,081,686</u>

14. TRADE DEBTORS AND OTHER CURRENT ASSETS

As at 30 September 2007 and 31 December 2006 , Trade debtors and other current assets are detailed as follows:

	30 September 2007	31 December 2006
Trade accounts receivable	319,277,861	344,504,959
Taxes recoverable	126,251,627	108,120,283
Securitisation of trade receivables	-	3,421,873
Trade suppliers - debit balances	32,105,732	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	187,956	16,805,134
Other debtors	57,102,877	42,206,687
Accounts receivable from the sale of investments	32,329,009	14,009,841
Accounts receivable from the sale of tangible assets	1,117,338	3,136,367
Loans granted to associated companies	2,517,981	8,875,129
Invoices to be issued	81,023,872	49,928,069
Commercial discounts	5,924,455	5,004,703
Deferred cost - Rents	6,109,765	3,533,571
Deferred cost - External supplies and services	16,914,484	10,669,057
Other current assets	39,968,569	11,391,737
	<u>735,407,579</u>	<u>663,419,607</u>
Accumulated impairment losses (Note 24)	(124,056,322)	(98,115,852)
	<u>611,351,257</u>	<u>565,303,755</u>

15. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 September 2007 and 31 December 2006 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Difference between fair value and acquisition cost in investment properties	88,237	-	276,332,840	231,612,650
Harmonisation adjustments	204,246	221,230	23,752,633	23,557,165
Provisions and impairment losses not accepted for tax purposes	11,167,469	12,559,298	5,219,288	4,277,987
Write off of tangible and intangible assets	22,804,604	24,983,311	-	-
Write off of deferred costs	35,864,582	31,301,988	2,354,901	2,154,133
Valuation of hedging derivatives	322,368	106,066	3,022,671	1,182,960
Revaluation of tangible assets	-	-	2,873,824	2,973,586
Tax losses carried forward	40,199,937	33,155,303	-	-
Reinvested capital gains/(losses)	-	-	3,110,139	4,227,223
Others	373,680	440,213	495,517	2,070,668
	<u>111,025,123</u>	<u>102,767,409</u>	<u>317,161,813</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 30 September 2007 and 31 December 2006, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	30 September 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	2,129,957	532,489	2007	2,985,335	746,334	2007
Generated in 2002	16,209,186	4,052,296	2008	21,471,094	5,367,773	2008
Generated in 2003	16,917,655	4,229,413	2009	30,965,815	7,741,453	2009
Generated in 2004	8,834,792	2,208,698	2010	4,448,448	1,112,113	2010
Generated in 2005	12,150,473	3,037,619	2011	12,472,541	3,118,136	2011
Generated in 2006	28,031,409	7,007,852	2012	14,719,573	3,679,893	2012
Generated in 2007	26,047,631	6,511,907	2013	-	-	
	<u>110,321,103</u>	<u>27,580,274</u>		<u>87,062,806</u>	<u>21,765,702</u>	
Without limited time use	13,827,032	3,704,865		11,098,655	3,626,486	
With a time limit different from the above mentioned	29,314,643	8,914,798		25,509,200	7,763,115	
	<u>43,141,675</u>	<u>12,619,663</u>		<u>36,607,855</u>	<u>11,389,601</u>	
	<u>153,462,778</u>	<u>40,199,937</u>		<u>123,670,661</u>	<u>33,155,303</u>	

As at 30 September 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 30 September 2007 tax losses carried forward, amounting to 1,176,492,852 euro, have not originated deferred tax assets for prudential reasons. These may be summarised as follows:

	30 September 2007			31 December 2006		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2001	112,753,400	28,188,349	2007	117,286,551	29,321,637	2007
Generated in 2002	470,602,561	117,648,642	2008	500,522,978	125,130,749	2008
Generated in 2003	50,946,033	12,736,510	2009	58,549,755	14,637,441	2009
Generated in 2004	35,112,592	8,778,148	2010	39,704,702	9,926,178	2010
Generated in 2005	172,774,971	43,195,023	2011	208,993,098	52,248,279	2011
Generated in 2006	69,756,744	17,439,188	2012	58,965,992	14,741,500	2012
Generated in 2007	57,669,115	14,417,280	2013	-	-	
	<u>969,615,416</u>	<u>242,403,140</u>		<u>984,023,076</u>	<u>246,005,784</u>	
Without limited time use	9,098,704	2,876,001		195,577,768	59,103,221	
With a time limit different from the above mentioned	197,778,732	58,160,669		39,974,434	13,464,826	
	<u>1,176,492,852</u>	<u>303,439,810</u>		<u>1,219,575,278</u>	<u>318,573,831</u>	

16. CASH AND CASH EQUIVALENTS

As at 30 September 2007 and 31 December 2006, Cash and cash equivalents can be detailed as follows:

	<u>30 September 2007</u>	<u>31 December 2006</u>
Cash at hand	4,274,358	4,173,072
Bank deposits	583,302,019	527,873,385
Treasury applications	24,031,170	130,428,983
Cash and cash equivalents in the balance sheet	<u>611,607,547</u>	<u>662,475,440</u>
Bank overdrafts (Note 19)	<u>(11,725,024)</u>	<u>(13,664,166)</u>
Cash and cash equivalents in the statement of cash flows	<u>599,882,523</u>	<u>648,811,274</u>

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

17. SHARE CAPITAL

As at 30 September 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 133,049,255 own shares (133,418,572 shares as at 31 December 2006), at a cost of 139,441,418 euro (142,961,431 euro as at 31 December 2006).

As at 30 September 2007, the following entities held more than 20% of the subscribed share capital:

<u>Entity</u>	<u>%</u>
Efanor Investimentos, SGPS, SA and associated companies	52.94

18. MINORITY INTERESTS

Movements in minority interests in the periods ended 30 September 2007 and 31 December 2006 are as follows:

	<u>30 September 2007</u>	<u>31 December 2006</u>
Opening balance as at 1 January	402,058,314	394,707,612
Dividends	(12,675,293)	(5,348,382)
Changes resulting from currency translation	228,473	(140,357)
Acquisition of companies (Note 8)	(7,879,912)	-
Disposal of companies (Note 8)	(2,171,988)	(925,013)
Increased shareholding by acquisitions	6,704,100	(85,479,259)
Changes in hedge and fair value reserves	(1,802,062)	1,165,585
Others	(2,410,619)	1,222,284
Profit for the period attributable to minority interests	<u>46,596,861</u>	<u>96,855,844</u>
Closing balance	<u>436,527,786</u>	<u>402,058,314</u>

19. BORROWINGS

As at 30 September 2007 and 31 December 2006, Borrowings are made up as follows:

	30 September 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	55,000,000	-	350,000,000	260,500,000	-	Aug/2014
Modelo Continente, SGPS, SA - commercial paper	150,000,000	-	150,000,000	163,000,000	160,000,000	-	Aug/2014
a)b) Sonae Sierra subsidiaries	497,969,193	10,618,786	410,170,954	517,922,005	13,396,517	358,307,169	Jul/2007 to May/2027
a)c) Sonae Sierra subsidiaries	446,691,946	6,252,526	387,083,396	408,176,674	4,280,961	263,292,660	May/2010 to Dec/2025
Optimus - commercial paper	-	-	-	450,000,000	-	324,458,200	Jun/2009
Sonaecom SGPS, SA	250,000,000	-	159,000,000	-	-	-	Jul/2012
Sonae Investments BV	32,154,000	6,150,940	-	32,154,000	6,150,940	4,613,205	Sep/2008
e) Sonae Turismo - commercial paper	110,000,000	-	16,999,998	110,000,000	-	73,050,000	Aug/2009
d) Investalentejo	-	-	-	40,000,000	40,000,000	-	Fev/2007
Others		13,512,037	7,049,085		12,636,383	8,078,556	
		91,534,289	1,130,303,433		496,964,801	1,031,799,790	
Bank overdrafts (Note 16)		11,725,024	-		13,664,166	-	
Amortised cost for bank loans and bonds		(561,094)	(5,443,475)		(577,968)	(14,698,227)	
Bank loans		102,698,219	1,124,859,958		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 Sonae 2007/2014		-	150,000,000		-	-	Apr/2014
Bonds Modelo Continente / 2003		-	82,000,000		-	82,000,000	Ocy/2011
Bonds Modelo Continente / 2004		-	100,000,000		-	100,000,000	Mar/2009
Bonds Modelo Continente 2005/2010		-	64,925,000		-	265,000,000	Aug/2010
Bonds Modelo Continente 2005/2012		-	150,000,000		-	150,000,000	Aug/2012
Bonds Modelo Continente 2007/2012		-	200,000,000		-	-	Apr/2012
Bonds Modelo Continente 2007/2015		-	200,000,000		-	-	Aug/2015
Bonds Modelo Continente 2007/2015		-	310,000,000		-	-	Sep/2015
Bonds Sonaecom / 2005		-	150,000,000		-	150,000,000	Jun/2013
Bonds SC Insurance / 2007		-	15,000,000		-	-	Sep/2014
Amortised cost for bank loans and bonds		(3,426)	(10,556,253)		(42,394)	(10,020,068)	
Bonds		74,816,260	1,761,368,747		74,777,292	1,086,979,932	
Other loans		283,888	7,110,238		21,707,821	7,369,965	
Hedging derivatives (Note 20)		339,415	766,955		116,043	121,116	
Other loans		623,303	7,877,193		21,823,864	7,491,081	
Obligations under finance leases		5,984,259	28,150,689		9,279,339	31,124,322	
		184,122,041	2,922,256,587		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 revolving credit facility was repaid in September 2007.

Interest rate of the bonds are equal to Euribor 6 months plus a spread between 0.48% and 1.15%. In the non current bonds are included 1,124,925,000 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:

	<u>30 September 2007</u>	<u>31 December 2006</u>
N+1 ^{a)}	184,322,035	616,442,048
N+2	150,965,737	129,570,172
N+3	137,355,811	424,233,376
N+4	358,249,504	334,879,674
N+5	564,369,351	354,825,551
After N+5	<u>1,726,574,068</u>	<u>923,779,069</u>
	<u>3,121,836,506</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 30 September 2007, the fair value of exchange rate derivatives, calculated based on present market value of equivalent financial instruments, is of 154,531 euro (116,043 euro as at 31 December 2006), included in Current liabilities, and of 3,900,890 euro (49,458 euro as at 31 December 2006) in the caption Current investments. The total amount of 3,900,864 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 3,812,944 euro, were recorded directly in the income statement in the caption Net financial expenses.

Interest rate derivatives

As at 30 September 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 1,097,031,214 euro (315,050,239 euro as at 31 December 2006). The fair value of these derivatives amounts to 6,612,679 euro (3,914,598 euro as at 31 December 2006), and is disclosed as Investments 7,490,456 euro (4,035,714 euro as at 31 December 2006) and as current liabilities 877,777 euro (121,116 euro as at 31 December 2006). As at 30 September 2007, the amount recorded as liabilities of 74,062 euro relates to derivatives negotiated by the Group to reduce the exposure to interest rates changes or in order to optimize the funding cost. These derivatives were not considered hedging instruments as they didn't qualify as such under IAS 39 (as at 31 December 2006 all derivatives were considered hedging instruments).

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 30 September 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	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Derivatives not qualified as hedging	3,900,890	49,458	228,593	116,043
Hedging derivatives				
Exchange rate	-	-	-	-
Interest rate	7,490,456	4,035,714	877,777	121,116
Interest and exchange rate	-	-	-	-
Other derivatives	-	-	-	-
	<u>11,391,346</u>	<u>4,085,172</u>	<u>1,106,370</u>	<u>237,159</u>

21. OTHER NON-CURRENT LIABILITIES

As at 30 September 2007 and 31 December 2006, Other non-current liabilities were made up as follows:

	30 September 2007	31 December 2006
Shareholder loans	25,339,201	39,583,455
Fixed assets suppliers	12,388,926	12,134,380
Other non-current liabilities	35,886,921	34,158,804
Share based payments (Note 22)	12,295,392	19,610,473
	<u>85,910,440</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 30 September 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	
				30 September 2007	31 December 2006
<u>Shares</u>					
	2003	2006	-	-	1,092,254
	2004	2007	-	-	11,900,666
	2005	2008	437	10,333,479	10,292,929
	2006	2009	470	8,889,985	8,178,748
	2007	2010	505	9,345,042	-
				<u>28,568,506</u>	<u>31,464,597</u>
<u>Options</u>					
	2003	2006	-	-	-
	2004	2007	-	-	-
	2005	2008	-	-	-
	2006	2009	-	-	-
	2007	2010	-	-	-
				<u>-</u>	<u>-</u>
<u>Total</u>				<u>28,568,506</u>	<u>31,464,597</u>

As at 30 September 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>30 September 2007</u>	<u>31 December 2006</u>
Staff costs	6,841,444	14,685,014
Retained earnings	8,173,242	7,896,110
	<u>15,014,686</u>	<u>22,581,124</u>
Other current liabilities	2,719,294	2,970,651
Other non-current liabilities	12,295,392	19,610,473
	<u>15,014,686</u>	<u>22,581,124</u>

The movement in the number of options open in the nine months period ended 30 September 2007 is as follows:

	<u>30 September 2007</u>
Opening balance	588,404
Granted in the period	-
Exercised in the period	(527,360)
Expired and not exercised in the period	(61,044)
Closing balance	<u>-</u>

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

	2005	2006	2007	2008	Total
Vesting date	31.03.06	31.03.07	31.03.08	31.03.09	
Exercisable until:					
Exercise price (defined at date of grant)	1.694 €	-	-	-	
Total liability	-	-	-	-	-
Recorded liability	-	-	-	-	-
Number of options open	-	-	-	-	-
Number of options exercised in the period	(527,360)	-	-	-	(527,360)
Number of options expired but not exercised in the period	(61,044)	-	-	-	(61,044)
Average market-price of options exercised in the period	5.679 €				

23. TRADE CREDITORS AND OTHER NON-CURRENT LIABILITIES

As at 30 September 2007 and 31 December 2006, Trade creditors and other non-current liabilities were made up as follows:

	<u>30 September 2007</u>	<u>31 December 2006</u>
Trade creditors	810,299,560	829,754,736
Shareholders	24,330,667	8,742,299
Fixed asset suppliers	59,238,215	117,671,933
Other accounts payable	83,216,336	72,435,771
Taxes and contributions payable	64,025,865	79,599,406
Property investments accruals	49,119,033	10,099,852
Holiday pay and bonuses	109,919,305	101,953,829
Interest payable	26,486,304	19,120,931
Invoices to be issued	75,446,994	42,812,640
Commissions	7,835,430	10,255,583
Marketing expenses	9,375,349	10,723,832
Other external supplies and services	41,860,885	32,380,739
Accrued income - trade debtors	24,054,994	15,293,328
Accrued income - rents	4,864,421	4,597,545
Pre-paid minutes not yet used	17,926,836	18,324,662
Others	58,958,151	50,533,192
	<u>1,466,958,345</u>	<u>1,424,300,278</u>

24. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the nine months period ended 30 September 2007 are as follows:

	Balance as at 31 December 2006	Increase	Decrease	Balance as at 30 September 2007
Accumulated impairment losses on investments (Note 12)	11,817,808	20,663,277	(3,734,720)	28,746,365
Accumulated impairment losses on other non-current assets (Note 13)	991,815	10,000	(69,530)	932,285
Accumulated impairment losses on trade accounts receivable and other debtors (Note 14)	98,115,852	33,601,783	(7,661,313)	124,056,322
Accumulated impairment losses on stocks	25,098,215	3,498,158	(2,035,867)	26,560,506
Non-current provisions	63,234,735	15,715,498	(5,303,096)	73,647,137
Current provisions	2,464,091	7,500,853	(1,361,357)	8,603,587
	<u>201,722,516</u>	<u>80,989,569</u>	<u>(20,165,883)</u>	<u>262,546,202</u>

As at 30 September 2007 and 31 December 2006, Provisions can be analysed as follows:

	30 September 2007	31 December 2006
Expenses to be incurred with the sale of the Brazilian subsidiaries in 2005 (Note 12)	22,675,830	21,978,393
Dismantling of telecommunication sites	18,298,600	15,105,140
Judicial claims	15,483,376	9,508,036
Client guarantees	4,622,079	4,468,711
Others	21,170,839	14,638,546
	<u>82,250,724</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 30 September 2007 and 31 December 2006, Contingent assets and liabilities were made up as follows:

	30 September 2007	31 December 2006
Guarantees given:		
on tax claims	98,896,155	59,497,367
on judicial claims	4,554,134	4,648,827
on municipal claims	17,517,282	17,678,401
others	155,266,001	126,839,733

Others include the following guarantees:

- 28,840,429 euro (29,731,051 euro as at 31 December 2006) related to guarantees on construction works given to clients;
- 25,587,182 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;
- 24,101,908 euro related to VAT reimbursements.

During the period ended 30 September 2007, a company in Brazil from the retail segment granted a guarantee of 25 million of euro (65,570,000 Brazilian real) on a tax claim.

26. RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

<u>Transactions</u>	Sales and services rendered		Purchases and services obtained	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
Parent company and group companies excluded from consolidation	40,521,463	33,523,392	52,852	561,834
Jointly controlled companies	26,178,119	27,976,927	12,771,454	11,593,009
Associated companies	1,341,541	1,458,864	17,196,802	14,778,916
Other partners in Group companies	34,764,673	50,237,243	10,531,077	12,106,488
	<u>102,805,796</u>	<u>113,196,426</u>	<u>40,552,185</u>	<u>39,040,247</u>

Transactions	Interest income		Interest expenses	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
Parent company and group companies excluded from consolidation	-	6,859	97,801	70,874
Jointly controlled companies	154,036	110,945	877,022	693,378
Associated companies	3,863	24,605	-	-
Other partners in Group companies	45,949	-	1,914,302	1,848,403
	<u>203,848</u>	<u>142,409</u>	<u>2,889,125</u>	<u>2,612,655</u>

Balances	Accounts receivable		Accounts payable	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Parent company and group companies excluded from consolidation	15,024,420	14,552,845	434,275	153,280
Jointly controlled companies	7,442,239	7,957,621	5,045,849	5,773,297
Associated companies	12,195,157	1,717,859	1,978,068	2,240,411
Other partners in Group companies	2,823,649	11,244,638	2,923,574	13,826,646
	<u>37,485,465</u>	<u>35,472,963</u>	<u>10,381,766</u>	<u>21,993,634</u>

Balances	Loans			
	Obtained		Granted	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Parent company and group companies excluded from consolidation	12,750,000	12,750,000	13,480	6,402,717
Jointly controlled companies	1,172,071	1,179,061	63,790	72,035
Associated companies	-	-	15,914,386	8,432,023
Other partners in Group companies	35,373,138	31,346,566	-	-
	<u>49,295,209</u>	<u>45,275,627</u>	<u>15,991,656</u>	<u>14,906,775</u>

27. TAXATION

As at 30 September 2007 and 2006, Taxation is made up as follows:

	30 September 2007	30 September 2006
Current tax	21,190,252	19,391,429
Deferred tax	27,406,696	27,985,280
	<u>48,596,948</u>	<u>47,376,709</u>

28. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 September 2007 and 2006, the reconciliation of consolidated net profit can be analysed as follows:

	30 September 2007	30 September 2006
Aggregate net profit	1,185,315,062	926,878,741
Use of the proportionate method	(346,584,954)	(293,959,965)
Harmonisation adjustments	(63,729,051)	(3,979,334)
Elimination of intragroup dividends	(235,920,309)	(287,657,726)
Elimination of intragroup capital gains and losses	(381,310,767)	(120,411,676)
Elimination of intragroup provisions	(1,982,328)	(28,842,000)
Consolidation adjustments to gains/(losses) on sales of investments	56,038,141	(2,875,213)
Others	5,388,164	(3,602,081)
Consolidated net profit for the period	<u>217,213,958</u>	<u>185,550,746</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:

	30 September 2007		30 September 2006	
	3 rd Quarter	Total	3 rd Quarter	Total
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)	68,611,043	170,617,096	37,668,538	122,742,052
Effect of dilutive potential shares				
Interest related to convertible bonds (net of tax)	-	-	-	-
Net profit taken into consideration to calculate diluted earnings per share:	68,611,043	170,617,096	37,668,538	122,742,052
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,866,950,745	1,866,439,592	1,866,581,428	1,866,178,736
Effect of dilutive potential ordinary shares from convertible bonds	-	-	-	-
Weighted average number of shares used to calculate diluted earnings per share	1,866,950,745	1,866,439,592	1,866,581,428	1,866,178,736
Earnings per share (basic and diluted)	0.036750	0.091413	0.020180	0.065772

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 nine months periods ended on 30 September 2007 and 2006 can be detailed as follows:

30 September 2007	Retail	Shopping Centres	Telecomm.	Sonae Capital	Holding and Others	Consolidation Adjustments	Total Operations
Operational income							
Sales	2,282,409,775	-	49,293,364	113,647,651	5,212,960	-	2,450,563,750
Services rendered	103,477,894	102,871,388	583,223,156	103,202,623	347,976	-	893,123,037
Value created on investments properties	-	122,597,032	-	-	-	-	122,597,032
Other operational income	189,358,960	11,382,653	13,686,461	121,766,928	192,120	(2,352,897)	334,034,225
	2,575,246,629	236,851,073	646,202,981	338,617,202	5,753,056	(2,352,897)	3,800,318,044
Inter-segment income	43,923,610	4,281,169	7,300,908	4,789,492	9,653,904	(69,949,083)	-
	2,619,170,239	241,132,242	653,503,889	343,406,694	15,406,960	(72,301,980)	3,800,318,044
Operational cash-flow (EBITDA)							
	196,963,158	168,759,512	127,586,450	20,614,246	(5,176,809)	(922,194)	507,824,363
Depreciation and amortisation	(64,474,120)	(732,340)	(101,497,210)	(6,772,043)	(885,018)	806,408	(173,554,323)
Provisions and impairment losses	(531,049)	(7,524,633)	(7,379,418)	(864,618)	-	(1,301,531)	(17,601,249)
Operational profit (EBIT)							
	132,542,328	161,548,839	19,130,482	13,374,094	(5,880,201)	(1,598,942)	319,116,600
Net financial expenses							
	(25,662,678)	(15,238,300)	(23,366,815)	(9,255,654)	(21,697,928)	(42,450)	(95,263,825)
Share of results of associated undertakings	-	-	-	-	-	164,311	164,311
Investment income	(4,650,171)	2,069,810	5,633,088	12,917,603	99,589,482	(73,765,992)	41,793,820
Profit before taxation	102,229,479	148,380,349	1,396,755	17,036,043	72,011,353	(75,243,073)	265,810,906
Taxation	(4,149,685)	(46,021,979)	1,705,195	(305,236)	(195,745)	370,502	(48,596,948)
Net profit for the period	98,079,794	102,358,370	3,101,950	16,730,807	71,815,608	(74,872,571)	217,213,958
- attributable to equity holders of Sonae							170,617,096
- attributable to minority interests							46,596,862
30 September 2006							
	Retail	Shopping Centres	Telecomm.	Sonae Capital	Holding and Others	Consolidation Adjustments	Total Operations
Operational income							
Sales	2,096,247,471	-	60,299,539	137,908,223	5,393,320	-	2,299,848,553
Services rendered	98,077,280	101,287,605	547,134,821	110,399,447	396,946	-	857,296,099
Value created on investments properties	-	72,312,615	-	-	-	-	72,312,615
Other operational income	144,881,918	14,293,378	24,851,238	107,894,223	723,760	(6,736,690)	285,907,827
	2,339,206,669	187,893,598	632,285,598	356,201,893	6,514,025	(6,736,690)	3,515,365,093
Inter-segment income	44,339,087	4,404,252	2,095,405	7,118,653	648,272	(58,605,669)	-
	2,383,545,756	192,297,850	634,381,003	363,320,546	7,162,297	(65,342,359)	3,515,365,093
Operational cash-flow (EBITDA)							
	157,880,708	125,215,937	132,231,643	10,178,713	(6,607,909)	(2,762,938)	416,136,154
Depreciation and amortisation	(59,150,495)	(746,125)	(100,190,461)	(6,556,983)	(793,351)	331,814	(167,105,601)
Provisions and impairment losses	(1,802,233)	(1,207,731)	(6,442,874)	1,069,887	-	(4,236,323)	(12,619,274)
Operational profit (EBIT)							
	101,257,488	123,492,980	25,664,484	6,532,724	(7,401,259)	(6,667,449)	242,878,968
Net financial expenses							
	(13,560,593)	(16,879,522)	(12,641,581)	(3,845,542)	(16,900,580)	(1,184,810)	(65,012,628)
Share of results of associated undertakings	-	1,973,362	-	-	-	1,414,716	3,388,078
Investment income	13,748,848	(64,614)	28,362,857	3,680,418	85,286,240	(79,340,712)	51,673,037
Profit before taxation	101,445,743	108,522,206	41,385,760	6,367,600	60,984,401	(85,778,255)	232,927,455
Taxation	(8,257,665)	(31,339,510)	(3,191,701)	(4,602,533)	2,484	12,216	(47,376,709)
Net profit for the period	93,188,078	77,182,696	38,194,059	1,765,067	60,986,885	(85,766,039)	185,550,746
- attributable to equity holders of Sonae							122,742,052
- attributable to minority interests							62,808,694

The contribution of the business segments to the balance sheets as at 30 September 2007 and 31 December 2006 can be detailed as follows:

30 September 2007	Retail	Shopping Centres	Telecomm.	Sonae Capital	Holding and Others (1)	Consolidation Adjustments	Consolidated
Fixed assets							
Intangible	152,085,810	3,637,278	189,379,945	873,363	-	(16,369,806)	329,606,590
Tangible	1,299,853,524	1,060,162	519,908,418	333,628,008	133,223	(602,685)	2,153,980,650
Investment properties	-	1,944,528,516	-	-	-	(1,983,923)	1,942,544,593
Goodwill	-	-	-	-	-	288,957,958	288,957,958
Investments	76,952,163	11,197,144	24,652,204	145,181,936	1,035,291	(63,120,800)	195,897,938
Deferred tax assets	19,429,281	13,530,714	67,377,137	10,361,860	-	326,131	111,025,123
Other assets	792,745,773	110,871,020	285,899,316	298,300,351	247,735,769	(495,475,975)	1,240,076,254
Cash, Cash Equivalents and Current Investments	539,733,073	39,524,697	14,212,411	43,323,847	3,289,191	(29,359)	640,053,860
Total assets	2,880,799,624	2,124,349,531	1,101,429,431	831,669,365	252,193,474	(288,298,459)	6,902,142,966
Non-current liabilities							
Borrowings	1,256,905,838	792,979,167	325,698,438	49,329,347	496,846,145	497,652	2,922,256,587
Deferred tax liabilities	30,454,800	280,516,392	214,885	5,871,710	-	104,026	317,161,813
Other non-current liabilities	35,116,017	33,208,320	30,339,606	81,602,150	-	(20,708,515)	159,557,578
Current liabilities							
Borrowings	13,864,045	24,561,281	2,064,610	6,959,446	136,054,006	618,653	184,122,041
Other current liabilities	834,769,650	156,183,321	343,292,849	389,820,233	219,733,059	(468,237,181)	1,475,561,931
Total liabilities	2,171,110,350	1,287,448,481	701,610,388	533,582,886	852,633,210	(487,725,365)	5,058,659,950
Technical investment	156,949,423	278,210,523	150,746,109	61,230,327	91,743	-	647,228,125
Gross Debt	1,270,769,884	817,540,449	327,763,048	56,288,792	632,900,151	1,116,305	3,106,378,629
Net Debt	731,036,810	778,015,752	313,550,637	12,964,945	629,610,960	1,145,665	2,466,324,769
Net Debt Stand Alone ^{a)}	563,477,810	747,015,752	313,550,637	251,103,945	591,176,625	-	2,466,324,769
31 December 2006							
Fixed assets							
Intangible	149,164,530	3,898,736	183,128,579	1,692,559	87,552	(16,454,471)	321,517,485
Tangible	1,229,588,393	877,259	494,771,214	272,917,217	77,751,742	(1,329,928)	2,074,575,897
Investment properties	-	1,522,237,384	-	-	-	(2,026,125)	1,520,211,259
Goodwill	-	-	-	-	-	250,842,655	250,842,655
Investments	56,106,456	10,021,115	112,712,411	122,445,833	1,035,290	(37,673,308)	264,647,797
Deferred tax assets	23,413,248	13,657,457	61,786,653	3,908,399	8,808	(7,156)	102,767,409
Other assets	519,251,478	108,644,666	250,159,826	333,476,092	91,860,203	(212,821,112)	1,090,571,153
Cash, Cash Equivalents and Current Investments	392,676,510	109,714,339	126,766,719	28,334,380	132,240,352	(93,995,000)	695,737,300
Total assets	2,370,200,615	1,769,050,956	1,229,325,402	762,774,480	302,983,947	(113,464,445)	6,320,870,955
Non-current liabilities							
Borrowings	601,531,168	620,655,759	462,215,429	91,073,464	367,424,693	(203,615)	2,142,696,898
Deferred tax liabilities	32,788,293	234,199,737	-	5,012,714	-	55,628	272,056,372
Other non-current liabilities	34,980,193	46,691,951	24,621,313	81,972,987	2,976,525	(22,521,122)	168,721,847
Current liabilities							
Borrowings	167,863,379	21,873,536	1,783,529	38,525,298	385,890,938	(5,186)	615,931,494
Other current liabilities	850,778,495	93,912,978	321,745,867	225,053,325	210,437,408	(275,163,704)	1,426,764,369
Total liabilities	1,687,941,528	1,017,333,961	810,366,138	441,637,788	966,729,564	(297,837,999)	4,626,170,980
Technical investment	193,732,752	109,107,040	146,123,704	68,176,450	20,255,893	-	537,395,839
Gross Debt	769,394,547	642,529,295	463,998,958	129,598,762	753,315,631	(208,801)	2,758,628,392
Net Debt	376,718,037	532,814,956	337,232,239	101,264,382	621,075,279	93,786,199	2,062,891,092
Net Debt Stand Alone ^{a)}	376,718,037	476,920,516	337,232,239	141,472,662	730,547,638	-	2,062,891,092

a) Net debt with the reallocation of sub-holding intercompanies.

1) Net Debt in "Holding and others" is made up as follows:

	<u>30 September 2007</u>	<u>31 December 2006</u>
Inflows		
Bank debt	632,900,151	753,315,631
Cash and cash equivalents	<u>(3,289,191)</u>	<u>(132,240,352)</u>
Net bank debit	629,610,960	621,075,279
Sonae Distribuição	167,559,000	-
Sonae Sierra	31,000,000	55,894,440
SonaeCom	-	90,000,000
Sonae Capital	-	-
Others	<u>1,500,000</u>	<u>-</u>
Intercompany short term loans obtained	<u>200,059,000</u>	<u>145,894,440</u>
Total Inflows	<u><u>829,669,960</u></u>	<u><u>766,969,719</u></u>
Outflows		
Sonae Capital	238,139,000	40,208,280
Others	<u>-</u>	<u>34,916</u>
Intercompany loans granted	<u><u>238,139,000</u></u>	<u><u>40,243,196</u></u>

32. SUBSEQUENT EVENTS

On 11 April 2007 Sonae announced the decision to go through with the "spin-off" of Sonae Capital. On 8 November 2007, the Board of Directors approved the Demerger Project which establish the terms of the demerger and announced that it was Sonae SGPS intention to conclude the process until year-end. Under the terms of the Project the shareholding of Sonae in Sonae Capital, SGPS, S.A will be demerged in order to set up a new company which will be named Sonae Capital, SGPS, S.A. The existing Sonae Capital, SGPS, S.A. will be renamed SC, SGPS, S.A.. The Share capital of the new Sonae Capital will be of 250 million euro, corresponding to 250 million shares of one euro each. The admission to Euronext Lisbon will be requested once all legal procedures are completed. In accordance with the demerger terms each share of Sonae SGPS, S.A. will be entitled to 0.125 of a share of Sonae Capital.

The Extraordinary Shareholders' General Meeting to approve the Demerger Project will take place on 14 December 2007.

On 24 October 2007, Sonae/97 Bonds were fully reimbursed on the amount of 74,819,686 Euro

On 15 November 2007, Sonae SGPS, S.A, sold on the stock exchange Euronext Lisbon, 132,856,072 Sonae SGPS, S.A. shares owned directly by the Company. The shares were sold at 2.06 per share, resulting in a cash proceed of 273,683,508.32 euro. After the completion of this transaction, Sonae, SGPS, SA now holds, through its subsidiaries, 193,183 own shares corresponding to 0.01% of its share capital.

On the same date, a subsidiary of Sonae SGPS, S.A. has entered into a derivative financial instrument – Cash Settled Equity Swap - with a financial institution over the 132,800,000 shares of Sonae SGPS, S.A corresponding to 6.64% of its share capital. This transaction has a maturity of up to 3 years and it will be net settled in cash, with no option or rights attributed to Sonae SGPS, S.A or any other subsidiary to acquire the underlying asset. This transaction allows Sonae, SGPS S.A. to maintain full economic exposure to its share price evolution.

33. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 29 November 2007.

The Board of Directors



INDIVIDUAL FINANCIAL STATEMENTS

30 SEPTEMBER 2007

SONAE, SGPS, SA

BALANCE SHEET AS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

(Amounts expressed in euro)

ASSETS	Notes	30.September.2007	31.December.2006
NON-CURRENT ASSETS:			
Tangible and intangible assets		110,462	103,640
Investments	4	2,885,174,812	3,072,592,917
Other non-current assets	5	1,083,764,437	813,344,492
Total Non-Current Assets		<u>3,969,049,711</u>	<u>3,886,041,049</u>
CURRENT ASSETS:			
Trade account receivables and other current assets	6	241,505,057	80,992,631
Cash and cash equivalents	7	1,580,999	130,514,092
Total Current Assets		<u>243,086,056</u>	<u>211,506,723</u>
TOTAL ASSETS		<u><u>4,212,135,767</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		(138,150,363)	(138,044,363)
Hedge and fair value reserves		(11,610)	-
Reserves and retained earnings		1,515,962,131	1,364,273,482
Profit/(Loss) for the period		12,526,646	65,138,044
TOTAL EQUITY		<u>3,390,326,804</u>	<u>3,291,367,163</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	9	496,846,145	347,187,348
Total Non-Current Liabilities		<u>496,846,145</u>	<u>347,187,348</u>
CURRENT LIABILITIES:			
Loans	9	129,903,066	335,277,291
Trade creditors and other non-current liabilities	10	195,059,752	123,715,970
Total Current Liabilities		<u>324,962,818</u>	<u>458,993,261</u>
TOTAL EQUITY AND LIABILITIES		<u><u>4,212,135,767</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 NINE MONTHS ENDED 30 SEPTEMBER 2007 AND 2006

(Amounts expressed in euro)

	Notes	3 rd Quarter 2007	30.September.2007	3 rd Quarter 2006	30.September.2006
Operational income					
Services rendered		380,332	1,100,197	320,494	1,007,576
Other operational income		49,176	361,666	39,094	75,120,293
Total operational income		<u>429,508</u>	<u>1,461,863</u>	<u>359,588</u>	<u>76,127,869</u>
Operational expenses					
External supplies and services		(1,388,025)	(2,611,294)	(502,644)	(1,785,224)
Staff costs		(967,424)	(4,175,160)	(1,232,958)	(3,880,829)
Depreciation and amortisation		(24,105)	(67,556)	(65,634)	(195,662)
Other operational expenses		(232,909)	(549,303)	(74,344)	(465,727)
Total operational expenses		<u>(2,612,463)</u>	<u>(7,403,313)</u>	<u>(1,875,580)</u>	<u>(6,327,442)</u>
Operational profit/(loss)		<u>(2,182,955)</u>	<u>(5,941,450)</u>	<u>(1,515,992)</u>	69,800,427
Net financial expenses		9,754,223	21,160,935	2,984,960	5,733,830
Investment income	12	-	(2,692,835)	22,804,804	82,100,011
Profit/(Loss) before taxation		<u>7,571,268</u>	<u>12,526,650</u>	<u>24,273,772</u>	<u>157,634,268</u>
Taxation		-	(4)	(1)	(1)
Profit/(Loss) for the period		<u><u>7,571,268</u></u>	<u><u>12,526,646</u></u>	<u><u>24,273,771</u></u>	<u><u>157,634,267</u></u>
Profit/(Loss) per share					
Basic	13	0.0041	0.0067	0.0130	0.0845
Diluted	13	<u>0.0041</u>	<u>0.0067</u>	<u>0.0130</u>	<u>0.0845</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 NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	229,898,424	(46,501,724)	183,396,700
Transfer to profit/(loss) of the period		-	-	(6,095,102)	-	(6,095,102)
Profit/(Loss) for the nine months ended 30 September 2006		-	-	-	157,634,267	157,634,267
Others		-	-	-	-	-
Balance as at 30 September 2006		<u>2,000,000,000</u>	<u>(138,044,363)</u>	<u>1,209,072,309</u>	<u>157,634,267</u>	<u>3,228,662,213</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	-	-	69,478,749	(5,883,699)	63,595,050
Transfer to profit/(loss) of the period		-	-	78,941,388	-	78,941,388
Profit/(Loss) for the nine months ended 30 September 2007		-	-	-	12,526,646	12,526,646
Others		-	(106,000)	-	-	(106,000)
Balance as at 30 September 2007		<u>2,000,000,000</u>	<u>(138,150,363)</u>	<u>1,515,950,521</u>	<u>12,526,646</u>	<u>3,390,326,804</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, SGPS, SA

CASH FLOW STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007 AND 2006

(Amounts expressed in euro)

<u>OPERATING ACTIVITIES</u>	<u>Notes</u>	<u>30.September.2007</u>	<u>30.September.2006</u>
Net cash flow from operating activities (1)		<u>(5,944,547)</u>	<u>(6,672,639)</u>
 <u>INVESTMENT ACTIVITIES</u>			
Cash receipts arising from:			
Investments		247,777,285	359,161,894
Tangible and intangible assets		2,650	1,631
Interest and similar income		55,073,626	20,146,756
		76,848,426	53,613,493
Others		400,000	-
Loans granted		<u>2,399,801,146</u>	<u>242,544,898</u>
		<u>2,779,903,133</u>	<u>675,468,672</u>
Cash Payments arising from:			
Investments		-	(76,796,901)
Tangible and intangible assets		(75,811)	(18,176)
Loans granted		<u>(2,831,431,825)</u>	<u>(644,644,031)</u>
		<u>(2,831,507,636)</u>	<u>(721,459,108)</u>
Net cash used in investment activities (2)		<u>(51,604,503)</u>	<u>(45,990,436)</u>
 <u>FINANCING ACTIVITIES</u>			
Cash receipts arising from:			
Loans obtained		<u>4,791,435,085</u>	<u>2,247,106,600</u>
		<u>4,791,435,085</u>	<u>2,247,106,600</u>
Cash Payments arising from:			
Loans obtained		(4,792,802,500)	(2,330,659,350)
Interest and similar charges		(13,926,846)	(14,477,513)
Dividends		(55,983,782)	(46,639,216)
Purchase of own shares		(106,000)	-
		<u>(4,862,819,128)</u>	<u>(2,391,776,079)</u>
Net cash used in financing activities (3)		<u>(71,384,043)</u>	<u>(144,669,479)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(128,933,093)	(197,332,554)
Cash and cash equivalents at the beginning of the period		130,514,092	197,418,083
Cash and cash equivalents at the end of the period	7	<u>1,580,999</u>	<u>85,529</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 NINE MONTHS ENDED 30 SEPTEMBER 2007

(Amounts expressed in euro)

1. INTRODUCTION

SONAE, SGPS, SA ("the Company" or "Sonae"), with 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 30 September 2007 and 31 December 2006 the Company held investments in the following affiliated and associated undertakings:

Companies	30.September.2007				31.December.2006			
	% Held	Fair Value	Book Value	Fair Value Reserve	% Held	Fair Value	Book Value	Fair Value Reserve
Sonae Distribuição, SGPS, SA (a)	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%	808,740,000	490,113,339	318,626,661	50.00%	744,950,500	490,113,339	254,837,161
Sonaeacom, SGPS, SA	0.01%	80,880	109,495	(28,615)	12.72%	233,796,451	314,518,614	(80,722,163)
Others	-	385,553,271	385,553,271	-	-	403,045,305	403,045,305	-
Total		2,885,174,812	2,202,505,936	682,668,876		3,072,592,917	2,534,407,089	538,185,828

(a) Previously Modelo Continente, SGPS, SA

5. OTHER NON-CURRENT ASSETS

As at 30 September 2007 and 31 December 2006 other non-current assets are detailed as follows:

	30.September.2007	31.December.2006
Loans granted to group companies	1,083,757,999	813,195,145
Guarantee deposits	6,438	7,744
Other	-	141,603
	<u>1,083,764,437</u>	<u>813,344,492</u>

6. TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 September 2007 and 31 December 2006 trade account receivables and other current assets are detailed as follows:

	<u>30.September.2007</u>	<u>31.December.2006</u>
Trade account receivables	933,309	790,914
Group companies	220,889,000	77,456,177
Taxes and contributions receivable	1,377,401	1,206,759
Accrued income and prepayments	17,014,414	858,220
Others	<u>1,290,933</u>	<u>680,561</u>
	<u>241,505,057</u>	<u>80,992,631</u>

7. CASH AND CASH EQUIVALENTS

As at 30 September 2007 and 31 December 2006 cash and cash equivalents can be detailed as follows:

	<u>30.September.2007</u>	<u>31.December.2006</u>
Cash at hand	2,500	2,500
Bank deposits	<u>1,578,499</u>	<u>130,511,592</u>
Cash and cash equivalents on the balance sheet	<u>1,580,999</u>	<u>130,514,092</u>
Bank overdrafts	-	-
Cash and cash equivalents on the cash flow statement	<u>1,580,999</u>	<u>130,514,092</u>

8. SHARE CAPITAL

As at 30 September 2007 and 31 December 2006 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

9. LOANS

As at 30 September 2007 and 31 December 2006 this caption included the following loans:

	<u>30.September.2007</u>	<u>31.December.2006</u>
Nominal value of bonds	500,000,000	350,000,000
Up-front fees not yet charged to income statement	<u>(3,153,855)</u>	<u>(2,812,652)</u>
Bonds	<u>496,846,145</u>	<u>347,187,348</u>
Non-current loans	<u>496,846,145</u>	<u>347,187,348</u>
Commercial paper	55,000,000	260,500,000
Nominal value of Sonae/97 bonds	74,819,685	74,819,685
Up-front fees not yet charged to income statement	(3,426)	(42,394)
Derivative instruments	86,807	-
Current loans	<u>129,903,066</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 2007/2014 amounting to 150,000,000 euro, repayable after 7 years, in one instalment, on 11 April 2014. Interest rate equal to Euribor 6 months plus 0.6%, 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 10th and 12th 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 30 September 2007 was reimbursed on 24 October 2007.

10. OTHER CURRENT LIABILITIES

As at 30 September 2007 and 31 December 2006, other current liabilities were made up as follows:

	<u>30.September.2007</u>	<u>31.December.2006</u>
Trade creditors	1,089,432	300,191
Group companies	178,501,630	112,718,000
Taxes and contributions payable	296,622	457,862
Accrued expenses	14,038,020	10,197,321
Others	<u>1,134,047</u>	<u>42,596</u>
	<u>195,059,751</u>	<u>123,715,970</u>

11. CONTINGENT LIABILITIES

	<u>30.September.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 30 September 2007 and 2006, investment income can be detailed as follows:

	<u>30.September.2007</u>	<u>30.September.2006</u>
Dividends received	76,848,426	53,613,493
Gains/(Losses) on sale of investments	<u>(79,541,261)</u>	<u>28,486,518</u>
	<u>(2,692,835)</u>	<u>82,100,011</u>

13. EARNINGS PER SHARE

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

	30.September.2007		30.September.2006	
	3 rd Quarter	Cumulative	3 rd Quarter	Cumulative
Net profit				
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	7,571,268	12,526,646	24,273,771	157,634,267
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>7,571,268</u>	<u>12,526,646</u>	<u>24,273,771</u>	<u>157,634,267</u>
Number of shares				
Weighted average number of shares used to calculated basic earnings	1,866,950,745	1,866,439,592	1,866,581,428	1,866,178,736
Effect of dilutive potential ordinary shares from convertible bonds	-	-	-	-
Weighted average number of shares used to calculated diluted earnings per share	<u>1,866,950,745</u>	<u>1,866,439,592</u>	<u>1,866,581,428</u>	<u>1,866,178,736</u>
Profit/(Loss) per share (basic and diluted)	<u>0.0041</u>	<u>0.0067</u>	<u>0.0130</u>	<u>0.0845</u>

14. CHANGES IN RESERVES

Details of changes in reserves in the nine months ended on 30 September 2007 and 2006 may be summarised as follows:

	30.September.2007	30.September.2006
Fair value reserve	63,606,660	183,396,700
Free reserves	5,883,699	46,501,724
Hedging reserve	(11,610)	-
	<u>69,478,749</u>	<u>229,898,424</u>

15. SUBSEQUENT EVENTS

On 11 April 2007 Sonae announced the decision to go through with the "spin-off" of Sonae Capital. On 8 November 2007, the Board of Directors approved the demerger project which establish the terms of the demerger and announced that it was Sonae SGPS intention to conclude the process until year-end. Under the terms of the project the shareholding of Sonae in Sonae Capital, SGPS, SA will be demerged in order to set up a new company which will be named Sonae Capital, SGPS, SA. The existing Sonae Capital, SGPS, SA will be renamed SC, SGPS, SA. The share capital of the new Sonae Capital will be of 250 million euro, corresponding to 250 million shares of one euro each. The admission to Euronext Lisbon will be requested once all legal procedures are completed. In accordance with the demerger terms each share of Sonae SGPS, SA will be entitled to 0.125 of a share of Sonae Capital.

The Extraordinary Shareholders' General Meeting to approve the demerger project will take place on 14 December 2007.

On 15 November 2007 Sonae SGPS, SA sold, on the stock exchange - Euronext Lisbon - 132,856,072 own shares owned directly by the company. The shares were sold at 2.06 euro per share, resulting in cash proceeds of 273,683,508.32 euro. After the completion of this transaction, Sonae SGPS, SA now holds, through its subsidiaries, 193,183 own shares corresponding to 0.01% its share capital.

16. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 29 November 2007.

17. INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the nine months ended 30 September 2007 shareholders' loan contracts were entered into with the following companies:

Sonae Investments, BV
Sontel, BV

In the nine months ended 30 September 2007 short-term loan contracts were entered into with the following companies:

Investalentejo, SGPS, SA
Público Comunicação Social, SA
SC - Engenharia e Promoção Imobiliária, SGPS, SA
SC - Insurance and Risk, SGPS, SA
Sonae Capital, SGPS, SA
Sonae Distribuição, SGPS, SA
Sonae Investments, BV
Sonae Turismo, SGPS, SA

As at 30 September 2007 amounts owed by affiliated undertakings can be summarized as follows:

Loans granted

<u>Companies</u>	<u>Closing Balance</u>
Sonae Capital, SGPS, SA	240,889,000
Sonae Investments, BV	859,652,699
Sontel, BV	<u>204,105,300</u>
	<u>1,304,646,999</u>

As at 30 September 2007 amounts owed to affiliated undertakings can be summarized as follows:

Loans obtained

<u>Companies</u>	<u>Closing Balance</u>
Sonae Investments, BV	69,000
Sonae Distribuição, SGPS, SA	<u>167,559,000</u>
	<u>167,628,000</u>

The Board of Directors



SONAE