



Press Release – October 29th 2004

For the nine months ended 30 September 2004

Sonae Imobiliária records net profit of €45.32 million

- **Direct Profits grew 36% to €35.5 million**
- **EBITDA grew 12.6% to €75.44 million**
- **Sale of 50% of Parque Atlântico to the SIERRA Fund for €26.1 million**
- **Opening of Luz del Tajo in Toledo, Spain**

The consolidated net profits (after minority interests) of Sonae Imobiliária totalled €45.32 million for the third quarter 2004, compared to €170.52 million for the same period of last year. However, last year's figure was impacted both, by the set up of the SIERRA Fund (September), and by the 50% sale of Centro Vasco da Gama (March).

In consolidated terms, Sonae Imobiliária ended the third quarter of 2004 with Direct profits of €35.5 million, equal to an increase of 36% compared to the same period of last year.

Consolidated operational cash flow (EBITDA) reached €75.44 million compared to €66.99 million in the third quarter of 2003, an increase of 12.6%, despite the sale of 50% of Centro Vasco da Gama to ING Real Estate in March 2003, with the consequent reduction in rents and other income. EBITDA was positively influenced by the openings of Parque Atlântico (Azores, Portugal), Coimbra Retail Park (Coimbra, Portugal), Estação Viana (Viana do Castelo, Portugal) and the opening of the expansion of CascaiShopping (Cascais, Portugal) in 2003, as well as by the openings of Dos Mares (Murcia, Spain), Avenida M40 (Madrid, Spain) and Boavista Shopping (São Paulo, Brazil) during the current year. Late last September, and therefore not influencing the EBITDA, Shopping and Leisure Centre Luz del Tajo, in Toledo, Spain, was inaugurated, representing an investment of €77 million.

Also in September 50% of Parque Atlântico, in the Azores, was sold to the SIERRA Fund for €26.1 million, which generated a profit of €0.9 million.

The consolidated Balance Sheet shows the sound financial position of Sonae Imobiliária. Gearing (measured as net indebtedness as a percentage of total assets less cash and equivalents) was 26.3% as at 30 September 2004, a very favourable percentage for this type of business.

Rental Income continues to grow

The overall performance of Sonae Imobiliária's shopping and leisure centres (owned or co-owned) was positive and in line with expectations.

In Portugal, the total rental income of Sonae Imobiliária's 14 shopping and leisure centres, 1 retail park and 2 commercial galleries increased 13.9% compared to the same period of 2003. It should be noted that Parque Atlântico (Azores), Estação Viana (Viana do Castelo) and Coimbra Retail Park (Coimbra) opened during the fourth quarter of 2003. On a like-for-like basis, total rental income increased 6.7%.

In Spain, Sonae Imobiliária is the owner (or co-owner) of 9 shopping and leisure centres, with a total of 427 thousand m² of GLA. Total rental income increased 11.8% compared to the same period of 2003. It should be noted that Dos Mares (Murcia), Avenida M40 (Madrid) and Luz del Tajo opened during 2004. On a like-for-like basis, total rental income increased 2.1%.

In Brazil, Sonae Imobiliária owns or co-owns 7 shopping centres after the opening of Boavista Shopping, in São Paulo, last April. Representing a total GLA of 242 thousand m². Total rental income from the Brazilian portfolio increased 14.1% in Brazilian real, compared to the same period last year. On a like-for-like basis, growth was 10.3%.

Developments being marketed in national territory

During the third quarter of 2004, the construction and marketing of the three Shopping Centres under development, Covilhã Shopping (Covilhã), LoureShopping (Loures), and Rio Sul (Seixal), continued as planned. These centres are expected to open from the autumn of 2005 onwards.

In the meantime, the proceedings required for the beginning of the construction of Setúbal Retail Park, a joint development with Miller Developments, are underway.

Reinforcement in Spain

The construction and marketing of the shopping and leisure centre Zubiarte, Bilbao, are proceeding at a brisk pace. This joint venture between Sonae Imobiliária and the ING Group (50/50) is scheduled to open on 26 November. This project represents an investment of €83.4 million.

Construction and marketing continues at Plaza Éboli shopping and leisure centre in Pinto (Madrid region). The centre, in partnership with the Eroski Group (65/35), is scheduled to open in the spring of 2005, and represents an investment of €55.5 million.

Construction of Plaza Mayor Shopping, Málaga, an expansion of the Plaza Mayor Leisure Centre, is expected to begin by the end of the current year. This development is a joint venture with Castle City (75/25)

New international developments

The ALEXA shopping and leisure centre, at Alexander Platz in Berlin, is being developed in joint venture with Foncière Euris. An excavation license has already been obtained, and construction is expected to start before year-end. Meanwhile, the development of the second shopping and leisure centre in Germany, the 3DO, in Dortmund, continues.

A set of other important developments are also progressing in other European countries, namely in Greece (Aegean Park, in Athens, and the Mediterranean Cosmos, in Thessalonica), and in Italy (Brescia Centre, in Brescia).

In Brazil, the expansion and renovation of the Shopping Penha (east side of São Paulo) is almost concluded.

Shopping Centres under management increase activity

The Property Management business continued to expand during the first nine months of 2004. The business now manages more than 1,7 million m² of GLA.

In Portugal, by the end of the third quarter of 2004, Sonae Imobiliária managed 936 thousand m² of GLA. Compared to the same period of 2003, sales grew 10.1% and visits increased 4.1%. On a like for like basis, sales grew 4.3% and visits 0.4%.

In Spain, after the opening of Luz del Tajo (Oviedo), the management portfolio now includes 10 shopping centres and 2 galleries. Sonae Imobiliária currently manages 482 thousand m² of GLA. Performance was positive during the period under analysis with a 19.4% increase in sales and 13.7% increase in visits. On a like-for-like basis, sales and visits increased 6.9% and 2.1%, respectively.

In Italy, Sonae Imobiliária manages in a joint venture with Espansione Commerciale, the Orio Centre in Bergamo, one of the largest Shopping Centres in Italy. In view of the economic situation in Italy, the performance of the centre is considered reasonable with visits and sales at the same level as last year. The Company signed contracts with Pirelli Real Estate to become the property manager of two new shopping centres to be inaugurated early 2005.

In Brazil, visits increased 11.3% over the same period of 2003), with sales increasing 16.6% (in Brazilian real) compared to the same period of 2003. On a like-for-like basis, visits increased 5.9% and sales increased 13.8%.

Annexe: Consolidated Financial Statements.

Sonae Imobiliária

Consolidated Profit and Loss Account (€000)	3Q04 YTD	3Q03 YTD	% 04/03
Direct Income from Investments	132.374	117.810	12,4%
Operating costs	53.302	38.222	39%
Other costs	3.630	12.594	-71%
Direct costs from investments	56.931	50.816	12%
EBITDA	75.442	66.994	12,6%
Depreciation	3.455	4.393	-21%
Recurrent net financial costs	24.744	20.253	22%
Direct profit before taxes	47.243	42.348	12%
Corporate tax	11.743	16.261	-28%
Direct profit	35.501	26.087	36%
Realized on properties	457	122.141	-100%
Value created on investments	53.941	51.061	6%
Indirect income	54.398	173.203	-69%
Deferred tax	13.987	20.604	-32%
Indirect profit	40.411	152.599	-74%
Net profit before minorities	75.912	178.686	-58%
Minorities	30.594	8.171	274%
Net profit	45.318	170.515	-73%

Sonae Imobiliária

Consolidated Balance Sheet (€000)	30-09-2004	31-12-2003	Var. (04 - 03)
Investment properties	1.827.541	1.582.306	245.235
Properties under development and others	189.589	231.088	-41.499
Goodwill	8.666	9.484	-818
Deferred taxes	18.392	17.513	879
Other assets	120.790	134.044	-13.253
Deposits	258.925	290.267	-31.342
Total assets	2.423.903	2.264.701	159.202
Net worth	788.165	747.220	40.945
Minorities	235.327	194.630	40.697
Bank loans	828.442	764.778	63.664
Shareholder loans from minorities	118.641	135.966	-17.325
Deferred taxes	281.953	265.253	16.700
Other liabilities	171.375	156.854	14.521
Total liabilities	1.400.411	1.322.851	77.560
Net worth, minorities and liabilities	2.423.903	2.264.701	159.202