



Press Release - São Paulo, October 23rd 2006

Developers Diversified is the new partner of Sonae Sierra's in Brazil

Sonae Sierra establishes partnership in Brazil with leading company in the North American market

- The partnership will invest \$300 million (U.S.\$) in the next three years in Brazil
- Enplanta Engenharia continues to be the local partner
- Tenth shopping and leisure centre in Brazil will be located in the city of Manaus

Sonae Sierra, an international company specialized in shopping and leisure centres, has just established a 50/50 partnership for its business in Brazil with Developers Diversified, a company listed in the New York Stock Exchange, and a leader in the development, ownership and management of shopping centres in the United States.

Through this partnership, Developers Diversified and Sonae Sierra will conduct their shopping and leisure centre business in Brazil through Sonae Sierra Brasil, which is also owned by local partner Enplanta Engenharia (7%). Sonae Sierra Brasil co-owns and manages nine shopping centres under operation: Parque D. Pedro (Campinas), Boavista Shopping, Shopping Penha, Plaza Sul and Shopping Campo Limpo (São Paulo); Pátio Brasil (Brasília), Franca Shopping (Franca), Tivoli Shopping (Santa Bárbara D'Oeste) and Shopping Metr pole (S o Bernardo do Campo).

Developers Diversified's investment in the acquisition of 50% of Sonae Sierra business in Brazil is approximately \$150 million (U.S.\$). Moreover, both parties have agreed to fund an additional of approximately \$150 million (U.S.\$) each, assuming the commitment through this partnership to invest approximately \$300 million (U.S.\$) into third party acquisitions or new developments over the next three years in Brazil.

According to Sonae Sierra's CEO,  lvvaro Portela, *"a partnership with an investor of Developers Diversified's dimension and prestige fits the Company's growth strategy, and confirms Sonae Sierra's operational potential in Brazil, creating excellent expectations for the future"*.

Scott A. Wolstein, Developers Diversified's Chairman and Chief Executive Officer, commented *"We're pleased to announce this exciting transaction that marks the international expansion of our platform. This investment offers outstanding potential value-creation on a risk-adjusted basis. Moreover, we're fortunate to identify such strong operating partners with a proven record of success and extensive tenant relationships in Brazil and Europe."*

PRESS RELEASE



Manaus will host tenth Shopping and Leisure Centre

In line with its growth strategy in the Brazilian market, Sonae Sierra has decided to proceed with the development of its tenth shopping and leisure centre in the country, in Manaus, the capital of the state of Amazonas, which will represent an investment of 163 million reais.

The new shopping and leisure centre will be built on a 62 thousand m² area located in the neighbourhood of Adrianópolis, between the large Paraíba and Recife avenues, a privileged location with a catchment area of approximately 1.5 million people.

Developed in three levels, the centre will have about 43.126 m² of GLA, divided in three levels dedicated to commerce, restaurants and entertainment, in a total of 252 shops. The parking lot will make available 2.200 parking spaces.

The development of project will follow the Company's strict regulations in terms of safety, environmental protection and integration with the local community. Construction will begin early in 2007, and the inauguration is scheduled to the Fall of 2008.

The architectural design of this new shopping and leisure centre in Manaus was developed around the fauna, flora and folklore of the Amazon.

Once in operation, the centre should generate two thousand new jobs.

About Sonae Sierra

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 or co-owns 40 Shopping Centres in Portugal, Spain, Italy, Greece, Germany and Brazil, with a total Gross Lettable Area (GLA) of more than 1,6 million m². Currently, Sonae Sierra is developing 14 more projects in Portugal, Spain, Italy, Germany, Greece and Brazil, with a total GLA of more than 480.000 m². The company has earned an international reputation for the innovation of its products and its management capacity, and has gathered more international awards than any other company in its sector.

About Developers Diversified

Including the assets located in Brazil, Developers Diversified owns and manages over 500 retail operating and development properties in 44 states in USA, plus Puerto Rico and Brazil, totaling 11,8 million m². The Company is a self-administered and self-managed real estate investment trust (REIT) operating as a fully integrated real estate company which acquires, develops and leases shopping centers. Additional information about Developers Diversified is available on the Internet at <http://www.ddr.com>.