

SONAE SIERRA BRASIL S.A. (SSBR3)

CNPJ/MF 05.878.397/0001-32

NIRE 35.300.358.325

Publicly-held Company

MATERIAL FACT

Sonae Sierra Brasil S.A. ("**Company**"), pursuant to CVM Instruction No. 358/02, as amended, hereby discloses to its shareholders and to the market in general that it received, on this date, a notice ("**Notice**") from DDR Corp. ("**DDR**"), ultimate controlling shareholder of DDR Luxembourg S.a.r.l and DDR Luxembourg II S.a.r.l. ("**Sellers**") in connection with the signing, by the Sellers, of a letter of intent with Mr. Alexander Otto ("**Buyer**") for the possible acquisition of shares owned by the Sellers representing fifty per cent (50%) of the corporate capital of Sonae Sierra Brazil B.V.S.a.r.l. ("**SSB BV Sarl**"), company that holds sixty six point sixty five percent (66.65%) of the Company's corporate capital ("**Transaction**"). Sierra Investments Holdings B.V., company that holds the other fifty per cent (50%) of SSB BV Sarl's corporate capital, informed the Company that it decided not to exercise its right of first refusal in relation to the acquisition of this corporate stake in SSB BV Sarl.

In accordance with the Notice, the price to be paid by the Buyer to the Sellers is approximately three hundred and forty three million, six hundred thousand dollars (US\$ 343.6 million) (which includes not only the indirect corporate stake in the Company, but also the corporate stake that SSB BV Sarl holds in Parque D. Pedro Shopping) and the closing of the Transaction is expected to be concluded in the next thirty (30) days, still subject to the negotiation of a definitive purchase and sale agreement and to the standard terms and conditions in relation to operations of this nature.

The Company clarifies that it will, pursuant to the applicable legislation, maintain its shareholders and the market duly informed about any further material fact in connection with the negotiation above mentioned.

São Paulo, March 10, 2014

SONAE SIERRA BRASIL S.A.

Investor Relations Officer

Carlos Alberto Correa



About Sonae Sierra Brasil

Sonae Sierra Brasil is a leading owner, manager and developer of shopping malls in Brazil. Sonae Sierra Brasil owns and manages 10 enclosed malls in high-quality markets aggregating 354 thousand square meters of owned gross leasable area and manages two third party enclosed malls. Sonae Sierra Brasil is publicly traded on the BM&FBovespa under the symbol SSBR3 and is headquartered in São Paulo.

