

Maia, Portugal - May 12<sup>th</sup> 2010

An increase of 112% compared to the first quarter 2009

## **Sonae Sierra recorded a Total Net Profit of € 7.3 million in the first quarter of 2010**

- **Direct Income from Investments grew 7% to €56.9 million compared with the same period of last year**
- **EBITDA grew more 25% to €29.6 million in the same period**
- **LeiriaShopping was successfully inaugurated contributing with a gain in the period of €5 million**
- **Conclusion of the sale of 45% of ALEXA in Germany**

The Financial statements included in this report consolidate all the companies in proportion to better represent the Sonae Sierra position.

Sonae Sierra Total Net Profit in the first quarter of 2010 was of €7.3 million compared with a Net Loss of €59.7 million in the same period of last year, which represents a growth of 112%.

The positive variation in the Total Net Result is mainly driven by the Value Created in Investment Properties that was much higher than the one in same period of last year due to lower yield expansion in 2010. In fact, for the first time since 2Q2008, we have experienced a yield compression in Spain and in Italy with all other European countries stabilized, except for Portugal where our portfolio still felt a slight yield expansion.

In the same period Sonae Sierra's Direct Result reached €14 million (+92%), compared to the €7.3 million in the same period of 2009.

Direct Income from Investments is 7% above the same period in 2009 due to the increase in the portfolio – the openings of 2009: Loop5 and Manauara, and the good performance of the Brazilian portfolio which more than compensate the small decrease of the fixed rents in the European shopping centres (1% lower on a L4L basis).

In Brazil, it should be highlighted the continuous improvement of the operational activity.

The Company's EBITDA reached €29.6 million in the first quarter of 2010, 25% above the same period of last year as consequence of the income increase explain above and the cost cutting efforts implemented in all the Businesses of the Company.

The Company sold 45% of Alexa Shopping Centre (Berlin, Germany) to Union Investment. This sale had no impact on the 2010 Profit & Loss Account given that those effects had been already booked in 2009.

### Value Metrics

The Company measures its performance, in a first instance, on the basis of changes in Net Asset Value (NAV) plus dividends distributed. The Company calculates its NAV on the basis of the guidelines published in 2007 by INREV (European Association for Investors in Non-listed Real Estate Vehicles), an association of which the Company is a member.

On the basis of this methodology, the NAV of Sonae Sierra, as of the 30th March 2010, was €1.21 billion, corresponding to a NAV per share of €37.14.

<b>Net Asset Value (NAV)</b> <b>amounts in € 000</b>	<b>31 Mar 10</b>	<b>31 Dec 09 (PF)</b>
NAV as per the financial statements	982.240	994.533
Revaluation to fair value of developments	14.505	14.519
Deferred tax for properties	223.698	233.066
Goodwill related to deferred tax	-37.932	-37.932
Gross-up of Assets	25.089	24.310
<b>NAV</b>	<b>1.207.601</b>	<b>1.228.497</b>
<b>NAV per share (in €)</b>	<b>37,14</b>	<b>37,78</b>

### One shopping centre inaugurated and two more under construction

Sonae Sierra's growth and expansion strategy continues although the company has adjusted the development timings to the evolution of the financial and retail markets.

Following the successful refurbishment in Portugal, of AlbufeiraShopping (Algarve) completed last January, the company has successfully inaugurated on the 24<sup>th</sup> of March LeiriaShopping (Leiria) 100% let. Representing an investment of €79 million the shopping centre had more than 120.000 visits in just four days which give us a strong confidence for its future performance.

At the end of the first quarter of 2010, the Company has two new shopping centres under construction and 9 new projects in different phases of development in Portugal, Italy, Germany, Greece, Romania and Brazil.

In Italy, Sonae Sierra is currently developing Le Terrazze in La Spezia, schedule to open in the third quarter of 2010, representing an investment of more than €125 million, which has already 50% of its GLA let. In Brazil the Company has just started the construction works of Uberlândia Shopping (Uberlândia) planed to open in 2011 with a total investment of €62 million.

## Sonae Sierra's Consolidated Profit and Loss Account, and Consolidated Balance Sheet

### Sonae Sierra

(Unaudited Accounts)

Consolidated Profit and Loss Account (€ 000)	1Q10	1Q09 PF *	1Q09	% 10/09PF
Direct Income from Investments	56.903	53.211	75.385	7%
Direct costs from investments	27.327	29.503	31.295	-7%
<b>EBITDA</b>	<b>29.576</b>	<b>23.708</b>	<b>44.091</b>	<b>25%</b>
Net financial costs	11.718	12.155	20.783	-4%
Other non-recurrent income/cost	-579	-494	-498	-17%
<b>Direct profit before taxes</b>	<b>17.279</b>	<b>11.059</b>	<b>22.810</b>	<b>56%</b>
<b>Corporate tax</b>	<b>3.256</b>	<b>3.774</b>	<b>5.297</b>	<b>-14%</b>
<b>Direct net profit</b>	<b>14.023</b>	<b>7.285</b>	<b>17.513</b>	<b>92%</b>
Gains realized on sale of investments	-281	-23	-23	-1140%
Impairment & Development funds at risk provision	-191	-2.987	-2.987	94%
Value created on investments	-3.254	-83.878	-132.091	96%
<b>Indirect income</b>	<b>-3.726</b>	<b>-86.887</b>	<b>-135.101</b>	<b>96%</b>
Deferred tax	2.978	-20.110	-30.125	115%
<b>Indirect net profit</b>	<b>-6.704</b>	<b>-66.777</b>	<b>-104.976</b>	<b>90%</b>
<b>Net profit before minorities</b>	<b>7.319</b>	<b>-59.491</b>	<b>-87.463</b>	<b>112%</b>
Attributable to :				
Equity holders	7.319	-59.491	-59.491	112%
Minority interests	0	0	-27.972	-100%

\* 2009 PF - with all the companies consolidated by the proportional method.

### Sonae Sierra

(Unaudited Accounts)

Consolidated Balance Sheet (€ 000)	31-03-2010	31-12-2009 (PF)	Var. (10 - 09)
Investment properties	2.256.413	2.304.609	-48.196
Properties under development and others	202.985	265.852	-62.867
Other assets	183.139	192.215	-9.076
Cash & Equivalents	71.413	28.987	42.426
<b>Total assets</b>	<b>2.713.949</b>	<b>2.791.662</b>	<b>-77.713</b>
<b>Net worth</b>	<b>982.240</b>	<b>994.533</b>	<b>-12.293</b>
<b>Minorities</b>	<b>0</b>	<b>0</b>	<b>0</b>
Bank loans	1.185.052	1.295.221	-110.169
Deferred taxes	267.225	272.232	-5.007
Other liabilities	279.432	229.676	49.756
<b>Total liabilities</b>	<b>1.731.709</b>	<b>1.797.129</b>	<b>-65.420</b>
<b>Net worth, minorities and liabilities</b>	<b>2.713.949</b>	<b>2.791.662</b>	<b>-77.713</b>

**Sonae Sierra's Consolidated Profit and Loss Account and Consolidated Balance Sheet by business**

**Sierra Investments**

(Unaudited Accounts)

<b>Profit &amp; Loss Account</b> <b>(€ 000)</b>	<b>1Q10</b>	<b>1Q09 PF *</b>	<b>% 10/09</b>
Retail Net Operating Margin	24.963	25.180	-1%
Parking Net Operating Margin	496	384	29%
Co-generation Net Operating Margin	144	247	-42%
<b>Shopping Centre Net Operating Income</b>	<b>25.604</b>	<b>25.811</b>	<b>-1%</b>
Offices Net Operating Income	18	49	-63%
Asset Management Net Operating Income	1.230	1.674	-27%
<b>Net Operating Income (NOI)</b>	<b>26.852</b>	<b>27.534</b>	<b>-2%</b>
Recurrent net financial costs/(income)	11.767	11.620	1%
Non-Recurring costs/(income)	(110)	659	-117%
<b>Corporate Taxes</b>	<b>2.626</b>	<b>3.551</b>	<b>-26%</b>
<b>Direct Profit</b>	<b>12.570</b>	<b>11.705</b>	<b>7%</b>
Realized Property Profit	(240)	(171)	-40%
Non-Realised Property Profit	(10.562)	(54.680)	81%
Deferred tax	(116)	(8.950)	99%
<b>Indirect Profit</b>	<b>(10.686)</b>	<b>(45.901)</b>	<b>77%</b>
<b>Net Profit for the Period</b>	<b>1.884</b>	<b>(34.197)</b>	<b>106%</b>
<b>Attributable to :</b>			
Equity holders	1.884	(34.197)	106%
Minority interests	0	0	-

<b>Consolidated Balance Sheet</b> <b>(€ 000)</b>	<b>31-03-2010</b>	<b>31-12-09 (PF)</b>	<b>Var. (10 - 09)</b>
Investment properties & others	1.931.470	1.995.363	-63.893
Other assets	155.397	157.318	-1.921
Cash & Equivalents	111.729	61.629	50.099
<b>Total assets</b>	<b>2.198.596</b>	<b>2.214.311</b>	<b>-15.715</b>
Net worth	682.800	688.031	-5.231
Minorities	0	0	0
Bank loans	1.072.750	1.139.137	-66.388
Deferred taxes	213.507	220.369	-6.862
Other liabilities	229.539	166.774	62.766
<b>Net Worth, minorities and liabilities</b>	<b>2.198.596</b>	<b>2.214.311</b>	<b>-15.715</b>

## Sierra Developments

(Unaudited Accounts)

Profit & Loss Account (€ 000)	1Q10	1Q09 PF *	% 10/09
Project Development Services Rendered	1.284	1.603	-20%
Value created in projects	5.170	(14.123)	137%
<b>Operating Income</b>	<b>6.454</b>	<b>(12.520)</b>	<b>152%</b>
<b>Operating costs</b>	<b>5.830</b>	<b>6.537</b>	<b>-11%</b>
<b>Net Operating Income (NOI)</b>	<b>624</b>	<b>(19.058)</b>	<b>103%</b>
Depreciation and provisions	6	4	40%
Net financial costs/(income)	360	716	-50%
Non-Recurring costs/(income)	76	0	-
Corporate taxes	863	(1.161)	174%
<b>Net Profit for the Period</b>	<b>(682)</b>	<b>(18.617)</b>	<b>96%</b>
<b>Attributable to :</b>			
Equity holders	<b>(682)</b>	<b>(18.617)</b>	96%
Minority interests	0	0	-

Consolidated Balance Sheet (€ 000)	31-03-10	31-12-09 PF	Var. (10 - 09)
Properties under development	180.574	245.479	-64.905
Other assets	66.846	50.163	16.682
Cash & Equivalents	1.812	2.724	-911
<b>Total assets</b>	<b>249.232</b>	<b>298.366</b>	<b>-49.134</b>
Net worth	-3.712	-5.526	1.813
Bank loans	3.999	33.315	-29.317
Shareholder loans	196.773	202.960	-6.187
Deferred taxes	3.101	4.464	-1.363
Other liabilities	49.073	63.152	-14.080
<b>Net worth, minorities and liabilities</b>	<b>249.232</b>	<b>298.366</b>	<b>-49.134</b>

## Sierra Management

(Unaudited Accounts)

Profit & Loss Account (€ 000)	1Q10	1Q09	% 10/09
Total income from management services	9.100	8.501	7%
Operating costs	7.005	7.236	-3%
<b>Net operating income (NOI)</b>	<b>2.094</b>	<b>1.265</b>	<b>66%</b>
Net financial costs/(income)	(216)	(323)	33%
Non-recurring costs/(income)	230	43	435%
Corporate taxes	689	585	18%
<b>Net Profit for the period</b>	<b>1.392</b>	<b>960</b>	<b>45%</b>
<b>Attributable to :</b>			
Equity holders	1.392	934	49%
Minority interests	0	25	-100%

Consolidated Balance Sheet (€ 000)	31-03-10	31-12-09	Var. (10 - 09)
Other assets	35.893	34.343	1.550
Cash & Equivalents	28.376	28.148	228
<b>Total assets</b>	<b>64.269</b>	<b>62.491</b>	<b>1.778</b>
Net worth	1.409	4.327	-2.918
Minorities	0	134	-134
Other liabilities	62.860	58.030	4.831
<b>Net Worth, minorities and liabilities</b>	<b>64.269</b>	<b>62.491</b>	<b>1.778</b>

**Sonae Sierra Brazil**

(Unaudited Accounts)

<b>Profit &amp; Loss Account</b> <b>(€ 000)</b>	<b>1Q10</b>	<b>1Q09 PF *</b>	<b>% 10/09</b>
Retail Operating Margin	5.197	3.429	52%
Parking Net Operating Margin	467	115	307%
<b>Shopping Centre Net Operating Margin</b>	<b>5.664</b>	<b>3.544</b>	<b>60%</b>
Total Income from Services Rendered	1.465	1.301	13%
Overheads	1.988	1.548	28%
<b>Net Operating Income (NOI)</b>	<b>5.140</b>	<b>3.297</b>	<b>56%</b>
Net financial costs/(income)	(194)	170	-214%
Non-recurring costs/(income)	48	43	12%
Corporate taxes	542	483	12%
<b>Direct Profit</b>	<b>4.743</b>	<b>2.601</b>	<b>82%</b>
Realised Property Profit	0	0	-
Non-Realised Property Profit	1.443	1.034	40%
Deferred tax	1.460	(428)	441%
<b>Indirect profit</b>	<b>(17)</b>	<b>1.462</b>	<b>-101%</b>
<b>Net Profit for the Period</b>	<b>4.726</b>	<b>4.063</b>	<b>16%</b>
<b>Attributable to:</b>			
Equity holders	4.726	4.063	16%
Minority interests	0	0	-

<b>Consolidated Balance Sheet</b> <b>(€ 000)</b>	<b>31-03-10</b>	<b>31-12-09 (PF)</b>	<b>Var. (10 - 09)</b>
Properties	348.091	328.273	19.818
Other assets	14.485	14.112	373
Cash & Equivalents	16.703	18.295	-1.592
<b>Total Assets</b>	<b>379.280</b>	<b>360.681</b>	<b>18.599</b>
Net worth	286.595	270.456	16.139
Minorities	0	0	0
Bank loans	33.302	32.768	534
Deferred taxes	50.323	47.089	3.234
Other liabilities	9.060	10.368	-1.309
<b>Net Worth, minorities and liabilities</b>	<b>379.280</b>	<b>360.681</b>	<b>18.599</b>

**About Sonae Sierra**

Sonae Sierra, [www.sonaesierra.com](http://www.sonaesierra.com), is the international shopping centre specialist, with a passion for bringing innovation and excitement to the shopping centre industry. The Company owns 52 Shopping Centres in Portugal, Spain, Italy, Germany, Greece, Romania and Brazil, with a total Gross Lettable Area (GLA) of more than 2 million m<sup>2</sup>. Sonae Sierra has 2 projects under construction and 9 new projects in different phases of development in Portugal, Italy, Germany, Greece, Romania and Brazil. In 2009, its centres welcomed more than 436 million visits.