

Sonae Sierra recorded a total Net Profit of €78 million in the first nine months of 2017



Maia – Portugal, November 8th, 2017

- Direct Result rises to €45.2 million
- EBIT reaches €75.8 million
- Tenant sales and rents perform positively
- Successful implementation of the capital recycling strategy
- Third party service provision growth

Sonae Sierra recorded a Net Profit of €77.8 million in the first nine months of 2017, compared to the €92.6 million recorded in the same period of 2016. This 16% decrease is mainly due to the lower Indirect Result, a consequence of the favourable impact of the opening of ParkLake in 2016, partially compensated by the increase in Services' margins and by the Brazilian portfolio's Direct Result.

Total EBIT reached €75.8 million, a 7% increase over the previous year.

The Direct Result rose to €45.2 million, an improvement of 12% compared to the first nine months of 2016. This reflects higher EBIT across the portfolio in Europe and Brazil and better Financial Results.

The Indirect Result, stood at €32.5 million, €19.8 million below the previous year's first nine months, mainly due to lower gains on sale of investments.

In operational terms, tenant sales grew by 7.8% overall in the European portfolio compared to the same period of 2016. Romania recorded a significant growth influenced by the successful opening of ParkLake, Spain and Portugal also increased 9% and 7% respectively. Tenant sales in Brazil climbed steeply, rising 7.7% in Brazilian Real.

The global occupancy rate of the portfolio shifted down slightly to 95.6%, a fall of 0.8 p.p. compared to the same period of 2016, due to small variations across the global portfolio. However, in Europe, occupancy rates improved slightly to 97.2%, compared to 97.1%, despite the acquisition of Area Sur in Spain with lower than average occupancy. In Romania, occupancy climbed to 95.6%, compared to 93.3% a year before, also influenced by the success of ParkLake. Brazil saw its unit-shop occupancy decline from 94.5 to 90.3%. Total rents grew 8.9%, well above the same period in 2016, rising 9.8% in Europe and 5.8% in Brazil (in Brazilian Real), considerably above the average inflation rate of the period in both markets.

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According to **Fernando Guedes Oliveira, Sonae Sierra's CEO**, "Our improved Direct Result in the first nine months of 2017 underlines the outstanding performance of our shopping centres across the global portfolio, where tenant sales and rents have both risen. Our successful capital recycling strategy has enabled us to pursue further acquisitions, while our active development pipeline demonstrates our sustainable growth strategy, as does the continuing expansion of our third-party service provision activity."

Capital recycling strategy leads to acquisitions

In the first nine months of 2017, Sonae Sierra's successful capital recycling strategy included several acquisitions.

Iberia Coop Fund, in which Sonae Sierra holds a participation of 10% acquired 100% of Albufeira Retail Park. ORES, the SOCIMI with Bankinter in which Sonae Sierra is the operating partner and owner of a 3.75% interest, acquired 11 Investment Properties. Eight of these are located in Spain (Forum Leioa, Forum Galar, Mercadona Oviedo, Aldi Supermarket Cadiz and Portfolio Armuco) and three in Portugal (Portimão Retail Center, Media Markt Braga and a supermarket located in Alta de Lisboa and leased to Pingo Doce).

Furthermore, Sonae Sierra (15%) in joint venture with AXA Investment Managers – Real Assets (85%) also completed the purchase of the Area Sur Shopping Centre in Jerez, Spain, and Sonae Sierra will manage the property.

Development and third party services growth

The Company's development pipeline currently includes six projects: Jardín Plaza Cúcuta (Colombia) - a €47 million investment for 47.000 m² GLA -, the urban regeneration scheme in Nuremberg, Shopping Centre Zenata (Morocco) - a €100 million investment comprising more than 250 shops with a GLA of 90,000 m² -, as well as McArthurGlenn Designer Outlet Málaga (Spain), a €115 million investment in 30,000 m² of GLA. The NorteShopping expansion is also progressing in Portugal.

Sonae Sierra strengthened its service provision activity in the third quarter by adding new contracts signed with clients and Investors. These bring the total Development Services contracts signed, so far, this year to 119. 12 new contracts have been signed for Property Management, and 14 for Investment Management.

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 September 30th 2017, Sonae Sierra's NAV reached €1.4 billion. This represents a 0.8% decrease compared to December 2016, mainly due to the dividend payment and the unfavourable impact of the Brazilian Real depreciation, partially compensated by the Net Result. Excluding the FX change, the NAV would have increased by 1.3%.

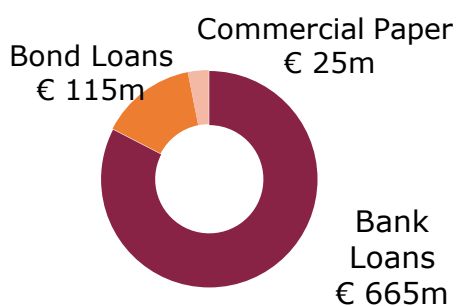
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Net Asset Value (NAV) amounts in € m	30 Sep 17	31 Dec 16
NAV as per the financial statements	1,133.6	1,159.7
Revaluation to fair value of developments	2.9	3.3
Deferred tax for properties	266.0	251.2
Goodwill related to deferred tax	-9.3	-9.2
Gross-up of Assets	13.8	13.4
NAV	1,406.9	1,418.4
NAV per share (in €)	43.27	43.62

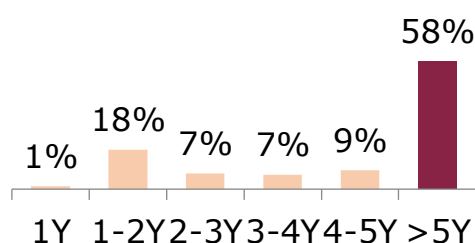
Sonae Sierra maintained its conservative and balanced long-term debt and hedging strategies. The Company's capital structure is supported by an average debt maturity of 3.6 years, 41% of which with hedged interest rates.

The following chart illustrates Sonae Sierra's debt structure and maturity as of September 30, 2017:

Debt Structure



Debt Maturity - 100%



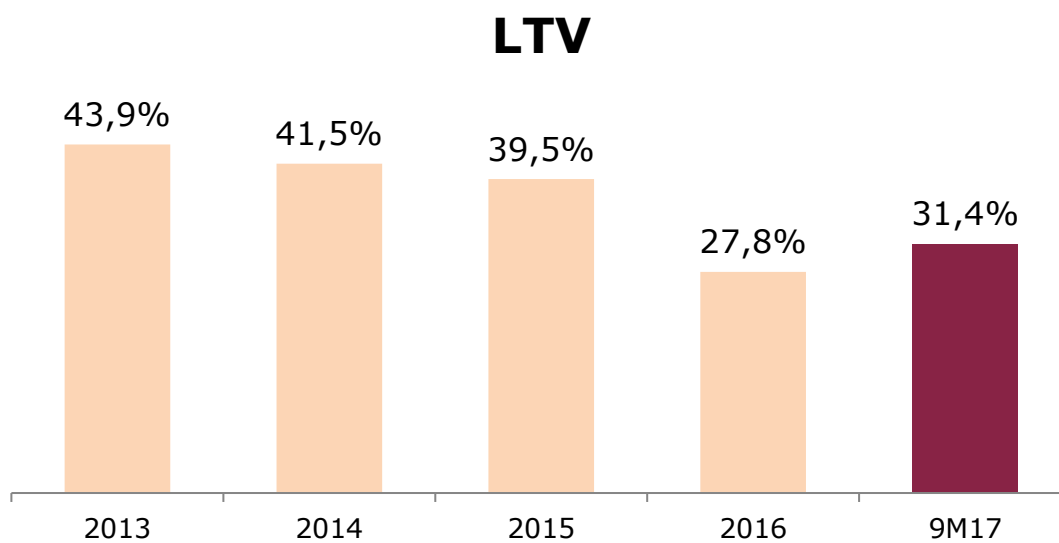
Sonae Sierra continues to benefit from good access to debt funding, as up until now the Company developed intense refinancing activities. Over the first nine months of 2017, Sonae Sierra contracted, for its subsidiaries, new bank loan facilities, with favourable funding conditions in a total of € 730 million.

The average cost of debt for Sonae Sierra currently stands at 3.6%, 0.4 p.p. lower than 2016. Excluding Brazil, the average cost of debt is 2.9%.

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

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Ratios	30 Sep 17	31 Dec 16
Loan-to-value	31.4%	27.8%
Interest cover	3.5	3.2
Development Ratio	12.1%	12.2%



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Sonae Sierra's Profit and Loss Account and Consolidated Balance Sheet
(unaudited accounts)

Consolidated Profit and Loss Account	9M17	9M16	% 17/16
(€ million)			
Direct income from properties	105.8	98.6	7%
Direct costs from properties	41.4	36.7	13%
EBIT from properties	64.4	61.9	4%
Services rendered	56.6	51.8	9%
Direct costs from services	45.3	43.1	5%
EBIT from services	11.3	8.7	31%
Net financial costs	18.1	19.9	-9%
Direct profit before taxes	57.7	50.6	14%
Current tax	12.5	10.4	20%
Direct net profit	45.2	40.2	12%
Gains on sale of investments	2.3	12.1	-
Value created in investments	48.8	48.0	2%
Debt recovery & Impairment	0.0	9.3	-
Deferred tax	18.6	17.1	9%
Indirect net profit	32.5	52.3	-38%
Net profit	77.8	92.6	-16%

Consolidated Balance Sheet	30 Sep 17	31 Dec 16	Var. (17 - 16)
(€ million)			
Investment properties	2,072	2,033	39
Properties under development and others	67	65	2
Other assets	119	108	11
Cash & Equivalents	138	201	-63
Total assets	2,396	2,406	-11
Net worth	1,134	1,160	-26
Bank loans	805	781	24
Deferred taxes	328	316	12
Other liabilities	129	150	-20
Total liabilities	1,262	1,247	15
Net worth and liabilities	2,396	2,406	-11

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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 48 shopping centres with a market value of about €7 billion euros, and manages and/or lets 76 Shopping Centres with a Gross Lettable Area of 2.4 million m² and about 9,100 tenants. At present, Sonae Sierra has 14 projects under development, including 6 for third parties, and 4 new projects in the pipeline.

Sonae Sierra currently works with more than 20 co-investors at asset level and manages four real estate funds for a large number of investors coming from across the world.