

Maia, October 30<sup>th</sup> 2006

A growth of 52% compared to the same period in 2005

## **Sonae Sierra shows Net Profit of €154.8 million at the end of the third quarter of 2006**

- EBITDA grew 24% to €111.3 million
- Direct Profit increases 28% to €60.8 million
- NAV per share reached €42.41

Sonae Sierra's Net Consolidated Profit reached €154.83 million in the nine months of 2006, an increase of 52% compared to the same period of last year. Of this Net Consolidated Profit, €97.7 million (+49%) are attributable to Sonae Sierra Shareholders.

In consolidated terms, Sonae Sierra ended the first nine months of the current year with Direct Profits of €60.8 million, which represent an increase of 28%, compared to the same period of 2005. Indirect Profits were €94 million, an increase of 72% compared to the first three quarters of last year. EBITDA was €111.3 million, 24% more than in the third quarter of 2005 (€89.6 million).

As of 30 September 2006, Sonae Sierra's NAV ("Net Asset Value") per share stood at €42.41 (€38.90 as of 31/12/2005), an increase of 9% during the first nine months of 2006.

During this period, Sonae Sierra's Consolidated Results continued to be influenced by the inaugurations and acquisitions of new shopping centres and by the increase in value of assets owned, as a result of a general decrease in yields in Portugal and Spain.

The operations with DDR, related with Sonae Sierra Brazil; with Foncière Euris, related with two projects under development in Germany; and the acquisition of Munster Arkaden, also in Germany, will only impact the 4<sup>th</sup> quarter 2006 results, as announced previously.

### **Expansion project in development**

Sonae Sierra continues to pursue its expansion strategy in the third quarter of 2006, developing a significant portfolio of projects in different stages of development, to which new business opportunities may be added, in markets where the Company is already present, or even in new markets.

Among the most significant ongoing developments in the third quarter of 2006 we highlight, in Portugal, the VIII Avenida Shopping (S. João da Madeira), due to open in the Autumn of 2007 in an investment of about €48.5 million, and the future Évora shopping and leisure centre, a €60 million project that is the result of the expansion of the already existing Modelo which is soon expected to be licensed. For the beginning of 2007, the opening of Lima Retail Park (Viana do Castelo) is also expected, a project that is the result of the 50/50 partnership with Miller Developments.

In Spain, Sonae Sierra is developing the Plaza Mayor Shopping (Malaga), in a partnership with Castle City (75/25), and the El Rosal (Ponferrada), with the Mall Group (70/30), both due to open in the Autumn of 2007.

In Italy, Sonae Sierra has three ongoing projects at present: the Freccia Rossa (Brescia), a 50/50 partnership with AIG and Coimpredil, with opening forecasted to 2007, the Gli Orsi (Biella), developed in partnership with NovaCoop both already under construction; and the Le Terrazze (La Spezia), a 50/50 partnership with ING scheduled to open in the Spring of 2008.

In Germany, three projects are currently under development all as a result of the 50/50 partnership with Foncière Euris: the Alexa (Berlin), which opening is scheduled for Autumn 2007, with 70% of its ABL already let; the 3do (Dortmund), and the Weiterstadt (Frankfurt), resulting from the acquisition of land already licensed. The total investment in this development will reach €200 million, and the construction work is scheduled to begin late this year. The new centre will be open to the public in the Autumn of 2008.

In Greece, in a partnership (50/50) with the Greek group Acropole Charagionis, Sonae Sierra is being transformed into a shopping and leisure centre the "Galatsi Olympic Hall" (Athens), due to open in 2008.

In Brazil, Sonae Sierra Brazil is proceeding with the construction of Shopping Campo Limpo (S. Paulo) in partnership with Tivoli EP, due to be inaugurated in November and recently announced the new project in Manaus.

Finally, we highlight the fact that Sonae Sierra has been awarded two international distinctions in the course of the third quarter of 2006: Shopping and Leisure Centre Luz del Tajo, in Toledo, has been distinguished by the Spanish Shopping Centre Association (AECC) as the "Best Large Shopping Centre" in Spain, during the 10<sup>th</sup> Spanish Shopping Centre Congress; The Company has also been considered the best Portuguese company in Spain, in the 5<sup>th</sup> edition of the Portuguese and Spanish Chamber of Commerce and Industry awards, which distinguish the implementation capacity of companies, and their economic growth in the Iberian Market.

A Sonae Sierra, [www.sonaesierra.com](http://www.sonaesierra.com), is an international shopping centre specialist, with a passion for bringing innovation and excitement to the shopping and leisure centre industry. The Company owns or co-owns 40 Shopping Centres in Portugal, Spain, Italy, Greece and Brazil, with a total Gross Lettable Area (GLA) of more than 1,6 million m<sup>2</sup>. Currently, Sonae Sierra is developing 15 more projects in Portugal, Spain, Italy, Germany, Greece and Brazil, with a total GLA of more than 520.000 m<sup>2</sup>. The company has earned an international reputation for the development of innovative products as well as for its management skills, and has been awarded more international prizes than any other company in this sector.

**Attached: Sonae Sierra's Consolidated Profit and Loss Account, and Consolidated Balance Sheet**

**Sonae Sierra**

<b>Consolidated Profit and Loss Account (€000)</b>	<b>9M06</b>	<b>9M05</b>	<b>% 06/05</b>
<b>Direct Income from Investments</b>	<b>192.997</b>	<b>162.756</b>	<b>19%</b>
Operating costs	75.295	66.757	13%
Other costs	6.406	6.375	0%
<b>Direct costs from investments</b>	<b>81.701</b>	<b>73.132</b>	<b>12%</b>
<b>EBITDA</b>	<b>111.296</b>	<b>89.624</b>	<b>24%</b>
Depreciation	1.350	1.473	-8%
Recurrent net financial costs	33.961	28.595	19%
<b>Direct profit before taxes</b>	<b>75.985</b>	<b>59.556</b>	<b>28%</b>
<b>Corporate tax</b>	<b>15.173</b>	<b>12.198</b>	<b>24%</b>
<b>Direct profit</b>	<b>60.812</b>	<b>47.358</b>	<b>28%</b>
Gain realized on properties	431	10.586	-96%
Value created on investments	144.443	57.126	153%
<b>Indirect income</b>	<b>144.875</b>	<b>67.713</b>	<b>114%</b>
<b>Deferred tax</b>	<b>50.852</b>	<b>13.090</b>	<b>288%</b>
<b>Indirect profit</b>	<b>94.023</b>	<b>54.623</b>	<b>72%</b>
<b>Net profit before minorities</b>	<b>154.835</b>	<b>101.981</b>	<b>52%</b>
<b>Attributable to :</b>			
<b>Equity holders</b>	<b>97.671</b>	<b>65.510</b>	<b>49%</b>
<b>Minority interests</b>	<b>57.164</b>	<b>36.471</b>	<b>57%</b>

**Sonae Sierra**

<b>Consolidated Balance Sheet (€000)</b>	<b>30-09-2006</b>	<b>31-12-2005</b>	<b>Var. (06 - 05)</b>
Investment properties	2.699.793	2.491.398	208.395
Properties under development and others	364.400	254.910	109.490
Goodwill	48.855	49.465	-610
Deferred taxes	30.054	27.673	2.381
Other assets	121.573	124.724	-3.151
Deposits	193.919	256.841	-62.922
<b>Total assets</b>	<b>3.458.594</b>	<b>3.205.011</b>	<b>253.583</b>
<b>Net worth</b>	<b>1.079.046</b>	<b>1.002.154</b>	<b>76.892</b>
<b>Minorities</b>	<b>359.241</b>	<b>298.896</b>	<b>60.345</b>
Bank loans	1.275.367	1.196.942	78.425
Shareholder loans from minorities	60.219	77.254	-17.035
Deferred taxes	460.564	402.727	57.837
Other liabilities	224.158	227.039	-2.881
<b>Total liabilities</b>	<b>2.020.307</b>	<b>1.903.962</b>	<b>116.345</b>
<b>Net worth, minorities and liabilities</b>	<b>3.458.594</b>	<b>3.205.011</b>	<b>253.583</b>