

6 September 2005

Sonae Sierra's profits rise 24% in the first half of 2005

- ◆ NAV per share € 35.28 (+8%);
- ◆ EBITDA of € 56.66 million (+22.6%);
- ◆ The company's real estate fixed assets valued at € 3,646 million (+9%);
- ◆ Gearing of 34.4%;
- ◆ Owner or co- owner of 34 leisure and shopping centres currently in operation, with 410 million visitors per year;
- ◆ Manager of 6.493 user-contracts with tenants, representing over 1.4 million m² of gross lettable area;

In the first half of 2005 Sonae Sierra's Net Consolidated Profit (after minority holdings) were € 40 million, which is a 24% rise compared to the same period in 2004.

At the end of the first half of this year, Sonae Sierra's Direct Profits were € 27.31 million. That figure is an improvement of 48%, compared to the first six months of last year. Indirect Profits rose to € 45.31 million, a 44% increase compared to the same period in 2004. The growth is mainly attributable to a rise in the value of investment properties, caused by an overall fall in yields in Portugal and Spain.

EBITDA rose by 22.6% to € 56.66 million, which was helped by the opening of new centres in 2004 and 2005, and an increase in earnings from rentals in Brazil.

The company's real estate fixed assets were independently valued. Their Open Market Value (OMV) as at 30 June 2005 was € 3,646 million, compared to € 3,341 million as at 31 December 2004. Of that, the part controlled by Sonae Sierra amounts to € 2,236 million (against € 1,908 million as at 31 December 2004 - a 17% rise). On a like-for-like basis, the company's value grew by 5%.

NAV per share as at 30 June 2005 for property attributable to Sonae Sierra stood at € 35.28, compared to € 32.60 as at 31 December 2004, a rise of 8%.

With regard to new projects, during the period we opened the Plaza Éboli in March, Sonae Sierra's 11th shopping centre in Spain, involving an investment of € 56.1 million, in partnership with the Eroski Group. We also entered into an agreement with Mall Inversiones for a new shopping and leisure centre (Las Medulas) in Ponferrada, Spain, which will call for an investment of about € 110 million.

Also, in April the company paid € 99.3 million to acquire the Eroski Group's holdings in the Dos Mares (Murcia), Luz del Tajo (Toledo), Plaza Éboli (Madrid) and Avenida M40 (Madrid) shopping and leisure centres. This move was provided in agreements entered into by the two companies. In April, the Sierra Fund also bought two shopping centres in Italy: Valecenter (Marcon, Venice) and Airone (Monselice, Padua).

Additionally, a ceremony was held to hand over keys to tenants at the Mediterranean Cosmos in Thessalonika, Greece's first leisure and shopping centre, which opens on 19 October. A similar ceremony was held at LoureShopping, in Loures, Portugal, itself due to open on 27 October.

Other highlights of the company's business during the period included a change of name from Sonae Imobiliária to Sonae Sierra, this global operation being part of the company's international expansion strategy. In addition, the company published its first corporate responsibility report.

Sonae Sierra

(un-audited accounts)

Consolidated Profit and Loss Account (€000)	1 st semester 2005	1 st semester 2004	% 05/04
Direct Income from Investments	99.165	83.253	19,1%
Operating costs	38.149	33.572	14%
Other costs	4.347	3.450	26%
Direct costs from investments	42.496	37.022	15%
EBITDA	56.669	46.232	22,6%
Depreciation	1.312	2.267	-42%
Recurrent net financial costs	20.119	18.374	10%
Direct profit before taxes	35.237	25.591	38%
Corporate tax	7.928	7.176	10%
Direct profit	27.309	18.415	48%
Realized on properties	1.850	1.736	7%
Value created on investments	54.542	40.423	35%
Indirect income	56.392	42.159	34%
Deferred tax	11.086	10.667	4%
Indirect profit	45.305	31.492	44%
Net profit before minorities	72.614	49.907	45%
Attributable to :			
Equity holders	39.990	32.182	24%
Minority interests	32.624	17.725	84%

Sonae Sierra

(un-audited accounts)

Consolidated Balance Sheet (€000)	30-06-2005	31-12-2004	Var. (05 - 04)
Investment properties	2.233.722	1.984.733	248.989
Properties under development and others	285.042	246.117	38.925
Goodwill	42.876	18.989	23.887
Deferred taxes	26.801	18.885	7.916
Other assets	145.375	125.206	20.169
Deposits	111.762	245.212	-133.450
Total assets	2.845.578	2.639.142	206.436
Net worth	885.354	821.818	63.536
Minorities	247.506	250.077	-2.571
Bank loans	1.053.539	933.970	119.569
Shareholder loans from minorities	83.625	95.105	-11.480
Deferred taxes	352.704	315.807	36.897
Other liabilities	222.849	222.365	484
Total liabilities	1.712.717	1.567.247	145.470
Net worth, minorities and liabilities	2.845.578	2.639.142	206.436

The consolidated accounts for the first Semester of 2005 are available for consultation at www.sonaesierra.com /Our Figures/Financial Reports.