

Interview with Sonae Sierra's CEO, Álvaro Portela

Q - How do you analyse the year of 2005 for Sonae Sierra?

Álvaro Portela - 2005 was a very exciting year for us. It began with the launch of the new Sonae Sierra identity and ended with us not only consolidating our position in Southern European markets, specifically in Greece and in Italy, but also looking forward to the inauguration of three more centres - two in Portugal and one in Brazil - during the coming year.

Our financial performance was also very positive; we have achieved strong growth in all our financial indicators, backed by an ever-stronger balance sheet.

Q - How did the market received, along 2005, the new brand Sonae Sierra?

Álvaro Portela - Our new brand has been well received by colleagues and competitors alike. It gives us a fresh, lively image which reflects the way we bring imagination and excitement to our industry. I believe its introduction has given our company a new impetus, matched only by the new beginnings we have made in our targeted operational areas in Europe. The most exciting of these is Greece where, on October, we inaugurated Mediterranean Cosmos, in Thessalonica, the country's first-ever modern, purpose-built shopping and leisure centre. I am pleased to say it is already proving very popular with local people.

Today, as our reputation for innovation grows, we maintain a focused and coherent strategy across all our countries of choice. In all that we do, from the management of our own administrative systems to the design and construction of retail developments, we seek to achieve a dynamic combination of imagination and integrity which leads to excellent results.

Q - The international expansion of Sonae Sierra is confined to the markets were the Company already operates or do you preview to open it to new countries?

Álvaro Portela - While we remain focused on the countries we currently operate in, and aim to become leaders in those territories, we are aware of the opportunities opening up elsewhere. This strategy remains valid, it is important to remind that we are currently



developing 14 new projects in several markets which guarantee in the medium term a significant growth of our portfolio.

We are currently operating in Portugal, Spain, Italy, Germany, Greece and Brazil but we are open to new opportunities, mainly in the countries of the newly-enlarged European Union. However, our process of market investigation and product evaluation is thorough and efficient. While we do expect to expand our territorial scope, we will only do so when the circumstances are right for us, and for our investors.

Q - What is the long-term strategy of Sonae Sierra?

Álvaro Portela -Sonae Sierra aims to become one of the leading companies in the shopping and leisure centre sector. We have a long-term approach to our properties and we aim to be in the top three ranking in all markets where we operate.

We know that we can only achieve these objectives in the future by paying close attention to the way we do business in the present. I am confident that, by continuing to exercise our expertise and imagination, and by maintaining the highest standards of innovative professionalism in all that we do, we can sustain the momentum needed for success.

Q - What other aspects would you highlight in 2005 performance of Sonae Sierra?

Álvaro Portela - I was delighted when, in December, our Environmental Management System (EMS) received certification in accordance with ISO 14001:2004. This award, which is granted by Lloyd's Register Quality Assurance, was the first of its kind made in our sector. It is, I believe, deserved recognition for all the hard work which goes into ensuring we sustain a high level of environmental responsibility. It was doubly pleasing to me because, as well as recognising our collective work as a corporation, two of our shopping centres - Centro Colombo in Lisbon and NorteShopping in Matosinhos, Porto - received individual ISO 14001:2004 certificates in recognition of their achievements. We are committed to certificate all the other Shopping Centres owned or co-owned by the Company until 2008.

I also highlight the 10% increase in Sonae Sierra's number of employees. It is gratifying to see new people joining us every day, bringing in their confidence and willingness to learn our working processes. The Company will consolidate its growth and success on the wealth brought about by this exchange of motivation and knowledge.