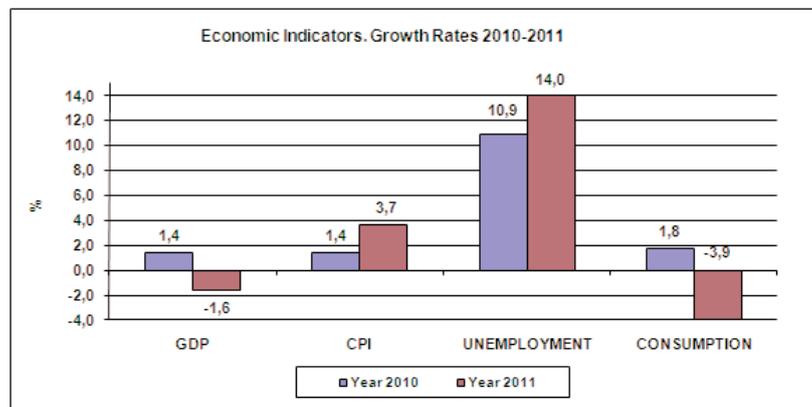


Shopping Centres in Portugal: Activity Report May 2012

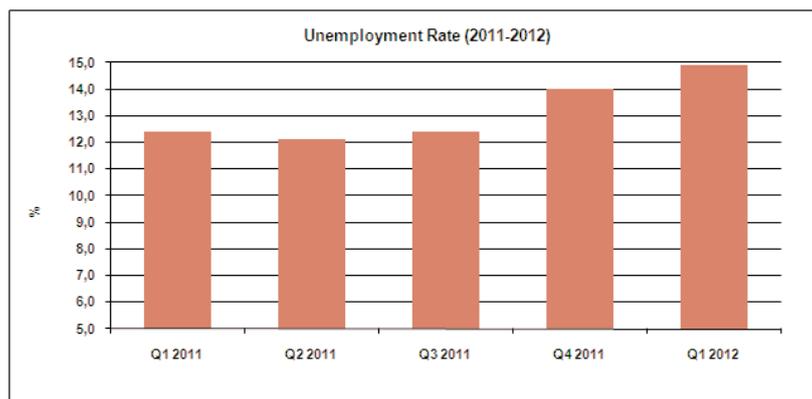
Economy:

1. Portuguese GDP has decreased 1.6% in 2011, as the country entered into the recession which had already been predicted, although a few decimal points less than the Bank of Portugal's prior estimations. According to the National Statistics Institute (INE), the fixed-base-year growth rate of the Portuguese GDP was -1.9% in the third quarter of 2011 and -2.8% in the fourth quarter. In the first quarter of 2012 GDP decreased 2.2%.
2. Inflation has increased 3.7% in 2011, published the INE, in accordance with the previous economic estimations.
3. Unemployment has reached 14% by the end of 2011, according to the INE. In January of 2012 it went up to 14.8%, breaking a new record, according to data from Eurostat, which also demonstrated that youth's unemployment is the largest: the unemployment rate among Portuguese under 25 years of age has risen in January 2012 to 35.1%.
4. Private consumption is still falling. In 2011, according to the INE, this indicator was -3.9%, in accordance with the Bank of Portugal's estimations. (see graphs no. 1 and 2)
5. The economic climate indicator is still decreasing. From February 2011 to February 2012, it went from -1.8% to -4.9%, according to the INE. Also, the economic activity indicator is declining and in January 2012 it was -1.2%.
6. Portuguese exports have increased 13.2% (fixed-base-year growth) in February 2012, with a rise in both sales to the European Union and to other countries.

Graph no. 1: Economic Indicators



Graph no. 2: Evolution of Unemployment Rate



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Shopping Centre Development Market:

I. 2011

7. The economic crisis has continued to be noticed in 2011 in terms of openings of shopping centres. Even so, the amount of new Gross Leaseable Area (GLA) was 101,090 sq m, which has slightly surpassed the amount of the previous year (75,900 sq m).
8. There were 3 openings of new retail establishments and 4 extensions of existing ones registered. The most significant openings correspond to the Aqua Portimão Shopping Centre (35,500 sq m of GLA and developed by Bouygues) and to the extension of a hypermarket with a commercial gallery, which brought into existence the Forum Sintra Shopping Centre (55,900 sq m of total GLA and developed by Multi Development).
9. The “Lisboa e Vale do Tejo” Region was clearly the most dynamic one, with most of the developments taking place there. The remaining developments were even further to the south, one in Alentejo and the other one in the Algarve. (see tables no. 1 and no. 2)
10. Delays in developments of planned projects continue. Financing problems, together with retractions in retailers’ expansion strategies, have led to significant delays and sometimes even their placement on indefinite standby.

Table no. 1: Openings 2011

| Shopping Centre | Location | Developer | GLA (sqm) | Opening |
|--------------------------|----------|---------------|---------------|----------|
| P.C. Setúbal (1st Stage) | Setúbal | Bogaris | 9.000 | February |
| Aqua Portimão | Portimão | Bouygues | 35.500 | April |
| Évora Retail Park | Évora | Imorendimento | 5.900 | November |
| Subtotal Openings | 3 | | 50.400 | |

Table no. 2: Extensions 2011

| Shopping Centre | Location | Developer | GLA (sq m) | | |
|--------------------------------------|-----------|-----------------------|----------------|---------------|---------------|
| | | | Extended | Former | Total |
| C.C. Jumbo Famalicão | Famalicão | Immochan | 2.940 | 8.760 | 11.700 |
| Forum Sintra | Sintra | Multi Development | 40.150 | 15.750 | 55.900 |
| P.C. Montijo (Decathlon) | Montijo | Bogaris | 5.000 | 3.000 | 8.000 |
| Sintra Retail Park | Sintra | Sonae Sierra / Miller | 2.600 | 17.500 | 20.100 |
| Subtotal Extensions | 4 | | 50.690 | 45.010 | 95.700 |
| TOTAL (Openings / Extensions) | 7 | | 101.090 | | |

II. Predictions for 2012 / 2013

11. For 2012, the only planned opening is the Dolce Vita Braga Shopping Centre, which is in its final stage of construction. The opening is now planned for late 2012, although it is possible that the shopping centre does not open with the initially planned GLA of 70,000 sq m. The project’s leasing difficulties could have an influence over that decision.
12. For 2013, few openings are expected, although more than in the present year. Besides Évora Shopping (16,400 sq m of GLA), developed by Imorendimento, there are two openings planned for the city of Setúbal: the extension of the Jumbo de Setúbal S.C., which will become the Alegro Setúbal S.C. (40,000 sq m of GLA), developed by Immochan, and the opening of the Forum Setúbal S.C. (44,000 sq m of GLA), developed by Multi Development.

Shopping Centres in operation:

13. According to the Portuguese Association of Shopping Centres (APCC), shopping centres in Portugal have had one billion Euros less turnover in 2011, with respect to the previous year, which corresponds to a 10% decrease. According to the APCC, the decrease in sales was superior to the decrease in affluences. The Footfall Index estimates an 8.18% decrease in affluences in 2011.
14. The Jumbo de Famalicão Shopping Centre has been refurbished; it now has 30 stores, including 22 new brands. Immochan’s project has also extended the Jumbo hypermarket’s area by 500 sq m. It now has an area of 3,600 sq m.



Évora Retail Park

Évora



Aqua Portimão

Portimão



C.C. Jumbo Famalicão

Famalicão



Forum Sintra

Sintra



Freeport Outlet

Alcochete

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OBSERVATORIO LaSBA





Sports Direct



SPOT



Padaria Portuguesa



Shana



Centro Vasco da Gama

Lisboa

15. Freeport Outlet Centre has opened a square with ten new retail units, where retailers like Dockers, Helly Hansen, Throttleman, Claire's, Prénatal, W52, Ada Gatti or Bambino d'Oro are present.
16. Forum Sintra, shopping centre which opened in April of 2011, developed by Multi Development, was nominated for the ICSC European Shopping Centre Awards on the "Refurbishments and Expansions: Large" Category. This shopping centre is also nominated for the Global RLI Awards 2012 on the "Shopping Centre Renovation of the Year" Category.

Information regarding Retailers:

17. Inditex Group has purchased the Massimo Dutti franchise in Portugal from Regojo Group. The operation has included the purchase of the Belgium franchise and it amounted to 103 million Euros. Inditex Group is now in charge of the 45 Massimo Dutti stores in Portugal and 22 in Belgium, which were the only countries where the brand was managed through franchising.
18. The Portuguese healthclubs chain Solinca Health&Fitness has invested in the refurbishment of many of its clubs, with the goal of offering more competitive prices. The company has a partnership with Sonae Turismo and owns 11 health clubs in Portugal and Spain.
19. Sports Direct, the British sports chain, is going to open nine to ten stores in Portugal by the end of this year, with an investment of about five million Euros. The group opened its first unit at the Makro site in Albufeira, with a GLA of 1,500 sq m. Afterwards, the second store was opened also in the Algarve Region, at the "Mercado de Mosqueteiros" of Portimão, with a GLA of 1,050 sq m. Sports Direct has entered Portugal at the beginning of 2011 through a partnership with the Portuguese chain Mega Sport.
20. IZIBUILD, the DIY retailer which has replaced the former IZI, has invested in a full refurbishment of the old chain. Prébuild, the company which purchased the chain from the A. Silva & Silva Group, also intends to open its first unit in Angola probably in 2012.
21. Jerónimo Martins Group, together with SDV ("Sociedade de Distribuição de Vestuário"), has entered the Shoes business with the opening of the SPOT stores. Currently they have four units, all of which are located next to Pingo Doce supermarkets, in Vila Verde, Cerveira, Abrantes and Odivelas.
22. Primark opened its fifth store in Portugal at the Braga Parque Shopping Centre. The store has 4,500 sq m and follows the existing units at the shopping centres Dolce Vita Tejo, Parque Nascente, Forum Sintra and Aqua Portimão.
23. Toys "R" Us inaugurated a new concept in Portugal with the opening of the first pop-up store in the country. This new unit is located at the Albufeira Retail Park and has a GLA of 655 sq m. It is a seasonal store, which mostly focuses on sales during the Christmas time.
24. The neighbourhood bakery chain "Padaria Portuguesa", created in 2010, has opened 5 stores during its first year and a half of activity. The chain expects to open 6 more stores during 2012 and reach 20 units by 2014. It is a traditional Portuguese format of bakery-cafeteria, although it has a modern outlook and a renovated concept.
25. Makro is going to close its store in Aveiro and has proposed a contract rescission to every worker, reserving the right to decline it, with the aim of reducing its structure in Portugal. 179 deals were made with workers who have accepted the conditions for a voluntary contract rescission.
26. The Spanish fashion chain Shana opened its first store in Portugal, at the Minho Center Shopping Centre, in Braga. The store is located next to the food court and offers clothes with a competitive quality-price ratio.
27. Cartier has confirmed that it will open a store in Lisbon, at Av. Liberdade, in 2013. The jewelry store will be substantially larger than the one that the brand had maintained in Chiado until 2009.
28. Group Auchan has decided to close the Jumbo Hypermarket of Santarém during the next month of June. They assure that the 134 workers will be reinstated at other of the Group's stores.

Investment Market:

30. The Retail Investment Market has had little activity during 2011. The decrease with respect to 2010 is significant in terms of volume, even though this does not necessarily mean that there has been a major retraction, since the 2010 amount contained large volumes which resulted of operations within groups.
31. The main retail transaction of 2011 was the sale of the Continente Hypermarket and the Worten store, both located at the Vasco da Gama Shopping Centre, in Lisbon, for 42.3 million Euros. The stores were purchased by the Imofomento Property Fund, which is managed by BPI.
32. Remaining operations include the sale of the Muji store, in Chiado (Lisbon), for 3.1 million Euros to a Spanish family office, and the sale of the 25 IZI DIY stores which A. Silva & Silva held in Continental Portugal to the Prébuild Group. (see table no. 3)

Table no. 3: Main Investment Operations 2011

| Shopping Centre | Location | Seller | Purchaser | GLA (sq m) | Price (M€) |
|--|---------------------|--------------------|----------------|------------|------------|
| Continente Vasco da Gama Worten Vasco da Gama | Lisboa | Sonae Distribuição | FII Imofomento | 15.800 | 42,3 |
| IZI Stores (25) | several | A. Silva & Silva | Prébuild | n.d. | n.d. |
| Muji Store | Lisboa | n.d. | n.d. | 410 | 3,1 |
| Modelo Continente | Vila Franca de Xira | Sonae Distribuição | Finipredial | n.d. | n.d. |
| Modelo Continente | Tires | Sonae Distribuição | NK | n.d. | n.d. |

33. In the beginning of 2012, Forum Setúbal was sold, a Shopping Centre Project planned to open in 2013. The developer Multi Development has sold this future shopping centre to the British Investment Fund Meyer Bergman. This Fund will participate starting from the project's construction, bearing the Bank Guarantee's value of 55 million Euros.
34. Yields are being maintained for prime products, although the low number of operations does not allow reaching reliable estimations. As for other assets, only opportunistic operations might occur with high yields, and so far it has not been the case in Portugal.

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