

EARNINGS RELEASE

2Q12

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2Q12 CONFERENCE CALLS

English

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SONAE SIERRA BRASIL ANNOUNCES EBITDA OF R\$49.8 MILLION IN 2Q12, A 22.3% INCREASE OVER 2Q11

São Paulo, August 9th, 2012 – Sonae Sierra Brasil S.A. (BM&FBovespa: SSBR3), a leading Brazilian shopping mall developer, owner and manager, announces today its results for the second quarter of 2012 (2Q12).

HIGHLIGHTS

- Net revenue grew 22.7% in 2Q12, totaling R\$65.3 million, compared to R\$53.2 million in 2Q11.
- EBITDA totaled R\$49.8 million in 2Q12, a 22.3% increase compared to the same period of last year. EBITDA margin reached 76.3% in the quarter.
- FFO was R\$40.8 million in the quarter, an 8.2% decrease over the 2Q11. The FFO margin in the 2Q12 was 62.5%.
- Same-store rent (SSR) reached, once again, a double-digit growth of 13.1%, the highest quarterly growth since the Company's IPO. Same-store sales (SSS) increased by 9.2% in 2Q12 over 2Q11.
- Total sales in our shopping centers reached R\$1.1 billion in 2Q12, 18.9% higher than in 2Q11.

Financial Indicators (R\$ million)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Net Revenue	65.3	53.2	22.7%	121.9	102.9	18.4%
EBITDA	49.8	40.7	22.3%	91.5	78.7	16.3%
EBITDA Margin	76.3%	76.6%	-28 bps	75.1%	76.4%	-139 bps
Adjusted EBITDA	49.8	40.7	22.3%	91.9	81.2	13.2%
Adjusted EBITDA Margin	76.3%	76.6%	-28 bps	75.4%	78.9%	-349 bps
Funds From Operations (FFO)	40.8	44.4	-8.2%	75.3	78.8	-4.5%
FFO Margin	62.5%	83.5%	-2,101 bps	61.7%	76.6%	-1,481 bps
Adjusted FFO	40.8	44.4	-8.2%	75.7	81.3	-6.9%
Adjusted FFO Margin	62.5%	83.5%	-2,101 bps	62.1%	79.0%	-1,692 bps
Net Operating Income (NOI)	63.4	50.9	24.5%	119.3	98.6	21.0%
NOI Margin	94.5%	95.5%	-103 bps	95.6%	94.9%	+71 bps

Operating Indicators	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Total GLA ('000 sqm)	402.5	349.2	15.2%	402.5	349.2	15.2%
Owned GLA ('000 sqm)	254.1	202.8	25.3%	254.1	202.8	25.3%
Number of shopping malls	11	10	10.0%	11	10	10.0%
Sales (R\$ million)	1,110.3	934.1	18.9%	2,046.7	1,774.8	15.3%
Sales/sqm (monthly average)	1,013.8	939.5	7.9%	972.9	897.6	8.4%
Occupancy rate	97.4%	97.5%	-11 bps	97.4%	97.5%	-11 bps
Occupancy Cost (% of sales)	9.2%	9.1%	+8 bps	9.2%	9.1%	+8 bps
SSS/sqm	1,034.4	947.1	9.2%	985.9	899.7	9.6%
SSR/sqm	59.1	52.2	13.1%	57.0	50.2	13.4%
Delinquency rate (25 days)	2.86%	2.33%	+53 bps	2.86%	2.33%	+53 bps

MANAGEMENT COMMENTS

Sonae Sierra Brasil continued to achieve solid operating and financial results in the second quarter of 2012.

Total sales in our malls increased by 18.9% while same store sales (SSS) increased by 9.2% in 2Q12 over the second quarter of 2011, showing the resilience of our malls. Same store rent (SSR) increased by 13.1%, the highest growth registered by our company since its IPO. The portfolio occupancy rate remains high at 97.4% as of the end of 2Q12. Excluding Uberlândia Shopping, which opened in late March 2012, the average occupancy rate was 98.0% in 2Q12. The delinquency rate remained low at 2.9% at the end of the quarter.

Financial results also continued to reflect the company's robust growth. Consolidated net revenues reached R\$65.3 million, a 22.7% increase over 2Q11. EBITDA totaled R\$ 49.8 million, an increase of 22.3% over 2Q11, with a margin of 76.3%. FFO totaled R\$ 40.8 million with a 62.5% margin. NOI totaled R\$63.4 million in 2Q12, up 24.5% compared to the same period of last year.

We continue to move forward with the two Greenfield projects currently in our pipeline: Boulevard Londrina and Passeio das Águas, both with construction proceeding to open next year and over 75% and 53% leased, respectively.

We remain optimistic about the outlook for the Brazilian mall sector and convinced that our company is well positioned to continue to create value for our shareholders. We will maintain our disciplined investment strategy as we continue to actively, but selectively, pursue new growth opportunities and focus on the quality of our portfolio.

The Management

OUR PORTFOLIO

Our portfolio is comprised of eleven shopping malls in operation. Additionally, we are in the process of developing two new shopping malls in major cities in Brazil: (i) Londrina, the second largest city in the state of Paraná; and (ii) Goiânia, the state capital of the State of Goiás. These two cities have experienced strong demographic and economic growth. The selection of these cities for developing new shopping malls fits into our primary strategy of growth through the development of potentially market dominant shopping malls, in trade areas with income per capita and population density that meet our requirements. The combined GLA from these two shopping malls is approximately 125.9 thousand sqm.

Shopping Centers in Operation	City	Stores	GLA ('000 sqm)	Ownership	Owned GLA ('000 sqm)	Actual occupancy index by area (%)
Shopping Penha	São Paulo (SP)	196	29.7	51.0%	15.1	97.3%
Shopping Metr�pole	S�o Bernardo do Campo (SP)	181	28.6	100.0%	28.6	99.7%
Tivoli Shopping	Santa Barbara d'Oeste (SP)	144	22.1	30.0%	6.6	99.4%
Franca Shopping	Franca (SP)	106	18.5	67.4%	12.5	98.9%
Patio Brasil	Bras�lia (DF)	235	29.0	10.4%	3.0	97.3%
Parque D. Pedro*	Campinas (SP)	401	121.0	51.0%	61.7	97.2%
Boavista Shopping	S�o Paulo (SP)	147	15.9	100.0%	15.9	94.7%
Shopping Plaza Sul	S�o Paulo (SP)	221	23.2	60.0%	13.9	99.4%
Shopping Campo Limpo	S�o Paulo (SP)	148	22.3	20.0%	4.5	99.4%
Manauara Shopping	Manaus (AM)	231	46.8	100.0%	46.8	99.1%
Uberl�ndia Shopping	Uberl�ndia (MG)	218	45.3	100.0%	45.3	93.5%
Total		2,228	402.5	63.1%	254.1	97.4%
Total excluding Uberl�ndia Shopping						98.0%

* For purposes of the occupancy rate calculation, a 13,757 sqm area that is in preparation for a new tenant was not considered.

Projects under Development	City	GLA ('000 sqm)	Ownership	Projected Opening
Boulevard Londrina Shopping**	Londrina (PR)	47.8	84.5%	1Q13
Passeio das �guas Shopping	Goi�nia (GO)	78.1	100.0%	4Q13
Total		125.9	94.1%	

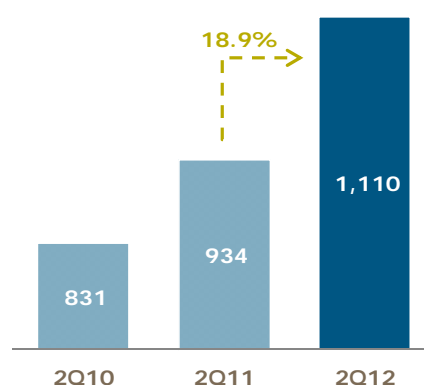
** Ownership considering partner will fully exercise its rights in the project

OPERATING PERFORMANCE

Shopping Centers' Tenants Sales

Total tenant sales in the operating malls in Sonae Sierra Brasil's portfolio totaled R\$1.1 billion in 2Q12, an 18.9% increase over 2Q11. Excluding Uberlândia Shopping, the sales in the Company's portfolio reached R\$1.0 billion, an 11.5% growth over the same period of 2011. Considering the Company's ownership interest in each of the malls, sales reached R\$696.3 million in this quarter, a 26.1% increase over the 2Q11.

Shopping Center Tenant Sales
(R\$ million)

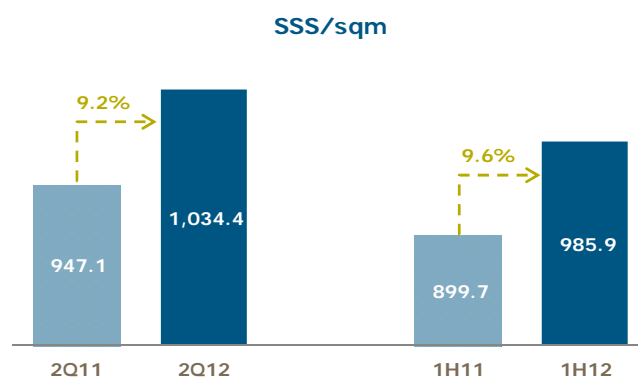


The top 3 malls with the highest sales growth compared to 2Q11 were: Shopping Metr pole, Shopping Campo Limpo and Manauara Shopping, with sales increases of 27.7%, 24.1%, and 21.4%, respectively. The strong performance of Shopping Metr pole and Campo Limpo is mainly attributed to the recently opened expansion in these malls (Campo Limpo in September 2011 and Metr pole in November 2011), while the robust growth recorded by Manauara Shopping can be mainly attributed to its successful strategy since 2009 opening of becoming the dominant mall in the City of Manaus.

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	-	-
Total	1,110,251	934,063	18.9%	2,046,688	1,774,776	15.3%

Same-Store Sales (SSS)

Sonae Sierra Brasil's shopping centers continue to register strong Same-store sales (SSS) growth in spite of an expected slower economic condition. The SSS posted a 9.2% growth in 2Q12 compared to 9.8% in 2Q11. In the first half of 2012 the same-store sales increased by 9.6% compared to 1H11.



Once again we highlight the satellite stores' performance, with a double digit growth on an year over year basis: 10.1% in 2Q12 and 10.4% year to date.

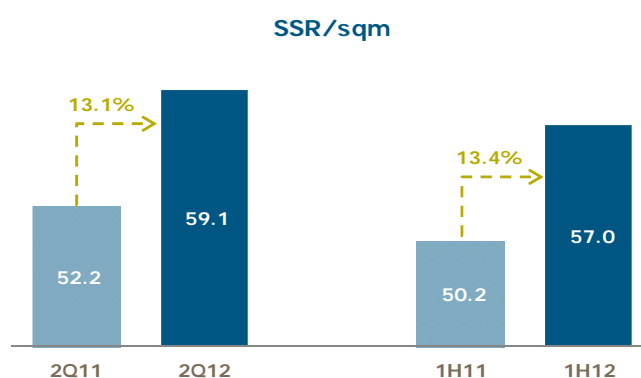
The resilient SSS growth from Anchors in 2Q12, at 8.1% compared to 2Q11, was mainly driven by furniture, electronics, sporting goods and supermarkets.

Same-store Sales (per sqm)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Satellite	1,568.4	1,424.2	10.1%	1,478.9	1,340.1	10.4%
Anchor	861.4	796.6	8.1%	834.3	768.2	8.6%
Leisure	200.5	185.5	8.1%	199.1	181.0	10.0%
Total	1,034.4	947.1	9.2%	985.9	899.7	9.6%

Same-Store Rent (SSR)

Same-store rent (SSR) posted a 13.1% increase in this quarter compared to the 2Q11, the largest quarterly growth recorded by the Company since its IPO. The significant growth in SSR is driven by the combination of strong leasing spreads and inflation adjustments in our malls, particularly Franca Shopping, Plaza Sul and Parque D. Pedro. Parque D.

Pedro reached its second cycle of contract renewals in 2Q12, corresponding to the mall's 10-year anniversary. In the first half of the year, the Company's same-store rents increased by 13.4% compared to the 1H11.

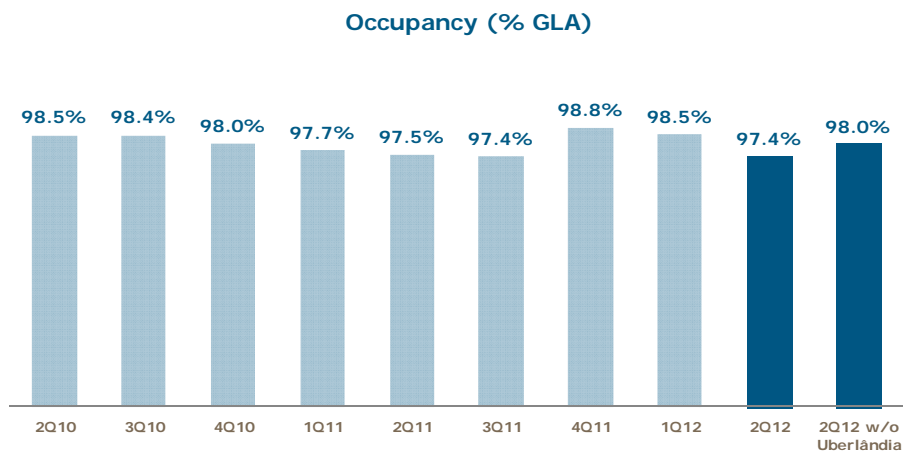


With almost 25% growth, the Leisure category's SSR performance was, for the second consecutive quarter, the strongest in the portfolio, led by stronger turnover rents on movie theater ticket sales.

Same-store Rents (per sqm)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Satellite	109.4	97.3	12.4%	106.1	93.8	13.1%
Anchor	25.4	22.4	13.3%	25.1	22.2	13.1%
Leisure	22.6	18.2	24.6%	20.4	16.8	21.2%
Total	59.1	52.2	13.1%	57.0	50.2	13.4%

Occupancy rate

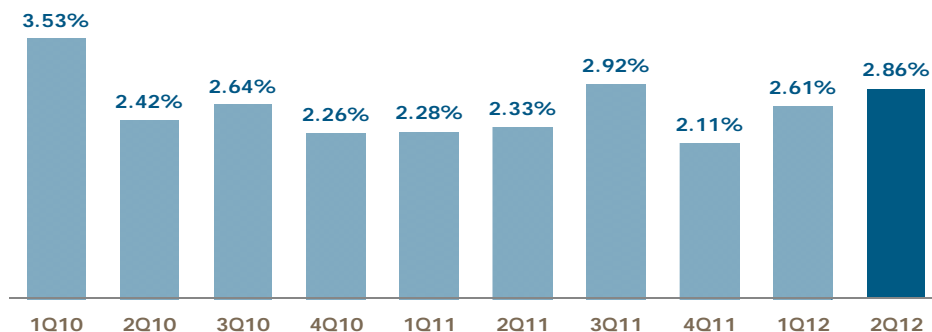
The overall occupancy rate in our malls remains strong, at 97.4% of GLA as at June 30th, 2012. Excluding Uberlândia Shopping, overall occupancy reached 98.0%.



Delinquency Rate (25-days late payments)

The delinquency rate of the quarter remained low and was 2.86%, versus 2.33% in the 2Q11 and 2.65% in 1Q12, as shown in the graphic below:

Delinquency Rate (25 days)



The slight increase in delinquency rate is mainly attributed to the opening of Uberlandia Shopping in March 2012. Disregarding Uberlandia, the overall delinquency rate was 2.65% in 2Q12.

FINANCIAL PERFORMANCE

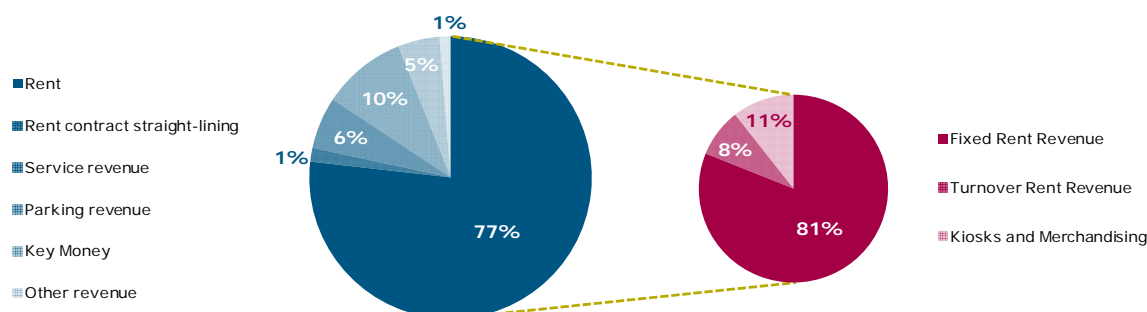
Consolidated Statutory Accounts

The consolidated financial and operating information outlined below is based on accounts prepared in accordance with accounting policies adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB, and correspond to the comparison of the results obtained in the 2Q12 with the same period of the previous year, also adjusted to the new accounting standards. Therefore, the consolidated financial information includes 100% of the results of Parque D. Pedro Shopping (even though the Company holds a 51% ownership interest in the mall).

Revenues

The Company's gross revenue totaled R\$71.3 million in 2Q12, representing an increase of 24.4% when compared to the same period of 2011. This increase was mainly a result of the increase in rental, parking and key money revenues, which registered 25.3%, 17.2% and 34.5% growth, respectively.

Gross Revenue Breakdown in the quarter



The increase in rental revenue was influenced, once again, by the strong combination of high leasing spreads (27% in the 2Q12), inflation adjustments and the low vacancy of our portfolio. The opening of our newest mall, Uberlândia Shopping, also contributed to the increase in this revenue. Parking revenue was impacted by higher parking rates and increased traffic. Key money growth was heavily influenced by the opening of Uberlândia Shopping. Other Revenue was impacted by higher transfer fees charged to tenants.

Revenues (R\$ thousand)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Rent	54,736	43,692	25.3%	102,886	85,034	21.0%
Rent contract straight-lining	1,121	1,044	7.4%	1,463	1,993	-26.6%
Service revenue	4,240	4,057	4.5%	8,288	8,090	2.4%
Parking revenue	6,893	5,882	17.2%	12,673	11,492	10.3%
Key Money	3,393	2,523	34.5%	6,050	4,921	22.9%
Other revenue	910	120	656.2%	1,320	445	196.3%
Total Gross Revenue	71,293	57,318	24.4%	132,680	111,975	18.5%
Taxes over rent and services	(4,428)	(2,417)	83.2%	(8,344)	(6,682)	24.9%
Discounts and cancellations	(1,596)	(1,705)	-6.4%	(2,441)	(2,384)	2.4%
Total deductions	(6,024)	(4,122)	46.2%	(10,785)	(9,066)	19.0%
Net Revenue	65,269	53,196	22.7%	121,895	102,909	18.4%

Costs and Expenses

Costs and Expenses totaled R\$17.2 million in 2Q12, a 34.0% increase over 2Q11, mainly due to higher costs relating to provisions for bad debts, external services and personnel.

Provisions for bad debts totaled R\$ 1.4 million in 2Q12 versus an income provision reversal of R\$ 248 thousand in 2Q11. Provisions were impacted by some previously disputed contract renewals, which were set and renegotiated to be received in future installments. According to our accounting policy, the Company, conservatively, books a provision for the total amount not yet received.

Costs with external services increased 41.7% compared to 2Q11. This increase is explained by higher costs with the auditing process of tenants sales and by higher legal fees. Personnel expenses increased 5.8%, as a result of normal annual salary increases.

Occupancy expenses and contractual agreement costs increased by 77.0% and 65.8%, respectively, mainly due to the costs associated with the recently opened Uberlândia Shopping.

Costs and Expenses (R\$ thousand)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Depreciation and amortization	392	359	9.2%	831	762	9.1%
Personnel	7,687	7,263	5.8%	14,443	12,886	12.1%
External services	2,874	2,026	41.9%	5,623	4,158	35.2%
Occupancy expense (vacant stores)	1,699	960	77.0%	2,765	1,825	51.5%
Cost of contractual agreements with tenants	456	275	65.8%	787	611	28.8%
Provision (reversal) for bad debts	1,444	(248)	N/A	1,890	332	469.3%
Rent	866	716	20.9%	1,627	1,341	21.3%
Other	1,767	1,470	20.2%	4,268	3,518	21.3%
Total	17,185	12,821	34.0%	32,234	25,433	26.7%
<i>Classified as:</i>						
Cost of rentals and services	11,385	9,647	18.0%	20,983	18,203	15.3%
Operating expenses	5,800	3,174	82.8%	11,251	7,230	55.6%
Total	17,185	12,821	34.0%	32,234	25,433	26.7%

Changes in Fair Value of Investment Properties

Sonae Sierra Brasil utilizes IFRS accounting standards, under which the Company values its investment properties at fair market value, biannually at June and December. Thus, the gains and losses resulting from changes in fair market value of the properties are recorded in the Change in Fair Value of Investment Properties account, which totaled R\$173.1 million in 1H12 compared to R\$142.8 million in 1H11. The increase reflects the improved valuation of the portfolio, given the NOI growth and the positive performance of operating malls and also the yields compression in some of our properties. On June 30th, 2012, the Value of Investment Properties totaled R\$3.2 billion.

Net Financial Result

The consolidated net financial result in 2Q12 was a negative financial result of R\$1.9 million, as opposed to a positive financial result of R\$7.8 million in 2Q11. This variance is mainly explained by higher interest expenses on loans, mainly to finance our recently opened Uberlândia mall.

The R\$300 million debentures issued in March 2012 remains in our cash balance, thus increasing financial income and expenses.

Net Financial Result (R\$ thousand)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Financial Income	15,237	12,331	23.6%	28,827	18,989	51.8%
Financial Expenses	(17,219)	(4,540)	279.3%	(28,289)	(11,314)	150.0%
Total Financial Result - Net	(1,982)	7,791	N/A	538	7,675	-93.0%

Net Income

Net income totaled R\$172.4 million in 2Q12, an 89.8% increase over 2Q11, largely explained by the strong performance of the portfolio in addition to the gains in fair value of investment properties, which were 141.3% higher than the valuation gains recorded in 2Q11. It is important to note that the impact of the valuation gain in 2Q12 was much higher than in 2Q11, as a result of a change in the Company's practice from quarterly revaluations in 2011 to semi-annual revaluations in 2012.

Net Operating Income (NOI)

Consolidated NOI totaled a Company record high R\$63.4 million in 2Q12, a 24.5% increase over 2Q11, reflecting the overall positive performance of the portfolio and, as mentioned before, the opening of Uberlândia Shopping.

NOI (R\$ million)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Rent	55.9	44.7	24.9%	104.3	87.0	19.9%
Key Money	3.4	2.5	34.5%	6.0	4.9	22.9%
Parking	6.9	5.9	17.2%	13.1	11.5	13.9%
Other Revenue	0.9	0.1	656.2%	1.3	0.4	196.3%
Total Revenues	67.1	53.3	25.9%	124.8	103.9	20.1%
(-) Malls' Operating Expenses	(3.7)	(2.4)	55.1%	(5.5)	(5.3)	3.6%
NOI	63.4	50.9	24.5%	119.3	98.6	21.0%
<i>NOI Margin</i>	<i>94.5%</i>	<i>95.5%</i>	<i>-103 bps</i>	<i>95.6%</i>	<i>94.9%</i>	<i>+71 bps</i>

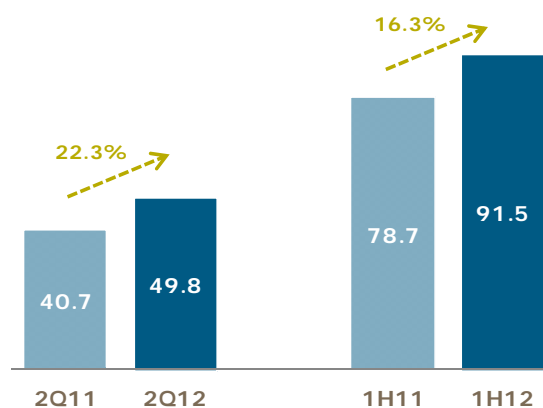
EBITDA and FFO

The Company's EBITDA totaled R\$49.8 million in the quarter, representing an increase of 22.3% when compared to the same period of last year, as a result of the strong performance of our existing malls, as well as to the opening of Uberlândia Shopping at the end of 1Q12. The EBITDA margin in the 2Q12 came in line with 2Q11 at 76.3% and 76.6%, respectively.

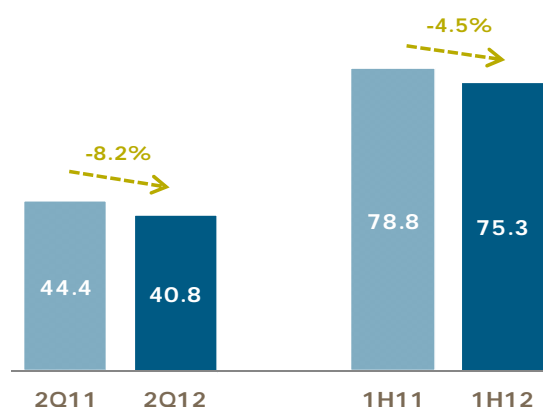
FFO totaled R\$ 40.8 million in 2Q12, versus R\$ 44.4 million in 2Q11, an 8.2% decrease, mainly explained by the combination of lower net financial result in this quarter, and higher current income and social contribution taxes. The FFO margin in the quarter was 62.5%.

The reconciliation of the operating income before financial results with the EBITDA, adjusted EBITDA, FFO, and Adjusted FFO is shown below:

EBITDA (R\$ million)



FFO (R\$ million)

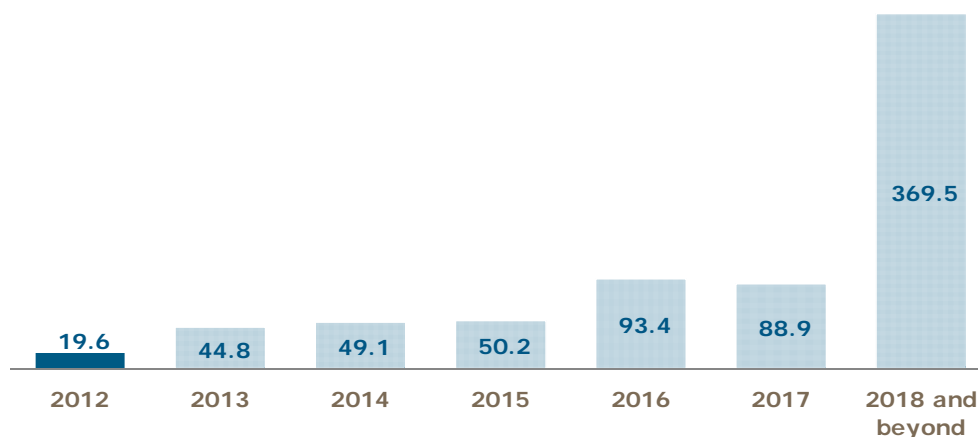


Adjusted EBITDA and Adjusted FFO (R\$ million)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Net Revenue	65.3	53.2	22.7%	121.9	102.9	18.4%
Operating income before financial result	223.7	113.4	97.3%	264.9	222.9	18.8%
Depreciation and amortization	0.4	0.4	9.2%	0.8	0.8	9.0%
Gain in fair value of investment	(174.3)	(73.0)	138.7%	(174.2)	(145.0)	20.1%
EBITDA	49.8	40.7	22.3%	91.5	78.7	16.3%
Non-recurring expenses	-	-	-	0.4	2.5	-84.0%
Adjusted EBITDA	49.8	40.7	22.3%	91.9	81.2	13.2%
EBITDA Margin	76.3%	76.6%	-28 bps	75.1%	76.4%	-139 bps
Adjusted EBITDA Margin	76.3%	76.6%	-28 bps	75.4%	78.9%	-349 bps
EBITDA	49.8	40.7	22.3%	91.5	78.7	16.3%
Net financial result	(2.0)	7.8	N/A	0.7	7.7	-91.3%
Current income and social contribution	(7.0)	(4.1)	71.4%	(16.9)	(7.5)	123.7%
FFO	40.8	44.4	-8.2%	75.3	78.8	-4.5%
Non-recurring expenses	-	-	-	0.4	2.5	-84.0%
Adjusted FFO	40.8	44.4	-8.2%	75.7	81.3	-6.9%
FFO Margin	62.5%	83.5%	-2,101 bps	61.7%	76.6%	-1,481 bps
Adjusted FFO Margin	62.5%	83.5%	-2,101 bps	62.1%	79.0%	-1,692 bps

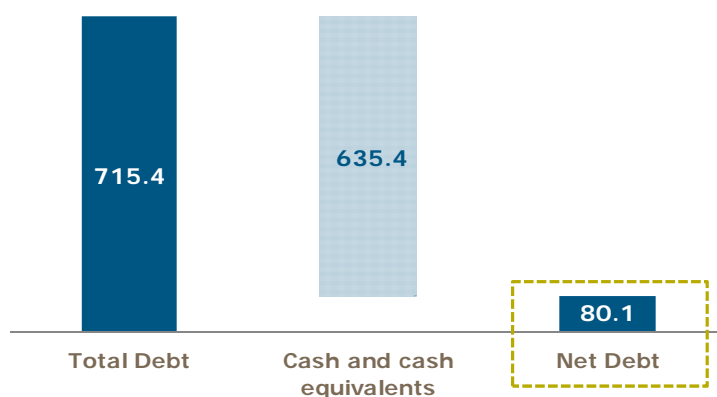
Cash, Cash Equivalents and Debt

Cash and cash equivalents, which is comprised of cash, bank deposits and financial investments, decreased by R\$95.9 million, from R\$731.3 million in 1Q12 to R\$635.4 million in 2Q12, mainly as a result of the investments being made in the ongoing greenfield projects. The cash available is invested in low risk short-term, investment grade bank securities, at an average interest rate of 102.6% of CDI. The Company's total debt, considering amounts already drawn down from lenders reached R\$715.4 million in 1Q12, and the corresponding amortization schedule is as follows:

Debt Amortization (R\$ million)



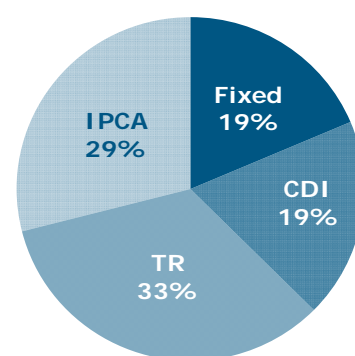
Net Debt (R\$ million)



Considering the Company's EBITDA for the twelve months ended June 30th, 2012 the Net Debt/EBITDA multiple was 0.4x. Taking into account our manageable debt position, the long-term profile of our debt and our operating cash flow, we believe that we are well positioned in terms of capital required to fund our growth plan.

Approximately 33% of the Company's drawn-down debt is linked to the TR index. A total of R\$133.2 million, which corresponds to approximately 19% of the Company's total debt, is fixed at an 8.5% p.a. interest rate (10.0% p.a. with a 15% discount) on the loan from the Banco da Amazônia (BASA) for the construction of Manauara Shopping. The base rate debt profile, considering resources already drawn down from lenders and the debentures issued in March 2012, at the end of 2Q12 was as follows:

Debt Profile



Considering all the debt contracted by the Company, including amounts yet to be drawn down, total debt would be R\$914 million with an average cost of 10.78% at the end of the quarter, 62 bps lower than 1Q12.

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
Metrópole 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 st series	95	5	CDI + 0.96%	97
Debentures - 2 nd series	205	7	IPCA + 6.25%	207
Total	914			715
Weighted Average		10.2	10.78%	

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

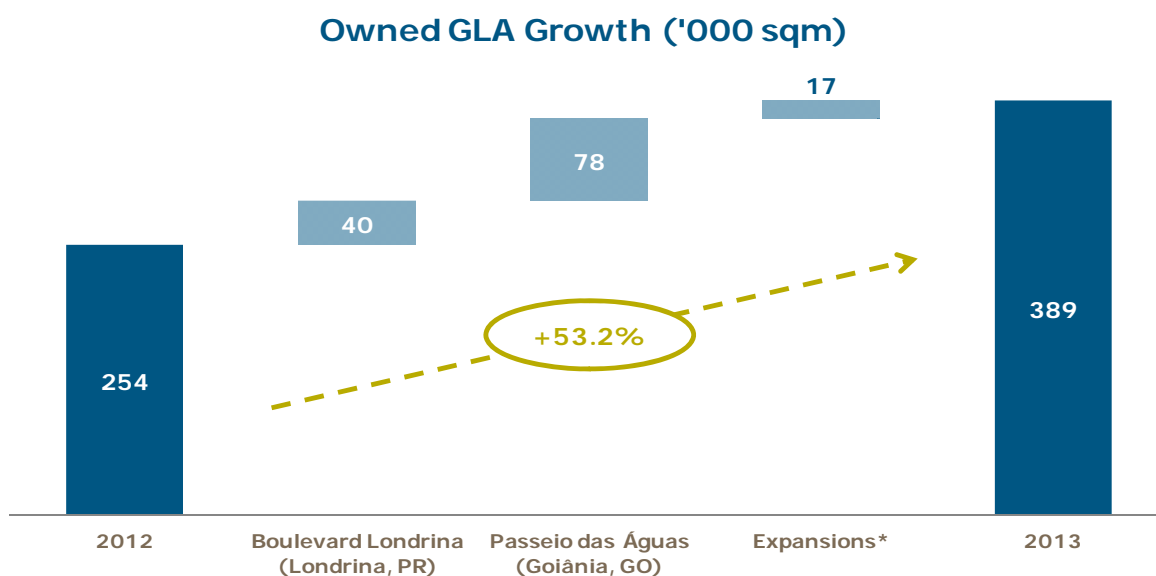
Management Accounts

In accordance with accounting standards and policies adopted in Brazil and IFRS, the Company consolidates 100% of Parque D. Pedro Shopping, despite owning only 51% of this mall. However, considering the relevance of this mall to the Company's results, we present pro-forma management accounts with the proportional consolidation of Parque D. Pedro Shopping (please refer to page 23). The operating results under this methodology are presented below:

EBITDA and FFO Reconciliation						
<i>(Considering 51% of PDP)</i> (R\$ million)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
Net Revenue	52.5	42.0	25.1%	97.6	80.9	20.7%
Operating income before financial result	157.6	82.0	92.3%	188.7	168.0	12.3%
Depreciation and amortization	0.4	0.4	22.6%	0.8	0.8	5.0%
Gain in fair value of investment properties	(118.8)	(51.4)	131.0%	(118.8)	(109.4)	8.5%
EBITDA	39.3	30.9	27.1%	70.7	59.4	19.1%
Non-recurring expenses	-	-	-	0.4	-	-
Adjusted EBITDA	39.3	30.9	27.1%	71.1	59.4	19.7%
EBITDA Margin	74.8%	73.7%	+116 bps	72.5%	73.4%	-96 bps
Adjusted EBITDA Margin	74.8%	73.7%	+116 bps	72.9%	73.4%	-59 bps
EBITDA	39.3	30.9	27.1%	70.7	59.4	19.1%
Net financial result	(2.2)	7.6	N/A	0.1	7.2	-98.4%
Current income and social contribution	(7.1)	(4.1)	71.9%	(16.9)	(7.5)	123.7%
FFO	30.0	34.4	-12.6%	54.0	59.1	-8.7%
Non-recurring expenses	-	-	-	0.4	-	-
Adjusted FFO	30.0	34.4	-12.6%	54.3	59.1	-8.1%
FFO Margin	57.2%	81.9%	-2,468 bps	55.3%	73.1%	-1,778 bps
Adjusted FFO Margin	57.2%	81.9%	-2,468 bps	55.7%	73.1%	-1,741 bps

ONGOING DEVELOPMENT PROJECTS

Sonae Sierra Brasil currently has a pipeline comprised of two greenfield projects and three expansions, which should increase our owned GLA by 53.2% to 389 thousand sqm by the end of 2013.



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

Greenfield Projects

Greenfield Projects	City (State)	Opening	GLA ('000 sqm)	% SSB	Committed GLA	Gross Investment To-date (R\$ million)
Boulevard Londrina Shopping	Londrina (PR)	1Q13	47.8	84.5%*	75%	140.4
Passeio das �guas Shopping	Goi�nia (GO)	4Q13	78.1	100%	53%	137.2

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

Boulevard Londrina Shopping

The mall, located in the downtown of Londrina, one of the most important cities in the State of Paraná, will have 47.8 thousand sqm of GLA, with over 230 tenants, a 7-screen cinema and 2,400 parking spaces. The mall will be focused on customers from the B and C classes. Construction started in September 2010, with expected opening in 1Q13. Over 75% of the total GLA was already committed to tenants at the end of 2Q12.



Boulevard Londrina Construction Site



Boulevard Londrina Project Illustration

Passeio das Águas Shopping

The mall, located in the north region of Goiânia, the capital and most important city of State of Goiás will have 78.1 thousand sqm of GLA, with over 280 tenants, an 8-screen cinema and 4,000 parking spaces. The mall will be focused, on customers from the B and C classes. Construction of Passeio das Águas Shopping started in September 2011 with expected opening in 4Q13. The mall's construction is on schedule, with foundations already concluded. As of the end of 2Q12, 53% of the total GLA was committed to tenants at the end of 2Q12.



Passeio das Águas Construction Site

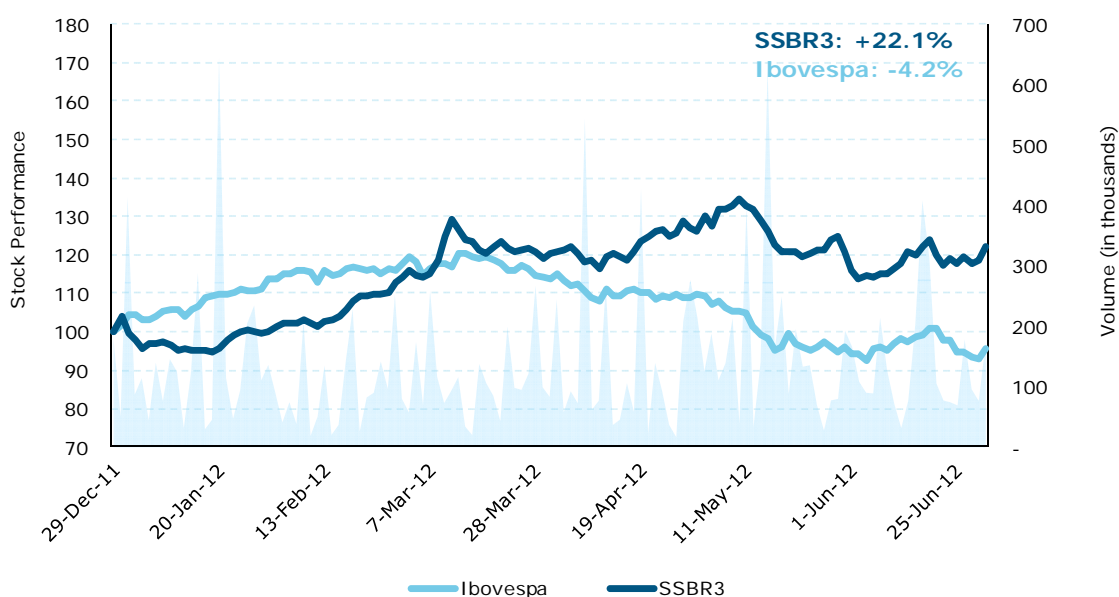


Passeio das Águas Project Illustration

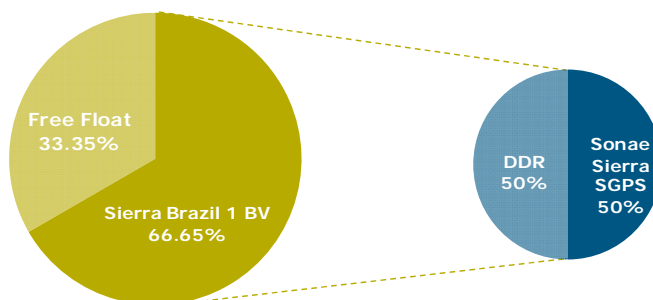
SHARE PRICE PERFORMANCE

Sonae Sierra Brasil's shares (BM&FBovespa: SSBR3) closed 2Q12 at R\$29.30, a 1.3% increase from March 31, 2012. Over the same period, the Ibovespa Index decreased by 15.7%. Year-to-date 2012, the share price increased by 22.1%, compared to a decrease of 4.2% in the Ibovespa Index for the same period.

Sonae Sierra Brasil (SSBR3) vs. IBOVESPA YTD



Ownership Breakdown



GLOSSARY

GLA (Gross Leasable Area): Equivalent to the sum total of all the areas available for leasing in the shopping malls.

BM&FBOVESPA: BM&FBovespa S.A. - Securities, Commodities and Futures Exchange.

EBITDA: Operating income before financial result + depreciation and amortization - gain from fair value of investment properties

Adjusted EBITDA: EBITDA adjusted for the effects of non-recurring expenses effect

FFO (Funds from Operations): EBITDA +/- Net financial result – current income and social contribution taxes

Adjusted FFO: FFO adjusted for the effects of non-recurring expenses.

IFRS: International Financial Reporting Standards.

IPCA: Consumer Price Index, published by the IBGE.

Anchor Store or Large Anchors: Well-known stores with special marketing and structural features that serve to attract consumers, assuring continuous visitor flows and uniform traffic in all areas of the mall.

Satellite Stores or Satellites: Small stores without special marketing or structural features located around the anchor stores and aimed at general commerce.

NOI (Net Operating Income): Gross revenue from malls (excluding service revenue) + parking revenue – mall operating expenses – provisions for doubtful accounts.

Novo Mercado: A special listing segment of the BM&FBOVESPA with special corporate governance rules determined by the Novo Mercado Regulations.

SSR (same-store rent): Relation between invoiced rent for the same tenant in the current period compared to previous period.

SSS (same-store sales): Relation between sales for the same tenant in the current period compared to the previous period.

Occupancy Rate: Ratio between leased area and total GLA of each mall at the end of each period.

APPENDICES

Consolidated Balance Sheet			
(R\$ thousand)	6/30/2012	12/31/2011	Var. %
ASSETS			
CURRENT			
Cash and cash equivalents	635,372	390,918	62.5%
Accounts receivable, net	26,637	24,690	7.9%
Taxes recoverable	15,926	16,765	-5.0%
Prepaid expenses	199	505	-60.6%
Other credits	5,114	4,971	2.9%
Total current assets	683,248	437,849	56.0%
NON-CURRENT			
Long-term receivables:			
Restricted financial investments	3,105	2,171	43.0%
Accounts receivable, net	12,082	10,815	11.7%
Loans to condominiums	284	328	-13.4%
Deferred income and social contribution taxes	256	690	-62.9%
Judicial deposits	9,945	3,729	166.7%
Other credits	833	833	0.0%
Total long-term assets	26,505	18,566	42.8%
Investments	27,522	26,157	5.2%
Investment properties	3,161,944	2,776,050	13.9%
Fixed Assets	4,749	5,972	-20.5%
Intangible Assets	2,061	1,582	30.3%
Total non-current assets	3,222,781	2,828,327	13.9%
TOTAL ASSETS	3,906,029	3,266,176	19.6%

Earnings Release

2Q12

SONAE SIERRA
BRASIL

Consolidated Balance Sheet (R\$ thousand)	6/30/2012	12/31/2011	Var. %
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Loans and financing	36,643	17,619	108.0%
Debentures	11,869	-	N/A
Domestic trade accounts payable	26,856	13,512	98.8%
Taxes payable	7,130	8,700	-18.0%
Personnel, payroll taxes, benefits, and rewards	8,796	8,396	4.8%
Key money	8,825	5,540	59.3%
Dividends payable	-	13,977	N/A
Earnings payable	4,809	24,243	-80.2%
Payables for purchase of land	43,266	25,000	73.1%
Other payables	7,168	8,343	-14.1%
Total current liabilities	155,362	125,330	24.0%
NON-CURRENT			
Loans and financing	374,718	333,272	12.4%
Debentures	293,603	-	N/A
Accounts payable - asset acquisition	38,591	-	N/A
Deferred revenue	20,784	20,486	1.5%
Deferred income and social contribution taxes	389,582	346,219	12.5%
Provision for civil, tax, labor and pension risks	10,144	10,285	-1.4%
Provisions for variable compensation	483	189	155.6%
Total non-current liabilities	1,127,905	710,451	58.8%
SHAREHOLDERS' EQUITY			
Capital stock	997,866	997,866	0.0%
Capital reserve	80,115	80,115	0.0%
Retained earnings	128,106	-	N/A
Profit reserve	854,938	865,417	-1.2%
Equity attributable to shareholders	2,061,025	1,943,398	6.1%
Advance for future capital increase	-	-	-
Equity attributable to owners of the parent company and advance for future capital increase	2,061,025	1,943,398	6.1%
Minority interests	561,737	486,997	15.3%
Total Shareholders' Equity	2,622,762	2,430,395	7.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,906,029	3,266,176	19.6%

Earnings Release

2Q12

SONAE SIERRA
BRASIL

Consolidated Income Statement						
(R\$ thousand, except earnings per share)	2Q12	2Q11	Var. %	1H12	1H11	Var. %
NET OPERATING REVENUE FROM RENT, SERVICES AND OTHER	65,269	53,196	22.7%	121,895	102,909	18.4%
COST OF RENT AND SERVICES	(11,385)	(9,647)	18.0%	(20,983)	(18,203)	15.3%
GROSS PROFIT	53,884	43,549	23.7%	100,912	84,706	19.1%
OPERATING REVENUE (EXPENSES)						
General and administrative	(5,800)	(3,174)	82.7%	(11,251)	(7,230)	55.6%
External Services	(1,851)	(1,129)	64.0%	(4,025)	(2,728)	47.5%
Provisions for doubtful accounts	(1,444)	248	N/A	(1,890)	(332)	469.3%
Other administrative expenses	(2,113)	(1,932)	9.4%	(4,505)	(3,406)	32.3%
Depreciation and amortization	(392)	(361)	8.6%	(831)	(764)	8.8%
Taxes	(198)	(308)	-35.7%	(1,056)	(563)	87.6%
Equity income	1,551	859	80.6%	2,413	2,204	9.5%
Change in fair value of investment properties	173,127	71,745	141.3%	173,127	142,832	21.2%
Other operating revenue (expenses), net	1,168	730	60.0%	729	986	-26.1%
Total operating revenue (expenses), net	169,848	69,852	143.2%	163,962	138,229	18.6%
OPERATING INCOME BEFORE FINANCIAL RESULT	223,732	113,401	97.3%	264,874	222,935	18.8%
NET FINANCIAL RESULT	(1,982)	7,791	N/A	538	7,675	-93.0%
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	221,750	121,192	83.0%	265,412	230,610	15.1%
INCOME AND SOCIAL CONTRIBUTION TAXES						
Current	(7,038)	(4,106)	71.4%	(16,884)	(7,548)	123.7%
Deferred	(42,316)	(26,269)	61.1%	(43,797)	(46,007)	-4.8%
Total	(49,354)	(30,375)	62.5%	(60,681)	(53,555)	13.3%
NET INCOME	172,396	90,817	89.8%	204,731	177,055	15.6%
INCOME ATTRIBUTABLE TO:						
Shareholders	106,060	59,161	79.3%	128,106	121,720	5.2%
Minority interests	66,336	31,656	109.6%	76,625	55,335	38.5%
EARNINGS PER SHARE	1.39	0.77	80.2%	1.68	1.71	-2.0%

Earnings Release

2Q12

SONAE SIERRA
BRASIL

Cash Flow Statement (R\$ thousand)	For the six months period ended on	
	6/30/2012	6/30/2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year	204,731	177,055
Adjustments to reconcile net income to net cash from (used in) operating activities:		
Depreciation and amortization	831	762
Residual value of fixed assets sold	55	-
Unbilled revenue from rentals	(1,463)	(1,993)
Provisions for doubtful accounts	1,890	332
Provisions (reversal of) for civil, tax, labor and pension risks	(141)	(795)
Accrual for variable compensation	875	466
Deferred income and social contribution taxes	43,797	46,007
Income and social contribution taxes	16,884	7,548
Financial charges on loans and financing	27,572	8,764
Interests, exchange rate changes on intercompany loans	-	2,516
Changes in fair value of investment property	(173,127)	(142,832)
Gain on disposal of investment property	325	-
Equity income	(2,413)	(2,204)
(Increase) decrease in operating assets:		
Accounts receivable	(3,641)	3,746
Loans to condominiums	44	(46)
Taxes recoverable	839	(4,212)
Advances to suppliers	-	183
Prepaid expenses	306	(163)
Judicial deposits	(6,216)	24
Other	(143)	3,624
Increase (decrease) in operating liabilities:		
Brazilian suppliers	(2,875)	(5,628)
Taxes payable	(10,258)	(3,490)
Salaries, wages and benefits	(181)	(228)
Technical structure	3,583	5,371
Other obligations	(1,175)	2,585
Cash provided by (used in) operating activities	100,099	97,392
Interest paid	(14,910)	(7,823)
Income and social contribution taxes paid	(8,196)	(4,889)
Net cash from (used in) operating activities	76,993	84,680
CASH FLOW FROM INVESTMENT ACTIVITIES		
Restricted investments	(934)	(768)
Acquisition or construction of investment property	(138,319)	(122,849)
Acquisition of fixed assets	(142)	(707)
Increase in intangible assets	-	(149)
Capital increase in subsidiaries and affiliates	-	-
Receipt from sales of investment properties	11,514	-
Dividends received	1,048	250
Net cash used in investment activities	(126,833)	(124,223)
CASH FLOW FROM FINANCING ACTIVITIES		
Capital increase	-	465,021
Debentures issuance	300,000	-
Debentures issuance costs	(6,707)	-
Loans and financing raised	60,361	94,972
Loans and financings paid - principal	(4,677)	(779)
Payment of accounts payable - asset sale	(8,908)	-
Earnings distributed by real estate funds - minority shareholders	(21,319)	(18,401)
Dividends paid	(24,456)	(2,939)
Share issuance costs	-	(24,164)
Related parties	-	(77,717)
Net cash from financing activities	294,294	435,993
NET INCREASE (DECREASE) IN BALANCE OF CASH AND CASH EQUIVALENTS	244,454	396,450
CASH AND CASH EQUIVALENTS		
At end of year	635,372	458,016
At beginning of year	390,918	61,566
NET INCREASE (DECREASE) IN BALANCE OF CASH AND CASH EQUIVALENTS	244,454	396,450

Earnings Release

2Q12

SONAE SIERRA
BRASIL

Pro-forma Consolidated Income Statement (considering 51% PDP)									
2Q12									
(R\$ thousand)	SSB		SSB		2Q11	Var. %	1H12	1H11	Var. %
	Consolidated (100% PDP)	49% PDP	Consolidated (51% PDP)						
NET OPERATING REVENUE FROM RENT, SERVICES AND OTHER	65,269	12,760	52,509	41,966	25.1%	97,607	80,874	20.7%	
COST OF RENT AND SERVICES	(11,385)	(1,221)	(10,164)	(8,498)	19.6%	(18,675)	(16,095)	16.0%	
GROSS PROFIT	53,884	11,539	42,345	33,468	26.5%	78,932	64,779	21.8%	
OPERATING REVENUE (EXPENSES)									
General and administrative	(5,800)	(831)	(4,969)	(2,850)	74.4%	(10,019)	(6,492)	54.3%	
External Services	(1,851)	(734)	(1,117)	(1,131)	-1.2%	(3,271)	(2,720)	20.2%	
Provisions for doubtful accounts	(1,444)	(423)	(1,021)	415	N/A	(1,453)	(66)	2117.9%	
Other administrative expenses	(2,113)	326	(2,439)	(1,775)	37.4%	(4,465)	(2,944)	51.6%	
Depreciation and amortization	(392)	(0)	(392)	(359)	9.2%	(831)	(762)	9.0%	
Taxes	(198)	(27)	(171)	(280)	-39.0%	(1,009)	(525)	92.1%	
Equity income	1,551	0	1,551	859	80.6%	2,413	2,204	9.5%	
Change in fair value of investment properties	173,127	55,465	117,662	50,137	134.7%	117,662	107,207	9.8%	
Other operating revenue (expenses), net	1,168	(7)	1,175	641	83.2%	693	867	-20.0%	
Total operating revenue (expenses), net	169,848	54,600	115,248	48,507	138%	109,740	103,261	6.3%	
OPERATING INCOME BEFORE FINANCIAL RESULT	223,732	66,139	157,593	81,975	92.2%	188,673	168,039	12.3%	
NET FINANCIAL RESULT	(1,982)	196	(2,178)	7,560	N/A	114	7,236	-98.4%	
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	221,750	66,335	155,415	89,535	73.6%	188,787	175,275	7.7%	
INCOME AND SOCIAL CONTRIBUTION TAXES									
Current	(7,038)	0	(7,038)	(4,106)	71.4%	(16,884)	(7,548)	123.7%	
Deferred	(42,316)	(0)	(42,316)	(26,269)	61.1%	(43,797)	(46,007)	-4.8%	
Total	(49,354)	0	(49,354)	(30,376)	62.5%	(60,680)	(53,556)	13.3%	
NET INCOME	172,396	66,335	106,061	59,160	79.3%	128,106	121,720	5.2%	