

9th September 1999

Results more than doubled in the 1st Semester of 1999.

Sonae Imobiliária: Net Consolidated Profit reach PTE 2.1 billion in the 1st Semester

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- Results Before Taxes increase 184.6%, to reach PTE 3.4 billion (€16.8 million)
- Market capitalisation of PTE 115.3 billion (€575.25 million)
- Shopping Centres under management with a total 671.000 m² of Gross Lettable Area (GLA) have 80.4 million visitors

Sonae Imobiliária had Net Consolidated Profit of PTE 2.1 billion (€10.6 million) in the 1st Semester of 1999, which means a growth of 112.5% when compared to the same period in 1998.

The Profit Before Taxes increased 184.6%, to reach PTE 3.4 billion (€16.8 million), and the total income was PTE 18.3 billion (€91.2 million), a growth of 62.2% when compared to last year's 1st semester.

This growth can be attributed to the opening of Norte Shopping in October 1998 and Centro Vasco da Gama, last April, and, furthermore, the increase in rent in those Shopping Centres already active.

The Operating Profit was PTE 2.2 billion (€11.1 million) – 213.7% more than the 1st semester of 1998 – the cash flow was PTE 2.9 billion (€14.3 million).

The decrease in Financial Results is a consequence of increased liabilities to fund the investment programme of the Company, in spite of a reduction in interest rates and re-negotiation of some of four bank loan terms.

Nevertheless, Sonae Imobiliária's Current Results showed a significant growth of 126.8%, relative to the 1st semester of 1998, reaching PTE 2.4 billion (€11.8 million).

The Extraordinary Results reached PTE 508 million (€2.5 million). They arose mainly from the gains realised on the sale of some of Praedium's assets, namely the sale of three companies - Porturbe, SA, Quinta da Covilhã, SA, and Soira, SA, all of which were not considered strategic.

The increase in Minority Interests is the result of the profit generated by Norte Shopping in the first semester of 1999.

By the end of the 1st semester 1999, Sonae Imobiliária continued to enjoy a strong financial position. The Company's gearing (calculated as long term debt plus short term bank finance, both deducted from Cash & Deposits and Short Term Investments) represented 26.3% over assets at historic cost (this also deducted from

Cash & Deposits and Short Term Investments), and 15.5% on the basis of the Company's market capitalisation as of 30/06/1999.

Sonae Imobiliária ended the 1^o semester 1999 with a market capitalisation of PTE 115.3 billion (€575.25 million).

Shopping centres under management with a total of 671.000m² of GLA have 80,4 million visitors

The level of activity of our shopping centres under management, marketing and leasing has continued to grow as a result of the increase in the Company's assets under management.

With the opening of Centro Vasco da Gama, 21st April 1999, Sonae Imobiliária, through its subsidiary Sonae Imobiliária - Gestão, is now managing 9 Shopping Centres that, together with other small centres and galleries, total over 671,000m² of GLA.

As a whole, the portfolio under management received, during the 1st semester of 1999, approximately 80,4 million visitors and represents 2,214 contracts.

Consolidated turnover for Sonae Imobiliária - Gestão, that includes rents, service charges and key money collected from the portfolio under management, grew by 56.6%, to reach PTE 16.2 billion (€81 million).

If we take into consideration only the 9 above mentioned operating shopping centres, the number of visitors for the 1st semester of 1999 was approximately 57,3 million, and sales, PTE 81,2 billion (€404,9 million) (sales of owner occupied units not included). These figures represent 35,8% growth in visitors and approximately 47,9% in sales, when compared to the 1st semester of the previous year.

Rent and other income generated by these assets already operating, grew substantially (43.1%) from approximately PTE 5,4 billion (€26.7 million) in the 1st semester 1998, to PTE 7.7 billion (€38.2 million), in the 1st semester 1999.

This portfolio represents 1,594 units, of which, at the end of the semester, a mere 41 were not let, which means an occupancy rate of 97.4%.

If we exclude Norte Shopping and Centro Vasco da Gama, as they were not operating in the 1st semester last year, the 1st semester 1999 shows a growth in the number of visitors of approximately 3.2% and a growth in sales of approximately 12.6%.

Opening of Centro Vasco da Gama and 1st Phase of the renovation and extension of Cascai Shopping

The opening of Centro Vasco da Gama – that is owned and developed by Sona e Imobiliária and ING Real Estate (the Company's partner in this venture) – was a crucial point in this semester's activity for Sona e Imobiliária.

Located in the area where Expo 98 was held, holding 164 stores and 46,000 m² of GLA (Gross Lease Area), Centro Vasco da Gama had had by the end of June, approximately 4.5 million visitors, and had had sales of over PTE 4.5 billion (€22.6 million) (sales of owner occupied units not included).

In April 1999, at the ICSC Europe '99 (International Council of Shopping Centres), in Madrid, Norte Shopping received an award for the category "Refurbishment/Expansion". This award bears witness to the international recognition of the high quality of another Sona e Imobiliária venture.

Still in April began the first phase of renovation and extension of Cascai Shopping, comprising 21 new units fully let. Cascai Shopping sales (sales of owner occupied units not included) grew by 16.3% in May and June 1999 when compared to the same period in 1998. Phase 2 of the expansion is still under licensing. This phase, together with phase 1 will provide the Shopping Centre with additional 11,000 m² of GLA, 62 new units, 2,000 m² of cinemas and roughly another 1,140 parking spaces.

Grandella, which was already fully let by March, is now operating Sport Zone and Oásis units and a Perfumes & Companhia unit is to open by the end of September. A Valentim de Carvalho unit is to open in mid-October 1999.

New projects and international expansion proceeding steadily

Sona e Imobiliária is also developing several projects in Portugal, namely in Madeira and Algarve, both still under licensing.

Madeira Shopping, where excavations have already begun, will have approximately 18,000 m² of GLA and shall have as anchors a Modelo supermarket and a multiplex

cinema. The investment is expected to total PTE 6.3 billion (€ 31,1 million), to be developed in a partnership (50%/50%) with a local partner. Algarve Shopping will have approximately 40,000m² GLA and will have as anchors a Continente hypermarket and a multiplex cinema. Total investment will be PTE 10,1 billion (€ 50,6 million), not including the hypermarket.

This semester, the joint-venture between Sonae Imobiliária and Miller Developments received the preliminary license from the Sintra Municipality for the project “Sintra Retail Park”, to be located next to IC19 (between Lisbon and Sintra) and which is to have a GLA of 15,000 square meters. Sonae Imobiliária, through its participation in Sintra Retail Park, SA, exercised its option to purchase the land where the first Portuguese Retail Park is to be located.

As for the expansion project, the Company is still searching for opportunities in Europe and Brazil, and it has analysed several opportunities to develop new shopping centres, and to purchase existing centres in those areas.

In this context, the Company purchased two plots of land in Malaga (Spain) in order to develop a retail and leisure centre, to be called Plaza Mayor, with 30,000m² of GLA, anchored by a megaplex cinema. This project will be developed together with our 25% partner Castle City.

In Brazil the Company is continuing to analyse different investment opportunities that have already been identified, as well as possible partnerships with local operators.

In February 1999, Sonae Imobiliária concluded a joint-venture with the Charagionis Group, a major Greek shopping centre developer and retailer, with the intention of jointly developing Shopping Centres in Greece. This agreement resulted in the incorporation of Sonae Charagionis, SA, based in Athens and held 50%/50% by Sonae Imobiliária and by the Charagionis Group. Through this joint-venture both partners want to join forces to develop new shopping centres in the Greater Athens area.

Car Parks: turnover grows by 16.5%

The Car Park business evolved favourably during the 1st semester of 1999. This is both a result of the favourable evolution of those car parks that were already operating and of the opening, in Viseu, of 916 parking meters spaces and 160 places in two aboveground parks (Hospital Velho and Mercado 21 de Agosto). Also important was the opening of the car park at the Centro Vasco da Gama, in Lisbon, with 2.900 parking spaces.

The growth of SPEL – Sonae’s car park specialised company – will continue through new municipal concessions, namely those of Praça do Infante and Avenida da Boavista, both in Oporto where contracts are being finalised.

SPEL's turnover was PTE 347.8 million (€1.7 million), an increase of 16.5% over the 1st semester of 1998.

Praedium:

Torre de S. Gabriel and Condomínio Douro-Foz are commercial successes

During the 1st semester 1999, Praedium – the specialist subsidiary for residential development – has continued to develop the projects that had been begun in 1998.

The construction contracts have been signed and the construction of both residential projects was initiated – Torre de S. Gabriel, in Lisbon next to Centro Vasco da Gama, and the Condomínio Douro-Foz, in Oporto, overlooking the Douro River.

Both pre-sales campaigns were a commercial success, and out of 126 apartments, 114 are already sold in Torre de S. Gabriel and 58 out of 61 apartments in the Condomínio Douro-Foz.

During the 1st semester of 1999, Praedium has sold its interests in Quinta da Covilhã, SA, Porturbe, SA e Soira, SA, and has sold plots of land, which it owned, as both these companies and plots were not thought to be strategic.

FINANCIAL POSITION AND RESULTS

FINANCIAL PERFORMANCE

<u>Consolidated Profit & Loss</u>	1998 1 st semester		1999 1 st semester		Var. %
	<u>Account</u>				
	<u>06-30</u>				
	PTE Million	€ Million	PTE Million	€ Million	
Total Operating Income	11.274	56,2	18.287	91,2	62,2%
Operating Results	709	3,5	2.225	11,1	213,7%
Net Financial Income	330	1,7	133	0,7	-59,7%
Current Results	1.039	5,2	2.358	11,8	126,8%
Associated Companies	-123	-0,6	508	2,5	

ExtraordinaryResults	269	1,3	508	2,5	88,6%
ProfitBeforeTax	1.185	5,9	3.374	16,8	184,6%
MinorityInterests	-4	-0,02	-309	-1,5	
IncomeTax	-185	-0,9	-948	-4,7	411,6%

NetProfit9964,982.11710,6112,5%

<u>Consolidatedbalance</u> <u>sheet</u> <u>06-30</u>	19981st		19991st	
	semester		semester	
	PTE Million	€ Million	PTE Million	€ Million
NetFixedAssets	66.497	331,7	74.608	372,2
NetCurrentAssets	22.465	112,0	25.097	125,1
TotalNetAssets	88.962	443,7	99.705	497,3
Shareholder'sFunds	44.292	220,9	46.316	231,0
MinorityInterests	2.419	12,1	4.292	21,4
TotalNetWorth	46.711	233,0	50.608	252,4
LongTermLiabilities	26.252	130,9	30.763	153,4
ShortTermLiabilities	15.999	79,8	18.334	91,5

TotalLiabilities42.251210,749.097244,9

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