Sonae Sierra recorded a Net Profit of €15.3 million in the first quarter of 2018

Maia – Portugal, May 9th, 2018

- Direct Result rises to €17 million
- EBIT reaches €27 million
- Tenant sales and rents performed positively
- Growth of service provision
- Joint venture signed for the development of Parma Shopping District, in Italy

Sonae Sierra recorded a Net Profit of €15.3 million in the first three months of 2018, compared to the €15.9 million reached in the same period of last year, impacted by lower gains on the sale of investments in 2018.

EBIT reached €27.0 million, 8% increase over the previous year due to improved performance from the portfolio in Europe and higher Services turnover and margins.

The Direct Result rose to €17.0 million, an improvement of 12.6% compared to the same period of 2017. This reflects higher EBIT and better financial results.

The Indirect Result stood at -€1.6 million, €2.4 million below the previous year, mainly due to lower Gains on the Sale of Investments. The amount recorded in 2017 it is related to the price adjustment in Le Terrazze.

Improved Shopping Centre operational performance: tenant sales grew by 5.2% (excluding FX impact) overall and 5.7% in the European portfolio compared to the same period of 2017, marked by a 17,6% growth in Spain (acquisition of Area Sur in June 2017) and 4.8% increase in Portugal, benefitting from the early Easter but also reflecting the continuing economic recovery. In Romania, tenant sales grew 6.4% in absolute terms, due to the continuing success of ParkLake. In Brazil tenant sales also climbed steeply, rising 4.8% in Brazilian Real.

The global occupancy rate of the portfolio shifted down slightly to 95.6%, a fall of 0.7 b.p. compared to the same period of 2017, affected by small changes across the global portfolio. In Europe, occupancy remained largely stable at 96.5%, rising 0.8 b.p. to 99.1% in Portugal. Brazil saw its unit-shop occupancy decline from 94.3% to 92.7%.

Total rents grew 3.1%, increasing 2.8% in Europe and 4.3% in Brazil (in Brazilian Real), above the average inflation rate of the period in both markets.

According to **Fernando Guedes de Oliveira, Sonae Sierra's CEO**, *"the first three months of 2018 have confirmed the recovery trend, particularly in Europe, where the company performed very positively. We have also increased our development pipeline, signing a joint venture agreement for Parma in Italy, and amplified our services business still further."*

Active implementation of the capital recycling strategy

Sonae Sierra's capital recycling strategy continued in the first three months of the year. In terms of acquisitions, ORES Socimi, Sonae Sierra's venture with Spanish Bankinter, purchased two land plots in Spain, acquired three urban buildings in Portugal leased to companies of the Continente portfolio – in Sesimbra, Loures and Sintra – and four building units in LeiriaShopping.

The Sierra Fund concluded the acquisition of the hypermarket in Valle Real Shopping Center.

In January, Sierra Portugal Fund sold its shareholding position in SerraShopping to a new joint-venture (5%/95%) between Sonae Sierra and Armórica Portugal.

Development pipeline and services provision growth

The Company's development pipeline includes: Jardín Plaza Cúcuta (Colombia), the urban regeneration scheme in Nuremberg (Germany), Shopping Centre Zenata (Morocco), the McArthurGlen Designer Outlet Málaga (Spain), the new Shopping district in Parma (Italy) and in Portugal, the NorteShopping and Centro Colombo expansions.

In 2018, a new project was announced in Parma, Italy, with construction works already underway. This 50/50 joint venture between Sonae Sierra and Impresa Pizzarotti & c. S.p.A represents an investment of around €200 million to develop an urban regeneration project that will create a Shopping Centre and a Retail Park with a total 74,000 m2 of GLA and 170 units.

Construction work has already begun on the McArthurGlen Designer Outlet Málaga (Spain). This 50/50 joint venture between McArthurGlen and Sonae Sierra represents a €140 million investment to create 30,000 m2 of new retail space. It will offer consumers a strong mix of over 170 brands.

Sonae Sierra and Central Control also started construction works on Jardín Plaza Cúcuta. The project has a total investment of €52 million and a gross leasable area of 43,000 m2, making it the largest shopping centre in the city. The opening is planned for the end of 2018.

The construction works of the NorteShopping expansion already started to add circa 15,000 m2 to the existing 54,618 m2 of GLA, representing an investment of €72 million.

In the professional services area, Sonae Sierra signed a total of 77 new contracts in the first quarter of 2018: 72 for Development Services, 3 for Property Management, and 2 for Investment Management, for a total of circa €5,2 million. In addition, and following the recent disposals in Portugal, 3 service contracts were renewed in the total amount of €1,8 million.

Net Asset Value (NAV) and Financial Ratios

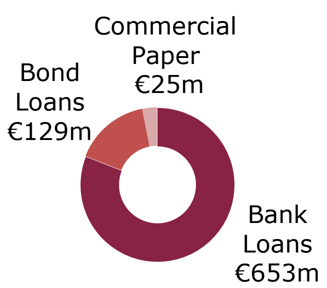
Sonae Sierra calculates its NAV according to the guidelines published in 2007 by the INREV (European Association for Investors in Non-Listed Real Estate Vehicles). Based on this methodology, as of 31 March 2018, Sonae Sierra's NAV stood at €1.4 billion. This value is in line with the €1.4 billion recorded in 31 December 2017, as the Net Profit of the period were partially offset by the adverse effect on reserves of the depreciation of the Brazilian Real.

Net Asset Value (NAV) (€ million)	**31 Mar 18**	31 Dec 17
NAV as per the financial statements	**1,157.5**	1,150.5
Revaluation to fair value of developments	**2.7**	2.7
Deferred tax for properties	**276.7**	274.9
Goodwill related to deferred tax	**-9.4**	-9.4
Gross-up of Assets	**13.6**	13.5
NAV	**1,441.1**	1,432.3
NAV per share (in €)	**44.32**	44.05

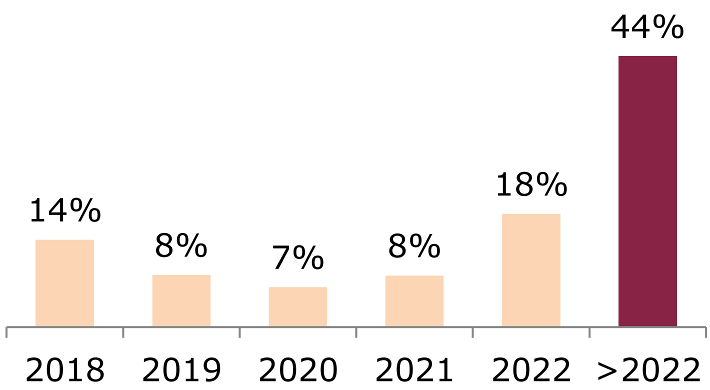
Sonae Sierra maintained its conservative long-term funding and hedging strategies. The Company's capital structure is supported by an average debt maturity of 3.8 years, 39% of which with hedged interest costs.

The following chart illustrates Sonae Sierra's debt as of 31 March 2018:

Debt Structure



Debt Maturity - 100%

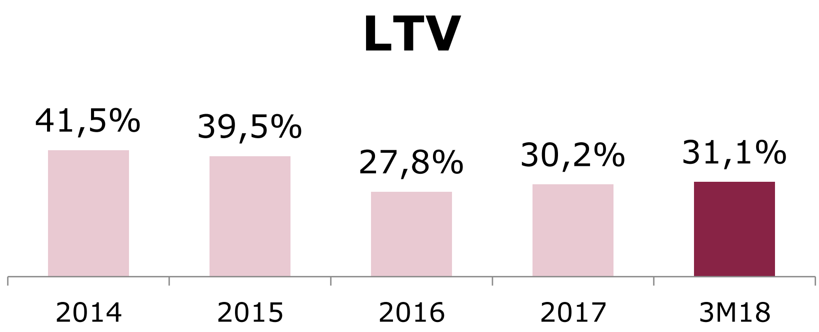


Sonae Sierra continues to benefit from good access to debt funding. In the first quarter of 2018, the company refinanced its Bond Loan and the debt of several shopping centres for a total amount of €475 million.

The average cost of debt for Sonae Sierra is 0.5 b.p. below 2017 and currently stands at 3.3%. Excluding Brazil, the average cost of the debt has fallen to 2.7% mainly driven by the refinancing of the Bond Loan in January at lower interest rates.

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

Ratios	**31 Mar 18**	31 Dec 17
Loan-to-value	**31.1%**	30.2%
Interest cover	**4.0x**	3.6x
Development Ratio	**18.0%**	14.0%



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

Consolidated Profit and Loss Account (€ million)	3M18	3M17	% 18/17
Direct income from properties	**35.0**	35.2	0%
Direct costs from properties	**12.2**	13.5	-10%
EBIT from properties	**22.9**	**21.7**	**6%**
Services rendered	**18.7**	18.4	1%
Direct costs from services	**14.5**	15.0	-3%
EBIT from services	**4.1**	**3.4**	**22%**
Net financial costs	**5.6**	6.0	-7%
Direct profit before taxes	**21.4**	**19.1**	**12%**
Current tax	**4.5**	4.0	12%
Direct net profit	**17.0**	**15.1**	**13%**
Gains on sale of investments	**0.0**	2.3	-
Deferred tax	**1.6**	1.5	9%
Indirect net profit	**-1.6**	**0.8**	**151%**
Net profit	**15.3**	**15.9**	**-3%**

Consolidated Balance Sheet (€ million)	31 Mar 18	31 Dec 17	Var. (18 - 17)
Investment properties	**2,042**	2,046	-4
Properties under development and others	**101**	72	29
Other assets	**123**	134	-12
Cash & Equivalents	**145**	144	1
Total assets	**2,411**	**2,396**	**15**
Net worth	**1,158**	**1,151**	**7**
Bank loans	**807**	780	27
Deferred taxes	**335**	334	1
Other liabilities	**112**	132	-20
Total liabilities	**1,253**	**1,245**	**8**
Net worth and liabilities	**2,411**	**2,396**	**15**

END

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 46 shopping centres with a market value of about €7 billion and manages and/or lets 81 Shopping Centres with a Gross Lettable Area of about 2.5 million m^2 and more than 9,300 tenant contracts. At present, Sonae Sierra has 14 projects under development, including 7 for third parties.

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.