



# **Institutional Presentation**

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## 4 Company Fundamentals

7 Market and Sector Fundamentals

11 Our Portfolio

16 Growth Strategy

20 Operational and Financial Indicators



# Sonae Sierra Brasil at a glance



One of the leading developers, owners and operators of top quality and regionally dominant shopping centers in Brazil

## Operating Expertise<sup>(1)</sup>

- 11 shopping centers owned and managed (403k sqm total GLA)
- Occupancy rate of 98.0%<sup>(3)</sup>
- Solid margins (EBITDA = 75.1% and FFO = 61.7%)
- Greenfield Expertise (62.4% of GLA)

## Shareholders solid base

- Leverage on the expertise, tenant relationships and market recognition of our shareholders: Sonae Sierra SGPS and DDR Corp (NYSE: DDR)
- Best-in-class controlling shareholders with significant experience in the sector
- 33.35% free float

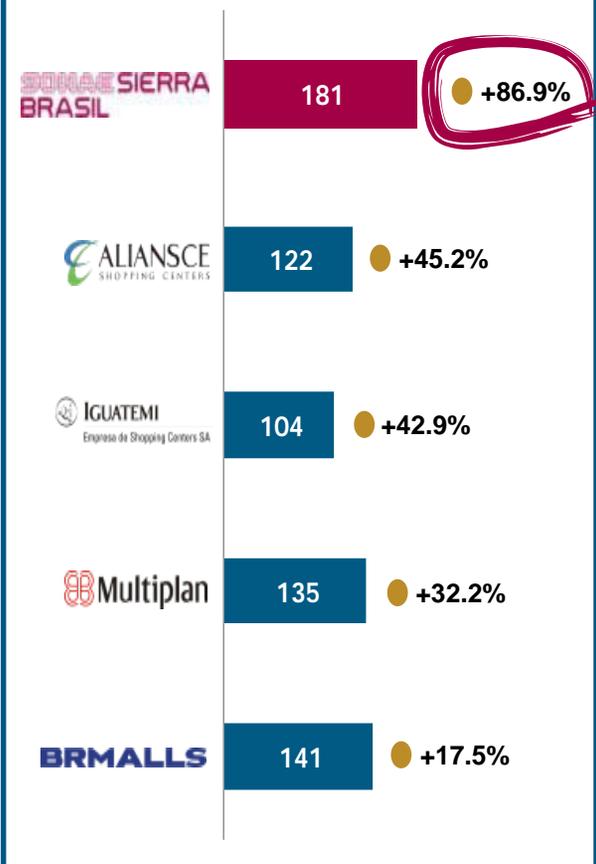
## Secured Growth

- Defined Growth strategy: focus on low served cities' middle class
- Largest secured growth in the sector: 2 greenfields under construction, 1 greenfield and 3 expansions recently concluded almost doubling our owned GLA
- 3 other expansions already defined

## Announced GLA Growth 2011-2013

('000 sqm)<sup>(2)</sup>

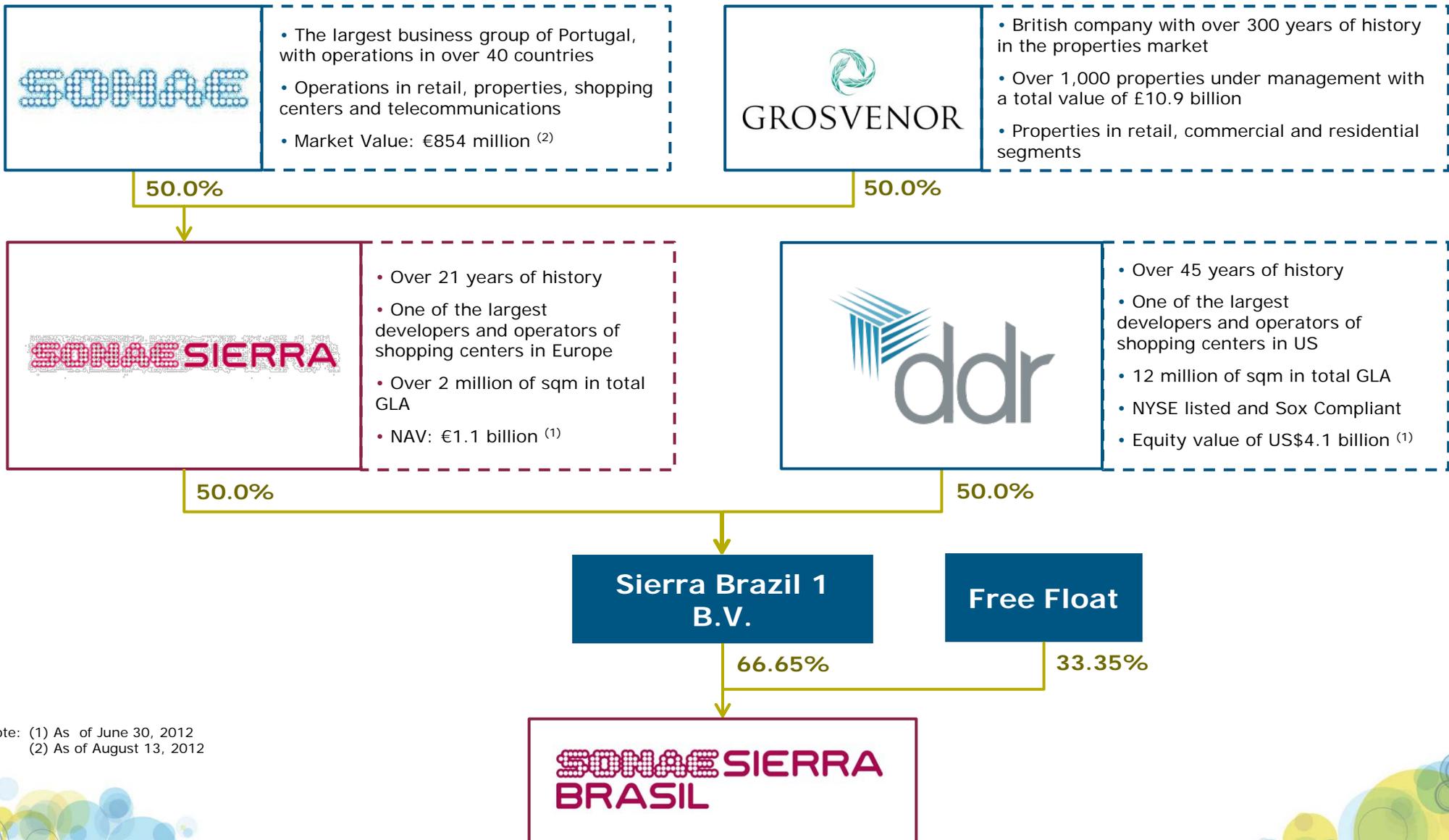
- Expansion / Greenfield
- Owned GLA Growth (%)



Note: (1) As of March 31, 2012  
 (2) Refers to shopping center's GLA only.  
 (3) Excluding Uberlândia Shopping

# Ownership Structure

Sonae Sierra Brasil benefits from best-in-class corporate governance and globally recognized sector expertise, arising from a solid and engaged controlling shareholders



Note: (1) As of June 30, 2012  
 (2) As of August 13, 2012

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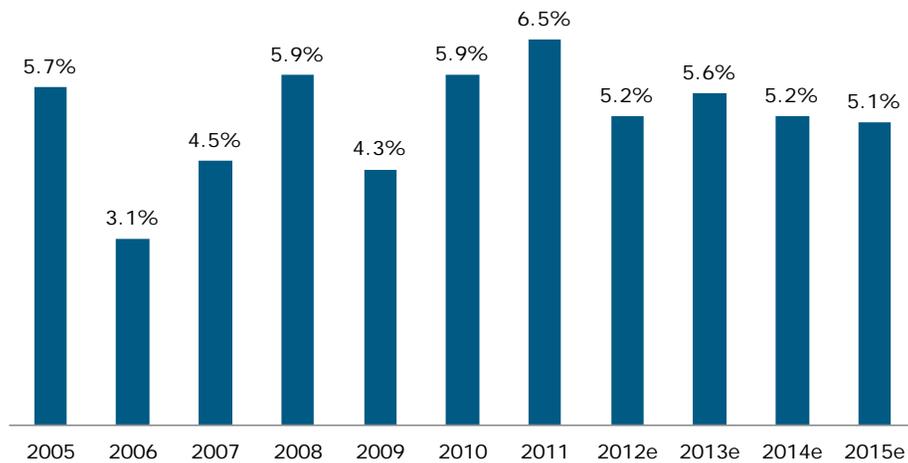
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# Macro Economic Scenario

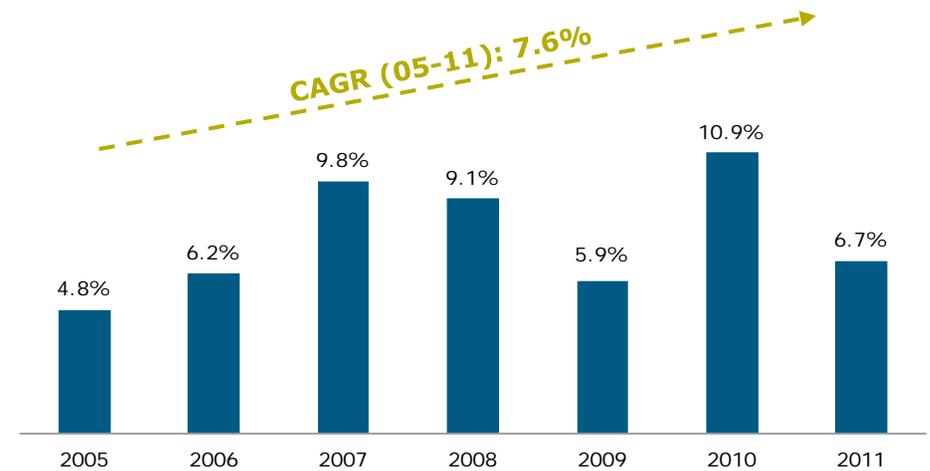
Despite uncertainties in the global macro economic scenario, perspectives are compelling for Brazil

### IPCA Rate (%)



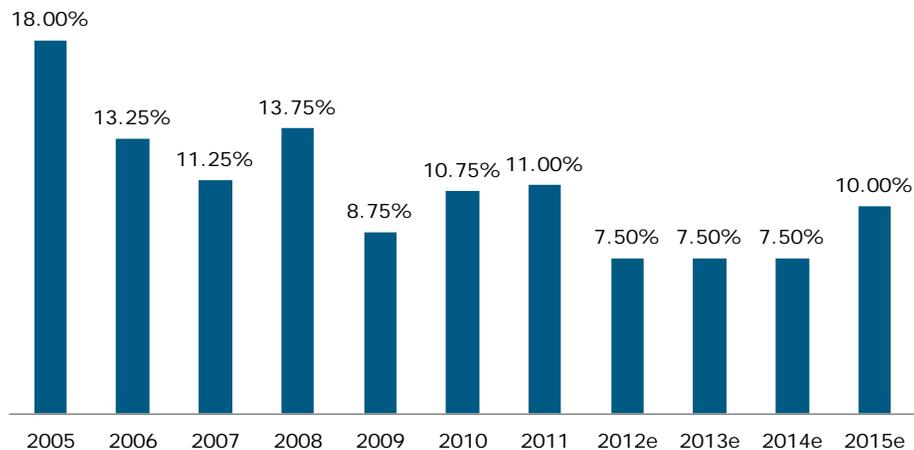
Source: MCM

### Retail Sales Growth (%)



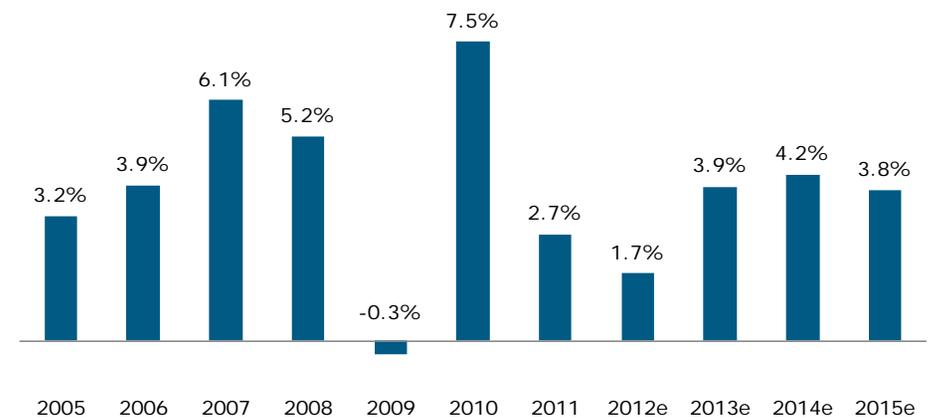
Source: IBGE

### Selic Rate (%)



Source: MCM

### GDP Growth Rate (%)

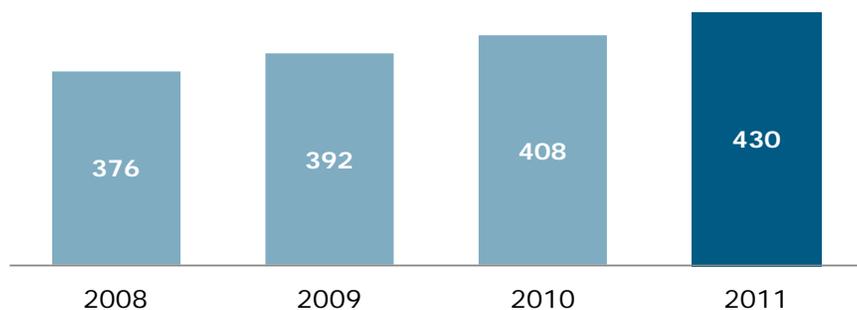


Source: MCM

# Attractive shopping center industry fundamentals

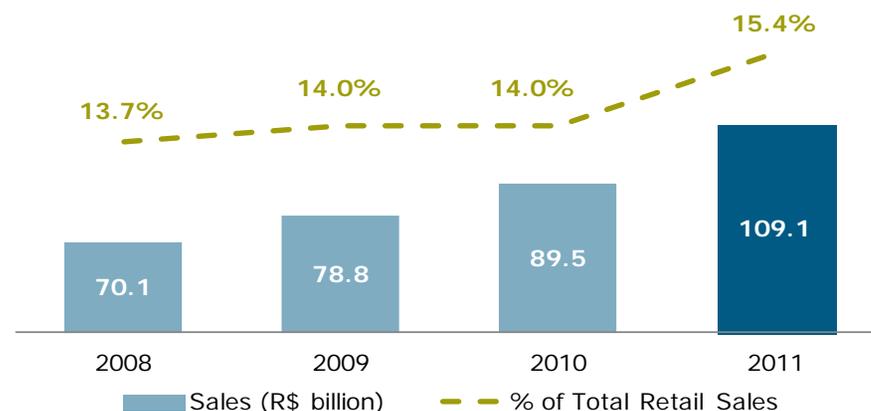
Despite recent growth, decreasing vacancy rates and low penetration vis-à-vis developed markets indicate significant room for new shopping centers in Brazil

Shopping centers in Brazil



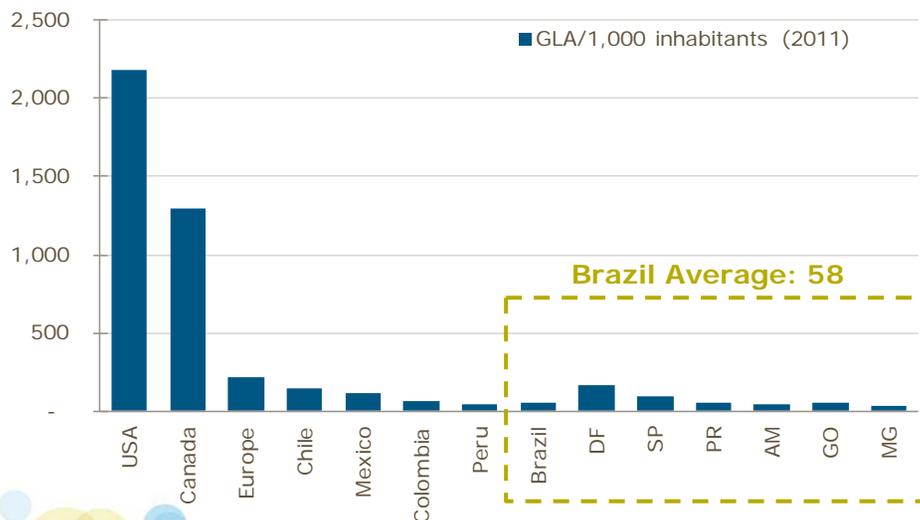
Source: ABRASCE

Shopping center sales – CAGR (08-11): 16%



Source: IBOPE

Low shopping center market penetration



Source: ABRASCE, IBGE and BTG.

Brazilian Shopping centers growth by region: 2014e

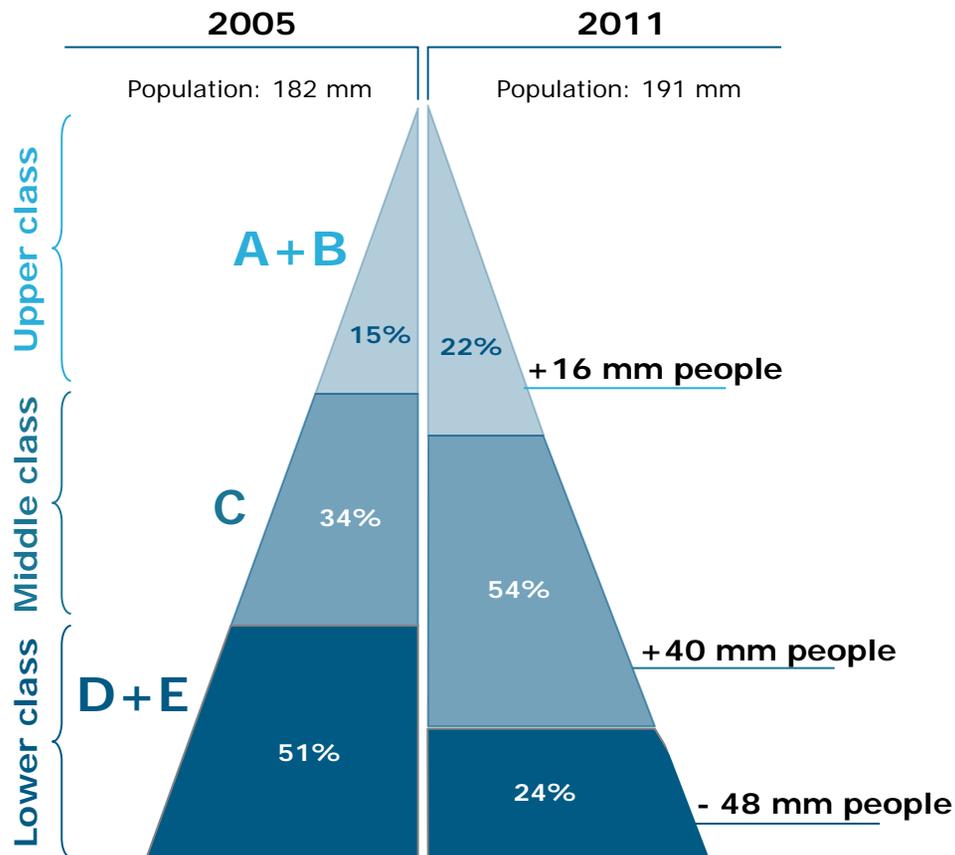


Source: IBOPE

# Fast growing middle class

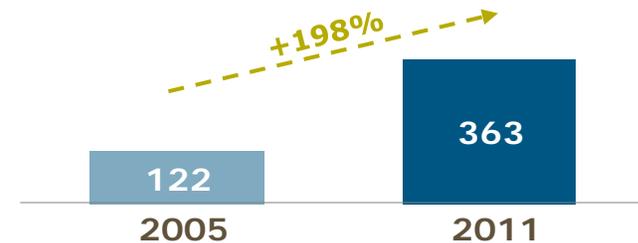
Over 40 million people have moved upwards into the middle class, while middle class disposable income has tripled

## Increasing middle class



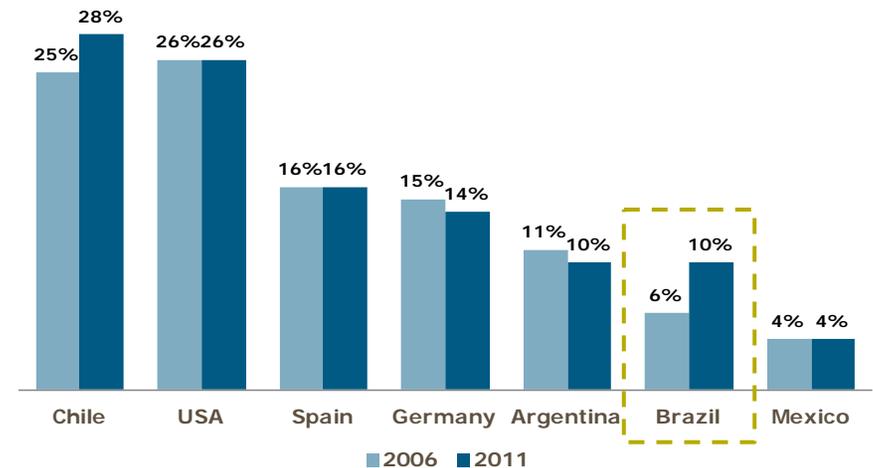
Source: Cetelem "O Observador 2012"

## Middle class: disposable income<sup>(1)</sup> (R\$/month)



R\$ 30 billion increase in monthly disposable income

## Consumer credit still underpenetrated in Brazil



Note: (1) Income available for spending and saving  
Source: Cetelem "O Observador 2012", Euromonitor and Raymond James

Sonae Sierra Brasil is strategically positioned to capture the middle class consumption growth, as it entails over 80% of its target audience

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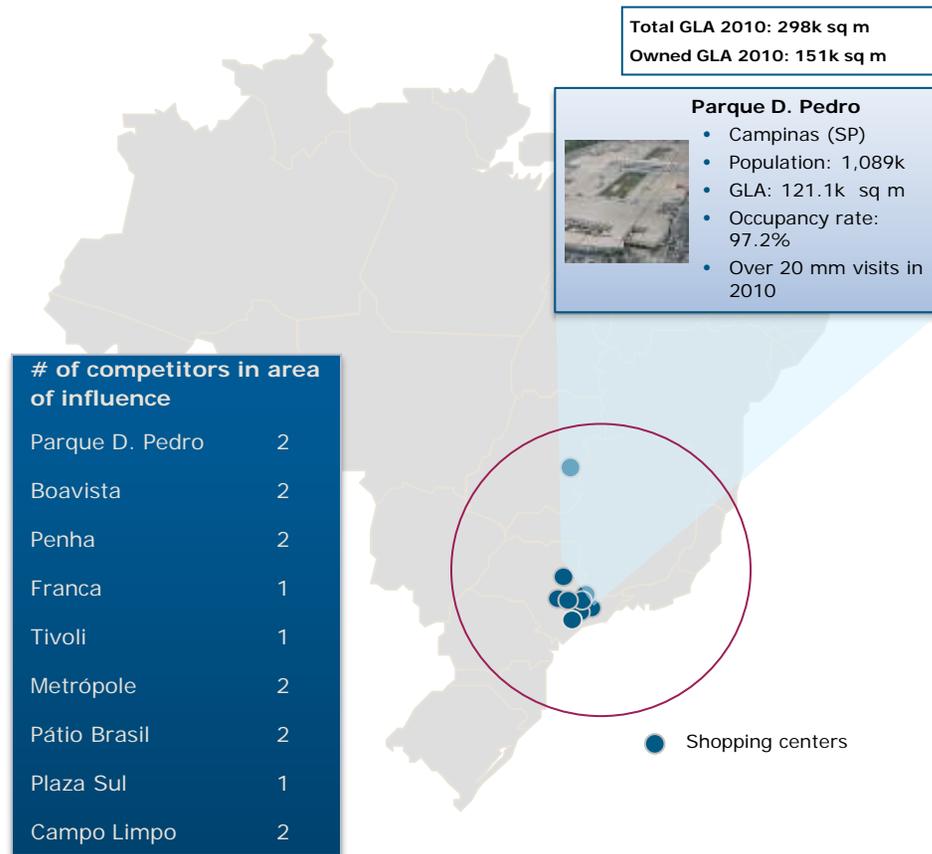
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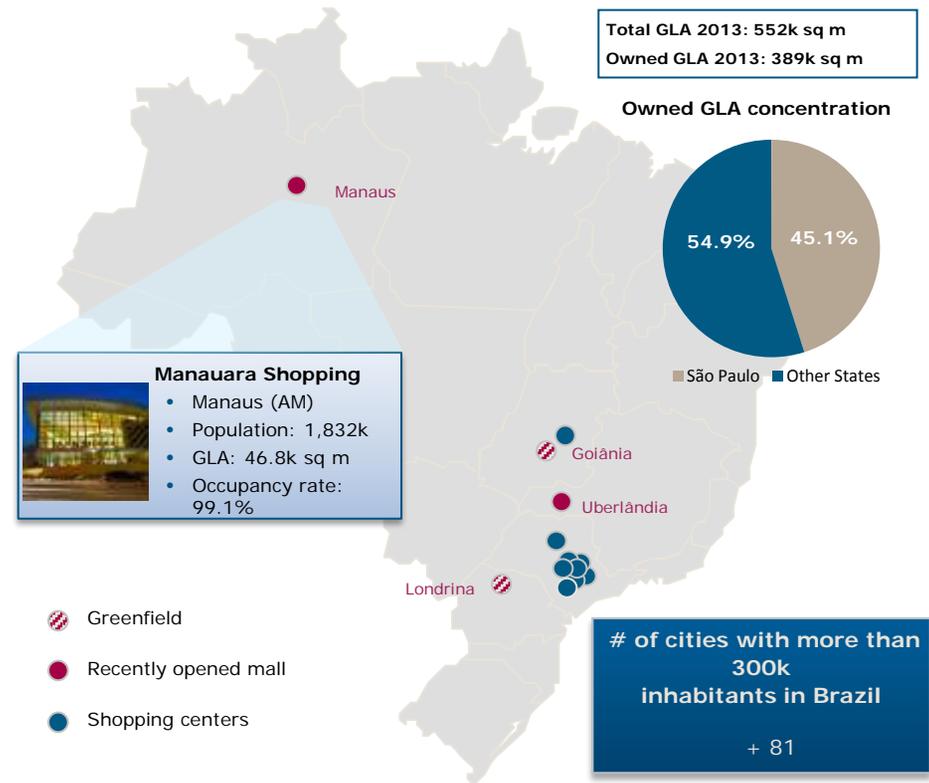
# Focus on dominant malls in underserved medium and large cities, targeting middle class customers

Sonae Sierra Brasil has an established footprint in the State of São Paulo and its growth strategy is based on offering high quality, market dominant developments in underserved regions

## Core portfolio: 9 properties



## Development strategy: 2 opened and 2 greenfields



Strong track record in Brazil's most dynamic region

Growth strategy focused on underserved regions

Our portfolio is composed by 11 operating shopping malls, totaling 2,228 stores, 403 thousand sqm of total GLA and 254 thousand sqm of owned GLA. Until 2013 there will be more 2 new malls, adding 118 thousand sqm of owned GLA to the portfolio

### 1. Parque D. Pedro



- Campinas (SP)
- GLA (sqm): 121.0
- Stores : 401

### 2. Boavista Shopping



- São Paulo (SP)
- GLA (sqm): 15.9
- Stores : 147

### 3. Shopping Penha



- São Paulo (SP)
- GLA (sqm): 29.7
- Stores : 196

### 4. Franca Shopping



- Franca (SP)
- GLA (sqm): 18.5
- Stores : 106

### 5. Tivoli Shopping



- Santa Barbara d'Oeste (SP)
- GLA (sqm): 22.1
- Stores : 144

### 6. Shopping Metr pole



- S o Bernardo do Campo (SP)
- GLA (sqm): 28.6
- Stores : 181

### 7 P tio Brasil



- Cidade: Bras lia (DF)
- GLA (sqm): 29.0
- Stores : 235



- Shopping centers
- Greenfield

### 8. Shopping Plaza Sul



- S o Paulo (SP)
- GLA (sqm): 23.2
- Stores : 221

### 9. Shopping Campo Limpo



- S o Paulo (SP)
- GLA (sqm): 22.3
- Stores : 148

### 10. Manauara Shopping



- Manaus (AM)
- GLA (sqm): 46.8
- Stores : 231

### 11. Uberl ndia Shopping



- Uberl ndia (MG)
- GLA (sqm): 45.3
- Stores : 218

### 12 Boulevard Londrina Shopping



- Londrina (PR)
- GLA (sqm): 47.8
- Opening: 1Q13

### 13 Passeio das  guas Shopping



- Goi nia (GO)
- GLA (sqm): 78.1
- Opening: 4Q13

# Controlling interests in most of shopping centers

Sonae Sierra Brasil average ownership stake is 63% in its 11 operating properties. It will reach 70% when all three greenfield developments are completed

Shopping Center	City	State	GLA ('000 sqm)	Stake	Management
Parque D. Pedro <sup>(1)</sup>	Campinas	SP	121.0	51.0%	✓
Penha	São Paulo	SP	29.7	51.0%	✓
Metrópole	São Bernardo	SP	28.6	100.0%	✓
Tivoli	Santa Bárbara d'Oeste	SP	22.1	30.0%	✓
Pátio Brasil	Brasília	DF	29.0	10.4%	✓
Boavista	São Paulo	SP	15.9	100.0%	✓
Franca	Franca	SP	18.5	67.4%	✓
Plaza Sul	São Paulo	SP	23.2	60.0%	✓
Campo Limpo	São Paulo	SP	22.3	20.0%	✓
Manauara	Manaus	AM	46.8	100.0%	✓
Uberlândia	Uberlândia	MG	45.3	100.0%	✓
<b>Weighted Average</b>				<b>63.1%</b>	
Londrina	Londrina	PR	47.8	84.5% <sup>(2)</sup>	✓
Goiânia	Goiânia	GO	78.1	100.0%	✓
<b>Weighted Average</b>				<b>70.5%</b>	



Note: (1) Sonae Sierra and DDR hold an additional 25.9% indirect ownership in Parque D. Pedro through another structure.  
(2) Ownership considering partner will fully exercise its rights in the project

# Uberlândia Shopping



SONAE SIERRA  
BRASIL



<b>Opening</b>	March 27 <sup>th</sup> , 2012
<b>Total GLA ('000 sqm)</b>	45.3
<b>SSB's ownership</b>	100%
<b>Occupancy rate</b>	93.5%
<b>Number of stores</b>	218
<b>Anchor stores</b>	15
<b>Parking spaces</b>	2,400
<b>Gross Investment</b>	R\$201 million

With Uberlândia Shopping, Sonae Sierra Brasil reaches 11 malls owned and managed, totaling 410 thousand sqm of total GLA and 254 sqm of owned GLA. Uberlândia Shopping is the 3<sup>rd</sup> largest mall in the Company's portfolio, just behind Parque D. Pedro Shopping and Manauara Shopping. Sonae Sierra Brasil's average ownership interest increased to 63.1%.



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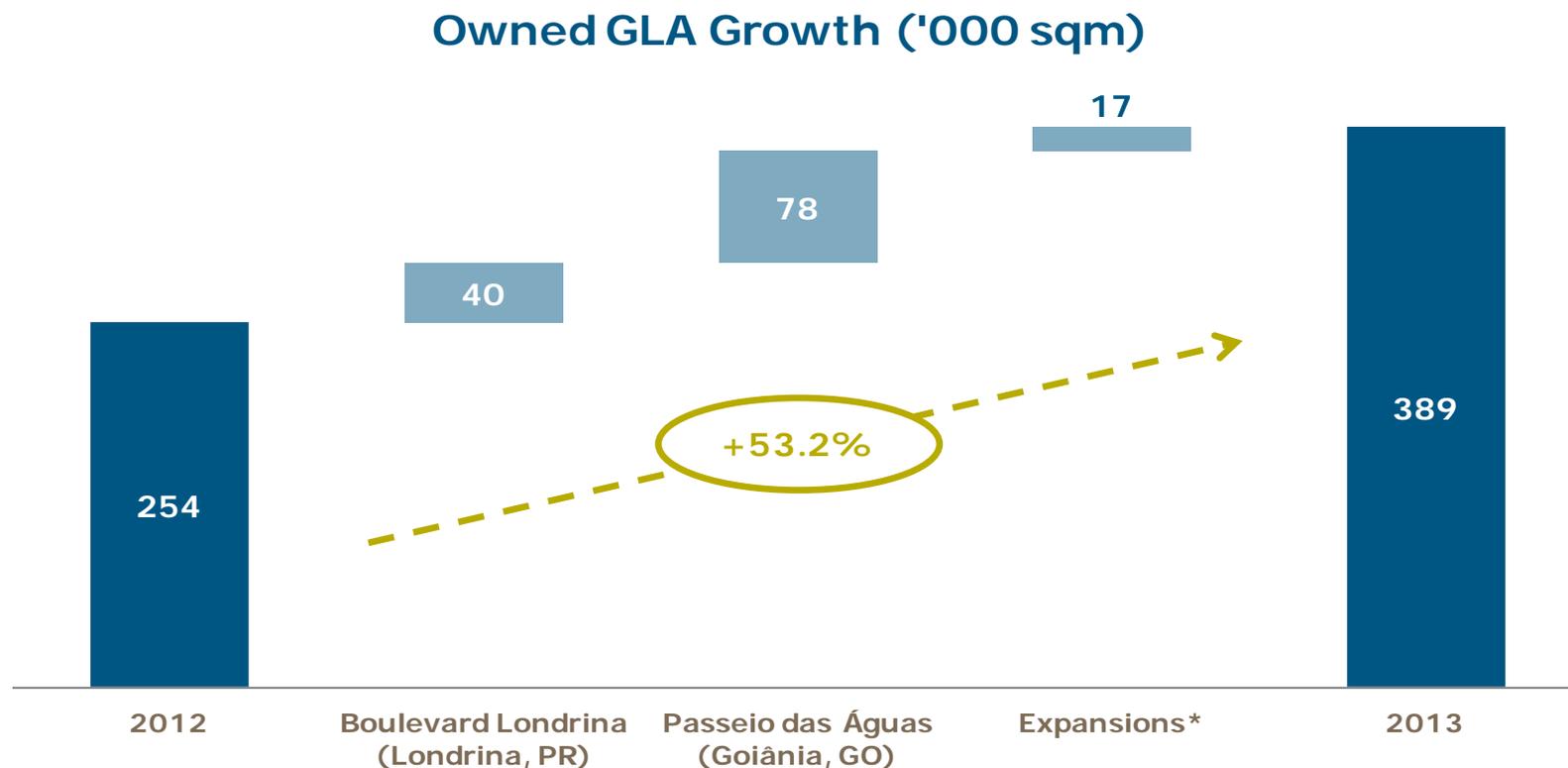
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# Owned GLA Growth

Sonae Sierra Brasil has a solid new development and expansion pipeline which will increase the Company's owned GLA by over 53% until the end of 2013.



\*Expansions in Shopping Metr pole, Parque D. Pedro and Tivoli scheduled for 2013.

# 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	75%
Gross Capex Incurred (R\$ MM)	140.4

\* 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	53%
Gross Capex Incurred (R\$ MM)	137.2



Shopping center construction site



Project Illustration

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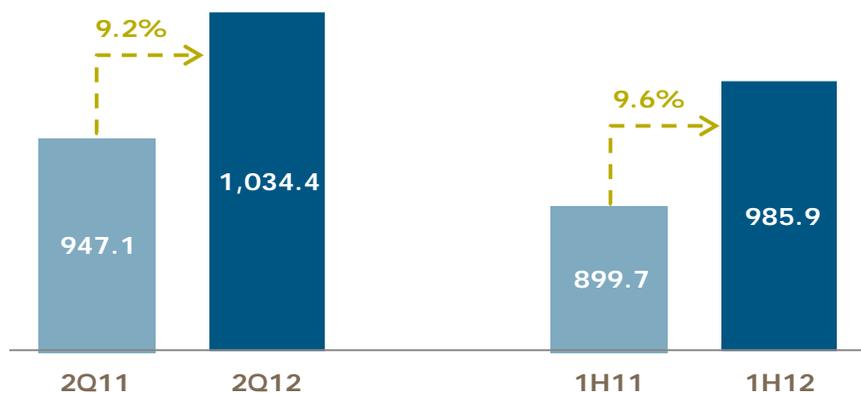
# Shopping Center Sales

Shopping Center Tenant Sales (R\$ thousand)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Shopping Penha	88,640	81,289	9.0%	167,153	152,288	9.8%
Shopping Metr�pole	85,780	67,180	27.7%	158,534	122,821	29.1%
Tivoli Shopping	47,396	43,485	9.0%	89,235	80,774	10.5%
Franca Shopping	41,944	34,907	20.2%	78,052	68,197	14.4%
P�tio Brasil	83,459	83,759	-0.4%	160,047	160,486	-0.3%
Parque D. Pedro Shopping	310,978	291,328	6.7%	602,444	564,508	6.7%
Boavista Shopping	61,593	57,859	6.5%	118,446	109,539	8.1%
Shopping Plaza Sul	99,114	91,939	7.8%	182,933	170,538	7.3%
Shopping Campo Limpo	71,064	57,248	24.1%	130,151	106,008	22.8%
Manauara Shopping	151,843	125,070	21.4%	291,254	239,617	21.5%
Uberl�ndia Shopping	68,439	-	-	68,439	-	-
<b>Total</b>	<b>1,110,251</b>	<b>934,063</b>	<b>18.9%</b>	<b>2,046,688</b>	<b>1,774,776</b>	<b>15.3%</b>

Shopping Center Tenant Sales (R\$ million)

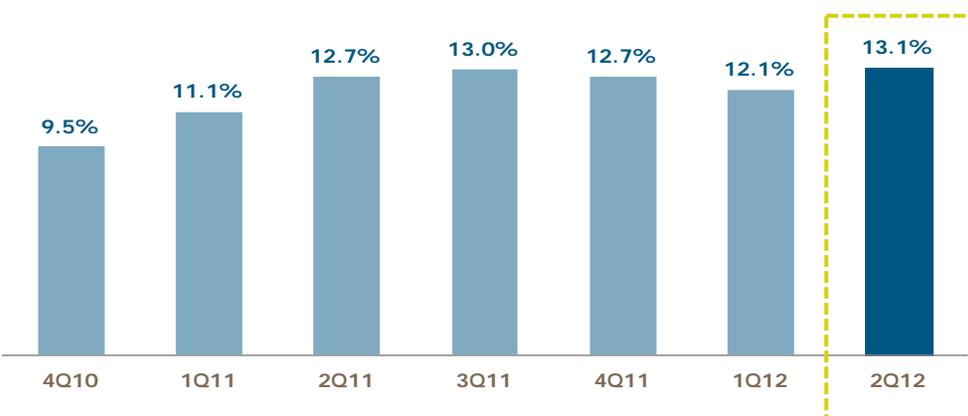


## Same-Store Sales per sqm



Same-store Sales (per sqm)	2Q12	2Q11	Var. %
Satellite	1,568.4	1,424.2	10.1%
Anchor	861.4	796.6	8.1%
Leisure	200.5	185.5	8.1%
<b>Total</b>	<b>1,034.4</b>	<b>947.1</b>	<b>9.2%</b>

## Same-Store Rents Growth evolution

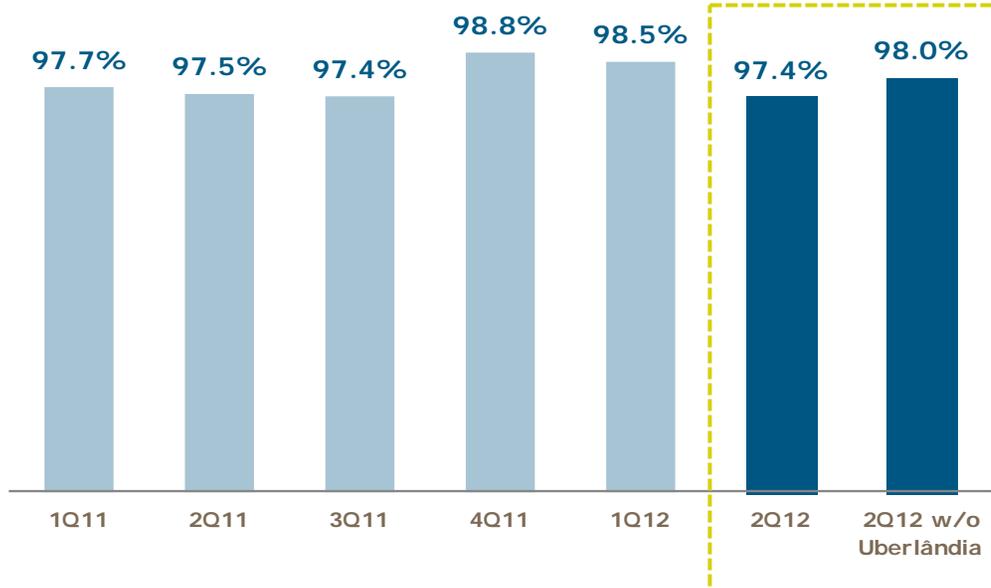


Same-store Rents (per sqm)	2Q12	2Q11	Var. %
Satellite	109.4	97.3	12.4%
Anchor	25.4	22.4	13.3%
Leisure	22.6	18.2	24.6%
<b>Total</b>	<b>59.1</b>	<b>52.2</b>	<b>13.1%</b>

# Occupancy ratio

The vacancy ratio in our shopping centers are historically low, showing the resilience of the portfolio

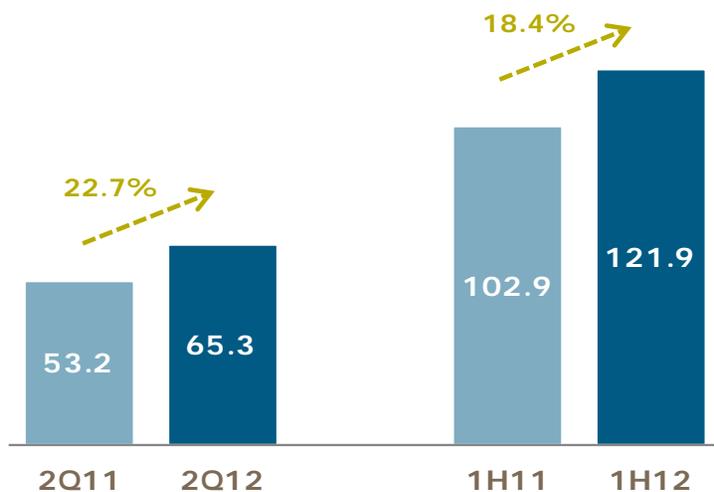
Occupancy ratio (% of GLA)



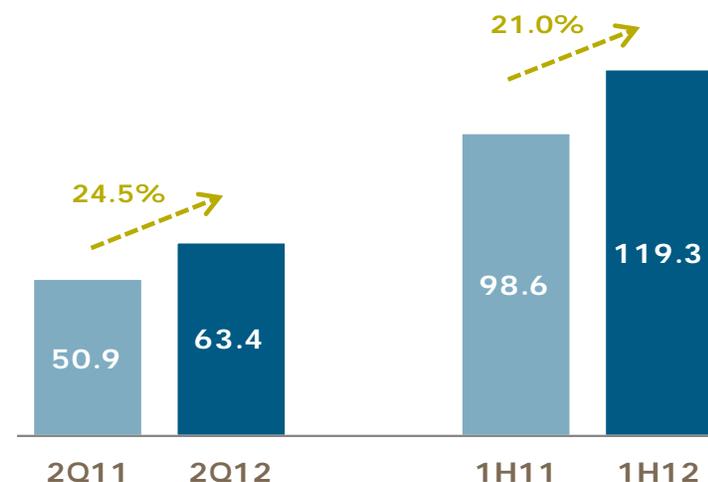
Shopping center occupancy ratio (%)	
	6/30/2012
Shopping Penha	97.3%
Shopping Metr�pole	99.7%
Tivoli Shopping	99.4%
Franca Shopping	98.9%
Patio Brasil	97.3%
Parque D. Pedro*	97.2%
Boavista Shopping	94.7%
Shopping Plaza Sul	99.4%
Shopping Campo Limpo	99.4%
Manauara Shopping	99.1%
Uberl�ndia Shopping	93.5%
<b>Total</b>	<b>97.4%</b>

# Financial Performance

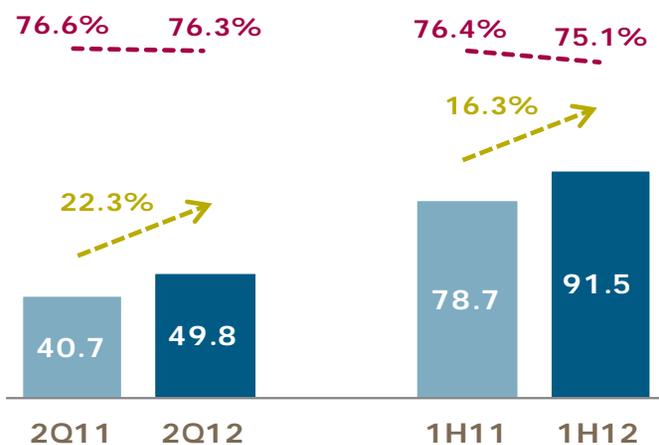
### Net Revenue (R\$ million)



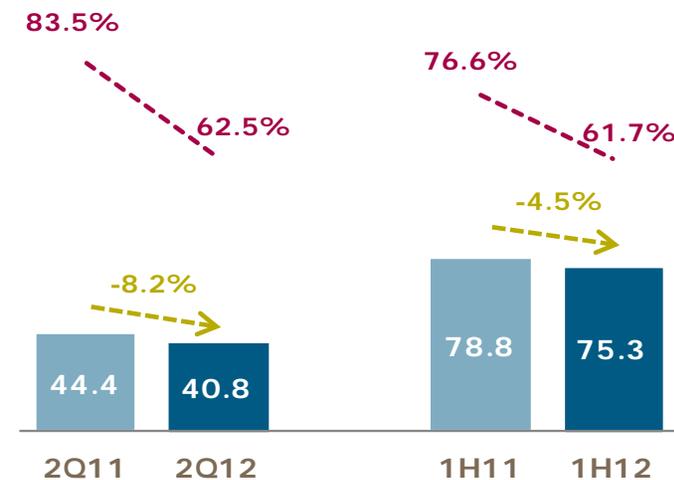
### NOI (R\$ million)



### EBITDA (R\$ million) and Margin

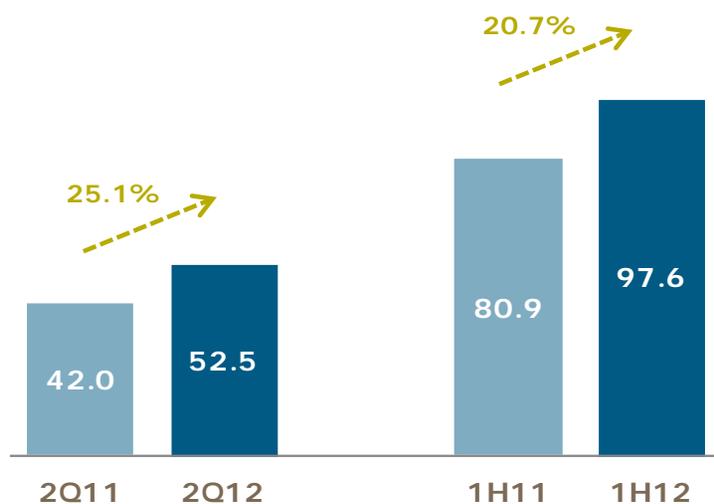


### FFO (R\$ million) and Margin

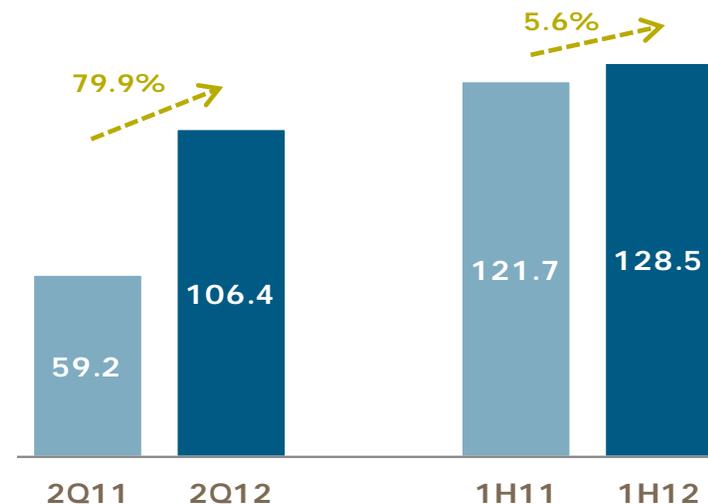


# Financial Performance (51% PDP)

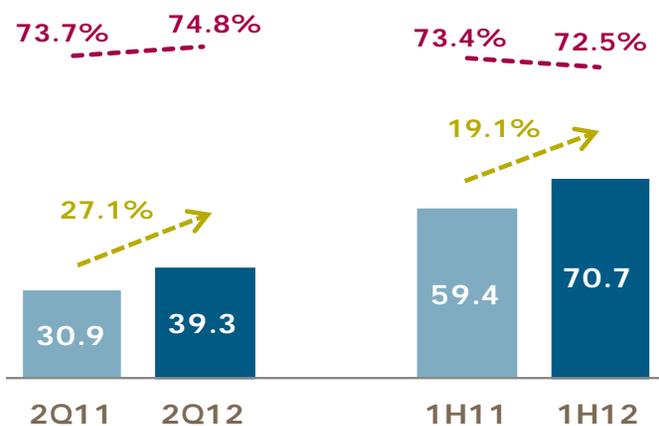
### Net Revenue (R\$ million)



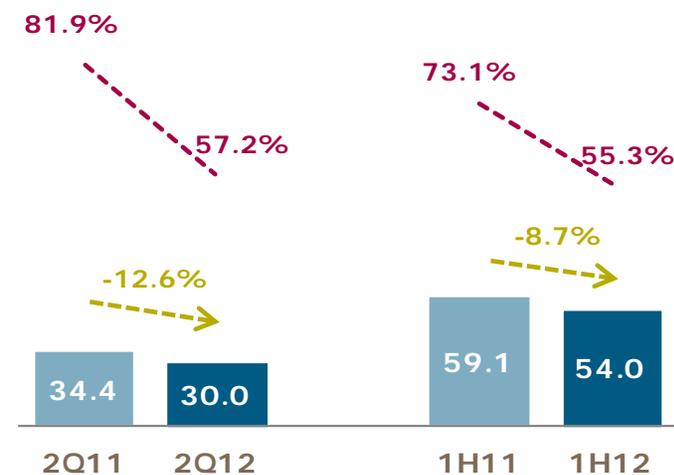
### Net Income (R\$ million)



### EBITDA (R\$ million) and Margin

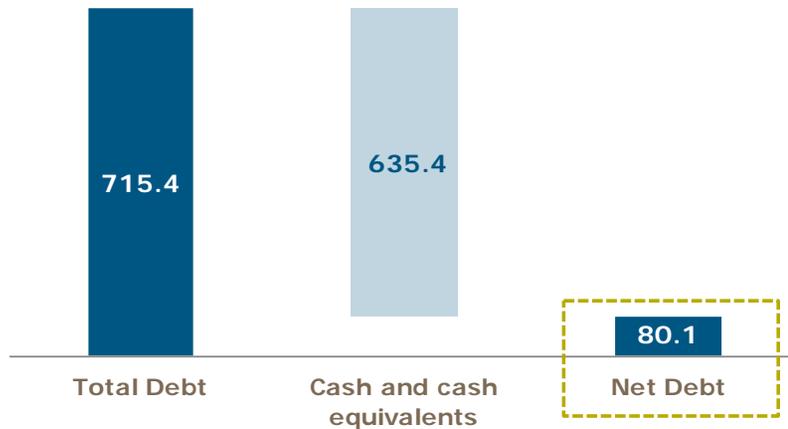


### FFO (R\$ million) and Margin

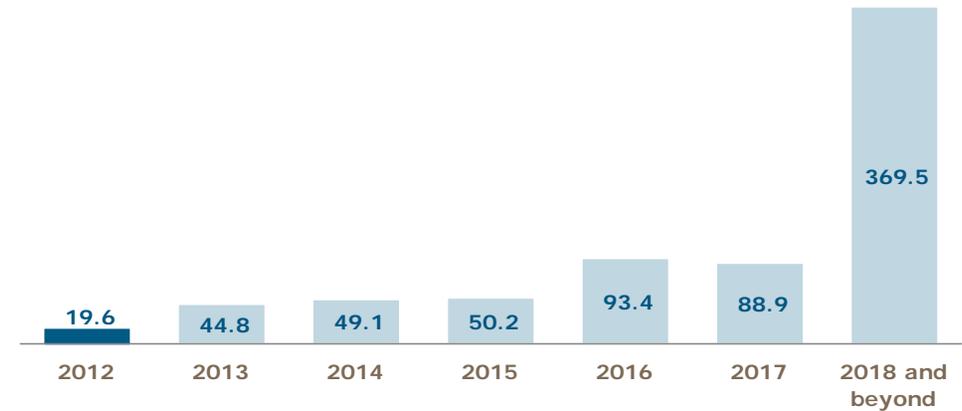


# Cash Position and Leverage

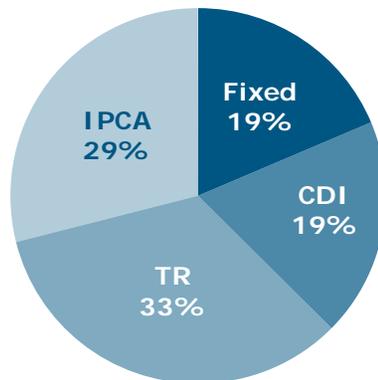
Net Debt (R\$ MM)



Debt Amortization (R\$ MM)



Debt Profile



Contracted Debt Financing	Committed Amount (R\$ MM)	Term (years)	Interest Rate	Balance as of 06/30/12 (R\$ million)
Working Capital	20	5	CDI + 2.85%	15
Working Capital	27	6	CDI + 3.30%	23
Manauara Shopping	112	12	8.50%	133
Metrópolis Shopping - Expansion I	53	8	TR + 10.30%	53
Uberlândia Shopping	81	15	TR + 11.30%	55
Boulevard Londrina Shopping	120	15	TR + 10.90%	78
Passeio das Águas Shopping	200	12	TR + 11.00%	55
Debentures - 1 <sup>st</sup> series	95	5	CDI + 0.96%	97
Debentures - 2 <sup>nd</sup> series	205	7	IPCA + 6.25%	207
<b>Total</b>	<b>914</b>			<b>715</b>
<b>Weighted Average</b>		<b>10.2</b>	<b>10.78%</b>	

Considering LTM TR at 0.92% p.a., CDI at 8.35% p.a. and IPCA at 4.92% as of June 30th, 2012

# Thank you!

**SONAE SIERRA  
BRASIL**

## **Investor Relations**

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