Sonae Sierra achieved 9% growth in the 1st half of 2017

Maia – Portugal, August 9th, 2017

- Direct Result rises to €30.2 million
- EBIT reaches €50 million
- Tenant sales and rents perform positively
- Successful implementation of the capital recycling strategy
- Growth of number of professional services contracts

Sonae Sierra recorded a Net Profit of €64.2 million in the first half of 2017, a 9% increase compared to the €59.0 million recorded in the same period last year. Higher EBIT, better Financial Result and higher Value Created in Investment Properties contributed to the positive result.

Total EBIT stood at €50.0 million, a 6% increase over the previous year.

The Direct Result rose to €30.2 million, an improvement of 13% compared to the first half of 2016. This reflects higher EBIT across the portfolio in Europe and Brazil and better Financial Results.

The Indirect Result rose to €34 million, from €32.2 million the previous year's first half, due to the positive impact of yield compression in Europe, leading to higher Value Created in Investment Properties.

In operational terms, tenant sales in the European portfolio grew by 6.9%, compared to the same period of 2016, with a significant growth in Romania, due to the opening of ParkLake in Bucharest, and an increase of 7.1% in Portugal and 5.2% in Spain, reflecting the continuing economic recovery. Tenant sales in Brazil climbed steeply, rising 7.3% in Brazilian Real.

The global occupancy rate of the portfolio shifted down slightly to 95.8%, a fall of 0.3 p.p. compared to the same period of 2016, due to small variations across the global portfolio. However, occupancy climbed to 95.5% in Romania, compared to 88.6% a year before, as a result of the opening of ParkLake. In Europe, occupancy rates were largely stable at 96.9%, compared to 97.1%, while in Brazil they fell from 93% to 92.3%. Total rents grew 8.9% compared to the same period in 2016, rising 9.7% in Europe and 6% in Brazil (in Brazilian Real), well above the average inflation rate of the period in both markets.

According to **Fernando Guedes Oliveira**, **Sonae Sierra's CEO**, "the growth in results in the first six months of 2017 confirms the success of our strategy and reflects our dynamic management approach. The Company continued its capital recycling strategy, making acquisitions through Iberia Coop, its Socimi ORES with Bankinter, and via a new joint venture established with AXA IM. Once again, our professional service provision businesses continued the growth path experienced in past periods."

Capital recycling strategy leads to acquisitions

Sonae Sierra's successful capital recycling strategy included several acquisitions.

While on the one hand Iberia Coop (in which Sonae Sierra holds a participation of 10%) acquired 100% stake in Albufeira Retail Park, on the other hand ORES (the SOCIMI with Bankinter in which Sonae Sierra is the operating partner and owner of a 3.75% interest) acquired five assets: two in Portugal (Portimão Retail Center and Media Market Braga) and three in Spain (Forum Leioa, Forum Galar and Mercadona Oviedo).

The Company also completed the purchase of Área Sur Shopping Centre in Spain, a 85/15% joint venture between AXA Investment Managers – Real Assets and Sonae Sierra, which is managed by Sonae Sierra. Área Sur, located in Jerez, has a total leasable area of 47,000 m2 and receives close to 7 million visitors a year. The centre serves a catchment area of around 450,000 people and is one of the largest shopping centres in Andalucia.

Focusing on services provision and developments

In the first six months of the year, Sonae Sierra considerably strengthened its service provision activity with a total of 89 new contracts signed. The first semester saw 84 contracts signed for development services in the amount of €7.5 million, and 4 new property management contracts worth €1.1 million, representing a further positive contribution to Sierra Direct Results.

The Company's development pipeline currently includes 6 projects: Nuremberg, Designer Outlet Malaga (Spain), Zenata (Morocco), Cucuta (Colombia) and the NorteShopping and Centro Colombo expansions in Portugal.

Construction works already started on the McArthurGlen Designer Outlet Malaga (Spain). This 50/50% joint venture between McArthurGlen and Sonae Sierra represents a €115 million investment, creating 30,000 m2 of new retail space. It will offer consumers a strong mix of over 100 brands at its opening in 2018.

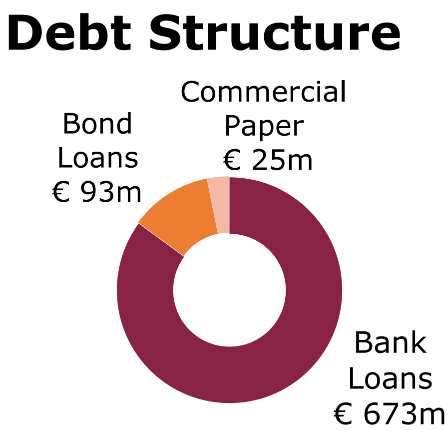
Net Asset Value (NAV) and Financial Ratios

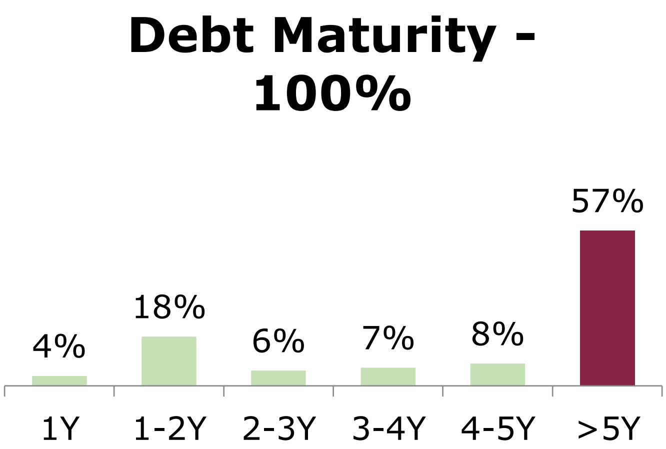
Sonae Sierra calculates its NAV according to the guidelines published in 2007 by the INREV (European Association for Investors in Non-Listed Real Estate Vehicles). Based on this methodology, as of June 30, 2017, Sonae Sierra's NAV stood at €1.4 billion.
This value represents a 1.8% decrease compared to the value in December 2016, mainly due to the dividend payment of €74.8m, and the adverse impact of the Brazilian Real depreciation, partially compensated by the Net Result. Excluding the FX effect the NAV would have increased by 0.2%.

Net Asset Value (NAV) amounts in € m	30 Jun 17	31 Dec 16
NAV as per the financial statements	**1,120.6**	1,159.7
Revaluation to fair value of developments	**2.9**	3.3
Deferred tax for properties	**264.6**	251.2
Goodwill related to deferred tax	**-9.3**	-9.2
Gross-up of Assets	**13.8**	13.4
NAV	**1,392.5**	1,418.4
NAV per share (in €)	**42.83**	43.62

Sonae Sierra maintained its conservative and balanced long-term debt and hedge strategy. The Company's capital is supported by an average debt maturity of 3.8 years, 42% of which with hedged interest rates.

The following chart illustrates Sonae Sierra's debt structure and maturity as of June 30, 2017:

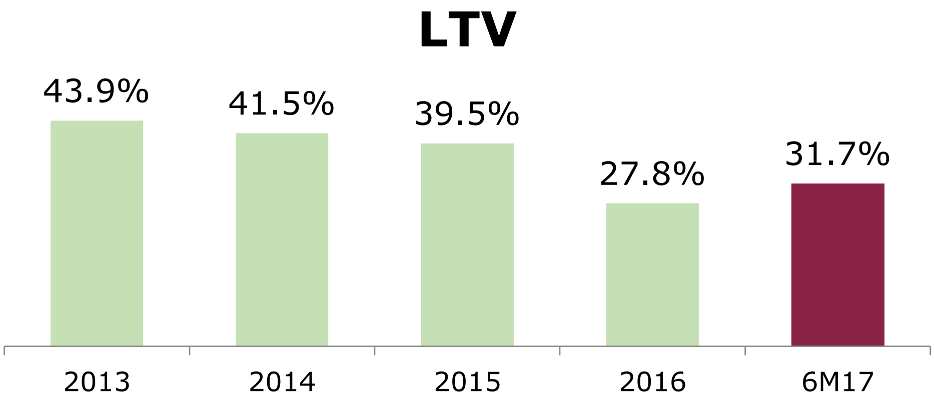




Sonae Sierra continues to benefit from good access to debt funding. The average cost of debt for Sonae Sierra is 0.6 p.p. below 2016 and currently stands at 3.4%. Excluding Brazil, the average cost of the debt has fallen to 2.8%.

The financial ratios show a prudent and solid approach and the financial strength of the Company’s balance sheet.

Ratios	30 Jun 17	31 Dec 16
Loan-to-value	**31.7%**	27.8%
Interest cover	**3.6**	3.2
Development Ratio	**12.1%**	12.2%



Sonae Sierra's Profit and Loss Account and Consolidated Balance Sheet
(unaudited accounts)

Consolidated Profit and Loss Account (€ million)	6M17	6M16	% 17/16
Direct income from investments	**107.9**	99.8	8%
Direct costs from investments	**57.9**	52.6	10%
EBIT	**50.0**	**47.1**	**6%**
Net financial costs	**11.6**	13.6	-15%
Other non-recurrent income/cost	**0.0**	0.0	-
Direct profit before taxes	**38.4**	**33.5**	**14%**
Current tax	**8.2**	6.7	22%
Direct net profit	**30.2**	**26.8**	**13%**
Gains realized on sale of investments	**2.2**	11.7	-
Impairment	**0.0**	9.4	-
Value created on investments	**49.0**	22.4	119%
Indirect income	**51.3**	**43.6**	**18%**
Deferred tax	**17.3**	11.4	52%
Indirect net profit	**34.0**	**32.2**	6%
Net profit	**64.2**	**59.0**	**9%**

Consolidated Balance Sheet (€ million)	30 Jun 17	31 Dec 16	Var. (17 - 16)
Investment properties	**2,070**	2,033	37
Properties under development and others	**67**	65	2
Other assets	**112**	108	4
Cash & Equivalents	**118**	201	-83
Total assets	**2,366**	**2,406**	**-40**
Net worth	**1,121**	**1,160**	**-39**
Bank loans	**791**	781	10
Deferred taxes	**326**	316	10
Other liabilities	**129**	150	-21
Total liabilities	**1,246**	**1,247**	**-1**
Net worth and liabilities	**2,366**	**2,406**	**-40**

END

About Sonae Sierra

Sonae Sierra (www.sonaesierra.com) is the international company dedicated to develop and service vibrant retail-centred properties. The company operates from corporate offices in 12 countries providing services to clients in geographies as diverse as Portugal, Algeria, Brazil, Colombia, Germany, Greece, Italy, Morocco, Romania, Russia, Slovakia, Spain, Tunisia and Turkey. Sonae Sierra owns 48 shopping centres with a market value of about €7 billion euros, and manages and/or lets 77 Shopping Centres with a Gross Lettable Area of 2.4 million m^2 and about 9,100 tenants. At present, Sonae Sierra has 15 projects under development, including 7 for third parties, and 5 new projects in the pipeline.

Sonae Sierra currently works with more than 20 co-investors at asset level and manages four real estate funds for a large number of investors coming from across the world.