SONAE SIERRA BRASIL

2Q14 Results Presentation

August 14th, 2014

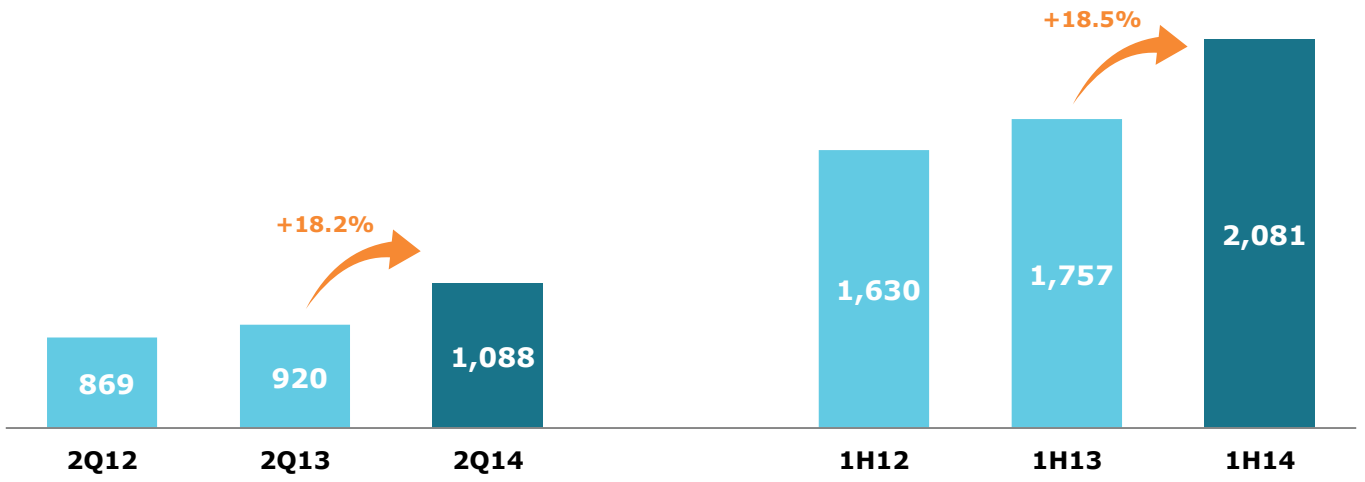
2Q14 Highlights

- Same store rent (SSR) continued at double-digit growth rates in 2Q14, increasing **10.3%** compared to 2Q13
- Total sales at the Company's ten operating malls in 2Q14 totaled **R$ 1.1 billion**, an **18.2%** increase over 2Q13
- Same store sales (SSS) increased by **7.6%** in 2Q14 over 2Q13
- Occupancy in our mature portfolio increased to **98.9%** in 2Q14 versus 97.4% in 2Q13
- Late payments continued low at **3.2%** in 2Q14
- Net revenue totaled **R$ 77.1 million** in 2Q14, a **17.4%** increase over 2Q13
- NOI came to **R$ 74.3 million** in 2Q14, an increase of **15.3%** compared to 2Q13
- Adjusted EBITDA totaled **R$ 55.2 million** in 2Q14, **10.6%** above 2Q13
- Adjusted FFO totaled **R$ 34.6 million** in the quarter

Shopping Center Sales

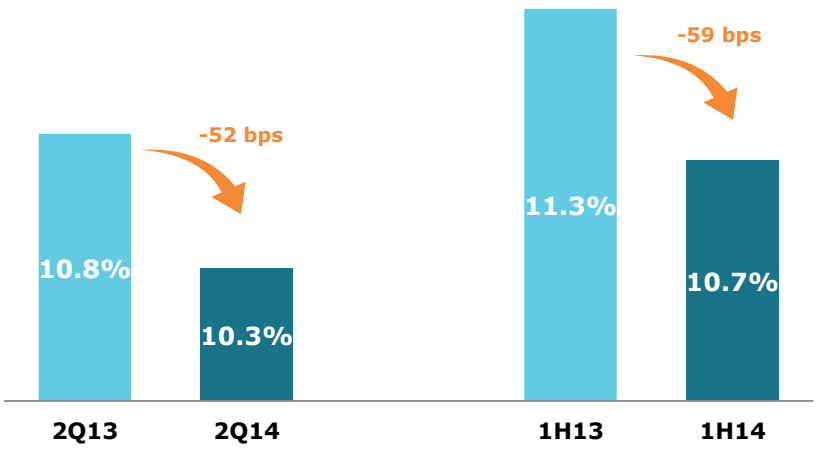
Shopping Center Tenant Sales (R$ thousand)	2Q14	2Q13	Δ	1H14	1H13	Δ
Shopping Metrópole	88,348	85,648	3.2%	168,577	159,343	5.8%
Franca Shopping	52,358	46,739	12.0%	98,699	90,220	9.4%
Parque D. Pedro Shopping	321,666	298,865	7.6%	629,997	591,574	6.5%
Boavista Shopping	66,389	63,033	5.3%	127,060	122,329	3.9%
Shopping Plaza Sul	105,014	101,913	3.0%	198,553	186,517	6.5%
Shopping Campo Limpo	88,823	78,735	12.8%	163,253	145,500	12.2%
Manauara Shopping	191,080	171,127	11.7%	364,461	332,803	9.5%
Uberlândia Shopping	65,125	57,667	12.9%	129,328	112,152	15.3%
Boulevard Londrina Shopping	51,780	16,464	214.5%	98,199	16,464	496.5%
Passeio das Águas Shopping	57,299	-	N/A	103,281	-	N/A
Total	**1,087,881**	**920,191**	**18.2%**	**2,081,407**	**1,756,900**	**18.5%**

Shopping Center Tenant Sales (R$ million)



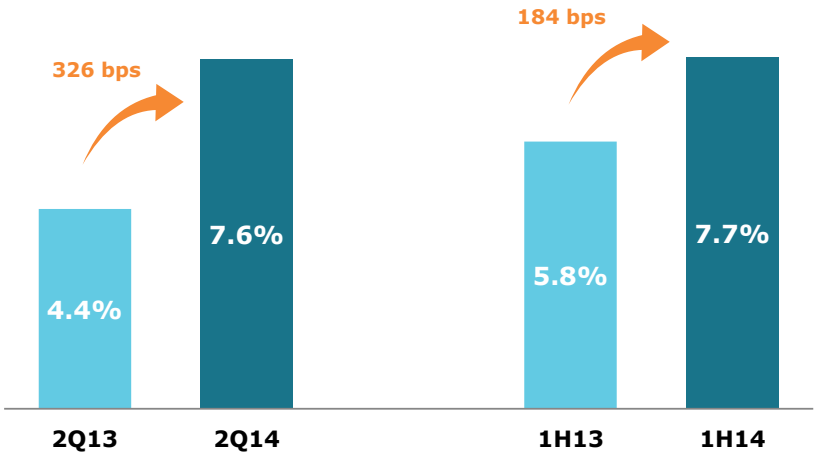
Operating Performance

Same-Store Rents (SSR)



Same-Store Rents (SSR)	2Q14	2Q13	Δ
Satellite	8.9%	11.6%	-273 bps
Anchor	10.6%	7.6%	298 bps
Leisure	40.3%	10.8%	2943 bps
Total	**10.3%**	**10.8%**	**-52 bps**

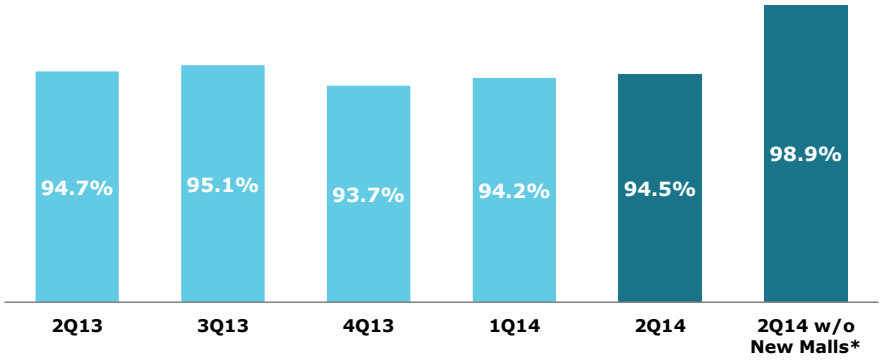
Same-Store Sales (SSS)



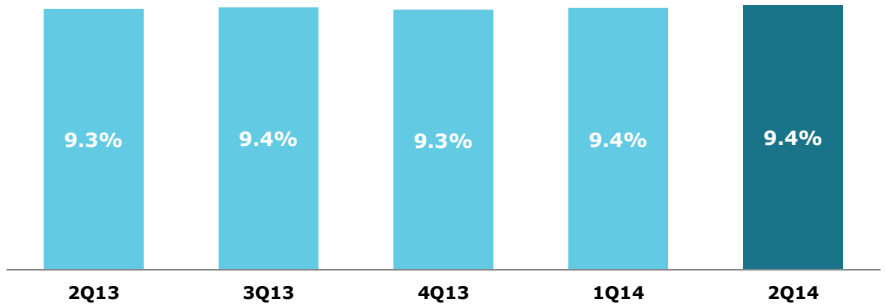
Same-Store Sales (SSS)	2Q14	2Q13	Δ
Satellite	5.4%	4.9%	50 bps
Anchor	11.7%	3.5%	820 bps
Leisure	17.0%	0.9%	1611 bps
Total	**7.6%**	**4.4%**	**326 bps**

Operating Performance

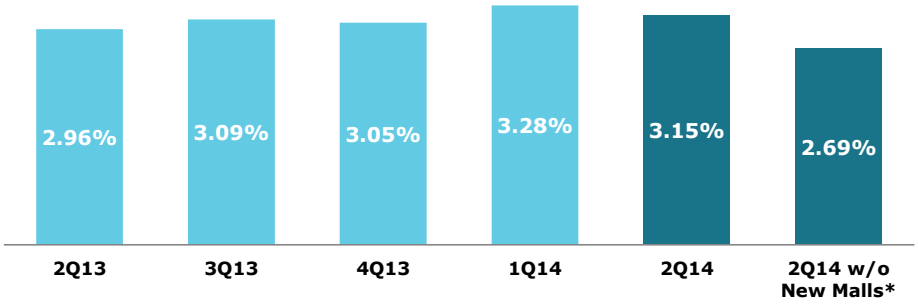
Occupancy (% GLA)



Occupancy Cost (%)



Delinquency Rate (25 days)

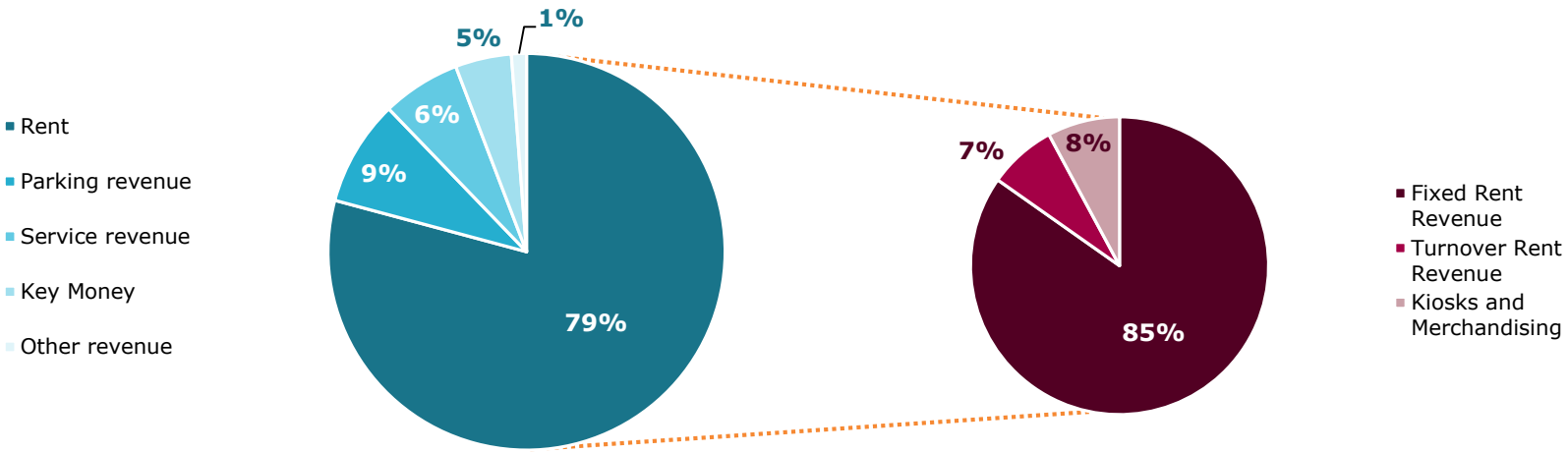


* Uberlândia, Boulevard Londrina and Passeio das Águas Shopping Centers

Revenue Breakdown

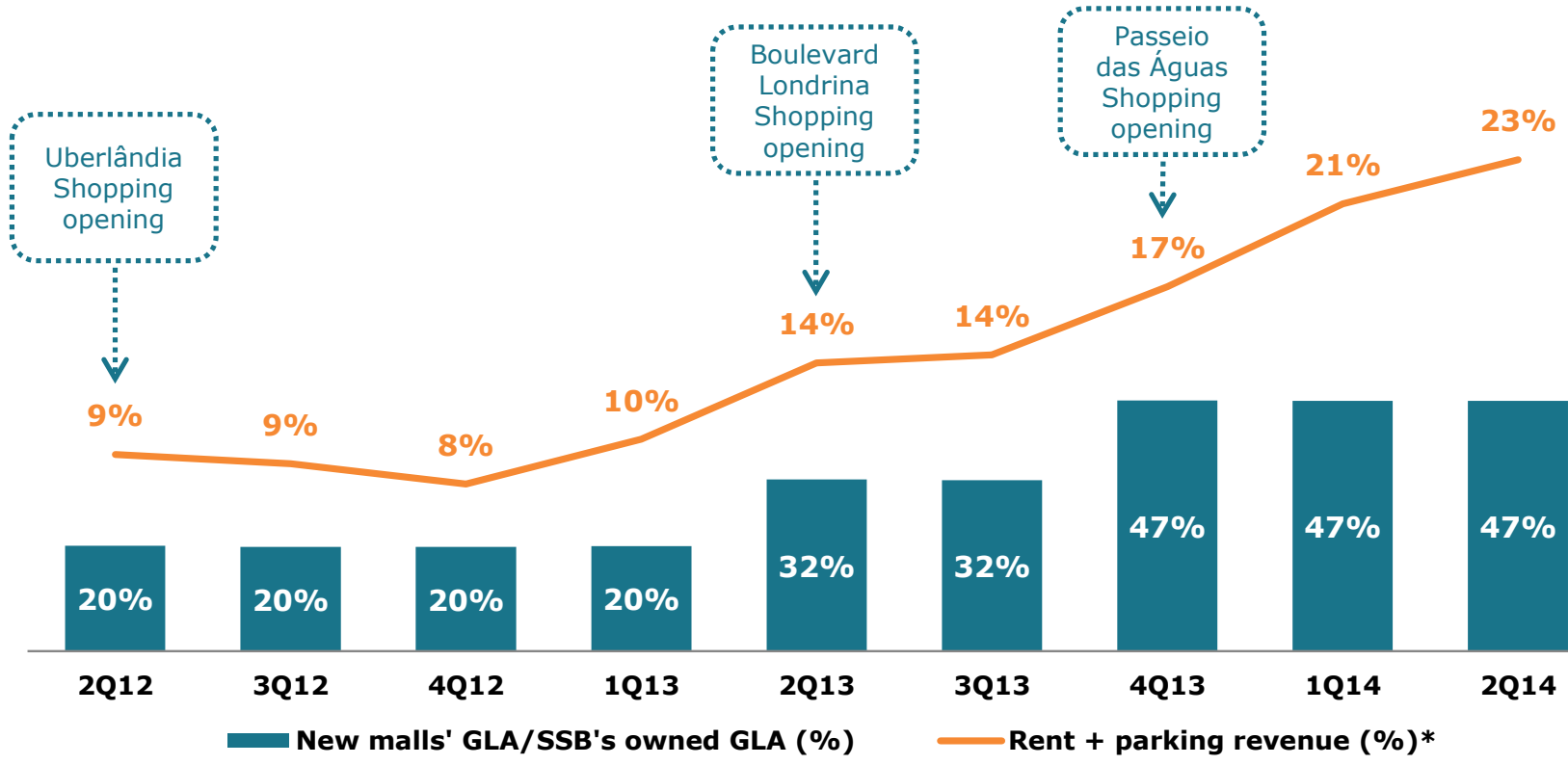
Revenues (R$ million)	2Q14	2Q13	Δ	1H14	1H13	Δ
Rent	69.5	57.6	20.7%	135.0	111.0	21.7%
Rent contract straight-lining	1.4	0.5	169.6%	3.0	1.4	119.2%
Service revenue	5.7	4.6	25.0%	11.5	9.4	22.1%
Parking revenue	7.7	6.2	25.0%	15.2	13.1	16.4%
Key Money	4.1	4.2	-1.5%	8.2	10.4	-21.2%
Other revenue	1.1	2.1	-48.7%	1.9	2.5	-23.0%
Total Gross Revenue	**89.5**	**75.1**	**19.1%**	**174.9**	**147.8**	**18.3%**

Gross Revenue Breakdown in the quarter



New Malls' Value Creation Potential

Uberlândia, Boulevard Londrina and Passeio das Águas currently represent 47% of Sonae Sierra Brasil's owned GLA but only 23% of the Company's revenues. With the ramp-up of these malls, their share in the Company's results should naturally increase.



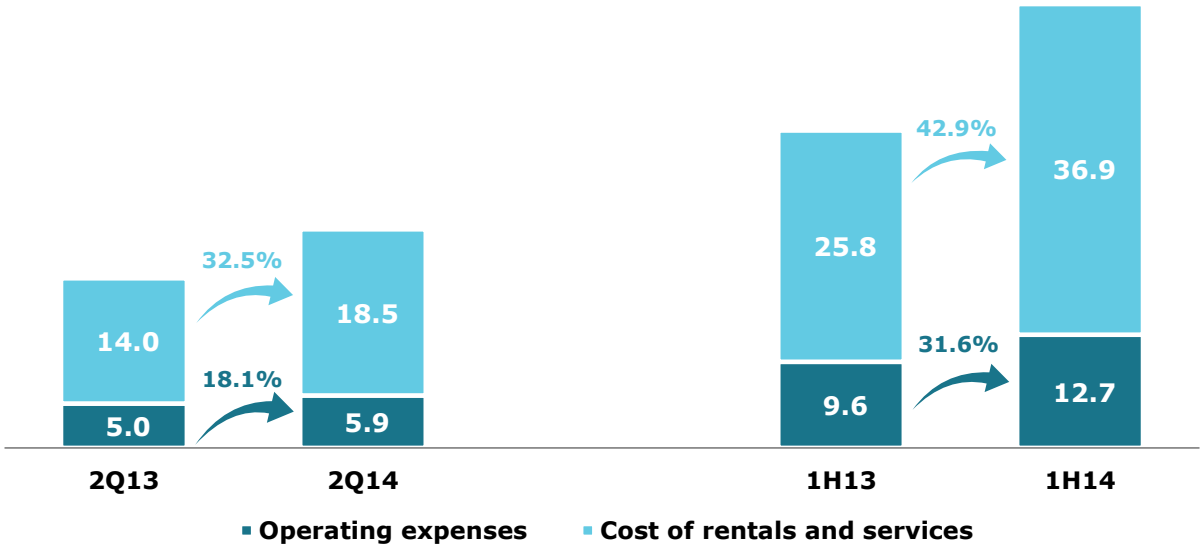
* Considers 51% of Parque D. Pedro Shopping

Note: considers owned GLA by the end of each quarter

Costs and Expenses

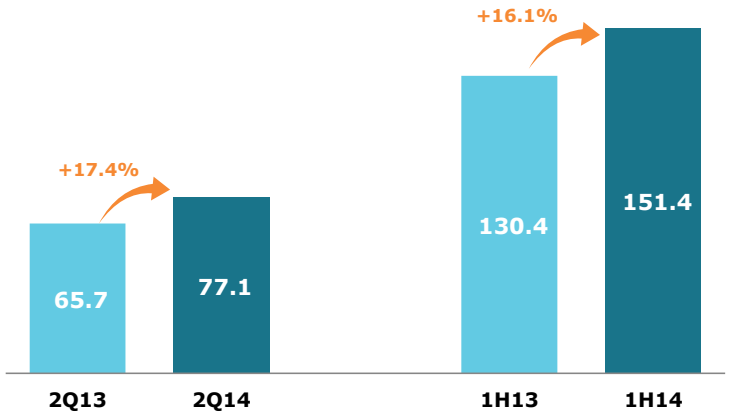
Costs and Expenses (R$ million)	2Q14	2Q13	Δ	1H14	1H13	Δ
Depreciation and amortization	0.6	0.5	26.8%	1.3	1.1	11.7%
Personnel	9.1	7.9	16.3%	17.8	15.9	12.3%
External services	1.8	2.3	-22.1%	4.4	4.7	-5.5%
Occupancy expense (vacant stores)	5.7	3.8	48.4%	11.6	5.3	117.9%
Cost of contractual agreements with tenants	2.9	1.0	179.2%	5.3	1.9	175.0%
Provision for bad debts	1.9	1.2	68.9%	3.7	1.5	142.5%
Rent (headquarters)	0.8	0.7	8.8%	1.5	1.3	8.4%
Other	1.6	1.6	-0.9%	4.1	3.7	11.1%
Total	**24.4**	**19.0**	**28.7%**	**49.6**	**35.5**	**39.8%**

Cost and Expenses (R$ million)

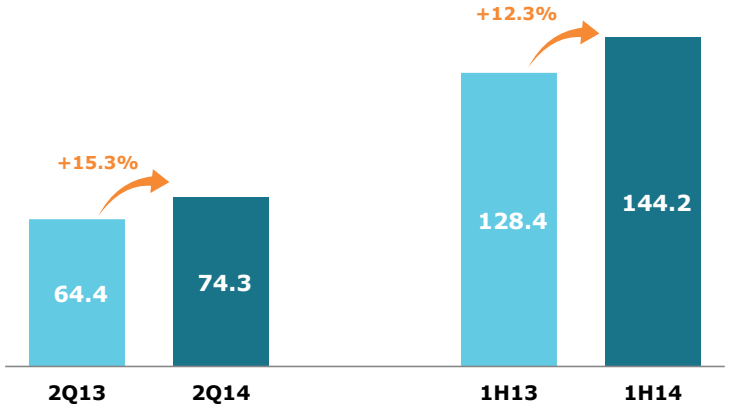


Financial Performance

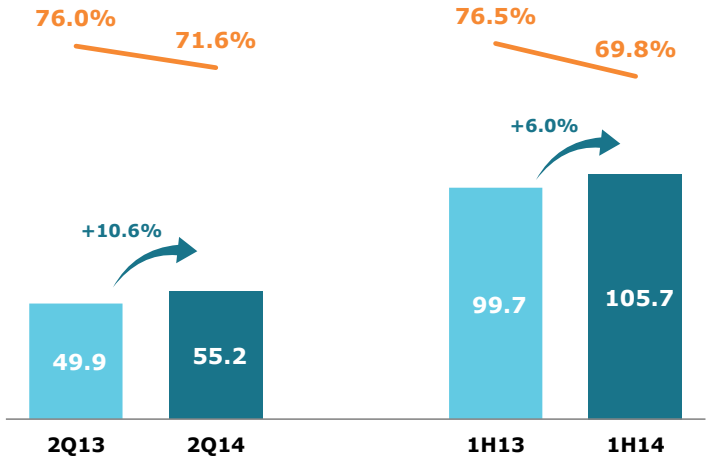
Net Revenue (R$ million)



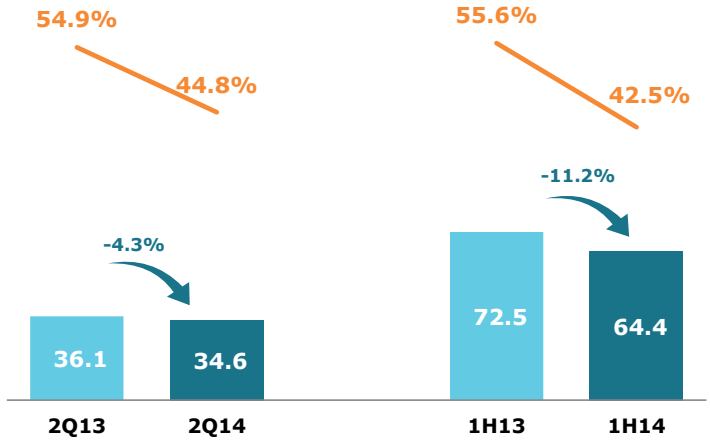
NOI (R$ million)



Adjusted EBITDA (R$ million) and Margin (%)

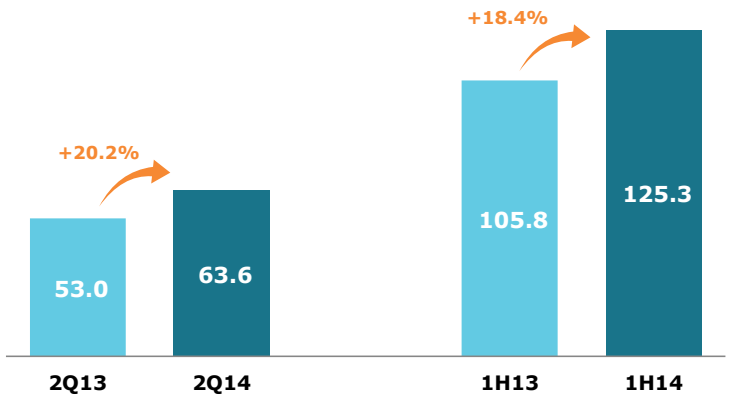


Adjusted FFO (R$ million) and Margin (%)

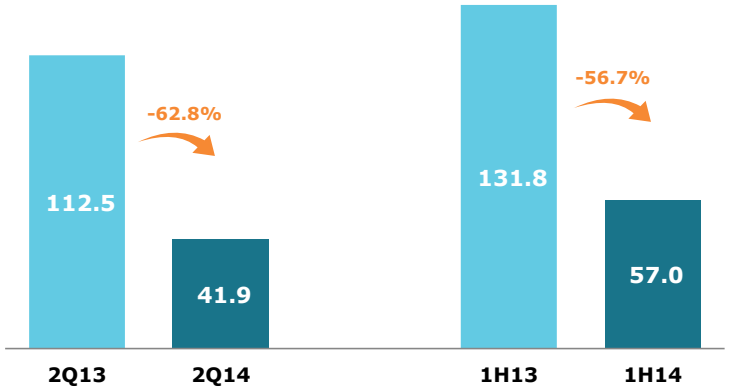


Financial Performance (51% PDP)

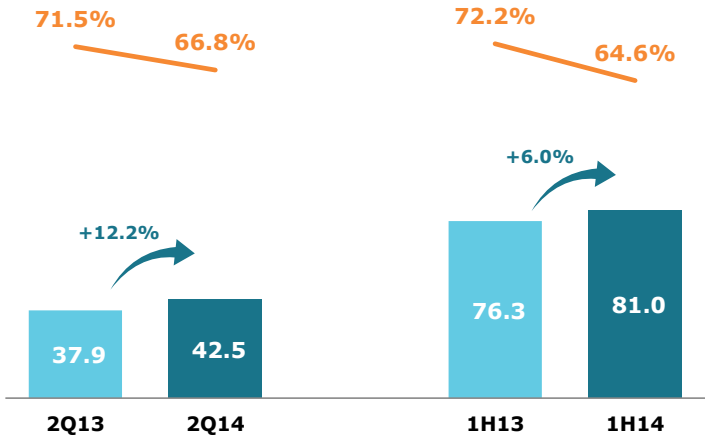
Net Revenue (R$ million)



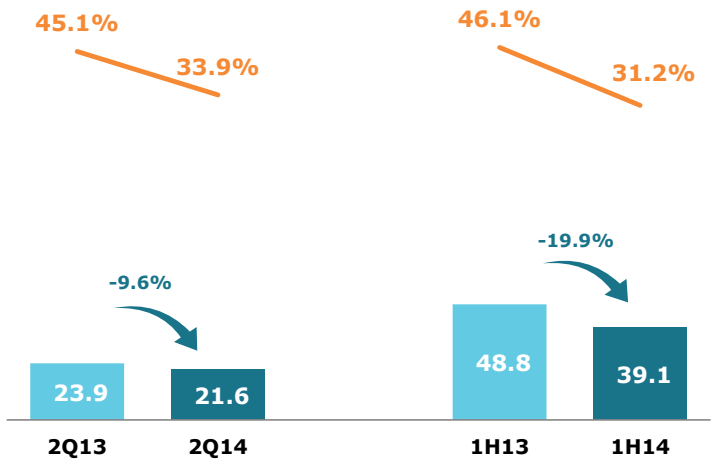
Net income (R$ million)



Adjusted EBITDA (R$ million) and Margin (%)



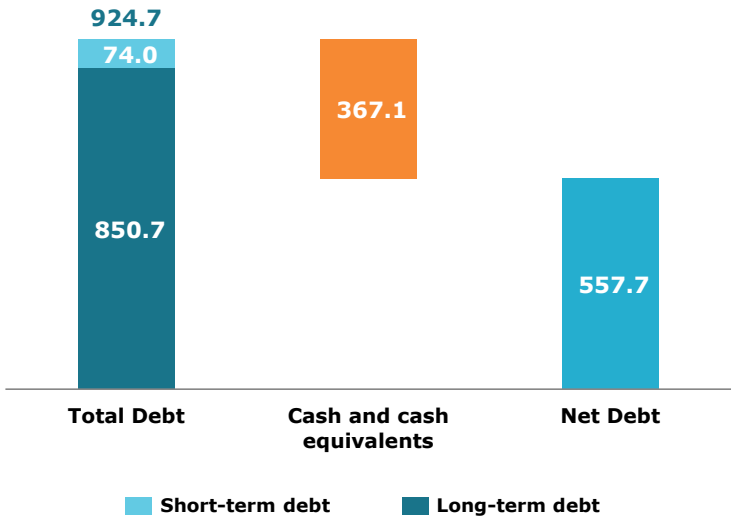
Adjusted FFO (R$ million) and Margin (%)



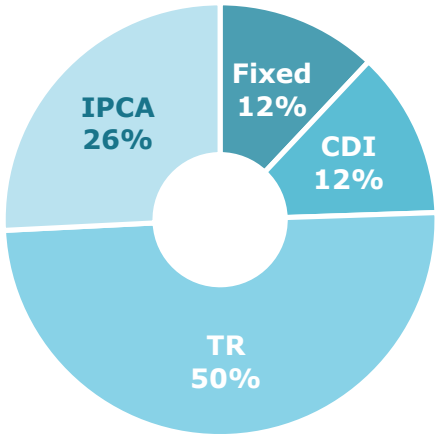
Cash Position and Leverage

Sonae Sierra Brasil reiterates its commitment to a disciplined investment approach to created value for all of its shareholders. The Company's balance sheet remains one of the strongest in the sector, with a consolidated net debt to EBITDA ratio of 2.6 times and with a debt average cost of 10.8%

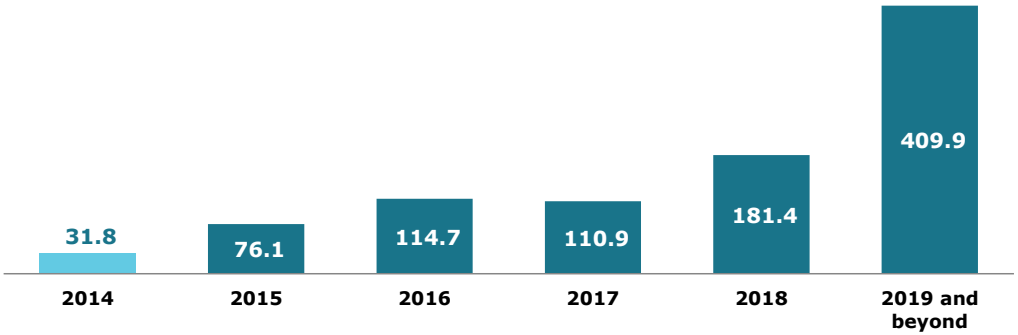
Net Financial Debt (R$ million)



Debt Profile



Financial Debt Amortization Schedule (R$ million)



Data on 6/30/14

Does not include debt related to asset acquisitions

Recap

- Solid **same-store rents** and **same-store sales**, among the **highest** in the industry
- Strong **leasing spreads** for renewals and new contracts
- **Lowest occupancy cost** in the industry
- **Occupancy rate of mature portfolio** at industry leading levels
- Continuous ramp-up process at our **three new malls**

Outlook

- Additional value extraction by **expansions and refurbishment of mature malls** (e.g. Franca Shopping's expansion and Parque D. Pedro's refurbishment)
- Focus on improvement of **leasing, tenant mix** and **overall operations** in our malls, particularly in our three newer malls (Uberlândia, Boulevard Londrina and Passeio das Águas)
- Evaluation of the **best opportunities** to deploy our financial resources in order to build the **long term value of the Company**
- **Revenue annual growth rate** ranging **15% to 20%** on average in the next 3 years

Thank you!



Investor Relations

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