

Maia, Portugal, March 9<sup>th</sup> 2011

## **Sonae Sierra recorded a Total Net Profit of €8.7 million in 2010**

- EBITDA grew 13% to €123.4 million
- NAV grew 1.8% to €1.25 billion
- Global occupancy rate of the portfolio grew 0.4% to 96.3%
- Managed portfolio sales grew 0,5% in Europe and 16.6% in Brazil (in Reais)

Sonae Sierra, the international shopping centre specialist, presented a Total Net Profit of €8.7 million in 2010, compared to a loss of €111 million in 2009. The favourable change in the Total Net Profit was driven by an increase of 35% of the Direct Net Profit and 68% increase of the Indirect Net Profit in 2010, consequence of the resilience and increased operational efficiency of our assets, and of the lower yield compression.

The achieved results mirror the success of Sonae Sierra's internationalization strategy, which ended the year with a portfolio of 51 shopping centres in operation, in seven different countries, with a Gross Lettable Area (GLA) of more than 2 million m<sup>2</sup>. In 2010, Sonae Sierra's shopping centres welcomed a total of 431 million visitors.

The Direct Income from Investments recorded a €15 million increase, compared to the previous year, going from €212 million to €227 million, a 7.0% increase. This variation reflects the growth of the portfolio, with the inauguration of shopping centres Manauara (Brazil) and Loop5 (Germany) in 2009, the opening of LeiriaShopping and the expansion of Parque D. Pedro (Brazil) in 2010, and also the organic growth of our centres, namely in Brazil, which was partially compensated by the sales of Alexa (Berlin, Germany), where Sonae Sierra maintains the property management and a minority stake ownership, and Mediterranean Cosmos (Greece), examples of the Company's capital recycling strategy. Sonae Sierra also completed the sale of LeiriaShopping to the Sierra Portugal Fund for €92 million.

EBITDA recorded a 13% increase, and is now at €123.4 million, compared to the €108.8 million in 2009. This increase reflects not only the aforementioned inaugurations, but also the efficiency gains from the cost containment efforts in all areas of the Company.

Sonae Sierra's managed portfolio presented a positive performance in 2010 when compared to the same period of 2009, with sales in Europe growing 0.5% (+1.8% like-for-like), and 16.6% in Brazil (+10.1% like-for-like), an evolution that reflects the good momentum of the Brazilian economy.

Despite the natural impact of the economic situation on occupancy and rental rates in the retail real estate sector, Sonae Sierra recorded a Global Occupancy Rate of the portfolio of 96.3%, an increase of 0.4% compared to 2009.

The Value Created on Properties was positive, for the first time since 2008, thanks to the good operational performance, despite the yield increase in Portugal and Greece.

## Value Metrics

The Company measures its performance, in a first instance, on the basis of changes in NAV (Net Asset Value) plus dividends distributed. Sonae Sierra calculated its NAV according to 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 company's NAV, as of December 31 2010, was €1.251 billion, an increase of 1.8% compared to the value recorded at the end of 2009, which was €1.228 billion

<b>Net Asset Value (NAV)</b>	<b>Actual</b>	<b>Actual PF</b>
amounts in € 000	<b>31 Dec 10</b>	<b>31 Dec 09</b>
NAV as per the financial statements	1.000.431	994.533
Revaluation to fair value of developments	14.033	14.519
Deferred tax for properties	249.382	233.066
Goodwill related to deferred tax	-37.347	-37.932
Gross-up of assets	24.426	24.310
<b>NAV</b>	<b>1.250.926</b>	<b>1.228.497</b>

## Reinforcement of the portfolio

Sonae Sierra's growth and expansion strategy continued in 2010, although the Company adjusted its development *timings* to the evolution of the financial and retail markets. In 2010, Sonae Sierra had three new Shopping Centres under construction and 7 projects in different stages of development in Portugal, Italy, Germany, Greece, Romania and Brazil.

In the Portuguese market, Sonae Sierra finished a series of expansion and refurbishment projects, including the renovation of Vasco da Gama shopping centre, which involved an investment of €2.5 million. This centre was revitalized according to the modern alignment defined for the Company's portfolio, also satisfying new standards in terms of offer.

Estação Viana shopping centre, in Viana do Castelo, was the subject of an expansion, and now offers a Gross Lettable Area (GLA) with an additional 1,100 m<sup>2</sup>.

In Spain, Sonae Sierra refurbished three centres: Plaza Mayor, in Malaga, Luz del Tajo, in Toledo, and Parque Principado, in Oviedo.

In Italy, the Company is involved in several projects, including the expansion of Shopping Centre Airone, in Padua, which will increase the centre's GLA by 2,900 m<sup>2</sup>. Also under development, and scheduled to be inaugurated next November, is Le Terrazze, in La Spezia, with a total GLA of 30,500 m<sup>2</sup> and an investment of more than €125 million.

In 2010, Sonae Sierra was also committed to the development of Adoral Mall, in Craiova, Romania, the first shopping and leisure centre in that market, with a total GLA of 59,000 m<sup>2</sup>.

The economic growth that occurred in Brazil in 2010, counter-cyclically to the European market, had a positive effect on the Company's activity. In the Brazilian market, the highlight goes to the inauguration, at the end of last year, of the expansion of Parque D. Pedro, in Campinas, an investment of €9 million and a GLA of 5,400 m<sup>2</sup>. We also highlight the start of the construction of Boulevard Londrina (Brazil), a shopping centre with 47,800 m<sup>2</sup> of GLA, in which €97 million will be invested, and is scheduled to open in 2012, and the progress made in the construction of Uberlândia Shopping, scheduled to be inaugurated this year, with a total investment of €62 million.

## **International Recognition**

In 2010, Sonae Sierra was awarded several distinctions, both national and international. The Company was considered the Best Retail Developer in Portugal, Spain and Italy at the Real Estate Awards, an initiative of Euromoney magazine, an international publication, leader in banking and finance information.

The company led, for the fifth time, the Corporate Climatic Responsibility ranking: ACGE Sectoral Index 2010, published by Euronatura – Centre for Environmental Law and Sustainable Development, reinforcing the national and international recognition of the Company's commitment to the Sustainability area.

The company was distinguished with the Award for Corporate Sustainability at the European Business Awards. This distinction is awarded to the European company with the best strategy and results in terms of sustainability and corporate responsibility.

The International Council of Shopping Centres (ICSC) distinguished Sonae Sierra for the refurbishment project of Valecenter Shopping Centre (Italy) in the Refurbishment & Extension category, at the 2010 edition of the ICSC European Shopping Centre Awards. The Company also received an award for Best Developer of the Year, at the 2010 Construir Awards.

Centro Colombo, Sonae Sierra's largest Shopping Centre in Portugal, was considered the Best Shopping Centre at the 2010 Hipersuper Awards. Finally, last year, Sonae Sierra was also distinguished at the European Risk Management Awards, in the Best Risk Training Programme category, an initiative of British magazine Strategic Risk, that rewards the best and most innovative actions in the risk management area, and which acknowledged the Company's bet on the development of a Safety & Health culture across the entire company and its shopping centres, namely through the Personae Project.

## 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 49 Shopping Centres in Portugal, Spain, Italy, Germany, Greece, Romania and Brazil. Sonae Sierra is also providing services to third parties in Cyprus, Serbia, Morocco and Colombia. Currently, the Company has 3 projects under construction and 7 new projects in different phases of completion in Portugal, Italy, Germany, Greece, Romania and Brazil. Sonae Sierra manages a total gross lettable area (GLA) of about 2.2 million m<sup>2</sup> with more than 8,900 tenants. In 2010, Sonae Sierra welcomed more than 431 million visits in its shopping centres.*

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

### Sonae Sierra

#### Consolidated Profit and Loss Account (€ 000)

	2010	2009 PF*	2009	% 10/09PF
Direct Income from Investments	226.881	211.979	311.190	7%
Direct costs from investments	103.465	103.187	130.936	0%
<b>Net Operating Result</b>	<b>123.416</b>	<b>108.793</b>	<b>180.254</b>	<b>13%</b>
Net financial costs	44.101	51.460	82.527	-14%
Other non-recurrent income/cost	(6.583)	(3.159)	(2.219)	-108%
<b>Direct profit before taxes</b>	<b>72.732</b>	<b>54.173</b>	<b>95.508</b>	<b>34%</b>
<b>Corporate tax</b>	<b>15.193</b>	<b>11.683</b>	<b>18.729</b>	<b>30%</b>
<b>Direct net profit</b>	<b>57.539</b>	<b>42.490</b>	<b>76.778</b>	<b>35%</b>
Gains realized on sale of investments	(1.707)	4.980	4.161	-134%
Impairment & Development funds at risk provision	(29.425)	(6.423)	(6.384)	-358%
Value created on investments	18.205	(186.787)	(291.787)	110%
<b>Indirect income</b>	<b>(12.927)</b>	<b>(188.231)</b>	<b>(294.009)</b>	<b>93%</b>
Deferred tax	35.918	(34.755)	(57.324)	203%
<b>Indirect net profit</b>	<b>(48.845)</b>	<b>(153.475)</b>	<b>(236.685)</b>	<b>68%</b>
<b>Net profit before minorities</b>	<b>8.694</b>	<b>(110.985)</b>	<b>(159.907)</b>	<b>108%</b>
<b>Attributable to :</b>				
Equity holders	8.694	(110.985)	(110.985)	108%
Minority interests	0	0	(48.922)	-

#### Consolidated Balance Sheet (€ 000)

	2010	2009 PF*	2009	Var. (10 - 09PF)
Investment properties	2.284.916	2.304.609	3.595.147	-19.693
Properties under development and others	223.484	264.290	265.852	-40.806
Other assets	139.709	193.777	196.459	-54.068
Cash & Equivalents	54.252	28.987	50.674	25.265
<b>Total assets</b>	<b>2.702.360</b>	<b>2.791.662</b>	<b>4.108.133</b>	<b>-89.302</b>
<b>Net worth</b>	<b>1.000.431</b>	<b>994.533</b>	<b>994.533</b>	<b>5.898</b>
<b>Minorities</b>	<b>0</b>	<b>(0)</b>	<b>407.232</b>	<b>0</b>
Bank loans	1.198.091	1.295.221	1.945.667	-97.130
Deferred taxes	304.627	272.232	469.012	32.395
Other liabilities	199.212	229.676	291.688	-30.464
<b>Total liabilities</b>	<b>1.701.929</b>	<b>1.797.129</b>	<b>2.706.368</b>	<b>-95.200</b>
<b>Net worth, minorities and liabilities</b>	<b>2.702.360</b>	<b>2.791.662</b>	<b>4.108.133</b>	<b>-89.302</b>

\* Note: 2009 as been restated to consolidate all the companies in proportion