SONAE SIERRA BRASIL

3Q12 Results Presentation

November 6th, 2012

SONAE SIERRA

ddr

Highlights

• Net revenue totaled **R$64.3 million** in 3Q12, a **17.4%** increase compared to R$54.8 million in 3Q11.

• EBITDA totaled **R$57.6 million** in 3Q12, a **41.9%** increase compared to the same period of last year. EBITDA margin reached **89.6%** in the quarter.

• FFO totaled **R$46.9 million** in the quarter, a **9.7%** increase over the 3Q11. The FFO margin in the 3Q12 was **72.9%**.

• NOI totaled **R$63.8 million** in 3Q12, a **Company's record high**, a **23.4%** increase over 3Q11.

• Same-store rent (SSR) increased by **9.7%** compared to 3Q11

• Same-store sales (SSS) increased by **7.9%** in 3Q12 over 3Q11.

• Total sales in our shopping centers reached **R$1.1 billion** in 3Q12, a **15.5%** increase over 3Q11.

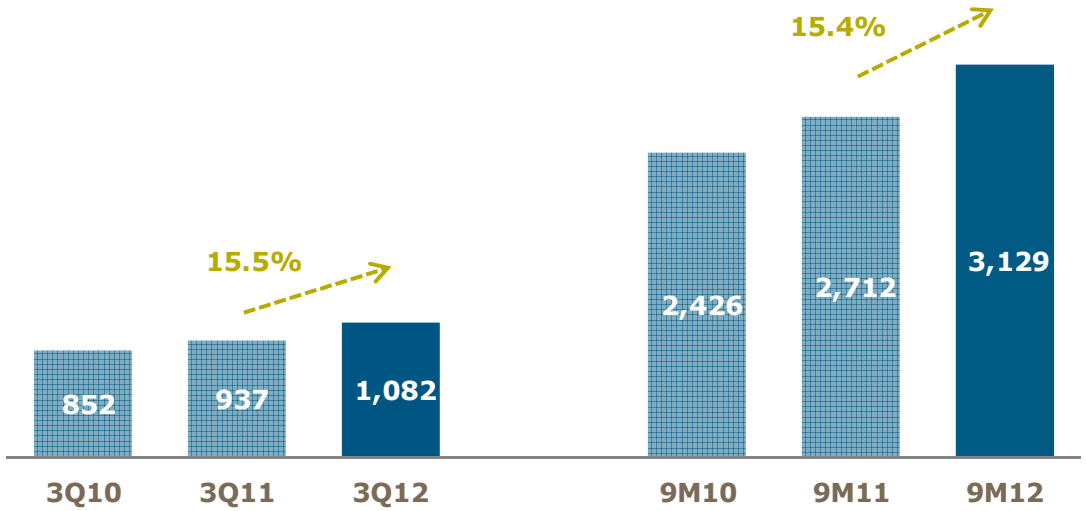
• On October 4th, we announced the acquisition of an additional **9.5%** ownership interest in Franca Shopping for a total of **R$9.0 million**.

• Yesterday, we announced the agreements for the sale of our ownership interests in Shopping Penha, Tivoli Shopping and Pátio Brasil Shopping for a total of **R$212.9 million**.

Shopping Center Sales

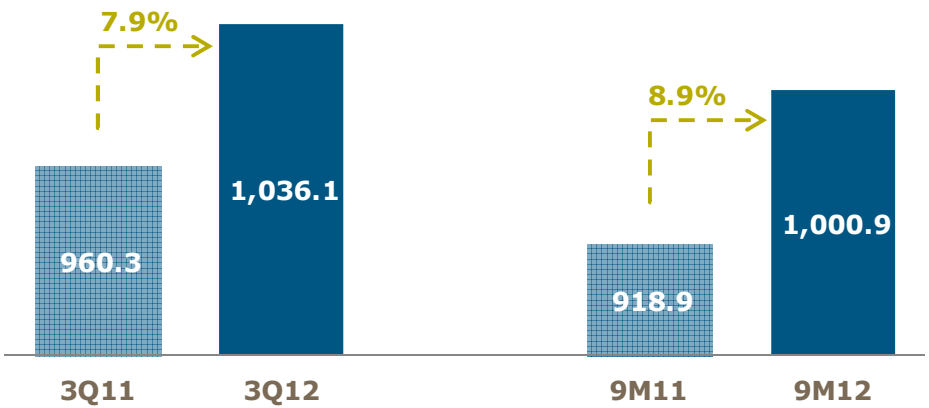
Shopping Center Tenant Sales (R$ thousand)	3Q12	3Q11	Var. %	9M12	9M11	Var. %
Shopping Penha	85,478	79,202	7.9%	252,632	231,490	9.1%
Shopping Metrópole	82,722	64,336	28.6%	241,256	187,157	28.9%
Tivoli Shopping	46,191	42,601	8.4%	135,426	123,376	9.8%
Franca Shopping	41,999	34,892	20.4%	120,051	103,089	16.5%
Pátio Brasil	82,863	82,560	0.4%	242,910	243,046	-0.1%
Parque D. Pedro Shopping	307,648	295,238	4.2%	910,092	859,746	5.9%
Boavista Shopping	60,316	57,260	5.3%	178,762	166,800	7.2%
Shopping Plaza Sul	91,120	91,577	-0.5%	274,053	262,115	4.6%
Shopping Campo Limpo	72,340	57,035	26.8%	202,491	163,043	24.2%
Manauara Shopping	159,627	132,214	20.7%	450,881	371,831	21.3%
Uberlândia Shopping	51,768	-	-	120,207	-	-
Total	**1,082,073**	**936,915**	**15.5%**	**3,128,761**	**2,711,691**	**15.4%**

Shopping Center Tenant Sales (R$ million)



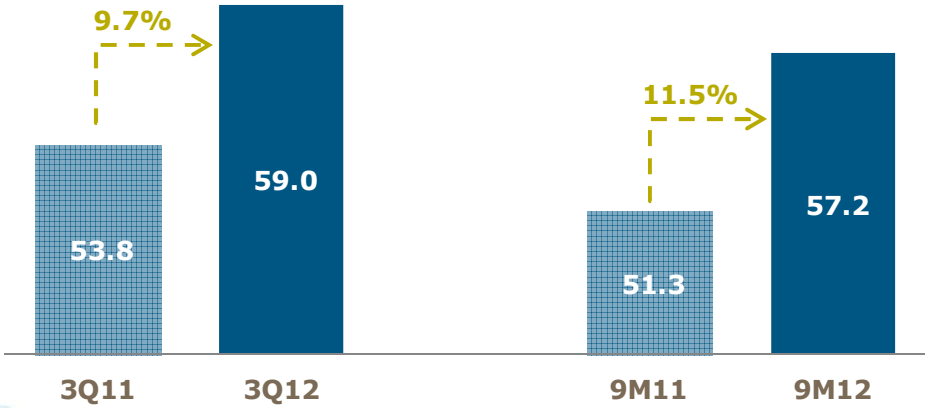
Operating Performance

Same-Store Sales per sqm



Same-store Sales (per sqm)	3Q12	3Q11	Var. %
Satellite	1,566.0	1,446.4	8.3%
Anchor	863.6	800.5	7.9%
Leisure	214.9	213.7	0.6%
Total	**1,036.1**	**960.3**	**7.9%**

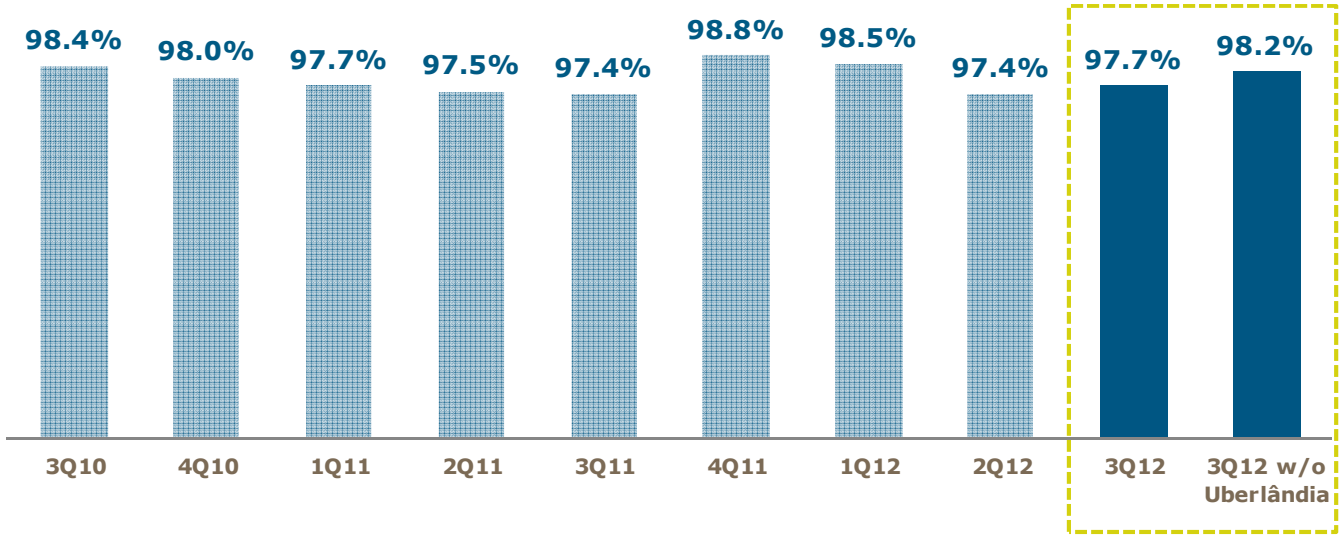
Same-Store Rents per sqm



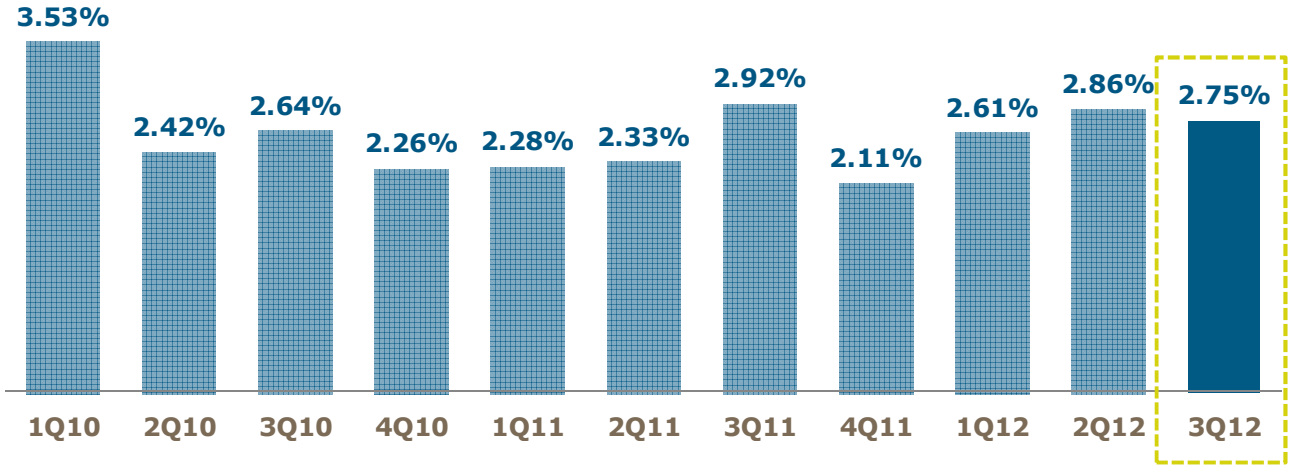
Same-store Rents (per sqm)	3Q12	3Q11	Var. %
Satellite	110.0	99.0	11.1%
Anchor	25.2	23.8	5.9%
Leisure	22.0	21.0	4.8%
Total	**59.0**	**53.8**	**9.7%**

Operating Performance

Occupancy Ratio



Delinquency Rate (25 days)



Greenfields: Boulevard Londrina Shopping

Scheduled to open in 1Q13, the shopping mall is part of a big renovation project of an old industrial region in downtown Londrina

Greenfield Details	
City	Londrina
State	PR
Expected Opening	1Q13
GLA ('000 sqm)	47.8
SSB's Ownership Interest*	84.5%
Committed GLA	74%
Gross Capex Incurred (R$ MM)	193.5

* Ownership considering partner will fully exercise its rights in the project.





Shopping center construction site



Project Illustration

Greenfields: Passeio das Águas Shopping

Scheduled to open in 2H13, the biggest project of our portfolio and is located within the growth sector of Goiânia

Greenfield Details	
City	Goiânia
State	GO
Expected Opening	4Q13
GLA ('000 sqm)	78.1
SSB's Ownership Interest	100%
Committed GLA	57%
Gross Capex Incurred (R$ MM)	223.0





Shopping center construction site

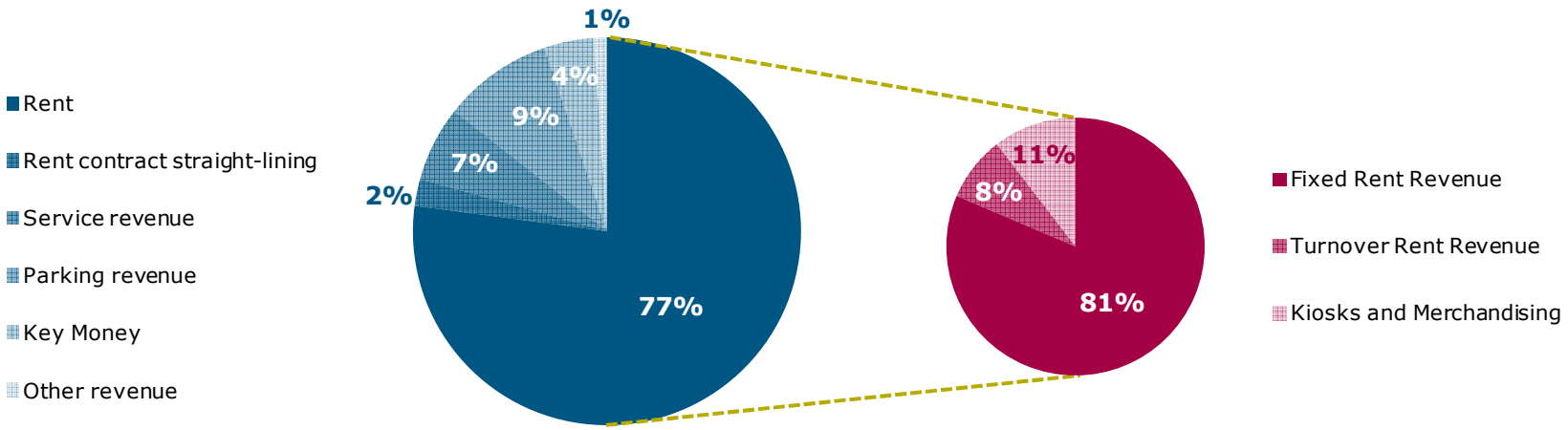


Project Illustration

Revenue Breakdown

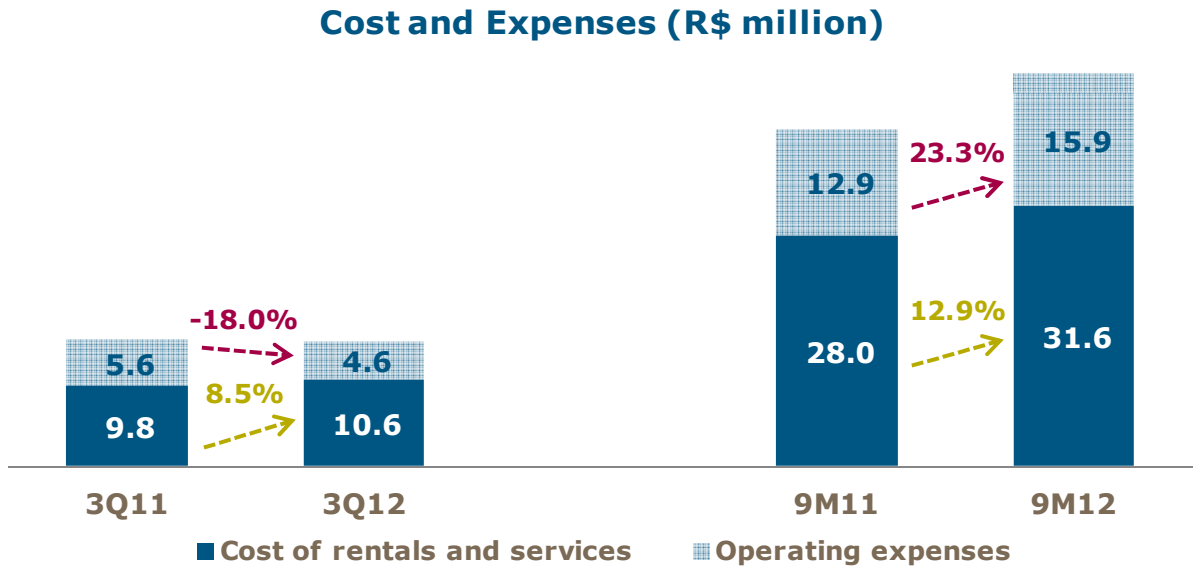
Revenues (R$ thousand)	3Q12	3Q11	Var. %	9M12	9M11	Var. %
Rent	55,314	45,456	21.7%	158,200	130,490	21.2%
Rent contract straight-lining	1,603	910	76.2%	3,066	2,903	5.6%
Service revenue	4,497	4,146	8.5%	12,785	12,236	4.5%
Parking revenue	6,551	5,688	15.2%	19,224	17,180	11.9%
Key Money	3,001	2,561	17.2%	9,051	7,482	21.0%
Other revenue	775	470	64.9%	2,095	915	129.0%
Total Gross Revenue	**71,741**	**59,231**	**21.1%**	**204,421**	**171,206**	**19.4%**
Taxes over rent and services	(4,562)	(3,528)	29.3%	(12,906)	(10,210)	26.4%
Discounts and cancellations	(2,876)	(951)	202.4%	(5,317)	(3,335)	59.4%
Total deductions	(7,438)	(4,479)	66.1%	(18,223)	(13,545)	34.5%
Net Revenue	**64,303**	**54,752**	**17.4%**	**186,198**	**157,661**	**18.1%**

Gross Revenue Breakdown in the quarter



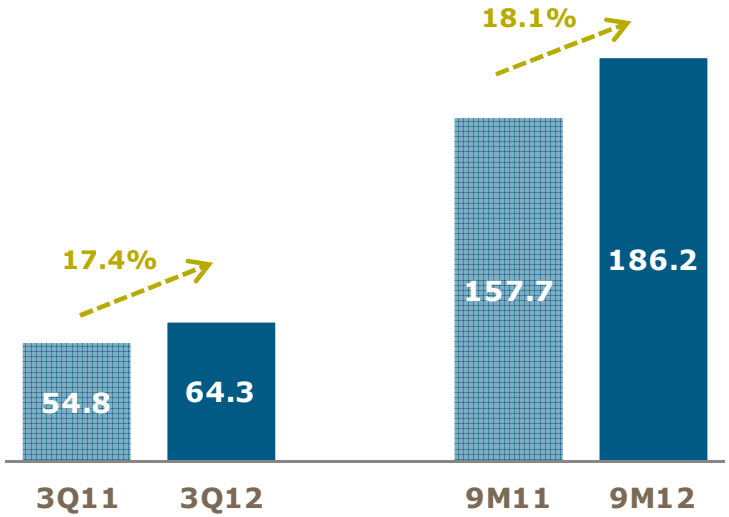
Costs and Expenses

Costs and Expenses (R$ thousand)	3Q12	3Q11	Var. %	9M12	9M11	Var. %
Depreciation and amortization	435	343	26.8%	1,266	1,105	14.6%
Personnel	7,135	6,359	12.2%	21,578	19,245	12.1%
External services	2,134	3,668	-41.8%	7,756	7,826	-0.9%
Occupancy expense (vacant stores)	1,532	915	67.4%	4,297	2,740	56.8%
Cost of contractual agreements with tenants	738	532	38.7%	1,525	1,143	33.4%
Provision (reversal) for bad debts	539	1,010	-46.6%	2,429	1,342	81.0%
Rent	838	715	17.2%	2,466	2,056	19.9%
Other	1,867	1,858	0.5%	6,135	5,376	14.1%
Total	**15,218**	**15,400**	**-1.2%**	**47,452**	**40,833**	**16.2%**
Classified as:						
Cost of rentals and services	10,587	9,753	8.5%	31,570	27,956	12.9%
Operating expenses	4,631	5,647	-18.0%	15,882	12,877	23.3%
Total	**15,218**	**15,400**	**-1.2%**	**47,452**	**40,833**	**16.2%**

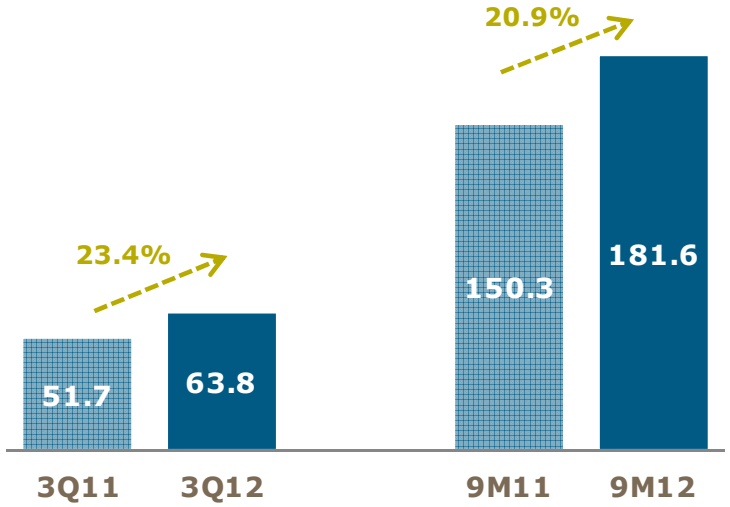


Financial Performance

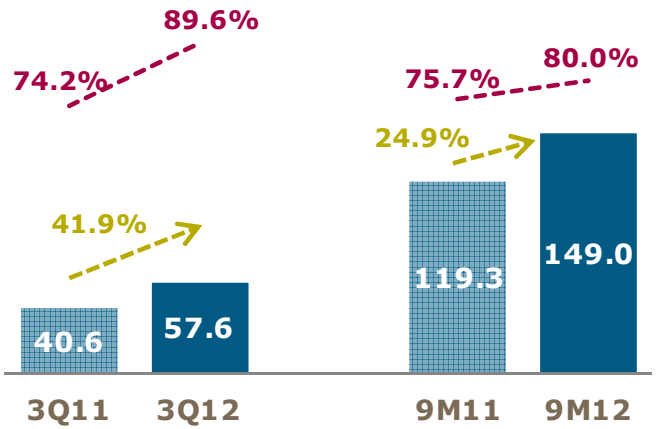
Net Revenue (R$ million)



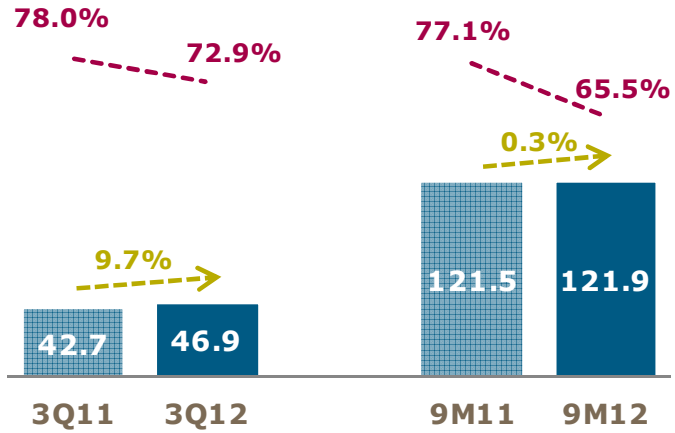
NOI (R$ million)



EBITDA (R$ million) and Margin

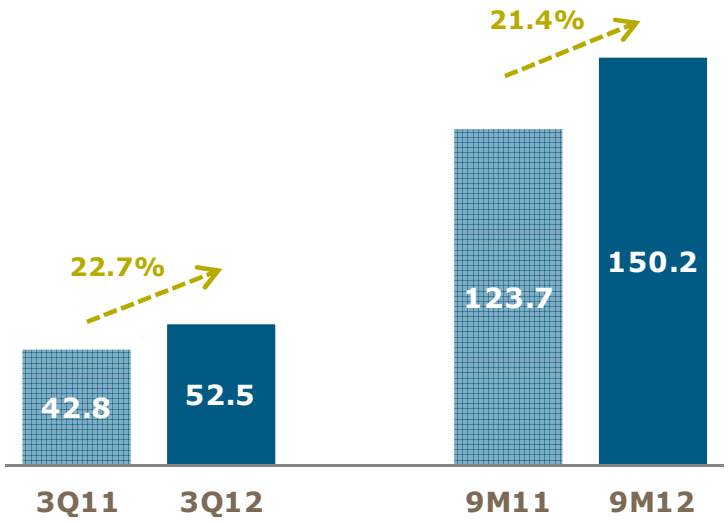


FFO (R$ million) and Margin

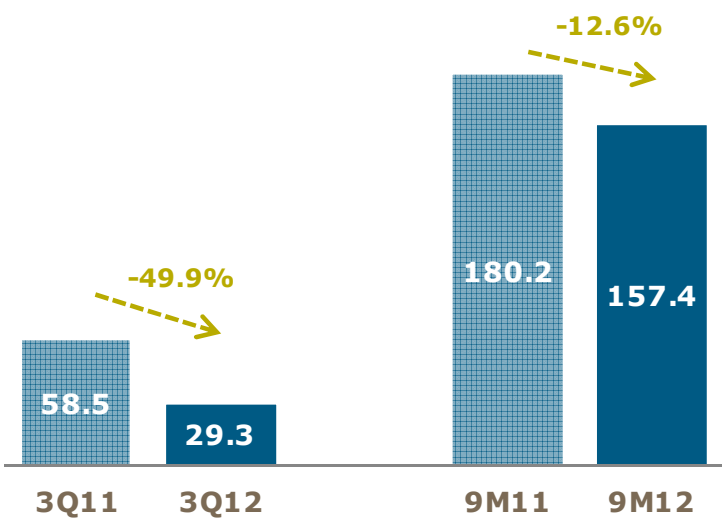


Financial Performance (51% PDP)

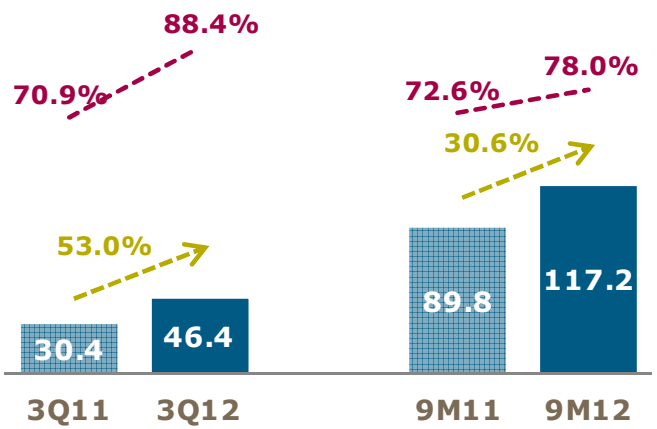
Net Revenue (R$ million)



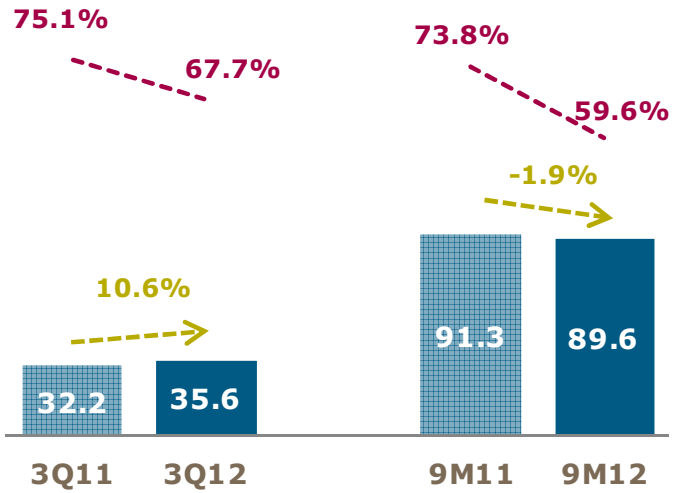
Net Income (R$ million)



EBITDA (R$ million) and Margin

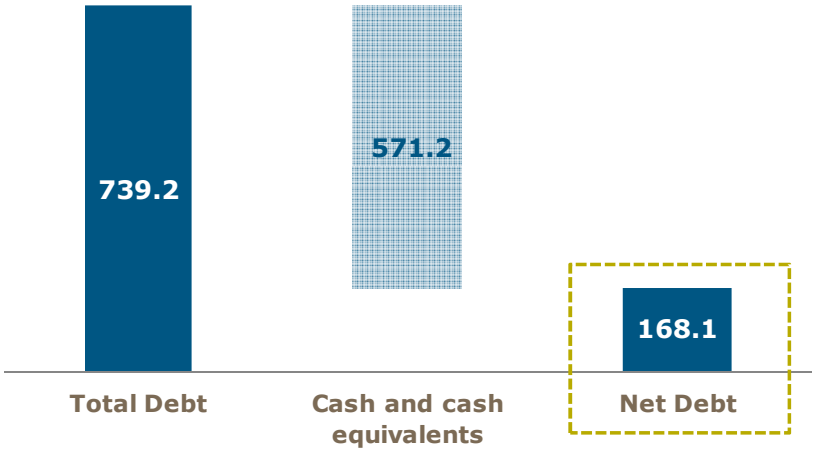


FFO (R$ million) and Margin

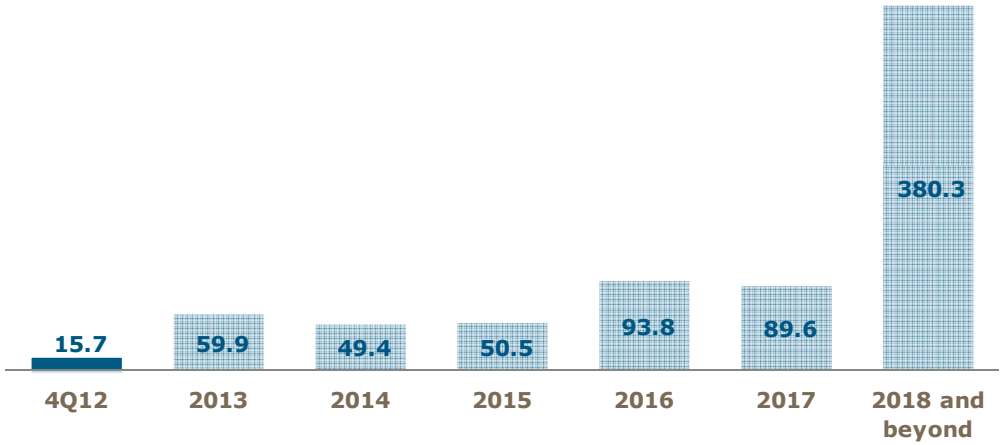


Cash Position and Leverage

Financial Net Debt (R$ MM)

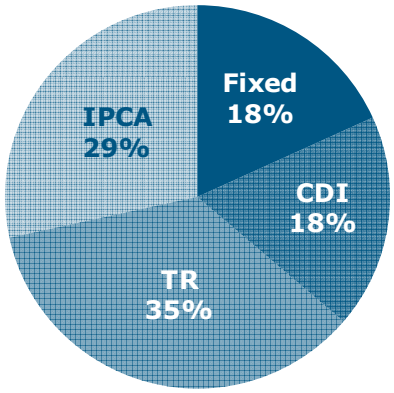


Financial Debt Amortization (R$ MM)*



*Does not consider debt related to asset acquisition.

Debt Profile



Contracted Debt Financing	Committed Amount (R$ MM)	Term (years)	Interest Rate	Balance as of 9/30/12 (R$ million)
Working Capital	20	5	CDI + 2.85%	14
Working Capital	27	6	CDI + 3.30%	21
Manauara Shopping	112	12	8.50%	135
Metrópole Shopping - Expansion I	53	8	TR + 10.30%	53
Uberlândia Shopping	81	15	TR + 11.30%	56
Boulevard Londrina Shopping	120	15	TR + 10.90%	78
Passeio das Águas Shopping	200	12	TR + 11.00%	74
Debentures - 1st series	95	5	CDI + 0.96%	98
Debentures - 2nd series	205	7	IPCA + 6.25%	210
Total	914			739
Weighted Average		10.2	11.06%	

Considering LTM TR at 0.92% p.a., CDI at 9.43% p.a. and IPCA at 5.28% as of September 30th, 2012

Recent Events: M&A activities

Additional ownership interest acquisition in Franca Shopping

Transaction Overview

Ownership interest acquired	9.5%
Value of the acquisition	R$9.0 million
Cap rate of the transaction	9.5%
SSB ownership interest before the transaction	67.4%
SSB ownership interest after the transaction	76.9%

Sale of ownership interest in Pátio Brasil Shopping

Transaction Overview

Ownership interest sold	10.4%
Value of the transaction	R$36.1 million
Cap rate of the transaction	9.6%
SSB ownership interest before the transaction	10.4%
SSB ownership interest after the transaction	-

Recent Events: M&A activities

Sale of ownership interest in Shopping Penha

Transaction Overview

Ownership interest sold	51.0%
Value of the transaction	R$131.2 million
Cap rate of the transaction	8.2%
SSB ownership interest before the transaction	51.0%
SSB ownership interest after the transaction	-

Sale of ownership interest in Tivoli Shopping

Transaction Overview

Ownership interest sold	30.0%
Value of the transaction	R$45.6 million
Cap rate of the transaction	8.4%
SSB ownership interest before the transaction	30.0%
SSB ownership interest after the transaction	-

Thank you!



Investor Relations

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