

Maia, Portugal, March 8<sup>th</sup> 2013

## **Sonae Sierra reached a Direct Result of €62.6 million, an increase of 2% compared to 2011**

- EBITDA grew 3% to €116.3 million
- Total rents increased 0.3%
- Global Occupancy Rate of the portfolio remained at 96%
- Portfolio under management welcomed 426 million visits
- 27 new service provision contracts worth €9 million
- Three shopping centres under construction represent a total investment of about €375 million

Sonae Sierra reached, in 2012, a Direct Result of €62.6 million, an increase of 2% compared to the same period of 2011, and EBITDA increased 3% compared to the previous year, €116.3 million versus €112.8 million in 2011. Despite this demonstration of resilience and the improvement of the operational efficiency of Company assets in all countries where it operates, the expansion of yields in Portugal, Spain and Italy and the recognition of impairments in Greece had a negative impact on the Company's Indirect Result, -€108.5 million in 2012 compared to -€51.3 million in 2011, which caused a Net Loss of €45.9 million for the year.

According to CEO Fernando Guedes de Oliveira, Sonae Sierra delivered, in 2012, solid results in all aspects it controls directly: *'We increased our EBITDA in absolute terms, as well as our EBITDA margin compared with the previous year, thanks in part to an overall growth in our portfolio and relatively stable global occupancy rates and tenant rents. These together with cost reduction efforts in our operations, allowed us to increase our direct profits. Despite these positive Direct Results, a number of factors that fall outside of our managerial control adversely affected our performance. In particular, the significant expansion in retail yields in Portugal, Spain and Italy drove down our portfolio valuation. This pushed our net results into negative figures. Nevertheless, I am proud of the fact that we were able to hedge the principal risks to our business through our long-standing successful operations in Brazil, and through our continued expansion into new emerging markets.'*

## **Stable portfolio, occupancy rates and rents**

The global portfolio managed by Sonae Sierra delivered a positive performance, taking into account the current performance of retail sales in some of the markets where the company operates, with tenant sales decreasing just 1.5% in 2012, compared to the same period of 2011. Total Rents of owned portfolio reached €435 million in 2012, an increase of 0.3% compared to the same period of 2011. Despite the natural impact of the economic situation on letting and occupancy rates in the retail sector, the global occupancy rate of the portfolio remained at 96%, which reflects the quality of the Company's assets and management. Sonae Sierra now manages more than 70 Shopping Centres in 11 countries, in a total of 2.3 million m<sup>2</sup> of GLA, which recorded 426 million visits in 2012.

## **Strategy for 2012: internationalization, service provision and capital recycling**

In 2012, the main axes for the defined strategy were rigorously implemented: internationalization, third party service provision and capital recycling.

The year was marked by the inauguration of two shopping centres, Uberlândia Shopping, in Brazil, and Le Terrazze, in Italy, which represented a total investment of €229 million. Le Terrazze is Sonae Sierra's fifth shopping centre in Italy and represented an investment of €150 million. Located in La Spezia, it has a GLA of 38,600 m<sup>2</sup>, 102 shops, and generated more than 700 jobs. Uberlândia Shopping is located in the "Triângulo Mineiro" region, and represented an investment of €79 million. It has 201 shops in 45,300 m<sup>2</sup> of GLA and generated more than two thousand jobs.

In Romania, a joint venture agreement was reached with Caelum Development to develop ParkLake, in Bucharest, which will strengthen our presence in the region.

We have also increased our third party service provision activity, by signing of 27 new contracts totalling €9 million. These include 15 development and 12 property management and/or leasing contracts.

In 2012, Sonae Sierra strengthened its presence in North Africa. Early in the year we entered Algeria with the incorporation of Sierra Cevital, a service provision company in the shopping centre sector. Since the beginning of its activity, this Company has signed seven service provision contracts for the development and management of shopping centres.

We also signed nine service contracts in Morocco, including development contracts for three shopping centres in Casablanca.

The capital recycling strategy adopted by the Company with the purpose of ensuring its sustainable growth led to the sale, in 2012, of MünsterArkaden in Germany and of our ownership stakes in three non-strategic shopping centres in Brazil: Shopping Penha, Tivoli Shopping and PátioBrasil Shopping. This strategy had already been adopted in 2011 with the sale of two centres in Spain (El Rosal and Plaza Éboli) and the IPO of Sonae Sierra Brasil.

Simultaneously, we continued to improve our shopping centres in operation through constant investment in refurbishment and expansion works, so as to anticipate and meet new trends and consumption needs. In 2012, we began or concluded refurbishment and/or expansion works in 13 Centres in Portugal (GuimarãeShopping, GaiaShopping, CascaiShopping, C.C.Continente dePortimão, AlgarveShopping, Estação Viana), Spain (Plaza Mayor and Valle Real), Italy (Valecenter) and Brazil (Metrópole).

### **Sonae Sierra will inaugurate three shopping centres in 2013**

In 2013, Sonae Sierra will inaugurate three shopping centres - Boulevard Londrina Shopping and Passeio das Águas, both in Brazil, and Hofgarten Solingen Shopping in Germany - in a total investment of about €375 million which will add 155,000 m<sup>2</sup> to the Company's current portfolio.

Boulevard Londrina, located in the state of Paraná and scheduled to be inaugurated in April, will have 47,800 m<sup>2</sup> of GLA, corresponding to a total investment of €88 million. Passeio das Águas Shopping, in the city of Goiânia, Goiás state, represents an investment of about €167 million. Scheduled to be inaugurated in October, this new Centre will have a GLA of 78,100 m<sup>2</sup> and will be the largest and most modern shopping centre of the region. Hofgarten Solingen is the result of the 50/50 partnership with MAB Development and is scheduled to be inaugurated late this year. This new shopping centre will have a GLA of 29,000 m<sup>2</sup> and represents an investment of €120 million.

## Net Asset Value

The Company measures its performance, in a first instance, on the basis of changes in NAV (Net Asset Value) plus dividends distributed. Sonae Sierra calculates its NAV according to the guidelines published in 2007 by INREV (European 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 31 December 2012, was € 1.050 billion, compared to € 1.173 billion in 31 December 2011 due to the dividend distribution, the decrease in translation reserves arising from the depreciation of the Real and the negative net profit of the period.

<b>Net Asset Value (NAV) amounts in € 000</b>	<b>31 Dec 12</b>	<b>31 Dec 11</b>
NAV as per the financial statements	840.809	941.090
Revaluation to fair value of developments	9.841	10.430
Deferred tax for properties	217.382	238.686
Goodwill related to deferred tax	-34.503	-36.073
Gross-up of Assets	16.443	18.765
<b>NAV</b>	<b>1.049.972</b>	<b>1.172.899</b>
<b>NAV per share (in €)</b>	<b>32,29</b>	<b>36,07</b>

(audited accounts)

<b>Consolidated Profit and Loss Account (€ 000)</b>	<b>2012</b>	<b>2011PF</b>	<b>2011</b>	<b>% 12/11PF</b>
Direct Income from Investments	227.326	227.112	209.287	0%
Direct costs from investments	111.015	114.312	96.487	-3%
<b>EBITDA</b>	<b>116.311</b>	<b>112.800</b>	<b>112.800</b>	<b>3%</b>
Net financial costs	38.171	35.799	35.799	7%
Other non-recurrent income/cost	-2.552	-3.241	-3.241	21%
<b>Direct profit before taxes</b>	<b>75.589</b>	<b>73.760</b>	<b>73.760</b>	<b>2%</b>
<b>Corporate tax</b>	<b>13.005</b>	<b>12.663</b>	<b>12.663</b>	<b>3%</b>
<b>Direct net profit</b>	<b>62.584</b>	<b>61.097</b>	<b>61.097</b>	<b>2%</b>
Gains realized on sale of investments	6.991	-8.226	-8.226	185%
Impairment & Development funds at risk provision	-34.965	-6.977	-6.977	-
Value created on investments	-84.382	-33.741	-33.741	-150%
<b>Indirect income</b>	<b>-112.356</b>	<b>-48.944</b>	<b>-48.944</b>	<b>-130%</b>
Deferred tax	-3.891	2.405	2.405	-
<b>Indirect net profit</b>	<b>-108.466</b>	<b>-51.349</b>	<b>-51.349</b>	<b>-111%</b>
<b>Net profit</b>	<b>-45.882</b>	<b>9.748</b>	<b>9.748</b>	<b>-</b>

<b>Consolidated Balance Sheet (€ 000)</b>	<b>31-12-2012</b>	<b>31-12-2011</b>	<b>Var. (12 - 11)</b>
Investment properties	1.933.026	2.058.594	-125.568
Properties under development and others	218.511	255.841	-37.329
Other assets	125.602	135.300	-9.698
Cash & Equivalents	153.260	113.798	39.462
<b>Total assets</b>	<b>2.430.399</b>	<b>2.563.533</b>	<b>-133.134</b>
<b>Net worth</b>	<b>840.809</b>	<b>941.090</b>	<b>-100.281</b>
Bank loans	1.059.613	1.107.428	-47.815
Deferred taxes	261.438	286.956	-25.517
Other liabilities	268.538	228.058	40.480
<b>Total liabilities</b>	<b>1.589.590</b>	<b>1.622.442</b>	<b>-32.853</b>
<b>Net worth and liabilities</b>	<b>2.430.399</b>	<b>2.563.533</b>	<b>-133.133</b>

## **About Sonae Sierra**

Sonae Sierra, [www.sonaesierra.com](http://www.sonaesierra.com), is the international Shopping Centre specialist, with a passion for creating innovative shopping experiences. The Company owns 47 shopping centres and is present in 11 countries: Portugal, Spain, Italy, Germany, Greece, Romania, Croatia, Morocco, Algeria, Colombia and Brazil. Sonae Sierra manages more than 70 Shopping Centres with a market value of more than 5.8 billion euros, and a total Gross Lettable Area (GLA) of about 2.3 million m<sup>2</sup> with about 8,500 tenants. In 2012, the Company welcomed 426 million visits in the shopping centres it manages. Currently, Sonae Sierra has 7 projects under development, including 4 for clients, and 7 new projects in pipeline.