

EARNINGS ANNOUNCEMENT

CONSOLIDATED RESULTS JAN-MAR 2007¹

Maia, 10 May 2007



¹ Unaudited financial information for the quarters ending 31 March 2007 and 2006

Sonae SGPS, SA – Sociedade Aberta
Lugar do Espido Via Norte Apartado 1011
4471-909 Maia Portugal

Share Capital Euro 2 000 000 000
Maia Commercial Registry and
Fiscal Number 500 273 170

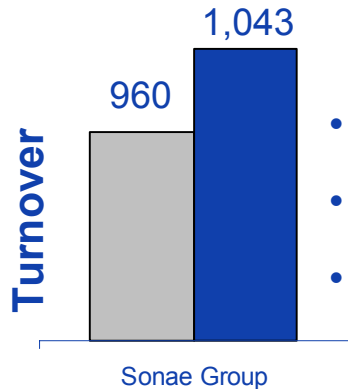
Basis of comparison



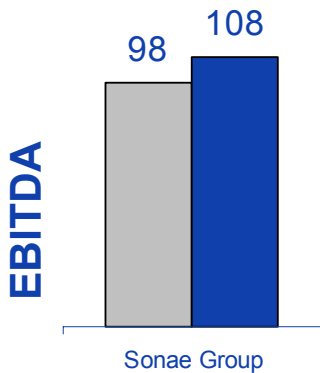
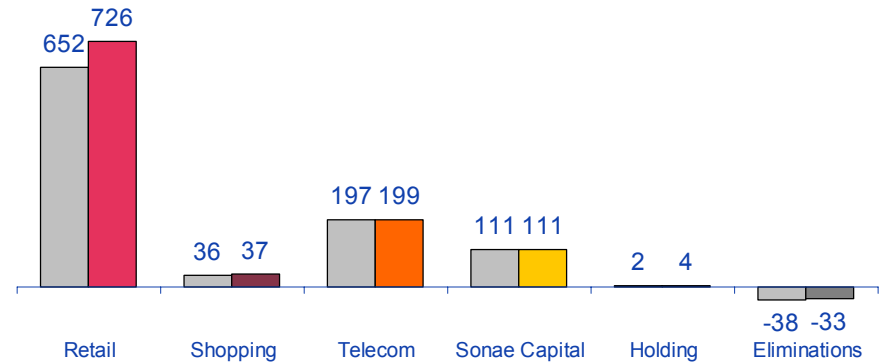
Unless otherwise stated, the figures presented in this announcement relate to the first quarter of 2007. The figures shown in brackets are the comparable figures for the same period of the previous year.

- **Turnover of 1,043 M.€**
- **Operational Cash Flow (EBITDA) of 108 M.€**
- **Operational Profit of 44 M.€**
- **Profit for the period of 16 M.€**
- **Net Debt of 2,233 M.€ as at 31 March 2007**

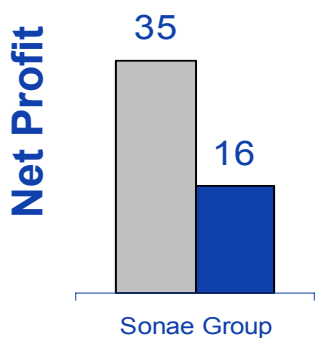
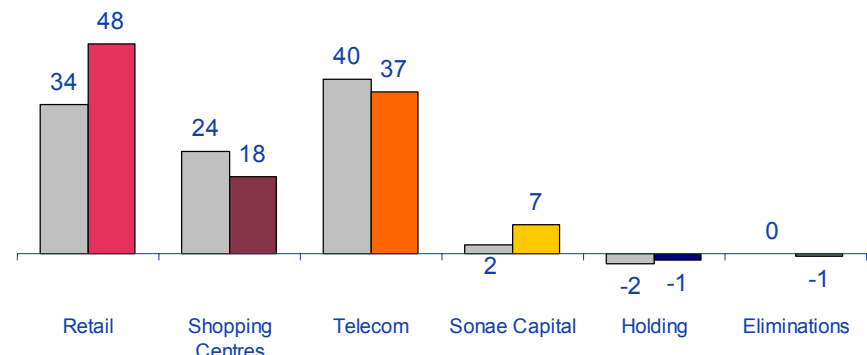
1Q 2007 Financial Performance



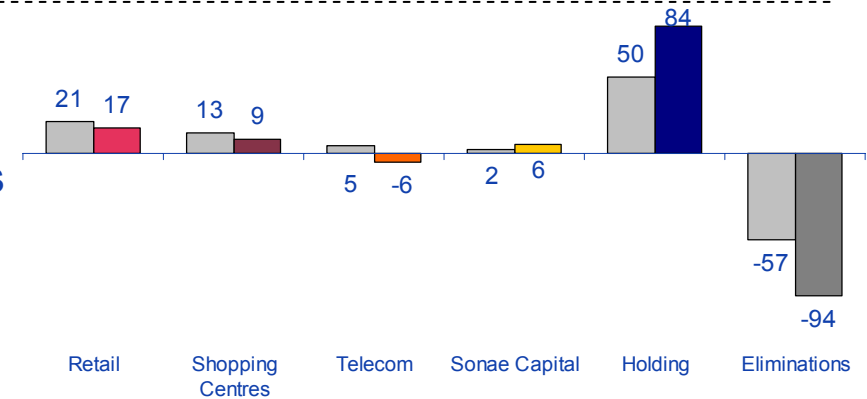
- +9% consolidated Turnover
- Retail as main growth driver
- Remaining contributions in line with 1Q 2006



- +10% consolidated EBITDA
- Main growth drivers: Retail (+14 M.€) and Sonae Capital (+5 M.€)
- Slight decreases in remaining businesses



- + 7 M.€ of Net Financial Expenses
- -12 M.€ of Investment Income



■ - 2006 comparable figures

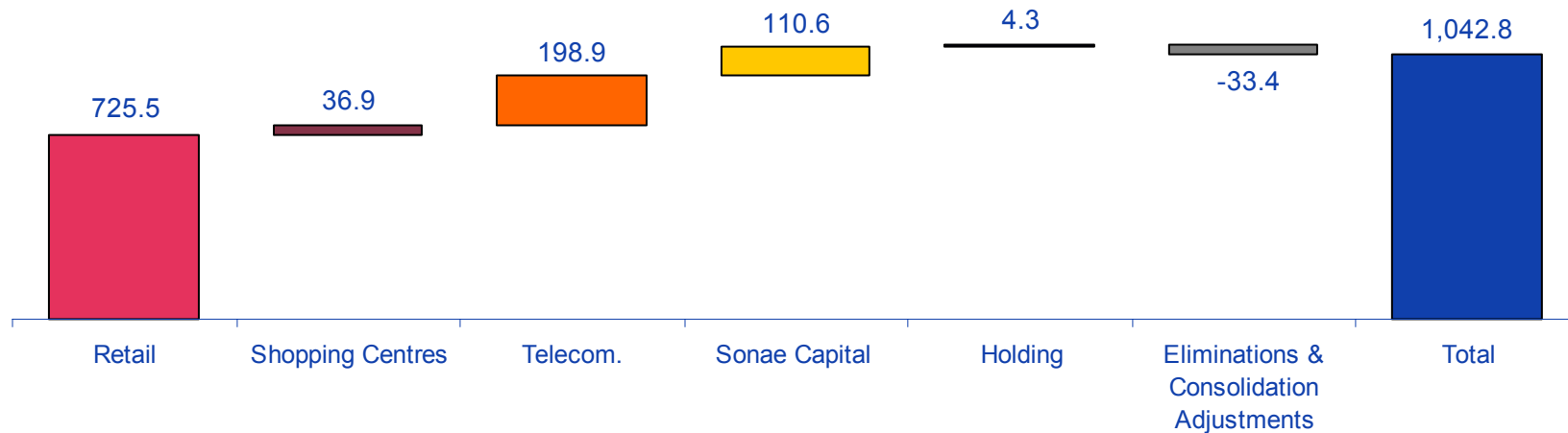
1Q 2007 Financial Performance



M.€	1Q06	1Q07	% chg 1Q07/1Q06
Turnover	960.3	1,042.8	+ 8.6%
Operational Cash-Flow (EBITDA)¹	97.5	107.6	+ 10.4%
Operational Profit (EBIT)	42.5	43.9	+ 3.3%
Net Financial Expenses	-20.5	-27.7	- 35.1%
Share of Results of Associated Undertakings	0.6	0.3	- 50.0%
Investment Income	19.4	6.8	- 64.9%
Profit/(Loss) before Taxation	42.0	23.3	- 44.5%
Taxation	7.1	7.2	+ 1.4%
Profit/(Loss) for the Period	34.9	16.1	- 53.9%
Attributable to Equity Holders of Sonae	24.7	14.7	- 40.5%
Attributable to Minority Interests	10.2	1.4	- 86.8%

¹ Operational Cash Flow (EBITDA) = Operational Profit (EBIT) + Depreciation and Amortisation + Provisions and Impairment Losses – Reversal of Impairment Losses and Provisions (included in Other Operational Income and amounting to 0.4 M.€ in 1Q 07 and 0.9 M.€ in 1Q 06).

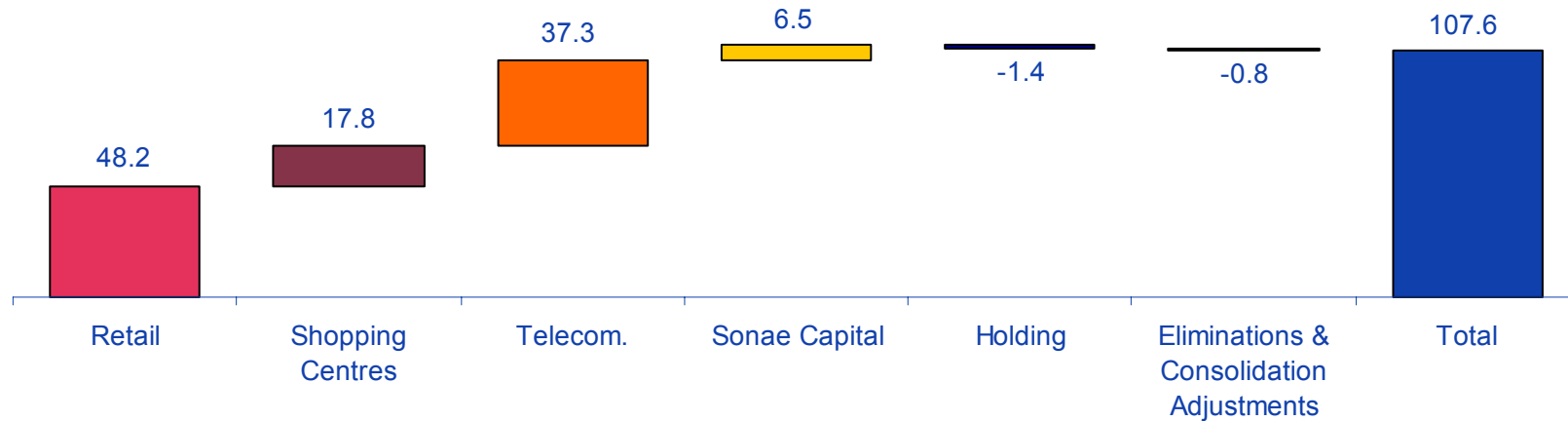
1Q 2007 Turnover



1Q06	651.9	35.9	196.9	111.0	2.2	-37.6	960.3
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- +9% consolidated turnover
- Retail business \Rightarrow main growth driver (+11%) through:
 - Strong performance of the like for like store portfolio;
 - New store openings (88 new stores in the last 12 months, circa 44 thousand m²);
 - Positive impact from Continente/Modelo loyalty cards
- Remaining businesses \Rightarrow contributions slightly above previous year comparables

1Q 2007 EBITDA



	Retail	Shopping Centres	Telecom.	Sonae Capital	Holding	Eliminations & Consolidation Adjustments	Total
1Q06	34.4	23.4	40.1	1.9	(2.3)	-	97.5

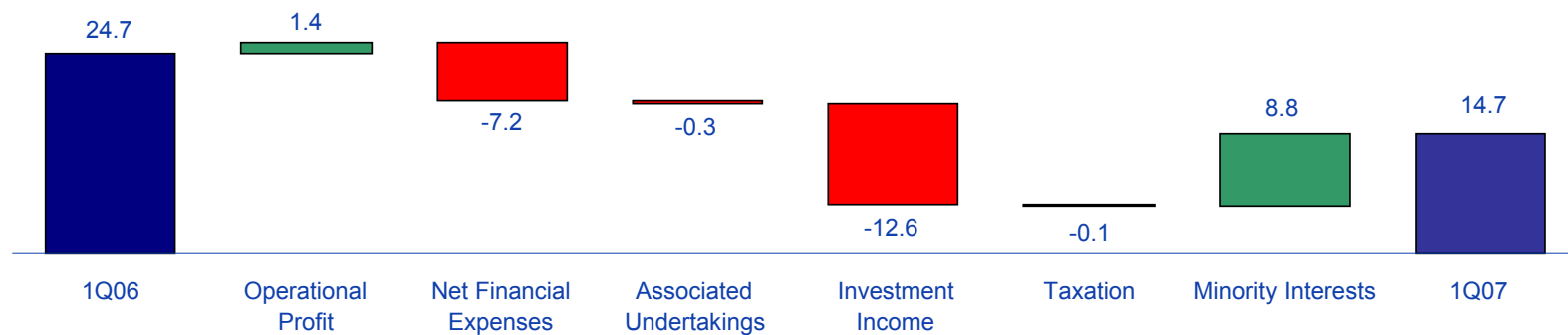
- +10% consolidated EBITDA. EBITDA margin of 10.3% (10.1% in 1Q 2006).
- Retail business ⇒ growth strategy continued to deliver good results
- Sonae Capital ⇒ + 5 M.€ to consolidated EBITDA, reflecting operational improvements in the Seed and Risk Capital business area
- Shopping Centres business ⇒ - 6 M.€ to consolidated EBITDA:
 - EBITDA from operations increased 7% to 36 million euro (35 million euro)...
 - ... while value created on investment properties decreased 7 million euro (1Q 06 contribution included the 5 M.€ impact of the opening of RioSul Shopping in Mar'06)
- Telecom business ⇒ -3 M.€ to consolidated EBITDA:
 - Mobile: lower mobile termination rates, higher handset subsidisation and leased lines costs
 - positive performance at the Fixed and Software and Systems Information businesses

Profit for the 1Q 2007



- -19 M.€ Profit for the period \Rightarrow 16 M.€ (35 M.€), due to:
 - + 7 M.€ Net Financial Expenses \Rightarrow 28 M.€ (21 M.€), mostly explained by:
 - Higher average cost of debt
 - Higher gross debt
 - In Telecommunications includes Sonae SGPS's loan related to PT's tender offer guarantees
 - -12 M.€ Investment Income \Rightarrow 7 M.€ (19 M.€): includes gains on the sale of 3.92% in ba Vidro and of 1% in PT (1Q 06 included 13 M.€ price adjustment to the sale of Retail operations in Brazil)

Consolidated Profit for the period attributable to Equity Holders of Sonae – quarter on quarter change



1Q 2007 Financial Position

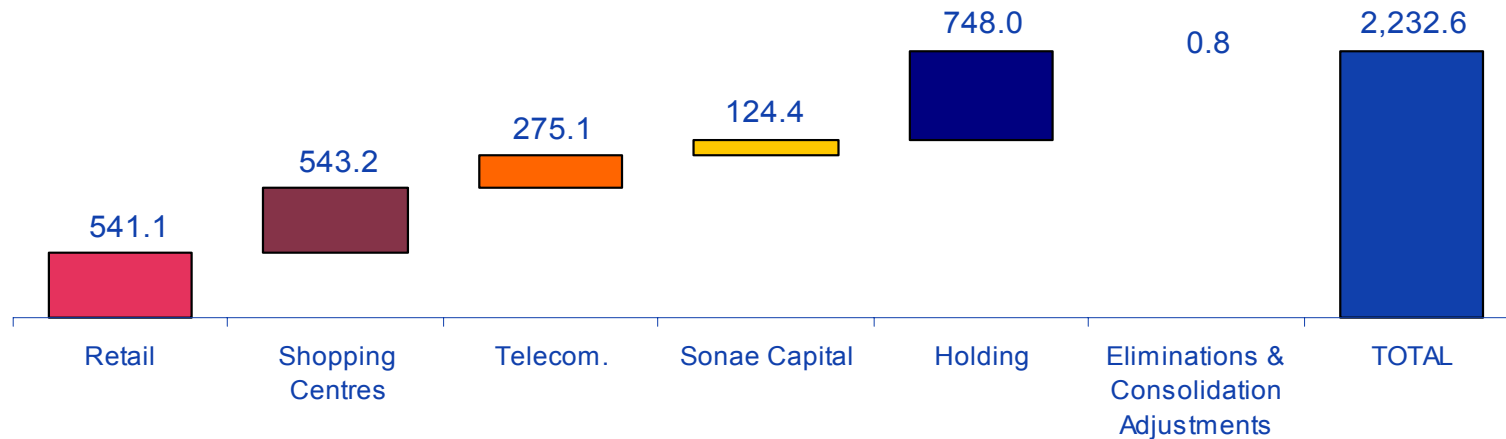


M.€	FY06	1Q07	% chg 1Q07/FY06
Investment Properties	1,520.2	1,567.6	+ 3.1%
Fixed Assets	2,396.1	2,381.8	- 0.6%
Goodwill	250.8	261.4	+ 4.2%
Non-Current Investments	264.6	166.6	- 37.0%
Other Non-Current Assets	146.9	149.0	+ 1.4%
Stocks	481.2	529.2	+ 10.0%
Trade Debtors and Other Current Assets	565.3	645.1	+ 14.1%
Cash, Cash Equivalents and Current Investments	695.8	535.5	- 23.0%
Total Assets	6,320.9	6,236.2	- 1.3%
Total Equity attributable to Equity Holders of Sonae	1,292.6	1,268.6	- 1.9%
Total Equity attributable to Minority Interest	402.1	403.8	+ 0.4%
Total Equity	1,694.7	1,672.4	- 1.3%
Non-Current Borrowings	2,142.7	2,152.7	+ 0.5%
Current Borrowings	615.9	615.4	- 0.1%
Other Non-Current Liabilities	440.8	436.4	- 1.0%
Trade Creditors and Other Current Liabilities	1,424.3	1,356.9	- 4.7%
Provisions	2.5	2.3	- 8.0%
Total Liabilities	4,626.2	4,563.7	- 1.4%
Total Equity and Liabilities	6,320.9	6,236.1	- 1.3%
Gross Debt	2,758.6	2,768.1	+ 0.3%
Net Debt	2,062.8	2,232.6	+ 8.2%

1Q 2007 Net Debt²



1Q 06 = 1,684M.€

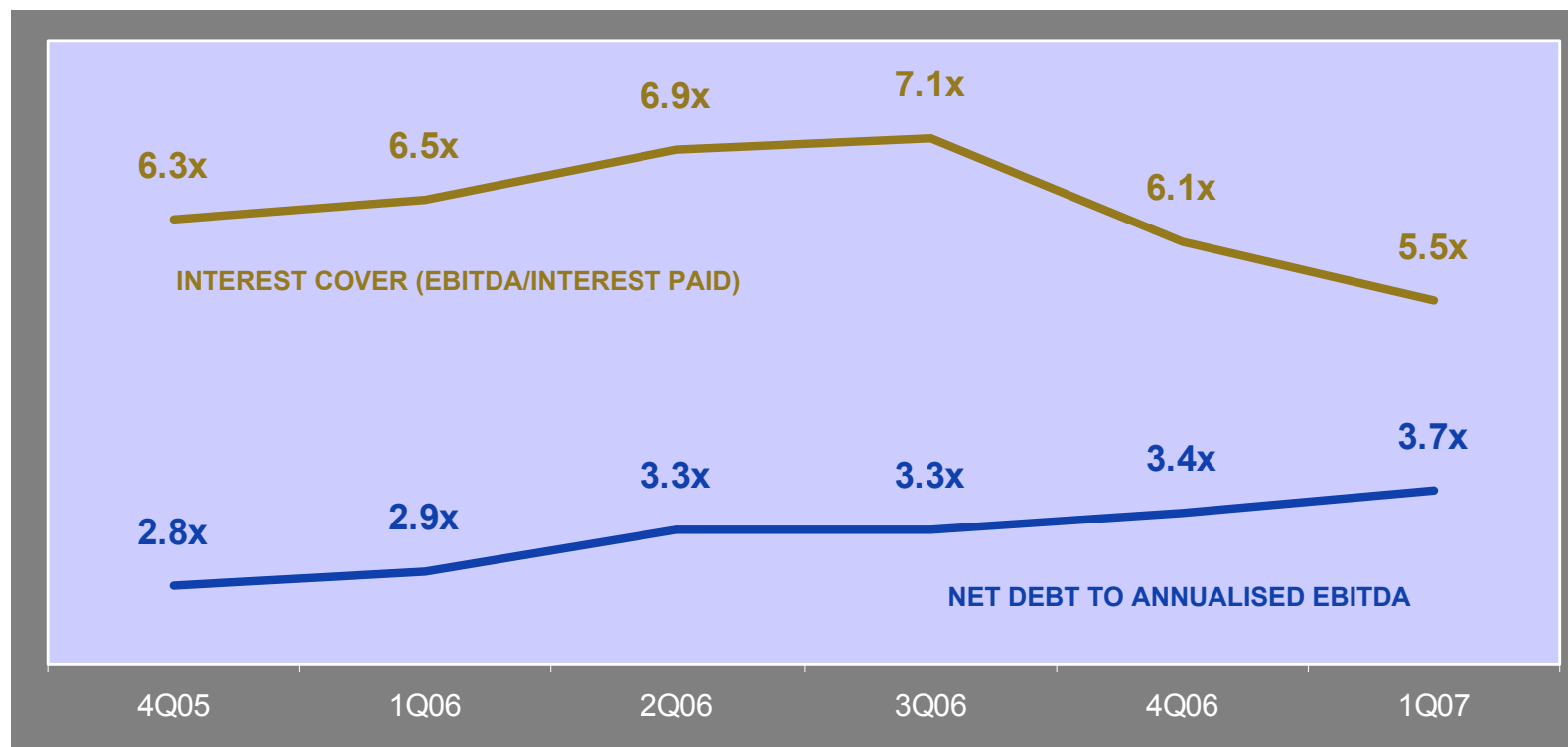


FY06	376.7	532.8	337.3	101.3	621.1	93.6	2,062.8
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- + 8% consolidated Net Debt over FY 06. Major contributors:
 - Retail ⇒ + 164 M.€ => normal seasonal increase
 - Holding ⇒ + 127 M.€ => repayment of intragroup loans
- 543 M.€ are attributable to the Shopping Centres business and are fully and exclusively guaranteed by its own assets

² Net Debt = Non-Current Borrowings + Current Borrowings – Cash and Cash Equivalents – Current Investments

Debt Ratios



Note: EBITDA used to calculate Net Debt to annualised EBITDA for 4Q05 was adjusted to consider Sonae Sierra using the proportional method in order to be comparable with Net Debt used.

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

- **Retail**

- Expansion plan (+ 50,000 m² of sales area)
- Consolidate successful launch of loyalty programmes
- Prepare entrance in a new geography

- **Shopping Centres**

- Continue work on existing 15 development pipeline projects
- Identify new projects (greenfield and acquisitions), namely in the Romanian market

- **Telecommunications**

- Customer growth
- Pursue cost and financial efficiencies
- Actively analyse all acquisition opportunities

- **Sonae Capital**

- Prepare spin-off
- Develop the Troia Resort

REPRESENTATIVE FOR CAPITAL MARKET RELATIONS

Dra. Luzia Leonor Borges e Gomes Ferreira

Lugar do Espido – Via Norte

Apartado 1011

4471 – 909 Maia

Portugal

Tel: 351 22 948 75 22

Fax: 351 22 948 77 22

Email: investor.relations@sonae.pt

INVESTOR RELATIONS OFFICE

SONAE, SGPS, SA has an **Investor Relations Office** available to shareholders and the investment community. The Investor Relations Officer is José Luís Amorim.

Lugar do Espido – Via Norte

Apartado 1011

4471 – 909 Maia

Portugal

Tel: 351 22 940 47 76

Fax: 351 22 940 46 34

Email: investor.relations@sonae.pt

INFORMATION AVAILABLE ON THE INTERNET

Investors can also find this press release and all publicly available information about the company at

<http://www.sonae.pt>
