



SONAE SIERRA

Maia, March 11th 2008

An 11% growth compared to the same period of 2006

Sonae Sierra reached a record Net Profit of €300 million

- Direct profit up 5% to € 86.3 million
- Indirect profit increased to € 213.8 million (+14%)
- Total assets up € 893 million to €4,495 million
- NAV of €1,713 million (+15%)
- NAV per share reached €52.69 (+15%)
- 435 million visits to the company's shopping centres

Sonae Sierra has consolidated, throughout 2007, its expansion and internationalization strategy, and closed last year with a portfolio of 47 shopping centres in operation, spread throughout seven countries, with a total Gross Lettable Area (GLA) of about 1.9 million m².

Amongst the most significant moments of 2007 are: (i) the entry in the Romanian market through the acquisition of a centre already in operation (River Plaza Mall) and the launch of two new projects in the cities of Ploiesti and Craiova, (ii) the four inaugurations, from which we must highlight the inauguration of Shopping and Leisure Centre Alexa, in Berlin, (iii) the strengthening and creation of new partnerships, namely the one with the German Investments' house Deka Immobilien and (iv) the increased participation in three of the existing Brazilian assets.

During 2007, Sonae Sierra was awarded in several areas, namely the best company operating in the European Shopping Centre sector award presented by the UK real estate magazine, "Property Week", and its German counterpart "Immobilien Zeitung", a prize the company had already received in 2005. Sonae Sierra was also distinguished with the Elite Lombard award for the best retail strategy in Italy; winning this distinction was particularly pleasant, as it shows the value of Sierra's consistent commitment to innovation and quality in all it does.

PRESS RELEASE



The Personae project, an innovative health and safety programme, won the Dupont Safety Award and Sonae Sierra also won the first-ever ReSource Award, created by the International Council of Shopping Centres (ICSC) Europe for the sole purpose of distinguishing a developer, a project, a manager or a tenant who, in the ICSC's opinion, consistently takes a long-term view of sustainability.

Sonae Sierra has the objective of being a sustainable company and becoming the best international specialist in shopping and leisure centres, reaching a leadership position in all markets where it operates. Its growth strategy is based on the ability to innovate and on a successful business model, which has at its core an integrated structure of the Company's three business areas: ownership, development and management.

THE BUSINESSES

Sierra Investments owns Sonae Sierra's assets and is responsible for the investments in Europe. Sierra Investments contributed with €198.5 million to the consolidated profit of Sonae Sierra. This contribution to Sonae Sierra's results is derived from a combination of rental income, asset management services rendered to the several assets and the increase in market values of the shopping centres it owns.

Significant events in 2007

- Acquisition of River Plaza Mall in Ramnicu Valcea, Romania, which helped to get a better knowledge of the retail market in this new country;
- Acquisition of two new centres in Germany: Muenster Arkaden and Alexa;
- Acquisition of Modelo de Albufeira and Continente de Portimão, in Algarve, Portugal;
- Acquisition of 50% of the assets of Gaia Shopping and Arrábida Shopping, and acquisition of 8ª Avenida, all in Portugal;
- Start of the construction of the first of the two Colombo Towers;
- Start of Colombo's refurbishment with a forecasted total investment of € 31 million;
- Sale of 50% of the Lisbon's LoureShopping to Deka Immobilien Investment, establishing the first partnership with a German's investment house.

Main financial indicators

- Retail operating income of €192 million, an increase of 11% when compared with 2006, mainly due to the portfolio's increase;
- Net operating income (NOI) increased by 8% to €150 million;
- Value created on properties of €180 million.



Sierra Developments is responsible for the development of the Company's shopping and leisure centres in Europe, from procurement to opening. Sierra Developments contributed with € 61.6 million to the Consolidated Net Profit of Sonae Sierra. This contribution is mainly due to the development services rendered to the several projects and to the value created on assets during the development phase.

Significant events in 2007

- Inauguration of Alexa shopping centre in Berlin, Germany, an emblematic development which involved an investment of €290 million;
- Inauguration of 8ª Avenida shopping centre in S. João da Madeira, Portugal;
- Inauguration of El Rosal shopping centre in Ponferrada, Spain;
- Inauguration and sale to PREF (the European retail park fund managed by British Land European Fund Management LLP) of Lima Retail Park in Viana do Castelo, Portugal;
- Start of new developments in Ploiesti and Craiova, in Romania.

Main financial indicators

- Development Services rendered reached € 13 million
- Value created on assets under development of € 93 million

In 2008 shopping centres Freccia Rossa and Gli Orsi, in Italy, Plaza Mayor Shopping in Spain and Pantheon Plaza in Greece are scheduled to be inaugurated. This represents an investment of € 342 million.

With these projects, Sonae Sierra will overcome by the end of 2008 the figure of 2 billion m² of GLA owned or co-owned.

Sierra Management is responsible for the property management of the Company's European shopping centres, including those owned by Sierra Investments or by third parties. Sierra Management contributed with € 5.1 million to the Consolidated Net Profit of Sonae Sierra.

Significant events in 2007

- Start of management of Alexa and Muenster Arkaden, in Germany;
- Start of management of River Plaza Mall and Arena Mall, in Romania;
- Start of management of Lima Retail Park and 8ª Avenida, in Portugal;
- Start of management of El Rosal, in Spain.

Main financial indicators

- Income from management services of € 34.1 million, an increase of 9% when compared with 2006;
- Net Operating Income €6.9 million.



Sonae Sierra Brazil operates autonomously, investing, developing and managing a number of shopping and leisure centres in Brazil.

Significant events in 2007

- Increased share in Shopping Metr pole, Shopping Plaza Sul and Tivoli Shopping. The Company has also started a major refurbishment programme at Shopping Metr pole;
- Increase in the occupancy rate, measured in GLA, from 94.5% to 95.8%;
- Started construction of Manauara Shopping, in Manaus.

Main financial indicators

- Shopping Centre Net Operating Margin increased 43%, mainly due to the increase in the occupancy rates, increase in the holdings' share and a favourable change in the Real exchange rate;
- Net Operating Income increased 46% to €25.9 million.

Consolidated Results

2007 was an outstanding year for Sonae Sierra, with a solid operating performance producing record profits of €300 million and gains in the valuations of the Company's properties, which resulted in an increase of 15% in its NAV.

The total direct income from investments increased € 21 million, from € 258.7 million to € 279.9 million. This reflects the increase in the portfolio resulting from the acquisitions in 2007 (Albufeira, Portim o, M nster and River Plaza), the increase in the participations of three assets in Brazil (Shopping Metr pole, Plaza Sul Shopping and Tivoli Shopping) and the four inaugurations of the year (Lima Retail Park, Alexa, 8^a Avenida and El Rosal).

The Company presented an indirect profit from investments of € 214 million, resulting mainly from the gains on openings and from the increase in the Open Market Value (OMV) of the investment properties. However the 2007 growth in the OMV of the assets, when compared with 2006, was lower, as yields compression was more aggressive during 2006. Yields in the future are expected to be more stable.

During 2007, Sonae Sierra recognised €13 million of gains realised on properties, as a result of the following transactions:

- Price adjustment related with the Loop 5's 50% sale to Fonci re Euris;
- Sale of 50% of Lima Retail Park to PREF;
- Sale of 50% of LoureShopping to Deka Immobilien.



The total Net Profit attributable to minorities decreased by 23% and it corresponds, almost exactly, to the direct and indirect profits attributable to the Sierra Fund's external investors. This reduction, when compared with 2006, is mainly due to the fact that the OMV growth of the Sierra Fund's assets in 2007 was lower than the one occurred during 2006.

Sonae Sierra

(un-audited accounts)

Consolidated Profit and Loss Account (€ 000)	2007	2006 PF*	2006	% 07/06 PF
Direct Income from Investments	279.854	258.653	242.052	8,2%
Operating costs	119.694	102.659	84.773	17%
Other costs	3.950	6.974	6.974	-43%
Direct costs from investments	123.644	109.633	91.747	13%
Net Operating Margin	156.211	149.020	150.305	4,8%
Depreciation	1.944	1.950	1.950	0%
Net financial costs	47.997	44.162	44.162	9%
Direct profit before taxes	106.269	102.908	104.193	3%
Corporate tax	19.969	20.548	20.548	-3%
Direct profit	86.300	82.360	83.645	5%
Gains realized on investments	12.294	-13.861	-13.861	189%
Value created on investments	293.299	271.177	269.892	8%
Indirect income	305.593	257.317	256.031	19%
Deferred tax	91.746	69.094	69.094	33%
Indirect profit	213.847	188.223	186.937	14%
Net profit before minorities	300.147	270.583	270.583	11%
Attributable to :				
Equity holders	214.897	160.318	160.318	34%
Minority interests	85.250	110.265	110.265	-23%

2006 PF - the year 2006 was re-stated to demonstrate the asset management service rendered

Sonae Sierra

(un-audited accounts)

Consolidated Balance Sheet (€ 000)	2007	2006	Var. (07 - 06)
Investment properties	3.774.495	2.729.662	1.044.833
Properties under development and others	428.618	354.544	74.074
Goodwill	81.338	51.345	29.993
Deferred taxes	22.194	25.483	-3.289
Other assets	139.288	108.742	30.546
Deposits	48.848	332.313	-283.465
Total assets	4.494.782	3.602.089	892.693
Net worth	1.339.137	1.142.894	196.243
Minorities	448.970	405.513	43.457
Bank loans	1.750.513	1.294.504	456.010
Shareholder loans from minorities	88.636	64.255	24.381
Deferred taxes	598.956	468.792	130.164
Other liabilities	268.570	226.131	42.438
Total liabilities	2.706.675	2.053.682	652.993
Net worth, minorities and liabilities	4.494.782	3.602.089	892.693



Value Metrics

1. Net Asset Value (NAV)

The first table shows the NAV of the three asset portfolios held by the Company: the properties in operation in Europe (Investments), the properties under development in Europe (Developments), and the properties held in Brazil. There is a residual amount corresponding to Cash plus other Assets and Liabilities associated with other business activities. These portfolios are valued on the basis of open-market values as determined by an independent valuer.

These figures constitute the basis for the valuation of the property portfolios held by the Company.

(€ 000)

	NAV
Investments	1.114.425
Developments	359.661
Brazil	201.286
Cash & Others	37.832
Total	1.713.204

2. Net Operating Income (NOI)

The second table shows the Net Operating Income generated by each service activity (development, asset management and property management).

(€ 000)

	NOI	
	2007	2006
Developments	77.085	18.840
Asset Management	10.789	8.836
Property Management	6.889	6.573
Total	94.763	34.249

The Developments' NOI, as shown in the Profit & Loss included in the Attachment, has two main components: (i) the operational activity related with the rendering of development services to the Company's projects and (ii) the value added to projects during the development phase.

The Company books the gains in the Sierra Developments accounts for management purposes, but in the consolidated accounts the gains are only booked on inauguration, as per IFRS.

The 2007 NOI reflects the significant number of projects under development in the period - some already inaugurated others to be inaugurated in 2008.



The Asset Management activity grew by 22% when compared with last year. The favourable variance relates to higher property valuations of the existing portfolio and an increase in the portfolio under management, due to the acquisitions and openings of the period. A note to highlight that the asset management fees are linked to the assets' valuation.

Property Management shows a stable NOI, when compared with 2006. But this stability is the result of a significant increase in the Management Services Income (up 9%) that was compensated by an equally significant increase on the cost side (up 10%), mostly due to a reinforcement of the staff levels involved in this activity.

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 47 Shopping Centres, Spain, Italy, Germany, Greece, Romania and Brazil, with a total Gross Lettable Area (GLA) of more than 1.9 million m². Currently, Sonae Sierra is developing 13 more projects in Portugal, Spain, Italy, Germany, Greece, Romania and Brazil, with a total GLA of more than 500.000 m². In 2007, its centres welcomed more than 435 million visits.