



Press Release – October 30th 2003

In the third quarter of 2003

- **Establishment of one of the major European Real Estate Funds – the SIERRA Fund. The sale of 49,9% of the Fund generated €96,5 million in Extraordinary Profits**
- **Inauguration of the Cascaishopping Expansion (Cascais, Portugal)**
- **Accumulated Net Consolidated Profits reach €170,5 million, a 68% increase**

SIERRA Fund

Sonae Imobiliária has established, on September 30th 2003, with effects reported to June 30th this year, a pan-European real estate investment fund, the “Sonae Imobiliária European Retail Real Estate Asset Holdings B.V.” (SIERRA Fund), which now holds 18 of its shopping centres under operation. These centres are located in Portugal and Spain and their market value is about €2.4 billion (assuming 100% detention) and the participation of the SIERRA Fund is approximately €1.3 billion.

As part of the transaction, investors have entered into agreements with the Company to acquire 49.9% of the SIERRA Fund and provide commitments for a four-year period to facilitate the SIERRA Fund’s acquisition of new assets, namely the 20 centres that are currently being developed by Sonae Imobiliária, once the assets meet certain criteria.

The Company will retain ownership of 50.1% of the SIERRA Fund through out its expected ten-year life, demonstrating an ongoing commitment to the incumbent assets and the development pipeline.

Given the Company’s commitment to retain ownership of 50.1% of the SIERRA Fund, the shopping centres now held by the Fund are still included in Sonae Imobiliária’s consolidated accounts with the ownership percentage previous to the establishment of the Funds, while the Company now recognizes Minority Interests.

The sale of 49.9% of the SIERRA Fund to institutional investors has provided, during the month of October, € 346 million in sale results and has generated, in the third quarter of this year, an indirect profit from investments that reached €96,5 million.

Financial Situation and Results

The accumulated Consolidated Liquid Results after Minority Interests reached €170,5 million, a 68% increase in comparison to the € 101,6 million obtained in the same period of the previous year. These Consolidated Liquid Results included, on September

30th 2002 the benefits from the opening of two shopping centres (Parque D. Pedro – Campinas, SP, Brazil - in March 2002, and Plaza Mayor – Malaga, Spain - in April 2002) and the activities of SPEL (Parking Lots) and Praedium (Residential Developments) which have been alienated in the meantime.

The accumulated Consolidated Liquid Results in the third quarter of 2003 were positively influenced by the sale of 50% of the Vasco da Gama to ING Real Estate, in March 2003, which generated €25,6 million in Indirect Net Profits from Investments, and the establishment of the SIERRA Fund last September, which generated €96,5 million.

In total, in the third quarter of 2003 Sonae Imobiliária obtained a total of €173,7 million in Direct Profits, a decrease of 1,5% in comparison to the same period of last year. However, it should be noted that the profits of the first nine months of 2002 included the gains from the sale of Praedium (Residential Developments), SPEL's activity (Parking Lots), and the acknowledgment of the profits related to the opening of Parque D. Pedro (Campinas, SP, Brazil), and 100% of Centre Vasco da Gama.

Operational Cash-flow (EBITDA) reached €67 million, 4% less in comparison to the same period of the previous year (€69,8 million). This behaviour was influenced by the sale of 50% of Centre Vasco da Gama to ING Real Estate – with the consequent rent and service remuneration reduction in comparison to 2002, and the lack of new shopping centre openings in 2003. If the accumulated EBITDA of the third quarter of 2002 were adjusted to these factors, it would have reached €59,1 million.

Even not considering the gains from the selling price of the SIERRA participation Indebtedness decreased from €697 million as of December 31th 2002 to €624 million as the end of the third quarter, due to the reduction of the position in Vasco da Gama to 50%, which corresponds to a 28,7% gearing over the assets' market value (38% in 2002). This reflects the Company's sound financial situation.

Total rental income increased in the Centres held

In what concerns Sonae Imobiliária's portfolio of held or co-held shopping centres, the performance is still positive, considering the current economic situation.

In Portugal, the total rental income increased by 3,4% during the third quarter of 2003 versus the same period of last year and the sales were stable despite a slight decrease (2,1%) in visits.

CascaíShopping's expansion was, as scheduled, successfully inaugurated on September 14th, which meant an increase of 7 thousand m² of GLA and 38 new shops.

In Spain, the total rental income increased by 15,4% versus the same nine month period of 2002, sustained by a 15,5% sales increase and a 5,3% increase in visits. Notice that Plaza Mayor (Malaga) opened in April 2002 and the Max-Centre (Bilbao) leisure area opened in July 2002, in a "like for like" basis total rental income increased by 9,6%, the sales increased by 11,2% and 2,6 % increase in visits.

As for the portfolio in Brazil, the total rental income increased by 30,5% in Reais, against the same period of last year. Notice that Parque D. Pedro opened in March 2002, and therefore, in like-for-like terms the growth was 4,3%.

The marketing and development of new Shopping and Leisure Centres in Portugal and abroad continue

During the third quarter, the construction and marketing of Parque Atlântico (Ponta Delgada, Azores) and Estação Viana (Viana do Castelo), both being co-developed with local partners, progressed as planned and Parque Atlântico was inaugurated last October 15th. Estação Viana is scheduled to open on November 18th.

Coimbra Retail Park (scheduled to open on November 11th 2003) and Setúbal Retail Park (awaiting building license) are the company's second and third investments of this type in Portugal, co-developed with Miller Developments.

Globally, these four projects under development in Portugal represent an investment of approximately €122 million.

Strong bet in Spain, with an investment of over €400 million

In Spain, the development of a several projects in different parts of the country progresses in good rhythm. Together, they represent an investment of over € 400 million.

In Madrid, the construction and marketing of shopping and leisure centre Avenida M40, a joint development with Eroski Group (40%), continues, and is scheduled to open next spring.

Also in partnership with the Eroski Group, building continues at the Plaza Éboli shopping and leisure centre in Pinto, in the region of Madrid region, Dos Mares, in S. Javier, region of Murcia, and Luz del Tajo, in Toledo. These centres will be ready by the end of 2004.

In *joint venture* with ING Developments (50%) construction continues at Shopping and leisure centre Zubiarte, in Bilbao, and its marketing is being very successful. It's scheduled to open in the Fall of 2004.

In Malaga, Sonae Imobiliária, together with Castle City (25%), is awaiting the license to begin building Plaza Mayor Shopping.

In the rest of Europe, new project development progresses

A number of other important projects are already under development in other European countries, confirming the company's strong bet in this market, namely in Germany (3DO, in Dortmund, and Alexanderplatz, in Berlin), in Austria (Vienna Mitte, Vienna), in Greece (Aegean Park, in Atenas, and Mediterranean Cosmos, in Thessalonica), and in Italy (Brescia Centre, Brescia, and Pavia Centre, Pavia).

Cautious investment in Brazil

In Brazil, where Sonae Imobiliária continues to analyze other investment opportunities, with due caution because of the country's financial situation, the building and marketing of Boavista Shopping, in the city of São Paulo, Santo

Amaro area, and of the Shopping Penha expansion, in the east side of the city of São Paulo progress. Both are scheduled to open in 2004.

Shopping Centres under management show high performance

Sonae Imobiliária's activity managing, developing and marketing shopping and leisure centres (1.509.158 m² de GLA) has continued to grow.

In Portugal, by the end of the third quarter, Sonae Imobiliária had 877.101 m² of GLA under management. The number of visits, during the first nine months of 2003, reached over 190,1 million.

In Spain, during the second quarter of 2003 we began managing Parque Principado, in Oviedo. Our management portfolio (350.963 m² of GLA) has shown good performance in the third quarter of 2003, with an increase in sales of 15,5%.

Since last April, Sonae Imobiliária has started managing the Orio Centre (Bergamo), a centre with 56.901 m² of GLA, held by the German Fund CGI.

The performance of the company's shopping centre portfolio in Brazil was also positive, with a total of 224.532 m² of GLA, in six shopping centres. The number of visits rose to 41,8 million (a 3,6% increase in comparison to the third quarter of 2002) and generated sales of over 777,2 million in Reais (€225 million), representing a 47,9% growth (in Reais), against the same period of 2002. On an equivalent basis, the number of visits has decreased 3,8% and sales have grown 6,8%.

More awards rewarding Sonae Imobiliária and its Centres

During this year Sonae Imobiliária won the PROCOS 2003 Prize for the best real estate developer and investor of the year in Europe.

The Plaza Mayor (Malaga, Spain) has won the ICSC award for the 'Best Specialized Shopping Centre'.

Once again, the company's strong dynamics and constant concern regarding innovative and quality products has been acknowledged internationally.

Annex: Demonstration of Consolidated Profits, Consolidated Balance Sheet and Business Results (nom-audited).

Sonae Imobiliária

Consolidated Profit and Loss Account (€000)	Actual 3Q2003	Actual 3Q2002	Var. %
Total Direct Income from Investments	173.662	176.357	-1,5%
Total Direct Costs from Investments	106.668	106.565	0%
EBITDA	66.994	69.792	-4,0%
Depreciation	4.393	1.386	217%
Net Financial Costs	20.253	17.723	14%
Negative FX Financial Results		-7.093	n.a
Direct Profits	42.348	43.591	-3%
Corporate Tax	16.261	9.828	65%
Direct Net Profits from Investments	26.087	33.762	-23%
Total Indirect Income from Investments	173.203	111.524	55%
Indirect Income from valuation of Investments (IAS 40)	51.061	111.524	-54%
Indirect Income from gains on sale of Investments	122.141	0	n.a
Deferred Taxes	20.604	39.698	-48%
Indirect Net Profit from Investments	152.599	71.826	112%
Total Net Profit	178.686	105.589	69%
Minorities	8.171	3.988	105%
Total Net Profit after Minorities	170.515	101.600	68%

Sonae Imobiliária

Consolidated Balance Sheet (€000)	Actual 30 Set 03	Actual 31 Dec 02	Var. %
Investment Properties	1.472.840	1.498.889	-2%
Properties Under Development	260.047	176.323	47%
Goodwill	20.778	19.424	7%
Other Assets	498.987	159.134	214%
Cash	94.701	90.670	4%
Total Assets	2.347.352	1.944.440	21%
Net Worth	858.070	697.889	23%
Minorities	171.315	26.117	n.a
Loans	740.645	787.437	-6%
Other Liabilities	279.823	134.183	109%
Deferred Taxes	297.500	298.815	0%
Total Liabilities	1.317.968	1.220.434	8%
Net Worth, Minorities and Total Liabilities	2.347.352	1.944.440	21%

Sonae Imobiliária Assets

Profit & Loss Account				
(€000)		Actual	3Q2003 Actual	3Q2002
				Var. %
Fixed Rental Income		70.657	60.439	17%
Turnover Rental Income		4.031	5.086	-21%
Key-Money Income		6.433	7.772	-17%
Other Rental Mall Income		1.833	1.702	8%
Other Income		427	428	0%
Total Shopping Centre Operating Income		83.380	75.426	11%
Property Management Services		4.647	4.009	16%
Common Charges from Vacant Units		677	534	27%
Letting & Marketing Costs		959	3.117	-69%
Property Taxes		2.150	2.292	-6%
Capital Expenditures		3.662	2.234	64%
Centre Owner Contrib. to Promotion Funds		325	499	-35%
Contract Renewal Costs		1.074	857	25%
Other Costs		3.701	3.751	-1%
Total Shopping Centre Operating Costs		17.193	17.293	-1%
Shopping Net Operating Margin		66.187	58.132	14%
Parking Income		3.861	5.227	-26%
Parking Costs		1.624	2.384	-32%
Parking Net Operating Margin		2.237	2.842	-21%
Co-generation Income		2.111	1.792	18%
Co-generation Costs		1.418	1.268	12%
Co-generation Net Operating Margin		693	525	32%
Total Shop. Centre Net Operating Margin		69.117	61.500	12%
Office Income		267	904	-70%
Office Costs		37	44	-15%
Offices Net Operating Margin		230	860	-73%
Asset Management Fees (Net)		1.014	863	18%
Total Net Income from Serv. Rendered		1.014	863	18%
General Supplies and Services		4.888	5.709	-14%
Personnel Costs		352	272	29%
Total Overheads		5.240	5.981	-12%
Gross Operating Results		65.121	57.241	14%
Depreciation		2.387	210	-
Provisions		263	49	-
Operating Results		62.470	56.982	10%
Financial Income		9.017	5.609	61%
Financial Costs		30.605	23.925	28%
Financial Results		(21.587)	(18.316)	-18%
Current Results		40.883	38.666	6%
Other Non-Recurring Income		2.666	3.406	-22%
Other Non-Recurring Costs		2.765	409	-
Results Before Corporate Taxes		40.784	41.663	-2%
Corporate Taxes		16.582	8.882	87%
Direct Profits		24.202	32.781	-26%
Realized Property Profit		122.457	0	-
Non -Realized Property Profit (IAS 40)		40.217	72.285	-44%
Total Indirect Income from Investments		162.673	72.285	125%
Deferred Tax		16.485	27.159	-39%
Indirect Profit		146.188	45.127	224%
Net Profit		170.391	77.907	119%
Minorities		7.813		-
Net Profit after Minorities		162.578	77.907	109%

Sonae Imobiliária Development

Profit & Loss Account (€000)	Actual 3Q2003	Actual 3Q2002	Var. %
Project Development Services Rendered	4.801	5.484	-12%
Operating Costs	12.464	7.958	57%
General Supplies and Services	7.820	4.554	72%
Personnel Costs	4.582	3.333	37%
Other Costs	62	71	-13%
Gross Operating Results	(7.663)	(2.474)	-210%
Depreciation	374	40	-
Provisions	17	0	-
Non-Recurrent Operating Results	(33)	43	-176%
Operating Results	(8.086)	(2.471)	-227%
Financial Income	3.826	633	-
Financial Costs	3.406	193	-
Financial Results	420	440	-5%
Current Results	(7.666)	(2.031)	-277%
Other Non-Recurring Income/(Costs)	(59)	0	-
Results Before Corporate Taxes	(7.726)	(2.031)	-280%
Corporate Taxes	(2.550)	(836)	-205%
Direct Net Profits	(5.176)	(1.196)	-333%
Realized Property Profit (IAS 40)	0	1.947	-
Non - Realized Property Profit (IAS 40)	5.493	6	-
Total Indirect Income from Investments	5.493	1.954	181%
Deferred Tax	1	623	-100%
Indirect Net Profit from Investments	5.493	1.331	313%
Net Profit	316	135	134%

Sonae Imobiliária Property Management

Profit & Loss Account (€000)	Actual 3Q2003	Actual 3Q2002	Var. %
Property Management Fees	11.864	9.486	25%
Letting Services Fees	3.066	1.554	97%
Other Income	1.109	1.123	-1%
Total Income from Prop. Management Services	16.039	12.163	32%
Common Charges Operating Differences	(40)	(32)	-24%
General Supplies and Services	6.105	5.670	8%
Personnel Costs	4.634	2.780	67%
Overheads	10.739	8.450	27%
Gross Operating Results	5.261	3.681	43%
Depreciation	1.096	245	347%
			-
Operating Results	4.165	3.436	21%
Financial Income	816	796	2%
Financial Costs	354	54	-
Financial Results	462	742	-38%
Other Non-Recurring Income/(Costs)	(121)	152	-180%
Results Before Corporate Taxes	4.506	4.330	4%
Corporate Taxes	1.777	1.550	15%
Net Profit	2.728	2.780	-2%

Sonae Imobiliária Brasil

Profit & Loss Account (€ 000)	Actual 3Q2003	Actual 3Q2002	Var. %
Fixed Rental Income	5.878	4.530	30%
Turnover Rental Income	350	490	-29%
Key-Money Income	514	5.809	-91%
Other Income	181	243	-25%
Total Shopping Centre Operating Income	6.923	11.073	-37%
Property Management Services	160	157	2%
Common Charges from Vacant Units	450	800	-44%
Letting & Marketing Costs	127	3.795	-97%
Income Tax	332	476	-30%
Centre Owner Contributions to Promotion Funds	143	383	-63%
Other Costs	224	526	-57%
Total Shopping Centre Operating Costs	1.435	6.137	-77%
Parking Income	60	79	-24%
Parking Costs	52	69	-24%
Parking Net Operating Margin	8	10	-20%
Centre Net Operating Margin	5.496	4.946	11%
Income from Project Development Services	429	355	21%
Income from Property Management Services	1.068	1.094	-2%
Total Income from Service Rendered	1.497	1.449	3%
General Supplies and Services	1.292	775	67%
Personnel Costs	1.188	1.067	11%
Structure Costs	2.480	1.842	35%
Gross Operating Results	4.513	4.552	-1%
Depreciation	67	60	11%
Provisions	593	246	141%
Operating Results	3.853	4.246	-9%
Financial Income	578	628	-8%
Financial Costs	873	8.071	-89%
Financial Results	(294)	(7.443)	96%
Current Results	3.559	(3.197)	211%
Other Non-Recurring Income	17	3.553	-100%
Other Non-Recurring Costs	1.705	2.764	-38%
Direct Results Before Corporate Taxes	1.872	(2.408)	178%
Corporate Taxes	746	564	32%
Direct Profits	1.125	(2.972)	138%
Non -Realized Property Profit (IAS 40)	10.623	30.051	-65%
Total Indirect Income from Investments	10.623	30.051	-65%
Deferred Tax	3.721	9.244	-60%
Indirect Profit	6.902	20.807	-67%
Total Net Profit	8.028	17.835	-55%

Maia, October 30th 2003

The Board of Directors