

8th March 2005

2004, the year of international consolidation for Sonae Sierra

In 2004 Sonae Sierra (still then under the name of “Sonae Imobiliária”) consolidated its position as a European specialist in shopping and leisure centres. During the year the company opened five new shopping and leisure centres, four in Spain and one in Brazil, and completed the expansion of a centre in Brazil. Continued, as well, the construction of seven more new shopping and leisure centres.

“2004 was a year of heavy investment and intense activity for the company during which we pursued with great determination our strategy of reinforcing our presence in the various countries where we operate”, stated Álvaro Portela, the CEO of Sonae Sierra.

“Today - he added - at a time when we are adopting a new brand, we look to the future with great optimism and we are ready to continue to be the leader in the development of new trends in the sector, bringing alive every day our commitment: passionate about innovation.”

Main figures

- ◆ EBITDA of €107.64 million (+9.8% compared to 2003);
- ◆ NAV per share of € 32.60 (+11.8%);
- ◆ NAV (Net Asset Value) of € 1.06 billion;
- ◆ Net profit of € 82.25 million. Excluding the extraordinary events of 2003 (set up of SIERRA Fund, the sale of 50% of Vasco da Gama (Lisbon, Portugal) and the reduction of the corporate tax rate in Portugal from 33% to 27,5%), Net profit grew 6%.
- ◆ Asset gearing of 28.8%;
- ◆ Interest cover of 2.67;
- ◆ Five new shopping centres and one expansion completed - Dos Mares (Múrcia, Spain), Avenida M40 (Madrid, Spain), Luz del Tajo (Toledo, Spain), Zubiarte (Bilbao, Spain), BoavistaShopping (São Paulo, Brazil) and the expansion of Shopping Penha (São Paulo, Brazil);
- ◆ Four new projects started construction - Rio Sul (Seixal), Covilhã Shopping (Covilhã), in Portugal; Alexa (Berlin), in Germany; and Frescia Rossa (Brescia), in Italy;
- ◆ Construction continued at three projects- LoureShopping (Loures), in Portugal; Plaza Éboli (Pinto), in Spain; and Mediterranean Cosmos (Thessalonica), in Greece;
- ◆ 1.839 million m2 of Gross Lettable Area (GLA) under management (+17.6%);
- ◆ Owns or co-owns 31 Shopping and Leisure Centres, and one Retail Park in operation, with a total 1.362 million m2 of GLA (+13.2%);
- ◆ 6,100 tenant contracts under management;
- ◆ 410 million visits to shopping centres under management.



Annexe 1 - Sonae Sierra

Performance Indicators	1998	1999	2000	2001	2002	2003	2004
Real Estate NAV as of 31 Dec (€ million)	459	643	752	934	1.037	948	1.060
Real Estate NAV as of 31 Dec per share (€)	12.2	17.2	20.1	24.9	27.7	29.2	32.6
GLA owned in operating centres (000's m ²)	413	563	584	790	1,140	1,203	1,362
GLA under management (000's m ²)	625	893	959	1,128	1,517	1,564	1,839
Number of tenant contracts under management	2,050	3,162	3,450	3,949	5,089	5,399	6,134
Consolidated EBITDA – Portuguese GAAP (€ million)	12.3	54.1	63.4	n.a	n.a	n.a	n.a
Consolidated EBITDA – IAS (€ million)	n.a	n.a	55.1	73.8	95.5	98.1	107.6
Consolidated Net Profit – Portuguese GAAP (€ million)	15	22.6	25.6	n.a	n.a	n.a	n.a
Consolidated Net Profit - IAS (€ million)	n.a	n.a	63.0	120.9	144.4	208.7	82.3

Non-audited accounts

Performance Indicators	Growth (as % of previous year)					
	1999	2000	2001	2002	2003	2004
Real Estate NAV as of 31 Dec per share	40%	17%	24%	11%	5%	12%
GLA (m ²) owned in operating centres	36%	4%	35%	44%	5%	13%
GLA (m ²) under management	43%	7%	18%	35%	3%	18%
Nr. of tenant contracts under management	54%	9%	15%	29%	6%	14%

Non-audited accounts



Sonae Sierra

Consolidated Profit and Loss Account (€000)	2004	2003	% 04/03
Direct Income from Investments	184,586	165,872	11.3%
Operating costs	71,462	60,765	18%
Other costs	5,481	7,039	-22%
Direct costs from investments	76,943	67,805	13%
EBITDA	107,643	98,067	9.8%
Depreciation	6,161	5,624	10%
Recurrent net financial costs	39,23	31,862	23%
Direct profit before taxes	62,252	60,581	3%
Corporate tax	11,497	18,938	-39%
Direct profit	50,755	41,643	22%
Realized on properties	1,654	110,089	-98%
Value created on investments	113,376	86,065	32%
Indirect income	115,029	196,154	-41%
Deferred tax	39,022	-11,279	-
Indirect profit	76,007	207,434	-63%
Net profit before minorities	126,762	249,077	-49%
Minorities	44,511	40,409	10%
Net profit	82,251	208,668	-61%

Non-audited accounts

Sonae Sierra

Consolidated Balance Sheet (€000)	30-12-2004	31-12-2003	Var. (04 - 03)
Investment properties	1,984,733	1,582,306	402,427
Properties under development and others	246,117	231,088	15,029
Goodwill	18,989	9,484	9,506
Deferred taxes	18,885	17,513	1,371
Other assets	125,206	134,044	-8,838
Deposits	245,212	290,267	-45,055
Total assets	2,639,142	2,264,701	374,440
Net worth	821,818	747,220	74,597
Minorities	250,077	194,630	55,447
Bank loans	933,970	764,778	169,192
Shareholder loans from minorities	95,105	135,966	-40,861
Deferred taxes	315,807	265,253	50,554
Other liabilities	222,365	156,854	65,511
Total liabilities	1,567,247	1,322,851	244,396
Net worth, minorities and liabilities	2,639,142	2,264,701	374,440

Non-audited accounts