



Press release – 29-12-05

Sonae SGPS and Grosvenor move to 50/50 Ownership in Sonae Sierra

- **Grosvenor acquires an additional 17.04% of Sonae Sierra's share capital from Sonae SGPS**
- **The two partners now own Sonae Sierra 50/50**
- **The partnership between Sonae Group and Grosvenor was originally established 8 years ago**

Sonae SGPS has just signed an agreement with Grosvenor for the sale of 17.04% of the share capital of Sonae Sierra to Grosvenor. The two companies now each hold 50% of Sonae Sierra's capital. Grosvenor's interest is held through its subsidiary GFEPI, in which GIC and Wellcome Trust are minority investors.

The transaction price is € 218 million. The share capital of Sonae Sierra, a leading investor, developer, and manager of shopping and leisure centres, was previously split between Sonae SGPS (67.04%) and Grosvenor (32.96%).

This deal will be submitted to the Portuguese Competition Authority and will be subject to its final clearance.

The deal announced today is confirmation of the excellent relationship between the two shareholders and their confidence in the business strategy being followed by Sonae Sierra, its board and staff. As such the deal between the two shareholders of Sonae Sierra means that there is no change in the strategy and business organisation of the Company, which will continue to have a stable and solid shareholder base.

An important result of this agreement is that Sonae Sierra will be both shareholders' platform for the future development, investment and management of shopping and leisure centres in Continental Europe.

Speaking about the agreement signed with Grosvenor, the Chairman of Sonae SGPS, Belmiro de Azevedo, expressed "our pride and satisfaction in the fact that a partner with the weight and prestige of Grosvenor has strengthened its backing of a partnership that possesses all the qualities to remain an ongoing success story."

Neil Jones, Chief Executive of Grosvenor in Continental Europe said "Sonae Sierra leads by example in areas such as innovation, management approach and governance. We are delighted to deepen our relationship with Sonae SGPS in providing the right ownership conditions to enable Sonae Sierra to focus on its strategy and continue to thrive."

Álvaro Portela, CEO of Sonae Sierra, stated that he feels "very happy to see that both shareholders of Sonae Sierra are satisfied with the performance of the company and that they both continue to believe in the business strategy that the Company has been following. This transaction reinforces Sonae Sierra shareholder stability and motivates us all to do even more!"

Sonae SGPS, www.sonae.pt, is a Portuguese holding company with controlling interests in different businesses: Modelo Continente (food and non-food retail), Sonae Sierra (shopping centres development, management and investment), Sonaecom (mobile and fixed telecommunications, media, internet and IT services) and Sonae Capital (tourism, construction, engineering and residential development, transports and logistics, insurance brokerage, car hire and retailing and others).

Sonae SGPS is present in 14 countries. As at 31 December 2004, the consolidated turnover of Sonae SGPS was 6,464 million Euro.

Grosvenor, www.grosvenor.com, is an international property development, investment and fund management group managing a diversified portfolio of investments worldwide (including the office, retail and residential sectors), valued at, approximately, €11,5bn (as at 31.12.2004). Grosvenor's operating regions are the Americas, Australia Asia Pacific, Britain and Ireland and Continental Europe. Its fund management business is active across all these markets.

With an active presence in the property business spanning 300 years, Grosvenor has built up extensive expertise as an investor, a developer and fund manager with a constant focus on the long term view and mutually productive partnerships.

In Continental Europe, Grosvenor is a long term investor in the retail and office sectors and it currently owns a core portfolio of high quality retail assets. The group manages its business from its offices in Paris, Luxembourg and joint venture offices in Madrid and Amsterdam. Its core markets are France, Iberia and Italy, where it invests both unilaterally and through locally established joint ventures.