

Sonae SGPS, S.A.

Lugar do Espido Via Norte Apartado 1011
4470-909 Maia Portugal
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www.sonae.pt



SONAE - SGPS, S. A.

Head Office: Lugar do Espido, Via Norte, Maia
Share Capital: € 2,000,000,000.00
Maia Commercial Registry Number 500273170
Fiscal Number 500273170
Sociedade Aberta

ANNOUNCEMENT OF MATERIAL EVENT

It is hereby announced that, on this date, SONAE has required the publication of the announcement which content is attached hereto.

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SONAE - SGPS, S.A.

Sociedade Aberta

Head Office: Lugar do Espido, Via Norte, Maia
Share Capital: € 2 000 000 000
Maia Commercial Registry Number 500273170
Fiscal Number 500273170

TENDER OFFER IN RELATION TO SHARES REPRESENTING THE SHARE CAPITAL OF

MODELO CONTINENTE, S.G.P.S., S.A.

Head Office: Rua João Mendonça, n.º 529, Senhora da Hora, Matosinhos
Share Capital: 1.100.000.000 Euros
Porto Commercial Registry Number 501 532 927
Fiscal Number 501 532 927

**In the terms set forth in article 490º of the Portuguese Companies Code (Código das
Sociedades Comerciais)**

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SONAE, S.G.P.S., S.A., (hereinafter the Offeror), as the holder, together with a wholly-owned subsidiary which holding, accordingly to article 483º 2) of the Portuguese Companies Code (Código das Sociedades Comerciais) referred to on article 490º 2) of the said Code, is attributable to Sonae, of 1.093.834.387 shares representing circa 99,44% of the share capital of Modelo Continente, SGPS, S.A., (hereinafter the Target Company), according to the terms set forth in number 2 of article 490º of the Portuguese Companies Code (Código das Sociedades Comerciais), hereby launches a tender offer, over the remaining shareholders of the Target Company, in respect of 6.165.613 shares representing circa 0,56% of the share capital and voting rights, held by such shareholders, in the following terms and conditions:

1. The tender offer consideration shall be Eur. 2.05 (two euros and five cents) per share, payable in cash;
2. According to the terms set forth in number 2 of article 490º of the Portuguese Companies Code (Código das Sociedades Comerciais) the said consideration is supported by an Independent Auditor's Report, which was deposited in the Commercial Registration Offices of the Companies and which is subject to consultation in the Head Offices of the Offeror and of the Target Company;
3. the Tender Offer shall be in force from 11 of October 2006 to 13 of October 2006, between 8.00 and 15.00 hours;
4. The shareholders of the Target Company who wish to accept the tender offer of SONAE S.G.P.S., S.A. shall, during the Offer period, transmit the necessary instructions to the financial institutions in which the shares representing the share capital of the Target Company hold by such shareholder are registered. BANCO B.P.I., S.A. is the financial institution responsible for the services connected with the execution of the Offer;
5. For the purpose of 3 and 4 of article 490º of the Portuguese Companies Code (Código das Sociedades Comerciais), the Offeror hereby declares that after the deposit of the consideration and once the abovementioned Offer period lapses, it will proceed to the compulsory acquisition of the shares representing the share capital of Modelo Continente held by shareholders who have not accepted the Offer hereby announced, by means of the registration of such acquisition in the relevant Commercial Registration Office.
6. Once that the Offer period lapses and the registration of the upper referred acquisition in behalf of **SONAE S.G.P.S., S.A.** is executed, the former shareholders of **MODELO CONTINENTE, S.G.P.S., S.A.** can receive the consideration, of €2,05 (two euros and

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five cents) per share which, according to the terms set forth in 4 of article 490º, is deposited in BANCO BPI, S.A.

Maia, 6th October 2006

SONAE, S.G.P.S., S.A.”

Maia, 6 October 2006

The Representative for Capital Market Relations