

Maia 8th of March 2006

Net Profit attributable to equity holders €148.1 million

Sonae Sierra increased its net profit by 80%

- NAV per share of €38.9 (+19% vs 2004)
- Total NAV of €1,265 million at year-end
- EBITDA increased of €125.7 million (+17%)
- Asset gearing of 31.9%
- Interest cover of 2.52
- Shareholdings acquired in eight shopping centres
- Four new shopping centres inaugurated
- GLA under management in Portugal, Spain, Italy, Greece and Brazil totals 2 million m²
- Operating in six countries with a team of 709 people and 11 different nationalities

In 2005 Sonae Sierra increased its total consolidated net profit attributable to equity holders by 80% to €148.1 million. EBITDA increased by 17%, from €107.6 million to €125.7 million, and direct net profit by 36%, from €50.8 million to €68.8 million.

Sonae Sierra has had a very positive 2005. We have achieved strong growth in all our financial indicators, backed by an ever-stronger balance sheet. The business fundamentals are robust, our strategy has proved correct and has been steadily implemented as we have expanded our international businesses and protected our leading position in Portugal.

2005 has been a year of considerable progress for Sonae Sierra. Not only have we firmly established our new brand identity, we have also developed new markets in southern Europe, specifically in Greece and Italy, and consolidated our position in the other countries we operate in.

Sonae Sierra aims to become one of the leading companies in the shopping and leisure centre sector. Our strategy for growth is based on the innovative deployment of our specialist skills organised according to a successful business model.

The key to the model's success lies in its integrated structure. This reflects the three operational strands of our business: ownership, development and management.



BUSINESS HIGHLIGHTS

Sierra Investments

We are particularly pleased to have initiated our investment activity in Greece, with the acquisition of Mediterranean Cosmos, and in Italy, the acquisition of Valecenter and Airone. These moves enhance the geographical diversification of the company's assets.

Highlights of 2005

- Acquisition of Valecenter and Airone in Italy from third parties
- Acquisition of additional interests in five shopping centres in Spain from third parties
- Acquisition of four shopping centres from Sierra Developments
- Sale of Coimbra Retail Park in Portugal
- Contribution of four shopping centres to the Sierra Fund
- Increase of €647 million, a growth of 21%, in the portfolio market value

Financial highlights of 2005

- Retail operating income of €156 million;
- EBITDA increased by 14% to €128.9 million;
- Value created on properties of €144 million;
- Net profit attributable to equity holders of €103.6 million, an increase of 69%.

Sierra Investments contributed €103.6 million to the Consolidated profit of Sonae Sierra.

The Company consolidates the SIERRA Fund in full, given that it holds effective control with 50,1% of the capital and provides the asset management of the Fund.

Sierra Developments

Joint ventures in Italy, Spain and Portugal, and the start of construction at new centres in Spain and Portugal, will set the seal on our plans for growth in these key territories.

Highlights of 2005

- Four shopping centres opened in Europe: Mediterranean Cosmos in Greece, Plaza Éboli in Spain, LoureShopping and Serra Shopping in Portugal
- Two new projects started construction: El Rosal in Spain and Lima Retail Park in Portugal
- Construction continued at three projects: Rio Sul in Portugal, Alexa in Germany and Freccia Rossa in Italy
- Sale of 50% of Serra Shopping and RioSul
- New partnerships with ING Real Estate Development and Mall Inversiones

Financial highlights of 2005

- Development services rendered €13.1 million
- Value created on assets €42.3 million
- Net profit attributable to equity holders €35.5 million

Sierra Developments contributed €35.5 million to Sonae Sierra's consolidated profits for 2005.



Sierra Management

With an increased number of shopping centres under management in our core territories, our total gla now stands at more than 1.7 million m² in Europe.

Highlights of 2005

- nine new centres came into our portfolio in 2005: two in Portugal, two in Spain, four in Italy and one in Greece;
- opening in Greece of the Mediterranean Cosmos shopping centre in Thessalonica;
- international recognition of the work excellence by the International Council of Shopping Centres - ICSC Solal Awards and Maxi Awards- where we collected a total of six distinctions in four categories;
- staffing-up of operations in Italy and Greece, and setting up of management teams in German.

Financial highlights of 2005

- Income from management services of € 30.6 million
- EBITDA of € 6.2 million
- Net profit of € 3.2 million

Sierra Management contributed € 3.2 million to Sonae Sierra's consolidated profit.

As a result of the growth of the Sierra Management structure - due to the staffing-up of the operations in Italy and Greece, as well as the setting-up of the management structure in Germany - operational profits (EBITDA) fell by 15% between 2004 and 2005, yet remaining above the initial expectations.

Sonae Sierra Brazil

The purchase of a 20% stake in shopping Plaza Sul, and the start of work on our new Campo Limpo shopping centre, both in São Paulo, are a moved towards our goal of being one of the top three brazilian companies in our sector.

Highlights of 2005

- start of the construction of a new development in Campo Limpo - São Paulo
- acquisition of 20% of Shopping Plaza Sul - São Paulo
- occupancy rate increased from 81.7% in 2004 to 85.6% in 2005
- increase in the net worth of € 65.8 million resulting from the improvement in the exchange rate of the Real, together with a net profit of € 4.4 million

Financial highlights of 2005

- Shopping centre operating margin up by 49% to € 13 million
- EBITDA increased by 78% to € 11.5 million
- Net profit attributable to equity holders € 4.4 million

Sonae Sierra Brazil's contribution to Sonae Sierra's consolidated profits was € 4.4 million.

*For further information on our annual results please visit:
www.sonaesierra.com/ourfigures/financialreports/*



Sonae Sierra Indicators, Consolidated Profit & Loss Account
and Consolidated Balance Sheet

Performance Indicators	2001	2002	2003	2004	2005
Real Estate NAV as of 31 Dec (€ million)	934	1.037	948	1.060	1.265
Real Estate NAV as of 31 Dec per share (€)	24,9	27,67	29,16	32,60	38,90
GLA owned in operating centres (000's m ²)	790	1.140	1.203	1.362	1.586
GLA under management (000's m ²)	1.128	1.517	1.564	1.839	2.025
Number of tenant contracts under management	3.949	5.089	5.399	6.134	7.166
Consolidated EBITDA – Portuguese GAAP (€ million)	n.a	n.a	n.a	n.a	n.a
Consolidated EBITDA – IAS (€ million)	73,8	95,5	98,1	107,6	125,7
Consolidated Net Profit – Portuguese GAAP (€ million)	n.a	n.a	n.a	n.a	n.a
Consolidated Net Profit - IAS (€ million)	120,9	144,4	208,7	82,3	148,15

Non-audited accounts

% variation	2001	2002	2003	2004	2005
Real Estate NAV as of 31 Dec per share	24%	11%	5%	12%	19%
GLA (m ²) owned in operating centres	35%	44%	5%	13%	17%
GLA (m ²) under management	18%	34%	3%	18%	10%
Nr. of tenant contracts under management	14%	29%	6%	14%	17%

Non-audited accounts



Sonae Sierra

Consolidated Profit and Loss Account (€ 000)	2005	2004	% 05/04
Direct Income from Investments	220.175	184.586	19,3%
Operating costs	82.983	71.462	16%
Other costs	11.532	5.481	110%
Direct costs from investments	94.516	76.943	23%
EBITDA	125.659	107.643	17%
Depreciation	1.743	6.161	-72%
Recurrent net financial costs	39.049	39.230	0%
Direct profit before taxes	84.867	62.252	36%
Corporate tax	16.084	11.497	40%
Direct net profit	68.783	50.755	36%
Indirect Income from gains on sale of Investments	24.378	1.654	-
Indirect Income from valuation of Investments	183.753	113.376	62%
Indirect income	208.131	115.029	81%
Deferred tax	57.440	39.022	47%
Indirect net profit	150.691	76.007	98%
Total Net Profit	219.474	126.762	73%
Attributable to:			
Equity Holders	148.149	82.251	80%
Minority Interests	71.324	44.511	60%

Non-audited accounts

Sonae Sierra

Consolidated Balance Sheet (€ 000)	31-12-2005	31-12-2004	Var. (05 - 04)
Investment properties	2.491.398	1.984.733	506.665
Properties under development and others	254.910	246.117	8.793
Goodwill	52.346	18.989	33.357
Deferred taxes	27.673	18.885	8.788
Other assets	121.843	125.206	-3.363
Deposits	256.841	245.212	11.629
Total assets	3.205.011	2.639.142	565.870
Net worth	1.002.154	821.818	180.336
Minorities	298.896	250.077	48.819
Bank loans	1.196.942	933.970	262.972
Shareholder loans from minorities	77.254	95.105	-17.851
Deferred taxes	402.727	315.807	86.920
Other liabilities	227.039	222.365	4.674
Total liabilities	1.903.962	1.567.247	336.715
Net worth, minorities and liabilities	3.205.011	2.639.142	565.870

Non-audited accounts

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 38 Shopping Centres in Portugal, Spain, Italy, Greece and Brazil, with a total Gross Lettable Area (GLA) of more than 1,5 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 540.000 m2. In 2004 its shopping centres had more than 400 million visits.