Press Release

Maia - Portugal, March 5th 2015

Sonae Sierra records Net Profit of €96.3 million in 2014

- Direct Result reached €52.7 million
- EBIT of €106.1 million
- Indirect Results reached €43.6 million with Real Estate yield compression in Portugal and Spain
- Two new development projects in Spain and Morocco
- Sale of 40% of Le Terrazze (Italy) and La Farga (Spain)
- 41 new service contracts signed
- Improvement of tenant sales and occupancy rates

Sonae Sierra, the international shopping centre specialist, recorded a Net Profit of €96.3 million in 2014, compared to the €3.6 million recorded in the same period of last year. This Result is driven by a Direct Result of €52.7 million and an Indirect Result of €43.6 million.

Direct Result decreased 9% versus last year which was influenced by assets disposal in Europe, adverse variation in the average exchange rate of Brazilian Real and the strengthening of corporate structure to support the Company's growth in new geographies. On a like-for-like portfolio basis, and excluding the adverse FX change impact, Direct Net Profit increased by 5.6%, consequence of our assets and our management quality.

Compared to 2013 Indirect Result increased due to the recovery of European markets, reflected in yield compression, the improvement in operational performance of European and Brazilian assets and the positive impacts of the sale of a 40% share in Le Terrazze, the sale of a plot of land adjacent to Alexa as well as the reinforcement of the Company's ownership in AlbufeiraShopping and C.C. Continente de Portimão, both in Portugal.

Tenant sales in the European portfolio recorded a 3.3% like-for-like increase in 2014, compared to the same period of 2013, with emphasis on the 5.5% growth in Portugal and 4.5% in Italy. In Brazil, we continue to register a positive performance, with an 8.4% (BRL) like-for-like increase in

tenant sales, compared to the same period of 2013.

The Global Occupancy Rate of the portfolio reached 95.5%, slightly above the 94.4% registered in the same period of last year. Sonae Sierra's global portfolio welcomed more than 440 million visits in 2014.

According to **Fernando Guedes de Oliveira, Sonae Sierra's CEO**, "Sonae Sierra's financial results in 2014 reflect the quality of our assets and the efficiency of the Company's management in a macroeconomic environment that, despite clear recovery indicators, still shows signs of volatility in the retail real estate sector in Europe. We're prepared to take full advantage of the economic recovery cycle which now begins, with an active capital recycling strategy and searching for new business opportunities in markets with growth potential".

International expansion through new projects and service provision

The Company continues its international strategy through the development of owned new projects and third-party service provision, both in markets where it was already present and new emerging ones.

In Romania, we began the construction of ParkLake, a project that represents an investment of €180 million. Scheduled to open in 2016, this shopping centre will have a Gross Lettable Area (GLA) of 70,000 m2 with 200 shops and 2,600 indoor parking spaces. Still under development, the project has 70% of its GLA already let and/or committed and will include a Carrefour hypermarket among other prestigious national and international retail brands.

We also highlight the agreement signed between Sonae Sierra and McArthurGlen for the development of a Designer Outlet in Malaga, south of Spain, representing a €115 million investment to become the first project of its kind in the region, with a GLA of 30,000 m2.

In Morocco, where the company is present since 2011 through service provision, we announced our first investment for the development of Zenata shopping centre in Mohammedia (Casablanca), scheduled to be inaugurated in 2017. Representing a €100 million investment, the centre will have 90,000 m2 of GLA, 250 shops and a parking lot with about 3,650 spaces, and will serve more than 5.9 million inhabitants in its catchment area.

In terms of asset valuation, the company continued with its strategy of investment in expansions, refurbishments and tenant-mix improvement.

During the year, we carried out two expansion and refurbishment projects in Brazil and Portugal: the expansion and refurbishment of Franca Shopping (São Paulo, Brazil), a €31 million investment, and the refurbishment of NorteShopping, a €5 million investment, scheduled to be concluded in the first semester of 2015.

The capital recycling strategy the Company has adopted with the purpose of ensuring a sustainable growth was embodied in 2014 with the sale of La Farga shopping centre (Spain), as

well as the sale of 40% of Le Terraze (Italy), in which Sonae Sierra still owns 10% and is responsible for its management.

In terms of services provision, Sonae Sierra added China and Russia to its international presence and signed a total of 41 new contracts in Europe, North Africa and Asia, with a global value of €22.6 million, compared to €20.2 million in 2013.

In China, the company entered into 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 Russia, Sonae Sierra entered into a 50/50 joint-venture with OST Development, and will provide management and leasing services to shopping centre Mozaica, a shopping and leisure reference in the Russian capital with more than 210 shops and 67,800 m2 of GLA.

Net Asset Value (NAV) and Financial Ratios

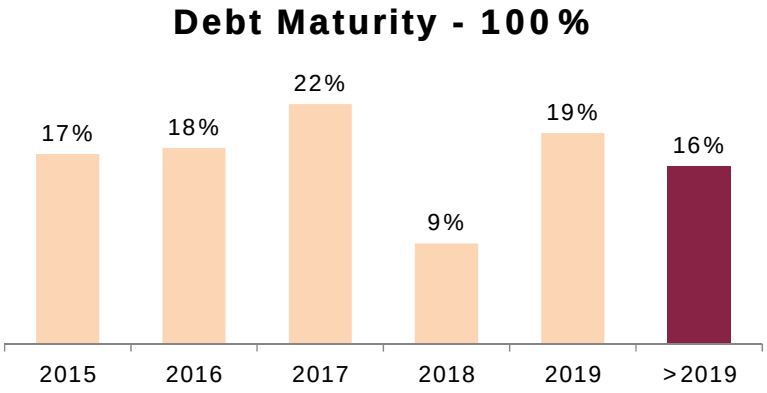
Sonae Sierra computes its NAV according to the guidelines published in 2007 by the INREV (European Association for Investors in Non-Listed Real Estate Vehicles).

Based on this methodology, as of 31 December 2014, Sonae Sierra's NAV reached €1.1 billion. This value represents a 11.4% increase compared to the value in December 2013 mainly driven by 2014 Net Profit.

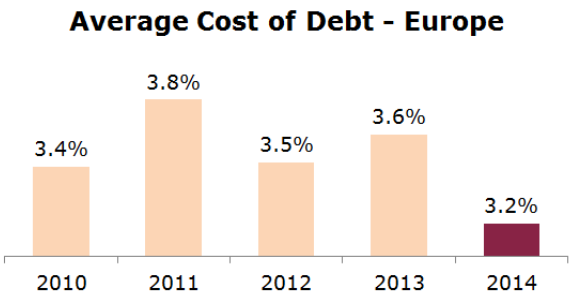
Net Asset Value (NAV) amounts in € m	31 Dec 14	31 Dec 13
NAV as per the financial statements	**898.0**	794.4
Revaluation to fair value of developments	**4.1**	5.3
Deferred tax for properties	**213.2**	203.8
Goodwill related to deferred tax	**-14.3**	-16.5
Gross-up of Assets	**13.8**	13.2
NAV	**1,114.7**	**1,000.2**
NAV per share (in €)	**34.29**	**30.76**

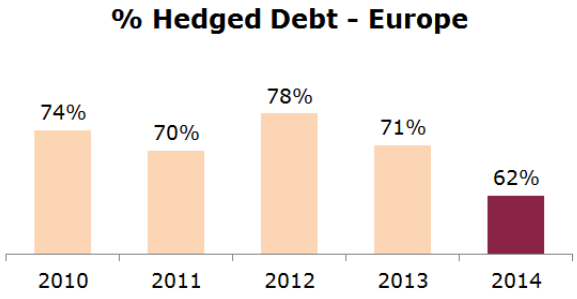
Sonae Sierra maintained its conservative and balanced long-term funding and hedging strategies. The Capital structure is supported by an average debt maturity of 4.6 years, of which 62% has fixed interest rates.

The following chart illustrates Sonae Sierra's debt maturity profile as of 31 December 2014.



Sonae Sierra continues to benefit from good access to funding in both debt and capital markets. The average cost of debt for Sonae Sierra is 5 p.p. below that of 2013 and currently stands at 3.8%. Excluding Brazil, the average cost of debt is 3.2%, which remains comparable to its European peers.





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

Ratios	31 Dec 14	31 Dec 13
Loan-to-value	**41.5%**	43.9%
Interest cover	**2.35**	2.54
Development ratio	**10.8%**	9.4%

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

(audited accounts)

Consolidated Profit and Loss Account (€ million)	2014	2013	% 14/13
Direct income from investments	**225.4**	228.1	-1%
Direct costs from investments	**117.6**	114.6	3%
EBITDA	**107.8**	**113.5**	**-5%**
Net financial costs	**40.5**	38.1	6%
Other non-recurrent income/cost	**-1.6**	-2.7	40%
Direct profit before taxes	**65.6**	**72.6**	**-10%**
Current tax	**12.9**	15.0	-14%
Direct net profit	**52.7**	**57.6**	**-9%**
Gains realized on sale of investments	**3.4**	-3.8	189%
Impairment	**-24.0**	-9.3	-
Value created on investments	**89.4**	-39.1	329%
Indirect income	**68.7**	**-52.3**	**232%**
Deferred tax	**25.1**	1.7	-
Indirect net profit	**43.6**	**-54.0**	**181%**
Net profit	**96.3**	**3.6**	-

Consolidated Balance Sheet (€ million)	31-12-2014	31-12-2013	Var. (14 - 13)
Investment properties	**2,016.3**	1,952.4	64
Properties under development and others	**63.5**	101.2	-38
Other assets	**105.4**	117.2	-12
Cash & Equivalents	**97.4**	124.6	-27
Total assets	**2,282.6**	**2,295.4**	**-13**
Net worth	**898.0**	**794.4**	**104**
Bank loans	**953.8**	1,031.3	-77
Deferred taxes	**271.5**	252.9	19
Other liabilities	**159.2**	216.8	-58
Total liabilities	**1,384.6**	**1,501.0**	**-116**
Net worth and liabilities	**2,282.6**	**2,295.4**	**-13**

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 46 shopping centres with a market value of €6 billion euros, and is present in 4 continents and 14 countries: Portugal, Algeria, Azerbaijan, Brazil, China, Colombia, Germany, Greece, Italy, Morocco, Romania, Russia, Spain and Turkey. Sonae Sierra manages and/or lets 88 Shopping Centres with a total Gross Lettable Area of 2.3 million m^2 and about 8,300 tenants. In 2014, the Company welcomed more than 440 million visits in the Shopping Centres it manages. Currently, Sonae Sierra has 7 projects under development, including 3 for clients, and 4 new projects in pipeline.