UNAUDITED QUARTELY INDIVIDUAL / CONSOLIDATED FINANCIAL INFORMATION

Company: SONAE - SGPS, S.A.

Head office LUGAR DE ESPIDO, VIA NORTE - MAIA **NIPC:** 500 273 170

1st Quarter ☑ **3rd Quarter** ☐

Euro

Balance Sheet	Individual Company			Consolidated		
	2004	2003	Var. (%)	2004	2003	Var. (%)
ASSETS						
Fixed Assets (Net)						
Intangible Assets				290,225,000	327,030,969	-11.25%
Tangible Assets	27,649	39,839	-30.60%	4,259,169,308	4,233,622,903	0.60%
Investments	4,582,767,017	3,973,854,319	15.32%	522,889,068	680,088,437	-23.11%
Current Assets (Net)						
Amounts falling due after more than one year	18,022	30,593	-41.09%	60,022,279	58,324,646	2.91%
Amounts falling due within one year	8,259,932	228,395,138	-96.38%	852,152,580	975,143,404	-12.61%
SHAREHOLDERS' FUNDS						
Called up share capital	2,000,000,000	2,000,000,000	0.00%	2,000,000,000	2,000,000,000	0.00%
Nr. of ordinary shares	2,000,000,000	2,000,000,000	0.00%	2,000,000,000	2,000,000,000	0.00%
Nr. of other types of shares						
Own shares	143,984,221	143,984,221	0.00%	144,566,644	144,566,644	0.00%
Nr. of voting shares	134,128,021	134,128,021	0.00%	134,178,021	134,178,021	0.00%
Nr. of non voting shares						
Minority interests	-	-	-	751,755,245	863,320,534	-12.92%
LIABILITIES						
Provisions for liabilities and charges				150,554,574	89,727,224	67.79%
Creditors						
Amounts falling due after more than one year	190,264,369	196,514,369	-3.18%	2,971,365,696	3,180,019,434	-6.56%
Amounts falling due within one year	979,182,810	586,298,892	67.01%	2,387,569,016	2,590,328,495	-7.83%
TOTAL NET ASSETS	4,596,241,723	4,211,608,520	9.13%	7,603,343,720	7,930,471,077	-4.12%
TOTAL SHAREHOLDERS' FUNDS (a)	3,419,570,245	3,423,171,839	-0.11%	547,714,388	557,747,519	-1.80%
TOTAL LIABILITIES	1,176,671,478	788,436,681	49.24%	6,303,874,087	6,509,403,024	-3.16%

Profit and Loss Account	Individual Company			Consolidated		
	2004	2003	Var. (%)	2004	2003	Var. (%)
Sales and services rendered	331,732		n.c.	1,513,998,658	1,423,134,048	6.38%
Changes in stocks of finished goods and in work in progress				(10,001,703)	5,784,428	n.c.
Cost of goods sold and materials consumed				818,712,706	784,197,043	4.40%
Gross Profit	331,732			685,284,249	644,721,433	6.29%
Operational Profit / (Loss)	(2,545,212)	(1,632,482)	55.91%	36,820,944	19,321,451	90.57%
Net Finantial Losses (Net of Gains)	8,007,083	11,791,505	-32.09%	(37,601,083)	(61,866,770)	-39.22%
Profit / (Loss) on Ordinary Activities	5,461,871	10,159,023	-46.24%	(780,139)	(42,545,319)	-98.17%
Extraordinary Profits (Net of Losses)	(9,342)	592,154	n.c.	29,481,357	89,648,203	-67.11%
Income taxation - Current tax				7,702,883	10,623,000	-27.49%
Income taxation - Deferred tax				1,138,094	438,707	n.c.
Minority interests	-	-	-	14,412,407	23,032,976	-37.43%
Profit / (Loss) for the quarter (a)	5,452,529	10,751,177	-49.28%	8,421,221	14,993,496	-43.83%
Earnings per share (b)	0.0029	0.00576	-49.28%	0.00451	0.00804	-43.83%
Profit / (Loss) for the quarter + Depreciation + Provisions	5,455,490	10,755,146	-49.28%	124,440,074	142,446,645	-12.64%

(a) As in 2001, 2002 and 2003 goodwill was written off against reserves. If this write off had not taken place, fixed assets and shareholders´funds as at 31 March 2004 would have been higher by 746.4 million euro and depreciation for the three months by 17.5 million euro.

(b) - Nr. of shares issued less own shares (including 50,000 shares held by an affiliated company)

n.c. - not comparable

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CONSOLIDATED QUARTERLY REPORT [1]

1ST QUARTER 2004

MAIN EVENTS DURING THE QUARTER

During the quarter, each of the businesses continued its activities according to agreed plans, giving priority to those actions to make the best use of existing resources and continuously improve business processes.

REVIEW OF CONSOLIDATED RESULTS

Consolidated turnover was 1,514 million euro for the first quarter of the year compared to 1,423 million euro in the same period last year. This growth (around 6.4%) occurred in all businesses, the exchange rate impact being negligible.

Consolidated operational cash-flow (EBITDA) generated in the first three months of 2004 was 138 million euro, an increase of around 12.4% compared to the same period last year. The main contributors to this increase were the Telecommunications (+12.1 million euro) and Wood Based Panels (+2.7 million euro) businesses. The **consolidated EBITDA margin** was 9.1% compared to 8.7% in the first quarter of 2003. This improvement was the result of stronger margins in the Telecommunications and Wood Based Panels businesses.

Consolidated operational profits (EBIT) were 37 million euro, almost double those of the first quarter of last year (19 million euro) due essentially to improvement in operational cash flow.

Consolidated net financial charges totalled 37.6 million euro, compared to 61.9 million euro in the same period last year. This important improvement was due to the reduced average debt level with a resulting fall in interest payable and to exchange rate gains as opposed to exchange rate losses in the same period last year.

[1] Unaudited financial information for the quarters ending 31 March 2004 and 2003

As a result of the overall improvement in the above results, the **consolidated profit/loss on ordinary activities** in this quarter was close to break-even, a substantial improvement compared to the 42.5 million euro loss in the first quarter of 2003.

Consolidated extraordinary profits in the quarter were 29.5 million euro compared to 89.6 million euro in the same quarter last year. It should be noted that in the first quarter of 2003, a capital gain of 78.8 million euro was made on the sale of 50% of the company owning the Vasco da Gama Shopping Centre to ING Retail Property Fund Ibérica.

Consolidated net profits before minority interests were 22.8 million euro (38 million euro in the same quarter of 2003) while consolidated net profits after minority interests were 8.4 million euro (15 million euro in the same quarter of 2003).

Each business contributed the following amounts to the consolidated total of Sonae SGPS, SA:

million euro

	Turnover	EBITDA
Wood Based Panels	374.7	42.5
Retail	776.0	41.2
Shopping Centres	70.2	17.7
Telecommunications	200.9	37.1
Sonae Capital	89.2	2.6
Holding and Others	3.0	(2.7)
TOTAL	**1,514.0**	**138.4**

Consolidated net debt at the end of the quarter was 2,860 million euro, a fall of 740 million euro compared to the same quarter of 2003, continuing the trend begun in 2003.

The **ratio of operational cash-flow (EBITDA) to interest charges** was 3.5, an increase on the figure of 2.8 for the same period last year. **The ratio of net debt to annualised operational cash-flow (EBITDA)** was 4.3, compared to 5.7 in the same period last year. The improvement in both ratios confirms the continued strengthening of the financial capability of the Group.

As in 2001, 2002 and 2003, goodwill was written off against reserves. If this write off had not taken place, intangible assets and shareholders' funds as at 31 March 2004 would have been higher by 746.4 million euro and amortisation for the quarter by 17.5 million euro.

ANALYSIS OF BUSINESS ACTIVITY [2]

WOOD BASED PANELS

Consolidated turnover rose to 386 million euro. On a like for like basis, adjusting for operations sold and deconsolidated, this figure represents an increase of 9.5% over the first quarter of 2003, despite a 7% decrease in the Gescartão contribution. The improved performance of the Panel Business was due to stronger demand in particleboard and OSB[3]. Although prices continued the recovery begun in the last quarter of 2003, they remained at levels lower than the first quarter of 2003, with the exception of OSB[3].

Consolidated operational cash-flow (EBITDA) reached 43.4 million euro, an increase of 9.4% over the first quarter of 2003. This figure represents 11.2% of turnover, which compares with 10.4% in the same period of 2003. The Panel Business improved its EBITDA by 8.2 million euro on a like for like basis, which resulted in an absolute increase of 1.4 percentage points on turnover.

Consolidated profits before taxes (EBT) improved by 14.8 million euro. This trend reflects an increase of 6.5 million euro in operational profits and a reduction in net financial charges of 8.8 million euro, which includes exchange rate gains of around 5 million euro.

Consolidated net profits after minority interests improved by 22.6 million euro to 410 thousand euro. Extraordinary profits totalled 5.5 million euro and include 2 million euro of recurrent items relating to the recognition of investment subsidies received in previous years.

Improving the Balance Sheet structure remains a priority and **net consolidated debt** was reduced by an additional 13.5 million euro compared with the end of 2003.

<u>Operating Review</u>

Iberia

Particleboard sales, both raw and surfaced, during the quarter, were 31% above those in the same period of last year, with the Iberian and Export markets showing strong demand, while MDF[4] grew by a more conservative 4%. Particleboard prices are stable after increases in the last two quarters. MDF[4] prices are experiencing a

[2] The figures included in this section are those from the consolidated financial statements of each business.
[3] OSB – Oriented Strands Board
[4] MDF – Medium Density Fibreboard

slight downward trend. The improvement in operating performance contributed to an increase of 1.1 million euro in operational cash-flow (EBITDA).

France

The market has been stable in the industry segment and shows a positive trend in the wood specialist dealers segment, following two years of negative growth. The German market has absorbed a significant volume of particleboard, lowering the pressure caused by excess supply in France. Sales are up 8% over the same quarter of last year, and prices have shown an upward trend.

Germany

During the first quarter, sales volume increased by 26% compared to the previous year. The main drivers for this trend were higher sales in OSB[5] and Tongue & Groove boards. Average prices for particleboard, melamine faced chipboard and OSB[5] increased, while prices for MDF[6] remained stable in relation to the last quarter of 2003.

All plants produced at almost full capacity utilization. New production records were achieved at the Nettgau production lines. The additional operating output improved contribution margins, in spite of increases in costs of wood and energy.

United Kingdom

Increasing demand from the construction sector has been significant and more housing starts will lead to higher demand for furniture. Turnover increased by 10% over the same period of 2003 and it has been possible to increase prices of all industrial products.

Production at Knowsley was affected by unexpected boiler maintenance.

Timber prices have dropped and a modest recovery in the PRN (Packaging Recovery Notes) market has been evident.

Canada

Net sales for the quarter show an improvement of 6.6% over the same quarter last year. This improvement is due to higher volumes shipped, more value added products and contract price increases that took effect starting in January. The price increases and increased quantities of value added products were able to more than offset the devaluation of 14% of the US dollar against the Canadian dollar between the first quarter of 2003 and 2004.

However, costs of wood and chemicals continue to be of concern, as they both remain high. A shortage of logs supply to sawmills and bad winter conditions forced the mill to stop over the Christmas and New Year holiday season and additional days in January were lost due to lack of fibre.

[5] OSB – Oriented Strands Board
[6] MDF – Medium Density Fibreboard

Brazil

The sector continues to suffer from excess supply and poor performance of the furniture industry. Under current market conditions, raw board has been more in demand than value added products.

This quarter, sales were 1% below the same period of last year.

Exports have been affected by inefficient port performance and low availability of shipping to serve the international market.

South Africa

Sales for the first quarter exceeded expectations with volume up by 6.9% on prior year. The mix of products was favourable, following the focus on value added products with higher contribution margins. Prices remain under pressure, but are in line with expectations. Production has been below targets following extensive and major maintenance in January, but has recovered in the latter part of the quarter.

The exchange rate has remained steady with small gains against the dollar, while general business confidence levels have improved to their highest levels in recent years.

RETAILING

Modelo Continente closed the first quarter with **consolidated gross sales** of 903 million euro. This shows a good operational performance against a background of sluggish demand and of increasingly aggressive competition both in Portugal and Brazil, where increases of 3% and 9%, respectively, were achieved. Consolidated turnover grew by 5% including an increase in Brazil of 13%, the latter benefiting from appreciation of the Real against the Euro, in contrast to previous quarters. At constant exchange rates, consolidated gross sales grew 4%.

In the same period, **consolidated operational cash flow (EBITDA)** was 42 million euro, equal to a one-off fall of 0.9 percentage points compared to the same period last year. This is largely explained by the different timing of the company's promotional cycle between the first quarter of 2004 and the first quarter of last year.

Consolidated net profits after minority interests totalled 13 million euro, a significant improvement over the same period last year due to a fall in financial charges and the extraordinary gains recorded in Brazil resulting from the reversal of excessive provisions set up in prior years.

Net debt continued to fall and totalled 839 million euro at the end of the quarter. In addition the company recently made two new bond issues totalling 182 million euro, thus extending the average maturity dates of its debt.

Operating Review

Portugal

In Portugal, Modelo Continente's operating activity in the quarter was influenced by a background similar to that of the latter part of last year, with the absence of consistent signs of business recovery and an increase in competitors' sales area in the main metropolitan areas in the country.

Nonetheless, the company's different formats demonstrated their competitiveness with gross sales of 638 million euro, an increase of 3% compared to the same period of 2003. Of this total, 499 million euro relate to food retail, at the same level as last year. Non-food retail showed consistent growth with gross sales increasing 14% to a total of 138 million euro.

Operational cash-flow (EBITDA) in the quarter was 35 million euro, a fall of 1.4 percentage points compared to the same period last year. This is largely explained by the different timing of the company's promotional cycle between the first quarter of 2004 and the first quarter of last year.

Brazil

In Brazil, the economic situation has not changed significantly with demand subdued by restrictive fiscal and monetary policies undertaken to stabilise the economy by controlling the inflation rate and to meet the targets set by the IMF.

In the first three months of the year, gross sales of Modelo Continente in Brazil were 961 million real, an increase of 9% in local currency. This reflects a strong operating performance that, on a like for like basis, again exceeded benchmarks in the market and the main competitors in the sector. As was the case for all other retail companies, gross sales were impacted by tax increases that explain 4 percentage points of the increase that took place. In euro, gross sales were 266 million euro, an increase of 13%, including a 3% appreciation of the average exchange rate of the Real to the Euro.

Operational cash-flow in the quarter was 6 million euro, equal to an increase of around 50% and an improvement in the ratio of operational cash-flow to net sales to 2.9%, confirming the trend towards recovery after the extensive work undertaken to rationalise the business.

SHOPPING CENTRES [7]

Sonae Imobiliária ended the first quarter of 2004 with **consolidated direct income** of 63.9 million euro, an increase of 12.4% compared to the same period last year.

Operational cash-flow (EBITDA) was 23 million euro compared to 21.7 million euro in the first quarter of 2003, up 6.2%. Despite the sale of 50% of Vasco da Gama to ING Real Estate, in March 2003, with the resulting fall in rental and service income, EBITDA increased due to the opening of Parque Atlântico, Coimbra Retail Park and Estação Viana, and the conclusion of the expansion of CascaiShopping, in 2003.

Indirect investment income was 13.5 million euro, made up of a gain of around 1.98 million euro on the sale of Sintra Retail Park, and the total value added, up to the date of opening, of Dos Mares, in the amount of 11.5 million euro.

The **consolidated net profit after minority interests** totalled 12.14 million euro, compared to 16 million euro in the same period last year. Last year's figure however did not take into account profits attributable to minority interests resulting from the sale of 49.9% of the SIERRA Fund. Net profits before minority interests increased 26%, reaching 20 million euro.

The solid financial situation of the company is reflected in a gearing ratio (net debt as a percentage of assets less cash) of 24.3%.

Operating Review

The overall performance of the Sonae Imobiliária Shopping Centres was in line with expectations for the quarter.

In **Portugal**, rental income increased by 6.2% compared to the same period last year and tenant sales rose by 3.9% on a like for like basis – not including therefore, Parque Atlântico, Coimbra Retail Park and Estação Viana.

Sonae Imobiliária is owner and co-owner of 14 Shopping Centres and 1 Retail Park in Portugal with a Gross Lettable Area (GLA) of around 644 thousand square metres.

Work proceeded well on the construction of LoureShopping, while work on Covilhã and Seixal Shopping should begin in the next few months – all with opening planned for the autumn of 2005.

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[7] Sonae Imobiliária has presented its consolidated financial statements in accordance with International Financial Reporting Standards (IAS/IFRS) since 2001. The financial data contained in this section of the report, relating to 2004 and 2003, are in agreement with these standards. In the Sonae, SGPS, SA consolidated financial statements, the business continues to be reported using Portuguese accounting standards (POC). As a result, the figures shown in the section Review of Consolidated Results differ from those shown by Sonae Imobiliária.

In **Spain**, the centres managed by Sonae Imobiliária performed well. Total tenant sales increased 12.2% in the first quarter compared to the same period last year and visitors increased 2.7%.

Sonae Imobiliária became owner or co-owner of 8 Shopping Centres with the opening of the Shopping and Leisure Centres Dos Mares, in March, and Avenida M40, in April, equal to a total of around 384 thousand square metres of GLA.

Work proceeded well on the construction and marketing of Luz del Tajo, in Toledo, in partnership with the Eroski Group, and Zubiarte, in Bilbao, in partnership with ING, with openings forecast for the autumn of this year.

Plaza Éboli, in Pinto, Madrid, in partnership with the Eroski Group, is still planned to open in the spring of 2005. The "commercial license" for Plaza Mayor Sopping, in Málaga, in partnership with Castle City, has been obtained, which will allow construction to start next autumn.

In **Germany**, the development of 3DO, in Dortmund, and AlexanderPlatz, in Berlin, is underway, and construction of both should still begin in 2004.

In **Italy**, work continued to conclude the planning permission process for the Brescia Center and begin construction in 2004.

In **Greece**, construction is proceeding well on the Mediterranean Cosmos, in Salonika, a partnership between Sonae Charagionis and the Lamda Development Group, with opening planned for the spring of 2005, while efforts continued to obtain the necessary licences for the development of Aegean Park, in Athens, a partnership with the Charagionis Group.

In **Brazil**, Sonae Imobiliária became owner or co-owner of 7 Shopping Centres with the opening of Boavista Shopping in April, equal to around 246 thousand square metres of GLA.

In local currency, tenant sales increased 12.3% compared to the first quarter of 2003.

Construction continues on the expansion of Shopping Penha in the eastern area of São Paulo with opening planned for the autumn of this year.

TELECOMMUNICATIONS [8]

Turnover grew by 6% in the first quarter of 2004 in comparison with the first quarter of 2003 to 207 million euro reflecting an improvement in service revenues: both customer revenues at Optimus and Telco revenues at Novis.

Consolidated operational cash-flow (EBITDA) was 43 million euro in the first quarter of 2004, up 45% from the first quarter of 2003 and 17% from the previous quarter. EBITDA margin increased to 21% compared with 15% in the same quarter last year.

Consolidated net results after minority interests were positive for the first time by 0.2 million euro which compares with net losses of 7 million euro in the first quarter of 2003 and 5 million euro in the last quarter of 2003. This improvement is explained by the consistent growth in EBITDA (higher revenues, lower operating costs and operating provisions).

Investment (CAPEX) in the first quarter of 2004 was 17 million euro, down from 22 million euro in the first quarter of 2003. Most of this was invested at Optimus with circa 14 million euro, and circa 2 million spent at Novis. Notwithstanding the lower levels of CAPEX in the first quarter of 2004, investment is expected to increase in the coming quarters; thus management maintains consolidated CAPEX guidance for the financial year 2004.

Sonaecom reduced **consolidated gross debt** by 55 million euro in the first quarter of 2004 to 425 million euro as part of its policy to optimise net financial results primarily by reducing interest charges. The reduction in gross debt was possible due to free cash-flow generated and through the use of liquidity at Sonaecom, Optimus and Novis. **Consolidated net debt** fell by 5 million euro, to 330 million euro, against the previous quarter.

Operating Review

Mobile Telecommunications

In the first quarter of 2004 Optimus delivered an EBITDA margin of 26%, up from 22% in the first quarter of 2003 and 20% in the fourth quarter of 2003. The improvement in EBITDA margin was driven mainly by a 10% increase in customer revenues, generating a 9% increase in service revenues. Operating costs increased 2% in comparison with the first quarter of 2003 due solely to higher interconnection costs that increased 15% as a result of higher traffic volumes.

Optimus' subscriber base at the end of the quarter was 2.088 million customers and ARPU was 22.9 euro for the quarter. Optimus has reviewed its registered customer

[8] For the first time, in 2003, Sonaecom presented its consolidated financial statements in accordance with International Financial Reporting Standards (IAS/IFRS). The financial data contained in this section of the report, relating to 2004 and 2003, are in agreement with these standards. In the Sonae, SGPS, SA consolidated financial statements the business continues to be reported using Portuguese accounting standards (POC). As a result, the figures shown in the section Review of Consolidated Results differ from those shown by Sonaecom.

policy deleting all those that it considered economically unviable. The majority of these disconnections are related to improvements in activation systems for SME bundled products.

Mobile Data revenues represented 9.1% of service revenues, up 4% from the first quarter of 2003. Non-SMS data revenues are gradually representing more of global data revenues, circa 19% in the quarter compared with 18% in the previous quarter and this is mainly driven by revenues from Value Added Services and MMS. At the end of the quarter, Optimus had circa 32 thousand active MMS users and GPRS more than doubled in the first quarter of 2004 compared with the previous quarter.

Optimus is rolling out its UMTS network ahead of its regulatory requirements and tests on existing pilot networks have been successfully executed. Nevertheless, use of UMTS services and applications is forecast to be low with the exception of corporate offers such as UMTS cards for laptops.

Fixed Telecommunications

Novis recorded strong turnover growth in the first quarter of 2004 to 45 million euro, up 22% on the first quarter of 2003. Novis Telco revenues increased 26% to 42 million euro, reflecting strong performance in terms of usage. The Information Technologies business, Mainroad, performed in line with the same period of last year, generating a contribution to Novis turnover of 3.5 million euro.

The main drivers for the increase in Telco revenues were a significant increase in retail telephony of 30% to 13.5 million euro in the first quarter of 2003, and an increase of 183% in wholesale traffic and circuits to 12 million euro. As of the beginning of the year, Novis started to manage Optimus' international traffic, which represented circa 5.3 million euro in the first quarter.

Operational cash-flow (EBITDA) at Novis in the first quarter was 0.8 million euro, confirming the positive trend after becoming EBITDA positive for the first time in the fourth quarter of 2003.

Novis ended the quarter with 228 thousand active customers, an increase of 95% compared with the first quarter of 2003, with leading market shares amongst alternative operators.

Novis has already unbundled circa 32 switches rolling-out SHDSL connections to provide Optimus with high capacity circuits and is actively promoting, together with Clix, direct residential voice and broadband Internet offers. Novis expects to increase the number of unbundled switches to 52 by the end of the first half.

Internet e Media

As conditions for alternative ISPs to access the incumbent's wholesale ADSL offer remain unfavourable, Clix has not lifted the suspension of its broadband ADSL offer for new customers, except in cases where it is able to offer bundled direct access together with Novis over ULL. Determined to overcome the barriers to competition imposed by the incumbent and facilitated by the lack of effective regulation, Clix has sought alternative forms of providing broadband access to residential customers. Since the beginning of the year, Clix has been performing pilot tests on an

"IPWireless" solution, which, if successful, would enable provision of residential broadband access using a part of the UMTS spectrum, TDD, allocated to Optimus. Preliminary results are expected in the second half of 2004.

As a result of continued migration to broadband solutions, Clix recorded a reduction in turnover to 7.6 million euro, from 8.3 million euro in the previous quarter, and operational cash-flow (EBITDA) was negative by 0.3 million euro.

The Público Group (Público, Xis, M3G, Público.pt) turnover fell by 6% to 12.6 million euro compared with the first quarter of 2003 but delivered positive operational cash-flow (EBITDA) of 0.2 million euro compared with losses of 53 thousand euro in the first quarter of 2003. Although still an important source of revenues, associated products represent 47% of Público's turnover, 5.9 million euro, down 8% on the first quarter of 2003 due to the proliferation of competing offers. In terms of market share of readership, Público achieved 5.3% and retained it position as the third national daily paper.

Software & Systems Integration

Overall, the Information Technologies sector started to show signs of improvement in the first quarter of 2004 compared with previous quarters and pressure on margins is gradually reducing. Sonaecom's S&SI division recorded turnover of 15 million euro, in line with the first quarter of 2003 and operational cash-flow (EBITDA) was 2 million euro, up 5%. One of the key operating achievements in the first quarter of 2004 was that WeDo won a contract to supply a subsidiary of Vodafone with its proprietary revenue assurance software solution, RAID. Enabler recorded good performance in all its key geographic markets in particular in Germany.

SONAE CAPITAL

Sonae Capital is made up of businesses in Tourism, Venture Capital and Partnerships, Construction, Engineering and Energy, Residential Development, the Auto Sector and Logistics and Services.

Consolidated turnover of Sonae Capital (including Sonae Turismo and Praedium) was 98 million euro in the quarter, up 58% on the same quarter last year. On a like for like basis, excluding the contribution from the plywood business in France, acquired in June 2003 from Sonae Indústria, turnover grew 5.6%.

Consolidated operational cash-flow (EBITDA) in the quarter was 2.6 million euro (-4.4 million euro in the first quarter of 2003). Excluding the plywood business in France, consolidated operational cash-flow (EBITDA) was 1.2 million euro.

The **consolidated net loss after minority interests** was 1.4 million euro compared to a net profit of 10 million euro in the same quarter last year. It should be noted that the net profit in the first quarter of 2003 included capital gains on disposal of financial investments of around 18 million euro.

Each of the businesses contributed the following to the consolidated total of Sonae Capital, SGPS, SA:

Million euro

	Turnover		EBITDA	
	1st Quarter 2004	1st Quarter 2003	1st Quarter 2004	1st Quarter 2003
Tourism	22.9	18.1	(1.1)	(5.0)
Partnerships and Venture Capital	41.5[9]	6.4	1.7[9]	(0.2)
Construction, Engineering and Energy	15.4	23.0	0.8	(1.5)
Residential Development	3.1	1.1	0.2	2.2
Logistics and Services	9.9	8.8	0.5	(0.2)
Other	5.3	4.6	0.5	0.3
Sonae Capital Consolidated	**98.1**	**62.0**	**2.6**	**(4.4)**

OUTLOOK

The economic situation is still uncertain leading to downward revisions of growth forecasts, particularly in Europe and Portugal. However some market segments are showing positive signs.

Against this background, the Group's businesses will continue to focus on increasing efficiency in all areas that will enable them to cope more effectively with the economic situation.

Maia, 30 April 2004
The Board of Directors

[9] Includes the Plywood business in France