



SONAE SIERRA

Maia, Portugal, March 18th 2009

In 2008 Sonae Sierra recorded a Net Operating Margin of €179.9 million, a 16% growth compared to the same period of 2007

- Fifty Shopping centres in operation in seven countries
- Four new shopping centres inaugurated in Spain, Italy and Greece
- Sierra Portugal Fund successfully created, launched and placed
- Rents grew 17,0% and 4,1% on a like-for-like basis in Europe
- 7,2% like-for-like increase in rents in Brazil, with occupancy up by 10 b.p. to 96.8%
- Total Direct Income from Investments grew 13% over last year
- € 67.8 million of Direct Net Profit
- NAV stood at €1,416 million

Sonae Sierra has consolidated, during 2008, its expansion and internationalization strategy, and closed last year with a portfolio of 50 shopping centres in operation, spread throughout seven countries, with a total Gross Lettable Area (GLA) of about 2 million m².

Amongst the most significant moments of 2008 are: (i) the four inaugurations, Freccia Rossa in Brescia and Gli Orsi in Biella, both in Italy, Plaza Mayor Shopping in Spain and Phanteon Plaza in Greece; (ii) the completion of the expansion of ArrábidaShopping, in Porto, as well as the refurbishment of Centro Colombo, in Lisbon, both in Portugal, and Valecenter, near Venice in Italy; (iii) the successful launch and placement of the Sierra Portugal Fund with a total equity value of €300 million and (iv) the launch of three new projects in Brazil located in Londrina, Uberlândia and Goiânia.

During 2008, Sonae Sierra was awarded in several areas, namely the Green Thinker Award that elected the Company as most sustainable European developer among 100 leading companies in the sector. Sonae Sierra has also been distinguished by RLI magazine - Retail & Leisure International - with the "RLI Developer of the Year" award, at the Global RLI Awards 2008, the annual awards of this prestigious British publication.

PRESS RELEASE

Our Global Performance in 2008

Sonae Sierra's Consolidated Net Profit in 2008 was negative of €198.2 million compared with a positive consolidated net profit of €300.1 million in the same period of last year. This variation in Net Profits is mainly driven by Indirect Net Profits that were adversely affected by successive increases in market capitalization yields in Europe, particularly in Portugal and Spain.

The Total Direct Income from Investments grew by € 35.3 million or 13% over last year, from € 279.9 million to €315.2 million. This reflects the increase in portfolio resulting from the full year impact of 2007 acquisitions (CC Continente de Albufeira, CC Continente de Portimão, both in Portugal, Münster Arkaden, in Germany, and River Plaza, in Romania), the increase in the participations of three assets in Brazil (Shopping Metr pole, Plaza Sul Shopping and Tivoli Shopping), the inaugurations of 2007 (Alexa, in Germany, 8^a Avenida, in Portugal and El Rosal, in Spain), as well as, the inaugurations occurred in 2008 (Freccia Rossa and Gli Orsi, in Italy, Plaza Mayor Shopping, in Spain, and Pantheon Plaza, in Greece) and the organic growth of the existing portfolio. These favourable contributions more than compensated the loss of accounting Operating Income resulting from the change in consolidation method due to the successful sale of 58% of the new Sierra Portugal Fund (now consolidated by the proportional method, instead of the previously used full consolidation method).

Sonae Sierra's Direct Net Profit reached €67.8 million which compares with the €86.3 million in 2007. This reduction is explained by the increase in the net financial costs, which more than off-set the improvement in the net operating margin (which grew from 55,2% last year to 57,1% in 2008).

The big shift in the Company's Results happened at the level of Indirect Results, where the market variations of value of the properties are recorded. In this area, the Company booked a loss of €265.9 million at 2008 year end, whereas it had booked a gain of €213.8 million in the same period of 2007. This Indirect Result has three main components.

In the first (Gains Realized on sale of Investments), the Company shows a gain in the period of €19 million corresponding basically to the gains made on the sale of positions to third party investors in the Sierra Portugal Fund, the gain on sale of the Mediterranean Cosmos to Sierra Fund, the price adjustment in CascaiShopping, the gain on the sale of part of Manauara's land.

In the second component (Impairment & Development funds at risk provision), the Company recorded the impairments in the Romanian projects - Craiova and Ploiesti and the provision for developments at risk.

The third component (Value Created on Investments) corresponds to changes in value, on the basis of independent valuations, of the properties in the portfolio. In this component, the Company booked in the period a loss of €244.0 million.

The market value of the investment properties is being affected by the negative climate now prevailing in the property markets of most of the developed countries where the Company operates. This context led to an upwards shift of the capitalization yields applied in the valuations carried out on assets in those countries, this increase implying a reduction in the value of the corresponding property.

The losses in Value Created on Investments were mitigated however by the value created on openings of the year and on properties under developments and the valuation gains in Brazil, a market that was not affected by the crisis and where yields remain relatively stable.

In 2008 and in the case of Sonae Sierra, the exclusive effect of the variation in the yields

led to a reduction in the value of the Investment Properties of 11.4%, which amounted to €410.9 million. The highest losses occurred in Portugal (loss of €183.8 million) and Spain (loss of €136.4 million), the other European countries had a total loss of €93.7 million whereas Brazil recorded a gain of €3.0 million.

In terms of yield variation in the portfolio, these figures translate an average yield increase of 56 basis points in Portugal, 95 basis points in Spain, and an average yield reduction in Brazil of 8 basis points.

This potential loss of €410.9 million, resulting from the increased yield, was mitigated by a favourable evolution at the Shopping Centres operating level. The combined effect of changes in the projections of rents, key money, other net income and capital expenditures, led to an increase in the value of the properties of €129.7million. Therefore, the net effect of the variation in the investment properties valuation was negative in €281.2 million.

To note that the negative variation of the Investment Properties results from unfavourable market forces and in no way reflect a general under performance of the company's European Shopping Centre portfolio which recorded a like-for-like 4.1% positive variation on rents versus 2007, with a stable occupancy, and a 7,2% like-for-like increase in rents in Brazil, where occupancy went up by 10 b.p. to 96.8%.

Our Performance in Brazil in 2008

2008 was a rewarding year for Sonae Sierra Brazil.

The Retail Operating Income increased by 16% to €40.5 million and the Income from Services Rendered increased by 22%, to €8.0 million in the period. The increase in operational and overhead costs were more than off-set by this outstanding performance in revenues, leading to a 8% increase of the Net Operating Income (NOI) to €28.6 million and a 6% increase of the Direct Profit to €21.3 million.

The increase in occupancy and collection rates through out our Brazilian portfolio and a better economic environment explain most of this excellent performance and the increase of the Direct Profit.

The Indirect Profit of the year, which mainly reflects the market variations of the properties value, was also positive in 2008. By the end of 2008, Brazil has been less negatively impacted by the turmoil in the world financial markets than other countries and the yields used in the valuations remained stable. Both the good operating performance of the whole portfolio and the reduction of the yield in Parque D.Pedro (our largest asset) led to better property valuations and to the positive Indirect Profit of €49.1 million in 2008.

By the end of 2008 and in development terms, we had succeeded in letting a total of 96% of the Gross Leasable Area (GLA) of our new Manauara Shopping Centre in Manaus. This 43,000 m2 centre is scheduled to open in April 2009. In 2008 we have also approved the development of 3 new centres in Londrina, Uberlândia and Goiânia cities. All three of these new developments have been given a good reception by Brazil's shopping centre anchor stores.

During the year we marked two other milestones achieving ISO 14001 environmental certification for all our operating shopping centres and for Manauara Shopping, which is still under construction. Two of our centres - Parque D. Pedro Shopping and Shopping Penha - also achieved OHSAS 18001 Safety and Health certification, making them unique in Brazil as the country's only shopping centres with this particular distinction.

Metrics of Value

The Company measures its performance, in a first instance, on the basis of changes in Net Asset Value (NAV) plus dividends distributed. The NAV presented is calculated following the INREV methodology, being (i) the addition of the estimated Promote Fee related with the Sierra Fund (the Fund will pay a fee to the fund manager, at the end of the life of the Fund, to remunerate the manager if the Fund achieves a superior performance) and (ii) the Transfer Taxes - valuation of the European portfolio on a gross basis (our independent valuer discounts from the OMVs a certain percentage related with transaction costs, which we are reversing for the calculation of the NAV) the main differences from the calculation published in previous years.

On the basis of this methodology, the NAV on 31 December 2008 of the properties attributable to Sonae Sierra was €1,416 million compared with €1,713 million on 31 December 2007.

(€ 000)	
Contribution to consolidated NAV	
Sierra Investments	960.460
Sierra Developments	219.976
Sonae Sierra Brazil	192.589
Sierra Management	4.453
Cash & Others	38.624
Total consolidated NAV	1.416.102

Further to this, the Company uses a second set of value metrics, the Net Operating Income (NOI) generated by its service activities. In the full year of 2008, the figures for this second set of value metrics were:

	Net Operating Income (€ 000)	
	12M08	12M07
Developments	-157.053	77.085
Asset Management	10.391	10.789
Property Management	5.220	6.889
Total	-141.442	94.763

The activities Asset Management and Property Management show a positive performance.

The Developments activity shows a loss of €157 million - this compares with a gain of €77 million in the same period of 2007. Under this activity, we book both project development services and margins accrued in projects under development held by Sierra Developments. The negative result in the period has to do with this second component. The Company adjusted down the estimates for value created until inauguration in a number of projects. As a consequence, the Company cancelled margins accrued in previous periods relating to those projects.

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

Sonae Sierra		(un-audited accounts)		
Consolidated Profit and Loss Account	2008	2007	% 08/07	
(€ 000)				
Direct Income from Investments	315.160	279.854	13%	
Operating costs	128.145	119.694	7%	
Other costs	7.154	5.737	25%	
Direct costs from investments	135.299	125.431	8%	
Net Operating Margin	179.861	154.423	16%	
Depreciation	2.190	1.944	13%	
Net financial costs	88.312	47.997	84%	
Other non-recurrent income/cost	-555	1.787	-131%	
Direct profit before taxes	88.804	106.269	-16%	
Corporate tax	21.035	19.969	5%	
Direct net profit	67.769	86.300	-21%	
Gains realized on sale of investments	19.410	13.553	43%	
Impairment & Development funds at risk provision	-65.832	-3.332	-	
Value created on investments	-243.975	295.372	-183%	
Indirect income	-290.396	305.593	-195%	
Deferred tax	-24.443	91.746	-127%	
Indirect net profit	-265.954	213.847	-224%	
Net profit before minorities	-198.184	300.147	-166%	
Attributable to :				
Equity holders	-116.126	214.897	-154%	
Minority interests	-82.058	85.250	-196%	

Sonae Sierra		(un-audited accounts)		
Consolidated Balance Sheet	31-12-2008	31-12-2007	Var.	
(€ 000)			(08 - 07)	
Investment properties	3.629.503	3.850.362	-220.860	
Properties under development and others	352.171	428.618	-76.447	
Tax shelter	18.111	22.194	-4.084	
Other assets	174.406	144.759	29.647	
Cash & Equivalents	117.378	48.848	68.530	
Total assets	4.291.567	4.494.782	-203.215	
Net worth	1.103.109	1.339.137	-236.028	
Minorities	419.990	448.970	-28.979	
Bank loans*	1.946.703	1.768.040	178.664	
Shareholder loans from minorities	27.167	88.636	-61.470	
Deferred taxes	516.502	598.956	-82.454	
Other liabilities	278.095	251.043	27.052	
Total liabilities	2.768.468	2.706.675	61.792	
Net worth, minorities and liabilities	4.291.567	4.494.782	-203.215	

*Excluding the fair value of hedging instruments

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

Sierra Investments

(un-audited accounts)

Profit & Loss Account (€ 000)	2008	2007	% 08/07
Fixed Rental Income	199.026	169.326	18%
Turnover Rental Income	9.179	8.601	7%
Key-Money Income	6.415	6.167	4%
Other Income	8.941	7.536	19%
Retail Operating Income	223.562	191.629	17%
Property Management Services	10.814	9.644	12%
Asset Management Services	21.894	22.075	-1%
Letting & Promotion	1.693	1.201	41%
Capital Expenditures	3.758	4.657	-19%
Other Costs	20.908	19.472	7%
Retail Operating Costs	59.067	57.049	4%
Retail Net Operating Margin	164.496	134.580	22%
Parking Net Operating Margin	3.548	3.216	10%
Co-generation Net Operating Margin	1.385	1.062	30%
Shopping Centre Net Operating Income	169.429	138.859	22%
Offices Net Operating Income	576	342	69%
Income from Asset Management Services	23.555	23.072	2%
Overheads	13.164	12.283	7%
Asset Management Net Operating Income	10.391	10.789	-4%
Net Operating Income (NOI)	180.396	149.990	20%
Depreciation	2.914	886	229%
Recurrent net financial costs/(income)	83.191	59.747	39%
Non-Recurring costs/(income)	(465)	(3.969)	88%
Results Before Corporate Taxes	94.756	93.327	2%
Corporate Taxes	19.996	18.219	10%
Direct Profit	74.760	75.108	0%
Realized Property Profit	4.699	(1.549)	-
Non-Realised Property Profit	(266.248)	179.918	-248%
Total Indirect Income from Investments	(261.549)	178.370	-247%
Deferred tax	(40.035)	55.023	-173%
Indirect Profit	(221.513)	123.347	-280%
Net Profit for the Period	(146.754)	198.455	-174%
Attributable to :			
Equity holders	(71.509)	115.941	-162%
Minority interests	(75.245)	82.514	-191%

Sierra Investments

(un-audited accounts)

Consolidated Balance Sheet (€ 000)	31-12-2008	31-12-2007	Var. (08 - 07)
Investment properties & others	3.454.681	3.661.027	-206.346
Tenants	19.820	14.158	5.663
Deferred taxes	15.871	18.655	-2.784
Other assets	110.293	100.956	9.337
Group companies	147.429	175.638	-28.209
Cash & Equivalents	36.238	32.858	3.380
Total assets	3.784.333	4.003.291	-218.959
Net worth	794.288	930.795	-136.507
Minorities	412.839	440.212	-27.373
Bank loans	1.807.633	1.693.543	114.090
Shareholder loans	35.096	97.318	-62.222
Deferred taxes	480.566	561.079	-80.514
Group companies - Sierra Developments	88.535	117.935	-29.400
Other liabilities	165.377	162.410	2.967
Total liabilities	2.577.206	2.632.284	-55.078
Net Worth, minorities and liabilities	3.784.333	4.003.291	-218.959

Sierra Developments

(un-audited accounts)

Profit & Loss Account (€ 000)	2008	2007	% 08/07
Project Development Services Rendered	14.301	13.037	10%
Value created in projects	(139.541)	92.635	-251%
Operating Income	(125.240)	105.672	-219%
Personnel costs	11.090	9.244	20%
Other costs	20.723	19.344	7%
Operating costs	31.813	28.587	11%
Net Operating Income (NOI)	(157.053)	77.085	-304%
Depreciation and provisions	226	22	-
Net financial costs/(income)	4.525	(449)	-
Profit Before Taxes	(161.804)	77.512	-309%
Corporate taxes	(3.751)	(2.821)	-33%
Deferred tax	(14.184)	18.718	-176%
Net Profit for the Period	(143.868)	61.614	-333%
Attributable to :			
Equity holders	(143.868)	61.614	-333%
Minority interests	0	0	-

Sierra Developments

(un-audited accounts)

Consolidated Balance Sheet (€ 000)	31-12-2008	31-12-2007	Var. (08 - 07)
Properties under development	289.855	470.341	-180.486
Customers	2.556	1.876	681
Group companies - Sierra Investments	88.535	117.935	-29.400
Other assets	40.550	37.570	2.980
Group Companies	55.914	16.520	39.394
Cash & Equivalents	12.107	17.651	-5.544
Total assets	489.518	661.894	-172.376
Net worth	62.940	148.695	-85.755
Minorities	0	1.225	-1.225
Bank loans	62.999	83.951	-20.953
Shareholder loans	312.600	342.119	-29.519
Deferred taxes	992	28.050	-27.058
Other liabilities	49.987	57.854	-7.867
Total liabilities	426.577	511.974	-85.397
Net worth, minorities and liabilities	489.518	661.894	-172.376

Sierra Management

(un-audited accounts)

Profit & Loss Account (€ 000)	2008	2007	% 08/07
Property Management Income	28.686	25.924	11%
Letting Services Income	4.444	5.241	-15%
Other income	2.489	2.887	-14%
Total income from management services	35.619	34.052	5%
Operating costs	30.399	27.163	12%
Net operating income (NOI)	5.220	6.889	-24%
Depreciation and Provisions	1.063	1.299	-18%
Net financial costs/(income)	(1.713)	(1.474)	-16%
Non-recurring costs/(income)	(107)	(4)	-
Results Before Corporate Taxes	5.977	7.068	-15%
Corporate taxes	1.873	1.994	-6%
Net Profit for the period	4.105	5.074	-19%
Attributable to :			
Equity holders	4.006	5.012	-20%
Minority interests	99	62	61%

Sierra Management

(un-audited accounts)

Consolidated Balance Sheet (€ 000)	31-12-2008	31-12-2007	Var. (08 - 07)
Net fixed assets	452	433	19
Goodwill	4.663	5.472	-809
Tenants	16.317	13.240	3.077
Other assets	9.195	7.024	2.171
Short term investment in group companies	19.956	19.432	524
Cash & Equivalents	4.059	2.119	1.939
Total assets	55.372	48.122	7.250
Net worth	4.453	5.979	-1.526
Minorities	127	84	43
Other liabilities	50.792	42.060	8.732
Total liabilities	50.792	42.060	8.732
Net Worth, minorities and liabilities	55.372	48.122	7.250

Sonae Sierra Brazil

(un-audited accounts)

Profit & Loss Account (€ 000)	2008	2007	% 08/07
Fixed Rental Income	32.950	29.750	11%
Turnover Rental Income	3.089	2.166	43%
Key-Money Income	2.439	2.044	19%
Other Income	2.006	1.081	86%
Retail Operating Income	40.484	35.041	16%
Property Management Services	1.703	1.516	12%
Letting & Promotion Services	838	834	0%
Other Costs	5.396	4.627	17%
Retail Operating Costs	7.938	6.977	14%
Parking Net Operating Margin	991	854	16%
Shopping Centre Net Operating Margin	33.537	28.918	16%
Income from Project Development Services	847	271	213%
Income from Property Management Services	7.176	6.330	13%
Total Income from Services Rendered	8.023	6.601	22%
Overheads	12.944	9.018	44%
Net Operating Income (NOI)	28.616	26.501	8%
Depreciation	271	121	124%
Provisions	553	964	-43%
Net financial costs/(income)	(441)	(530)	17%
Non-recurring costs/(income)	1.341	843	59%
Results Before Corporate Taxes	26.892	25.103	7%
Corporate taxes	5.550	5.028	10%
Direct Profit	21.342	20.076	6%
Realised Property Profit	1.131	0	-
Non-Realised Property Profit	66.109	91.885	-28%
Non-Realised Property Profit (Under Dev.)	6.469	9.102	-29%
Total Indirect Income from Investments	73.709	100.987	-27%
Deferred tax	24.650	33.850	-27%
Indirect profit	49.059	67.136	-27%
Net Profit for the Period	70.401	87.212	-19%
Atributable to:			
Equity holders	68.300	84.264	-19%
Minority interests	2.100	2.948	-29%

Sonae Sierra Brazil

(un-audited accounts)

Consolidated Balance Sheet (€ 000)	31-12-2008	31-12-2007	Var. (08 - 07)
Properties	461.041	434.242	26.799
Tenants	5.968	6.018	-50
Deferred taxes	3.287	4.994	-1.707
Other assets	14.817	4.183	10.634
Cash & Equivalents	3.929	5.304	-1.375
Total Assets	489.042	454.740	34.302
Net worth	349.812	365.753	-15.941
Minorities	13.332	14.895	-1.564
Bank loans	41.980	673	41.308
Deferred taxes	71.021	62.986	8.035
Other liabilities	12.896	10.433	2.463
Total liabilities	125.898	74.092	51.806
Net Worth, minorities and liabilities	489.042	454.740	34.302

Corporate Centre

(un-audited accounts)

Profit & Loss Account (€ 000)	2008	2007	% 08/07
Services rendered	32.852	31.581	4%
General supplies and services	18.436	17.362	6%
Personnel costs	13.618	13.257	3%
Operating costs	32.055	30.619	5%
Gross operating results	797	962	-17%
Depreciation	973	781	25%
Recurrent operating results	(176)	181	-197%
Non-Recurrent Operating Income/(costs)	176	(186)	195%
Operating results	(0)	(5)	100%
Financial results	(2.750)	9.650	-128%
Results before corporate taxes	(2.750)	9.645	-129%
Corporate taxes	(729)	2.557	-128%
Net profit for the period	-2.021	7.088	-129%

Corporate Centre

(un-audited accounts)

Consolidated Balance Sheet (€ 000)	31-12-2008	31-12-2007	Var. (08 - 07)
Investments	980.062	918.927	61.135
Investments in group companies	777.484	717.484	60.000
Loans in group companies	202.578	201.443	1.135
Other assets	12.331	7.357	4.974
Short term loans (group)	236.853	256.841	-19.988
Deposits	58.059	319	57.740
Total assets	1.287.305	1.183.444	103.861
Net worth	948.837	943.747	5.090
Minorities	0	0	0
Group company loans	228.422	218.116	10.306
Bank loans	15.000	8.194	6.806
Bond loans	75.000	0	75.000
Other liabilities	20.046	13.387	6.659
Total liabilities	338.468	239.697	98.771
Net Worth, minorities and liabilities	1.287.305	1.183.444	103.861

Sonae Sierra, 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 50 Shopping Centres in Portugal, Spain, Italy, Germany, Greece, Romania and Brazil, with a total Gross Lettable Area (GLA) of more than 2 million m². Sonae Sierra has 14 projects under development and 11 new projects in different phases of completion in Portugal, Spain, Italy, Germany, Greece, Romania and Brazil with a total GLA of 1,2 million m². In 2008, its centres welcomed more than 429 million visits.