Press Release

Maia - Portugal, May 6th 2015

Sonae Sierra records Net Profit of €12.6 million in the first quarter of 2015

- Tenant sales maintain growth trend
- Direct net profit reaches €14.5 million
- EBITDA at €26.3 million
- €8 million investment in the refurbishment of Centro Vasco da Gama
- New service provision contracts in Germany

Sonae Sierra, the international shopping centre specialist, recorded a Net Profit of €12.6 million in the first three months of the year, compared to the €11.8 million recorded in the same period of last year, a 7% growth.

In the first quarter, we highlight the significant net profit increase, as well as the constant international expansion through the strengthening of our service provision activity with the signing of new contracts for the management, letting and development of third-party owned shopping centres.
Tenant sales in the European portfolio recorded a 4% like-for-like increase in the first three months of 2015, compared to the same period of 2014, with emphasis on the 4.6% growth in Portugal and 6.3% in Italy. In Brazil, we continue to register a positive performance, with a 9.6% (BRL) increase, compared to the same period of 2014.

The global occupancy rate of the portfolio was 95.8%, above the 94.6% registered in the same period of last year, reflecting the improving economic environment in which the Company operates and the successful strategy adopted by the Company to maximize the quality of its assets.

According to **Sonae Sierra's CEO, Fernando Guedes de Oliveira**, *"the first quarter of 2015 confirmed the recovery trend in the European market, as our operational performance keeps growing sustainably, with a direct impact on income from rents. We continue investing in the growth of our assets, a recent example being the refurbishment of Centro Vasco da Gama, one of the best performing assets in the Company's portfolio in Portugal."*

In these first three months of the year, the direct net profit was €14,5 million, representing a 24% growth compared to the same period of 2014, in spite of the negative impact of asset sales carried through in 2014 (Le Terrazze, in Italy, and La Farga, in Spain). On a like-for-like basis, the direct net profit increase is 29%.

The organic growth in direct profit is mostly due to the increased rents in European and Brazilian Shopping Centre portfolio, due to the economic recovery of the European market and the increased occupancy rate of the recent Shopping Centres in Brazil. These factors have also contributed to a 3% growth in EBITDA that reached €26.3 million. We also point out the Company's effort to trim on financial costs through the optimization of the bank debt.

Appreciation of the portfolio in Portugal

In the first quarter of 2015, Sonae Sierra announced a €8 million investment in Centro Vasco da Gama with the purpose of improving the quality of the shopping Centre, following the Company's strategy of maximizing the capital growth of the portfolio.

Refurbishments reflect the continuous concern with the enhancement of assets, both in terms of commercial, service and leisure offer, enabling shopping centres to fit the modern standards and the latest trends.

New service provision contracts in Germany

In the first three months of the year, Sonae Sierra strengthened its service provision activity with the signing of three new shopping centre management contracts in Germany.

The new contracts in Germany cover management, letting and marketing activities of three Union Investment assets in Hamburg, Germany's second largest city: Quarrée Wandsbek-Markt, Mercado and Geschäftshaus Ottensen, with a total Gross Lettable Area (GLA) of 105,800 m^2 and 171 shops.

With these new contracts, Sonae Sierra is now managing and letting a total of eight shopping centers in Germany, with locations in Berlin, Hamburg, Munster, Weiterstadt and Solingen, with a total GLA of 300.000 m^2 and more than 650 shops.

Net Asset Value (NAV) and Financial Ratios

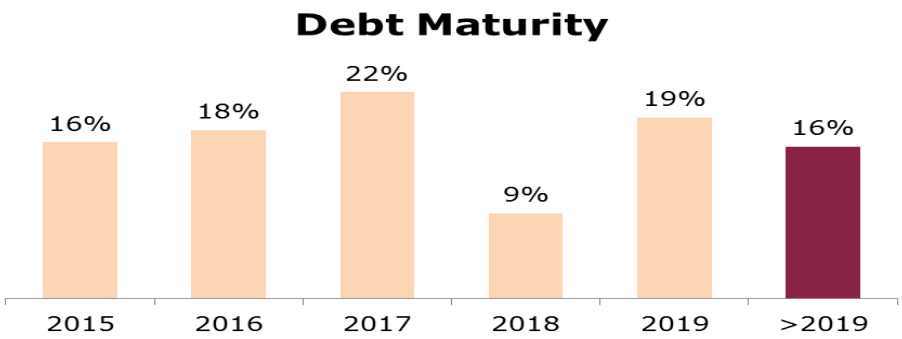
Sonae Sierra calculates its NAV according to the guidelines published in 2007 by the INREV (European Association for Investors in Non-Listed Real Estate Vehicles).

Based on this methodology, as of March 31st 2015, Sonae Sierra's NAV reached €1.1 billion. This value represents a 0.8% decrease compared to the value in December 2014, mainly due to the unfavorable exchange rate variation of the Brazilian Real, partially compensated by the net profit in this period.

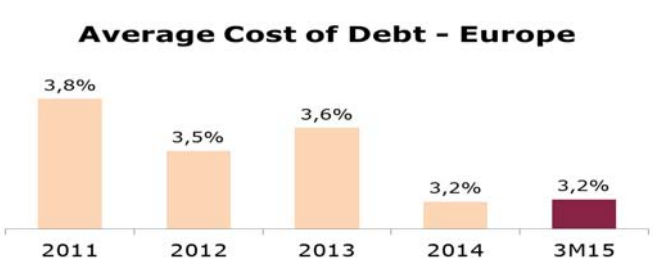
Net Asset Value (NAV) amounts in € m	31 Mar 15	31 Dec 14
NAV as per the financial statements	**888,2**	898,0
Revaluation to fair value of developments	**3,8**	4,1
Deferred tax for properties	**214,3**	213,2
Goodwill related to deferred tax	**-14,3**	-14,3
Gross-up of Assets	**13,8**	13,8
NAV	**1.105,8**	**1.114,7**
NAV per share (in €)	**34,01**	34,29

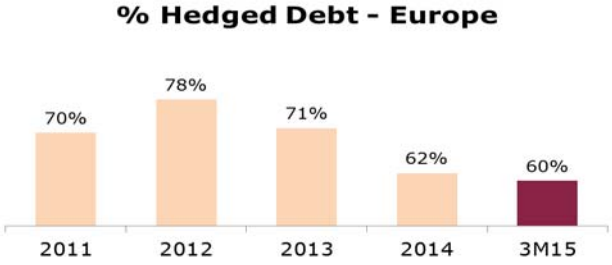
Sonae Sierra maintained the conservative and balanced long-term funding and hedging strategies. The Company's Capital structure has an average debt maturity of 4.3 years, of which 60% has fixed interest rates.

The following chart illustrates Sonae Sierra's debt maturities as of March 31st, 2015:



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 slightly below its 2014 value, and currently standing at 3.7%. Excluding Brazil, the average cost of the debt is of 3.2%, in line with its European competitors.





The Financial Ratios continue to show the cautious attitude and financial strength of the Company's balance.

Ratios	31 Mar 15	31 Dec 14
Loan-to-value	**41.2%**	41.5%
Interest cover	**2.83**	2.35
Development Ratio	**10.8%**	10.8%

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

Consolidated Profit and Loss Account (€ million)	3M15	3M14	% 15/14
Direct income from investments	**54,7**	53,2	3%
Direct costs from investments	**28,4**	27,6	3%
EBITDA	**26,3**	**25,6**	**3%**
Net financial costs	**8,2**	10,4	-21%
Other non-recurrent income/cost	**-0,3**	-0,4	23%
Direct profit before taxes	**17,8**	**14,8**	**20%**
Current tax	**3,3**	3,2	5%
Direct net profit	**14,5**	**11,7**	**24%**
Gains realized on sale of investments	**0,1**	2,7	-98%
Indirect income	**0,1**	**2,7**	**-98%**
Deferred tax	**1,9**	2,5	-24%
Indirect net profit	**-1,8**	**0,1**	**-**
Net profit	**12,6**	**11,8**	**7%**

Consolidated Balance Sheet (€ million)	31 Mar 15	31 Dec 14	Var. (15 - 14)
Investment properties	**1.983**	2.016	-33
Properties under development and others	**69**	63	6
Other assets	**88**	105	-17
Cash & Equivalents	**103**	97	6
Total assets	**2.244**	**2.283**	**-39**
Net worth	**888**	**898**	**-10**
Bank loans	**942**	954	-12
Deferred taxes	**269**	272	-3
Other liabilities	**145**	159	-14
Total liabilities	**1.356**	**1.385**	**-29**
Net worth and liabilities	**2.244**	**2.283**	**-39**

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 more than €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 92 Shopping Centres with a total Gross Lettable Area of 2.3 million m2 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.