

Maia, Portugal - March 9th 2017

Sonae Sierra records a Net Profit of €181 million in 2016

- Net Profit increases 28% y-o-y
- Direct Net Profit reaches €57 million
- Indirect Net Profit rises to €125 million
- Successful opening of Parklake in Romania
- Growth of professional services
- Positive performances of tenant sales and occupancy rates

Sonae Sierra, the international company dedicated to develop and service vibrant retail-centered properties, recorded a Net Profit of €181 million in 2016, a 28% increase compared to the €142 million reached in 2015.

Direct Net Profit stood at €57 million, slightly lower than last year's €61 million, due to the company's capital recycling programme which achieved €13.3 million of gains on sales of properties. On a like-for-like portfolio basis, and excluding the impact of FX changes, Direct Net Profit increased by 8% because of the improved shopping centre operational results, the growth of our professional services and the lower interest rates.

This capital recycling programme aims to further expose the company to new development opportunities by reducing its ownership stakes in mature shopping centres. However, the company maintains relevant minority capital positions in those centres, guaranteeing full interest alignment with the majority investors. This is a very attractive value proposition to investors in that Sonae Sierra plays the operating partner role by deploying its proven value adding and management capabilities to the benefit of all partners in the property.

Indirect Net Profit rose to €125 million, a 54% growth compared to the €81 million in 2015. The positive variation was mainly due to the higher value created in investment properties deriving from a strong yield compression in Europe, the value created from the opening of ParkLake in Romania.

In operational terms, tenant sales in the European portfolio recorded a 3.4% like-for-like increase in 2016, compared to the same period of 2015, with a 15.7% growth in Romania, 8% in Spain and 4% in Portugal. This performance reflected the market recovery in general and the resilience and quality of the company's shopping centres as compelling retail destinations. Brazil maintained a stable performance with a 0.9% (BRL) rise in tenant sales, also compared to the same period of 2015, despite the challenging macro-economic environment.

The Global Occupancy Rate of the portfolio rose to 96.6%, an increase on 95.2% recorded last year, reaching 97.1% in the European portfolio while also improving in Brazil. This reflects the company's superior management capabilities.

According to **Fernando Guedes Oliveira, CEO of Sonae Sierra**, "strong operational results in 2016 have emphasised the quality and reputation of our shopping centres, with positive uplifts in global tenant sales and occupancy rates. ParkLake successfully opened in Romania and we have two more co-owned shopping centres under development in Morocco and Colombia, as well as several expansions in Portugal and Spain. The successful execution of our capital recycling strategy and further service provision places us in an excellent position at the start of 2017."

Developments, service provision and a new Socimi

On the one hand, Sonae Sierra continues to pursue new developments and value adding opportunities to its assets and, on the other hand, to sign new contracts to render professional services.

September 2016 saw the successful opening of ParkLake in Bucharest, Romania. Encompassing a €180 million investment in partnership with Caelum Development, the project was completed on time and on budget, with over 97% of its approximately 70,000 m² of GLA leased upon opening. Moreover, ParkLake offers a reference for high quality modern retail. It

boasts exceptional architecture, innovative features and an integrated theme based on “park, nature and family”, emphasising its function as a meeting place where people can eat, shop, relax, be entertained and participate in a variety of leisure activities within a stimulating and comfortable living space.

Work continues apace on Jardín Plaza, in Cúcuta (Colombia), Zenata Shopping Centre (Morocco) and McArthurGlen Designer Outlet Málaga (Spain) and, also, in several expansions, namely of NorteShopping (Portugal).

Sonae Sierra’s debut investment in Colombia will see a brand-new shopping centre delivered in Cúcuta with 43,000 m² of GLA, in a €47 million investment scheduled for inauguration in 2018.

In Morocco, Zenata Shopping Centre will provide the city of Casablanca with more than 250 shops over 85,000 m² of GLA.

Sonae Sierra’s joint venture with McArthurGlen, for the development of the McArthurGlen Designer Outlet Málaga (Spain), is a €115 million investment creating 30,000 m² of new retail space when completed. It will offer consumers a strong mix of over 170 brands – spanning some of the most sought-after luxury and designer trademarks, international chains and local shops. Scheduled to open in two phases, the first phase expected for 2018 will launch 100 stores.

In the professional services area, Sonae Sierra signed a total of 150 new contracts in 2016: 136 of development services contracts, in 10 geographies and 14 of property management and leasing contracts, in 4 geographies.

In addition, Sonae Sierra launched in Spain a new listed property investment vehicle (Socimi), called ORES, with Spanish financial services company Bankinter, which will invest around €400 million in commercial assets in good locations in Spain and Portugal. The main investment focus will be on hypermarkets, supermarkets, retail parks and retail high street assets.

Net Asset Value (NAV) and Financial Ratios

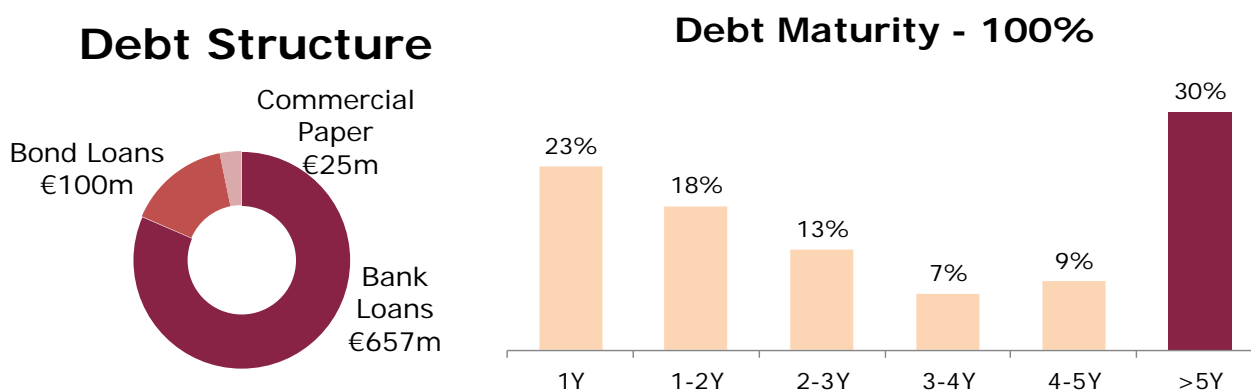
Sonae Sierra calculates its NAV (Net Asset Value) according to the guidelines published in 2007 by INREV (European Association for Investors in Non-Listed Real Estate Vehicles).

On the basis of this methodology, the NAV of Sonae Sierra as of 31 December 2016 reached €1,418 million - an increase of 20% compared to the €1,180 million recorded in 2015. The NAV increase resulted from the Net Profit of the year and the favourable FX change mainly in the Brazilian real.

Net Asset Value (NAV) amounts in € m	31 Dec 16	31 Dec 15
NAV as per the financial statements	1,159.7	938.3
Revaluation to fair value of developments	3.3	3.0
Deferred tax for properties	251.2	238.1
Goodwill related to deferred tax	-9.2	-14.3
Gross-up of Assets	13.4	14.7
NAV	1,418.4	1,179.8
NAV per share (in €)	43.62	36.29

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

The next chart illustrates Sonae Sierra's debt as at 31 December 2016.

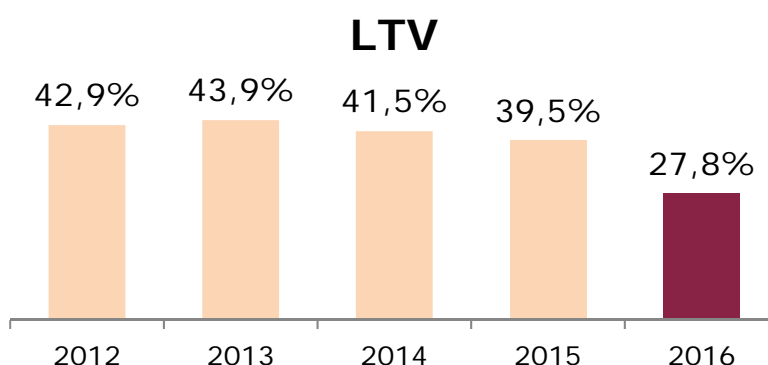


Sonae Sierra continues to demonstrate good access to debt funding. In 2016, the company refinanced the debt of seven Shopping Centres for a total of around € 560 million.

Sonae Sierra's weighted average cost of debt as at 31 December 2016 stands at 4.0%, 10 basis points below the end of the previous year. Excluding Brazil, the weighted average cost of debt is 3.1%.

The financial ratios show a prudent and solid approach and the financial strength of the Company's balance sheet, with Sonae Sierra's net LTV now standing at 27.8%. The lower development ratio is due to the opening of Parklake, which was transferred from properties under development to investment properties.

Ratios	31 Dec 16	31 Dec 15
Loan-to-value	27.8%	39.5%
Interest cover	3.2	3.0
Development ratio	12.2%	15.6%



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

Consolidated Profit and Loss Account (€million)	2016	2015	% 16/15
Direct income from investments	209.2	225.9	-7%
Direct costs from investments	112.7	120.8	-7%
EBIT	96.5	105.1	-8%
Net financial costs	26.1	31.0	-16%
Other non-recurrent income/cost	0.0	0.0	-
Direct profit before taxes	70.4	74.1	-5%
Current tax	13.7	13.1	5%
Direct net profit	56.7	61.0	-7%
Gains realised on sale of investments	13.3	2.6	-
Debt recovery	0.9	2.1	-58%
Value created on investments	154.1	109.1	41%
Indirect income	168.3	113.7	48%
Deferred tax	43.8	33.1	32%
Indirect net profit	124.5	80.7	54%
Net profit	181.2	141.7	28%

Consolidated Balance Sheet (€million)	31 Dec 16	31 Dec 15	Var. (16 - 15)
Investment properties	2,033	2,008	26
Properties under development	65	120	-55
Other assets	108	101	6
Cash & Equivalents	201	71	130
Total assets	2,406	2,300	107
Net worth	1,160	938	221
Bank loans	781	905	-123
Deferred taxes	316	286	29
Other liabilities	150	171	-21
Total liabilities	1,247	1,361	-115
Net worth and liabilities	2,406	2,300	107

About Sonae Sierra:

Sonae Sierra, www.sonaesierra.com, is the international company dedicated to develop and service vibrant retail-centered 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 78 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.