

Maia - Portugal, 5th August, 2014

Sonae Sierra records Net Profit of €47.8 million in the first half of 2014

- Tenant sales express recovery trend
- EBITDA at €51.2 million
- Entry in China through a joint venture with CITIC Capital
- First investment in Morocco

Sonae Sierra, the international shopping centre specialist, achieved a Net Profit of €47.8 million in the first half of the year. In addition to this positive result, the first six months of 2014 were marked by further growth of the operational performance, as well as the increasing international focus of the Company, with the entry in China and the first own investment in Morocco.

Tenant sales in the European portfolio recorded a 3.5% like-for-like increase, with emphasis on the growth of 6.2% in Portugal and 2.5% in Italy, compared to the same period of 2013. In Brazil we continued to register a positive performance, with a 7.8% (BRL) like-for-like increase in tenant sales, compared to the first semester of 2013.

The Global Occupancy Rate of the portfolio reached 94.7%, an increase of 1.1 p.p. in comparison with the same period of 2013, a result of the quality of the assets and company management in a still unstable macro-economic context in retail real estate in Europe.

According to **Sonae Sierra's CEO, Fernando Guedes de Oliveira**, "the first half of the year reinforced the recovery trend in the operational performance of our portfolio, confirming the recovery signs shown since the beginning of the second half of 2013. I would like to highlight, the entry in China, result of a joint-venture with CITIC Capital, under which Sonae Sierra will provide its know-how and experience to one of the markets with the greatest growth potential at a global level. Also important to point out is our first investment in Morocco, country where the company is present through services provision since 2011, which allowed us to gather a better knowledge of the market before moving forward with this important step."

In the period under analysis, the Direct profit reached €21.9 million, which represents a 26% decrease compared to the same period of the previous year, more than compensated by the increase of the Indirect profit.

The Direct profit was influenced by the assets disposal in Europe in the end of 2013, by the adverse variation in the average exchange rate of Brazilian Real between the first half of 2014 and the first half of 2013 and the strengthening of corporate structure to support company's growth in new geographies.

The assets disposals in 2013 and the structure costs to support the growth to new markets were also the main factors responsible for the decrease of EBITDA in the same period.

The Indirect profit of € 26 million, which compares with an Indirect profit of € -34 million in the first half of 2013, was mainly consequence of the yields compression in Portugal and Spain and the improvement of the operational activity of European and Brazilian assets. In Portugal the market capitalization yields compressed in average 20 bps and in Spain about 40 bps.

International growth: new market, new projects, asset acquisition and service provision

The first half of the year was positively marked in terms of international expansion, with Sonae Sierra entering a new geography with high growth potential, China, and announcing its first investment in Morocco.

Regarding China, Sonae Sierra signed, in April, a joint venture with CITIC Capital, China's leading investment management company, for the provision of management and leasing services to shopping centres in the country.

In Morocco, Sonae Sierra in a partnership with Marjane, Al Futtaim and Société d'Aménagement de Zenata (Groupe CDG), announced in May the development of Zenata shopping centre. Scheduled to open in 2017, the new project represents an investment of €100 million, of which the Company will have a participation of 11% and will be also responsible to provide development, leasing and property management services for the new shopping centre.

Still in this geography where established two of the three new services contracts signed this semester for the management and leasing of Carré Eden (Marraquexe) and Arribat Center (Rabat). In Europe, the company will assure the leasing of the new shopping centre La Perle (Faenza, Italy).

In the beginning of the semester, Sonae Sierra started the construction of two new projects: ParkLake (Bucharest, Romania), an investment of €180 million expected to be inaugurated in 2016, and the expansion and refurbishment of Franca Shopping (São Paulo, Brazil) scheduled to be completed in the first quarter of 2015.

In Portugal, the Sierra Portugal Fund (SPF) has reached an agreement with GREP II, a fund managed by Grosvenor Fund Management, for the acquisition of its 50% stake in AlbufeiraShopping and Centro Comercial Continente de Portimão, and now owns 100% of both assets.

Already in July, outside the scope of the first half results, the Company continued its capital recycling strategy, which aims at ensuring sustainable growth, through the disposal of a stake in Le Terrazze to Union Investment. Sonae Sierra will continue to be responsible for the shopping centre's management service and will be a joint venture partner of Union Investment by remaining owner of a 10% share of Le Terrazze, which embodies the Portuguese company's recycling capital strategy.

Debt refinancing

In another highlight of the period, Sonae Sierra was able to refinance the debt of three shopping centres in a total value of €156 million, which reflects the trust of national and international banks in the management and solidity of the Company and its assets.

In the scope of the operation, NorteShopping obtained a €135 million refinancing, while Centro Comercial Continente de Portimão was refinanced in €12 million and AlbufeiraShopping in €9 million. BES, BPI, Santander Totta, BIC, Banco Popular Portugal and Banco Popular Español were the banks involved in these refinancing operations.

Net Asset Value (NAV) and Financial Ratios

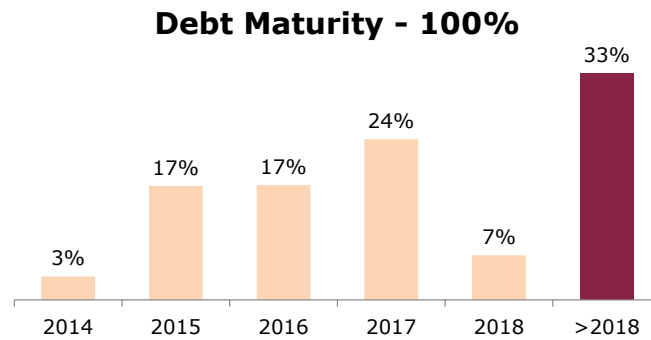
Sonae Sierra calculates its NAV according to the guidelines published in 2007 by the INREV (European Association for Investors in Non-Listed Real Estate Vehicles).

According to this methodology, as of 30 June 2014, Sonae Sierra's NAV reached €1.092 billion. This value represents a 9% increase compared to the value in December 2013. Fundamentally, this increase was a consequence of the positive Net Profit of the period and of the favourable FX change variation of the Brazilian Real (between 31 December 2013 and 30 June 2014).

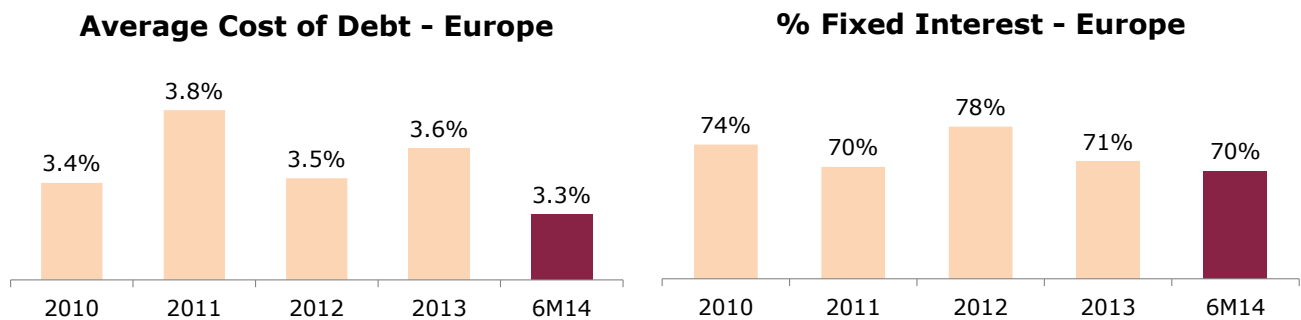
Net Asset Value (NAV) amounts in € 000	30 Jun 14	31 Dec 13
NAV as per the financial statements	871,437	794,410
Revaluation to fair value of developments	5,518	5,350
Deferred tax for properties	217,583	203,758
Goodwill related to deferred tax	-16,459	-16,459
Gross-up of Assets	13,507	13,176
NAV	1,091,587	1,000,236
NAV per share (in €)	33.57	30.76

Sonae Sierra maintained its conservative long-term funding strategy. The Capital structure is supported by a long average debt maturity of 4.83 years, by 70% of debt with fixed interest costs showing the prudent hedging of interest rate risk and by a balanced debt maturity profile.

The following chart illustrates Sonae Sierra's debt as at June 30th, 2014.



Sonae Sierra continues to demonstrate good access to low cost funding in bank financing and capital markets. The average cost of debt for Sonae Sierra is 0.1 p.p. below 2013 and currently stands at 4.2%. Excluding Brazil, the average cost of debt is 3.3%, which remains relatively low versus European peers.



The Company's increasingly sound Financial Ratios continue to demonstrate to the market, its financial strength and cautious attitude.

Ratios	30 Jun 14	31 Dec 13
Loan-to-value	42.7%	43.9%
Interest cover	2.02	2.54
Development ratio	8.4%	9.4%

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

(unaudited accounts)

Consolidated Profit and Loss Account (€ 000)	6M14	6M13	% 14/13
Direct income	108.710	110.719	-2%
Direct costs	57.470	54.318	6%
EBITDA	51.240	56.401	-9%
Net financial costs	22.433	18.465	21%
Other non-recurrent income/cost	-948	-1.111	15%
Direct profit before taxes	27.859	36.825	-24%
Corporate tax	5.938	7.361	-19%
Direct profit	21.921	29.464	-26%
Gains realized on sale of investments	8.292	1.279	-
Impairment	1.398	0	-
Value created on investments	35.683	-37.629	195%
Indirect income	45.374	-36.350	-
Deferred tax	19.516	-2.270	-
Indirect profit	25.857	-34.080	176%
Net profit	47.778	-4.616	-

Consolidated Balance Sheet (€ 000)	30-06-2014	31-12-2013	Var. (14 - 13)
Investment properties	2.031.642	1.952.413	79.229
Properties under development and others	123.417	130.771	-7.354
Other assets	133.482	117.153	16.329
Cash & equivalents	110.073	124.609	-14.536
Total assets	2.398.614	2.324.947	73.668
Net worth	871.437	794.410	77.027
Bank loans	1.021.149	1.031.267	-10.118
Deferred taxes	274.875	252.887	21.988
Other liabilities	231.153	246.382	-15.229
Total liabilities	1.527.177	1.530.536	-3.359
Net worth and liabilities	2.398.614	2.324.947	73.667

About SONAE SIERRA

SONAE SIERRA, www.sonaesierra.com, is the international Shopping Centre specialist, with a passion for creating innovative shopping experiences. The Company owns 47 shopping centres with a market value of more than €5.9 billion euros, and is present in 4 continents and 13 countries: Portugal, Algeria, Azerbaijan, Brazil, China, Colombia, Germany, Greece, Italy, Morocco, Romania, Spain and Turkey. Sonae Sierra manages and/or lets 82 Shopping Centres with a total Gross Lettable Area of 2.6 million m² and about 8,300 tenants. In 2013, the Company welcomed more than 406 million visits in the Shopping Centres it manages. Currently, Sonae Sierra has 6 projects under development, including 3 for clients, and 4 new projects in pipeline.