



Sonae Imobiliária SGPS, S.A.  
Lugar do Espido – Via Norte  
4470-909 Maia  
Portugal  
Tel: +351 22 940 44 68

SONAE IMOBILIÁRIA SGPS, S.A.

**MAIA, SEPTEMBER 30, 2003: SONAE IMOBILIÁRIA SGPS, S.A. ANNOUNCES  
FORMATION OF A REAL ESTATE FUND WITH €1.08 BILLION OF EQUITY**

**Establishment of retail real estate fund with €540 million of third-party equity will allow Sonae Imobiliária to fund its development pipeline of institutional quality assets across Europe**

Sonae Imobiliária SGPS, S.A. (“Sonae Imobiliária” or the “Company”) today announced that it has established a pan-European retail fund, Sonae Imobiliária European Retail Real Estate Assets Holdings B.V. (the “SIERRA Fund”), with the Company’s share of 18 stabilised shopping centre assets based in Portugal and Spain, including the award-winning centres Centro Colombo and Centro Vasco da Gama (Lisboa), NorteShopping (Porto) and Plaza Mayor (Malaga, Spain). The market value of the assets is approximately €2.4 billion (assuming 100% ownership) and the SIERRA Fund’s share is approximately €1.3 billion. There is approximately 45% leverage (debt-to-total market value) outstanding on the total value of the SIERRA Fund share in the assets.

As part of the transaction, investors have entered into agreements with Sonae Imobiliária to acquire 49.9% of the SIERRA Fund and provide commitments for a four-year period to facilitate the SIERRA Fund’s acquisition of 20 identified (development) pipeline assets from the Company, once the assets meet certain criteria. The Company will retain ownership of 50.1% of the SIERRA Fund throughout its expected ten-year life, demonstrating an ongoing commitment to the incumbent and pipeline assets.

The SIERRA Fund’s objective is to provide investors with current yield and capital appreciation through investment in actively managed, high-quality retail centres in the SIERRA Fund’s target markets, including Portugal, Spain, Italy, Germany, Greece and Austria. The acquisition of identified pipeline assets from the Company over the next four

## ***Press Release***

years will diversify the SIERRA Fund's portfolio into new markets, including Germany, Italy, Austria and Greece. There are currently nine assets under construction in the development pipeline. A full list of assets included in the SIERRA Fund is set out below. These assets have a total Gross Leaseable Area of around 836,492 m<sup>2</sup> and include 2,677 shop units.

The third-party equity capital is being provided by institutional investors with significant experience in real estate investing: Stichting Pensioenfond ABP, Caisse des Dépôts et Consignations EP, CNP Assurances, Ecureuil Vie and TIAA-CREF.

The Company's experienced asset and property management teams, in conjunction with the continuing involvement and support of the Company's joint venture partners, will continue to manage the assets of the SIERRA Fund.

Commenting on the transaction, Álvaro Portela, President and CEO of the Company, said: "We are delighted that such high-quality investors will be part of the SIERRA Fund. Our partnership with these investors will enable Sonae Imobiliária to fund its ongoing business plan for the next several years and further develop its pan-European development and management capabilities. The commitment of such experienced and knowledgeable investors not only validates the quality of our existing assets and development pipeline, but also provides us with a wealth of knowledge to draw upon as we continue to enhance our management and development capabilities."

Rob Bingen, Senior Portfolio Manager Real Estate Europe, Stichting Pensioenfond ABP, said: "Our investment in the Fund establishes our relationship with Sonae Imobiliária. This is in line with our strategy of indirectly investing in real estate through quality operating platforms."

Catherine de Boisanger, *Directeur de Portefeuille*, IXIS AEW, acting on behalf of CDC EP, CNP Assurances and Ecureuil Vie said: "We are pleased to provide our investors with the opportunity to invest in such a high-quality portfolio and in an already-identified pipeline. Sonae Imobiliária has a demonstrated track record as a developer and shopping centre operator and we are pleased to be part of the SIERRA Fund."

Laura McGrath, Managing Director, TIAA-CREF, said: "We are extremely pleased to be expanding our existing relationship with Sonae Imobiliária. We regard them as one of the leading shopping centre developers, investors and managers in Europe."

## *Press Release*

J.P. Morgan plc acted as the Company's exclusive placement agent and financial advisor in relation to the transaction.

Set out below is a list of the assets transferred into the SIERRA Fund:

<b>SIERRA Fund assets</b>					
<b>Shopping Centre</b>	<b>Location</b>	<b>Sonae's stake</b>	<b>Opening date</b>	<b>Units<sup>1</sup></b>	<b>Total GLA (m<sup>2</sup>)<sup>1,2</sup></b>
<b><i>Portugal</i></b>					
CascaShopping <sup>3</sup>	Cascais	50%	1991/2003	170	64,670
CoimbraShopping	Coimbra	100%	1993	69	26,482
GuimarãeShopping	Guimarães	100%	1995	93	26,770
GaiaShopping	Vila Nova de Gaia	50%	1989/1995	162	59,187
Viacatarina	Porto	50%	1996	99	11,611
Centro Colombo	Lisboa	50%	1997	427	119,740
MaiaShopping	Maia	100%	1997	110	28,940
NorteShopping	Porto	50%	1998	289	72,024
Centro Vasco da Gama	Lisboa	50%	1999	166	47,649
Sintra Retail Park	Sintra	50%	2000	16	17,317
MadeiraShopping	Funchal	50%	2001	112	26,500
AlgarveShopping	Guia	100%	2001	133	42,404
ArrabidaShopping <sup>4</sup>	Vila Nova de Gaia	50%	1996	174	56,478
<b>Total Shopping Centres in Portugal</b>				<b>2,020</b>	<b>599,772</b>
<b><i>Spain</i></b>					
Plaza Mayor	Málaga	100%	2002	112	34,388
GranCasa	Zaragoza	50%	1997	161	77,344
La Farga	Barcelona	25%	1996	113	17,871
MaxCenter	Bilbao	50%	1994	167	59,287
Valle Real	Santander	50%	1994	104	47,830
<b>Total Shopping Centres in Spain</b>				<b>657</b>	<b>236,720</b>
<b>Total portfolio</b>				<b>2,677</b>	<b>836,492</b>

Source: Sonae Imobiliária 1H03 Report

<sup>1</sup> Units and Total GLA includes owner-occupied units as at June 30, 2003

<sup>2</sup> GLA = Gross Lettable Area; m<sup>2</sup> = square meters

<sup>3</sup> The CascaiShopping expansion opened in September 2003 with 6,798 m<sup>2</sup> of new GLA and 36 units

<sup>4</sup> Excludes the number of units and the GLA of the planned expansion

### **Contacts**

Corporate Communication contact person: Mr. Tiago Vidal at Sonae Imobiliária, Lisbon:

Tel: +351 21 751 5089

e-mail: tmvidal@sonae.pt

### **Information on Sonae Imobiliária SGPS, S.A.**

## ***Press Release***

The Sonae Imobiliária Group is one of Europe's leading developers, managers and owners of shopping centres. Its main shareholders are Sonae SGPS, S.A. (Euronext Lisbon: SON) and Grosvenor First European Property Investments SA. Sonae SGPS, S.A. is a holding company with interests in the wood industry, shopping and leisure centres, retail distribution, telecommunications and tourism. Grosvenor First European Property Investments SA. is a privately-held company controlled by Grosvenor Group Holdings Limited.