



Press Release – October 30<sup>th</sup> 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

30<sup>th</sup> 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 31<sup>th</sup> 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 14<sup>th</sup>, which meant an increase of 7 thousand m<sup>2</sup> 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 15<sup>th</sup>. Estação Viana is scheduled to open on November 18th.

Coimbra Retail Park (scheduled to open on November 11<sup>th</sup> 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 m<sup>2</sup> de GLA) has continued to grow.

In Portugal, by the end of the third quarter, Sonae Imobiliária had 877.101 m<sup>2</sup> 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 m<sup>2</sup> 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 m<sup>2</sup> 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 m<sup>2</sup> 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<br>(€000)         | Actual<br>3Q2003 | Actual<br>3Q2002 | Var. %       |
|--|------------------|------------------|--------------|
| <b>Total Direct Income from Investments</b>            | <b>173.662</b>   | <b>176.357</b>   | <b>-1,5%</b> |
| <b>Total Direct Costs from Investments</b>             | <b>106.668</b>   | <b>106.565</b>   | <b>0%</b>    |
| <b>EBITDA</b>  | <b>66.994</b>    | <b>69.792</b>    | <b>-4,0%</b> |
| <b>Depreciation</b>                                    | <b>4.393</b>     | <b>1.386</b>     | <b>217%</b>  |
| <b>Net Financial Costs</b>                             | <b>20.253</b>    | <b>17.723</b>    | <b>14%</b>   |
| <b>Negative FX Financial Results</b>                   |                  | <b>-7.093</b>    | <b>n.a</b>   |
| <b>Direct Profits</b>                                  | <b>42.348</b>    | <b>43.591</b>    | <b>-3%</b>   |
| <b>Corporate Tax</b>                                   | <b>16.261</b>    | <b>9.828</b>     | <b>65%</b>   |
| <b>Direct Net Profits from Investments</b>             | <b>26.087</b>    | <b>33.762</b>    | <b>-23%</b>  |
| <b>Total Indirect Income from Investments</b>          | <b>173.203</b>   | <b>111.524</b>   | <b>55%</b>   |
| 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          |
| <b>Deferred Taxes</b>                                  | <b>20.604</b>    | <b>39.698</b>    | <b>-48%</b>  |
| <b>Indirect Net Profit from Investments</b>            | <b>152.599</b>   | <b>71.826</b>    | <b>112%</b>  |
| <b>Total Net Profit</b>                                | <b>178.686</b>   | <b>105.589</b>   | <b>69%</b>   |
| <b>Minorities</b>                                      | <b>8.171</b>     | <b>3.988</b>     | <b>105%</b>  |
| <b>Total Net Profit after Minorities</b>               | <b>170.515</b>   | <b>101.600</b>   | <b>68%</b>   |

Sonae Imobiliária

| Consolidated Balance Sheet<br>(€000)               | Actual<br>30<br>Set 03 | Actual<br>31<br>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%         |
| <b>Total Assets</b>                                | <b>2.347.352</b>       | <b>1.944.440</b>       | <b>21%</b> |
| <b>Net Worth</b>                                   | <b>858.070</b>         | <b>697.889</b>         | <b>23%</b> |
| <b>Minorities</b>                                  | <b>171.315</b>         | <b>26.117</b>          | <b>n.a</b> |
| Loans  | 740.645                | 787.437                | -6%        |
| Other Liabilities                                  | 279.823                | 134.183                | 109%       |
| Deferred Taxes                                     | 297.500                | 298.815                | 0%         |
| <b>Total Liabilities</b>                           | <b>1.317.968</b>       | <b>1.220.434</b>       | <b>8%</b>  |
| <b>Net Worth, Minorities and Total Liabilities</b> | <b>2.347.352</b>       | <b>1.944.440</b>       | <b>21%</b> |

**Sonae Imobiliária Assets**

| <b>Profit &amp; Loss Account</b>               |  |                 |                      |               |
|--|--|-----------------|----------------------|---------------|
| <b>(€000)</b>                                  |  | <b>Actual</b>   | <b>3Q2003 Actual</b> | <b>3Q2002</b> |
|  |  |                 |                      | <b>Var. %</b> |
| 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%            |
| <b>Total Shopping Centre Operating Income</b>  |  | <b>83.380</b>   | <b>75.426</b>        | <b>11%</b>    |
| 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%           |
| <b>Total Shopping Centre Operating Costs</b>   |  | <b>17.193</b>   | <b>17.293</b>        | <b>-1%</b>    |
| <b>Shopping Net Operating Margin</b>           |  | <b>66.187</b>   | <b>58.132</b>        | <b>14%</b>    |
| Parking Income                                 |  | 3.861           | 5.227                | -26%          |
| Parking Costs                                  |  | 1.624           | 2.384                | -32%          |
| <b>Parking Net Operating Margin</b>            |  | <b>2.237</b>    | <b>2.842</b>         | <b>-21%</b>   |
| Co-generation Income                           |  | 2.111           | 1.792                | 18%           |
| Co-generation Costs                            |  | 1.418           | 1.268                | 12%           |
| <b>Co-generation Net Operating Margin</b>      |  | <b>693</b>      | <b>525</b>           | <b>32%</b>    |
| <b>Total Shop. Centre Net Operating Margin</b> |  | <b>69.117</b>   | <b>61.500</b>        | <b>12%</b>    |
| Office Income                                  |  | 267             | 904                  | -70%          |
| Office Costs                                   |  | 37              | 44                   | -15%          |
| <b>Offices Net Operating Margin</b>            |  | <b>230</b>      | <b>860</b>           | <b>-73%</b>   |
| Asset Management Fees (Net)                    |  | 1.014           | 863                  | 18%           |
| <b>Total Net Income from Serv. Rendered</b>    |  | <b>1.014</b>    | <b>863</b>           | <b>18%</b>    |
| General Supplies and Services                  |  | 4.888           | 5.709                | -14%          |
| Personnel Costs                                |  | 352             | 272                  | 29%           |
| <b>Total Overheads</b>                         |  | <b>5.240</b>    | <b>5.981</b>         | <b>-12%</b>   |
| <b>Gross Operating Results</b>                 |  | <b>65.121</b>   | <b>57.241</b>        | <b>14%</b>    |
| Depreciation                                   |  | 2.387           | 210                  | -             |
| Provisions                                     |  | 263             | 49                   | -             |
| <b>Operating Results</b>                       |  | <b>62.470</b>   | <b>56.982</b>        | <b>10%</b>    |
| Financial Income                               |  | 9.017           | 5.609                | 61%           |
| Financial Costs                                |  | 30.605          | 23.925               | 28%           |
| <b>Financial Results</b>                       |  | <b>(21.587)</b> | <b>(18.316)</b>      | <b>-18%</b>   |
| <b>Current Results</b>                         |  | <b>40.883</b>   | <b>38.666</b>        | <b>6%</b>     |
| Other Non-Recurring Income                     |  | 2.666           | 3.406                | -22%          |
| Other Non-Recurring Costs                      |  | 2.765           | 409                  | -             |
| <b>Results Before Corporate Taxes</b>          |  | <b>40.784</b>   | <b>41.663</b>        | <b>-2%</b>    |
| Corporate Taxes                                |  | 16.582          | 8.882                | 87%           |
| <b>Direct Profits</b>                          |  | <b>24.202</b>   | <b>32.781</b>        | <b>-26%</b>   |
| Realized Property Profit                       |  | 122.457         | 0                    | -             |
| Non -Realized Property Profit (IAS 40)         |  | 40.217          | 72.285               | -44%          |
| <b>Total Indirect Income from Investments</b>  |  | <b>162.673</b>  | <b>72.285</b>        | <b>125%</b>   |
| Deferred Tax                                   |  | 16.485          | 27.159               | -39%          |
| <b>Indirect Profit</b>                         |  | <b>146.188</b>  | <b>45.127</b>        | <b>224%</b>   |
| <b>Net Profit</b>                              |  | <b>170.391</b>  | <b>77.907</b>        | <b>119%</b>   |
| Minorities                                     |  | 7.813           | -                    | -             |
| <b>Net Profit after Minorities</b>             |  | <b>162.578</b>  | <b>77.907</b>        | <b>109%</b>   |

**Sonae Imobiliária Development**

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

**Sonae Imobiliária Property Management**

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



**Sonae Imobiliária Brasil**

| Profit & Loss Account<br>(€ 000)              | Actual<br>3Q2003 | Actual<br>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%        |
| <b>Total Shopping Centre Operating Income</b> | <b>6.923</b>     | <b>11.073</b>    | <b>-37%</b> |
| 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%        |
| <b>Total Shopping Centre Operating Costs</b>  | <b>1.435</b>     | <b>6.137</b>     | <b>-77%</b> |
| Parking Income                                | 60               | 79               | -24%        |
| Parking Costs                                 | 52               | 69               | -24%        |
| <b>Parking Net Operating Margin</b>           | <b>8</b>         | <b>10</b>        | <b>-20%</b> |
| <b>Centre Net Operating Margin</b>            | <b>5.496</b>     | <b>4.946</b>     | <b>11%</b>  |
| Income from Project Development Services      | 429              | 355              | 21%         |
| Income from Property Management Services      | 1.068            | 1.094            | -2%         |
| <b>Total Income from Service Rendered</b>     | <b>1.497</b>     | <b>1.449</b>     | <b>3%</b>   |
| General Supplies and Services                 | 1.292            | 775              | 67%         |
| Personnel Costs                               | 1.188            | 1.067            | 11%         |
| <b>Structure Costs</b>                        | <b>2.480</b>     | <b>1.842</b>     | <b>35%</b>  |
| <b>Gross Operating Results</b>                | <b>4.513</b>     | <b>4.552</b>     | <b>-1%</b>  |
| Depreciation                                  | 67               | 60               | 11%         |
| Provisions                                    | 593              | 246              | 141%        |
| <b>Operating Results</b>                      | <b>3.853</b>     | <b>4.246</b>     | <b>-9%</b>  |
| Financial Income                              | 578              | 628              | -8%         |
| Financial Costs                               | 873              | 8.071            | -89%        |
| <b>Financial Results</b>                      | <b>(294)</b>     | <b>(7.443)</b>   | <b>96%</b>  |
| <b>Current Results</b>                        | <b>3.559</b>     | <b>(3.197)</b>   | <b>211%</b> |
| Other Non-Recurring Income                    | 17               | 3.553            | -100%       |
| Other Non-Recurring Costs                     | 1.705            | 2.764            | -38%        |
| <b>Direct Results Before Corporate Taxes</b>  | <b>1.872</b>     | <b>(2.408)</b>   | <b>178%</b> |
| Corporate Taxes                               | 746              | 564              | 32%         |
| <b>Direct Profits</b>                         | <b>1.125</b>     | <b>(2.972)</b>   | <b>138%</b> |
| Non -Realized Property Profit (IAS 40)        | 10.623           | 30.051           | -65%        |
| <b>Total Indirect Income from Investments</b> | <b>10.623</b>    | <b>30.051</b>    | <b>-65%</b> |
| Deferred Tax                                  | 3.721            | 9.244            | -60%        |
| <b>Indirect Profit</b>                        | <b>6.902</b>     | <b>20.807</b>    | <b>-67%</b> |
| <b>Total Net Profit</b>                       | <b>8.028</b>     | <b>17.835</b>    | <b>-55%</b> |

Maia, October 30th 2003

The Board of Directors