Press Release

Maia, Portugal - May 16th 2017

Sonae Sierra is presenting a Net Profit of €15.9 million in the first quarter of 2017

- Tenant sales, rents and occupancy rates performed positively
- Direct profit of €15.1 million
- EBIT of €25 million
- ORES Socimi starts trading
- Growth of professional services rendered to third parties

Sonae Sierra recorded a Net Profit of €15.9 million in the first three months of 2017, compared to the €16.6 million reached in the same period of last year. This 4.2% decrease is mainly due to the partial disposals of 2016: Loop 5, Luz del Tajo, Algarveshopping, Estação Viana and Sierra Portugal Fund, almost offset by income generated by the successful opening of Parklake in September 2016.

The Company continued its successful capital recycling programme.
Iberia Coop, a Fund in which Sonae Sierra holds a participation of 10%, acquired two assets in Portugal – Albufeira Retail Park and Continente Hypermarket of AlgarveShopping. ORES Socimi, a venture participated by Bankinter and Sonae Sierra, began trading.

Total tenant sales recorded a 4% increase in the first three months of 2017, compared to the same period of 2016, with growth reaching 4.6% in Brazil, excluding the FX change. In Europe, where sales rose 3.8%, Romania recorded an important growth due to the successful opening of ParkLake, while Portugal grew by 3.9% and Spain by 0.4%. This performance reflected a general upward trend in Europe even considering that Easter fell in April rather than in the first quarter of the year.

The Global Occupancy Rate of the portfolio rose to 96.3%, an increase over the 95% registered in the same period of last year, reaching 97% in the European portfolio while also improving in Brazil. This reflects the Company's superior management capabilities.
Total rents increased 7.8% in Europe, due to the opening of Parklake and 2.8% on a like-for-like basis, significantly above the average inflation rate, and rose 4.7% in Brazil (BRL), slightly below the inflation rate of the period.

In these first three months of the year, the Company presented a direct net profit of €15.1 million, 2% higher than in the same period of 2016. This was due to higher EBIT from shopping centres in Europe and better financial results. Total EBIT stood at €25 million, slightly below the €25.4 million in the same period of last year in spite of the portfolio variations explained above.

According to **Fernando Guedes Oliveira, CEO of Sonae Sierra**, "Tenant sales, rents and occupancy rates all rose in the first three months of the year, reflecting our successful management approach and the quality of our shopping centres. The centres under development are progressing well and our capital recycling strategy continues to drive further growth opportunities, including the first acquisitions of our Socimi ORES."

ORES Socimi makes first acquisitions

ORES Socimi, Sonae Sierra's venture with Spanish financial services company Bankinter, began trading and made its first investments. These comprised two Forum Sport stores in Spain, in Retail Park Artea (Bilbao) and in Galaria (Pamplona). ORES plans to invest around €400 million in commercial (not residential) assets in good locations largely in Spain and Portugal's principal cities. The main investment focus will be on hypermarkets, supermarkets, retail parks and retail high street assets.

Developments and third party services

Sonae Sierra is currently developing two shopping centres in Morocco and Colombia, and a Designer Outlet in Spain, as well as carrying out several expansions in existing centres in Portugal and Spain.
Jardín Plaza, in Cúcuta (Colombia) and Zenata Shopping Centre (Morocco) are both taking shape. The Cúcuta project, comprising 43,000 m^2 of GLA, is scheduled for inauguration in 2018.

Construction work will start on the McArthurGlen Designer Outlet Málaga (Spain) in the second quarter of this year. This joint venture between McArthurGlen and Sonae Sierra represents a €115 million investment, creating 30,000 m2 of new retail space. At opening, in 2018, it will offer consumers a strong mix of over 170 brands – including some of the most sought-after luxury and designer trademarks, international chains and local shops.
Sonae Sierra's current expansions include NorteShopping and Centro Colombo in Portugal.

In the professional services area, Sonae Sierra signed 31 development services contracts in the first three months of 2017, as well as one new property management contract.

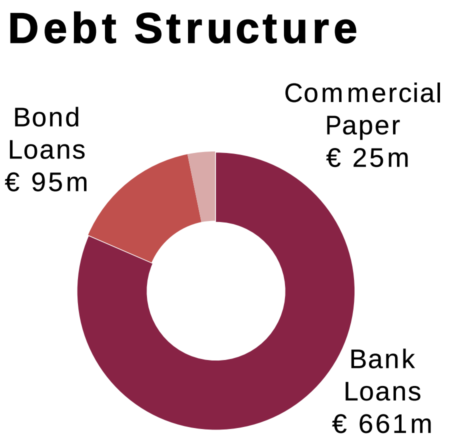
Net Asset Value (NAV) and Financial Ratios

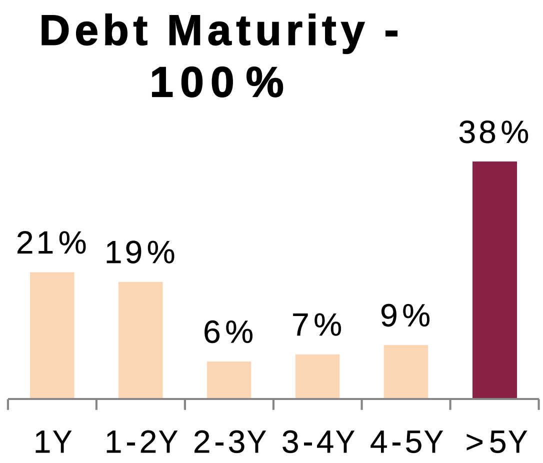
Sonae Sierra calculates its NAV (Net Asset Value) according to the guidelines published in 2007 by INREV (European Association for Investors in Non-Listed Real Estate Vehicles).
On the basis of this methodology, the NAV of Sonae Sierra as of March 31st 2017 reached €1,441 million, an increase of 1.6% compared to the €1,418 million recorded in December 2016. The NAV increase resulted mainly due to the Net Result and the positive impact of the Brazilian Real appreciation.

Net Asset Value (NAV) amounts in € m	**31 Mar 17**	31 Dec 16
NAV as per the financial statements	**1,180.9**	1,159.7
Revaluation to fair value of developments	**3.2**	3.3
Deferred tax for properties	**253.0**	251.2
Goodwill related to deferred tax	**-9.3**	-9.2
Gross-up of Assets	**13.5**	13.4
NAV	**1,441.2**	1,418.4
NAV per share (in €)	**44.33**	43.62

The Company maintained its conservative and balanced long-term debt and hedge strategy. The capital structure is supported by an average debt maturity of 4.2 years, 40% of which with hedged interest rates.

The following chart illustrates Sonae Sierra's debt as at 31 March 2017.

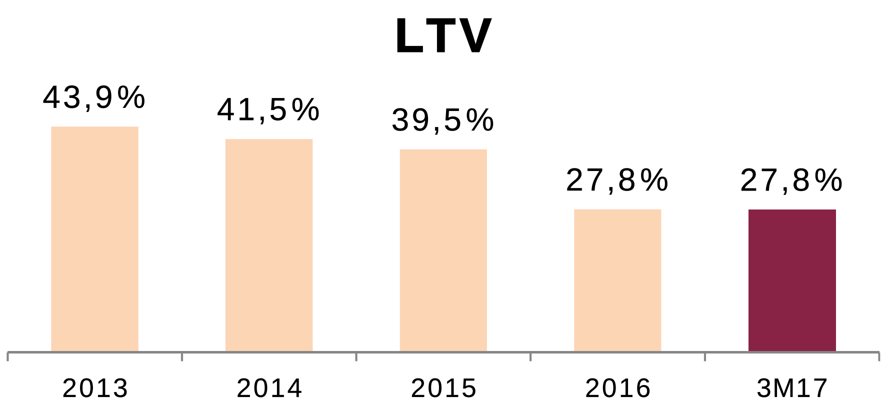




Sonae Sierra continues to demonstrate good access to debt funding. The average cost of debt for Sonae Sierra currently stands at 3.9%, slightly lower than the figure of 4.1% registered in 2016. Excluding Brazil, the average cost of the debt in Europe is 2.9%.

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

Ratios	**31 Mar 17**	31 Dec 16
Loan-to-value	**27.8%**	27.8%
Interest cover	**3.6**	3.2
Development ratio	**12.2%**	12.2%



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SONAE SIERRA

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

Consolidated Profit and Loss Account (€ million)	3M17	3M16	% 17/16
Direct income from investments	**53.6**	51.3	4%
Direct costs from investments	**28.6**	26.0	10%
EBIT	**25.0**	**25.4**	**-1%**
Net financial costs	**6.0**	7.0	-14%
Other non-recurrent income/cost	**0.0**	0.0	-
Direct profit before taxes	**19.1**	**18.4**	**4%**
Current tax	**4.0**	3.6	12%
Direct net profit	**15.1**	**14.8**	**2%**
Gains realised on sale of investments	**2.3**	2.8	-
Debt recovery	**0.0**	0.3	-
Value created on investments	**0.0**	0.5	-100%
Indirect income	**2.3**	**3.5**	**-35%**
Deferred tax	**1.5**	**1.8**	-16%
Indirect net profit	**0.8**	**1.8**	**53%**
Net profit	**15.9**	**16.6**	**-4%**

Consolidated Balance Sheet (€ million)	31 Mar 17	31 Dec 16	Var. (17 - 16)
Investment properties	**2,043**	2,033	9
Properties under development	**68**	65	3
Other assets	**105**	108	-2
Cash & Equivalents	**198**	201	-2
Total assets	**2,414**	**2,406**	**7**
Net worth	**1,181**	**1,160**	**21**
Bank loans	**781**	781	0
Deferred taxes	**319**	316	3
Other liabilities	**133**	150	-16
Total liabilities	**1,233**	**1,247**	**-14**
Net worth and liabilities	**2,414**	**2,406**	**7**

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 45 shopping centres with a market value of about €7 billion euros, and manages and/or lets 74 Shopping Centres with a Gross Lettable Area of 2.3 million m2 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 manage four real estate funds for a large number of investors coming from across the world.