

Maia - Portugal, May 11<sup>th</sup> 2011

## **Sonae Sierra recorded a Total Net Profit of €10.4 million in the 1<sup>st</sup> quarter of 2011**

- Total Net Profit grew 42% compared to the 1<sup>st</sup> quarter of 2010
- In spite of sales of assets and of the Brazilian operation IPO, Direct Net Profit grew 3% and EBITDA remained stable
- Global occupancy rate of the portfolio grew to 96.8%
- Tenant sales in the portfolio under management (like-for-like) grew 0.9%

Sonae Sierra, the international shopping centre specialist, presented a Total Net Profit of €10.4 million in the first quarter of 2011, which represents a 42% increase compared to the same period of 2010. The positive variation of the Total Net Profit was leveraged by a 3% increase of the Direct Net Profit, and a 40% improvement of the Indirect Net Profit, consequence of the resilience and increased operational efficiency of our assets and the stabilization of the yields.

Throughout this quarter, the main events were the successful conclusion of the Sonae Brasil IPO, the entry in Morocco through the provision of development and management services, and the sale of two shopping centres in Spain - Plaza Éboli and El Rosal - to Doughty Hanson & Co Real Estate, with Sonae Sierra keeping their respective property management.

The capital recycling strategy adopted by the Company, with the purpose of ensuring its sustainable growth, resulted in a decrease of Investment Properties in the 1<sup>st</sup> quarter of 2011, due to the sale of two centres in Spain and the IPO of Sonae Brasil. This strategy has already been implemented in 2010, with the sale of Alexa (Germany) and Mediterranean Cosmos (Greece).

These sales and IPO led to a 6% decrease of Direct Income from Investments, from €54.8 million in the 1<sup>st</sup> quarter of 2010, to €51.2 million. EBITDA, however, remained stable (€29.2 million, compared to €29.6 million in the same period of 2010), reflecting the efficiency gains from the cost containment efforts in all areas of the Company.

The global portfolio managed by Sonae Sierra presented a positive performance in the first quarter of 2011, when compared to the same period of 2010, with tenant sales growing 0.9% on a comparable basis.

The Global Occupancy Rate of the portfolio reached 96.8%, a 1.1% increase compared to the same period of 2010, which is remarkable in face of the natural impact of the economic situation on the occupancy rates in the retail real estate sector.

The Value Created in Properties grew significantly, thanks to the good operational performance and the yield stabilization.

## Value Metrics

The Company measures its *performance*, in a first instance, on the basis of changes in NAV (Net Asset Value) plus dividends distributed. Sonae Sierra calculated its NAV according to the guidelines published in 2007 by INREV (European Association for Investors in Non-Listed Real Estate Vehicles), an association of which the Company is a member.

On the basis of this methodology, the company's NAV, as of March 31 2011, was €1.22 billion, a €29.6 million decrease compared to the value recorded in December 2010, mainly due to the attribution of Dividends to Shareholders and the depreciation of the Real against the Euro.

<b>Net Asset Value (NAV) amounts in € 000</b>	<b>31 Mar 11</b>	<b>31 Dec 10</b>
NAV as per the financial statements	971.387	1.000.431
Revaluation to fair value of developments	12.267	14.033
Deferred tax for properties	252.604	249.382
Goodwill related to deferred tax	-36.924	-37.347
Gross-up of Assets	21.960	24.426
<b>NAV</b>	<b>1.221.294</b>	<b>1.250.926</b>
<b>NAV per share (in €)</b>	<b>37,56</b>	<b>38,47</b>

## Portfolio under development

Currently, Sonae Sierra has 49 shopping centres in operation, 28 of which are located outside Portugal, namely in Spain (9), Italy (4), Greece (1), Germany (3), Romania (1) and Brazil (10).

The Company has three Shopping Centres under construction, representing a total investment of about €280 million: Uberlândia Shopping and Boulevard Londrina, both in Brazil and Le Terrazze, in Italy. Seven other projects are in different stages of development in Portugal, Italy, Germany, Greece, Romania and Brazil.

Boulevard Londrina will have a GLA of 47,800 m<sup>2</sup>, which corresponds to an investment of €88 million, and is scheduled to open in 2012. Uberlândia Shopping, scheduled to be inaugurated this year, represents an investment of €62 million. There are also two expansions under way in Brazil: Shopping Metropole and Shopping Campo Limpo.

In Italy, besides Le Terraze, with a total GLA of 38,500 m<sup>2</sup> and an investment of more than €125 million - scheduled to be inaugurated in the first quarter of 2012, we are also analyzing the expansion of Airone Shopping Centre, in the city of Padua, which will enable a GLA growth of 2,900 m<sup>2</sup>.

Sonae Sierra's international growth is now further enhanced by the provision of development and management services to third parties, as a result of the company's unique knowledge of the shopping centre business. The company is already active in this area in Cyprus, Serbia, Morocco and Colombia, besides the markets where it owns assets.

## About Sonae Sierra

*Sonae Sierra, [www.sonaesierra.com](http://www.sonaesierra.com), is the international shopping centre specialist, with a passion for bringing innovation and excitement to the shopping centre industry. The Company owns 49 Shopping Centres in Portugal, Spain, Italy, Germany, Greece, Romania and Brazil. Sonae Sierra is also providing services to third parties in Cyprus, Serbia, Morocco and Colombia. Currently, the Company has 3 projects under construction and 7 new projects in different phases of completion in Portugal, Italy, Germany, Greece, Romania and Brazil. Sonae Sierra manages a total gross lettable area (GLA) of about 2.2 million m<sup>2</sup> with more than 8,500 tenants. In 2010, the company welcomed more than 442 million visits in its shopping centres.*

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

Sonae Sierra		(unaudited accounts)	
<b>Consolidated Profit and Loss Account</b>			
<b>(€ 000)</b>	<b>3M11</b>	<b>3M10</b>	<b>% 11/10</b>
Direct Income from Investments	51.235	54.786	-6%
Direct costs from investments	22.001	25.211	-13%
<b>EBITDA</b>	<b>29.234</b>	<b>29.576</b>	<b>-1%</b>
Net financial costs	9.973	11.718	-15%
Other non-recurrent income/cost	-553	-579	5%
<b>Direct profit before taxes</b>	<b>18.708</b>	<b>17.279</b>	<b>8%</b>
<b>Corporate tax</b>	<b>4.279</b>	<b>3.256</b>	<b>31%</b>
<b>Direct net profit</b>	<b>14.429</b>	<b>14.023</b>	<b>3%</b>
Gains realized on sale of investments	-3.848	-281	-
Impairment & Development funds at risk provision	-3.729	-191	-
Value created on investments	9.322	-3.254	386%
<b>Indirect income</b>	<b>1.745</b>	<b>-3.726</b>	<b>147%</b>
Deferred tax	5.780	2.978	94%
<b>Indirect net profit</b>	<b>-4.035</b>	<b>-6.704</b>	<b>40%</b>
<b>Net profit</b>	<b>10.395</b>	<b>7.319</b>	<b>42%</b>

Sonae Sierra				Var.
<b>Consolidated Balance Sheet</b>				<b>(11 - 10)</b>
<b>(€ 000)</b>	<b>31-03-2011</b>	<b>31-12-2010</b>		
Investment properties	2.026.554	2.284.916	-258.362	
Properties under development and others	252.386	223.484	28.902	
Other assets	134.628	139.709	-5.080	
Cash & Equivalents	192.059	54.252	137.807	
<b>Total assets</b>	<b>2.605.627</b>	<b>2.702.360</b>	<b>-96.734</b>	
<b>Net worth</b>	<b>1.011.263</b>	<b>1.000.431</b>	<b>10.832</b>	
Bank loans	1.111.043	1.198.091	-87.048	
Deferred taxes	280.288	304.627	-24.339	
Other liabilities	203.033	199.212	3.821	
<b>Total liabilities</b>	<b>1.594.364</b>	<b>1.701.929</b>	<b>-107.566</b>	
<b>Net worth and liabilities</b>	<b>2.605.627</b>	<b>2.702.360</b>	<b>-96.734</b>	