

Maia, September 6<sup>th</sup> 2006

A growth of 118% compared to the same period of last year

## **Sonae Sierra shows Net Profit of €87.4 million in the first six months of 2006**

- EBITDA grows 30.4% to €73.9 million
- Direct Profit increases 51% to €41.3 million
- NAV per share reached €41.72
- Owner or co-owner of 39 Shopping and Leisure Centres with more than 1.6 million m2 of GLA

Sonae Sierra's Net Consolidated Profit (after minority interests) reached € 87,4 million for the first six months of 2006, an increase of 118% compared to the same period of last year.

In consolidated terms, Sonae Sierra ended the first six months of 2006 with Direct Profits of € 41,3 million, which represent an increase of 51%, compared with the first six months of 2005. Indirect profits were € 98,9 million, an increase of 118% compared to the same period of last year. EBITDA was € 73,9 million in the first half of 2006 compared to € 56,7 million in the first half of 2005, which represents an increase of 30,4%.

As of 30 June 2006, the NAV per share ("Net Asset Value") of the attributable property portfolio stood at € 41,72 (€ 38,90 as of 31/12/2005), an increase of 7,3% during the first six months of 2006.

As observed in 2005, Sonae Sierra's Consolidated Results were greatly 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.

During the first six months of 2006 there was a considerable growth in activity resulting from the opening in 2005 of Plaza Éboli (Madrid, Spain), LoureShopping (Loures, Portugal), Serra Shopping (Covilhã, Portugal) and Mediterranean Cosmos (Thessaloniki, Greece) and the recent inauguration of RioSul (Seixal, Portugal). The activity was also influenced by the acquisitions of Valecenter (Marcon, Italy), Airone (Monselice, Italy) and Plaza Sul (Brazil, São Paulo).

## Expansion project in development

Sonae Sierra continues to pursue its expansion strategy, 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 we highlight, in Portugal, the VIII Avenida Shopping (São João da Madeira), due to open in the Autumn of 2007 in an investment of €48,5 millions, and the future Évora shopping and leisure centre, a project that is the result of the expansion of the already existing Modelo and represents an investment of € 60 million. For 2007 is also expected the opening of Lima Retail Park (Viana do Castelo), a project that is result of the 50% partnership in Portugal with Miller Developments.

In Spain, Sonae Sierra is developing Plaza Mayor Shopping (Málaga), in a partnership with Castle City (75/25), and El Rosal (Ponferrada), with the Mall Group (70/30).

In Italy, Sonae Sierra has three ongoing projects at present: Freccia Rossa (Brescia), already under construction, Gli Orsi (Biella), developed in partnership with NovaCoop; and Le Terrazze (La Spezia), due to open in the Spring of 2008.

During the 1st half of 2006, Sonae Sierra decided the total write-off of the Caselle investment (Italy). This decision was taken given that the agreement Sonae Sierra had established with the land vendors could not be executed according to the initially established deadlines. Although the project had obtained the necessary detailed zoning plan approval, third parties have challenged this approval by filing complaints that jeopardized the timing of the development of the project and, therefore, the closing of the agreements with the vendors. Sonae Sierra is closely monitoring the situation, in order to be fully updated and to exploit any opportunity that might arise to establish a new agreement.

In Germany, the projects under development are Alexa (Berlin), currently under construction and commercialisation and a result of a partnership with Foncière Euris (50/50), the 3DO (Dortmund), of which Sonae Sierra owns 100%, and Weiterstadt (Frankfurt), resulting from the acquisition of land already licensed.

In Greece, in a partnership (50/50) with the Greek group Acropole Charagionis, Sonae Sierra won a 40 year concession to develop the Galatsi Olympic Hall in Athens - one of the 2004 Olympic Games areas - and exploit it as a shopping and leisure centre.

Finally, in Brazil, Sierra Enplanta is going on with the construction of Shopping Campo Limpo (S. Paulo) in partnership with Tivoli EP, due to be completed before the year end.

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 39 Shopping Centres in Portugal, Spain, Italy, Greece and Brazil, with a total Gross Lettable Area (GLA) of more than 1,6 million m2. Currently, Sonae Sierra is developing 14 more projects in Portugal, Spain, Italy, Germany, Greece and Brazil, with a total GLA of more than 480.000 m2. 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**

(un-audited accounts)

<b>Consolidated Profit and Loss Account (€000)</b>	<b>1<sup>st</sup> semester 2006</b>	<b>1<sup>st</sup> semester 2005</b>	<b>% 06/05</b>
<b>Direct Income from Investments</b>	<b>120.309</b>	<b>99.165</b>	<b>21,3%</b>
Operating costs	42.512	38.149	11%
Other costs	3.923	4.347	-10%
<b>Direct costs from investments</b>	<b>46.435</b>	<b>42.496</b>	<b>9%</b>
<b>EBITDA</b>	<b>73.874</b>	<b>56.669</b>	<b>30,4%</b>
<b>Depreciation</b>	<b>891</b>	<b>1.312</b>	<b>-32%</b>
<b>Recurrent net financial costs</b>	<b>22.090</b>	<b>20.119</b>	<b>10%</b>
<b>Direct profit before taxes</b>	<b>50.893</b>	<b>35.237</b>	<b>44%</b>
<b>Corporate tax</b>	<b>9.633</b>	<b>7.928</b>	<b>22%</b>
<b>Direct profit</b>	<b>41.260</b>	<b>27.309</b>	<b>51%</b>
Realized on properties	1.273	1.929	-34%
Value created on investments	146.051	54.462	168%
<b>Indirect income</b>	<b>147.323</b>	<b>56.392</b>	<b>161%</b>
<b>Deferred tax</b>	<b>48.455</b>	<b>11.086</b>	<b>337%</b>
<b>Indirect profit</b>	<b>98.868</b>	<b>45.305</b>	<b>118%</b>
<b>Net profit before minorities</b>	<b>140.128</b>	<b>72.614</b>	<b>93%</b>
<b>Attributable to :</b>			
Equity holders	87.362	39.990	118%
Minority interests	52.766	32.624	62%

**Sonae Sierra**

(un-audited accounts)

<b>Consolidated Balance Sheet (€000)</b>	<b>30-06-2006</b>	<b>31-12-2005</b>	<b>Var. (06 - 05)</b>
Investment properties	2.684.579	2.491.398	193.181
Properties under development and others	331.278	254.910	76.368
Goodwill	49.057	52.346	-3.289
Deferred taxes	28.689	27.673	1.016
Other assets	106.373	121.843	-15.470
Deposits	192.831	256.841	-64.010
<b>Total assets</b>	<b>3.392.807</b>	<b>3.205.011</b>	<b>187.796</b>
<b>Net worth</b>	<b>1.066.262</b>	<b>1.002.154</b>	<b>64.109</b>
<b>Minorities</b>	<b>349.577</b>	<b>298.896</b>	<b>50.681</b>
Bank loans	1.242.345	1.196.942	45.403
Shareholder loans from minorities	73.657	77.254	-3.596
Deferred taxes	455.205	402.727	52.478
Other liabilities	205.760	227.039	-21.279
<b>Total liabilities</b>	<b>1.976.968</b>	<b>1.903.962</b>	<b>73.007</b>
<b>Net worth, minorities and liabilities</b>	<b>3.392.807</b>	<b>3.205.011</b>	<b>187.796</b>