CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006[1]

09 November 2006

Continued improvements in the **third quarter** of 2006 …

- Turnover up 7% to 1,158 M.€
- Operational Cash Flow (EBITDA) of 139 M. € (107 M.€)
- Operational Profit up 44% to 79 M. € (54 M.€)

… lead to good results for the first **nine months** of 2006

- Turnover up 7% to 3,157 M.€
- Operational Cash Flow (EBITDA) of 416 M.€ (345 M.€)
- Operational Profit up 30% to 243 M.€ (187 M.€)
- Net Profit attributable to equity holders of Sonae of 123 M.€ (111 M.€)
- Net Debt of 2,176 M.€

[1] **Consolidated financial statements as at 30 September 2006 were prepared under International Financial Reporting Standards (IAS/IFRS). 2006 figures are compared with 2005 pro-forma figures which consider the following changes to the consolidation perimeter: spin-off of Sonae Indústria, sale of Brazilian retail operations and change of consolidation method of Sonae Sierra to proportionate.**

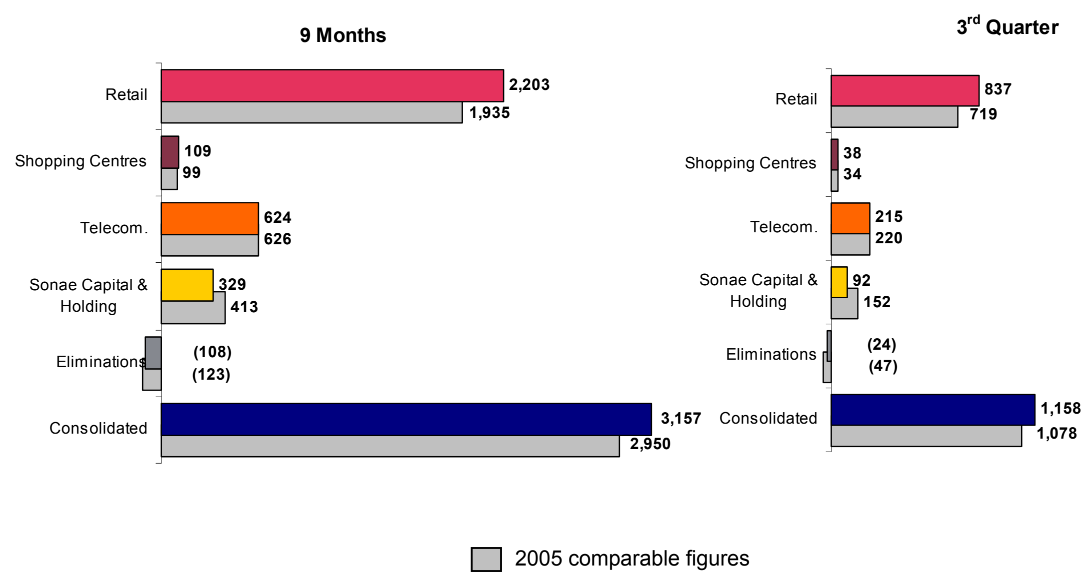
(Unless otherwise stated, the figures presented in this announcement relate to the first nine months or the third quarter of 2006. The figures shown in brackets are the comparable[2] figures for the same period of the previous year.)

EARNINGS REVIEW

Consolidated turnover for the first nine months amounted to 3,157 million Euro (2,950 million Euro), a 7% increase driven by: (i) like for like growth and new store openings in the Retail business; (ii) inaugurations and acquisitions of new shopping centres; and (iii) positive impact of new services and products in the Telecommunications business, which largely compensated the reduction in mobile termination rates set by the regulator. In the third quarter, consolidated turnover rose 7% to 1,158 million Euro (1,078 million Euro), mainly due to the increased contribution of the Retail business through the opening of several stores over the last 12 months and the acquisition of control over Star. The quarterly contributions of the Shopping Centres and Telecommunications businesses remained roughly in line with the previous year figures. The lower contributions from Sonae Capital and Holding, in both the nine months and the quarter, resulted from the sale of the travel agency format to the Retail business in the first quarter of 2006 and from a lower level of activity in the Construction business.

Values in million Euro

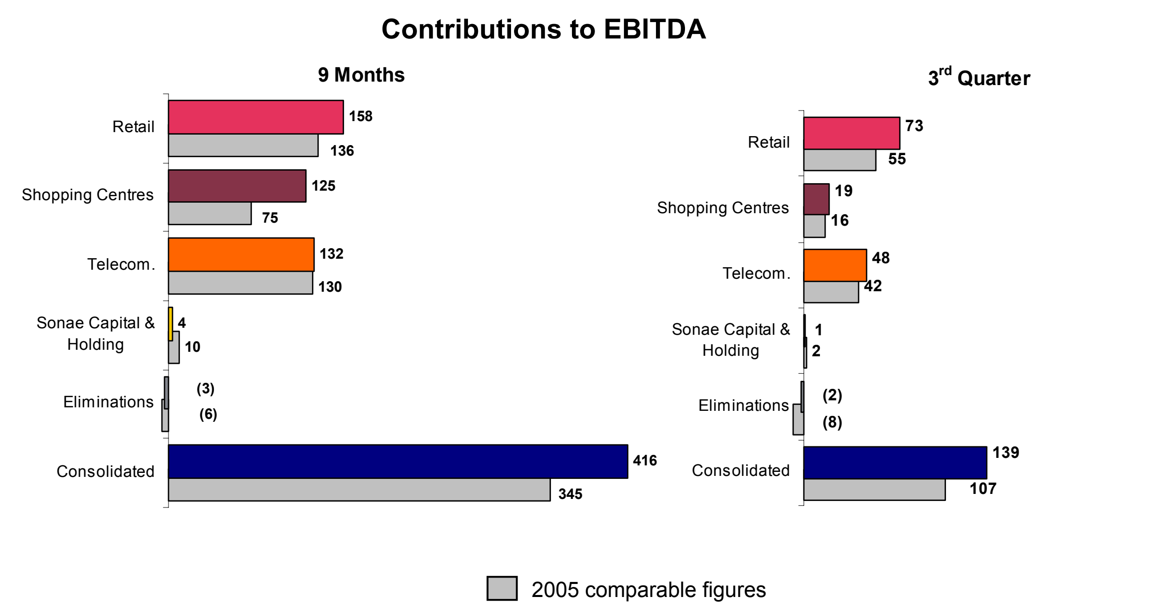
Contributions to Consolidated Turnover



[2] The consolidated profit and loss accounts for the first nine months and third quarter of 2006 are not directly comparable with the figures for the first nine months and third quarter of 2005, because of: the spin-off of the Wood Based Panels business (with accounting effects from 1 October 2005), the sale of the Retail operations in Brazil (with accounting effects from 1 December 2005), the change in the method of consolidation of the Shopping Centres business from full to proportionate (following the sale to Grosvenor, on 29 December 2005, of 17.04% of the share capital of Sonae Sierra) and the sale of the shareholding in Imocapital/Gescartão in the first quarter of 2005. 2006 actual figures are compared with 2005 pro-forma figures, which take account of these changes in the consolidation perimeter.

Consolidated operational cash flow (EBITDA) for the first nine months was 416 million Euro (345 million Euro), corresponding to a **consolidated EBITDA margin** of 13.2% (11.7%). The Shopping Centres business delivered most of the growth, through the increase in the valuation of investment properties, both due to the higher number of shopping centres under operation and to lower yields in Portugal and Spain. Consolidated EBITDA for the quarter was 139 million Euro (107 million Euro), a 29% increase, generating an EBITDA margin of 12% (9.9%). The Retail business achieved a sharp increase in its contribution to consolidated EBITDA in the quarter, reflecting its strategy focused on growth. The operational improvement achieved by the Telecommunications business in the third quarter of 2006, mainly at Optimus and Sonaecom Fixed, combined with the performance in the second quarter, offset the lower contribution arising in the first quarter of the year.

Values in million Euro



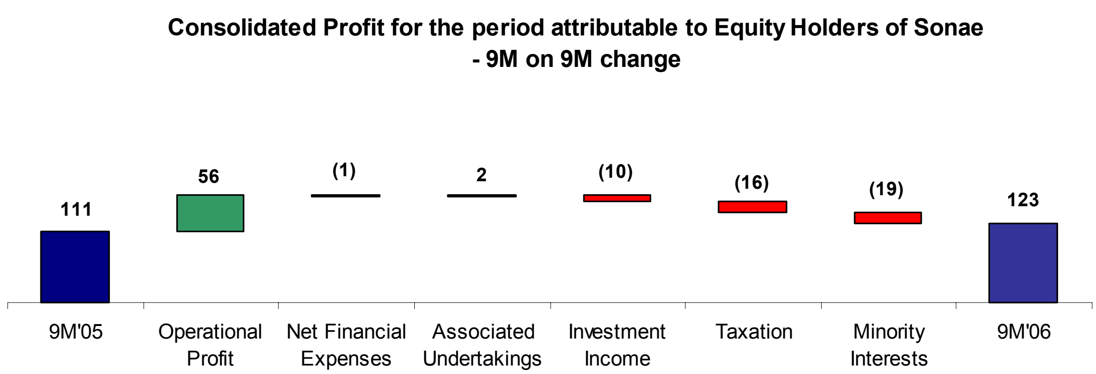
Consolidated operational profit (EBIT) improved by 56 million Euro in the first nine months to 243 million Euro (187 million Euro). Consolidated EBIT for the third quarter was 79 million Euro (54 million Euro).

In the first nine months, **consolidated net financial expenses** totalled 65 million Euro, remaining broadly in line with last year's first nine months figure (63.8 million Euro), and totalled 23.8 million Euro in the third quarter (22.9 million Euro). In spite of increases in interest rates, better financial conditions negotiated on some of the major loan contracts allowed net financial expenses to remain at the same level.

Consolidated profit for the first nine months was 186 million Euro (155 million Euro), with the impact of better operational performance and better results from associated undertakings being partially offset by lower investment income. Investment income in the first nine months was 52 million Euro and included the gain on the sale of an additional 3.92% shareholding in ba Vidro, the price adjustment on the sale of the Brazilian retail operations and the gain on the sale of Enabler. In the first nine months of 2005, investment income totalled 62 million Euro, most of which resulted from the gain on the sale of a 27.8% shareholding in ba Vidro. In the third quarter, consolidated profit amounted to 45 million Euro (32 million Euro), with the increase being mainly driven by the significant improvement in operational performance which offsets the decrease in investment income.

The **consolidated net profit attributable to equity holders of Sonae** slightly improved for the first nine months, compared with the same period of last year, to 123 million Euro (111 million Euro), and increased around 11 million Euro in the third quarter to 38 million Euro (27 million Euro), due to better operational performance.

Values in million Euro



FINANCIAL STRUCTURE

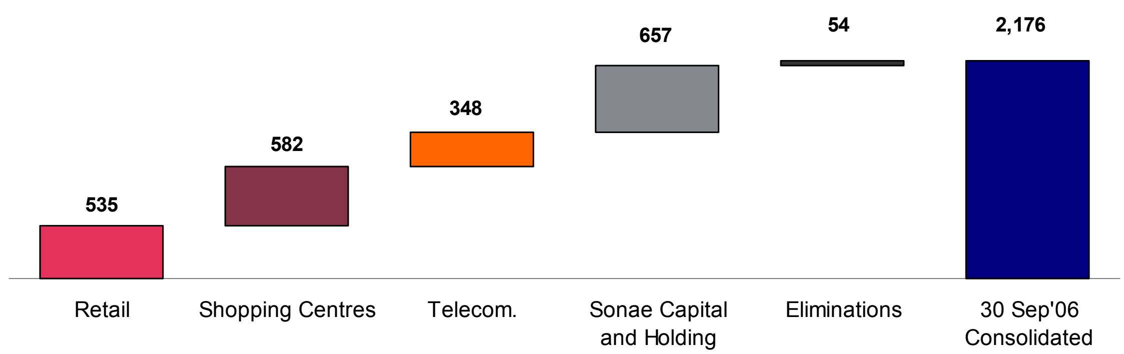
Consolidated net debt[3] as at 30 September 2006 amounted to 2,176 million Euro, an increase of 556 million Euro and 112 million Euro compared to the end of 2005 and the end of the first half of the year, respectively. The increase in the quarter reflects the seasonality of most consumer businesses. Of the total consolidated net debt as at 30 September 2006, 582 million Euro are attributable to the Shopping Centres business and are fully and exclusively guaranteed by its own assets.

Consolidated net debt reduced 1,160 million Euro compared to the end of the first nine months of 2005 (3,336 million Euro) when changes to the consolidation perimeter had not yet been implemented.

[3] Net Debt = Non-Current Borrowings + Current Borrowings – Cash and Cash Equivalents – Current Investments.

Values in million Euro

Contributions to Consolidated Net Debt[4]



[4] Net Debt = Non-Current Borrowings + Current Borrowings – Cash and Cash Equivalents – Current Investments.

The **ratio of consolidated net debt to consolidated operational cash flow (EBITDA) for the last 12 months** was 3.3, which compares with 3.7 as at 30 September 2005, 1.7 as at 31 December 2005, 2.9 as at 31 March 2006 and 3.3 as at 30 June 2006. **Annualised interest cover** was 7.1 (5.7), up from 6.1 at the end of 2005. This increase reflects the operational improvements achieved.

OUTLOOK

The performance in the first three quarters leads us to believe that 2006 will be a good year. Businesses are delivering on their growth strategies whilst improving overall operational profitability.

Significant events are expected during the last quarter of the year as a result of the public offer for Portugal Telecom, following final decisions. We remain confident that our bid will be successful.

Maia, 09 November 2006
The Board of Directors

CONSOLIDATED PROFIT AND LOSS ACCOUNTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006 AND 30 SEPTEMBER 2005

Values in million Euro

	9M'06	9M'05 Pro-forma[6]	9M'05
Turnover	3,157.1	2,950.2	4,942.8
Value created on Investment Properties	72.3	28.7	57.3
Other Operational Income	285.9	266.6	405.0
Total Operational Income	**3,515.4**	**3,245.4**	**5,405.1**
Cost of Goods Sold and Materials Consumed	(1,799.6)	(1,674.3)	(2,856.7)
Change in Stocks of Finished Goods and Work in Progress	9.9	1.1	4.6
External Supplies and Services	(827.2)	(781.5)	(1,185.8)
Staff Costs	(422.5)	(392.8)	(643.4)
Other Operational Expenses	(53.4)	(49.6)	(93.9)
Total Operational Expenses	**(3,092.8)**	**(2,897.0)**	**(4,775.2)**
Operational Cash Flow (EBITDA)[7]	**416.1**	**345.2**	**623.9**
Depreciation and Amortisation	(167.1)	(154.3)	(249.2)
Provisions and Impairment Losses	(12.7)	(7.1)	(21.6)
Operational Profit (EBIT)	**242.9**	**187.0**	**359.1**
Net Financial Expenses	(65.0)	(63.8)	(127.3)
Share of Results of Associated Undertakings	3.4	1.6	2.1
Investment Income	51.7	61.6	104.0
Profit before Taxation	**232.9**	**186.5**	**337.9**
Taxation	(47.4)	(31.3)	(63.3)
Profit for the Period	**185.6**	**155.2**	**274.6**
Attributable to Equity Holders of Sonae	122.7	111.3	193.8
Attributable to Minority Interests	62.8	43.8	80.8

[6] Excluding the contributions of the Wood Based Panels business and of the Retail business operations in Brazil, the investment income generated on the sale of the shareholding in Imocapital/Gescartão, and considering the change in the method of consolidating the Shopping Centres business from full to proportionate.

[7] Operational Cash Flow (EBITDA) = Operational Profit (EBIT) + Depreciation and Amortisation + Provisions and Impairment Losses – Reversal of Impairment Losses (included in Other Operational Income and amounting to 6.5 M. € in 9M'06 and 3.2 M. € in 9M'05 pro-forma).

CONSOLIDATED PROFIT AND LOSS ACCOUNTS
FOR THE QUARTERS ENDED 30 SEPTEMBER 2006 AND 30 SEPTEMBER 2005

Values in million Euro

	Q3'06	Q3'05 Pro-forma[8]	Q3'05
Turnover	1,158.1	1,077.5	1,737.5
Value created on Investment Properties	0.9	(0.5)	(0.9)
Other Operational Income	99.1	89.0	130.2
Total Operational Income	**1,258.0**	**1,166.0**	**1,866.8**
Cost of Goods Sold and Materials Consumed	(669.9)	(622.9)	(1,016.1)
Change in Stocks of Finished Goods and Work in Progress	3.7	2.3	(2.1)
External Supplies and Services	(294.1)	(288.4)	(424.7)
Staff Costs	(137.1)	(135.2)	(219.0)
Other Operational Expenses	(18.0)	(14.6)	(26.4)
Total Operational Expenses	**(1,115.4)**	**(1,058.8)**	**(1,688.3)**
Operational Cash Flow (EBITDA)[9]	**138.7**	**107.0**	**176.4**
Depreciation and Amortisation	(56.9)	(50.2)	(82.6)
Provisions and Impairment Losses	(7.0)	(2.6)	(4.7)
Operational Profit (EBIT)	**78.7**	**54.4**	**91.2**
Net Financial Expenses	(23.8)	(22.9)	(42.9)
Share of Results of Associated Undertakings	1.0	0.5	0.9
Investment Income	2.4	9.2	9.2
Profit before Taxation	**58.2**	**41.3**	**58.4**
Taxation	(13.4)	(8.9)	(12.1)
Profit for the Period	**44.8**	**32.4**	**46.3**
Attributable to Equity Holders of Sonae	37.7	27.1	29.1
Attributable to Minority Interests	7.1	5.4	17.2

[8] Excluding the contributions of the Wood Based Panels business and of the Retail business operations in Brazil, the investment income generated on the sale of the shareholding in Imocapital/Gescartão, and considering the change in the method of consolidating the Shopping Centres business from full to proportionate.

[9] Operational Cash Flow (EBITDA) = Operational Profit (EBIT) + Depreciation and Amortisation + Provisions and Impairment Losses – Reversal of Impairment Losses (included in Other Operational Income and amounting to 3.9 M. € in Q3'06 and 0.2 M. € in Q3'05 pro-forma).

CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2006 AND AS AT 31 DECEMBER 2005

Values in million Euro

	30.09.2006	31.12.2005
Investment Properties	1,513.3	1,357.4
Tangible Assets	2,015.8	1,908.1
Intangible Assets	318.6	321.5
Goodwill	241.6	245.6
Investments	277.1	157.6
Deferred Tax Assets	109.3	108.5
Other Non-Current Assets	30.3	35.8
Total Non-Current Assets	**4,506.1**	**4,134.5**
Stocks	479.3	460.5
Trade Debtors and Other Current Assets	616.1	788.7
Investments	12.0	10.7
Cash and Cash Equivalents	201.3	912.3
Total Current Assets	**1,308.7**	**2,172.2**
TOTAL ASSETS	**5,814.8**	**6,306.7**
Equity Attributable to Equity Holders of Sonae	1,224.0	1,140.7
Equity Attributable to Minority Interests	428.8	394.7
Total Equity	**1,652.7**	**1,535.4**
Borrowings	2,164.4	1,848.6
Deferred Tax Liabilities	269.4	238.2
Other Non-Current Liabilities	177.6	640.9
Total Non-Current Liabilities	**2,611.3**	**2,727.7**
Borrowings	224.9	694.5
Trade Creditors and Other Current Liabilities	1,323.5	1,346.8
Provisions	2.3	2.3
Total Current Liabilities	**1,550.8**	**2,043.6**
Total Liabilities	**4,162.0**	**4,771.3**
TOTAL EQUITY AND LIABILITIES	**5,814.8**	**6,306.7**

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INFORMATION AVAILABLE ON THE INTERNET

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