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US$150,000,000

General Shopping Investments Limited

(*Incorporated in the Cayman Islands*)

12.000% Perpetual Subordinated Fixed to Floating Rate Notes with Interest Deferral Option

Unconditionally Guaranteed on a Subordinated Basis by

General Shopping Brasil S.A.

(*Incorporated in the Federative Republic of Brazil*)

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and certain of its Subsidiaries

General Shopping Investments Limited ("GS Investments" or the "Issuer") is offering US$150.0 million aggregate principal amount of its 12.000% perpetual subordinated fixed to floating rate notes with interest deferral option (the "notes"). The notes will initially be sold to investors at a price equal to 100% of the principal amount thereof, plus accrued interest, if any from March 20, 2012.

The notes will bear interest from and including March 20, 2012 to but excluding March 20, 2017 (the "First Fixed Period Date") at a rate of 12.000% per annum, payable semi-annually in arrears on March 20 and September 20 of each year, commencing on September 20, 2012. From the First Fixed Period Date, unless previously redeemed, to but excluding March 20, 2022 (the "Second Fixed Period Date"), the notes will bear interest at a rate equivalent to the then prevailing 5-year U.S. Treasury Rate plus the Initial Fixed Rate Credit Spread (as defined in "Description of the Notes—Definitions"), payable semi-annually in arrears on March 20 and September 20 on each year. From the Second Fixed Period Date, the notes will bear interest at a rate equivalent to the 3-month USD LIBOR plus the Initial Floating Rate Credit Spread (as defined in "Description of the Notes—Definitions"), plus 1.0%, scheduled to be paid quarterly in arrears on March 20, June 20, September 20 and December 20 of each year.

Interest otherwise due on the notes on any Interest Payment Date (as defined in "Description of the Notes") may be deferred by the Issuer indefinitely, subject to certain provisions. There is no limit to the amount of interest that may be deferred and, subject to certain provisions, no requirement that deferred interest be paid at any time prior to any redemption or repayment of the notes. For a description of certain restrictions on the Issuer's ability to defer interest payments, see "Description of the Notes—Covenants—Deferred Interest Payments). Deferred interest amounts will accumulate and will bear interest at 1.0% above the applicable per annum interest rates set forth above. The interest rate on the notes may be increased upon certain change of control events if the Issuer does not make an offer to repurchase the notes.

The notes will be perpetual notes with no fixed final maturity date and will not be subject to any mandatory redemption provisions. The notes will be repaid only in the event that the Issuer redeems or repurchases the notes. The notes may, at the option of the Issuer, be redeemed, in whole or in part, on the First Fixed Period Date, the Second Fixed Period Date and any Interest Payment Date thereafter, in whole or in part, at par, together with all accrued and unpaid interest, including deferred interest and interest thereon, and additional amounts, if any. In the case of any partial redemption pursuant to the preceding sentence, at least US$100.0 million in aggregate principal amount of the notes must remain outstanding. The notes may also be redeemed, in whole but not in part, (i) if the aggregate principal amount of the notes outstanding is less than 10% of the aggregate principal amount on the Closing Date (as defined in "Description of the Notes") plus the principal amount of any additional notes, if any, that may be issued under the Indenture (as defined in "Description of the Notes") after the Closing Date; (ii) at 101% of their principal amount, plus accrued and unpaid interest, at any time upon (a) an Accounting Triggering Event (as defined in "Description of the Notes") or (b) the occurrence of specified events relating to the tax laws of Brazil or the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed) as set forth in this offering memorandum that result in the Issuer or the Company (as defined below) not being entitled to a tax deduction for interest payments on the notes; and (iii) at 100% of their principal amount, plus accrued and unpaid interest, at any time upon the occurrence of (a) a Rating Event, (as defined in "Description of the Notes ") or (b) specified events relating to withholding taxes in Brazil or Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed, as described in this offering memorandum). See "Description of the Notes—Optional Redemption and Repurchase."

General Shopping Brasil S.A. ("General Shopping" or the "Company") and certain of its subsidiaries will guarantee the notes on a subordinated basis. The notes are the Issuer's and the guarantors' (as defined below) direct, unsecured obligations, ranking *pari passu* among themselves, junior in right of payment to the payment of all the Issuer's or the guarantors' senior indebtedness, and senior in right of payment to the payment of all of the Issuer's or the guarantors' junior liabilities.

There is currently no public market for the notes. Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to admit the notes for trading on the Euro MTF market, the alternative market of the Luxembourg Stock Exchange.

Investing in the notes involves risks that are described in "Risk Factors" beginning on page 18 of this offering memorandum.

Price of the notes: 100% of the principal amount thereof, plus accrued interest, if any from March 20, 2012.

The notes and the guarantees have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and are being offered only to qualified institutional buyers, as defined in Rule 144A under the Securities Act, and outside the United States ("Rule 144A") in compliance with Regulation S under the Securities Act ("Regulation S"). For more information about restrictions on transfer of the notes, see "Notice to Investors."

The notes have been delivered to purchasers in book-entry form through The Depository Trust Company ("DTC"), and its direct and indirect participants, including Clearstream Banking, S.A. Luxembourg and Euroclear Bank S.A./N.V., as operator of the Euroclear System, on March 20, 2012.

BofA Merrill Lynch

Goldman, Sachs & Co.

The date of this offering memorandum is May 11, 2012.

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You should rely only on the information contained in this offering memorandum. Neither we nor the initial purchasers have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the initial purchasers are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. This document may only be used where it is legal to sell the notes. You should assume that the information appearing in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

We are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing the notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under "Notice to Investors" in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the notes and may only be used for the purposes for which it has been published. We and the initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the notes offered by this offering memorandum.

We confirm that, after having made all reasonable inquiries, the information contained in this offering memorandum about us is true and accurate in all material respects and that there are no omissions of any other facts from this offering memorandum which, by their absence herefrom, make this offering memorandum misleading in any material respect. We accept responsibility accordingly. This offering memorandum summarizes certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of us and the Company and the terms of the offering and the notes, including the merits and risks involved.

We are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

Application has been made to admit the notes for listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market. This offering memorandum is the prospectus for admission to the Luxembourg Stock Exchange. The Luxembourg Stock Exchange takes no responsibility for the contents of this offering memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering memorandum.

Neither the U.S. Securities and Exchange Commission (the "Commission"), nor any state securities commission has approved or disapproved the notes or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO RESIDENTS OF BRAZIL

THE OFFERING WILL NOT BE CARRIED OUT BY ANY MEANS THAT WOULD CONSTITUTE A PUBLIC OFFERING IN BRAZIL UNDER LAW No. 6,385, OF DECEMBER 7, 1976, AS AMENDED, AND UNDER CVM RULE (INSTRUÇÃO) No. 400, OF DECEMBER 29, 2003, AS AMENDED. THE ISSUANCE, PLACEMENT AND SALE OF THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (COMISSÃO DE VALORES MOBILIÁRIOS) ("CVM"). ANY REPRESENTATION TO THE CONTRARY IS UNTRUTHFUL AND UNLAWFUL. ANY PUBLIC OFFERING OR DISTRIBUTION, AS DEFINED UNDER BRAZILIAN LAWS AND REGULATIONS, OF THE NOTES IS NOT LEGAL WITHOUT SUCH PRIOR REGISTRATION. DOCUMENTS RELATING TO THE OFFERING OF THE NOTES, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN BRAZIL, AS THE OFFERING OF THE NOTES IS NOT A PUBLIC OFFERING OF SECURITIES IN BRAZIL, NOR MAY THEY BE USED IN

CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF THE NOTES TO THE PUBLIC IN BRAZIL.

NOTICE TO MEMBERS OF THE PUBLIC OF THE CAYMAN ISLANDS

SECTION 175 OF THE COMPANIES LAW (2011 REVISION) OF THE CAYMAN ISLANDS PROVIDES THAT AN EXEMPTED COMPANY (SUCH AS THE ISSUER) THAT IS NOT LISTED ON THE CAYMAN ISLANDS STOCK EXCHANGE IS PROHIBITED FROM MAKING ANY INVITATIONS TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR ANY OF ITS NOTES UNLESS THE ISSUER IS LISTED ON THE CAYMAN ISLANDS STOCK EXCHANGE.

The notes may not be offered or sold, directly or indirectly, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof.

FORWARD-LOOKING STATEMENTS

The statements included in this offering memorandum regarding our plans, forecasts, expectations of future events, strategies, projections and financial trends affecting our business, as well as statements regarding other information, mainly under the headings "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" contain forward-looking statements that involve risks and uncertainties and, therefore, do not constitute a guarantee of any future results.

Many important factors, in addition to those discussed elsewhere in this offering memorandum, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among other factors:

- general economic, political and business conditions in Brazil and particularly in the geographic markets we serve;
- inflation, currency fluctuations and fluctuations in prevailing interest rates;
- changes in customer demand and preferences, as well as the financial condition of our tenants and customers;
- competition in the shopping center industry in Brazil as a whole and particularly in our areas of operations;
- our ability to implement our business plan, including our ability to secure financing on terms acceptable to us;
- changes in the retail market in Brazil;
- existing and future laws and government regulations applicable to our business;
- increases in our costs;
- our level of indebtedness and other financial obligations;
- interests of and actions taken by, our controlling shareholders;
- our ability to integrate businesses or assets we acquire into our existing business;
- events of *force majeure*; and
- the risk factors discussed under the heading "Risk Factors."

The words "believe," "anticipate," "expect," "estimate," "should," "plan," "can," "may," "intend," "foresee" and "project," among other similar words, are intended to identify forward-looking statements. Forward-looking statements consist of only our current expectations and are based on our management's beliefs and assumptions and on information currently available to our management. They involve uncertainties, risks and assumptions, since these statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update publicly or to revise any forward-looking statements after we distribute this offering memorandum. In light of the risks and uncertainties described above and elsewhere in this offering memorandum, the forward-looking events and circumstances discussed herein might not occur and are not guarantees of future performance and actual results may differ materially from those expressed or implied in the forward-looking statements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

General Shopping

We maintain our books and records in *reais*. We prepared our consolidated financial statements as of and for the years ended December 31, 2011, 2010 and 2009 in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board - IASB and accounting practices adopted in Brazil ("Brazilian GAAP"). The individual financial statements of the Company have been prepared in accordance with Brazilian GAAP. Brazilian GAAP is comprised of the Brazilian Corporate Law and the pronouncements, instructions and interpretations issued by the Accounting Pronouncement Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM"). In the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRS, which requires that these investments be stated at fair value or cost in the Company's individual financial statements. IFRS and Brazilian GAAP differ in certain significant respects from accounting principles generally accepted in the United States ("U.S. GAAP").

Our individual and consolidated financial statements as of and for the years ended December 31, 2011 and 2010, which were audited by Deloitte Touche Tohmatsu Auditores Independentes, both in accordance with Brazilian and international standards on auditing and prepared in accordance with Brazilian GAAP and IFRS, are included elsewhere in this offering memorandum. The audit report with respect thereto includes explanatory paragraphs relating to the fact that the Company is taking measures to complete the registration of certain title deeds for certain acquired properties in the appropriate Real Estate Registry Offices, as mentioned in note 10 to the financial statements and based on the fact, as mentioned in note 2, that in the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRS, which requires that these investments be stated at fair value or cost in the Company's individual financial statements.

Our consolidated financial statements for the years ended December 31, 2010 and 2009 were the first financial statements to be presented by us in conformity with IFRS. The Company applied the accounting policies set out in note 2 to the financial statements to all periods presented, which includes the balance sheet as of the transition date, which is January 1, 2009. For the measurement of the adjustments of the opening balances and in preparing the balance sheet as at the transition date, the Company applied the mandatory exceptions and certain optional exemptions to the retrospective application prescribed by IFRS 1 and CPC 37(R1), First-time Adoption of International Financial Reporting Standards.

Our individual and consolidated financial statements as of and for the years ended December 31, 2010 and 2009, which were audited by Deloitte Touche Tohmatsu Auditores Independentes, in accordance with Brazilian and international standards on auditing and prepared in accordance with Brazilian GAAP and IFRS, are included elsewhere in this offering memorandum. The audit report with respect thereto includes explanatory paragraphs relating to the fact that the Company is taking measures to complete the registration of certain title deeds for certain acquired properties in the appropriate Real Estate Registry Offices, as mentioned in note 11 to the financial statements and based on the fact, as mentioned in note 2, that in the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRS, which requires that these investments be stated at fair value or cost in the Company's individual financial statements.

The financial statements of our subsidiaries are consolidated in our consolidated financial statements in accordance with IFRS, as follows: (i) for those subsidiaries over which we exercise shared control, the consolidation is proportional to our equity interest in the relevant subsidiary; and (ii) for those subsidiaries over which we exercise full control, the consolidation is made in full, and the participation, if any, of the minority shareholders of such subsidiaries in the subsidiaries' net assets and results of operations is presented as a separate line item on our consolidated balance sheet and consolidated statement of income.

GS Investments

GS Investments, the issuer of the notes, is an exempted company incorporated with limited liability in the Cayman Islands and a wholly-owned subsidiary of General Shopping. The purpose of GS Investments is to engage in transactions related to the offering of the notes as well as other financing transactions involving General Shopping or its subsidiaries. Prior to the issuance of the notes, GS Investments had not been engaged in any business activity. Also, since the date of incorporation, no financial statements of GS Investments have been prepared. GS Investments is not required by Cayman Islands law, and does not intend, to publish audited financial statements or make any such statements available to the trustee or holders of the notes or appoint any auditors.

Rounding

Some of the percentages and other amounts included in this offering memorandum were rounded for ease of presentation. For this reason, some of the totals in the tables presented may not be the exact sum total of the amounts that precede them.

Currency Information

All references in this offering memorandum to "*real*," "*reais*" or "R$" are to the legal currency of Brazil and all references to "U.S. dollar," "U.S. dollars" or "US$" are to the legal currency of the United States.

EBITDA and Adjusted EBITDA

EBITDA is net income (loss), before income taxes and social contribution, financial expenses, net and depreciation and amortization. Adjusted EBITDA is net income (loss), before income taxes and social contribution, financial expenses, net, depreciation and amortization and expenses identified by our management as being related to uncompleted securities offerings, gain on sale of property and other non-recurring expenses. EBITDA and Adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP, IFRS or U.S. GAAP, nor should they be considered as alternatives to net income as a measure of operating performance, or as alternatives to operating cash flows, or as a measure of liquidity. EBITDA and Adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or Adjusted EBITDA or similarly titled measures used by other companies. As financial results, income taxes and social contribution, depreciation and amortization are not considered for calculation of EBITDA and Adjusted EBITDA, we believe that our EBITDA and Adjusted EBITDA provides an indication of our general economic performance, which is not affected by interest rate fluctuations, changes in income tax rates and social contribution, or depreciation and amortization. As a result, we believe EBITDA and Adjusted EBITDA are important tools to periodically compare our operating performance and also to form a basis to assist management in making certain administrative decisions. See "Summary—Summary Financial Data" for a reconciliation of our EBITDA and Adjusted EBITDA to our net income (loss) for the periods presented. For discussion of our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Market Share and Other Information

We include certain statements in this offering memorandum about our market share in the shopping center industry in Brazil, our competitors and the size of the Brazilian real estate and shopping center industry. We made these statements on the basis of information obtained from sources that we believe are reliable, such as the Brazilian Association of Shopping Centers (*Associação Brasileira de Shopping Centers*) ("ABRASCE"), the International Council of Shopping Centers ("ICSC"), IBOPE Inteligência, among others. Unless stated otherwise, all the macro-economic information included in this offering memorandum was obtained from the Central Bank, the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*) ("IBGE"), and the Getulio Vargas Foundation (*Fundação Getulio Vargas*) ("FGV"). Although we have no reason to believe that any of this information is inaccurate in any material respect, neither we nor the initial purchasers have independently verified this information.

Exchange Rates

We have translated some of the *real* amounts contained in this offering memorandum into U.S. dollars. The rate used to translate these amounts as of and for the year ended December 31, 2011 was R$1.8758 to US$1.00, which was the commercial selling rate in effect as of December 31, 2011, as reported by the Central Bank. This information is presented solely for the convenience of the reader and is not in accordance with generally accepted accounting principles. You should not interpret the currency translations in this prospectus as a representation that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such translations as a representation that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. On March 13, 2012, the exchange rate was R$1.810 to US$1.00, as reported by the Central Bank on its electronic system SISBACEN, using transaction PTAX 800, option 5. See "Exchange Rate Information" for more information regarding the rates of exchange of *reais* into U.S. dollars.

Certain Definitions

In this offering memorandum, unless otherwise indicated or the context otherwise requires, references to "GS Investments" refer to General Shopping Investments Limited, the issuer of the notes, and references to "General Shopping," "General Shopping Brasil S.A.," "we," "us" or the "Company" refer to General Shopping Brasil S.A. and its consolidated subsidiaries, except where the context requires otherwise. We refer to:

(i) Ast Administradora e Incorporadora Ltda. as "Ast,"

(ii) BOT Administradora e Incorporadora Ltda. as "BOT,"

(iii) BR Outlet Administradora e Incorporadora Ltda. as "BR Outlet,"

(iv) Brassul Shopping Administradora e Incorporadora Ltda. as "Brassul,"

(v) Bud Administradora e Incorporadora Ltda. as "Bud,"

(vi) Cly Administradora e Incorporadora Ltda. as "Cly,"

(vii) Delta Shopping Empreendimentos Imobiliários Ltda. as "Delta,"

(viii) ERS Administradora e Incorporadora Ltda. as "ERS"

(ix) FLK Administradora e Incorporadora Ltda. as "FLK,"

(x) Intesp Shopping Administradora e Incorporadora Ltda. as "Intesp,"

(xi) I Park Estacionamentos Ltda. as "I Park,"

(xii) Levian Participações e Empreendimentos Ltda. as "Levian,"

(xiii) Lumen Shopping Administradora e Incorporadora Ltda. as "Lumen,"

(xiv) Lux Shopping Administradora e Incorporadora Ltda. as "Lux,"

(xv) MAI Administradora e Incorporadora Ltda. as "MAI,"

(xvi) Manzanza Consultoria e Administração de Shopping Centers Ltda. as "Manzanza,"

(xvii) POL Administradora e Incorporadora Ltda. as "POL,"

(xviii) Poli Shopping Center Empreendimentos Ltda. as "Poli Empreendimentos,"

(xixi) PP Administradora e Incorporadora Ltda. as "PP,"

(xx) Premium Outlet Administradora e Incorporadora Ltda. as "Premium Outlet,"

(xxi) Sale Empreendimentos e Participações Ltda. as “Sale,”

(xxii) Securis Administradora e Incorporadora Ltda. as “Securis,”

(xxiii) Send Empreendimentos e Participações Ltda. as “Send,”

(xxiv) Sulishopping Empreendimentos Ltda. as “Sulishopping,”

(xxv) Uniplaza Empreendimentos, Participações e Administração de Centros de Compra Ltda. as “Uniplaza,”

(xxvi) Vide Serviços e Participações Ltda. as “Vide,”

(xxvii) Vul Administradora e Incorporadora Ltda. as “Vul,” and

(xxviii) Zuz Administradora e Incorporadora Ltda. as “ZUZ” and collectively, we refer to these entities as the “Subsidiary Guarantors.” We refer to the Company and the Subsidiary Guarantors, collectively, as the “Guarantors.” The registered address of the Subisidary Guarantors is Av. Angélica, 2466 - 25º andar, São Paulo - SP CEP: 01228-200. General Shopping Brasil S.A. owns, directly or indirectly, 100% of the capital stock of each Subsidiary Guarantor.

We refer to:

(i) ABK do Brasil - Empreendimentos e Participações Ltda. as “ABK,”

(ii) Atlas Participações Ltda. as “Atlas,”

(iii) Bac Administradora e Incorporadora Ltda. as “Bac,”

(iv) Energy Comércio e Serviços de Energia Ltda. as “Energy,”

(v) Fundo de Investimento Imobiliário – FII Top Center as “FII Top Center,”

(vi) Fonte Administradora e Incorporadora Ltda. as “Fonte,”

(vii) General Shopping Brasil Administração e Serviços Ltda. as “GSB Adm.,”

(viii) General Shopping Finance Limited as “GS Finance,”

(ix) GS Finance II Limited as “GS Finance II,”

(x) Internacional Guarulhos Auto Shopping Center Ltda. as “ASG Adm.,”

(xi) Jud Administradora e Incorporadora Ltda. as “Jud,”

(xii) Nova União Administradora e Incorporadora S.A. as “Nova União,”

(xiii) Park Shopping Administradora e Incorporadora Ltda. as “Park Shopping Administradora,”

(xiv) Paulis Shopping Administradora e Incorporadora Ltda. as “Paulis,” and

(xv) Wass Comércio e Serviços de Águas Ltda. as “Wass” and collectively, we refer to these entities as the “Non-Guarantor Subsidiaries.”

The term “Brazil” refers to the Federative Republic of Brazil (*República Federativa do Brasil*), and the term “Mercosur” refers to Brazil, Argentina, Uruguay and Paraguay. The term “Brazilian government” refers to the federal government of Brazil. The term “Central Bank” refers to the Central Bank of Brazil (*Banco Central do Brasil*).

Unless otherwise indicated, all references in this offering memorandum to:

- "lower-income group" corresponds to households that have monthly income of R$751 to R$1,199;
- "middle-income group" corresponds to households that have monthly income of R$1,200 to R$6,744; and
- "higher-income group" corresponds to households that have monthly income of R$6,745 and above.

We refer to the US$200 million guaranteed perpetual bonds issued by GS Finance on November 9, 2010 as the "initial bonds." We refer to the US$50 million guaranteed perpetual bonds issued by GS Finance Limited under the same indenture on April 22, 2011 as the "subsequent bonds." The initial bonds and the subsequent bonds are together referred to as the "perpetual bonds."

SUMMARY

This summary highlights selected information about us. It does not contain all of the information that you should consider before purchasing the notes. Before purchasing the notes, you should read this entire offering memorandum carefully, including the information contained in "Presentation of Financial and Other Information," "Selected Financial Information," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as our financial statements and the notes related thereto, for a more complete understanding of our business and the terms of the notes.

Overview

We believe we are a leading participant in the shopping center industry in Brazil, and own all or part of 14 operating shopping centers. As of the date of this offering memorandum, these shopping centers had an aggregate of 485,221 square meters of gross constructed area (*área bruta construída*), 262,819 square meters of gross leasable area (*área bruta locável*) and approximately 1,582 stores. Our ownership interest in such shopping centers represents 210,868 square meters of gross leasable area. Between the years ended December 31, 2009 and 2010 and December 31, 2010 and 2011, our net revenues increased 15.5% and 18.2%, respectively.

We also lease and manage our shopping centers, provide parking management services and oversee the management of the supply of energy and water to the shopping centers we own and operate. We actively participate in the site search, planning, development and construction of shopping centers.

Our shopping centers are strategically located in the south and southeast areas of Brazil, which accounted for approximately 71.8% of gross domestic product ("GDP") and 73.4% of retail sales in Brazil in 2009, according to the IBGE. In addition, we believe nine of our shopping centers are located in markets that are among the top 15 contributors to Brazilian GDP. We believe, in terms of gross leasable area, our shopping center Internacional Shopping Guarulhos is the largest shopping center in the São Paulo metropolitan area and the eighth-largest in Brazil.

We launched our shopping center activities in 1989, with the opening of Poli Shopping in the city of Guarulhos. Since 2006, we have expanded our business through the development of new "greenfield" shopping centers (shopping centers that we develop), the acquisition of ownership interests in existing shopping centers and the expansion and remodeling of certain shopping centers we own.

The table below sets forth the main operating information of our shopping centers:

Shopping Center:	State	Year initially launched/ acquired	Ownership interest (%)	Total gross leasable area (m^2)	Our gross leasable area (m^2)	Number of stores[(1)]
Poli Shopping	São Paulo	1989	50.00	4,527	2,264	52
Internacional Shopping Guarulhos	São Paulo	1998	100.00	75,958	75,958	292
Auto Shopping	São Paulo	2006	100.00	11,477	11,477	80
Santana Parque Shopping	São Paulo	2007	50.00	26,538	13,269	176
Shopping Light	São Paulo	2007	70.00	14,140	9,898	134
Suzano Shopping	São Paulo	2007	100.00	19,583	19,583	174
Cascavel JL Shopping	Paraná	2007	85.50	8,877	7,590	80
Top Center Shopping São Paulo	São Paulo	2007	100.00	6,369	6,369	67
Prudente Parque Shopping	São Paulo	2007	100.00	10,276	10,276	56
Poli Shopping Osasco	São Paulo	2007	100.00	3,218	3,218	19
Shopping do Vale	R.G. do Sul	2007	84.39	16,487	13,913	94
Unimart Shopping Campinas	São Paulo	2008	100.00	10,233	10,233	91
Outlet Premium São Paulo	São Paulo	2009	50.00	17,716	8,858	90
Parque Shopping Barueri	São Paulo	2011	48.00	37,420	17,962	177
Total				**262,819**	**210,868**	**1,582**

(1) Includes all stores located within each shopping center.

The table below sets forth the main operational information regarding our greenfield projects:

Greenfields:	Ownership interest (%)	Year launched/ acquired	Project opening[1]	Total gross leasable area (m^2)[1]	Our gross leasable area (m^2)[1]	Number of stores[1][2]
Outlet Premium Brasília	100.00%	2010	2012	16,479	16,479	82
Convention Center[3]	100.00%	2006	2013	25,730	25,730	—
Parque Shopping Sulacap	51.00%	2007	2013	29,932	15,265	165
Parque Shopping Maia	96.50%	2011	2014	26,700	25,766	162
Unimart Shopping Atibaia	100.00%	2011	2014	16,245	16,245	152
Total	N/A	N/A	N/A	**115,086**	**99,485**	**561**

(1) Based on our estimates, which are subject to changes.
(2) Includes all stores that are expected to be located within each shopping center's total gross leasable area.
(3) We are currently negotiating agreements for the development of the Convention Center. See "Business—Projects Under Development, Expansion or Construction— Development of mixed-use projects."

The table below sets forth certain highlights of our consolidated financial and operating information for the periods indicated:

	Year ended December 31,			
(in thousands, except percentages)	2009	2010	2011	2011[1]
	R$	R$	R$	US$
Financial Information:				
Rentals[2]	87,965	99,303	115,331	61,484
Services[3]	23,855	27,423	31,827	16,967
Total gross revenue[4]	111,820	126,726	147,158	78,451
Net revenue	100,557	116,159	137,341	73,217
Net income (loss)	24,423	(11,355)	(38,001)	(20,259)
Current loans and financing	62,070	25,856	12,782	6,814
Non-current loans and financing	6,695	321,915	459,816	245,131
Related party current loans and financing	18,128	14,848	13,949	7,436
Current real estate credit certificates	18,447	99,500	18,111	9,655
Non-current real estate credit certificates	234,602	221,423	199,826	106,528
Other financial information:				
EBITDA[5]	72,366	81,714	97,948	52,216
Adjusted EBITDA[5]	73,625	81,761	98,638	52,584
Total debt[6]	321,814	668,694	690,535	368,128
Net debt[7]	298,873	324,039	478,228	254,946
Adjusted EBITDA margin[8]	73.2%	70.4%	71.8%	71.8%
Other operating information:				
Gross leasable area shopping centers (m^2)[9][10]	225,399	225,399	262,819	N/A
Our gross leasable area (m^2)[10]	186,557	190,100	210,868	N/A

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.
(2) Includes revenue derived from rent, assignment of mall use rights and merchandising.
(3) Includes revenue derived from the management of shopping centers, management of parking lots, energy supply to shopping centers and water supply to shopping centers.
(4) Total gross revenue from rentals and and total gross revenue from services before taxes, discounts and rebates.
(5) See "Summary Financial Data" and "Selected Financial Information" for a reconciliation of our EBITDA and Adjusted EBITDA to our net income (loss) for the periods presented. For a discussion of our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."
(6) Total of current and non-current loans and financings and current and non-current real estate credit notes.
(7) Total debt minus cash and cash equivalents and restricted cash.
(8) Adjusted EBITDA divided by net revenue.
(9) Reflects the total gross leasable area of each shopping center in which we hold an ownership interest (and, consequently, does not reflect our ownership interest in each shopping center), excluding our greenfield developments.
(10) Reflects gross leasable area at the end of the period.

Between 2006 and 2010, Brazil's GDP has experienced average annual growth of 4.4%, which has contributed to declining interest rates and to increased disposable income and credit availability, especially among the lower-income and middle-income groups, according to IBGE. The shopping center industry in Brazil has benefited from these positive macroeconomic factors, reflected in the compound annual growth rate for nominal revenues of 13.8% from 2005 to 2010, according to ABRASCE. We believe that the Brazilian shopping center industry will further benefit from strong growth due to the low availability of per capita gross leasable area and a relatively low percentage of total retail sales at shopping centers as compared to other countries. In Brazil, for example, shopping centers sales represented only 18% of total retail sales (excluding automobiles) in 2010, according to ABRASCE, while in the United States and France they represent 56% and 25%, respectively, according to ICSC.

Our Competitive Strengths

We believe that our main competitive strengths are the following:

Strong cash generation and Adjusted EBITDA margins. We have achieved sustained growth in revenue and cash generation over the last few years. Our net operating revenues for the year ended December 31, 2011 compared to our net operating revenues for the year ended December 31, 2010 increased 18.2%. Our Adjusted EBITDA margin was 71.8% for the year ended December 31, 2011. We believe our strong Adjusted EBITDA margin benefits from our offering of complementary services, our in-depth knowledge of the retail sector, which results in better performance of sales in our shopping centers, and our ability to attract the right tenant mix, which we believe results in higher sustainable occupancy rates and reduced long-term vacancy rates. For a reconciliation of EBITDA and Adjusted EBITDA to net income (loss), see "Summary Financial Information—Other Financial Data."

Majority ownership interests with operating control of our properties. We own a stake of at least 50% in each of our shopping centers (except for Parque Shopping Barueri, of which we own 48% and have a right of first refusal to increase our interest to 52%), a characteristic that we believe sets us apart from our competitors. As a result, we exercise operating and management control of our shopping centers and are able to set policies and strategies, including: (i) remodeling the shopping centers; (ii) expanding our existing shopping centers; (iii) revamping the tenant mix; (iv) providing complementary services; and (v) establishing partnerships.

Large offering of complementary services. Our gross operating revenues from complementary services offered to our shopping centers was R$31.8 million in 2011. We believe that we have developed extensive know-how and expertise in leasing and managing shopping centers, as well as in managing parking lots and energy and water supply to our shopping centers. Revenues from certain complementary services, including management of energy and water supply, are less likely to be affected by changes in sales volume at our shopping centers, which is our primary source of revenue. By providing complementary services, we diversify our revenue sources and create a stable revenue stream while strengthening our operational capabilities. In addition, these complementary services provide attractive margins because the associated costs are relatively small. We currently offer some of our complementary services for all our shopping centers and intend to expand the complementary services we offer.

Diversified portfolio composed of high-quality assets serving mid to low income groups. Our portfolio is diversified and balanced both by targeted income group and type of development. We have a diversified customer base, as our shopping centers serve the middle and lower income groups in Brazil, which we believe are the income groups in which consumption will grow fastest. In addition, our portfolio of operating shopping centers is diversified by type of development, being comprised of two regional shopping centers, nine neighborhood shopping centers, one open mall, one thematic shopping center and one outlet center. We believe that this portfolio of assets allows us to mitigate the risks inherent to our business because we are able to follow key growth trends in our areas of operation. Our properties are strategically located in regions with strong growth trends, including dense population, rapid income growth and expansion of economic activity, all of which we believe create a high potential for retail sales per square meter. In particular, our properties are well-located throughout the São Paulo metropolitan area and the state of São Paulo, the most important market in Brazil. In the state of São Paulo, we believe we are one of the largest shopping center company in terms of gross leasable area and in number of shopping centers owned. We believe these factors give us a competitive advantage in our primary areas of operation by making us an attractive option for Brazil's main retailers. The diversity and quality of our portfolio helps minimize fluctuations in our revenue and allows us to benefit from the growing purchasing power of many of the income groups of the

populations we serve. Finally, our 10 largest tenants represented collectively less than 10% of our revenue in 2011, which reduces our exposure to any specific retailer.

Successful track record in pursuing accretive acquisitions. The shopping center industry in Brazil continues to be fragmented, with smaller operators facing challenges to continue growing successfully. We believe that our history of successful acquisitions positions us well to take advantage of potential acquisition opportunities. We focus exclusively on properties and operators that present a value-creating proposition, including attractive internal rates of return, potential for operational improvement and competitive pricing. We follow strict guidelines when conducting our acquisitions by contracting industry researchers to conduct in-depth surveys of our targets' retail demand and perform follow-up surveys with the store owners to validate the results. We also compile detailed and conservative financial projections of the targets, analyzing changes in tenant mix, the viability of future expansions, and opportunities to provide complementary services. Finally, we evaluate opportunities in the context of potential synergies they provide for our existing properties. For example, in the third quarter of 2007, after thorough analysis, we acquired Suzano Shopping, which is located next to Suzano's largest hypermarket, with no other shopping center in the city. We have reorganized the tenant mix and added anchor stores to create more value per square meter, completed an expansion of more-than-6,000 square meters and have been offering complementary services since the fourth quarter of 2008. In addition, after acquiring Top Center Shopping São Paulo in the first quarter of 2008, we reorganized the mall lay-out and changed the tenant mix, which helped increase revenue from rentals by 80% after the shopping center was re-launched in the second quarter of 2009.

Successful track record with greenfield projects. We believe we have established a successful track record in developing greenfield projects. We have learned to optimize the development of new shopping centers by minimizing related costs. For example, before we break ground, we enter into arrangements with one or more anchor tenants to minimize the risk that the project is not successful. In addition, we enter into fixed price construction contracts to ensure that we minimize our exposure to cost overruns and other variables. This approach was key to our successful developments of Santana Parque Shopping, of which we had rented over 97% of its gross leasable area by the time it opened in October 2007, and of Parque Shopping Barueri, which opened in November 2011 with 95% of its gross leasable area rented upon opening. In the development of our current greenfield projects, including Parque Shopping Sulacap, we have leased 65% of the gross leasable area more than one year before the shopping center's expected opening in 2013. In addition, we expect to open Outlet Premium Brasília in the second quarter of 2012, of which we have already leased 85% of gross leasable area.

Close relationships with our tenants and valuable retail intelligence. We have a close relationship with an extensive and diversified base of anchor tenants and satellite store owners. We assist our tenants in improving their business model by using the retail intelligence we gained over the course of our experience in operating shopping centers, in conjunction with the market research we conduct, to help our store owners evaluate the expected sales of the market by region and by type of activity. As a result, we believe our store owners are able to achieve better results, which may lead to more profitable operations for our shopping centers. The value of this close relationship has been recognized by awards we received annually since 2007 from the Brazilian Association of Shopping Center Store Owners (*Associação Brasileira de Lojistas de Shopping Centers*). We believe the close relationship we develop with our store owners is an important factor in the success of their operations and gives us credibility in attracting and maintaining other retailers to our shopping centers.

Our Strategy

Our business strategy is based on maintaining a solid financial position, and growing steadily by developing greenfields projects, consolidating, expanding, renovating, and innovating.

Expansion of our current shopping centers. We intend to continue expanding and remodeling our shopping centers in order to create the optimal tenant mix and create economies of scale and operating efficiency. We believe that this will result in an increase in our revenues with minimal increased costs to manage our properties. For example, we are currently expanding Poli Shopping by 4,400 square meters of gross leasable area and Cascavel JL Shopping by 2,953 square meters of our gross leasable area. We believe this organic expansion will lead to economies of scale, maximizing our lease revenues while improving the profitability of our assets.

Prospecting, planning and developing greenfield shopping centers. We intend to take advantage of growth opportunities in the Brazilian shopping center industry by developing new shopping centers. We have

expanded significantly in recent years and believe our management has the experience and knowledge required to prospect and identify attractive opportunities for developing new shopping centers. We carry out thorough studies and analyses to test the viability and profitability of potential shopping centers. We successfully finalized construction of and opened Santana Parque Shopping in October 2007, which had over 97% of its gross leasable area rented before it opened. We also opened Outlet Premium São Paulo in the city of Itupeva, São Paulo State in 2009 with 100% of gross leasable area rented. We are currently developing a 61,287 square meter lot in Rio de Janeiro for the construction of the Parque Shopping Sulacap shopping center, in which we recently sold a 44% interest, with projected gross leasable area of 29,932 square meters, which we expect to open in the second quarter of 2013. In addition, we are developing Outlet Premium Brasília with projected gross leasable area of 16,479 square meters and which we expect to open in the second quarter of 2012. In the first quarter of 2011, we acquired two parcels of land in the cities of Guarulhos and Atibaia, totaling 24,160 square meters and 43,881 square meters, respectively, for the construction of two new shopping centers.

Acquisition of ownership interests in existing shopping centers. The shopping center industry in Brazil is fragmented and, consequently, offers opportunities for consolidation. We intend to continue expanding our portfolio of properties by purchasing ownership interests in shopping centers from third parties or acquiring other companies that operate in the shopping center industry. For example, in June 2010, we increased our ownership interest in Outlet Premium São Paulo by 20%, raising our ownership interest to 50%. We are constantly prospecting and seeking attractive opportunities that maximize profitability and create value for our stakeholders. We believe acquiring interests in other shopping centers may allow us to expand our relationships with chain store owners, which will lead to increased revenue and greater market knowledge.

Improving the quality of our assets. We will seek to leverage our management's know-how and experience in identifying potential value-added improvements and changes to existing store mixes at our shopping centers in order to maximize the revenue generation and operating margins of these properties. Similarly, we will use our expertise to renovate and remodel existing properties, to diversify the use of space and to optimize the provision of complementary services in order to increase productivity and reduce vacancies that we believe will ultimately lead to value appreciation of our assets. Examples of this strategy are the improvements at Suzano Shopping, Shopping Light and Top Center Shopping São Paulo, each of which had at the time of acquisition results below those of our other shopping centers and underwent a restructuring process involving a change to its store mix and diversification of the use of its space.

Development of mixed-use projects. We plan to utilize the Power Center Model (a strategy that brings together various operations such as thematic shopping centers, convention centers, office buildings and retail stores around shopping centers) to develop, directly or through partnerships, mixed-use projects that result in synergies. In addition to the high profitability such projects generate, we would also benefit from the public concentration in the areas where these complexes are located, thereby increasing the flow of potential consumers to our shopping centers. We believe the higher volume of investments coupled with a higher public concentration can also serve as a barrier to entry of competitors. We are in the process of developing the International Convention Center, a convention center that will be located adjacent to Internacional Shopping Guarulhos, and we opened Auto Shopping Internacional Guarulhos, using the same strategy. The convention center is expected to comprise 25,730 square meters, complementing the complex that currently includes Internacional Shopping Guarulhos and Auto Shopping Internacional Guarulhos and a university campus. We also plan to build an office tower with 11,000 square meters of gross constructed area that will be integrated with Poli Shopping to meet the projected increasing demand for office space in the region, which we expect to complete in 2013. We also intend to develop mixed-use projects through partnerships.

Enter new markets and implement innovative concepts through partnerships. We intend to continue entering into partnerships with local shopping center owners and service providers that have the skills and knowledge required to ensure the success of shopping centers in different regions of Brazil. We believe our business model allows us to focus our efforts on prospecting new growth opportunities instead of creating a more complex structure to provide services in locations where we have little or no management and leasing expertise. Our partnerships with respect to Cascavel JL Shopping, Shopping do Vale, Parque Shopping Sulacap and Parque Shopping Barueri are part of our strategy to use our management expertise and the skills and knowledge of local shopping center owners and service providers to improve existing shopping centers and market their store space with a suitable mix of anchor and satellite stores. We also operate new types of shopping centers in Brazil,

including open air malls/lifestyle centers such as Unimart Shopping Campinas, strip malls and outlet centers, such as Outlet Premium São Paulo, so as to better supply the retail demand in each market.

History

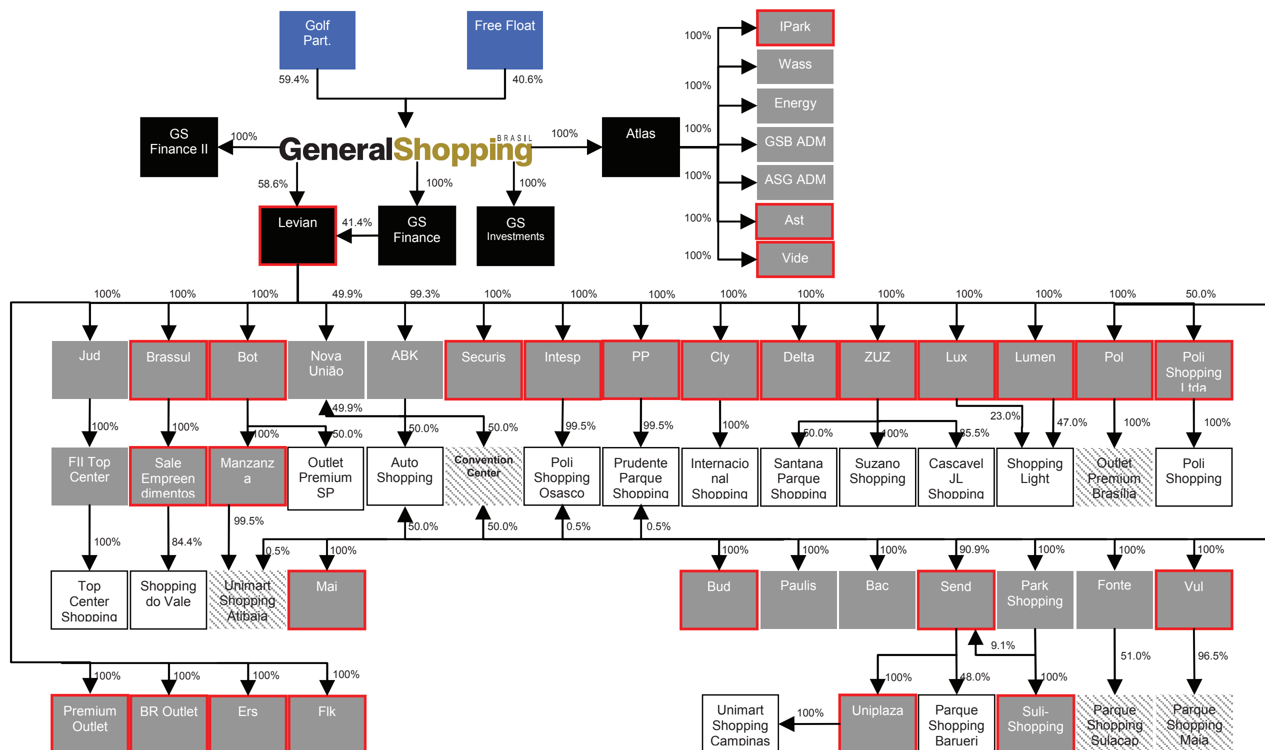
Our controlling shareholders were among the first to invest in retail commerce in the city of Guarulhos, which is where the international airport for São Paulo is located. Due to our extensive knowledge of the local retail market, the majority of our shopping centers were initially concentrated in the city of Guarulhos. Our shopping center business began in 1989 with the opening of Poli Shopping in Guarulhos. From that time on, we began to increase our number of retail properties by offering diversified developments.

We expanded our activities in the shopping center industry in 1998, with the opening of Internacional Shopping Guarulhos. Seeking to increase our share in the industry, we opened Auto Shopping in 2006 so as to create our first "power center" with multiple operations around Internacional Shopping Guarulhos.

In order to increase our geographic reach, we began prospecting new projects to be developed or acquired, including Santana Parque Shopping in 2005, Shopping Light, Suzano Shopping, Cascavel JL Shopping, Top Center Shopping São Paulo, Prudente Parque Shopping, Poli Shopping Osasco and Shopping do Vale — all of which were acquired in 2007 — and Unimart Shopping Campinas — acquired in January 2008. In addition, in 2009, we acquired a 30% interest in Outlet Premium São Paulo, which we increased to 50% in 2010.

Corporate Structure

The diagram below shows our corporate structure and our interest in shopping centers as of the date of this offering memorandum:



(1) White boxes and lined boxes represent shopping centers and greenfields projects, respectively.
(2) Red borders represent the Subsidiary Guarantors.
(3) Through Atlas, we engage in various service operations in connection with our shopping centers.
(4) Through Levian, we own and manage our properties, own interests in other companies and conduct other related activities.

For a discussion of our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operation." For further information on our corporate structure, see "Business—Corporate Structure and Corporate Reorganization."

Our principal executive offices are located at Av. Angélica, 2466, 22nd floor, suite 221, São Paulo—SP, Brazil, 01228-200. The telephone number of our Investor Relations Department is +55-11-3159-5100. Our website is *www.generalshopping.com.br*. The information included on our website is not incorporated by reference into, or made a part of, this offering memorandum.

GS Investments

GS Investments, the issuer of the notes, is an exempted company incorporated on August 29, 2011 with limited liability in the Cayman Islands and is a wholly-owned subsidiary of General Shopping. The purpose of GS Investments is to engage in transactions related to the offering of the notes as well as other financing transactions involving General Shopping or its subsidiaries. Prior to the issuance of the notes, GS Investments had not been engaged in any business activity. The registered office of GS Investments is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Since the date of incorporation, no financial statements of GS Investments have been prepared. GS Investments is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

THE OFFERING

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see "Description of the Notes" in this offering memorandum.

Issuer..	General Shopping Investments Limited
Guarantors...	General Shopping Brasil S.A. and the following subsidiary guarantors: Ast, BOT, BR Outlet, Brassul, Bud, Cly, Delta, ERS, FLK, Intesp, I Park, Levian, Lumen, Lux, MAI, Manzanza, POL, Poli Empreendimentos, PP, Premium Outlet, Sale, Securis, Send, Sulishopping, Uniplaza, Vide, Vul and ZUZ. On a consolidated basis, General Shopping and the Subsidiary Guarantors represented 78.2% of our total assets as of December 31, 2011. For the balance sheet information of our Subsidiary Guarantors as of December 31, 2011, see "Selected Financial Information—Other Financial Data."
Notes Offered...	US$150.0 million in aggregate principal amount of 12.000% Perpetual Subordinated Fixed to Floating Rate Notes with Interest Deferral Option.
Issue Price..	100% of the principal amount of the notes.
No Fixed Final Maturity...	The notes are perpetual and will have no fixed final maturity and will not be subject to mandatory redemption provisions. See "Risk Factors—Risk Relating to the Notes."
Interest..	The notes will bear interest from and including March 20, 2012 to but excluding March 20, 2017 (the "First Fixed Period Date") at a rate of 12.000% per annum payable semi-annually in arrears on March 20 and September 20 of each year, commencing on September 20, 2012, and ending on the First Fixed Period Date. From and including the First Fixed Period Date to but excluding March 20, 2022 (the "Second Fixed Period Date"), the notes will bear interest at a rate equivalent to the then prevailing 5-year U.S. Treasury Rate plus the Initial Fixed Rate Credit Spread of 11.052%, payable semi-annually in arrears on March 20 and September 20 of each year. From and including the Second Fixed Period Date to but excluding the date of redemption, the notes will bear interest at the 3-month USD LIBOR plus the Initial Floating Rate Credit Spread of 10.808%, plus 1.0%, payable quarterly in arrears on March 20, June 20, September 20 and December 20 of each year.
Interest Deferral..	The Issuer is permitted under the Indenture to defer interest payments on the notes at any time, at its sole discretion. There is no limit on the amount of interest that the Issuer may defer and no limit on the duration of the deferral,

which could be for an indefinite period of time. Deferred interest amounts will accumulate and will bear interest at 1.0% above the applicable per annum rates set forth on the cover of this offering memorandum. If the Issuer elects to defer interest on the notes, to the fullest extent permitted under applicable law (which includes compliance by management with any applicable fiduciary duties under the applicable law), the Issuer will not recommend to its shareholders and will otherwise act to prevent certain payments or distributions on any Parity Securities or Junior Securities (each as defined in "Description of the Notes") to the notes that are accounted for as equity under Brazilian GAAP and the purchase, redemption or acquisition of Parity Securities or Junior Securities that are accounted for as equity under Brazilian GAAP, until all unpaid amounts due on the notes have been paid.

Since the incorporation of the Company in March 2007, the Company has not distributed any dividends or interest on shareholders' equity and as of the date of this offering memorandum, the Company has no Parity Securites or Junior Securities (other than common shares).

Deferred interest payments may be paid (in whole or in part) at any time at the option of the Issuer and must be paid (in whole but not in part) on the next Mandatory Settlement Date (as defined in "Description of the Notes"). See "Risk Factors—Risks Relating to the Notes— We may defer interest payments on the notes at any time without limit."

Guarantee.. The notes and our obligations under the Indenture will be fully and unconditionally guaranteed by the Guarantors. The obligations of the Guarantors will be direct, unconditional, subordinated and unsecured obligations of the Guarantors for due but unpaid amounts owed by the Issuer under the notes and the Indenture.

Increased Interest Rate upon a Change of Control Event.. Upon the occurrence of a Change of Control Event (as defined under "Description of the Notes"), unless the Issuer makes an offer to purchase the outstanding notes as described under "Description of the Notes," the notes will bear additional interest at a rate of 5.00% per year.

Ranking .... The notes are the Issuer's direct, unsecured obligations and, in the event of the Company's bankruptcy, judicial reorganization, liquidation or dissolution under Brazilian law, the notes will rank as subordinated obligations as follows:

(1) *pari passu* among themselves;

(2) *pari passu* with the Issuer's Parity Securities;

(3) junior in right of payment to the payment

of all the Issuer's Senior Indebtedness; and

(4) senior in right of payment to the payment of all of the Issuer's Junior Securities.

The Guarantees constitute direct, unconditional, unsecured and subordinated obligations of the Guarantors, and, in the event of a Bankruptcy Event of the Guarantors, the Guarantees will rank as subordinated obligations as follows:

(1) *pari passu* among themselves;

(2) *pari passu* with such Guarantor's Parity Securities;

(3) junior in right of payment to the payment of all such Guarantor's Senior Indebtedness; and

(4) senior in right of payment to the payment of all such Guarantor's Junior Securities.

As of December 31, 2011, the Company had R$690.5 million of outstanding Debt (as defined in "Description of the Notes") on a consolidated basis, R$218.8 million of which was secured Debt and R$471.7 million of which was Debt of the Company's Subsidiaries (as defined in "Description of the Notes"), and all of which Debt will be senior to the notes.

As of the date of this offering memorandum,, the Company has no Parity Securities or Junior Securities (except for common shares).

Optional Redemption .... The notes will be redeemable, at the option of the Issuer, on the First Fixed Period Date, the Second Fixed Period Date and any Interest Payment Date thereafter, in whole or in part, at par together with all accrued and unpaid interest, including deferred interest and interest thereon, and Additional Amounts, if any, provided that in the case of partial redemption the outstanding principal amount of the notes immediately after such redemption shall not be less than U.S.$100.0 million.

Redemption in case of Minimal Outstanding Amount .... The notes will be redeemable, at any time, on the Issuer's giving not more than 60 nor less than 30 days' irrevocable notice to the Trustee and the Holders, in whole, but not in part, at par together with all accrued and unpaid interest, including deferred interest and interest thereon, and Additional Amounts (as defined in "Description of the Notes"), if any, if, immediately before the Issuer has given such notice, the aggregate principal amount of the notes outstanding is less than 10% of the aggregate principal amount on the Closing Date plus the principal amount of any additional notes, if any, that may be issued under the

Indenture after the Closing Date.

Optional Redemption upon a Rating Event, an Accounting Triggering Event, or a Tax Deduction Triggering Event

Upon the occurrence of a Rating Event (as defined under "Description of the Notes"), the Issuer may redeem the notes, in whole but not in part, at 100% of their principal amount plus accrued and unpaid interest, including deferred interest and interest thereon, and Additional Amounts, if any.

Upon the occurrence of an Accounting Triggering Event or a Tax Deduction Triggering Event (each as defined under "Description of the Notes"), the Issuer may redeem the notes, in whole but not in part, at 101% of their principal amount plus accrued and unpaid interest, including deferred interest and interest thereon, and Additional Amounts, if any.

Optional Repurchase upon a Change of Control Event

Upon the occurrence of a Change of Control Event (as defined under "Description of the Notes"), the Issuer will have the option to offer to repurchase the notes at a price equal to 101% of the principal amount of the notes plus accrued and unpaid interest, including deferred interest and interest thereon, and Additional Amounts, if any, to the date of repurchase. See "Description of the Notes—Optional Redemption and Repurchase—Repurchase of the Notes at the Option of the Issuer upon a Change of Control Event."

Optional Redemption for Withholding Tax Reasons

The Issuer may redeem the notes, in whole but not in part, at 100% of their principal amount plus accrued and unpaid interest, including deferred interest and interest thereon, and Additional Amounts, if any, at any time upon the occurrence of specified events relating to Cayman Islands or Brazilian withholding taxes. See "Description of the Notes—Optional Redemption—Optional Redemption for Taxation Reasons."

Replacement Intention	The Issuer intends (but is not obliged) that, to the extent that the notes provide the Issuer with "equity credit" for rating purposes by a Rating Agency (as defined in "Description of the Notes—Definitions"), immediately prior to any redemption effected in accordance with the Indenture, it will repay the principal amount of such notes to be so redeemed with the net proceeds received by the Issuer from the issuance, within a period of 12 months prior to the date set for such redemption, of notes for which the Issuer will receive the same, or higher amount of, "equity credit" (or such other nomenclature that a Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) by the Rating Agency as at the time of such redemption.
Covenants	The Indenture contains covenants setting forth certain limitations on the Issuer, the Company and its Subsidiaries with respect to the following: consolidation, merger or transfer of assets; conduct of business; issues of subordinated instruments; and dividend and other payment restrictions affecting Subsidiaries. These covenants are, however, subject to significant exceptions. See "Description of the Notes—Covenants" and "—Definitions."
Accounting Treatment of the Notes	After the conclusion of the offering, we intend to account for the notes as long-term debt on our balance sheet. However, this classification may change in the future based on new accounting developments and interpretations under Brazilian GAAP and IFRS. You should consult your legal and tax advisors to determine any effect of our accounting treatment of the notes (or change thereof) on you.
Use of Proceeds	We intend to use the net proceeds from the notes, after deducting amounts paid in connection with commissions and other expenses of the offering, for the expansion of our shopping centers, development of new projects and for general corporate purposes.
Additional Amounts	Payments of interest on the notes will be made after withholding and deduction for or on account of any Cayman Islands or Brazilian taxes as set forth under "Taxation." We will pay such Additional Amounts as will result in receipt by the Holders of notes of such amounts as would have been received by them had no such withholding or deduction for or on account of Cayman Islands or Brazilian taxes been required, subject to certain exceptions set forth under "Description of the Notes—Additional Amounts."
Events of Default	For a discussion of certain events of default that will permit institution of proceedings for the winding-up or liquidation of the Issuer and/or the Guarantors, see "Description of the Notes—Events of Default." The Indenture for the notes does not include an Event of Default relating to a payment

	or covenant default with respect to other indebtedness, or acceleration of any other instruments. For more information see "Risk Factors—Risks Relating to the Notes— The notes are our only material external indebtedness for borrowed money without "cross-default," "cross acceleration" or similar protections."
Further Issues	Subject to satisfaction of the conditions set forth in the Indenture, the Issuer may, from time to time, without notice to or consent of the Holders of the notes, create and issue an unlimited principal amount of additional notes ranking equally with the notes in all respects, so that the additional notes will be consolidated and form a single series with the notes and will have the same terms as the notes, including as to status and redemption.
Risk Factors	See "Risk Factors" and the other information in this offering memorandum for a discussion of factors you should carefully consider before deciding to invest in the notes.
Form and Denomination; Settlement	The notes will be issued in the form of global notes in fully registered form without interest coupons. The global notes will be exchangeable or transferable, as the case may be, for definitive certificated notes in fully registered form without interest coupons only in limited circumstances. The notes will be issued in registered form in denominations of US$2,000 and integral multiples of US$1,000 in excess thereof. See "Form of Notes." The notes will be delivered in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, S.A. Luxembourg ("Clearstream Luxembourg").
Listing	Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market. We cannot assure you, however, that this application will be accepted.
Governing Law	The Indenture and the notes will be governed by, and will be construed in accordance with, the laws of the State of New York.
Trustee, Registrar, Principal Paying Agent, Calculation Agent and Transfer Agent	The Bank of New York Mellon
Luxembourg Paying Agent and Transfer Agent	The Bank of New York Mellon (Luxembourg) S.A.
Luxembourg Listing Agent	The Bank of New York Mellon (Luxembourg) S.A.

SUMMARY FINANCIAL DATA

You should read and analyze the information below in conjunction with our consolidated financial statements and accompanying notes included elsewhere in this offering memorandum, as well as with the information under the headings "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Exchange Rates."

We prepared our consolidated financial statements as of and for the years ended December 31, 2011, 2010 and 2009 in accordance with IFRS and Brazilian GAAP. The individual financial statements of the Company have been prepared in accordance with Brazilian GAAP. Brazilian GAAP is comprised of the Brazilian Corporate Law and the pronouncements, instructions and interpretations issued by the CPC and approved by the CVM. In the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRS which requires that these investments be stated at fair value or cost in the Company's individual financial statements. IFRS and Brazilian GAAP differ in certain significant respects from U.S. GAAP.

Our individual and consolidated financial statements prepared in accordance with Brazilian GAAP and IFRS as of and for the years ended December 31, 2011 and 2010, which were audited by Deloitte Touche Tohmatsu Auditores Independentes, in accordance with Brazilian and international standards on auditing, are included elsewhere in this offering memorandum. The audit report with respect thereto includes an explanatory paragraph relating to the fact that the Company is taking measures to complete the registration of certain title deeds for certain acquired properties in the appropriate Real State Registry Offices, as mentioned in note 10 to the financial statements and based on the fact, as mentioned in note 2, that in the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRSs, which requires that these investments be stated at fair value or cost in the Company's individual financial statements.

Our consolidated financial statements for the years ended December 31, 2010 and 2009 were the first financial statements to be presented by us in conformity with IFRS. The Company applied the accounting policies set out in note 2 to the financial statements to all periods presented, which includes the balance sheet as of the transition date, which is January 1, 2009. For the measurement of the adjustments of the opening balances and in preparing the balance sheet as at the transition date, the Company applied the mandatory exceptions and certain optional exemptions to the retrospective application prescribed by IFRS 1 and CPC 37(R1), First-time Adoption of International Financial Reporting Standards.

Our individual and consolidated financial statements as of and for the years ended December 31, 2010 and 2009, which were audited by Deloitte Touche Tohmatsu Auditores Independentes, in accordance with Brazilian and international standards on auditing and prepared in accordance with Brazilian GAAP and IFRS, are included elsewhere in this offering memorandum. The audit report with respect thereto includes explanatory paragraphs relating to the fact that the Company is taking measures to complete the registration of certain title deeds for certain acquired properties in the appropriate Real State Registry Offices, as mentioned in note 11 to the financial statements and based on the fact, as mentioned in note 2, that in the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRS, which requires that these investments be stated at fair value or cost in the Company's individual financial statements.

The financial statements of our subsidiaries are consolidated in our consolidated financial statements in accordance with IFRS, as follows: (i) for those subsidiaries over which we exercise shared control, the consolidation is proportional to our equity interest in the relevant subsidiary; and (ii) for those subsidiaries over which we exercise full control, the consolidation is made in full, and the participation, if any, of the minority shareholders of such subsidiaries in the subsidiaries' net assets and results of operations is presented as a separate line item on our consolidated balance sheet and consolidated statement of income.

Statements of Income (Operations)

(in thousands)	Year ended December 31,			
	2009	2010	2011	2011[1]
	R$	R$	R$	US$
Rentals	87,965	99,303	115,331	61,484
Services	23,855	27,423	31,827	16,967
Total gross revenues	**111,820**	**126,726**	**147,158**	**78,451**
Deductions	(11,263)	(10,567)	(9,817)	(5,234)
Net revenues	**100,557**	**116,159**	**137,341**	**73,217**
Cost of rentals and services	(24,725)	(25,032)	(28,065)	(14,962)
Gross profit	**75,832**	**91,127**	**109,276**	**58,255**
Operating income (expenses):				
General and administrative	(21,647)	(22,685)	(33,079)	(17,635)
Other operating income, net	8,061	3,450	9,294	4,955
Income from operations before financial expenses	**62,246**	**71,892**	**85,491**	**45,575**
Financial expenses, net	(23,332)	(73,111)	(108,252)	(57,710)
Income (loss) before income taxes and social contribution	**38,914**	**(1,219)**	**(22,761)**	**(12,135)**
Income taxes and social contribution	(14,491)	(10,136)	(15,240)	(8,124)
Net income (loss)	**24,423**	**(11,355)**	**(38,001)**	**(20,259)**

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.

Balance Sheet

(in thousands)	2009	2010	2011	2011[1]
	As of December 31,			
	R$	R$	R$	US$
Assets				
Current assets				
Cash and cash equivalents	12,143	334,045	121,680	64,868
Restricted cash	3,079	—	—	—
Certificates of real estate receivables	370	457	—	—
Trade accounts receivables	24,515	24,643	34,260	18,264
Recoverable taxes	1,411	2,113	4,089	2,180
Assets held for sale	25,394	—	—	—
Other receivables	1,759	14,648	5,740	3,060
Total current assets	**68,671**	**375,906**	**165,769**	**88,372**
Non-current assets				
Trade accounts receivable	1,418	1,699	1,346	718
Certificates of real estate receivables	933	798	—	—
Deferred income and social contribution taxes	12,621	12,588	12,554	6,693
Related parties	15,680	19,368	22,124	11,794
Restricted cash	7,719	10,610	90,627	48,314
Other accounts receivables	—	—	1,068	569
Deposits and pledges	764	978	2,756	1,469
Intangible assets	31,023	30,901	41,822	22,296
Investment properties	691,862	699,919	915,030	487,808
Property, plant and equipment	14,641	18,066	28,732	15,317
Total non-current assets	**776,661**	**794,927**	**1,116,059**	**594,978**
Total assets	**845,332**	**1,170,833**	**1,281,828**	**683,350**
Liabilities and shareholders' equity				
Current liabilities				
Trade accounts payable	4,554	3,858	17,773	9,475
Loans and financing	62,070	25,856	12,782	6,814
Accounts payable for acquisition of properties	5,416	969	7,550	4,025
Payroll, related charges and profit sharing	1,556	1,921	2,257	1,203
Taxes and contribution payable	34,683	15,243	19,219	10,246
Taxes in installments	575	6,155	5,534	2,950
Real estate credit notes	18,447	99,500	18,111	9,655
Related parties	18,128	14,848	13,949	7,436
Other payables	5,066	4,029	14,210	7,576
Total current liabilities	**150,495**	**172,379**	**111,385**	**59,380**
Non-current liabilities				
Loans and financing	6,695	321,915	459,816	245,131
Accounts payable for acquisition of properties	781	116	—	—
Key money	13,077	14,014	19,179	10,224
Taxes in installments	7,906	21,764	16,641	8,871
Deferred income taxes and social contribution	42,014	41,898	41,850	22,310
Provision for fiscal, labor and civil risks	7,293	6,210	613	328
Real estate credit notes	234,602	221,423	199,826	106,528
Other payables	—	—	99,405	52,993
Total non-current liabilities	**312,368**	**627,340**	**837,330**	**446,385**

(in thousands)	As of December 31, 2009	2010	2011	2011(1)
	R$	R$	R$	US$
Shareholders' equity				
Capital	317,813	317,813	317,813	169,428
Revaluation reserve	108,701	108,535	108,312	57,742
Accumulated losses	(44,045)	(55,234)	(93,012)	(49,585)
Shareholders' equity	**382,469**	**371,114**	**333,113**	**177,585**
Total liabilities and shareholders' equity	**845,332**	**1,170,833**	**1,281,828**	**683,350**

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.

Other Financial Data

Reconciliation of EBITDA and Adjusted EBITDA to Net Income (Loss)

EBITDA is net income (loss), before income taxes and social contribution, financial expenses, net, and depreciation and amortization. Adjusted EBITDA is net income (loss), before income taxes and social contribution, financial results, depreciation and amortization, and expenses identified by our management as being related to uncompleted securities offerings, gain on sale of property, and other non-recurring expenses. EBITDA and Adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP, IFRS or U.S. GAAP, nor should they be considered as alternatives to net income as a measure of operating performance, or as alternatives to operating cash flows or as a measure of liquidity. EBITDA and Adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or Adjusted EBITDA or similarly titled measures used by other companies. As financial results, income taxes and social contribution, depreciation and amortization are not considered for calculation of EBITDA and Adjusted EBITDA, we believe that our EBITDA and Adjusted EBITDA provide an indication of our general economic performance, which is not affected by interest rate fluctuations, changes in income tax rates and social contribution, or depreciation and amortization. As a result, we believe EBITDA and Adjusted EBITDA are important tools to periodically compare our operating performance and also to form a basis to assist management in making certain administrative decisions.

Below, we present a reconciliation of EBITDA and Adjusted EBITDA to net income (loss):

(in thousands, except percentages)	Year ended December 31, 2009	2010	2011	2011(1)
	R$	R$	R$	US$
Net income (loss)	**24,423**	**(11,355)**	**(38,001)**	**(20,259)**
Income taxes and social contribution	14,491	10,136	15,240	8,125
Financial expenses, net	23,332	73,111	108,252	57,710
Depreciation and amortization	10,120	9,822	12,457	6,640
EBITDA	**72,366**	**81,714**	**97,948**	**52,216**
EBITDA margin(2)	**72.0%**	**70.3%**	**71.3%**	**71.3%**
Costs of uncompleted securities offerings	985	550	—	—
Gain on sale of property	—	(637)	—	—
Other non-recurring expenses	274	134	690	368
Adjusted EBITDA	**73,625**	**81,761**	**98,638**	**52,584**
Adjusted EBITDA margin(2)	**73.2%**	**70.4%**	**71.8%**	**71.8%**

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.

(2) Represents EBITDA or Adjusted EBITDA divided by net revenue.

RISK FACTORS

An investment in the notes involves a high degree of risk. You should carefully consider all the information set forth in this offering memorandum, particularly the risks described below before making an investment decision. Our business, financial condition and results of operations could be adversely and materially affected by any of these risks. The price of the notes could decline due to any of these risks or other factors, and you may lose all or part of your investment. The risks described below are those that we currently believe may adversely affect us. Additional risks and uncertainties not currently known to us, or those that we currently deem to be immaterial, may also materially and adversely affect our business, our financial condition or results of operations, and/or the price of the notes.

For the purposes of this section, when we state that a risk may or will have an "adverse effect" on us, we mean that the risk, uncertainty or problem could have an adverse effect on our business, financial condition, liquidity, results of operations and/or the price of the notes, except as otherwise indicated.

Risks Relating to Brazil

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. This influence, as well as Brazilian political and economic conditions, could adversely affect us and the price of the notes.

The Brazilian government frequently intervenes in the Brazilian economy and occasionally makes significant policy changes. The Brazilian government's actions to control inflation and other policies and regulations have often involved, among other measures, increases in interest rates, changes in tax policies, price controls, currency devaluations, capital controls and limits on imports. Our business, financial condition, results of operations and the trading price of the notes, may be adversely affected by changes in policy or regulations involving or affecting factors, such as:

- interest rates;
- exchange controls and restrictions on remittances abroad, such as those which were imposed in 1989 and early 1990;
- currency fluctuations;
- inflation;
- economic and social instability;
- liquidity of domestic capital and lending markets;
- international trade policy;
- tax policy;
- energy shortages; and
- other political, social and economic conditions in or affecting Brazil.

Uncertainty over whether the Brazilian government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets and in the securities issued abroad by Brazilian issuers.

The performance of the Brazilian economy has in the past suffered the impact of the political scenario in Brazil. Historically, crises and political scandals have negatively influenced the confidence of investors and the markets in general and have adversely affected the economy and the market price of securities of Brazilian issuers.

For example, on October 20, 2009, in an attempt to limit the increase in the appreciation of the *real*, the Brazilian government increased the tax rate related to foreign investments in the Brazilian financial and capital markets from zero to two percent, including investments made pursuant the Brazilian Monetary Council (*Conselho Monetario Nacional*) ("CMN"), Resolution No. 2,689/2000, as amended ("Resolution No. 2,689"). On October 5, 2010, the Brazilian government further increased the IOF/Exchange tax rate, as defined below, to 4%, exempting investments in variable income securities acquired on Brazilian securities exchanges pursuant to Resolution No. 2,689, which were subject to the 2% rate. Several weeks later, the Brazilian government once more increased the IOF/Exchange tax rate related to foreign investments in the Brazilian financial and capital markets to 6%, maintaining the exemption mentioned above. The Tax on Foreign Exchange Transactions (*Imposto sobre Operações Financeiras*) ("IOF/Exchange tax") applies upon conversion of foreign currency into *reais* related to equity or debt investments by foreign investors in the Brazilian stock exchanges or the over-the-counter, or OTC, market, as well as private investment funds, Brazilian treasury notes and other fixed income securities. Uncertainty over whether the Brazilian government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and heightened volatility in the Brazilian securities markets and securities issued abroad by Brazilian companies.

We can neither predict whether the current or future Brazilian government will implement changes to existing policies on taxation, exchange controls, monetary strategy and social security, among others, nor estimate the possible impact of any such changes on the Brazilian economy or our operations.

Inflation and government efforts to curb inflation may delay Brazilian economic growth, which could affect our business and the market price of the notes.

Brazil has in the past experienced very high rates of inflation. As a result, the Brazilian government adopted monetary policies that resulted in Brazilian interest rates being among the highest in the world. Between 2004 and December 31, 2009, the official Brazilian interest rate, or the SELIC (*Sistema Especial de Liquidação e de Custódia*) rate, has changed from 19.25% to 8.75% per year. As of December 31, 2010 and December 31, 2011, the SELIC rate was 10.75% and 11.00%, respectively. Inflation and government measures to combat inflation, along with the public speculation about possible future governmental measures, have had significant negative effects on the Brazilian economy, and contributed to economic uncertainty in Brazil and heightened volatility in the Brazilian securities market. In addition, the Brazilian government's measures to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and reducing economic growth. On the other hand, the Brazilian government's soft monetary policies may trigger increases in inflation. In the event of an increase in inflation, we may not be able to adjust the prices we charge our customers to offset the effects of inflation on our cost structure, which may adversely affect our business, results of operations and the market price of the notes.

Exchange rate instability may adversely affect us.

The Brazilian currency has during the last decades experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. Between 2000 and 2002, the *real* devalued significantly against the U.S. dollar, reaching an exchange rate of R$3.53 per US$1.00 at the end of 2002. Between 2003 and mid-2008, the *real* appreciated significantly against the U.S. dollar due to the stabilization of the macro-economic environment and a strong increase in foreign investment in Brazil, with the exchange rate reaching R$1.56 per US$1.00 in August 2008. In the context of the crisis in the global financial markets since mid-2008, the *real* devalued 31.9% against the U.S. dollar over the year 2008 and reached R$2.33 per US$1.00 at year end of 2008. However, in 2009 and 2010, the *real* appreciated against the U.S. dollar by 34.2% and 4.5%, respectively. On December 31, 2011, the exchange rate was R$1.87 per $1.00.

Devaluation of the *real* against the U.S. dollar could create inflationary pressures in Brazil and cause increases in interest rates which could negatively affect the growth of the Brazilian economy as a whole. This may adversely affect us by curtailing access to foreign financial markets and prompting government intervention, including recessionary governmental policies. Devaluation of the *real* against the U.S. dollar can also, as in the

context of the current economic slowdown, lead to decreased consumer spending, deflationary pressures and reduced growth of the economy as a whole. On the other hand, appreciation of the *real* relative to the U.S. dollar and other foreign currencies could lead to a deterioration of the Brazilian foreign exchange current accounts. Depending on the circumstances, either devaluation or appreciation of the *real* could materially and adversely affect the growth of the Brazilian economy and our business.

As of December 31, 2011, R$466.5 million of our indebtedness was denominated in foreign currency. See “Business—Material Contracts—Financing Agreements” and “Business—Material Contracts—Indenture.”

Fluctuations in interest rates may negatively affect our business and the price of the notes.

The Central Bank sets the basic interest rates generally available to the Brazilian banking system, based on the expansion or contraction of the Brazilian economy, inflation rate and other monetary policies. In 2002 and 2003, the basic interest rate fluctuated between 18% and 26.5%. The basic interest rate remained at high levels until June 2003, when the Central Bank began to gradually decrease it. Subsequently, during 2004 and in the first months of 2005, the Central Bank decided to increase the basic interest rate. Beginning in 2006, the basic interest rate has again declined, and on December 31, 2011, the basic interest rate was 11.0% per annum.

As of December 31, 2011, a portion of our indebtedness was denominated in *reais* and pegged to interest rates available in the Brazilian financial market or to inflation indexes, such as the long-term interest rate (*Taxa de Juros de Longo Prazo*) (“TJLP”), interbank deposit certificates (*Certificado de Depósito Interbancário*) (“CDI”), or the general market price index (*Índice Geral de Preços-Mercado*) (“IGP-M”). As of December 31, 2011, our total indebtedness denominated in *reais* was R$224.0 million.

Certain amounts of our floating rate indebtedness are subject to the fluctuation of market interest rates. If interest rates increase, the costs and payments relating to the service of our debt obligations would also increase. In this event, our business, financial condition, results of operations and the price of the notes may be negatively affected.

Changes in Brazilian tax laws may have an adverse impact on the taxes applicable to our business.

The Brazilian government frequently implements changes to tax regimes that may affect us and our customers. These changes include changes in prevailing tax rates and, occasionally, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes.

Some of these changes may result in increases in our tax payments, which could adversely affect industry profitability, restrict our ability to do business in our existing and target markets and cause our financial results to suffer. There can be no assurance that we will be able to maintain our projected cash flow and profitability following any increases in Brazilian taxes applicable to us and our operations.

Economic developments and the perception of risk in other countries, especially the United States and emerging market countries, may adversely affect the market price of Brazilian securities, including our notes.

The market price of securities of Brazilian companies is affected to varying degrees by economic and market conditions in other countries, including other Latin American and emerging market countries. Although economic conditions in these countries may differ significantly from economic conditions in Brazil, investors’ reactions to developments in these other countries may have an adverse effect on the market value of securities of Brazilian issuers. Crises in other emerging market countries may diminish investor interest in securities of Brazilian issuers, including ours.

In the past, the adverse development of economic conditions in other emerging markets resulted in a significant outflow of funds and a decrease in the quantity of foreign capital invested in Brazil. The financial crisis that began in the United States during the third quarter of 2008 contributed to a global recession. This had direct and indirect adverse effects on the Brazilian economy and stock market, including on our common shares. These effects included: fluctuations in the trading prices of listed securities, a scarcity of credit, cost-cutting measures, general worldwide recession, exchange rate instability and inflationary pressures. Any of these events could

adversely affect the market price of our common shares, and could also make it more difficult for us to gain access to the capital markets and to finance our operations in the future on acceptable terms, or at all. Although the scenario has improved significantly since the second half of 2009, it is still not clear that the global economy has sufficiently recovered. In addition, Europe has recently undergone its own financial crisis, struggling in areas of sovereign debt and currency depreciation, also adversely impacting the Brazilian economy and stock market, including our shares.

Risks Relating to Us and to the Brazilian Shopping Center Industry

Adverse economic conditions in the regions where our shopping centers are located may adversely affect our occupancy levels and our ability to lease available areas, and, consequently, have an adverse effect on our financial condition and results of operations.

Our results of operations are affected by our ability to lease the areas available in our shopping centers and our capacity to provide complementary services, including management of water and electricity supply and parking lots of our shopping centers. Adverse conditions in the regions where our shopping centers are located may reduce our occupancy levels and restrict our ability to increase the price of our leases, which may adversely affect our financial condition and results of operations. The following factors, among others, may adversely affect the operating performance of our shopping centers and ultimately our ability to make payments under the notes:

- declines in our lease rates or increases in levels of default by our tenants due to recession, increases in interest rates and reduced economic activity in Brazil;
- negative perception by our tenants or the public regarding the safety, convenience or the attractiveness of our shopping centers or the regions where our shopping centers are located;
- breaches by our tenants of their contractual obligations;
- increases in operating and other costs;
- increases in taxes levied on our business;
- limited ability to evict tenants given the inefficiencies of the Brazilian legal system; and
- economic decline in the Guarulhos and São Paulo metropolitan regions, due to the concentration of our shopping centers in those areas.

Our results of operations depend on the results of the shopping centers, which depend on our tenants' sales.

Historically, the retail industry is susceptible to economic slowdowns that lead to decreases in consumer spending. A substantial portion of our revenue is derived from rent payments that are, to a certain extent, linked to a tenant's sales, which are in turn dependent on several factors related to consumer spending and other factors that affect consumer income, including prevailing economic conditions in Brazil, interest rates, inflation, availability of consumer credit, taxes, employment rates and salaries. Revenues derived from the sales tenant at our anchor stores historically have been our major source of rent revenues. The exit of any anchor store from our shopping centers that is not replaced in due course may adversely affect our results of operations and financial condition.

An economic slowdown in the region in which our shopping centers are located in Brazil, reduced store attractiveness, or the opening of new competing shopping centers in the vicinity of our shopping centers could result in a decline in sales volume and diminished profitability of our tenants, including our anchor stores, which could adversely affect our business, financial condition and results of operations.

As our revenues derive mostly from rent received from tenants and merchandising in our shopping centers, a reduction in the consumer flow as a result of these or other factors could result in a decline in the number of consumers visiting the stores in our shopping centers and, consequently, a decline in sales volume, which may adversely affect our business, financial condition and results of operations. A decreased level of activity in our

shopping centers could lead to difficulties for tenants and, therefore, to defaults and a reduction in the price and volume of merchandising in our properties.

In addition, the increase of our revenues and operating income depends, in part, on the steady growth of demand for the products offered by the stores located in our shopping centers. Usually these products are high value-added electronics and household appliances. A decline in demand, whether due to changes in consumer preferences, reduction of purchasing power or slowing global economies, could result in reduced store revenues and consequently our revenues, and this may adversely affect our business, financial condition and results of operations.

Financial difficulties of our anchor stores may reduce our revenues.

If, due to financial difficulties or other considerations, any of our anchor stores does not make its required rental payments or terminates or does not renew its lease agreement, we may not be able to replace those anchor stores in a short period of time and/or under the same terms and conditions. The failure to find a replacement anchor store may adversely affect the group of stores of that shopping center, as well as our ability to attract new tenants, which could adversely affect us.

Incidents that occur in our shopping centers may damage our image and reduce the number of our customers.

Given that shopping centers are open to the public, with ample circulation of people, accidents, thefts, robberies and other incidents may occur in our facilities, regardless of the preventative measures we adopt. In the event such an incident or series of incidents occurs, shopping center customers and visitors may choose to visit other shopping venues that they believe are safer and less violent, which may cause a reduction in the sales volume and operating income of our shopping centers.

We may be unable to fully implement the expansion of our shopping centers, the purchase of ownership interests in and/or the revitalization of existing shopping centers, as well as the development of new shopping centers, which may adversely affect our results.

Our strategy contemplates possible future expansion of shopping centers, acquisition of interests and/or turnaround of existing shopping centers, as well as the development of new shopping centers. Once we acquire and/or develop a shopping center, we seek to integrate it into our existing business as quickly as possible. However, we may not be successful in expanding, acquiring, revitalizing or developing new shopping centers at reasonable prices or terms, which may adversely affect our growth. In addition, tenant mix and other characteristics in the shopping centers we may acquire may not be fully compatible with our existing business or our future strategy. Financial resources devoted to the integration of businesses we acquire may adversely affect our financial condition and results of operations.

We are subject to risks associated with the acquisition of the land on which Shopping Light is located.

Under Brazilian law, transferring title to real property requires registration of the title deed with the real estate registry office with jurisdiction over the area on which the property is located. We currently do not own all of the lots of land comprising the property where Shopping Light is located. The current owner of the lots of land is Fundação CESP. Fundação CESP has executed a commitment to transfer the land where Shopping Light is located to Lumen, but this agreement has not been registered with the appropriate real estate registry office and the public deed of purchase and sale has not been executed yet, for which reason the commitment is not binding on third parties (see “Business—Shopping Light”). There can be no assurance that the ownership of the land will be transferred to us, and we are subject to risks associated with the current owner not taking the required action to transfer the property to us through the relevant real estate registry office. The owner may not have all the documents and certificates that are required by law to transfer the real property or to register the commitment. In addition, until such time as the title deeds are registered with the real estate registry office, we will be subject to risks associated with the transfer of the properties to third parties, or with the possibility that a transfer to us would be annulled and voided based on a claim of fraud against creditors, if Fundação CESP becomes insolvent by disposing of the land, or fraud against plaintiff creditors within enforcement proceedings, if at the time of transfer, Fundação CESP is a defendant in a lawsuit ultimately representing indebtedness it would be unable to pay due to insolvency.

The loss of members of our senior management or our failure to attract and retain qualified personnel could adversely affect our financial condition and results of operations.

We cannot assure you that our highly qualified senior management, whose performance is highly integral to our success, will remain with the company in the future. None of our senior managers are subject to long-term employment or non-competition agreements. We cannot guarantee that we will be able to successfully attract and retain qualified personnel to replace our key senior managers. The loss of any member of our senior management or our failure to attract and retain qualified personnel to replace them may adversely affect our financial condition and results of operations.

Delays or unexpected casualties related to construction of greenfield projects could result in substantial increases in costs and could disrupt our business and adversely affect our results.

As part of our business and our strategy for future growth, we focus and expect to continue to devote substantial efforts and resources to developing greenfield properties, both as shopping centers and for mixed uses such as office space and parking. By their nature, greenfield projects face risks associated with construction activities, including cost overruns, shortages of lumber, steel, concrete or other materials, shortages of labor, labor disputes, unforeseen environmental or engineering problems, work stoppages, natural disasters and the inability to obtain insurance at reasonable rates or at all, any of which could delay construction and result in a substantial increase in our costs for these projects. We may also be subject to delays resulting from changes in legislation, governmental bureaucracy or unforeseen or *force majeure* events, which could result in increased and unexpected costs that are not included in our budgets. Any delay in construction or increase in costs could disrupt our business and adversely affect our results of operations. If there are unforeseen events such as the bankruptcy or losses of our contractors, we may become responsible for such losses or other obligations of our contractors. Should such losses or the cost of such other obligations exceed our insured limits, our results of operations could be adversely affected. In addition, our results of operations could be negatively impacted if a contractor experiences significant cost overruns or delays, and we effectively are forced to absorb all or part of the impact of such costs or delays.

Construction of greenfield projects is capital intensive, and we cannot assure you that we will have the ability to generate or obtain the requisite capital to fully develop and operate our greenfield developments as currently planned.

Construction of shopping centers on a greenfield basis is capital intensive and typically such projects are scheduled for full development over a long period of time before they begin generating revenue. Currently, we estimate that the development of our greenfield properties will require additional investment of R$717.9 million in 2012, 2013 and 2014. Our ability to fund ongoing and future construction works, planned capital expenditures and other operating expenses and to service our indebtedness will depend on our ability to generate cash in the future and obtain capital at reasonable costs and terms. Our ability to generate cash and obtain capital is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that we will generate sufficient cash flow from operations, or that future borrowings or other capital infusions will be available to us at reasonable costs and terms, to fund our business and other capital needs.

Without sufficient cash flows from operations, or the ability to obtain future borrowings or other capital infusions, we could be forced to sell assets to make up for any shortfall in our cash requirements. Our obligations under the notes will limit our ability to sell assets and will also restrict the use of proceeds from any such sales. We may not be able to sell our assets quickly enough or for sufficient amounts to enable us to moot our cash requirements. In addition, the recent downturn in the mortgage sector that has adversely affected the international credit markets may adversely impact our ability in the short term to raise additional needed capital for our continued future development.

The shopping center industry in Brazil is highly competitive, and this may cause a reduction in the volume of our operations and in the revenues derived from the lease of retail spaces in our shopping centers.

The shopping center industry in Brazil is highly competitive and fragmented, and there are no significant barriers to entry. The main competitive factors in the shopping center industry include entrepreneurial vision, availability and location of land, price, funding, design, quality and reputation. Several shopping center developers compete with us in seeking land for acquisition, financial resources and prospective purchasers and tenants.

Other companies, including foreign companies working in partnerships with local companies, may become much more active in the shopping center development market segments in Brazil in the near future, increasing competition. To the extent that one or more of our competitors launches a successful marketing or sales campaign and is able to increase significantly their sales, our business could be materially and adversely affected. Moreover, the construction and operation of new shopping centers in the surrounding areas to any of our shopping centers may adversely affect our results and the lease value in existing and future lease agreements with the tenants. If we are not able to respond to such pressures promptly and adequately, our business, financial condition and results of operations could be adversely affected.

Launches of other new commercial real estate developments near ours could impact our ability to renew our lease agreements or rent spaces to new tenants, which could require unexpected investments, adversely affecting our business, our financial condition and results of operations.

Launches of new commercial real estate developments near ours, by our current competitors or by new competitors, may impact our ability to sell, rent or renew the rental of spaces in our developments on favorable terms, which may reduce our cash flows and operating profits. In addition, the entry of new competitors in the regions where we operate may require us to unexpectedly increase investments in our developments, which may adversely affect our financial condition.

We share control of certain of our shopping centers with other investors, whose interests may differ from ours.

We share control of certain of our shopping centers with partners, whose interests may differ from ours. We may depend on the consent of these other investors to make certain significant decisions affecting the strategic goals of these shopping centers. The economic interests of some of our partners may differ or conflict with ours, and our partners may not support or approve measures in our interest, which, in turn, could affect or prevent implementation of our business strategies and have a material adverse effect on us. Disputes between our partners and us could result in litigation or arbitration, which may increase our expenses and reduce our profit margins.

Some of our financing agreements and other debt instruments have negative covenants and any material default by us may make it impossible for us to implement our strategies.

Some of our financing agreements and other debt instruments have negative covenants, among other restrictions. Pursuant to these agreements, if we default on any of these obligations and do not timely cure such default or it is not waived by the relevant creditors, early termination of these agreements or acceleration of our debt could result. Our total indebtedness as of December 31, 2011 was R$690.5 million. The acceleration of these obligations may cause a decrease in our assets, our liquidity and in our cash flow, which may adversely affect the achievement of our strategies.

Unfavorable judicial decisions may adversely affect our operating results.

We are defendants in several civil, labor and tax law suits. As of December 31, 2011, the total value claimed in such legal proceedings amounted to R$10.3 million, and we recorded provisions for those legal proceedings in which our legal advisors believe our chances of loss are probable. In case of unfavorable decisions with regard to legal proceedings for which no provisions have been made, or in the event our legal advisors change our chances of loss to probably in other legal proceedings, our operating results may be adversely affected.

The Brazilian real estate commercial lease law and lease agreements in the shopping center industry have clauses which give the tenant the right to review its lease under certain circumstances or readjust the lease price, which may pose risks to conducting our business and adversely affect our results of operations.

The Brazilian real estate commercial lease law (Law No. 8,245/ 1991, as amended) and our lease agreements with shopping center tenants grant them certain rights, including compulsory renewal of the lease by filing lease renewal actions when the following conditions are met: (1) there is a signed written agreement for a definite term of five or more years (or the aggregated preceding leases collectively amount to five or more uninterrupted years), (2) the tenant has been exploiting the same field of commercial activity for a minimum of three

uninterrupted years, (3) the proposed rent conforms to market prices, and (4) the action is filed one year to six months before the termination date of the lease agreement then in effect.

Accordingly, a lease renewal action may imply two principal risks for us: (i) if we wish to vacate a given store aiming to vary the mix of stores in the shopping center, a tenant could remain in the store by filing a lease renewal action, thus frustrating our strategy; and (ii) in a lease renewal action, both parties may request revision of the lease price and the determination of final value is in the judge's discretion, so we may have to accept a lower amount of rent for the lease of a store. Three years into a lease, rent can also be reviewed judicially to increase or decrease it based on market conditions, after the filing of a motion by the lessor or lessee. In any of the cases described above, our business, financial condition and results of operations, as well as the trading price of the notes, may be adversely affected.

The Brazilian shopping center industry, and the rendering of complementary services, is subject to extensive regulation, which may affect the operations of our shopping center, and adversely affect us.

The shopping center industry is subject to federal, state and municipal laws, and to regulations, authorizations and license requirements with respect to construction, zoning, use of the soil, environmental protection, license and permit requirements. Moreover, the rendering of services by the shopping centers as, for instance, the supply of water and electricity to the stores, is subject to federal, state and municipal laws. Should a shopping center violate or fail to comply with these rules or not obtain or renew its licenses or permits, it may face penalties such as, among others, the payment of fines, project shutdowns, or cancellation of licenses. In addition, the government may issue new and more stringent rules applicable to the operation of shopping centers, including, but not limited, to the operation of parking lots and the supply of water and electricity, or adopt a more restrictive interpretation of existing rules, which would generate additional costs for compliance with these rules, and may adversely affect our business and results of operations.

The construction and expansion of shopping centers in Brazil also are subject to extensive regulation relating to building, zoning, location and condominium costs, issued by federal, state and municipal authorities, which may affect the acquisition of land, construction and shopping centers by means of zoning restrictions and license requirements. Regulations relative to new constructions and the expansion of existing shopping centers may cause delays and cause us to incur substantial costs and may prohibit or significantly restrict our shopping center activities. The regulation of the Brazilian real estate sector as well as environmental laws tend to be rigorous, and these restrictions may have an adverse affect on our expansion strategies.

A mismatch between the indexed adjustments of our lease agreements and those of our indebtedness could have a material adverse effect on our financial condition and results of operations.

As of December 31, 2011, 22.8% of our total indebtedness was linked to the reference interest rate (*taxa referencial do juros*) ("TR") and 8.8% to Broad Consumer Price Index, or IPCA, published by the IBGE, whereas our revenues are linked to variations in price indexes, in particular the IGP-DI (referential rate). If there is a significant mismatch between these indices with respect to our revenues and our debt repayments, our financial condition may be adversely affected.

We are exposed to variations in the* real*/U.S. dollar exchange rate that could increase the cost in* reais *of the U.S. dollar-denominated notes and adversely affect our financial condition and results of operations.

Our operating revenues, whose cash flows will support our ability to repay or refinance the bonds, are derived entirely in *reais*, while payments under the initial issuance of $200 million 10.00% bonds issued in November 2010, the subsequent US$50 million bonds issued in April 2011 and the notes issued hereunder will be made in U.S. dollars. Our foreign currency exposure gives rise to market risks associated with exchange rate movements of the real against the U.S. dollar. For example, the 12.6% appreciation of the U.S. dollar against the *real* in 2011 had a R$40.1 million adverse impact on our financial results. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." Any devaluation of the real against the U.S. dollar will increase the cost in *reais* of the U.S. dollar-denominated bonds and could have an adverse effect on our cash flow, financial condition and results of operations. We do not engage, and do not intend to engage, in hedging transactions for the principal amount of our perpetual bonds. Our current strategy is to hedge against currency risks for eight quarterly interest payments under our perpetual bonds. Although we expect to engage in hedging

transactions solely with respect to our coupon payments as part of our attempt to manage our exchange rate exposure, it is an imperfect means of managing risk and hedging transactions are subject to credit or counterparty risk themselves and we cannot assure you that such hedging transactions will adequately mitigate the variations in exchange rates. Also, we may rely on our consultants' advice on strategies to mitigate our exchange rate exposure and to the extent we implement such strategies, we cannot assure that such strategies will be successful or satisfactory in mitigating the variation in the exchange rates.

Our future growth may require additional capital, which may not be available or, if available, may not be sufficient.

Our operations could require significant working capital, particularly for the acquisition or development of new commercial properties for our portfolio. In addition to the cash flow generated internally, we may seek to raise additional funds through the sale of securities, including our shares or bonds, or by entering into loans with financial institutions. We cannot guarantee that additional capital will be available, or, if available, be offered on acceptable terms. The lack of sufficient additional capital may limit the future growth and development of our activities, which may adversely affect our business, financial condition and results of operations.

Losses not covered by insurance may adversely affect us.

Certain types of losses, including damages, such as environmental damages, interruption of certain activities, war, terrorism, and unavoidable and unforeseen circumstances, are not covered by insurance. If any of the uninsured events should occur, we may lose our investments in our shopping centers. We may be required to incur additional expenses to rebuild or conduct repair works in such shopping centers, which could result in losses for our shopping centers. In addition, we cannot guarantee that our insurance policies will be sufficient to indemnify possible victims of an accident in our shopping centers, even if such losses and damages are generally covered by insurance. Moreover, we may be unable to renew our insurance policies at the current terms and conditions, which may adversely affect us.

Risks Relating to the Notes and the Guarantees

The notes have no maturity date or sinking fund provisions and are not redeemable at the option of the holders of the notes.

The notes have no fixed final maturity date or any sinking fund provisions and are not redeemable at the option of holders of the notes. As a result, holders of the notes will be entitled to receive a return of the principal amount of their investment only if we elect to redeem or repurchase the notes or in the event of acceleration due to an event of default. Therefore, purchasers of the notes should be aware that they may be required to bear the financial risks of an investment in the notes for an indefinite period of time.

We may defer interest payments on the notes at any time without limit.

We are permitted under the Indenture to defer interest payments on the notes at any time. There is no limit on the amount of interest that we may defer and no limit on the number of times we defer interest or the duration of any deferral, which could be for an indefinite period of time. If we elect to defer interest on the notes, to the fullest extent permitted under applicable law (which includes compliance by management with any applicable fiduciary duties and minimum required dividend payments under Brazilian law), we will not recommend to our shareholders and will otherwise act to prevent certain payments or distributions on any Junior Securities or Parity Securities (both as defined in "Description of the Notes—Definitions") to the notes that are accounted for as equity under Brazilian GAAP and the purchase, redemption or acquisition of Junior Securities or Parity Securities that are accounted for as equity under Brazilian GAAP, until all unpaid amounts due on the notes have been paid. We would be required to pay deferred interest upon the occurrence of certain events, as described under "Description of the Notes—Ability to Defer Interest Payments." Holders of the notes will not have any right to claim any interest or an Event of Default (as defined in "Description of the Notes—Definitions") due to the non-payment of interest if we elect to defer interest in accordance with the provisions of the Indenture.

If we elect to exercise our right to defer interest payments, the market price of the notes could be adversely affected by any such deferral. In addition, the existence of the interest deferral option may cause the market price of

the notes to be more volatile than the market prices of other generally comparable securities that are not subject to such deferral.

In the event we elect to defer interest payments on the notes, the dividend stopper provision in the notes does not prevent us from paying the Minimum Legally Required Dividend.

We are permitted under the Indenture to defer interest payable on the notes. In the event we elect to defer interest payments on the notes, we will be required, to the fullest extent permitted by applicable law (which includes compliance by management with any applicable fiduciary duties under Brazilian law), to not recommend to our shareholders, and to otherwise act to prevent, certain payments or distributions on any Junior Securities or Partiy Securities that are accounted for as equity under Brazilian GAAP and the purchase, redemption or acquisition of Junior Securities or Parity Securities that are accounted for as equity under Brazilian GAAP, until we have paid all outstanding deferred interest on the notes.

The Brazilian Corporate Law requires any company (*sociedade por ações*) such as ours to distribute as dividends each year either the share of profits established in its by-laws or, if the by-laws do not provide for a specific threshold, a minimum of 25% of the company's net income for the relevant twelve-month period (the "Minimum Legally Required Dividend"). Our by-laws provide for a minimum dividend threshold equivalent to 25% of our net income. However, in the future Brazilian Corporate Law may change, increasing the Minimum Legally Required Dividend. In addition, the Brazilian Corporate Law only allows us, as a listed company, to refrain from declaring the Minimum Legally Required Dividend in a given year if our management, to the extent permitted under applicable law, recommends, which may be subject to the agreement of our shareholders holding a majority of our common shares, that such distribution is incompatible with our financial condition. See "Principal Shareholders." Therefore, in the event we opt to defer the payment of interest on the notes, the dividend stopper provision would only limit our obligation to pay the Minimum Legally Required Dividend if we determined payment of such dividend was incompatible with our financial condition. In such circumstance, the deferral of interest and the subsequent payment of partial or all of the Minimum Legally Required Dividend would not constitute a default under the notes.

Furthermore, in the event we defer interest on the notes and do not pay a subsequent Minimum Legally Required Dividend, our shareholders may file a complaint with the CVM and/or present a legal claim against us if they disagree with our justification as to why a distribution of statutory dividends may be incompatible with our financial condition, and we and our management may ultimately be subject to penalties.

Accordingly, the dividend stopper may have a more limited impact on our incentive to pay interest than may be the case in other jurisdictions because, despite the dividend stopper, we may be required to pay a subsequent Minimum Legally Required Dividend. Alternatively, if, in accordance with the narrow legal exception, we do not pay the Minimum Legally Required Dividend, we may face a challenge from our shareholders and/or the CVM. For a further description of the dividend stopper and our ability to defer interest, see "Description of the Notes—Dividend Stopper" and "—Ability to Defer Interest Payments."

We are permitted to declare, pay or distribute dividends or interest on capital or make payments on, or in respect of, any Parity Securities or Junior Securities that are not accounted for as equity under Brazilian GAAP while deferring payments on the notes.

The requirement that, to the fullest extent permitted by law, we not recommend to our shareholders, and that we otherwise act to prevent, any action that would constitute a Restricted Payment Event (as defined in "Description of the Notes—Definitions"), in the event we defer interest on the notes *only* applies with respect to payments, distributions, redemptions or repurchases of any Parity Securities or Junior Securities that are accounted for as equity under Brazilian GAAP. There are many other types of securities that could be issued by us and our subsidiaries that are junior to the notes upon liquidation or otherwise, but if such securities are not accounted for as equity under Brazilian GAAP, distributions and other payments by us would not constitute a Restricted Payment Event, allowing us to make distributions on such other securities while deferring interest on the notes.

GS Investments has no operations of its own, so that holders of the notes must depend on us to provide GS Investments with sufficient funds to make payments on the notes when due.

GS Investments is a special purpose, direct wholly-owned subsidiary of General Shopping and is an exempted company incorporated with limited liability under the laws of the Cayman Islands on August 29, 2011. GS Investments was established to issue the notes and act as a finance subsidiary of General Shopping. Accordingly, the ability of GS Investments to pay principal, interest and other amounts due on the notes will depend upon our financial condition and results of operations.

Because we do not have any assets from which to make payments on the notes, we depend on dividends and other cash distributions from our subsidiaries to make payments on the notes. The debt represented by the notes is structurally junior to all of our subsidiaries' obligations because our subsidiaries will only be able to pay dividends after fulfillment of all their obligations. A material adverse change in the business or financial condition of our shopping centers or a temporary suspension of payment of dividends to us by our subsidiaries could adversely affect our ability to make payments under the notes. In addition, fluctuations in currency exchange rates or the adoption of currency exchange controls could adversely affect our ability to make U.S. dollar payments on the notes upon receipt of cash dividends from our subsidiaries. While our controlling shareholder could decide to make additional cash contributions to us for purposes of making payments under the notes, such shareholder is under no obligation to do so and thus we cannot assure you that any such contributions will be made. If our subsidiaries fail to pay dividends or make cash distributions to us, we may not be able to make scheduled payments of interest on the notes or pay the principal amount of the notes upon the occurrence of an event of default.

The notes are new securities and there is no existing public market for them. We cannot assure you that an active trading market for the notes will exist.

No assurance can be provided regarding the development of a market for the notes, the ability of holders of the notes to sell their notes, or the price at which such holders may be able to sell their notes. We cannot assure you that an active trading market for the notes will continue. The lack of an active trading market for the notes would have a material adverse effect on the market price and liquidity of the notes. Even if a market for the notes develops, the notes may trade at a discount from their initial offering price.

The foreign exchange policy of Brazil may affect the ability of companies constituted in Brazil to make money remittances outside Brazil in respect of the notes and the guarantees.

Under Brazilian regulations, Brazilian companies are not required to obtain authorization from the Central Bank in order to make payments under guarantees in favor of foreign persons, such as the holders of the notes and GS Investments. We cannot assure you that these regulations will continue to be in force at the time the Guarantors are required to perform their payment obligations under the guarantees. If these regulations are modified and an authorization from the Central Bank is required, the Guarantors would need to seek an authorization from the Central Bank to transfer the amounts under the guarantees out of Brazil or, alternatively, make such payments with funds held by the Guarantors outside Brazil. We cannot assure you that such an authorization will be obtained or that such funds will be available.

***Judgments of Brazilian courts enforcing obligations under the guarantee would be payable only in* reais.**

If proceedings were brought in Brazil seeking to enforce the obligations of the Guarantors under the indenture, we would not be required to discharge our obligations in a currency other than *reais*. Under the Brazilian exchange control limitations, an obligation to pay amounts denominated in a currency other than Brazilian currency, which is payable in Brazil, may only be satisfied in Brazilian currency at the rate of exchange prevailing on the market on the date of payment, as published by the Central Bank. Accordingly, if we were to be declared bankrupt, all our credits denominated in foreign currencies would be converted into *reais* at the prevailing rate on the date of the declaration.

A finding that a guarantee of the notes was a fraudulent conveyance could result in bondholders losing their legal claim against the relevant Guarantors.

GS Investments' obligation to make payments on the notes is supported by the Guarantors' obligations to guarantee payments on such notes. The Guarantors do not believe that the guarantee of the notes constitutes a fraudulent conveyance. In the event that Brazilian or U.S. fraudulent conveyance or similar laws are applied to any such guarantee by each of the Guarantors and at the time they entered into such guarantee it:

- was rendered insolvent by reason of its entering into such guarantee;
- was engaged in business or transactions for which the assets remaining with it constituted unreasonable small capital;
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature; or
- received less than reasonably equivalent value or fair consideration thereof;

then the Guarantor's obligations under the guarantee could be voided, or claims in respect of such guarantee could be subordinated to the claims of other creditors. A legal challenge to a guarantee on fraudulent conveyance grounds may focus, among other claims, on the benefits, if any, realized by the relevant guarantors as a result of the issuance of the notes so guaranteed. If a guarantee is held to be a fraudulent conveyance or unenforceable for any other reason, the holders of the notes would not have a claim against the Guarantors under the guarantee, or such claim could be subordinated to claims of other creditors of the Guarantors, and will solely have a claim against the issuer of those notes. The Guarantors cannot assure you that, after providing for all prior claims, there will be sufficient assets to satisfy the claims of the bondholders relating to any voided portion of the guarantee.

We cannot assure investors that a judgment of a court for liabilities under the securities laws of a jurisdiction outside Brazil would be enforceable in Brazil, or that an original action can be brought in Brazil against us for liabilities under applicable securities laws.

The issuer is incorporated under the laws of the Cayman Islands, and we are incorporated under the laws of Brazil. Substantially all of our assets are located in Brazil. All of the issuer's and our directors, executive officers and certain advisors named herein reside in Brazil. As a result, it may not be possible for investors to effect service of process within the United States upon the issuer or us, or its or our directors, executive officers and advisors, or to enforce against the issuer or us, or its or our directors, executive officers and advisors, in U.S. or Brazilian courts, any judgments predicated upon the civil liability provisions of applicable securities laws. In addition, it may not be possible to bring an original action in Brazil against us for liabilities under securities laws of the United States or other jurisdictions or to enforce the our guarantee if the indenture or the notes were to be declared void by a court applying the laws of the State of New York. See "Service of Process and Enforcement of Judgments."

Brazilian bankruptcy laws may be less favorable to you than U.S. bankruptcy and insolvency laws.

If the Guarantors are unable to pay their indebtedness under the guarantees, then the Guarantors may become subject to bankruptcy proceedings in Brazil. Brazilian bankruptcy laws are significantly different from, and may be less favorable to creditors than, those of the United States. In addition, any judgment obtained against the Guarantors in Brazilian courts in respect of any payment obligations under the notes normally would be expressed in the *real* equivalent of the U.S. dollar amount of such sum at the exchange rate in effect (1) on the date of actual payment, (2) on the date on which such judgment is rendered, or (3) on the date on which collection or enforcement proceedings are started against us. Consequently, in the event of our or the other Guarantors' bankruptcy, all of our debt obligations that are denominated in foreign currency, including the notes and the guarantees, will be converted into *reais* at the prevailing exchange rate on the date of declaration of our or the other Guarantors' bankruptcy by the court.

Payments on the notes and the guarantees will be junior to any senior and secured debt obligations of GS Investments and the Guarantors, as the case may be.

The notes and the guarantees will constitute subordinated unsecured obligations of GS Investments and the Guarantors, respectively, and will rank senior only to our ordinary share capital and subordinate to the right of payment with all of the other existing and future senior unsecured indebtedness of GS Investments and the Guarantors, respectively. Although the holders of the notes will have a direct, but unsecured claim on the assets and property of GS Investments, payment on the notes will be subordinated to any senior and/or secured debt of GS Investments to the extent of the assets and property securing such debt. Payment on the notes will also be effectively subordinated to the payment of secured debt of the Guarantors.

In addition, under Brazilian law, the obligations of the Guarantors under the guarantees are subordinated to certain statutory preferences. See "—The Guarantors' obligations under their guarantees are subordinated to certain statuory preferences." In the event of the Guarantors' liquidation, such applicable statutory preferences will have preference over any other claims, including claims by any holder of the notes.

As of December 31, 2011, on a consolidated basis, we and our subsidiaries had R$690.5 million of total indebtedness. As of December 31, 2011, R$218.8 million of this total amount was secured debt of the Company's subsidiaries and structurally senior to the notes being sold in this offering.

The notes may be treated as equity interests in a passive foreign investment company, which could result in adverse U.S. federal income tax consequences for U.S. investors.

The notes are expected to be characterized as equity interests, rather than as indebtedness, for U.S. federal income tax purposes. U.S. Holders (as defined in "Taxation—Certain U.S. Federal Income Tax Considerations") should be aware that they could be subject to certain adverse U.S. federal income tax consequences in the event that GS Investments is classified as a passive foreign investment company ("PFIC"), for U.S. federal income tax purposes. Prospective investors should carefully read "Taxation—Certain U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules" for more information and consult their independent tax advisors regarding the likelihood and consequences of GS Investments being treated as a PFIC for U.S. federal income tax purposes, including the advisability of making a "qualified electing fund" election, which may mitigate certain possible adverse U.S. federal income tax consequences but may result in an inclusion in gross income without receipt of such income.

We may not have the ability to raise the funds necessary to finance any change of control offer required by the indenture governing our bond issues in November 2010 and April 2011. In addition, we will not be required to repurchase the notes of this offering upon a change of control event.

Upon the occurrence of certain specific change of control events, we will be required to offer to repurchase all outstanding bonds we issued in November 2010 and April 2011 at 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of any such change of control event to make the required repurchase of such bonds. In addition, our existing and future indebtedness may contain prohibitions on the occurrence of events that would constitute a change of control or require that indebtedness to be repurchased upon a change of control. Moreover, the exercise of the right of the bondholders to require us to repurchase the bonds issued in November 2010 and April 2011 upon a change of control event may cause a default under such indebtedness even if the change of control event itself does not. Accordingly, we may not be able to satisfy our obligations to purchase the bonds issued in November 2010 and April 2011 unless we are able to refinance or obtain waivers under such indebtedness. The failure to repurchase the bonds issued in November 2010 and April 2011 upon a change of control event would cause a default under the indenture governing such bonds.

Finally, although we may elect to repurchase the notes of this offering upon a change of control event, we are not required to do so under the Indenture. A change of control may cause sudden and unexpected changes in our corporate policies and business strategies, including through changes to our management, and we will not be required to repurchase the notes of this offering.

The Guarantors' obligations under their guarantees are subordinated to certain statutory preferences.

Under Brazilian law, the Guarantors' obligations under their respective guarantees are subordinated to certain statutory preferences. In the event of a liquidation, bankruptcy or judicial reorganization of any of the Guarantors, such statutory preferences, including post-petition claims, claims for salaries, wages, social security, taxes and court fees and expenses and claims secured by collateral, among others, will have preference over any other claims, including claims by any investor in respect of the guarantees. In such a scenario, enforcement of the guarantees may be unsuccessful, and holders of the notes may be unable to collect amounts that they are due under the notes.

There are no financial covenants with respect to the notes and we may incur additional debt that would rank equal or senior to the notes.

There are no financial covenants, such as requirements to maintain a certain amount of working capital and other debt ratios, in the Indenture or the notes, and we are not restricted from incurring additional debt or other liabilities, including additional senior debt, under the notes or the Indenture. If we or the Guarantors incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. If we incur additional debt or guarantees that rank on a senior or an equal and ratable basis with the notes, the holders of that debt would be entitled to receive priority or share ratably with the holders of the notes, as the case may be, in any proceeds that may be distributed upon our insolvency, liquidation, reorganization, dissolution or other winding up. This would likely reduce the amount of any liquidation proceeds that would be available to be paid to you. We expect that we will from time to time incur additional debt and other liabilities. In addition, we are not restricted from paying dividends or issuing or repurchasing our securities under the Indenture.

The notes are our only material external indebtedness for borrowed money without "cross-default," "cross acceleration" or similar protections.

The Indenture for the notes does not include an Event of Default relating to a payment or covenant default with respect to other indebtedness, or acceleration of any other instruments. In contrast, some of our currently outstanding bonds and loans have events of default relating to defaults and accelerations with respect to other instruments, and it is likely that future bonds and loans will as well. Accordingly, there may be circumstances where we will be required to repay the principal, interest and other amounts due under other debt instruments, but the Trustee under the Indenture governing the notes will not have the right to require repayment of the notes. In such circumstances, we may have an incentive to pay or restructure other debt instruments (including debt instruments that rank junior to the notes upon liquidation) prior to paying or restructuring the notes. In addition, in situations of financial distress short of bankruptcy, the holders of the notes may be unable to accelerate the notes or take enforcement action for a significant time after other creditors have exercised such rights.

Our failure to comply with certain covenants under the Indenture or bankruptcy events involving our subsidiaries are not Events of Default.

Although we have agreed under the Indenture to, among other things, (i) limit our ability and the ability of our significant subsidiaries to consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; (ii) abstain from issuing subordinated instruments; (iii) abstain from making certain dividend and other restricted payments, and (iv) provide certain financial information to investors, our failure to comply with the obligations under these and certain other covenants will not be an event of default under the Indenture. In the event of a breach of any of the GS Investments obligations under the notes and the Indenture, other than the obligation to pay principal when due upon redemption or the failure to pay interest (other than interest permitted to be deferred under the Indenture) or Additional Amounts (as defined in "Description of the Notes—Definitions") or other amounts due on the notes, a holder of notes would not be entitled to accelerate or institute bankruptcy proceedings and would only be entitled to rights and remedies provided under New York and Brazilian law.

Our failure to comply with these covenants may constitute an event of default on our other senior debt instruments, including the bonds, after the expiration of any applicable grace period. As a result, holders of other indebtedness may have the right to pursue remedies against us when the holders of the notes may not. In addition, if

consents or waivers from our creditors are required, we may seek these consents and waivers from the holders of other indebtedness (or even prepay or redeem such indebtedness), without taking any action with respect to the notes.

In addition, bankruptcy, judicial reorganization, liquidation or dissolution of our subsidiaries (other than the Issuer) will not constitute an Event of Default under the Indenture. See "Description of the Notes—Events of Default."

We will have the right to redeem the notes in certain circumstances.

We will have the right to redeem the notes at our option (i) on the First Fixed Period Date, the Second Fixed Period Date and any Interest Payment Date thereafter; (ii) at any time, if the aggregate principal amount of the notes outstanding is less than 10% of the aggregate principal amount on the Closing Date, plus the principal amount of any additional notes, if any, that may be issued under the Indenture after the Closing Date; (iii) in case of an Accounting Triggering Event, a Tax Deduction Event, a Rating Event, a Change of Control Event or certain other tax events, as described under "Description of the Notes—Optional Redemption."

In the case of a redemption due to an Accounting Triggering Event, a Rating Event, a Tax Deduction Triggering Event or a Change of Control Event, the notes may be redeemed at a price equal to 100% (in the case of a Rating Event) and 101% (in the case of an Accounting Triggering Event, a Tax Deduction Triggering Event or a Change of Control Event) of their principal amount plus accrued and unpaid interest, including deferred interest and interest thereon, and additional amounts, if any. In the case of (i) a redemption on the First Fixed Period Date, the Second Fixed Period Date and any Interest Payment Date thereafter, (ii) a redemption in case the aggregate principal amount of the notes outstanding is less than 10% of the aggregate principal amount on the Closing Date, plus the principal amount of any additional notes, if any, that may be issued under the Indenture after the Closing Date, or (iii) a redemption upon the occurrence of certain tax events, the notes may be redeemed at par plus accrued and unpaid interest, including deferred interest and interest thereon, and additional amounts, if any. We cannot give any assurances that amounts received upon redemption could be reinvested at a rate that will provide the same rate of return as an investment in the notes. In addition, in the event of a Change of Control Event, we will have the option, but not the obligation to redeem the notes.

EXCHANGE RATES

The Brazilian foreign exchange system allows the purchase and sale of foreign currency and the international transfer of *reais* by any person or legal entity, regardless of the amount, subject to certain regulatory procedures. On March 24, 2010, the CMN approved Resolution No. 3,844, adopting a series of measures to consolidate and simplify the Brazilian foreign exchange regulations. These changes are expected to reduce the effective cost of foreign exchange transactions and the related administrative expenses for both the public and private sectors as well as to provide more legal certainty to the parties to such transactions.

As of the date of this offering memorandum, all financial transfers from Brazil to other countries and from abroad to Brazil, either in Brazilian currency or in any foreign currency, related to foreign capital flows governed by CMN Resolution No. 3,844, will have to follow the general rules applicable to the Brazilian foreign exchange market, such as complying with all laws, be supported by proper documentation and have a reasonable economic justification.

Since 1999, the Central Bank has allowed the U.S. dollar-*real* exchange rate to float freely, and, since then, the U.S. dollar-*real* exchange rate has fluctuated considerably. Until early 2003, the value of the *real* declined relative to the U.S. dollar. The *real* appreciated against the U.S. dollar in 2004-2007. In 2008, the *real* showed a depreciation of 32% against the U.S. dollar as a result of the global financial and economic crisis. In 2009, as a result of a more stable market environment, the Brazilian *real* appreciated 26% against the U.S. dollar and the exchange rate between the *real* and the U.S. dollar decreased to rates last in effect in 2007 with a low of R$1.741 to US$1.00 as of December 31, 2009. In 2010 and 2011, the *real* appreciated 4.3% and 12.6% against the U.S. dollar, respectively. On March 13, 2012, the exchange rate between the *real* and the U.S. dollar was R$1.810 to US$1.00.

In the past, the Central Bank has intervened occasionally to control unstable movements in foreign exchange rates. We cannot predict whether the Central Bank or the Brazilian government will continue to let the *real* float freely or will intervene in the exchange rate market through the return of a currency band system or otherwise. The *real* may depreciate or appreciate against the U.S. dollar substantially.

The following table sets forth the period end, average, high and low Foreign Exchange Market selling rates published by the Central Bank on its electronic information system (*Sistema de Informações do Banco Central – SISBACEN*), under transaction code PTAX 800 *(Consultas de Câmbio),* or Exchanged Rate Enquiry, Option 5, *Venda (Cotações para Contabilidade),* or Rates for Accounting Purposes expressed in *reais* per U.S. dollar for the periods and dates indicated. The information in the "Average" column represents the average of the daily exchange rates during the period presented.

	***Reais* per U.S. Dollar**			
Year ended December 31,	**High**	**Low**	**Average[(1)]**	**Period End**
2006	2.371	2.059	2.177	2.138
2007	2.156	1.733	1.948	1.771
2008	2.500	1.559	1.837	2.337
2009	2.422	1.702	1.994	1.741
2010	1.881	1.655	1.759	1.666
2011	1.902	1.535	1.675	1.876

Month	**High**	**Low**	**Average[(1)]**	**Period End**
September 2011	1.902	1.604	1.750	1.854
October 2011	1.886	1.689	1.773	1.689
November 2011	1.894	1.727	1.790	1.811
December 2011	1.876	1.783	1.837	1.876
January 2012	1.868	1.739	1.790	1.739
February 2012	1.738	1.702	1.718	1.709
March 2012 (through March 13)	1.816	1.715	1.763	1.810

Source: Central Bank.

(1) Represents the average of the exchange rates on the closing of each day during the period.

Brazilian law provides that, whenever there is a serious imbalance in Brazil's balance of payments or there are serious reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad. We cannot assure you that such measures will not be taken by the Brazilian government in the future. See "Risk Factors—Risks Relating to Brazil."

USE OF PROCEEDS

Our net proceeds from the sale of the notes are estimated to be approximately US$143.4 million, after deducting discounts and commissions and estimated offering expenses.

We intend to use the net proceeds from this offering for the expansion of our shopping centers, development of new projects and for general corporate purposes. The use of the proceeds as described above depends on various factors that we cannot guarantee will be realized, including the behavior of the markets in which we operate and our ability to negotiate acquisitions of new shopping centers as well as our ability to increase our participations in shopping centers under accessible conditions and other factors described in "Forward-looking Statements."

For more information on the impact of our net proceeds from this offering on our financial condition, see "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

CAPITALIZATION

The table below sets forth our cash and cash equivalents and total capitalization as of December 31, 2011, on a historical basis and as adjusted to reflect the estimated net proceeds from this offering, after deducting discounts and commissions and estimated offering expenses. You should read this table in conjunction with the information under the headings "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and respective notes included elsewhere in this offering memorandum.

After the conclusion of this offering, we intend to account for the notes as long-term debt on our balance sheet. However, this classification may change in the future based on new accounting developments and interpretations under Brazilian GAAP and IFRS.

	As of December 31, 2011			
	Historical		Adjusted[(1)]	
(in thousands of)	(R$)	(US$)[(2)]	(R$)	(US$)[(2)]
Cash and cash equivalents	**121,680**	**64,868**	**390,585**	**208,223**
Loans and financing	**472,598**	**251,946**	**741,503**	**395,301**
Current loans and financing	5,227	2,787	5,227	2,787
Non-current loans and financing	937	500	937	500
Current and non-current perpetual bond	466,434	248,659	466,434	248,659
Notes offered hereby (3)	—	—	**268,905**	**143,355**
Real estate credit certificates	**217,937**	**116,183**	**217,937**	**116,183**
Current real estate credit certificates	18,111	9,655	18,111	9,655
Non-current real estate credit certificates	199,826	106,528	199,826	106,528
Related party transactions	**13,949**	**7,436**	**13,949**	**7,436**
Current related party transactions	13,949	7,436	13,949	7,436
Shareholders' equity	**333,113**	**177,585**	**333,113**	**177,585**
Capital	317,813	169,428	317,813	169,428
Revaluation reserve	108,312	57,742	108,312	57,742
Accumulated loss	(93,012)	(49,585)	(93,012)	(49,585)
Total capitalization (4)	**1,037,597**	**553,150**	**1,306,502**	**696,505**

(1) Adjusted to reflect the estimated net proceeds from this offering, after deducting discounts and commissions and estimated offering expenses.
(2) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.
(3) Adjusted to reflect the estimated net proceeds of US$143,355 thousand from the issuance of US$150.0 million in principal amount of notes offered hereby, after deducting discounts, commissions and estimated offering expenses.
(4) Corresponds to the sum of loans and financing, real estate credit certificates, related party transactions and total shareholders' equity.

SELECTED FINANCIAL DATA

You should read and analyze the information below in conjunction with our consolidated financial statements and accompanying notes included elsewhere in this offering memorandum, as well as with the information under the headings "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Exchange Rates."

We prepared our consolidated financial statements as of and for the years ended December 31, 2011, 2010 and 2009 in accordance with IFRS and Brazilian GAAP. The individual financial statements of the Company have been prepared in accordance with Brazilian GAAP. Brazilian GAAP is comprised of the Brazilian Corporate Law and the pronouncements, instructions and interpretations issued by the CPC and approved by the CVM. In the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRS which requires that these investments be stated at fair value or cost in the Company's individual financial statements. IFRS and Brazilian GAAP differ in certain significant respects from U.S. GAAP.

Our individual and consolidated financial statements prepared in accordance with Brazilian GAAP and IFRS as of and for the years ended December 31, 2011 and 2010, which were audited by Deloitte Touche Tohmatsu Auditores Independentes, in accordance with Brazilian and international standards on auditing, are included elsewhere in this offering memorandum. The audit report with respect thereto includes an explanatory paragraph relating to the fact that the Company is taking measures to complete the registration of certain title deeds for certain acquired properties in the appropriate Real State Registry Offices, as mentioned in note 10 to the financial statements and based on the fact, as mentioned in note 2, that in the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRSs, which requires that these investments be stated at fair value or cost in the Company's individual financial statements.

Our consolidated financial statements for the years ended December 31, 2010 and 2009 were the first financial statements to be presented by us in conformity with IFRS. The Company applied the accounting policies set out in note 2 to the financial statements to all periods presented, which includes the balance sheet as of the transition date, which is January 1, 2009. For the measurement of the adjustments of the opening balances and in preparing the balance sheet as at the transition date, the Company applied the mandatory exceptions and certain optional exemptions to the retrospective application prescribed by IFRS 1 and CPC 37(R1), First-time Adoption of International Financial Reporting Standards.

Our individual and consolidated financial statements as of and for the years ended December 31, 2010 and 2009, which were audited by Deloitte Touche Tohmatsu Auditores Independentes, in accordance with Brazilian and international standards on auditing and prepared in accordance with Brazilian GAAP and IFRS, are included elsewhere in this offering memorandum. The audit report with respect thereto includes explanatory paragraphs relating to the fact that the Company is taking measures to complete the registration of certain title deeds for certain acquired properties in the appropriate Real State Registry Offices, as mentioned in note 11 to the financial statements and based on the fact, as mentioned in note 2, that in the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRS, which requires that these investments be stated at fair value or cost in the Company's individual financial statements.

The financial statements of our subsidiaries are consolidated in our consolidated financial statements in accordance with IFRS, as follows: (i) for those subsidiaries over which we exercise shared control, the consolidation is proportional to our equity interest in the relevant subsidiary; and (ii) for those subsidiaries over which we exercise full control, the consolidation is made in full, and the participation, if any, of the minority shareholders of such subsidiaries in the subsidiaries' net assets and results of operations is presented as a separate line item on our consolidated balance sheet and consolidated statement of income.

Statements of Income (Operations)

(in thousands)	2009	2010	2011	2011[(1)]
	Year ended December 31,			
	R$	R$	R$	US$
Rentals	87,965	99,303	115,331	61,484
Services	23,855	27,423	31,827	16,967
Total gross revenues	**111,820**	**126,726**	**147,158**	**78,451**
Deductions	(11,263)	(10,567)	(9,817)	(5,234)
Net revenues	**100,557**	**116,159**	**137,341**	**73,217**
Cost of rentals and services	(24,725)	(25,032)	(28,065)	(14,962)
Gross profit	**75,832**	**91,127**	**109,276**	**58,255**
Operating income (expenses):				
General and administrative	(21,647)	(22,685)	(33,079)	(17,635)
Other operating income, net	8,061	3,450	9,294	4,955
Income from operations before financial expenses	**62,246**	**71,892**	**85,491**	**45,575**
Financial expenses, net	(23,332)	(73,111)	(108,252)	(57,710)
Income (loss) before income taxes and social contribution	**38,914**	**(1,219)**	**(22,761)**	**(12,135)**
Income taxes and social contribution	(14,491)	(10,136)	(15,240)	(8,124)
Net income (loss)	**24,423**	**(11,355)**	**(38,001)**	**(20,259)**

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.

Balance Sheet

(in thousands)	As of December 31, 2009	2010	2011	2011[(1)]
	R$	R$	R$	US$
Assets				
Current assets				
Cash and cash equivalents	12,143	334,045	121,680	64,868
Restricted cash	3,079	—	—	—
Certificates of real estate receivables	370	457	—	—
Trade accounts receivables	24,515	24,643	34,260	18,264
Recoverable taxes	1,411	2,113	4,089	2,180
Assets held for sale	25,394	—	—	—
Other receivables	1,759	14,648	5,740	3,060
Total current assets	**68,671**	**375,906**	**165,769**	**88,372**
Non-current assets				
Trade accounts receivable	1,418	1,699	1,346	718
Certificates of real estate receivables	933	798	—	—
Deferred income and social contribution taxes	12,621	12,588	12,554	6,693
Related parties	15,680	19,368	22,124	11,794
Restricted cash	7,719	10,610	90,627	48,314
Other accounts receivables	—	—	1,068	569
Deposits and pledges	764	978	2,756	1,469
Intangible assets	31,023	30,901	41,822	22,296
Investment properties	691,862	699,919	915,030	487,808
Property, plant and equipment	14,641	18,066	28,732	15,317
Total non-current assets	**776,661**	**794,927**	**1,116,059**	**594,978**
Total assets	**845,332**	**1,170,833**	**1,281,828**	**683,350**
Liabilities and shareholders' equity				
Current liabilities				
Trade accounts payable	4,554	3,858	17,773	9,475
Loans and financing	62,070	25,856	12,782	6,814
Accounts payable for acquisition of properties	5,416	969	7,550	4,025
Payroll, related charges and profit sharing	1,556	1,921	2,257	1,203
Taxes and contribution payable	34,683	15,243	19,219	10,246
Taxes in installments	575	6,155	5,534	2,950
Real estate credit notes	18,447	99,500	18,111	9,655
Related parties	18,128	14,848	13,949	7,436
Other payables	5,066	4,029	14,210	7,576
Total current liabilities	**150,495**	**172,379**	**111,385**	**59,380**
Non-current liabilities				
Loans and financing	6,695	321,915	459,816	245,131
Accounts payable for acquisition of properties	781	116	—	—
Key money	13,077	14,014	19,179	10,224
Taxes in installments	7,906	21,764	16,641	8,871
Deferred income taxes and social contribution	42,014	41,898	41,850	22,310
Provision for fiscal, labor and civil risks	7,293	6,210	613	328
Real estate credit notes	234,602	221,423	199,826	106,528
Other payables	—	—	99,405	52,993
Total non-current liabilities	**312,368**	**627,340**	**837,330**	**446,385**

(in thousands)	As of December 31, 2009	2010	2011	2011[1]
	R$	R$	R$	US$
Shareholders' equity				
Capital	317,813	317,813	317,813	169,428
Revaluation reserve	108,701	108,535	108,312	57,742
Accumulated losses	(44,045)	(55,234)	(93,012)	(49,585)
Shareholders' equity	**382,469**	**371,114**	**333,113**	**177,585**
Total liabilities and shareholders' equity	**845,332**	**1,170,833**	**1,281,828**	**683,350**

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.

Other Financial Data

Reconciliation of EBITDA and Adjusted EBITDA to Net Income (Loss)

EBITDA is net income (loss), before income taxes and social contribution, financial expenses, net, and depreciation and amortization. Adjusted EBITDA is net income (loss), before income taxes and social contribution, financial results, depreciation and amortization, and expenses identified by our management as being related to uncompleted securities offerings, gain on sale of property, and other non-recurring expenses. EBITDA and Adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP, IFRS or U.S. GAAP, nor should they be considered as alternatives to net income as a measure of operating performance, or as alternatives to operating cash flows or as a measure of liquidity. EBITDA and Adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or Adjusted EBITDA or similarly titled measures used by other companies. As financial results, income taxes and social contribution, depreciation and amortization are not considered for calculation of EBITDA and Adjusted EBITDA, we believe that our EBITDA and Adjusted EBITDA provide an indication of our general economic performance, which is not affected by interest rate fluctuations, changes in income tax rates and social contribution, or depreciation and amortization. As a result, we believe EBITDA and Adjusted EBITDA are important tools to periodically compare our operating performance and also to form a basis to assist management in making certain administrative decisions.

Below, we present a reconciliation of EBITDA and Adjusted EBITDA to net income (loss):

(in thousands, except percentages)	Year ended December 31, 2009	2010	2011	2011[1]
	R$	R$	R$	US$
Net income (loss)	**24,423**	**(11,355)**	**(38,001)**	**(20,259)**
Income taxes and social contribution	14,491	10,136	15,240	8,125
Financial expenses, net	23,332	73,111	108,252	57,710
Depreciation and amortization	10,120	9,822	12,457	6,640
EBITDA	**72,366**	**81,714**	**97,948**	**52,216**
EBITDA margin[2]	**72.0%**	**70.3%**	**71.3%**	**71.3%**
Costs of uncompleted securities offerings	985	550	—	—
Gain on sale of property	—	(637)	—	—
Other non-recurring expenses	274	134	690	368
Adjusted EBITDA	**73,625**	**81,761**	**98,638**	**52,584**
Adjusted EBITDA margin[2]	**73.2%**	**70.4%**	**71.8%**	**71.8%**

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.
(2) Represents EBITDA or Adjusted EBITDA divided by net revenue.

Balance Sheet of Subsidiary Guarantors and Non-Guarantor Subsidiaries

Below, we present the balance sheet information of the Issuer and the Subsidiary Guarantors and Non-Guarantor Subsidiaries as of December 31, 2011.

	As of December 31, 2011		
(in thousands of *reais*)	**Issuer and Subsidiary Guarantors**[1]	**Non-Guarantor Subsidiaries**[1]	**Consolidated**
Assets			
Current assets			
Cash and cash equivalents	80,452	41,228	121,680
Trade accounts receivables	11,983	22,277	34,260
Recoverable taxes	2,576	1,513	4,089
Other receivables	—	5,740	5,740
Total current assets	**95,011**	**70,758**	**165,769**
Non-current assets			
Trade accounts receivable	882	464	1,346
Deferred income and social contribution taxes	6,116	6,438	12,554
Related parties	—	22,124	22,124
Deposits and pledges	2,396	360	2,756
Restricted short-term investments	—	90,627	90,627
Other receivables	—	1,068	1,068
Investment properties	798,942	116,088	915,030
Property, plant and equipment	24,392	4,340	28,732
Intangible assets	41,730	92	41,822
Total non-current assets	**874,458**	**241,601**	**1,116,059**
Total assets	**969,469**	**312,359**	**1,281,828**
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payable	14,938	2,835	17,773
Loans and financing	2,099	10,683	12,782
Accounts payable for acquisition of properties	157	7,393	7,550
Payroll, related charges and profit sharing	2,111	146	2,257
Taxes and contribution payable	14,459	4,760	19,219
Taxes in installments	4,237	1,297	5,534
Real estate credit notes	7,185	10,926	18,111
Related parties	—	13,949	13,949
Other payables	—	**14,210**	**14,210**
Total current liabilities	**45,186**	**66,199**	**111,385**
Non-current liabilities			
Loans and financing	937	458,879	459,816
Key money	14,274	4,905	19,179
Taxes in installments	13,582	3,059	16,641
Deferred income taxes and social contribution	22,639	19,211	41,850
Provision for fiscal, labor and civil risks	349	264	613
Real estate credit notes	71,420	128,406	199,826
Other payables	32,860	66,545	99,405
Total non-current liabilities	**156,061**	**681,269**	**837,330**
Shareholders' equity	**768,222**	**(435,109)**	**333,113**
Total liabilities and shareholders' equity	**969,469**	**312,359**	**1,281,828**

(1) The investments in subsidiaries and intercompany accounting balances were eliminated directly in the respective columns.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial statements and accompanying notes included elsewhere in this offering memorandum, which were prepared in accordance with Brazilian GAAP, and with information under the headings "Presentation of Financial and Other Information," and "Selected Financial Data."

The estimates and projections presented in this offering memorandum involve risks and uncertainties. Our actual results could differ significantly from the results mentioned here as a result of many factors including, but not limited to, those described under the headings "Forward-Looking Statements" and "Risk Factors."

Overview

We believe we are a leading participant in the shopping center industry in Brazil, and own all or part of 14 operating shopping centers. As of the date of this offering memorandum, these shopping centers had an aggregate of 485,221 square meters of gross constructed area (*área bruta construída*), 262,819 square meters of gross leasable area (*área bruta locável*) and approximately 1,582 stores. Our ownership interest in such shopping centers represents 210,868 square meters of gross leasable area. Between the years ended December 31, 2009 and 2010 and December 31, 2010 and 2011, our net revenues increased 15.5% and 18.2%, respectively.

We also lease and manage our shopping centers, provide parking management services and oversee the management of the supply of energy and water to the shopping centers we own and operate. We actively participate in the site search, planning, development and construction of shopping centers.

Our shopping centers are strategically located in the south and southeast areas of Brazil, which accounted for approximately 71.8% of GDP and 73.4% of retail sales in Brazil in 2009, according to the IBGE. In addition, we believe nine of our shopping centers are located in markets that are among the top 15 contributors to Brazilian GDP. We believe, in terms of gross leasable area, our shopping center Internacional Shopping Guarulhos is the largest shopping center in the São Paulo metropolitan area and the eighth-largest in Brazil.

We launched our shopping center activities in 1989, with the opening of Poli Shopping in the city of Guarulhos. Since 2006, we have expanded our business through the development of new "greenfield" shopping centers (shopping centers that we develop), the acquisition of ownership interests in existing shopping centers and the expansion and remodeling of certain shopping centers we own.

The table below sets forth the main operating information of our shopping centers:

Shopping Center:	State	Year initially launched/ acquired	Ownership interest (%)	Total gross leasable area (m^2)	Our gross leasable area (m^2)	Number of stores[(1)]
Poli Shopping	São Paulo	1989	50.00	4,527	2,264	52
Internacional Shopping Guarulhos	São Paulo	1998	100.00	75,958	75,958	292
Auto Shopping	São Paulo	2006	100.00	11,477	11,477	80
Santana Parque Shopping	São Paulo	2007	50.00	26,538	13,269	176
Shopping Light	São Paulo	2007	70.00	14,140	9,898	134
Suzano Shopping	São Paulo	2007	100.00	19,583	19,583	174
Cascavel JL Shopping	Paraná	2007	85.50	8,877	7,590	80
Top Center Shopping São Paulo	São Paulo	2007	100.00	6,369	6,369	67
Prudente Parque Shopping	São Paulo	2007	100.00	10,276	10,276	56
Poli Shopping Osasco	São Paulo	2007	100.00	3,218	3,218	19
Shopping do Vale	R.G. do Sul	2007	84.39	16,487	13,913	94
Unimart Shopping Campinas	São Paulo	2008	100.00	10,233	10,233	91
Outlet Premium São Paulo	São Paulo	2009	50.00	17,716	8,858	90
Parque Shopping Barueri	São Paulo	2011	48.00	37,420	17,962	177
Total				**262,819**	**210,868**	**1,582**

(1) Includes all stores located within each shopping center.

The table below sets forth the main operational information regarding our greenfield projects:

Greenfields:	Ownership interest (%)	Year launched/ acquired	Project opening(1)	Total gross leasable area (m^2) (1)	Our gross leasable area (m^2) (1)	Number of stores(1) (2)
Outlet Premium Brasília	100.00%	2010	2012	16,479	16,479	82
Convention Center(3)	100.00%	2006	2013	25,730	25,730	—
Parque Shopping Sulacap	51.00%	2007	2013	29,932	15,265	165
Parque Shopping Maia	96.50%	2011	2014	26,700	25,766	162
Unimart Shopping Atibaia	100.00%	2011	2014	16,245	16,245	152
Total	N/A	N/A	N/A	**115,086**	**99,485**	**561**

(1) Based on our estimates, which are subject to changes.
(2) Includes all stores that are expected to be located within each shopping center's total gross leasable area.
(3) We are currently negotiating agreements for the development of the Convention Center. See "Business—Projects Under Development, Expansion or Construction— Development of mixed-use projects."

Brazilian Macroeconomic Environment

In 2007, while the *real* appreciated against the U.S. dollar by approximately 20.5%, Brazil recorded a trade surplus of US$40.0 billion. In 2007, GDP increased 6.1% and, for the fourth consecutive year, the current accounts to GDP ratio, an international financial crises vulnerability indicator, was positive which reflects Brazil's lower default risk. International reserves also reached unprecedented levels and were of higher quality, with a reduction in speculative capital. The unemployment rate decreased from 8.4% on December 31, 2006, to 7.4% on December 31, 2007, in Brazil's main metropolitan regions, according to IBGE estimates. As a result of the policy for the gradual reduction of interest rates, the SELIC rate decreased gradually to 11.25% per year by the end of 2007.

Brazil received an investment grade rating of BBB- from the Standard & Poor's and Fitch rating agencies on April 30, 2008 and May 30, 2008, respectively. The investment grade rating reinforced the favorable medium-term prospects for the Brazilian economy, reflecting the maturity of the country's financial institutions and political structure, in addition to its economic progress in terms of fiscal policies and management of the public sector debt.

In 2008, due to unfavorable external conditions resulting from the international economic crisis which began in the United States and the increase in income and domestic demand, the Central Bank decided to initiate a monetary constraint period, increasing the SELIC rate to 13.75% on December 31, 2008. In 2008, inflation measured by the IPCA was 5.9%. The *real* depreciated against the U.S. dollar by 24.2%. GDP increased 5.1% in 2008.

In 2009, the Brazilian economy proved resistant to the crisis with a small reduction in GDP of 0.2%, according to IBGE. Solid macroeconomic fundamentals and increased economic stability allowed the Central Bank to resume its previous policy of reducing interests, and the SELIC rate reached a historic low of 8.75% per year. The Brazilian *real* appreciated 34.2% against the U.S. dollar in 2009.

Macroeconomic indicators improved, and despite the anticipated deceleration of GDP growth for 2009, the Brazilian GDP grew 7.5% in real terms in 2010. Inflation, as measured by the IPCA, published by the IBGE, was 5.9%, 4.3% and 5.9%, in 2008, 2009 and 2010, respectively. From January 2008 through December 2010, the *real* appreciated 6.3% against the U.S. dollar. International reserves increased from US$187.5 billion to US$288.6 billion during the same period. Unemployment decreased from 7.4% in December 2007 to 5.3% in December 2010, and the ratio of net public debt to GDP decreased from 45.5% to 40.2% during the same period.

Further tightening of macroeconomic policies took place in 2011, with a view towards cooling off the expansion of domestic demand and bringing inflation back to the target midpoint. Fears of a global economic slowdown prompted the Central Bank to begin reducing the SELIC rate near the end of the period, reaching 11.0% on December 31, 2011. Regulatory measures of credit restraint have also been adopted. Inflation, as measured by the IPCA, for the year ended on December 31, 2011 was 4.97%. The *real* appreciated against the U.S. dollar in the first several months of 2011, but began to depreciate in August of 2011, reaching R$1.810 per US$1.00 on March 13, 2012.

The main macroeconomic indicators driving the favorable economic environment in Brazil during recent years are shown in the table below:

	Year ended December 31,		
	2009	2010	2011
GDP growth[1]	(0.2)%	7.5%	3.2%[2]
Inflation (IGP-M)[3]	(1.7)%	11.3%	5.1%
Inflation (IPCA)[4]	4.3%	5.9%	6.5%
SELIC[5]	8.75%	10.75%	11.0%
TJLP[6]	6.0%	6.0%	6.0%
Appreciation (devaluation) of *real* against U.S. dollar	34.2%	4.3%	12.6%
Exchange rate (closing) – R$ per US$1.00	R$1.741	R$1.666	R$1.876
Average exchange rate – R$ per US$1.00[7]	R$1.993	R$1.666	R$1.675

Sources: Central Bank of Brazil, FGV, IBGE, CETIP, BNDES.

(1) The GDP numbers for these periods reflect the new method employed by the IBGE in calculating GDP.
(2) Based on annualized rates of the three-months ended September 30, 2011.
(3) The IGP-M is a general market price index measured by FGV showing 12-month accumulated data for 2009, 2010 and 2011.
(4) The IPCA is a consumer price index measured by the IBGE, showing 12-month accumulated data for 2009, 2010 and 2011.
(5) The SELIC rate is the basic rate used as reference by the monetary policy. Figures refer to end of period target rate.
(6) The interest rate used by BNDES for long-term financing (at the end of the period).
(7) Average exchange rates on the last day of each month during the period.

Main Effects of Brazil's Economic Conditions on Our Results

Our business is directly affected by general economic conditions in Brazil. Changes in short- and long-term interest rates, unemployment and inflation may reduce the availability of consumer credit and the purchasing power of individuals who frequent shopping centers. These factors, combined with low GDP growth, may reduce general consumption rates in our shopping centers. Since most of the lease agreements in our shopping centers, our main source of revenue, require tenants to pay a percentage of their total sales as rent (when this percentage exceeds the minimum rent), a general reduction in consumption may reduce our revenue. A reduction in the number of shoppers in our shopping centers and consequently, in the demand for parking and the use of electricity and water, may also reduce our revenues from services rendered.

Additionally, inflation impacts our financial performance and operating results. The minimum lease amounts paid by tenants in our shopping centers are generally adjusted in accordance with the General Index of Domestically Available Prices (*Índice Geral de Preços Disponibilidade Interna*) ("IGP-DI"), an inflation index published by FGV. Although higher inflation rates in Brazil may increase the minimum lease amount, given that tenants tend to pass on any increases in their own expenses to consumers, higher inflation may lead to increased sale prices charged by tenants for their products, which will ultimately reduce their sales volumes and consequently the portions of rent based on their total sales.

We are also subject to exchange rate fluctuations, attributable to the fact that, as of December 31, 2011, R$11.4 million of our liabilities with related parties were indexed to the U.S. dollar. In addition, we incurred US$250 million in indebtedness denominated in U.S. dollars from the issuance of the bonds. Therefore, a depreciation of the *real* against the U.S. dollar may generate exchange rate losses on these financings, directly affecting our financial results.

In addition, a research study published in April 2011 that was conducted by the French financial advisor Cetelem in partnership with the Ipsos Public Affairs research institute concluded that since 2005, 45.4 million Brazilians migrated from the two lowest income groups to the middle income group. This middle income group is currently composed of 101.6 million people, or approximately 53% of the population (versus 34% in 2005), while the two lowest income groups represent 25% of the population (versus 51% in 2005). The middle income group has also presented strong income growth of 21% since 2005.

According to ABRASCE, revenues from the shopping center industry in Brazil in 2010 were R$87.0 billion, representing a 17.6% increase compared to revenues in 2009. Furthermore, according to ABRASCE, rising income

in the lower income groups of the population and the shopping centers in the credit sector had a positive effect on consumer spending.

ABRASCE also indicated that 22 shopping centers were opened in 2011 as of December in Brazil, totaling more than 560,000 square meters of gross leasable area. As of December, 2011, total gross leasable area at all shopping centers in Brazil was 10.3 million square meters. In 2011, there were more than 80,000 stores in shopping centers which were visited by more than 376 million customers monthly, on average, according to ABRASCE. As we believe that there are opportunities for consolidation in the industry, we do not believe that the increase in total gross leasable area will directly impact our financial results.

Industry and Operating Factors Affecting Our Results

Our business and revenues are influenced by various important factors that affect the shopping center industry, including:

Share of the shopping center industry in retail sales

Since the opening of the first shopping center in Brazil in 1966, the sector has grown substantially, especially during the 1980's and 1990's when more than 130 shopping centers were opened in Brazil, according to ABRASCE. As of December, 2011, there were 430 shopping centers in Brazil, according to ABRASCE. In 2010, shopping centers accounted for approximately 18% of retail sales (excluding automobiles) in Brazil, according to ABRASCE, in comparison with 56% and 25% in the United States and France, respectively, according to ICSC. We believe these figures are evidence of the potential for growth in this sector in Brazil.

Seasonality

Our operating results are subject to seasonal fluctuations affecting the shopping center industry and the retail sector in general. Tenants experience a substantial increase in sales before and during holidays such as Mothers' Day (May), Valentines' Day (June), Fathers' Day (August), Children's Day (October) and Christmas (December). These seasonal fluctuations are partially offset by the fact that as required by Brazilian GAAP, the payment to be made pursuant to our lease agreements by our satellite tenants of double the minimum rent for December are accounted for in our financial statements on a monthly basis, in the amount of 1/12 of such rental payment per month. To a lesser degree, our revenues from services rendered (such as water supply and parking) are also affected by seasonality, due to the increase in customers at our shopping centers during those festive periods.

Other factors that affect our results

Other factors that affect the shopping center industry are: (1) entry of international store networks in Brazil; (2) competition; (3) the professionalization of tenants and creation of national chains; (4) constant optimization of resources for operations; (5) management of lease contracts; (6) the number of shopping centers to which we provide complementary services (management of parking lots and management of the electricity and water supply); (7) the need to adapt our shopping centers to new industry trends so that they remain attractive to the public, and (8) team training aimed at maintaining excellence in the rendering of services.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with Brazilian GAAP in line with IFRS requires our management to use estimates to record certain transactions that affect assets, liabilities, revenues and expenses of our consolidated subsidiaries, as well as the disclosure of information concerning our financial statements. While we believe that our assumptions and estimates are reasonable, actual results may differ from the estimates and assumptions presented. The main estimates relating to the financial statements refer to the useful life of our fixed assets and investment property and the provisions for doubtful accounts and for contingencies.

The main accounting policies we adopted in preparing our financial statements are:

Accounts receivable. Accounts receivable are recorded using the nominal values of the instruments representing the receivables, including, when appropriate, earnings and monetary variations. The provision for doubtful accounts is recorded in an amount considered sufficient by management to

cover probable losses on the realization of receivables, under the following criteria: analysis on individual basis of the debtor, irrespective of the repayment date.

Investment Property. Investment property is composed of land and buildings at our shopping centers which generate rental income and/or the appreciation of capital. The investment property is recorded at the acquisition cost or construction cost, deducting the respective accumulated depreciation, calculated by the straight line method based on the estimated useful life of the property. The costs incurred related to the use of the investment property, such as maintenance, repair, insurance and taxes on property, are recognized as a cost for the relevant period. The investment property is written down after the property is sold or is permanently no longer in use and there is no future economic benefits resulting from the sale. Any gain or loss resulting from the write down of the property (calculated as the difference between net revenue from the sale and the book value of the asset) is recorded for the period in which the write down occurred. The financial charges for the loans and financings incurred during the period of construction, when applicable, are capitalized. The reevaluation reserve is recorded in accordance with the registration of the respective depreciation of the buildings at the moment the property is sold, which is recorded in "accumulated profit" account.

Property, Plant and Equipment. Property, plant and equipment is recorded at their cost of acquisition. Depreciation is calculated by the straight line method, based on their estimated useful economic life of the property. The residual value and the useful life of the property are reviewed annually and adjusted, when appropriate. The property is written down after its disposal or when there are no longer any future economic benefits resulting from the continuous use of the asset. Any gains or losses in the sale or write down of the property is determined by the difference between the value received from the sale and the book value of the asset and recorded for the period.

Current and deferred income taxes and social contribution. Provision for income tax was calculated at the rate of 15% plus an additional 10% on annual taxable profits that exceed R$240,000. Social contribution was calculated at the rate of 9% on adjusted net income. Deferred income and social contribution were calculated based on the temporary differences between the carrying amount and the tax basis of income and expenses, tax loss carryforwards and revaluation reserve of buildings and installations. Deferred income taxes and social contribution were limited to 30% of deferred income taxes and social contribution liabilities. In accordance with applicable Brazilian tax legislation, certain companies elected to be taxed based on the presumed profits method. The calculation basis for income taxes and social contribution is calculated at 32% of gross revenues from the rendering of services, and 100% of financial revenues, over which the normal rates of 15% plus the additional 10% for income tax and 9% for social contribution apply. As a result, these consolidated companies did not record deferred income taxes and social contribution on tax loss carryforwards and temporary differences and are not subject to the non-cumulative regime for taxes on revenue (PIS and COFINS).

Provision for tax, labor and civil risks. The provision for tax, labor and civil risks was recorded with respect to the legal proceedings that our legal advisors believe our loss is probable, considering the nature of the proceeding and our experiences with similar cases. Reserves have been recognized for matters classified as legal obligations, regardless of the expected final outcome of lawsuits.

Recognition of revenues, costs and expenses. The revenues, costs and expenses are recognized using the accrual accounting method. Revenue from rentals is recognized on a straight-line basis over the term of rental agreements, taking into account the contractual adjustment and the collection of the 13th monthly rental. Revenue from services is recognized when services are provided. Revenue from assignment of rights to store owners is allocated to income over the term of the first rental agreement.

Impairment of assets. In preparing the financial statements, we analyze if there is evidence that the carrying amount of an asset may not be recovered. When there is such evidence, we estimate the recoverable value of the asset. The recoverable value of an asset is the higher of: (a) its fair value less costs to sell; and (b) its value-in-use. The value-in-use is equivalent to discounted cash flows (before taxes) arising from the continuous use of the asset up to the end of its useful life. When the carrying amount of an

asset exceeds its recoverable value, we recognize impairment. The impairment of assets stated at cost is recorded in income/expenses. If the impairment of an individual asset cannot be determined, we test for impairment the cash-generating unit to which the asset belongs. Except for the impairment of goodwill, previously recognized losses can be reversed. Reversal under these circumstances is limited to the depreciated balance of the asset as of the reversal date, assuming that reversal has not been recorded.

Adjustment to present value. We evaluated the long-term monetary assets and liabilities subject to discount to present value, and short-term monetary assets and liabilities whose impact is considered material in relation to the financial statements taken as a whole. After being recognized, the discount to present value is calculated on the balances, taking into consideration contractual cash flows and the explicit or implicit interest rate of corresponding assets and liabilities. Accordingly, the interest embedded in revenues, expenses and costs related to these assets and liabilities is discounted and recognized on the accrual basis. When a discount to present value is recognized, this interest is subsequently transferred to financial expenses or income in the statement of income, using the effective interest rate method in relation to the contractual cash flows.

Financial instruments (include cash and cash equivalents). Initially recognized at fair value, and those not carried at fair value, are recognized through profit or loss, plus transaction costs directly attributable to the transaction. Measurement of financial instruments subsequent to initial recognition is as follows: (i) financial assets or financial liabilities measured at fair value through profit or loss; and (ii) short-term investments are measured at fair value kept for negotiation for us and our subsidiaries. Subsequent changes in fair value are recognized in net income.

Sources of Revenue

Our main sources of revenue derive from the following activities: (1) investing in shopping centers; (2) rendering parking management services; (3) managing the supply of electricity and water to our shopping centers; (4) shopping center management fees; and (5) rent from properties.

Principal Components of Our Statements of Income

Set forth below is a description of the principal components of our income statement.

Gross Revenue

Rentals

Our main source of revenue is derived from leasing commercial areas in our shopping centers. Rent revenue represented 78.4% and 78.4% of our total gross revenue (or R$99.3 million and R$115.3 million) during the years ended December 31, 2010 and 2011, respectively.

The main sources of rental revenues are:

Lease of commercial areas. We lease store space in our shopping centers through agreements with an average term of five years (except for those related to Auto Shopping, which have an average term of three years). The rent is set at the greater of a minimum fixed amount or a percentage of the tenant's revenues, calculated monthly. The minimum rent is based on market prices that take into account the area of the store, the location of the store in the shopping center and its segment, and is generally paid on the first day of the following month. The variable percentage lease is calculated as a percentage of the tenant's monthly, individual or global sales charged on the tenth day of each month, and which may also vary depending on the segment of the store in question and on the year of the lease.

Our commercial lease revenue represented 70.4% and 69.2% of our total gross revenue (or R$89.2 million and R$101.8 million) for the years ended December 31, 2010 and 2011, respectively.

Key money. Key money is paid by tenants when a new shopping center is opened or when we repossess a particular store due to default or negotiation. These amounts are negotiated based on the

market value of the right to use the commercial areas in the shopping centers, with the most valuable stores being those that are located in high profile locations and those that enjoy greater consumer traffic.

We also charge store owners transfer fees received during the negotiations between them for a specific commercial area. On the transfer of a store from a tenant to a new store owner, the shopping center owners are entitled to a percentage of the amount involved in the transfer of the commercial area.

For accounting purposes, we recognize key money and transfer fee revenue based on the term of the respective lease agreement. Our revenue derived from key money and transfer fees in our shopping centers represented 3.2% and 3.4% of our total gross revenue (or R$4.0 million and R$5.0 million) for the years ended December 31, 2010 and 2011, respectively.

Malls and merchandising. Constitutes the temporary lease of kiosks and the temporary promotion of products and services (merchandising) in our shopping centers. This revenue represented 4.8% and 5.8% of our total gross revenue (or R$6.1 million and R$8.5 million) for the years ended December 31, 2010 and 2011, respectively.

Services

The rendering of services is an important strategic component of our business, and represents an important source of revenue. Our revenue from services represented 21.6% and 21.6% of our total gross revenue (or R$27.4 million and R$31.8 million) for the years ended December 31, 2011 and 2010, respectively. The services we provide are:

Management of parking lots. We operate parking lots, charging parking fees for the time customers leave their vehicles at shopping center parking lots at certain of our shopping centers. We currently manage the parking lots at Internacional Shopping Guarulhos, Auto Shopping, Suzano Shopping, Cascavel JL Shopping, Shopping Light, Santana Parque Shopping, Unimart Shopping Campinas, Outlet Premium São Paulo, Poli Shopping Osasco, Shopping do Vale and Parque Shopping Barueri. Our revenue from parking fees in these shopping centers represented 16.7% and 17.0% of our total gross revenue (or R$21.2 million and R$25.0 million) for the years ended December 31, 2010 and 2011, respectively.

Management of energy supply. We manage the energy supply of our shopping centers and tenants. These services are paid monthly by the tenants to the managing company of the shopping center, which in turn pays Energy, our subsidiary. We currently provide this service at Internacional Shopping Guarulhos, Auto Shopping, Shopping Light, Santana Parque Shopping, Suzano Shopping, Outlet Premium São Paulo, Shopping do Vale and Parque Shopping Barueri. Our revenue from management of energy supply represented 3.1% and 2.9% of our total gross revenue (or R$3.9 milion and R$4.2 million) for the years ended December 31, 2010 and 2011, respectively.

Management of water supply. We also manage the water supply of our shopping centers and respective tenants. These services are paid every month by the tenants to the management company of the shopping center, which in turn pays Wass. We currently provide this service at Internacional Shopping Guarulhos, Auto Shopping, Suzano Shopping, Cascavel JL Shopping, Prudente Parque Shopping, Shopping do Vale, Shopping Light, Santana Parque Shopping, Outlet Premium São Paulo and Poli Shopping. Our revenue from management of water supply represented 1.1% and 1.0% of our total gross revenue (or R$1.4 million and R$1.4 million) for the years ended December 31, 2010 and 2011, respectively.

Management of shopping centers. We provide management services to our shopping centers for which we receive management fees that are paid monthly by the tenants and reimbursed by the condominium. We currently provide this service to Internacional Shopping Guarulhos, Auto Shopping, Suzano Shopping, Unimart Shopping Campinas, Top Center Shopping São Paulo, Poli Shopping Osasco, Prudente Parque Shopping, Cascavel JL Shopping, Shopping do Vale, Outlet Premium São Paulo, Shopping Light and Poli Shopping. Our revenue from the management of shopping centers represented

0.7% and 0.7% of our total gross revenue (or R$0.9 million and R$1.2 million) for the years ended December 31, 2010 and 2011, respectively.

Deductions

Deductions represent discounts, cancellations and taxes levied on our revenue. The calculation basis and rate of taxes due vary in accordance with the tax method adopted by each of our subsidiaries.

Our subsidiaries that are taxed based on the taxable profits method are: ABK, Atlas, Bac, Delta, Fonte, Levian, Park Shopping, Paulis, Send, Sulishopping, I Park and GSB Adm. The companies that are taxed based on the presumed profits method are: BOT, Brassul, Cly, Intesp, Lumen, Lux, Nova União, Polisshopping, PP, Sale, Uniplaza, Securis, Zuz, Wass, Energy, Vide, AST and ASG Adm. The table below shows each of the tax rates that apply to each tax method:

% on Annual Revenue	PIS(1)	COFINS(2)	ISS(3)
Taxable profits	1.65%	7.6%	Up to 5%
Deemed profits	0.65%	3.0%	Up to 5%

(1) For companies taxed based on the taxable profits regime, PIS is levied on revenues, with discounts for deductions provided for in the applicable laws and regulations (non-cumulative PIS). For companies taxed based on the presumed profits regime, PIS is levied on revenues for rent and services.
(2) For companies taxed based on the taxable profits regime, COFINS is levied on revenues, with discounts for deductions provided for in the applicable laws and regulations (non-cumulative COFINS). For companies taxed based on the presumed profits regime, COFINS is levied on revenues for rent and services.
(3) ISS is levied on our revenues from the rendering of services of parking lot management, water supply management and management of shopping centers, and is subject to the rate up to the stated maximum limit.

In addition to the deductions relating to the payment of the taxes mentioned above, we also have deductions relating to discounts or rebates given to tenants as a result of negotiations with them.

Cost of Rentals and Services

Our cost of rentals and services rendered represents mainly shopping center costs in proportion to our ownership interests. This cost is basically composed of:

- depreciation, calculated on fixed assets and investment properties, in particular the buildings and facilities of the shopping centers in operation and equipment and machines in our substations and artesian wells, which represented 37.9% and 42.9% of our total cost of rentals and services (or R$9.5 million and R$12.0 million) for the years ended December 31, 2010 and 2011, respectively;

- personnel, including the salaries, social contribution and benefits paid to or on behalf of shopping center, parking lot and shopping center management employees, which represented 4.0% and 4.2% of our total cost of rentals and services (or R$1.0 million and R$1.2 million) for the years ended December 31, 2010 and 2011, respectively;

- outside services provided by third parties to support our operations and other specialized services, which represented 22.6% and 23.9% of our total cost of rentals and services (or R$5.6 million or R$6.7 million) for the years ended December 31, 2010 and 2011, respectively; and

- occupancy cost (vacant stores), including the maintenance of vacant stores (including payment of the Municipal Real Estate Tax (*Imposto Predial e Territorial Urbano*) (“IPTU”), and the condominium charge) and contributions to an advertising fund of the shopping center (*Fundo de Promoção dos Shopping Centers*), which represented 35.5% and 29.0% of our total cost of rentals and services (or R$8.9 million or R$8.1 million) for the years ended December 31, 2010 and 2011, respectively.

Operating Income (Expenses)

Operating income and expenses are not directly related to our ownership interests in our shopping centers and our management of complementary services. These are incurred for the management of our subsidiaries, including:

- allowance for doubtful accounts, recorded on a monthly basis, according to the following criteria: provisioning of 100% of the overdue rents by inactive tenants (those who left our shopping centers). We analyze all rents that are overdue on an individual basis to evaluate the need to record a provision;
- advertising expenses;
- sales expenses;
- personnel;
- outside services;
- expenses related to materials;
- IPTU expenses; and
- other revenues and expenses, mainly as a result of the recovery of condominium charges paid by us, extraordinary items and reverse of provisions for contingencies.

Financial Income (Expenses)

Financial income. Represents revenues received as of the date of the respective balance sheets, on financial investments and earnings from exchange rate fluctuations on our liabilities denominated in foreign currencies.

Financial expenses. Represent mainly interest, charges, monetary variations and the losses from exchange rate fluctuations on liabilities denominated in foreign currencies.

Income Taxes and Social Contribution

Income taxes are calculated at the rate of 15%, plus a 10% surtax on annual taxable income exceeding R$240,000. Social contribution is calculated at the rate of 9% on adjusted net income. Deferred income taxes and social contribution were calculated based on temporary differences between the carrying amount and the tax basis of income and expenses, tax loss carryforwards and revaluation reserve of buildings and installations. Deferred income tax and social contribution assets were limited to 30% of deferred income tax and social contribution liabilities. As permitted by tax legislation, certain consolidated subsidiaries opted for taxation based on deemed income. Income taxes and social contribution are calculated on 32% of gross revenues and 100% of financial income, at the rates of 15% plus a 10% surtax for income tax and 9% for social contribution tax. For this reason, such consolidated subsidiaries did not record deferred income taxes and social contribution on tax loss carryforwards and temporary differences and are not subject to noncumulative taxation of the taxes on revenue (PIS and COFINS).

Statement of Income (Operations)

(in thousands)	Year ended December 31,			
	2009	2010	2011	2011[(1)]
	R$	R$	R$	US$
Rentals	87,965	99,303	115,331	61,484
Services	23,855	27,423	31,827	16,967
Total gross revenues	**111,820**	**126,726**	**147,158**	**78,451**
Deductions	(11,263)	(10,567)	(9,817)	(5,234)
Net revenues	**100,557**	**116,159**	**137,341**	**73,217**
Cost of rentals and services	(24,725)	(25,032)	(28,065)	(14,962)
Gross profit	**75,832**	**91,127**	**109,276**	**58,255**
Operating income (expenses):				
General and administrative	(21,647)	(22,685)	(33,079)	(17,635)
Other operating income, net	8,061	3,450	9,294	4,955
Income from operations before financial expenses	**62,246**	**71,892**	**85,491**	**45,575**
Financial expenses, net	(23,332)	(73,111)	(108,252)	(57,710)
Income (loss) before income taxes and social contribution	**38,914**	**(1,219)**	**(22,761)**	**(12,135)**
Income taxes and social contribution	(14,491)	(10,136)	(15,240)	(8,124)
Net income (loss)	**24,423**	**(11,355)**	**(38,001)**	**(20,259)**

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for reais into U.S. dollars of R$1.8758 to US$1.00.

Year ended December 31, 2010 Compared to Year ended December 31, 2011

Gross revenue. Our gross revenue increased R$20.4 million, or 16.1%, from R$126.7 million in the year ended December 31, 2010 to R$147.1 million in the year ended December 31, 2011. Set forth below is a break-down of our revenue, by type, for the years ended December 31, 2010 and 2011.

	Year ended December 31,		
	2010	2011	% Change
	(in millions of R$)		
Rentals:			
Lease of commercial areas	89.2	101.8	14.3%
Key money	4.0	5.0	24.0%
Malls and merchandising	6.1	8.5	38.3%
Services:			
Management of parking lots	21.2	25.0	17.9%
Management of energy supply	3.9	4.2	8.0%
Management of water supply	1.4	1.4	2.5%
Management of shopping centers	0.9	1.2	29.2%
Total gross revenue	**126.7**	**147.1**	**16.1%**

Rentals. Our revenue from rentals increased R$16.0 million, or 16.1%, from R$99.3 million in the year ended December 31, 2010, to R$115.3 million in the year ended December 31, 2011, primarily as a result of the following factors:

Lease of commercial areas. Our commercial lease revenue increased R$12.6 million, or 14.3%, from R$89.2 million in the year ended December 31, 2010, to R$101.8 million in the year ended December 31, 2011, mainly due to (i) the increase in our ownership interest in Shopping Light from 50.1% to 70%, in July 2011 (ii) the increase in our ownership interest in Outlet Premium São Paulo from 30% to 50% in June 2010, (iii) the annual increase in the rent we charge our tenants and (iv) the increase in revenues of our retailers. Our own gross leasable area increased 2.6% and the rent per square meter we charge our tenants increased 13.2% from the year ended December 31, 2010 to the year ended December 31, 2011.

Key money. Our revenue from key money increased R$1.0 million, or 24.0%, from R$4.0 million in the year ended December 31, 2010, to R$5.0 million in the year ended December 31, 2011, mainly due to the commencement of operations at Parque Shopping Barueri, as well as the overall increase in our operations.

Malls and merchandising. Our revenue from malls and merchandising increased R$2.4 million, or 38.3%, from R$6.1 million in the year ended December 31, 2010, to R$8.5 million in the year ended December 31, 2011, mainly due to the increase in fees received from our tenants, particularly Top Center Shopping São Paulo.

Services. Our revenue from services increased R$4.4 million, or 16.1%, from R$27.4 million in the year ended December 31, 2010, to R$31.8 million in the year ended December 31, 2011, as described below:

Management of parking lots. Our revenues from the management of parking lots increased R$3.8 million, or 17.9%, from R$21.2 million in the year ended December 31, 2010, to R$25.0 million in the year ended December 31, 2011, mainly due to the commencement of this service at Poli Osasco, at Shopping do Vale in August 2010 and at Parque Shopping Barueri in November 2011 and organic growth of the other operations.

Management of energy supply. Our revenues from the management of energy supply increased R$0.3 million, or 8.0%, from R$3.9 million in the year ended December 31, 2010, to R$4.2 million in the year ended December 31, 2011, mainly due to the commencement of this service at Shopping do Vale in September 2010, at Outlet Premium São Paulo in November 2010 and at Parque Shopping Barueri in November 2011.

Management of water supply. Our revenues from the management of water supply in the amount of R$1.4 million in the year ended December 31, 2010, remained stable in comparison to the year ended December 31, 2011.

Management of shopping centers. Our revenues from the management of shopping centers increased R$0.3 million, or 29.2%, from R$0.9 million in the year ended December 31, 2010, to R$1.2 million in the year ended December 31, 2011.

Deductions. Deductions decreased R$0.8 million, or 7.1%, from R$10.6 million in the year ended December 31, 2010, to R$9.8 million in the year ended December 31, 2011. Although our gross revenue increased between these periods, our tax on revenue decreased due to the change in the tax regime in which certain of our subsidiaries are taxed.

Net revenue. Our net revenue increased R$21.1 million, or 18.2%, from R$116.2 million in the year ended December 31, 2010, to R$137.3 million in the year ended December 31, 2011, as a result of the factors described above.

Cost of rentals and services. Our cost of rentals and services increased R$3.0 million, or 12.1%, from R$25.0 million in the year ended December 31, 2010, to R$28.0 million in the year ended December 31, 2011. We set forth below our cost of rentals and services in the years ended December 31, 2010 and 2011. Our costs of rentals and services represented 21.5% and 20.4% of our net revenue for the years ended December 31, 2010 and 2011.

	Year ended December 31,		
	2010	2011	% Change
	(in millions of R$)		
Cost of rentals and services:			
Outside services	5.6	6.7	18.7%
Occupancy cost (vacant stores)	8.9	8.1	-8.4%
Depreciation	9.5	12.0	26.8%
Personnel	1.0	1.2	17.6%
Total	**25.0**	**28.0**	**12.0%**

Outside services. Our costs from outside services increased R$1.1 million, or 18.7%, from R$5.6 million in the year ended December 31, 2010, to R$6.7 million in the year ended December 31, 2011, primarily due to the commencement of parking lot operations at Poli Osasco, at Shopping do Vale in August 2010 and at Parque Shopping Barueri in November 2011. Our costs from outside services represented 4.9% and 4.9% of our net revenue for the years ended December 31, 2010 and 2011, respectively.

Occupancy cost (vacant stores). Our occupancy cost (vacant stores) decreased R$0.8 million, or 8.4%, from R$8.9 million in the year ended December 31, 2010, to R$8.1 million in the year ended December 31, 2011, primarily due to the increase in occupancy rates and the resulting reduction in occupancy costs we incurred. Our occupancy cost (vacant stores) represented 7.7% and 5.9% of our net revenue for the years ended December 31, 2010 and 2011, respectively.

Depreciation. Depreciation costs increased R$2.5 million, or 26.8%, from R$9.5 million in the year ended December 31, 2010, to R$12.0 million in the year ended December 31, 2011. Our depreciation costs represented 8.2% and 8.8% of our net revenue for the years ended December 31, 2010 and 2011, respectively.

Personnel. Our personnel costs increased R$0.2 million, or 17.6%, from R$1.0 million in the year ended December 31, 2010, to R$1.2 million in the year ended December 31, 2011. Our personnel costs represented 0.9% and 0.9% of our net revenue for the years ended December 31, 2010 and 2011, respectively.

Gross profit. Our gross profit increased R$18.2 million, or 19.9%, from R$91.1 million in the year ended December 31, 2010, to R$109.3 million in the year ended December 31, 2011, as a result of the factors mentioned above. For the years ended December 31, 2010, and 2011 our gross margin was 78.5% and 79.6%, respectively.

Operating income (expense). Operating expenses increased R$4.6 million, or 23.6%, from R$19.2 million in the year ended December 31, 2010, to R$23.8 million in the year ended December 31, 2011. Our operating expenses represented 16.6% and 17.3% of our net revenue for the years ended December 31, 2010 and 2011, respectively, as described below:

General and administrative expenses. Our general and administrative expenses increased R$10.4 million, or 45.8%, from R$22.7 million in the year ended December 31, 2010, to R$33.1 million in the year ended December 31, 2011, primarily due to (i) the R$2.6 million increase in expenses relating to brokerage fees for new tenants at our greenfields projects, (ii) the R$3.7 million increase in publicity and advertising expenses at our greenfield projects, (iii) the R$2.6 million increase in personnel expenses due to the increases in annual employee salaries at 6.25% in May 2010 and 7.5% in May 2011, (iv) R$0.6 million in third party services expenses, (v) R$0.7 million from provisions for doubtful accounts and (vi) R$0.2 million in other general and administrative expenses. Our general and administrative expenses represented 19.5% and 24.1% of our net revenue for the years ended December 31, 2010 and 2011, respectively.

Other operating income, net. Our other operating income increased R$5.8 million, or 169.4%, from R$3.5 million in the year ended December 31, 2010, to R$9.3 million in the year ended December 31, 2011, primarily due to the reimbursement of costs and expenses by tenants to us, such as administrative fees, which we previously incurred on their behalf and other recoveries. Our other operating income represented 3.0% and 6.8% of our net revenue for the years ended December 31, 2010 and 2011, respectively.

Income from operations before financial expenses, net. Our income from operations before financial expenses increased R$13.6 million, or 18.9%, from R$71.9 million in the year ended December 31, 2010, to R$85.5 million in the year ended December 31, 2011, mainly as a result of the factors mentioned above.

Financial expenses, net. Our financial expenses, net increased R$35.2 million, or 48.1%, from R$73.1 million in the year ended December 31, 2010, to R$108.3 million in the year ended December 31, 2011 primarily due to (i) the R$40.9 million increase in net losses in connection with the 12.6% appreciation of the U.S. dollar in 2011, which increased the cost of servicing our debt denominated in U.S. dollars represented by the perpetual bonds and (ii) the R$3.9 million increase in interest expenses on loans, financings, CCIs and other liabilities, which was partially offset by the R$7.3 million increase in interest earned on financial investments. Our financial expenses, net represented 63.0% and 78.9% of our net revenue for the years ended December 31, 2010 and 2011, respectively.

Income (loss) before income taxes and social contribution. Our income before income taxes and social contribution decreased R$21.6 million, from a loss of R$1.2 million in the year ended December 31, 2010, to a loss of R$22.8 million in the year ended December 31, 2011, as a result of the factors mentioned above.

Income taxes and social contribution. Our income taxes and social contribution increased R$5.1 million, or 50.4% from R$10.1 million in the year ended December 31, 2010, to R$15.2 million in the year ended December 31, 2011, primarily due to the change in the tax regime in which certain of our subsidiaries are taxed. Our income taxes and social contribution represented 8.7% and 11.1% of our net revenue for the years ended December 31, 2010 and 2011, respectively.

Net income (loss). Our net income decreased R$26.7 million from a loss of R$11.3 million in the year ended December 31, 2010, to a loss of R$38.0 million in the year ended December 31, 2011, as a result of the factors discussed above. For the years ended December 31, 2010 and 2011, our net margin was (9.8%) and (27.7%), respectively.

Year ended December 31, 2009 Compared to Year ended December 31, 2010

Gross revenue. Our gross revenue increased R$14.9 million, or 13.3%, from R$111.8 million in the year ended December 31, 2009 to R$126.7 million in the year ended December 31, 2010. Set forth below is a break-down of our revenue, by type, for 2009 and 2010.

	Year ended December 31,		
	2009	2010	% Change
	(in millions of R$)		
Rentals:			
Lease of commercial areas	79.1	89.2	12.8%
Key money	4.0	4.0	0.2%
Malls and merchandising	4.9	6.1	24.4%
Services:			
Management of parking lots	17.7	21.2	20.1%
Management of energy supply	4.1	3.9	(7.1%)
Management of water supply	1.4	1.4	4.5%
Management of shopping centers	0.6	0.9	40.5%
Total gross revenue	**111.8**	**126.7**	**13.3%**

Rentals. Our revenue from rentals increased R$11.3 million, or 12.9%, from R$88.0 million in the year ended December 31, 2009, to R$99.3 million in the year ended December 31, 2010, primarily as a result of the following factors:

Lease of commercial areas. Our commercial lease revenue, increased R$10.1 million, or 12.8%, from R$79.1 million in the year ended December 31, 2009, to R$89.2 million in the year ended December 31, 2010, mainly due to (i) the annual upward adjustments in the rent we charge, (ii) the 3.3% increase in the gross leasable area at Top Center Shopping São Paulo as a result of the reconfiguration of the shopping center layout and the opening of Outlet Premium São Paulo in June 2009, as well as the increase in our ownership interest in Outlet Premium São Paulo in June 2010, and (iii) the increased sales performance of our tenants, which increased R$3.6 million, the revenue of which in certain cases we earn a percentage. Our own gross leasable area increased 1.9% and the rent per square meter we charge our tenants increased 9.5% from the year ended December 31, 2009 to the year ended December 31, 2010.

Key money. Our revenue from key money in the amount of R$4.0 million in the year ended December 31, 2009, remained stable in comparison to the year ended December 31, 2010.

Malls and merchandising. Our revenue from malls and merchandising increased R$1.2 million, or 24.4%, from R$4.9 million in the year ended December 31, 2009, to R$6.1 million in the year ended December 31, 2010, mainly due to the increase in fees received from merchandisers and kiosks.

Services. Our revenue from services increased R$3.6 million, or 15.0%, from R$23.8 million in the year ended December 31, 2009, to R$27.4 million in the year ended December 31, 2010, as described below:

Management of parking lots. Our revenues from the management of parking lots increased R$3.5 million, or 20.1%, from R$17.7 million in the year ended December 31, 2009, to R$21.2 million in the year ended December 31, 2010, mainly due to (i) we began providing this service at Unimart Shopping Campinas in November, 2009, at Outlet Premium São Paulo in December 2009, at Shopping do Vale in August, 2010 and at Poli Shopping Osasco in August, 2010, and (ii) increase of revenues from the other parking lot operations due to the average increase by 6.9% in the number of cars parked at our shopping centers.

Management of energy supply. Our revenues from the management of energy supply decreased R$0.2 million, or 7.1%, from R$4.1 million in the year ended December 31, 2009, to R$3.9 million in the year ended December 31, 2010, as a result of the increase in cost of the energy in the spot market we purchase and resell to our clients, thus reducing our margin.

Management of water supply. Our revenues from the management of water supply in the amount of R$1.4 million in the year ended December 31, 2009, remained stable in comparison to the year ended December 31, 2010.

Management of shopping centers. Our revenues from the management of shopping centers increased R$0.3 million, or 40.5%, from R$0.6 million in the year ended December 31, 2009, to R$0.9 million in the year ended December 31, 2010, primarily due to the opening of Outlet Premium São Paulo in December 2009 and the increase in revenue from Top Center.

Deductions. Deductions decreased R$0.7 million, or 6.2%, from R$11.3 million in the year ended December 31, 2009, to R$10.6 million in the year ended December 31, 2010, mainly as a result of the reduction in discounts previously offered to tenants of Auto Shopping and Internacional Shopping Guarulhos which was partially offset by the R$1.0 million increase in taxes resulting from an increase in revenues.

Net revenue. Our net revenue increased R$15.6 million, or 15.5%, from R$100.6 million in the year ended December 31, 2009, to R$116.2 million in the year ended December 31, 2010, as a result of the factors described above.

Cost of rentals and services. Our cost of rentals and services increased R$0.3 million, or 1.3%, from R$24.7 million in the year ended December 31, 2009, to R$25.0 million in the year ended December 31, 2010. We set forth below our cost of rentals and services in the years ended December 31, 2009 and 2010. Our costs of rentals and services represented 24.6% and 21.5% of our net revenue for years ended December 31, 2009 and 2010.

	Year ended December 31,		
	2009[(1)]	2010	% Change
	(in millions of R$)		
Cost of rentals and services:			
Outside services	4.7	5.6	21.1%
Occupancy cost (vacant stores)	9.2	8.9	(3.2%)
Depreciation	9.8	9.5	(3.2%)
Personnel	1.0	1.0	(6.1%)
Total	**24.7**	**25.0**	**1.3%**

(1) In 2009, R$0.3 million was reclassified from personnel cost to personnel expenses, and R$2.4 million from third party costs to third party expenses.

Outside services. Our costs from outside services increased R$0.9 million, or 21.1%, from R$4.7 million in the year ended December 31, 2009, to R$5.6 million in the year ended December 31, 2010, primarily due to the commencement of new parking lot operations at Shopping do Vale and at Poli Shopping Osasco in August, 2010, and an increase in the costs of legal services we received. Our costs from outside services represented 4.7% and 4.9% of our net revenue for years ended December 31, 2009 and 2010, respectively.

Occupancy cost (vacant stores). Our occupancy cost (vacant stores) decreased R$0.3 million, or 3.2 %, from R$9.2 million in the year ended December 31, 2009, to R$8.9 million in the year ended December 31, 2010 primarily due to the decrease in such costs at Top Center Shopping São Paulo, Cascavel JL Shopping and Poli Shopping, which was partially offset by the initiation of parking operations at Shopping do Vale and Poli Shopping Osasco in August, 2010. Our occupancy cost (vacant stores) represented 9.1% and 7.6% of our net revenue for years ended December 31, 2009 and 2010, respectively.

Depreciation. Depreciation costs decreased R$0.3 million, or 3.2%, from R$9.8 million in the year ended December 31, 2009, to R$9.5 million in the year ended December 31, 2010. Our depreciation costs represented 9.7% and 8.1% of our net revenue for years ended December 31, 2009 and 2010, respectively.

Personnel. Our personnel costs in the amount of R$1.0 million in the year ended December 31, 2009, remained stable in comparison to the year ended December 31, 2010. Our personnel costs represented 1.1% and 0.9% of our net revenue for years ended December 31, 2009 and 2010, respectively.

Gross profit. Our gross profit increased R$15.3 million, or 20.2%, from R$75.8 million in the year ended December 31, 2009, to R$91.1 million in the year ended December 31, 2010, as a result of the factors mentioned above. For the years ended December 31, 2009 and 2010, our gross margin was 75.4% and 78.5%, respectively.

Operating (expense) income. Operating expenses increased R$5.6 million, or 41.6%, from R$13.6 million in the year ended December 31, 2009, to R$19.2 million in the year ended December 31, 2010. Our operating expenses represented 13.5% and 16.6% of our net revenue for years ended December 31, 2009 and 2010, respectively, as described below:

General and administrative expenses. Our general and administrative expenses increased R$1.0 million, or 4.8%, from R$21.7 million in the year ended December 31, 2009, to R$22.7 million in the year ended December 31, 2010, due to the increase in personnel expenses, mainly as a result of (i) annual upward adjustments in salaries by 6.25% and in bonus payments made by us for the first time in 2010, compared to 2009, totaling R$0.8 million, and (iii) an increase in the number of employees from 79 to 86 in the year ended December 31, 2010 compared to the prior period. In 2009, R$0.3 million was reclassified from personnel cost to personnel expenses, and R$2.4 million from third party costs to third party expenses. Our general and administrative expenses represented 21.5% and 19.5% of our net revenue for years ended December 31, 2009 and 2010, respectively.

Other operating income, net. Our other operating income decreased R$4.6 million, or 57.2%, from R$8.1 million in the year ended December 31, 2009, to R$3.5 million in the year ended December 31, 2010, mainly as a result of a reimbursement received from one of our partners during the year ended December 31, 2009 related to expenses incurred by us in previous periods. Our other operating income represented (8.0%) and (3.0%) of our net revenue for years ended December 31, 2009 and 2010, respectively.

Income from operations before financial expenses, net. Our income from operations before financial expenses increased R$9.7 million, or 15.5%, from R$62.2 million in the year ended December 31, 2009, to R$71.9 million in the year ended December 31, 2010, mainly as a result of the factors mentioned above.

Financial expenses, net. Our financial expenses, net increased R$49.8 million, or 213.4%, from R$23.3 million in the year ended December 31, 2009, to R$73.1 million in the year ended December 31, 2010, mainly as (i) a result of our provisions for interest owed on the bonds, as well provisions for interest and early repayment fees for our loans to several of our lenders (including Unibanco), (ii) as a result of the increase of the IGP-M (an index generally used to calculate the interest rate of our debt) in the relevant comparable period, and (iii) the one-time R$15.2 million financial discount granted to us by BNDES in the first quarter of 2009 as a result of the repayment of our loan obligations to BNDES on the maturity date, pursuant to the loan agreement which provided for such a discount in event we repaid the principal amount prior to or on its maturity date. Our financial expenses represented 23.2% and 62.9% of our net revenue for years ended December 31, 2009 and 2010, respectively.

Income (loss) before income taxes and social contribution. Our income before income taxes and social contribution decreased R$40.1 million, or 103.1%, from an income of R$38.9 million in the year ended December 31, 2009, to a loss of R$1.2 million in the year ended December 31, 2010, as a result of the factors mentioned above.

Income taxes and social contribution. Our income taxes and social contribution decreased R$4.4 million, or 30.1% from R$14.5 million in the year ended December 31, 2009, to R$10.1 million in the year ended December 31, 2010, mainly as a result of the one-time financial discount granted to us by BNDES in the first quarter of 2009 as discussed above. Our income taxes and social contribution represented 14.4% and 8.8% of our net revenue for years ended December 31, 2009 and 2010, respectively.

Net income (loss). Our net income decreased R$35.8 million, or 146.5%, from a profit of R$24.4 million in the year ended December 31, 2009, to a loss of R$11.4 million in the year ended December 31, 2010, as a result

of the factors discussed above. For the years ended December 31, 2009 and 2010, our net margin was 24.3% and (9.8%), respectively.

Liquidity and Capital Resources

Our main source of funds is the generation of operating cash resulting from our ownership interest in shopping centers. Our levels of operating cash may vary from time to time depending on the revenue from rentals and services, costs, expenses and our investments related to a particular property.

Cash flows

For the years ended December 31, 2011 and 2010, our main sources of liquidity originated from our operating activities and the issuance of the perpetual bonds. For the year ended December 31, 2009, our main source of liquidity originated from our operating activities.

The table below sets forth the summarized cash flows from our operating, investing and financing activities for the years ended December 31, 2009, 2010 and 2011.

	Year ended December 31,			
Cash flow statement	**2009**	**2010**	**2011**	**2011(1)**
	(in thousands of R$)			**(in thousands of US$)**
Net cash generated by (used in) operating activities	32,810	50,281	140,959	75,146
Net cash generated by (used in) investing activities	83,373	(17,834)	(303,189)	(161,632)
Net cash provided by (used in) financing activities	(198,038)	297,114	(72,380)	(38,586)
Foreign exchange effect in cash and cash equivalents	—	(7,659)	22,245	11,859
Increase (decrease) in cash and cash equivalents	(81,855)	321,902	(212,365)	(113,213)
Cash and cash equivalents				
At the beginning of the year	93,998	12,143	334,045	178,081
At the end of the year	12,143	334,045	121,680	64,645

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for reais into U.S. dollars of R$1.8758 to US$1.00.

Net Cash Generated by (Used in) Operating Activities

Our net cash generated by operating activities in the years ended December 31, 2011 and 2010 was R$141.0 million and R$50.3 million, respectively. This increase was primarily due to the R$86.7 million from the sale of a 44% interest in Parque Shopping Sulacap in a public offering registered with the CVM. See "Business—Projects Under Expansion, Development or Construction—Sale of Interest in Parque Shopping Sulacap."

Our net cash generated by operating activities in the year ended December 31, 2010 and 2009 was R$50.3 million and R$32.8 million, respectively. This decrease was mainly as a result of (i) the decrease in operating income, (ii) the increase in the financial charges related to the offering of the initial bonds, and (iii) the provisions for the fee incurred as a result of the prepayment of the real estate receivables securitization; which was partially offset by (i) the sale of our ownership interest in Parque Shopping Barueri, and the related write down of the value of the property, (ii) the increase in accounts receivable and (iii) the decrease in accounts payable to our suppliers and others.

Net Cash Generated by (Used in) Investing Activities

We invest most of our funds in the acquisition of fixed assets and investment properties to expand our operations.

In the year ended December 31, 2011, our net cash used by investing activities was R$303.2 million primarily due to (i) the R$31.0 million used for the acquisition of land, construction and development for new shopping centers in Guarulhos, (ii) the R$95.4 million used for the construction and development of a shopping

center in Barueri, (iii) the R$5.7 million acquisition of land, construction and development for new shopping centers in Atibaia, (iv) the R$8.4 million used for the construction and development of Shopping do Vale, (v) R$86.7 million of proceeds raised from the sale of a 44% interest in Parque Shopping Sulacap described above, which are restricted until construction of Parque Shopping Sulacap is complete, (vi) the R$19.6 million used in the expansion of Unimart Shopping Campinas and (vii) the R$6.9 million used in the expansion of Prudente Parque Shopping.

In the year ended December 31, 2010, our net cash used by investing activities was R$17.8 million, primarily due to (i) the increase in our investment in Outlet Premium by 20% for R$15.5 million, reaching a total investment of 50% in that project, (ii) the R$2.0 million investment in fixed assets also in the Outlet Premium in the amount of, (iii) the R$1.4 million investment in Parque Shopping Sulacap, (iv) the R$17 million investment in the Parque Shopping Barueri and (v) the R$3.3 million investment in the Alexânia/GO project and (vi) the investment in other fixed assets, which was partially offset by the R$27 million sale of 50% of the real estate of the São Bernardo "Greenfield" project.

In the year ended December 31, 2009, our net cash generated by investing activities was R$83.4 million primarily due to (i) the R$15.5 million expansion of Top Center, (ii) the completion of construction of Outlet Premium, in the amount of R$5.6 million, (iii) the R$9.6 million expansion of Suzano Shopping, which was partially offset by the R$114.4 million of cash that became unrestricted due to our repayment of certain of our indebtedness.

Net Cash Generated by (Used in) Financing Activities

Our net cash used in financing activities in the year ended December 31, 2011 was R$72.4 million, which includes R$131.1 million in interest payments and amortization of the principal of our indebtedness, which was partially offset by R$79.0 million raised in the issuance of the subsequent bonds.

Our net cash generated by financing activities in the year ended December 31, 2010 was R$297.1 million. In the year ended December 31, 2010, we (i) generated income from our offering of the initial bonds, and (ii) received R$82.5 million through the issuance of securitized receivables, and made R$15.8 in loan repayments, capital expenditures and related party transactions.

Our net cash used in financing activities in the year ended December 31, 2009 was R$198.0 million. In 2009 we (i) received R$22.1 million in bank loan financing, (ii) made R$188.0 in loan repayments relating to our issued securitized receivables, capital expenditures and related party transactions, and made R$32.0 in payment of interests.

Capital Expenditures

To continue our growth strategy, we intend to (i) expand our current shopping centers, (ii) acquire ownership interests in existing shopping centers and increase our ownership interest in our existing shopping centers, (iii) develop new shopping centers, and (iv) develop mixed use projects. According to our estimates, these investments will represent expenditures of R$717.9 million in 2012, 2013 and 2014. See "Business—Development of New Shopping Center." However, the actual costs of these investments may vary significantly based on a number of factors described in this offering memorandum.

Total Debt

To the extent necessary, we enter into loans with private financial institutions. As of December 31, 2011, our total debt (represented by the total of current and non-current loans and financings and current and non-current real estate credit notes) was R$690.5 million, of which R$30.9 million was short-term debt and R$659.6 million was long-term debt, representing an increase of R$21.8 million, or 3.3%, in relation to our total debt as of December 31, 2010.

The table below sets forth our loans, financing real estate credit certificates and the perpetual bonds that we had contracted as of December 31, 2011.

Description	Currency	Maturity date	Index	Interest	As of December 31, 2011
					(in millions of R$)
Banco Pontual S/A[(1)]	*Reais*	undetermined	—	12.68% p.a.	5.2
Banco Pine (BNDES)	*Reais*	October/2019	—	8.7% p.a.	0.9
CCI - Itaú BBA	*Reais*	June/2018	TR	11.0% p.a.	157.2
CCI – RB Capital	*Reais*	April/2020	IPCA	9.9% p.a.	60.7
Perpetual bonds	USD	Perpetual	—	10.00% p.a.	466.5
Total					**690.5**

(1) This loan is currently the subject of litigation between Levian, ABK and Banco Pontual S/A. See "—Legal and Administrative Proceedings—Collection Actions"

The table below sets forth our debt payment schedule as of December 31, 2011:

	Total amount		
	Perpetual Bonds	Loans	CCIs
		(in millions of R$)	
2012	7.6	5.2	18.1
2013	-	-	21.9
2014	-	0.2	25.6
2015	-	0.2	29.7
After 2015	458.9	0.5	122.6
Total debt	**466.5**	**6.1**	**217.9**

For a description of the material agreements related to our indebtedness, see "Business—Material Agreements."

We maintain a strict minimum cash policy to ensure that our current debt level does not place significant pressure on our cash flow and that we are capable of meeting our financial obligations.

We believe that (i) we have sufficient liquidity to fund investments, expenses, debts, and other amounts to be paid in the next few years, although we cannot ensure that this situation will not change and (ii) our strong revenue growth and cash generation is sufficient to ensure the necessary funds to maintain our agreements relating to our debt within their terms.

In addition, except as described in "Business—Material Agreement," as of the date of this offering memorandum, we had met all our financial obligations set forth in our financing agreements.

Accounting Treatment of the Notes

After the conclusion of the offering, we intend to account for the notes as long-term debt on our balance sheet. However, this classification may change in the future based on new accounting developments and interpreations under Brazil GAAP and IFRS.

For a discussion of the treatment of the notes under U.S. federal income tax rules, see "Taxation—Certain U.S. Federal Income Tax Considerations—Classification of the Notes."

You should consult your legal and tax advisors to determine any effect of our accounting treatment of the notes (or change thereof) on you.

Off-Balance Sheet Arrangements

We currently have no adjustment or material transaction that is not reflected in our balance sheet. Neither do we have subsidiaries in which we hold majority ownership interests that are not included in our consolidated financial statements.

Contractual Obligations

Our material contractual obligations as of December 31, 2011 were:

	Total	Less than 1 Year	1-3 years	3-5 years	More than 5 years
			(in thousands of R$)		
Purchase of land	7,550	7,550	-	-	-
Tax installments	22,175	5,530	10,745	3,462	2,437
Loans and financing	472,598	12,782	195	312	459,308
Real estate credit certificates	217,937	18,111	47,449	63,939	88,438
Total	**720,260**	**43,973**	**58,389**	**67,714**	**550,183**

The amounts for the purchase of land refer to acquisition of land in Guarulhos, São Paulo.

The amounts for tax installments refer mainly to (i) PIS and Social Security Financing Tax (*Contribuição para o Financiamento de Seguridade Social*), ("COFINS"), in the total amount of R$4.1 million, (ii) National Social Security Institute (*Instituto Nacional do Seguro Social*) ("INSS"), the amount of R$0.6 million, (iii) income taxes and social contribution in the amount of R$13.8 million and (iv) REFIS in the total amount of R$3.7 million. For information on our material contracts, see "Business—Material Contracts."

Quantitative and Qualitative Analysis of Market Risks

We are exposed to the market risks described in "Risk Factors," "Forward-Looking Statements" and elsewhere in this offering memorandum.

Interest rates and indexing risks

As of December 31, 2011, our indebtedness indexed to IPCA was R$60.7 million and our indebtedness indexed to TR was R$157.2 million. If such variable interest rates are 10% higher in 2012 than in 2011, our financial expenses would increase by R$0.7 million. These results are determined taking into account the impact of hypothetical interest rates on our variable-rate indebtedness and investment balances as of December 31, 2011.

Exchange rate risk

As of December 31, 2011, R$466.5 million of our indebtedness was denominated in U.S. dollars represented by our perpetual bonds. Our foreign currency exposure gives rise to market risks associated with exchange rate movements of the real against the U.S. dollar. For example, the 12.6% appreciation of the U.S. dollar against the *real* in 2011 had a R$40.1 million adverse impact on our financial results. Any devaluation of the real against the U.S. dollar will increase the cost in *reais* of the U.S. dollar-denominated bonds and could have an adverse effect on our cash flow, financial condition and results of operations. We do not engage, and do not intend to engage, in hedging transactions for the principal amount of our perpetual bonds. Our current strategy is to hedge against currency risks for eight quarterly interest payments under our perpetual bonds. Although we expect to engage in hedging transactions solely with respect to our coupon payments as part of our attempt to manage our exchange rate exposure, it is an imperfect means of managing risk and hedging transactions are subject to credit or counterparty risk themselves and we cannot assure you that such hedging transactions will adequately mitigate the variations in exchange rates. A 10% increase/decrease in the U.S. dollar/*real* exchange rate in the year ended December 31, 2012 compared to the same period in 2011 would increase/decrease our financial expense by R$4.7 million, or 11.9% of net financial expense.

INDUSTRY OVERVIEW

History

The first Brazilian shopping centers appeared during the second half of the 1960s. A few new shopping centers were launched in the 1970s, but it was not until the 1980s that large shopping centers were developed, mainly in the cities of São Paulo, Rio de Janeiro and other large metropolitan cities in Brazil.

The shopping center industry grew significantly in the 1980s and 1990s as a result of certain socio-economic changes in Brazil. The main factors that led to this growth include the following: (i) increased urbanization; (ii) economic stability with the success of the *Plano Real*; (iii) greater need for personal security in many Brazilian urban centers; and (iv) increase in retail sales and gross disposable income. The development of shopping centers during the mid- to late-1990s was fostered by the success of some of the shopping centers launched in the 1980s, which promoted investment in the industry, with funds coming primarily from pension funds expanding their portfolios. This period also benefited from the maturity and expansion of existing shopping centers.

Since the inception of the shopping center industry in Brazil, the number of shopping centers in the country has increased significantly, totaling 430 in December 2011, according to ABRASCE. The table below sets forth the increase in the number of shopping centers in Brazil beginning in 2000.

Year	Number of Shopping Centers	Growth in relation to the previous year (%)	Accumulated growth (%)
2000	281	—	—
2001	294	4.6	4.6
2002	303	3.1	7.8
2003	317	4.6	12.8
2004	326	2.8	16.0
2005	338	3.7	20.3
2006	351	3.8	24.9
2007	365	4.0	29.9
2008	376	3.0	33.8
2009	392	4.3	39.5
2010	408	4.1	45.2
2011	430	5.4	53.0

Source: ABRASCE

According to ABRASCE, in December 2011 there were approximately 430 shopping centers and 10.3 million square meters of gross leasable area in Brazil. The table below sets forth the development of the gross leasable area of shopping centers in Brazil beginning in 2000.

Year	Millions of square meters	Growth in relation to the previous year (%)
2000	5.1	—
2001	5.2	2.0
2002	5.5	5.8
2003	5.6	1.8
2004	6.2	10.7
2005	6.5	4.8
2006	7.5	15.4
2007	8.3	10.7
2008	8.6	3.6
2009	9.1	5.8
2010	9.5	4.4
2011	10.3	8.4

Source: ABRASCE

The increase in the number of shopping centers and gross leasable area in Brazil has led to an increase in the number of visitors in recent years beginning in 2000:

Year	Flow of shoppers (in millions per month)	Growth in relation to the previous year (%)
2000	125	—
2001	135	8.0
2002	160	18.5
2003	175	9.4
2004	185	5.7
2005	181	(2.2)
2006	203	12.2
2007	305	50.2
2008	325	6.6
2009	328	0.9
2010	329	0.3
2011	376	14.3

Source: ABRASCE

The table below sets forth the distribution of shopping centers throughout Brazil as of December 2011:

Brazilian Regions	Units	% of Total	Gross leasable area (m^2)	% of Total
North	15	3.5	337,041	3.2
Northeast	59	13.7	1,533,861	14.8
Midwest	37	8.6	808,997	7.8
Southeast	240	55.8	6,199,365	55.8
South	79	18.4	1,501,204	14.5
Brazil	**430**	**100.0**	**10,380,468**	**100.0**

Source: ABRASCE

As seen in the above table, approximately 60% of the total gross leasable area is located in the southeastern region of Brazil, which is responsible for most of the Brazilian GDP, with the highest levels of population density and per capita income, as of December 2011. Approximately 39.1% of the Brazilian gross leasable area is in the state of São Paulo and 13.3% in the state of Rio de Janeiro as of the same date, according to ABRASCE.

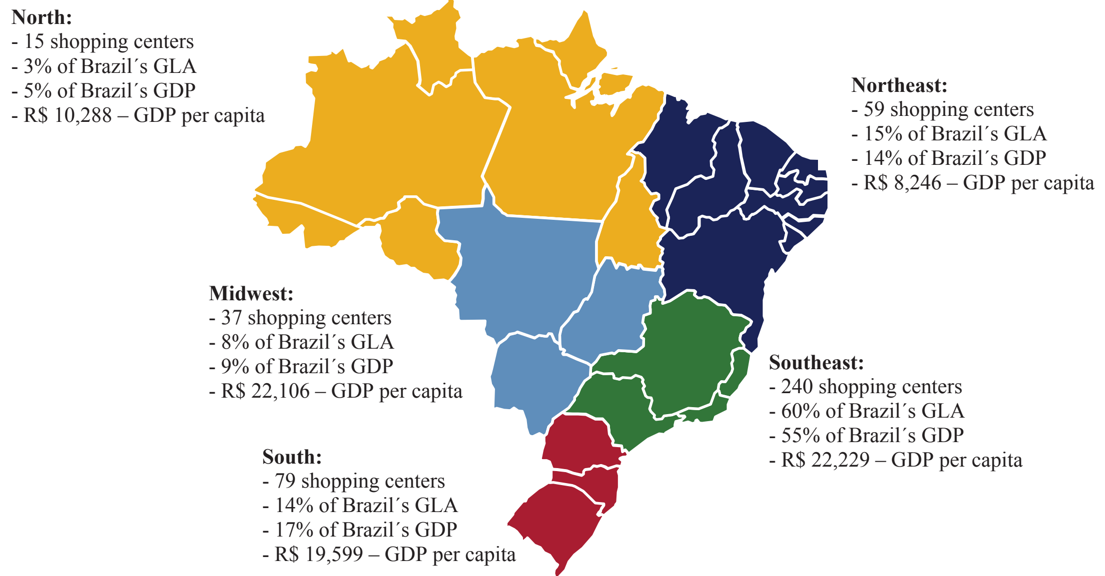
The states of São Paulo, Rio de Janeiro and Minas Gerais are responsible for approximately 58.7% of the total number of shopping centers in Brazil as of December 2011. São Paulo has approximately 33.7% of Brazil's shopping centers as of the same date, according to ABRASCE (December 2011).

According to ABRASCE, there were, as of December 2011, roughly 10.3 million square meters of gross leasable area distributed in 430 shopping centers all over the country. The total gross leasable area was occupied by 65,757 satellite stores and 3,208 anchor stores as of the same date.

A significant portion of the total gross leasable area is located in the following cities: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Curitiba, Brasília and Salvador, which represents 73.6% of the total gross leasable area located in the Brazilian state capitals and Federal District as of December 2011.

The following chart shows the distribution of gross leasable area and GDP per region in Brazil:

Regional Profile



Source: ABRASCE (2011) for GLA figures and Ipeadata (2010) and IBGE (2009) for GDP

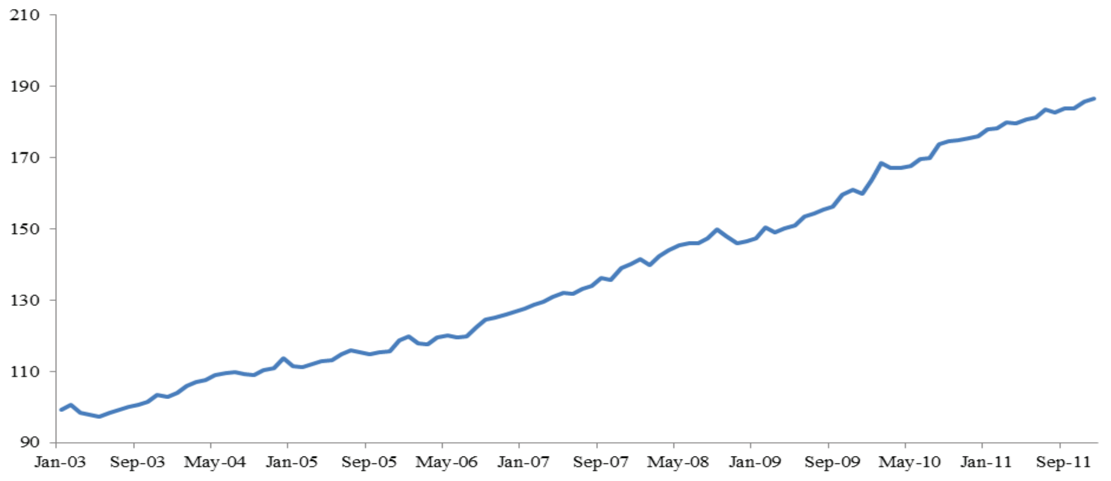
Overview

In addition to the concentration of diversified stores and services in a single location, there are other factors that make shopping centers an attractive shopping alternative in Brazil. The sense of personal security and shelter against excessive heat and tropical rain, which are more frequent during the year-end holiday season, when the highest rates of retail sales are reported, are factors that have caused sales in shopping centers to increase at a faster rate than retail sales in general.

Sales performance of stores in shopping centers has historically been directly related to the general performance of Brazilian retail sales. Partly due to the positive macroeconomic scenario, the shopping center industry has grown steadily over the last few years.

The chart below sets forth the Brazilian retail sales from January 2003 to December 2011:

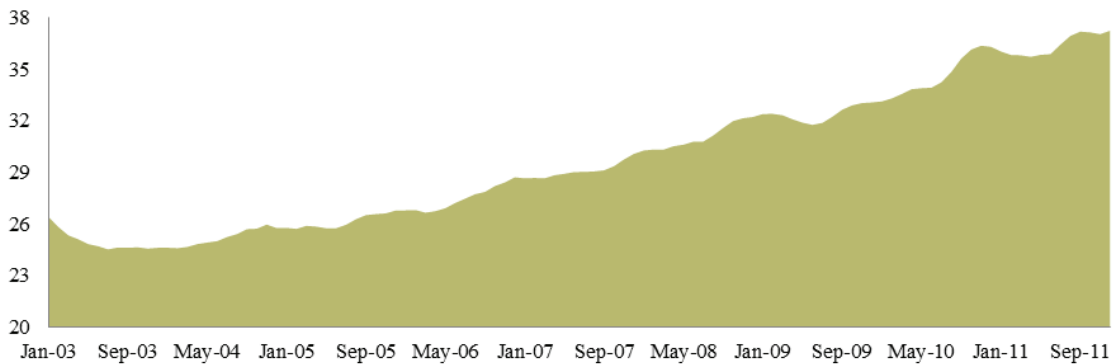
Real Retail Sales Growth



Source: IBGE
Note: Index with seasonality adjustment (January 2003 = 100)

In addition, the increase in Brazilian gross disposable income may have influenced the increase in retail sales in the country, as set forth in the chart below:

Disposable Gross Income Real Growth (billions of *reais*)



Source: IBGE
Note: Quarterly moving average deflated by the IPCA

According to ABRASCE, total sales in shopping centers had a nominal growth of 18.7% in 2011.

The performance of retail sales has stimulated the demand for additional stores in shopping centers. With the reduction in the number of new shopping centers in the last five years, resulting in a limited supply of additional

gross leasable area in shopping centers, we have observed an inadequate supply of spaces to meet the demands of the main retailers. The table below shows the evolution in vacancy in the shopping center industry in Brazil:

Evolution of vacancy levels in the shopping center industry in Brazil (%)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Vacancy	6.0	5.2	4.0	3.2	3.2	2.4	2.5	2.2	1.9

Source: ABRASCE

The table below sets forth the revenues of Brazilian shopping centers for the periods indicated:

Year	In millions of R$	Growth in relation to the previous year (%)	Annual inflation (IPCA)	Real GDP growth
2000	26,136	—	6.0	4.3
2001	28,750	10.0	7.7	1.3
2002	31,705	10.3	12.5	2.7
2003	35,909	13.3	9.3	1.1
2004	41,591	15.8	7.6	5.7
2005	45,471	9.3	5.7	3.2
2006	50,000	10.0	3.1	4.0
2007	58,000	16.0	4.5	6.1
2008	64,600	11.4	5.9	5.1
2009	74,000	14.6	4.3	(0.2)
2010	91,000	23.0	5.9	7.5
2011	108,000	18.7	6.5	2.8

Source: ABRASCE, IBGE and Brazilian Central Bank

The table below sets forth the number of stores located in shopping centers per segment in Brazil as of December 2011:

Store Segment	Number of Stores	(%) of Total
Anchor Stores	3,208	4
Megastores	2,406	3
Satellite Stores	65,757	82
Convenience Services	6,415	8
Leisure/Entertainment	2,406	3
Total	**80,192**	**100**

Source: ABRASCE (Censo Brasileiro de Shopping Centers 2011) as of December 2011.

The Brazilian shopping center industry is highly fragmented, both in number of shopping centers and in gross leasable area. The ten largest groups of shopping center owners in the country have only 26% of the gross leasable area in Brazil, according to information published in the *Citibank Research Report – Brazilian Shopping Malls – Sep/10*.

We believe that, over the last five years, the trend in the Brazilian shopping center industry has been to focus on small neighborhood and community shopping centers found mainly in medium-sized cities. We have also seen a recent trend to broaden the social and community function of shopping centers, which have begun to offer various types of services, entertainment, leisure and culture. The concept of shopping centers is being updated through changes in their profiles and differentiated formats, such as the development of outlets nearby large metropolitan areas, as well as the creation of thematic shopping centers, like automobile shopping centers. According to ABRASCE, in 2011, the shopping center industry grew considerably and demonstrated a great deal of vitality and capacity to renew itself, taking on an important role in the economy by providing approximately 775,000 jobs and significantly increasing its integration within the community through community activities.

Classification of Shopping Centers and Stores

The criteria used by ABRASCE to classify a commercial center as a shopping center are: (i) ownership of the majority of stores leased to store owners; (ii) existence of parking spaces compatible with the actual number of visitors; and (iii) the use of anchor stores as a way to attract consumers. According to the ABRASCE methodology, shopping centers are classified in the following categories:

- *Neighborhood shopping center*. This type of shopping center is designed to be convenient for consumers' day-to-day purchasing needs. They generally have a supermarket as an anchor, supported by stores offering other convenience items.

- *Community shopping center*. A community shopping center generally offers a wider range of clothing stores and other merchandise. Among the more common anchor stores are supermarkets and discount department stores. Community shopping center stores sometimes include discount retailers selling items such as clothing, household appliances and furniture, toys, electronic or sporting goods.

- *Regional shopping center*. This type of shopping center offers a varied portfolio of goods and a wide range of services. Its main attractions are traditional anchor stores, discount department stores or hypermarkets. A typical regional shopping center is enclosed, with stores facing an indoor mall.

- *Thematic or specialized shopping center*. This type of shopping center is focused on a specific mix of stores from a particular group of activities, such as fashion, furniture and interior design, boating, sports or automobiles.

- *Outlet center*. These consist primarily of factory outlet stores selling their own brands at discount prices, as well as discount retailers. These shopping centers normally have simpler stores with lower rent and construction costs.

- *Festival mall*. This is a shopping center focused on leisure, culture and tourism. This type of development is found less frequently in Brazil, and is almost always located in tourist areas and is focused on leisure and restaurants, fast food courts, movie theaters and other forms of entertainment.

Most shopping centers in Brazil are regional shopping centers, with a varied portfolio of stores, services and other leisure, entertainment and culture alternatives. While regional shopping centers are predominant in Brazil, thematic ones, such as automotive as well as textile and decoration centers, have been growing. Plans for developing festival malls are also being projected.

The table below contains information regarding the share of each of the main types of shopping centers in Brazil in 2010.

Type of shopping center	Split (%)
Small	16
Medium	43
Large	21

Source: IBOPE Inteligência (2010).

Anchor stores

Anchor stores are department stores well-known by the public that are needed primarily to attract customers to shopping centers, mainly those located in regions far from central areas of town. In more strategically located shopping centers, the strategic role of anchor stores is less relevant.

An anchor store is important in the early stages of a shopping center's operations because it is responsible for creating a large flow of consumers. Once a shopping center gains presence in the market, or if it wishes to select its public, it may try to decrease the number of anchor stores in order to increase profitability. Anchor stores occupy

large areas of leasable space for prices lower than those paid by boutique and satellite stores, and in some instances do not even pay rent.

There are several alternatives to anchor stores in shopping centers. Currently, in addition to the established and consolidated retail chains that operate nationwide, there has been an increasing tendency to replace traditional anchor stores by other forms of entertainment, such as movie theaters, food courts, medical and office space and gyms.

Satellite stores

Satellite stores are smaller retail establishments (normally between 30 and 200 square meters of gross leasable area) that are specialized in a particular product segment and located around the anchor stores. This store segment has grown substantially and has operated in a more professional manner as a result of the influence of regional and nationwide franchise networks. According to ABRASCE, as of December 2011, there were over 65,000 satellite stores in operation in Brazil. Satellite stores are extremely important for the success of shopping centers, as they are usually the largest source of revenue, paying the highest rent per square meter of gross leasable area.

Competition

The shopping center industry is researching new formats and operating strategies. Changes in consumer preference, development of alternative retail systems and the increasing number of shopping centers under construction create the need for constant modifications and remodelings of existing shopping centers in order to remain competitive. As part of the effort to renew shopping centers, the inclusion of leisure and food courts has been frequently observed.

Competition for consumers and the search for a differentiating factor determine the measures necessary to revitalize and redefine the profile of shopping centers. Among these measures are: increased marketing costs, selection and/or modification of the store owner network, selection of anchor stores, event promotion, parking spaces, architectural design, increased number of leisure and services centers, training and modernization and computerization of operations.

Operation

A shopping center is usually operated by a management company, often part of the same group of companies as the shopping center's owners or shareholders. Ownership of stores provides managers and developers with greater freedom to make decisions and control the management of individual stores. In addition, third-party service providers also take part in the operation of shopping centers. These include services in the areas of maintenance, landscaping, decoration, security equipment, parking and leisure.

The largest source of revenues for the management company and the developers of shopping centers is rent (partly fixed, partly variable based on sales). Rent varies according to the terms of each lease and, in general, lease agreement have a five-year term. The fixed amount of rent is defined based on market practices, taking into consideration the store category, the size of the store and its location within the shopping center. The variable portion of the rent is calculated based on individual or global monthly sales, and may also be impacted by the year when the store was rented and the market segment in which the store operates. The store monthly sales review performed by certain shopping centers has become a way to audit stores to determine actual sales volume, which permits greater control of the rent charged. Other revenues are obtained through the use of common areas for mall and merchandising, temporary sales and advertising of products or brands in kiosks and other media outlets in the common areas. Another growing source of revenue is parking fees, which vary according to the location and size of the shopping center. Expenses from common areas are shared by the store owners who pay a maintenance fee in addition to rent, and also contribute to the advertising fund.

Sources of financing of shopping centers

Generally, the development of shopping centers is funded with capital provided by the developers, third party investor funds and development banks, such as the BNDES and the Federal Savings Bank (*Caixa Econômica Federal*), as well as securitization of receivables ("CRIs").

The profile of shopping center investors has changed over the years. Initially, investors included primarily banks, investment companies, building contractors and individuals. In the 1980s, pension funds also began investing in the shopping center industry and today they are the most significant source of funding in the industry.

Investments in the shopping center industry are usually made by acquiring ownership quotas. In the pre-operational phase, revenues derive from co-participation agreements, pursuant to which shopping center owners charge tenants a share of the expenses incurred in the development that is proportional to the space that will be occupied and leased by the tenant. These can include architects' and legal fees, special installations and design, special installation and project costs. Depending on specific circumstances and at the shopping center owner's discretion, these charges can be waived, in which case the tenant will pay only the rent for its store.

The following key factors are usually considered by developers before making an investment in a shopping center: (i) location; (ii) the expertise and level of commitment and funding of the developer and the management company involved; and (iii) the project's feasibility study.

The economic and financial valuation of an existing shopping center follows a commercial retail logic, and its appraisal is generally not related to construction costs, but derives from its estimated future cash flows and probable profitability.

Regulations Relating to Shopping Centers

Shopping centers in Brazil are established under one or both of these organizational structures: (i) real estate development (shopping centers) under a building condominium, created pursuant to the Development Law (*Lei de Condomínio e Incorporação*) and the Brazilian Civil Code, where each store constitutes an autonomous unit and the relationship between the building occupants are governed by the condominium agreement and internal regulations; or (ii) a civil condominium under the *pro indiviso* (undivided) condominium model, under the Brazilian Civil Code, where the development constitutes a single property and the relationship between the co-owners is regulated by a co-owners' agreement.

The general terms and conditions of the condominium agreement, the co-ownership convention, the internal regulations and the co-owners' agreement, when one exists, are the main instruments for regulating the operation of the shopping centers, store owners' rights and duties, and the hiring and compensation of the shopping center management company.

The relationship between the shopping center, tenant store owners and management company is governed by lease agreements with the tenant store owners, general rules to lease agreements and store owners' association bylaws.

Condominium

Brazil's most relevant shopping centers are generally organized as building condominiums and *pro indiviso* condominiums.

The main difference between a *pro indiviso* condominium and a building condominium is that only the developer in a building condominium can sell stores separately, in whole or in part, without consent or agreement of the owners of the other independent units. The two models may co-exist, and as a result, shopping centers are very commonly constituted using a building condominium, in which each store space constitutes an independent piece of real estate, with each of these stores spaces having two or more owners, which is a feature of the *pro indiviso* model.

Pro indiviso condominium

Presently *pro indiviso* condominiums are regulated by Articles 1,314 et. seq. of the Brazilian Civil Code. In this type of condominium, two or more co-owners exercise their ownership through a notional fraction, and neither co-owner is entitled to a proportional area of the common areas. All co-owners share ownership of the property proportionally to each participation. Among the most relevant provisions applicable to condominiums:

- each condominium member may sell its interest, subject to the other members' right of first refusal;
- each condominium member may mortgage its interest in the condominium without consent of the other members;
- the condominium member may demand partition at any time (if the property is undivided the condominium member may request sale of a property in a public auction). However, condominium members may agree not to allow partition for a period of five years, which period may be extended. Notwithstanding, in extraordinary situations, a condominium member may request early partition in court;
- each condominium member is entitled to receive the earnings generated by the common property proportionally to its participation;
- each condominium member must pay its share of expenses incurred for the benefit of the common property, even if such expenses are incurred entirely by another condominium member; and
- Shopping centers organized as civil condominiums are one single property, with one real estate registration, and the members of a pro indiviso condominium are owners of a share of the development.

Alternatively, in shopping centers organized as building condominiums, co-existing with *pro indiviso* condominiums the development consists of various properties, each with a real estate registration, and the holders of interest own a share of the units.

Building condominium

The Brazilian Condominium and Development Law and Articles 1,331 et. seq. of the Brazilian Civil Code regulate the creation of shopping centers in the form of a building condominium. In these shopping centers, individual units, which may belong to one or more owners, co-exist with common areas, which belong to all of the owners of individual units. Therefore, in shopping centers that are developed as building condominiums, each of the stores is an individual unit with its own real estate registration, and the shopping center aisles are common areas.

In a building condominium, in contrast with a *pro indiviso* condominium, there is no right of first refusal requiring that the sale of one exclusively owned individual unit must first be offered to the owners of other units. However, if there is a *pro indiviso* condominium within an individual unit, the right of first refusal exists in relation to the tenants of such unit.

Condominium agreement

The Brazilian Civil Code sets forth that the relationship between the owners of the individual units of a condominium are governed by law and by the condominium agreement. The condominium agreement may determine the quorum necessary for the decisions of the general meeting of tenants. If the condominium agreement does not provide for a special quorum, decisions by the shopping center condominium association will be made by an absolute majority of tenants and the value of each tenant's vote is proportional to the fraction of its respective store or individual unit. However, without prejudice to the condominium agreement provisions, the Brazilian Civil Code expressly provides certain majorities for the approval of specific resolutions, as set forth below:

- majority of tenants for approval of useful improvements;

- two-thirds of the condominium members for approval of: (a) cosmetic improvements; (b) expansion of existing common areas; and (c) amendment of the condominium agreement or the internal regulations of the condominium; and

- the unanimous vote of the tenants for approval of: (a) construction of other floors or construction on common property, or of other buildings; and (b) change of the purpose of the building or the real estate unit.

Lease agreements in shopping centers

Leases in shopping centers are regulated by the Lease Law (*Lei de Locação*), which governs the rights and obligations of landlords and tenants in lease agreements for urban real estate in general.

General characteristics of commercial leases

Compulsory lease renewal. Under the Lease Law, a tenant has the right to require the renewal of leases if the following conditions are met: (i) written agreement valid for at least five years (or previous written agreements in effect for at least or more than five years in the aggregate); (ii) commercial use of the real estate for a minimum uninterrupted period of three years; and (iii) renewal is proposed within the maximum period of one year and minimum period of six months before the expiration of the lease.

Rent reviews. The Lease Law also provides that the lessor or the lessee, after a period of three years from the time they first entered into the lease agreement, may file a legal action for adjustment of the rent, in order to adjust the rent to market rates. This right may be granted if the action is filed upon the third anniversary of the lease agreement or of a previous agreement for adjustment of the rent on market rates.

Right of first refusal. The Lease Law guarantees the tenant the right of first refusal to acquire the leased property over an acquiring third party, on the same terms. If the landlord breaches the tenant's right of first refusal, the Lease Law provides two separate solutions: (i) if the lease agreement is registered before the land registry office, the tenant may acquire the property against the landlord's will by depositing the purchase price in court; or (ii) if the lease agreement is not registered, the tenant may claim indemnity for losses and damages suffered.

Particular characteristics of shopping center leases

Shopping center lease agreements have their own peculiarities that are not found in general commercial leases. Because shopping center leases involve commercial relationships whose characteristics go beyond the simple use of space in exchange for remuneration, the Lease Law expressly gives shopping centers and store owners greater freedom in defining the parties' rights and obligations during the lease, stating that the conditions agreed to between the landlord and tenants prevail.

Some specific characteristics that are usually present in shopping center leasing agreements include: (i) establishment of rent as a percentage of the tenant's revenues; (ii) doubling rent for a specific month due to higher expected sales; (iii) the landlord's review of the store's activities to confirm its sales, by means of internal auditors; (iv) contribution towards a promotional fund; (v) prohibitions against changing store type; (vi) limits on subleasing, assignment and lending space; (vii) a non-compete clause or one preventing a store from opening another branch within a given radius/distance; (viii) the need for landlord approval of the store design; and (ix) a "step-up clause" which is a contractual provision for rent increases.

The rent to be paid by the store owner is usually decided based on the greater of the following: (i) a fixed amount calculated according to location and size of the store occupied by the tenant, called "minimum rent"; and (ii) a variable amount, corresponding to the percentage of the store owner's gross sales, called "percentage rent."

Co-participation right

Another characteristic of shopping center leases is the co-participation right (*direito de co-participação*).

Store owners benefit from the advantage of having a store mix and the structure planned, constructed and opened by the shopping center, which results in more diversified commerce as compared to street stores. In addition, the tenant has the right to renew its lease agreement, after five years, if certain conditions are met. This restricts the shopping center from changing the store mix when it believes it is necessary to improve the shopping center's traffic and sales. Because of such rights and benefits, a store owner wishing to open a business in the shopping center must pay an assignment fee, known as "key money," for the right to use a joint share in the infrastructure offered by the shopping center. The amount and terms of payment of key money are established between the shopping center management and the store owner when the latter joins the development (before or after completion of construction). The calculation is based on the period during which the store owner will benefit from having access to the shopping center's structure.

Deed of general rules

A deed of general rules (*escritura de normas gerais*) is a public or private instrument that governs the organization and operation of shopping centers and is also known as deed of supplementary rules of the lease agreement, or deed of general rules for regulation of shopping center operation and lease.

The purpose of the deed of general rules is to establish the rules that will govern the shopping center's tenants, including each party's rights and obligations in connection with the operation of the shopping center, as well as to establish the general rules for those that become owners or legal possessors of the property.

The following are the main provisions of a deed of general rules:

- the lessor's right to monitor the lessee's sales, with the purpose of determining the accuracy of rent payments;
- promotions and discount sales;
- prohibition of opening other stores within a given distance of the shopping center (distance limitation clause);
- prohibition of changes in lessee's business, in order to keep original stores' mix;
- approval of the plan and the store layout, as well as the execution period; and
- penalties for the failure to perform established obligations.

The tenants agree to observe the deed of general rules once they sign the lease agreement.

Co-owners' agreement

The relationship between co-owners in a *pro indiviso* condominium is defined by law. However, the co-owners may enter into agreements that govern the rights and obligations of the interested parties in relation to the property in which they share ownership. This co-owners' agreement is also often called a condominium agreement, but should not be confused with the condominium agreements that the law provides for in the case of a building condominium.

In *pro indiviso* condominium in shopping centers, the co-owners' agreement governs the following points: (i) rules for the use and management of the property owned in common; (ii) duties of the manager; (iii) responsibilities related to leasing the property owned in common; (iv) management and distribution of revenues; (v) management of the mix of stores; and (vi) tenants' right of first refusal.

Store owners' association

Store owners must become members of the store owners' association of the shopping centers where they own or lease space. The association is a non-profit entity organized by the shopping center's store owners. Its purpose is to support and represent its members' interests regarding third parties, improve relations between tenants

and to establish codes of ethics and regulations to govern its members' activities. Its purpose is also to, directly or through third parties, perform studies and utility services for its members, and especially promote and market the shopping center.

Store owners must make a monthly contribution to the advertising fund to cover advertising and marketing expenses. The shopping center owner is also a member of the store owners' association and defines guidelines and strategies for marketing campaigns that are necessary for the development and integration of the shopping center within the local community.

Management agreement and internal regulations

Management of a shopping center may be delegated to third parties—especially companies specialized in administration and management of shopping centers. The manager will work as the shopping center owner's representative, with authority to manage and oversee the development.

If the shopping center is managed by a legal entity other than the shopping center's owner, the tenant must enter into a management agreement with the management company. That agreement will be an integral part of the lease agreement. The rules related to shopping center management are normally included in the condominium agreement and the lease agreement itself. These instruments allow the management company to make changes to the building's structural plans, review store owner activities, maintain common areas and establish the amount and terms of payment of the management paid by store owners.

The shopping center management company is also responsible for preparing internal regulations which should, secondarily to the other documents and agreements, govern the activities of the shopping center's store owners in greater detail.

Environmental Matters

Environmental licenses and authorizations

Potentially polluting activities are subject to environmental licensing. Enterprises that may generate a regional environmental impact or that are located in areas of interest to the Brazilian government are subject to licensing by the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA). Municipal environmental agencies are responsible for licensing of enterprises that may cause local damage. In all other cases, the licensing authority lies with state environmental agencies.

An environmental license is needed for approval of the feasibility of the enterprise, initial construction and commencement of operations, as well as for any project expansions. The licenses granted must be renewed periodically. The environmental licensing process is basically comprised of the issuance of three licenses: (i) the prior license (LP), (ii) the implementation license (LI), and (iii) the operating license (LO). Each license is issued according to the stage of construction of the shopping center, and the maintaining of a valid license depends on the shopping center's compliance with the conditions established by the applicable environmental agency.

Failure to maintain a valid environmental license is classified as an environmental crime and may subject owners to administrative penalties such as warnings, fines that may vary from R$500 to R$10,000,000, temporary or permanent injunctions, embargos, demolitions, suspension of subsidies from public agencies and temporary or definitive seizure, even if no damage to the environment has taken place.

Any delays or denials by the environmental licensing authority in issuing or renewing licenses, as well as the inability to meet the requirements established by the environmental authorities during the environmental licensing process, may delay or even prevent the construction and regular maintenance of these shopping centers. The requirements for those licenses may vary according to the type and location of operations performed.

The various environmental bodies have adopted differing positions, and in some cases require environmental licensing for commercial establishments such as shopping centers. In general, the project is submitted to the appropriate authorities for analysis, who will determine whether the development is subject to environmental licensing or not. Environmental licensing has not been required for any of our projects.

Even though the shopping centers activities may not be considered potentially polluting, it is possible that other activities developed within shopping centers must be submitted to environmental licensing, such as gas stations, medical clinics, supermarkets, laundries and effluents treatment stations

Environmental liability

Brazilian environmental legislation establishes criminal and administrative penalties for individuals and legal entities that engage in activities deemed to be environmental crimes or violations, in addition to establishing the obligation to repair the environmental damage that was caused.

The penalties that may be imposed as a result of potential environmental crimes and infractions include:

- the imposition of fines at the administrative level may reach R$50 million, depending on the polluting party's financial condition and credit record, as well as the seriousness of the facts of the case and the polluting party's compliance history. Fines may be doubled or tripled for repeated breaches;
- suspension or prohibition of the development's activities, and
- the loss of tax benefits and incentives.

Environmental damage results in direct and indirect, joint and strict liability. This means that the obligation to repair the environment may affect all those who directly or indirectly caused the damage, irrespective of the fault of each intervening party. Therefore, activities that potentially pollute the environment that are performed by third parties contracted to carry out any services on the shopping centers (including, for example, the treatment and disposal of residue, segregation of trash collection and final disposal of waste, weed removal, cutting down trees or earth moving) do not exempt developers from liability for potential environmental damage caused if the third parties do not follow the applicable environmental rules.

In addition, environmental legislation provides for the piercing of the corporate veil of the controlling shareholder whenever there is an obstacle to indemnifying for damages caused to the environment.

Other authorizations

In addition to the environmental licensing procedure, Brazilian legislation sets forth required environmental standards that must be met, including obtaining specific permits and authorizations, so as (i) authorization for water supply regarding capture and disposal of effluents; (ii) permission for flora suppression; (iii) certificate of approval for disposal of industrial waste; (iv) authorization for the use of hazardous products; and (v) neighborhood impact studies analyzing urban zone and land use, air quality and other nuisances. A failure to receive such authorizations may subject the company to penalties as discussed in "—Environmental liability."

Use of water resources

The use of water resources is subject to previous authorization by the competent regulatory agency. Lack of such authorization may subject the company using water resources to notification or fines, which may reach the maximum amount of R$10,000 and/or temporary or permanent embargo.

ISSUER

GS Investments is an exempted company with limited liability, incorporated on August 29, 2011 under the laws of the Cayman Islands with company registration number 261349. The registered office of GS Investments is at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The memorandum and articles of association of GS Investments have not been amended since its incorporation.

GS Investments is a wholly-owned finance subsidiary of General Shopping. Accordingly, the ability of GS Investments to pay interest and other amounts due on the notes will depend upon General Shopping's financial condition and results of operations. In the event of an adverse change in General Shopping's financial condition or results of operations, GS Investments may not have sufficient funds to repay all amounts due on or with respect to the bonds.

As of the date hereof, GS Investments was not required to publish financial statements under the laws of the Cayman Islands given that the company is not a bank, trust company, building society, money services business, credit union, insurance company, corporate manager, mutual fund administrator or regulated mutual fund. Accordingly, GS Investments does not prepare financial statements and will not publish them in the future. GS Investments must, however, as a matter of Cayman Islands law, keep proper books of account, including, where applicable, material underlying documentation including contracts and invoices such as are necessary to give a true and fair view of the state of the company's affairs and explain its transactions. GS Investments does not intend to furnish to the trustee or the holders of the notes any financial statements of, or other reports relating to, GS Investments, except upon request as discussed in "Taxation—Certain U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules." GS Investments does not and will not have any operations independent from General Shopping. GS Investments's obligations under the notes will be fully and unconditionally guaranteed by General Shopping.

As of December 31, 2011, GS Investments had no assets or liabilities (including indebtedness). On December 19, 2011, GS Investments executed a Supplemental Indenture under which the perpetual bonds were issued, becoming a guarantor of the perpetual bonds. As of the date hereof, the total amount of indebtedness outstanding of GS Investments is US$150.0 million (consisting entirely of the notes). GS Investments does not hold any capital that is likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits or losses.

The share capital of GS Investments is US$50,000, divided into 50,000 shares of US$1.00 par value each. The total issued and outstanding shares is 100 shares, which has been fully paid up.

The directors of GS Investments are Alessandro Veronezi, Francisco José Ritondaro and Alexandre Dias. For more information on these directors, see "Management."

The memorandum and articles of association of GS Investments will be available at the offices of the Luxembourg paying agent.

BUSINESS

Overview

We believe we are a leading participant in the shopping center industry in Brazil, and own all or part of 14 operating shopping centers. As of the date of this offering memorandum, these shopping centers had an aggregate of 485,221 square meters of gross constructed area (*área bruta construída*), 262,819 square meters of gross leasable area (*área bruta locável*) and approximately 1,582 stores. Our ownership interest in such shopping centers represents 210,868 square meters of gross leasable area. Between the years ended December 31, 2009 and 2010 and December 31, 2010 and 2011, our net revenues increased 15.5% and 18.2%, respectively.

We also lease and manage our shopping centers, provide parking management services and oversee the management of the supply of energy and water to the shopping centers we own and operate. We actively participate in the site search, planning, development and construction of shopping centers.

Our shopping centers are strategically located in the south and southeast areas of Brazil, which accounted for approximately 71.8% of GDP and 73.4% of retail sales in Brazil in 2009, according to the IBGE. In addition, we believe nine of our shopping centers are located in markets that are among the top 15 contributors to Brazilian GDP. We believe, in terms of gross leasable area, our shopping center Internacional Shopping Guarulhos is the largest shopping center in the São Paulo metropolitan area and the eighth-largest in Brazil.

We launched our shopping center activities in 1989, with the opening of Poli Shopping in the city of Guarulhos. Since 2006, we have expanded our business through the development of new "greenfield" shopping centers (shopping centers that we develop), the acquisition of ownership interests in existing shopping centers and the expansion and remodeling of certain shopping centers we own.

The table below sets forth the main operating information of our shopping centers:

Shopping Center:	State	Year initially launched/ acquired	Ownership interest (%)	Total gross leasable area (m^2)	Our gross leasable area (m^2)	Number of stores[(1)]
Poli Shopping	São Paulo	1989	50.00	4,527	2,264	52
Internacional Shopping Guarulhos	São Paulo	1998	100.00	75,958	75,958	292
Auto Shopping	São Paulo	2006	100.00	11,477	11,477	80
Santana Parque Shopping	São Paulo	2007	50.00	26,538	13,269	176
Shopping Light	São Paulo	2007	70.00	14,140	9,898	134
Suzano Shopping	São Paulo	2007	100.00	19,583	19,583	174
Cascavel JL Shopping	Paraná	2007	85.50	8,877	7,590	80
Top Center Shopping São Paulo	São Paulo	2007	100.00	6,369	6,369	67
Prudente Parque Shopping	São Paulo	2007	100.00	10,276	10,276	56
Poli Shopping Osasco	São Paulo	2007	100.00	3,218	3,218	19
Shopping do Vale	R.G. do Sul	2007	84.39	16,487	13,913	94
Unimart Shopping Campinas	São Paulo	2008	100.00	10,233	10,233	91
Outlet Premium São Paulo	São Paulo	2009	50.00	17,716	8,858	90
Parque Shopping Barueri	São Paulo	2011	48.00	37,420	17,962	177
Total				**262,819**	**210,868**	**1,582**

(1) Includes all stores located within each shopping center.

The table below sets forth the main operational information regarding our greenfield projects:

Greenfields:	Ownership interest (%)	Year launched/ acquired	Project opening[1]	Total gross leasable area (m^2) [1]	Our gross leasable area (m^2) [1]	Number of stores[1] [2]
Outlet Premium Brasília	100.00%	2010	2012	16,479	16,479	82
Convention Center[3]	100.00%	2006	2013	25,730	25,730	—
Parque Shopping Sulacap	51.00%	2007	2013	29,932	15,265	165
Parque Shopping Maia	96.50%	2011	2014	26,700	25,766	162
Unimart Shopping Atibaia	100.00%	2011	2014	16,245	16,245	152
Total	N/A	N/A	N/A	**115,086**	**99,485**	**561**

(1) Based on our estimates, which are subject to changes.
(2) Includes all stores that are expected to be located within each shopping center's total gross leasable area.
(3) We are currently negotiating agreements for the development of the Convention Center. See "—Projects Under Development, Expansion or Construction— Development of mixed-use projects."

The table below sets forth certain highlights of our consolidated financial and operating information for the periods indicated:

(in thousands, except percentages)	Year ended December 31, 2009	2010	2011	2011[1]
	R$	R$	R$	US$
Financial Information:				
Rentals[2]	87,965	99,303	115,331	61,484
Services[3]	23,855	27,423	31,827	16,967
Total gross revenue[4]	111,820	126,726	147,158	78,451
Net revenue	100,557	116,159	137,341	73,217
Net income (loss)	24,423	(11,355)	(38,001)	(20,259)
Current loans and financing	62,070	25,856	12,782	6,814
Non-current loans and financing	6,695	321,915	459,816	245,131
Related party current loans and financing	18,128	14,848	13,949	7,436
Current real estate credit certificates	18,447	99,500	18,111	9,655
Non-current real estate credit certificates	234,602	221,423	199,826	106,528
Other financial information:				
EBITDA[5]	72,366	81,714	97,948	52,216
Adjusted EBITDA[5]	73,625	81,761	98,638	52,584
Total debt[6]	321,814	668,694	690,535	368,128
Net debt[7]	298,873	324,039	478,228	254,946
Adjusted EBITDA margin[8]	73.2%	70.4%	71.8%	71.8%
Other operating information:				
Gross leasable area shopping centers (m²)[9][10]	225,399	225,399	262,819	N/A
Our gross leasable area (m^2)[10]	186,557	190,100	210,868	N/A

(1) Translated for convenience only using the exchange rate as reported by the Central Bank on December 31, 2011 for *reais* into U.S. dollars of R$1.8758 to US$1.00.
(2) Includes revenue derived from rent, assignment of mall use rights and merchandising.
(3) Includes revenue derived from the management of shopping centers, management of parking lots, energy supply to shopping centers and water supply to shopping centers.
(4) Total gross revenue from rentals and and total gross revenue from services before taxes, discounts and rebates.
(5) See "Summary Financial Data" and "Selected Financial Information" for a reconciliation of our EBITDA and Adjusted EBITDA to our net income (loss) for the periods presented. For a discussion of our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."
(6) Total of current and non-current loans and financings and current and non-current real estate credit notes.
(7) Total debt minus cash and cash equivalents and restricted cash.
(8) Adjusted EBITDA divided by net revenue.
(9) Reflects the total gross leasable area of each shopping center in which we hold an ownership interest (and, consequently, does not reflect our ownership interest in each shopping center), excluding our greenfield developments.
(10) Reflects gross leasable area at the end of the period.

Between 2006 and 2010, Brazil's GDP has experienced average annual growth of 4.4%, which has contributed to declining interest rates and to increased disposable income and credit availability, especially among the lower-income and middle-income groups, according to IBGE. The shopping center industry in Brazil has benefited from these positive macroeconomic factors, reflected in the compound annual growth rate for nominal revenues of 13.8% from 2005 to 2010, according to ABRASCE. We believe that the Brazilian shopping center industry will further benefit from strong growth due to the low availability of per capita gross leasable area and a relatively low percentage of total retail sales at shopping centers as compared to other countries. In Brazil, for example, shopping centers sales represented only 18% of total retail sales (excluding automobiles) in 2010, according to ABRASCE, while in the United States and France they represent 56% and 25%, respectively, according to ICSC.

Our Competitive Strengths

We believe that our main competitive strengths are the following:

Strong cash generation and Adjusted EBITDA margins. We have achieved sustained growth in revenue and cash generation over the last few years. Our net operating revenues for the year ended December 31, 2011 compared to our net operating revenues for the year ended December 31, 2010 increased 18.2%. Our Adjusted EBITDA margin was 71.8% for the year ended December 31, 2011. We believe our strong Adjusted EBITDA margin benefits from our offering of complementary services, our in-depth knowledge of the retail sector, which results in better performance of sales in our shopping centers, and our ability to attract the right tenant mix, which we believe results in higher sustainable occupancy rates and reduced long-term vacancy rates. For a reconciliation of EBITDA and Adjusted EBITDA to net income (loss), see "Summary Financial Information—Other Financial Data."

Majority ownership interests with operating control of our properties. We own a stake of at least 50% in each of our shopping centers (except for Parque Shopping Barueri, of which we own 48% and have a right of first refusal to increase our interest to 52%), a characteristic that we believe sets us apart from our competitors. As a result, we exercise operating and management control of our shopping centers and are able to set policies and strategies, including: (i) remodeling the shopping centers; (ii) expanding our existing shopping centers; (iii) revamping the tenant mix; (iv) providing complementary services; and (v) establishing partnerships.

Large offering of complementary services. Our gross operating revenues from complementary services offered to our shopping centers was R$31.8 million in 2011. We believe that we have developed extensive know-how and expertise in leasing and managing shopping centers, as well as in managing parking lots and energy and water supply to our shopping centers. Revenues from certain complementary services, including management of energy and water supply, are less likely to be affected by changes in sales volume at our shopping centers, which is our primary source of revenue. By providing complementary services, we diversify our revenue sources and create a stable revenue stream while strengthening our operational capabilities. In addition, these complementary services provide attractive margins because the associated costs are relatively small. We currently offer some of our complementary services for all our shopping centers and intend to expand the complementary services we offer.

Diversified portfolio composed of high-quality assets serving mid to low income groups. Our portfolio is diversified and balanced both by targeted income group and type of development. We have a diversified customer base, as our shopping centers serve the middle and lower income groups in Brazil, which we believe are the income groups in which consumption will grow fastest. In addition, our portfolio of operating shopping centers is diversified by type of development, being comprised of two regional shopping centers, nine neighborhood shopping centers, one open mall, one thematic shopping center and one outlet center. We believe that this portfolio of assets allows us to mitigate the risks inherent to our business because we are able to follow key growth trends in our areas of operation. Our properties are strategically located in regions with strong growth trends, including dense population, rapid income growth and expansion of economic activity, all of which we believe create a high potential for retail sales per square meter. In particular, our properties are well-located throughout the São Paulo metropolitan area and the state of São Paulo, the most important market in Brazil. In the state of São Paulo, we believe we are one of the largest shopping center company in terms of gross leasable area and in number of shopping centers owned. We believe these factors give us a competitive advantage in our primary areas of operation by making us an attractive option for Brazil's main retailers. The diversity and quality of our portfolio helps minimize fluctuations in our revenue and allows us to benefit from the growing purchasing power of many of the income groups of the

populations we serve. Finally, our 10 largest tenants represented collectively less than 10% of our revenue in 2011, which reduces our exposure to any specific retailer.

Successful track record in pursuing accretive acquisitions. The shopping center industry in Brazil continues to be fragmented, with smaller operators facing challenges to continue growing successfully. We believe that our history of successful acquisitions positions us well to take advantage of potential acquisition opportunities. We focus exclusively on properties and operators that present a value-creating proposition, including attractive internal rates of return, potential for operational improvement and competitive pricing. We follow strict guidelines when conducting our acquisitions by contracting industry researchers to conduct in-depth surveys of our targets' retail demand and perform follow-up surveys with the store owners to validate the results. We also compile detailed and conservative financial projections of the targets, analyzing changes in tenant mix, the viability of future expansions, and opportunities to provide complementary services. Finally, we evaluate opportunities in the context of potential synergies they provide for our existing properties. For example, in the third quarter of 2007, after thorough analysis, we acquired Suzano Shopping, which is located next to Suzano's largest hypermarket, with no other shopping center in the city. We have reorganized the tenant mix and added anchor stores to create more value per square meter, completed an expansion of more-than-6,000 square meters and have been offering complementary services since the fourth quarter of 2008. In addition, after acquiring Top Center Shopping São Paulo in the first quarter of 2008, we reorganized the mall lay-out and changed the tenant mix, which helped increase revenue from rentals by 80% after the shopping center was re-launched in the second quarter of 2009.

Successful track record with greenfield projects. We believe we have established a successful track record in developing greenfield projects. We have learned to optimize the development of new shopping centers by minimizing related costs. For example, before we break ground, we enter into arrangements with one or more anchor tenants to minimize the risk that the project is not successful. In addition, we enter into fixed price construction contracts to ensure that we minimize our exposure to cost overruns and other variables. This approach was key to our successful developments of Santana Parque Shopping, of which we had rented over 97% of its gross leasable area by the time it opened in October 2007, and of Parque Shopping Barueri, which opened in November 2011 with 95% of its gross leasable area rented upon opening. In the development of our current greenfield projects, including Parque Shopping Sulacap, we have leased 65% of the gross leasable area more than one year before the shopping center's expected opening in 2013. In addition, we expect to open Outlet Premium Brasília in the second quarter of 2012, of which we have already leased 85% of gross leasable area.

Close relationships with our tenants and valuable retail intelligence. We have a close relationship with an extensive and diversified base of anchor tenants and satellite store owners. We assist our tenants in improving their business model by using the retail intelligence we gained over the course of our experience in operating shopping centers, in conjunction with the market research we conduct, to help our store owners evaluate the expected sales of the market by region and by type of activity. As a result, we believe our store owners are able to achieve better results, which may lead to more profitable operations for our shopping centers. The value of this close relationship has been recognized by awards we received annually since 2007 from the Brazilian Association of Shopping Center Store Owners (*Associação Brasileira de Lojistas de Shopping Centers*). We believe the close relationship we develop with our store owners is an important factor in the success of their operations and gives us credibility in attracting and maintaining other retailers to our shopping centers.

Our Strategy

Our business strategy is based on maintaining a solid financial position, and growing steadily by developing greenfields projects, consolidating, expanding, renovating, and innovating.

Expansion of our current shopping centers. We intend to continue expanding and remodeling our shopping centers in order to create the optimal tenant mix and create economies of scale and operating efficiency. We believe that this will result in an increase in our revenues with minimal increased costs to manage our properties. For example, we are currently expanding Poli Shopping by 4,400 square meters of gross leasable area and Cascavel JL Shopping by 2,953 square meters of our gross leasable area. We believe this organic expansion will lead to economies of scale, maximizing our lease revenues while improving the profitability of our assets.

Prospecting, planning and developing greenfield shopping centers. We intend to take advantage of growth opportunities in the Brazilian shopping center industry by developing new shopping centers. We have

expanded significantly in recent years and believe our management has the experience and knowledge required to prospect and identify attractive opportunities for developing new shopping centers. We carry out thorough studies and analyses to test the viability and profitability of potential shopping centers. We successfully finalized construction of and opened Santana Parque Shopping in October 2007, which had over 97% of its gross leasable area rented before it opened. We also opened Outlet Premium São Paulo in the city of Itupeva, São Paulo State in 2009 with 100% of gross leasable area rented. We are currently developing a 61,287 square meter lot in Rio de Janeiro for the construction of the Parque Shopping Sulacap shopping center, in which we recently sold a 44% interest, with projected gross leasable area of 29,932 square meters, which we expect to open in the second quarter of 2013. In addition, we are developing Outlet Premium Brasília with projected gross leasable area of 16,479 square meters and which we expect to open in the second quarter of 2012. In the first quarter of 2011, we acquired two parcels of land in the cities of Guarulhos and Atibaia, totaling 24,160 square meters and 43,881 square meters, respectively, for the construction of two new shopping centers.

Acquisition of ownership interests in existing shopping centers. The shopping center industry in Brazil is fragmented and, consequently, offers opportunities for consolidation. We intend to continue expanding our portfolio of properties by purchasing ownership interests in shopping centers from third parties or acquiring other companies that operate in the shopping center industry. For example, in June 2010, we increased our ownership interest in Outlet Premium São Paulo by 20%, raising our ownership interest to 50%. We are constantly prospecting and seeking attractive opportunities that maximize profitability and create value for our stakeholders. We believe acquiring interests in other shopping centers may allow us to expand our relationships with chain store owners, which will lead to increased revenue and greater market knowledge.

Improving the quality of our assets. We will seek to leverage our management's know-how and experience in identifying potential value-added improvements and changes to existing store mixes at our shopping centers in order to maximize the revenue generation and operating margins of these properties. Similarly, we will use our expertise to renovate and remodel existing properties, to diversify the use of space and to optimize the provision of complementary services in order to increase productivity and reduce vacancies that we believe will ultimately lead to value appreciation of our assets. Examples of this strategy are the improvements at Suzano Shopping, Shopping Light and Top Center Shopping São Paulo, each of which had at the time of acquisition results below those of our other shopping centers and underwent a restructuring process involving a change to its store mix and diversification of the use of its space.

Development of mixed-use projects. We plan to utilize the Power Center Model (a strategy that brings together various operations such as thematic shopping centers, convention centers, office buildings and retail stores around shopping centers) to develop, directly or through partnerships, mixed-use projects that result in synergies. In addition to the high profitability such projects generate, we would also benefit from the public concentration in the areas where these complexes are located, thereby increasing the flow of potential consumers to our shopping centers. We believe the higher volume of investments coupled with a higher public concentration can also serve as a barrier to entry of competitors. We are in the process of developing the International Convention Center, a convention center that will be located adjacent to Internacional Shopping Guarulhos, and we opened Auto Shopping Internacional Guarulhos, using the same strategy. The convention center is expected to comprise 25,730 square meters, complementing the complex that currently includes Internacional Shopping Guarulhos and Auto Shopping Internacional Guarulhos and a university campus. We also plan to build an office tower with 11,000 square meters of gross constructed area that will be integrated with Poli Shopping to meet the projected increasing demand for office space in the region, which we expect to complete in 2013. We also intend to develop mixed-use projects through partnerships.

Enter new markets and implement innovative concepts through partnerships. We intend to continue entering into partnerships with local shopping center owners and service providers that have the skills and knowledge required to ensure the success of shopping centers in different regions of Brazil. We believe our business model allows us to focus our efforts on prospecting new growth opportunities instead of creating a more complex structure to provide services in locations where we have little or no management and leasing expertise. Our partnerships with respect to Cascavel JL Shopping, Shopping do Vale, Parque Shopping Sulacap and Parque Shopping Barueri are part of our strategy to use our management expertise and the skills and knowledge of local shopping center owners and service providers to improve existing shopping centers and market their store space with a suitable mix of anchor and satellite stores. We also operate new types of shopping centers in Brazil,

including open air malls/lifestyle centers such as Unimart Shopping Campinas, strip malls and outlet centers, such as Outlet Premium São Paulo, so as to better supply the retail demand in each market.

History

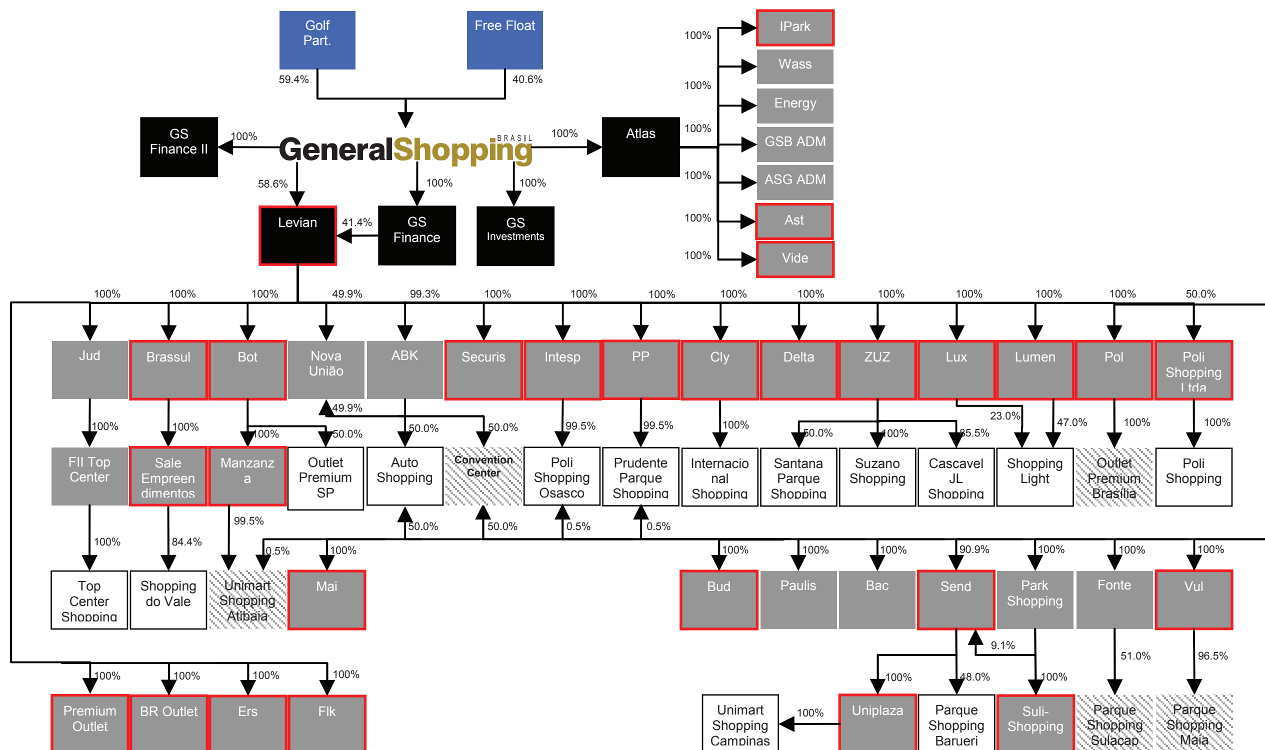
Our controlling shareholders were among the first to invest in retail commerce in the city of Guarulhos, which is where the international airport for São Paulo is located. Due to our extensive knowledge of the local retail market, the majority of our shopping centers were initially concentrated in the city of Guarulhos. Our shopping center business began in 1989 with the opening of Poli Shopping in Guarulhos. From that time on, we began to increase our number of retail properties by offering diversified developments.

We expanded our activities in the shopping center industry in 1998, with the opening of Internacional Shopping Guarulhos. Seeking to increase our share in the industry, we opened Auto Shopping in 2006 so as to create our first "power center" with multiple operations around Internacional Shopping Guarulhos.

In order to increase our geographic reach, we began prospecting new projects to be developed or acquired, including Santana Parque Shopping in 2005, Shopping Light, Suzano Shopping, Cascavel JL Shopping, Top Center Shopping São Paulo, Prudente Parque Shopping, Poli Shopping Osasco and Shopping do Vale — all of which were acquired in 2007 — and Unimart Shopping Campinas — acquired in January 2008. In addition, in 2009, we acquired a 30% interest in Outlet Premium São Paulo, which we increased to 50% in 2010.

Corporate Structure

The diagram below shows our corporate structure and our interest in shopping centers as of the date of this offering memorandum:



(1) White boxes and lined boxes represent shopping centers and greenfields projects, respectively.
(2) Red borders represent the Subsidiary Guarantors.
(3) Through Atlas, we engage in various service operations in connection with our shopping centers.
(4) Through Levian, we own and manage our properties, own interests in other companies and conduct other related activities.

Our Segments and Markets

Ownership interest in shopping centers

We have ownership interests in 14 shopping centers: (1) Internacional Shopping Guarulhos—Guarulhos, State of São Paulo, (2) Santana Parque Shopping—São Paulo, State of São Paulo, (3) Auto Shopping—Guarulhos, State of São Paulo, (4) Poli Shopping—Guarulhos, State of São Paulo, (5) Shopping Light—São Paulo, State of São Paulo, (6) Suzano Shopping—Suzano, State of São Paulo, (7) Cascavel JL Shopping—Cascavel—State of Paraná, (8) Top Center Shopping São Paulo—São Paulo—State of São Paulo, (9) Prudente Parque Shopping—Presidente Prudente—State of São Paulo, (10) Poli Shopping Osasco—Osasco—State of São Paulo, (11) Shopping do Vale—Cachoeirinha—State of Rio Grande do Sul, (12) Unimart Shopping Campinas —Campinas—State of São Paulo, (13) Outlet Premium São Paulo—Itupeva—State of São Paulo and (14) Parque Shopping Barueri—Barueri—State of São Paulo. These shopping centers are classified as regional (Internacional Shopping Guarulhos and Parque Shopping Barueri), neighborhood (Santana Parque Shopping, Poli Shopping, Shopping Light, Suzano Shopping, Cascavel JL Shopping, Top Center Shopping São Paulo, Prudente Parque Shopping, Poli Shopping Osasco and Shopping do Vale), open mall (Unimart Shopping Campinas), thematic (Auto Shopping) and outlet (Outlet Premium São Paulo), and are targeted to economic segments from upper-middle to lower-income customers income groups, which are characterized by customer loyalty and demand for quality.

Management of shopping centers

We are currently the sole managers of all of the shopping centers in which we hold an ownership interest, except for Santana Parque Shopping. We are specialized in the management of our shopping centers and in rendering complementary services such as parking lot management and water and energy supply management. See "—Services."

Complementary services

We provide complementary services to the shopping centers we manage. We manage the parking lots of 11 of our shopping centers and the supply of energy at seven of our shopping centers and water to 10 of our shopping centers.

Management of parking lots

We are experienced in the planning, implementation, management and operation of parking lots in shopping centers. In all of our operations that have parking lots, we provide parking services through I Park.

Management of energy supply to shopping centers

We are experienced in the planning, implementation and operation of energy supply equipment for our shopping center developments and condominiums. We first analyze the historical and/or the estimated energy consumption and costs of the shopping center, as well as energy supply alternatives and prepare a viability study to quantify the attractiveness of the investment considering the new equipment being used. Through Energy, we review the economic viability of energy alternatives and seek the best solution in terms of energy supply sustainability.

Management of water supply to shopping centers

We are experienced in the planning, implementation and operation of water supply equipment to shopping center developments and condominiums. We first analyze the historical and/or the estimated water consumption and cost by the shopping center, comparing supply alternatives, including water reuse. Our shopping center water management and supply services are provided by Wass.

Developments

The following are descriptions of the shopping centers in which we hold an ownership interest as of the date of this offering memorandum:

Poli Shopping

Poli Shopping was opened in 1989 and was our first project. Poli Shopping was the first shopping center in the city of Guarulhos, São Paulo, a city of 1.3 million habitants in 2009, according to IBGE, which is considered a part of the São Paulo metropolitan area. Poli Shopping has an area of 5,120 square meters, a total gross constructed area of 6,390 square meters, gross leasable area of 4,527 square meters, 52 stores (including one anchor store, Lojas Americanas) and 210 parking spaces. Our ownership interest in this shopping center represents 2,264 square meters of gross leasable area. Poli Shopping is an urban shopping center located in downtown Guarulhos, benefiting from the daily flow of people in the area.

Poli Shopping is undergoing a major expansion and revitalization process which is scheduled to be concluded in 2013. With a projected expansion of approximately 4,400 square meters, Poli Shopping will have 8,927 square meters of gross leasable area, which will allow the inclusion of two more anchor stores that are currently not present in downtown Guarulhos.

The table below shows the main characteristics of Poli Shopping:

Poli Shopping	
Ownership interest (%)	50%
Total gross constructed area (m²)	6,390
Our gross leasable area (m²)	4,527
Number of stores	52
Main stores	Lojas Americanas, CVC, Bob's, Giraffa's, Barred's, Colombo and O Boticário
Number of parking spaces	210

Poli Shopping's main competitors are:

Name	**Location**	**Year Opened**	**Number of Stores**	**Gross Leasable Area(m²)**	**Anchor Stores**
Internacional Shopping Guarulhos[1]	Guarulhos/Dutra	1998	292	75,958	C&A, Extra, Renner, Riachuelo, Pernambucanas, Casas Bahia
Comércio Rua Dom Pedro...........................	Guarulhos/Centro	—	—	—	C&A, Riachuelo, Casas Bahia, Marabraz, Lojas Marisa

Source: Company and IPDM.
(1) Owned by us.

Internacional Shopping Guarulhos

Internacional Shopping Guarulhos was opened in 1998 and is located at exit 225 of the Presidente Dutra highway in the city of Guarulhos, São Paulo.

Currently, the shopping center has an area of 177,752 square meters, a total gross constructed area of 117,465 square meters and a gross leasable area of 75,958 square meters with 292 stores distributed on two floors. Among its main stores are: C&A, Renner, Riachuelo, Pernambucanas, Extra, Lojas Americanas, Fast Shop, Casas Bahia, Ponto Frio, Lojas Seller, Camicado, Cinemark, Neo Geo World, Nike Outlet and Centauro. It also has the largest and the most complete indoor amusement park in Brazil, with 10,000 square meters according to NeoGeo. Internacional Shopping Guarulhos also has 15 movie theaters, making it one of the five largest movie complexes in Brazil.

Internacional Shopping Guarulhos's mix of leisure and entertainment activities includes the Neo Geo Hyper Bowling, one of the largest bowling alleys in Brazil, with 24 automated lanes. This bowling alley is often the venue for Brazil's most important bowling championships.

Internacional Shopping Guarulhos has a large food court, with more than 35 fast food establishments, restaurants and bars with a capacity to serve 2,000 people simultaneously.

Its store mix also includes 50 service operations, including a federal police station, which issues passports, a Blockbuster store, two gas stations, four bank branches and 30 ATMs. Approximately 71% of the visitors of Internacional Shopping Guarulhos are 24 years of age or older, 23% of them are upper-middle income consumers, 51% are middle income consumers and 23% of visitors are lower income consumers, according to IPDM. To serve its customers, Internacional Shopping Guarulhos has a large parking lot with 4,200 spaces that operates 24 hours a day, seven days a week. Internacional Shopping Guarulhos is currently managed by our subsidiary GSB Adm.

The following liens have been granted with respect to Internacional Shopping Guarulhos: (i) a lien in favor of the Brazilian National Treasury (*Fazenda Nacional*), (ii) a lien (*alienação fiduciária em garantia*) with respect to approximately R$180 million of issued securitized certificates of real estate receivables and (iii) a lien with respect to a lease agreement with I Park. For more information, see "Material Agreements—Internacional Shopping Guarulhos certificates of real estate receivables" and "Levian and ABK certificates of real estate receivables"

The table below shows the main characteristics of Internacional Shopping Guarulhos:

Internacional Shopping Guarulhos	
Ownership interest (%)	100%
Total gross constructed area (m²)	117,465
Our gross leasable area (m²)	75,958
Number of stores	292
Main stores	C&A, Lojas Americanas, Renner, Riachuelo, Pernambucanas, Marisa, Extra, Casas Bahia, Fast Shop, Ponto Frio, Seller, Camicado, Cinemark, Neo Geo World, Nike Outlet and Centauro
Number of parking spaces	4,200

Internacional Shopping Guarulhos's main competitors, not including individual stores located outside shopping centers are:

Name	**Location**	**Year Opened**	**Number of Stores**	**Gross Leasable Area (m²)**	**Anchor Stores**
Poli Shopping[1]	Guarulhos/Centro	1989	52	4,527	Lojas Americanas
Shopping Center Norte	Vila Guilherme	1984	331	64,000	C&A, Renner and Riachuelo
Shopping Center Penha	Penha	1992	219	29,918	Lojas Americanas, C&A and Marisa
Shopping Metro Tatuapé ..	Tatuapé	1997	312	36,462	Lojas Americanas, C&A, Renner and Cinemark
Boulevard Shopping Tatuapé	Tatuapé	2007	152	18,764	Fast Shop, Cinemark and Marisa

Source: Website of each shopping center.
(1) Owned by us.

Auto Shopping

Auto Shopping, our first thematic shopping center, was opened in September 2006. It is located in the city of Guarulhos and was the first thematic shopping center in the region. This shopping center is an example of a strong trend in Brazil: the creation of automobile shopping centers that allow a consumer to find more than 1,000 vehicles for sale in a single place, while enjoying the comfort and personal security of a shopping center.

Auto Shopping has an area of 21,102 square meters, which is a part of a larger plot of land, a total gross constructed area of 18,127 square meters and a gross leasable area of 11,477 square meters, with 80 stores and 200 parking spaces. It also has stores which provide support services for vehicle purchases including vehicle registration,

finance, insurance and inspection. Auto Shopping has a food court and offers car sound, accessory, bodywork and carwash services.

Auto Shopping's consumers are mainly middle-lower income couples. We believe that what differentiates Auto Shopping from other shopping centers is that it provides its customers with multiple choices for vehicle purchases and encourages strong competition among store owners. Because of its specialized theme, Auto Shopping's number of visitors is different from a traditional shopping center.

The table below shows the main characteristics of Auto Shopping:

Auto Shopping	
Ownership interest (%)	100%
Total gross constructed area (m²)	18,127
Our gross leasable area (m²)	11,477
Number of stores	80
Main stores	Aymoré Financeira, Bradesco Financiamentos, BV Financeira, Metran, Thomaz e Trilha, Dicar, Becar, Nascimento and Pompeo
Number of parking spaces	200

Auto Shopping's main competitors, not including individual stores located outside shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area (m²)(1)	Main Stores
Auto Shopping Cristal Leste	Penha	2005	30	6,000	M5, Authentic, Authenticar
Auto Shopping Cristal Norte	Santana	2006	30	2,500	M5, Authentic, Authenticar, La Penna
Auto Moto Shopping Vimave	Vila Maria	2003	23	4,000	Rommer, LGS, Placar

Source: Shopping Council, a company specialized in providing consulting services for the implementation of auto shopping centers.
(1) Approximate amounts.

Santana Parque Shopping

We restarted construction of Santana Parque Shopping in 2005, at which point we held a 100% interest in the development. In November 2006, we entered into a purchase agreement with Aliansce in which we agreed to sell 50% of Santana Parque Shopping to Acapurana. Santana Parque Shopping was opened on October 25, 2007. The management of Santana Parque Shopping is shared between both parties. See "—Material Agreements." According to IBGE, the area around Santana Parque Shopping had a population of 912,301 inhabitants in 2010.

Santana Parque Shopping has an area of 28,899 square meters, a total gross constructed area of 68,561 square meters, total gross leasable area of 26,538 square meters, 176 stores, with 10 anchor stores and 1,500 parking spaces. Its main stores are: C&A, Renner, Lojas Americanas, Casas Bahia, Centauro, Ponto Frio, Marisa Lingerie, Saraiva and Magic Games, as well as the Bio Ritmo health club and an eight-screen UCI chain movie theater.

Santana Parque Shopping is strategically located in the northern part of the city of São Paulo, a region that has only two shopping centers.

The table below shows the main characteristics of Santana Parque Shopping:

Santana Parque Shopping	
Ownership interest (%)	50%
Total gross constructed area (m²).	68,561
Our gross leasable area (m²)	13,269
Number of stores	176
Main stores	C&A, Lojas Americanas, Renner, UCI, Centauro, Casas Bahia, Ponto Frio, Saraiva, Bio Ritmo, Magic Games and Marisa Lingerie
Number of parking spaces	1,500

Santana Parque Shopping's main competitors, not including individual stores located outside shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area (m²)	Anchor Stores
Shopping Center Norte	Vila Guilherme	1984	331	64,000	C&A, Renner, Riachuelo and Carrefour
Shopping D	Canindé	1994	230	29,000	C&A, Lojas Marisa, Mix Móveis, Casas Bahia and Cinemark

Source: Website of each shopping center.

Shopping Light

We have the right to use 70.0% of Shopping Light. We have since entered into an agreement to acquire the entire ownership interest in Shopping Light, however the title to the property has not yet been transferred to us. Once the transfer is complete, a third party will continue to hold the right to use 30.0% of the shopping center, but will be required to compensate us for such use.

Shopping Light is an urban shopping center located in one of the most visited points of the city of São Paulo. Shopping Light was opened in 1999 in a building certified as a historic site (the former headquarters of *Cia. Light & Power de Eletricidade*) in downtown São Paulo, above the Anhangabaú subway station, which, according to information published by the IPDM, receives 91,000 passengers a day. The customers of Shopping Light are primarily people who often visit and work in the downtown region of São Paulo. We believe that in 2010 approximately 700,000 people visited Shopping Light per month. Shopping Light currently has 134 stores, the main ones being Renner and Lojas Americanas, Reebok Outlet, K@2 Academia, UnG and Nike Outlet.

We purchased our share in the consortium and have renovated large vacant areas, improving the store mix, transforming it into a mixed-use area with a food court, health club, passport services, university campus and cultural venues, among other activities that add value to a retail development.

Shopping Light has an area of 4,547 square meters and a constructed area of 36,519 square meters and is managed by GSB Adm.

The table below shows the main characteristics of Shopping Light:

Shopping Light	
Right to use Shopping Light (%)	70.0% (our share)
Total gross constructed area (m²)	36,519
Our gross leasable area (m²)	9,898
Number of stores	134
Main stores	Renner, Lojas Americanas, Reebok Outlet, K@2 Academia, UnG and Nike Outlet
Number of parking spaces	200

Shopping Light's main competitors are individual stores located on the streets in the downtown area of São Paulo.

Suzano Shopping

We acquired 100% of Suzano Shopping in 2007. Suzano Shopping has an area of 54,823.35 square meters, a total gross constructed area of 20,633 square meters, gross leasable area of 19,583 square meters, 174 stores (including two anchor stores) and 1,700 parking spaces, all of which include our expansion of 6,463 square meters of gross leasable area carried out in October 2008.

Suzano Shopping has 174 stores, the main ones being Lojas Americanas, Casas Bahia, Centerplex, Bomboliche, C&A, Renner, Centauro and Kalunga.

The table below shows the main characteristics of Suzano Shopping:

Suzano Shopping	
Ownership interest (%)	100%
Total gross constructed area (m²).	20,633
Own gross leasable area (m²)	19,583
Number of Stores	174
Main stores	Lojas Americanas, Casas Bahia, Centerplex, Bomboliche, C&A, Renner, Centauro and Kalunga
Number of parking spaces	1,700

Suzano Shopping's main competitors, not including individual stores located outside shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m^2)	Anchor Stores
Mogi Shopping	Mogi das Cruzes	1991	171	29,276	C&A, Marisa, C&C, Lojas Americanas

Source: Mogi Shopping's website.

Cascavel JL Shopping

We acquired an 85.5% ownership in Cascavel JL Shopping in 2007. Cascavel JL Shopping has an area of 8,690 square meters, a total gross constructed area of 28,221 square meters, a total gross leasable area of 8,877 square meters, 80 stores (including two anchor stores) and 384 parking spaces. Our ownership interest in this shopping center represents 7,590 square meters of gross leasable area. Cascavel JL Shopping is located in the city of Cascavel, state of Paraná, in the southern region of Brazil, a city with approximately 300,000 inhabitants in 2009.

Cascavel JL Shopping is also owned by Post Scriptum Empreendimentos Imobiliários (4.5%) and Jota Ele Construções Civis Ltda. (10.0%). Each owner has the right of first refusal for sales of the property to third parties.

Cascavel JL Shopping has 80 stores, the main ones being Lojas Americanas, Renner, Hering Store and Cine Arco Iris.

The table below shows the main characteristics of Cascavel JL Shopping:

Cascavel JL Shopping	
Ownership interest (%)	85.5%
Total gross constructed area (m²)	28,221
Our gross leasable area (m²)	7,590
Number of stores	80
Main stores	Lojas Americanas, Renner, Hering Store and Cine Arco Iris
Number of parking spaces	384

Cascavel JL Shopping is the sole shopping center in the city of Cascavel.

Top Center Shopping São Paulo

We acquired 100% of Top Center Shopping São Paulo in 2007. Top Center Shopping São Paulo has an area of 3,948 square meters, a total gross constructed area of 7,835 square meters, gross leasable area of 6,369 square meters and 67 stores the main ones being Runner, Fotoptica, Myabi, Any & Any, Hering Store, Starbucks Café and M. Martan. Top Center Shopping São Paulo's parking is owned by third-parties. Top Center Shopping São Paulo is located on Avenida Paulista in São Paulo.

We have granted a lien (*alienação fiduciaria em garantia*) on the land on which Top Center Shopping São Paulo is located in connection with our R$60 million issuance of securitized debt For more information, see "—Material Agreements— Shopping center certificates of real estate receivables."

The table below shows the main characteristics of Top Center Shopping São Paulo:

Top Center Shopping São Paulo	
Ownership interest (%)	100.0%
Total gross constructed area (m²).	7,835
Our gross leasable area (m²)	6,369
Number of stores	67
Main stores	Runner, Fotoptica, Myabi, Any & Any, Hering Store, Starbucks Café and M. Martan

Top Center Shopping São Paulo's main competitor, not including individual stores located outside the shopping centers, is:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m^2)	Anchor Stores
Shopping Paulista	São Paulo	1989	231	27,313	Saraiva, Zara, Fast Shop and Cinemark

Source: Website of the shopping center.

Prudente Parque Shopping

We acquired 100% of Prudente Parque Shopping in 2007. Prudente Parque Shopping has an area of 19,151 square meters, a total gross constructed area of 35,103 square meters, gross leasable area of 10,276 square meters, 56 stores, the main ones being Hipermercado Muffato, Lojas Americanas and Magic Games, and 520 parking spaces. Prudente Parque Shopping is located in the western region of the city of Presidente Prudente, state of São Paulo, a city with 0.2 million inhabitants in 2009 according to IBGE.

The table below shows the main characteristics of Prudente Parque Shopping:

Prudente Parque Shopping	
Ownership interest (%)	100.0%
Total gross constructed area (m²)	35,103
Our gross leasable area (m²)	10,276
Number of stores	56
Main stores	Hipermercado Muffato, Lojas Americanas and Magic Games
Number of parking spaces	520

Prudente Parque Shopping's main competitor, not including individual stores located outside the shopping center, is:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m2)	Anchor Stores
Prudenshopping	Presidente Prudente	1990	142	19,060	Hipermercado Carrefour, Magazine Luiza, Ri Happy and Casas Bahia

Source: Prudenshopping website.

Poli Shopping Osasco

We acquired 100% of Poli Shopping Osasco in 2007. Poli Shopping Osasco has an area of 5,863 square meters, a total gross constructed area of 9,903 square meters, gross leasable area of 3,218 square meters, 19 stores, the main ones being Lojas Americanas and Ri Happy, and 160 parking spaces. Poli Shopping Osasco is located in the central region of the city of Osasco, a city with approximately 700,000 inhabitants in 2009 and located in the greater São Paulo metropolitan area, according to IBGE.

The table below shows the main characteristics of Poli Shopping Osasco:

Poli Shopping Osasco	
Ownership interest (%)	100.0%
Total gross constructed area (m²)	9,903
Our gross leasable area (m²)	3,218
Number of stores	19
Main stores	Lojas Americanas and Ri Happy
Number of parking spaces	160

Poli Shopping Osasco's main competitor, not including individual stores located outside the shopping center, is:

Name	**Location**	**Year Opened**	**Number of Stores**	**Gross Leasable Area (m²)**	**Anchor Stores**
Osasco Plaza Shopping	Osasco	1995	226	14,600	Marisa, Lojas Americanas, Casas Bahia and Riachuelo.

Source: Poli Shopping Osasco's website.

Shopping do Vale

We acquired 84.4% of the stores in Shopping do Vale in 2007. Shopping do Vale, which opened on May 10, 1995, has an area of 17,807 square meters, a total gross constructed area of 31,500 square meters, a total gross leasable area of 16,487 square meters, 94 stores (including five anchor stores) the main ones being Lojas Americanas, Lojas Colombo, Renner, Marisa, Magic Games, Lebes and Manlec, and 350 parking spaces. Our ownership interest represents 13,913 square meters of gross leasable area. Shopping do Vale is located in the city of Cachoeirinha, state of Rio Grande do Sul. Cachoeirinha is a city with approximately 100,000 inhabitants in 2009 and located in the greater Porto Alegre metropolitan area.

The table below shows the main characteristics of Shopping do Vale:

Shopping do Vale	
Ownership interest (%)	84.4%
Total gross constructed area (m²)	31,500
Our gross leasable area (m²)	13,913
Number of stores	94
Main stores	Lojas Americanas, Lojas Colombo, Renner, Marisa, Magic Games, Lebes and Manlec
Number of parking spaces	350

Shopping do Vale does not have any direct competitors.

Unimart Shopping Campinas

On January 11, 2008, we acquired 100% of Uniplaza – Empreendimentos, Participações e Administração de Centros de Compra Ltda., which is the owner of 100% of the gross leasable area of Unimart Shopping Campinas. Unimart Shopping Campinas has a total gross constructed area of 23,873 square meters, 10,233 square meters of leasable area, 91 stores (including one anchor store), the main ones being Lojas Americanas, Meggashop, D. Paschoal, Caixa Econômica, UNIFIT and Movie Cinemas, and 800 parking spaces. Unimart Shopping Campinas is located in the city of Campinas in São Paulo State, a city with 1.0 million inhabitants in 2009.

The table below shows the main characteristics of Unimart Shopping Campinas:

Unimart Shopping Campinas	
Ownership interest (%)	100.0%
Total gross constructed area (m²)	23,873
Our gross leasable area (m²)	10,233
Number of stores	91
Main stores	Lojas Americanas, Meggashop, D. Paschoal, Caixa Econômica, UNIFIT, and Movie Cinemas
Number of parking spaces	800

Unimart Shopping Campinas's main competitors, not including individual stores located outside the shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m²)	Main Stores
Campinas Shopping	Campinas – SP	1994	168	30,384	Poupatempo, Box Cinemas, Walmart and Ponto Frio
Parque D. Pedro Shopping	Campinas – SP	2002	410	122,471	Walmart, Lojas Americanas, Etna, Telhanorte and Kinoplex

Source: Companies' website.

Outlet Premium São Paulo

On December 7, 2007, we acquired a 30% interest in Outlet Premium São Paulo and on June 11, 2010, we acquired an additional 20% of Outlet Premium São Paulo, increasing our indirect ownership interest to 50%. Outlet Premium São Paulo has a total area of 108,027 square meters, a total gross constructed 22,391 area of square meters, 17,716 square meters of total gross leasable area, 90 stores and 740 parking spaces. Our ownership interest represents 8,858 square meters of gross leasable area. Outlet Premium São Paulo is located in the city of Itupeva in São Paulo State, with 20 million inhabitants within a 100 kilometer radius of the store in 2009 according to IBGE.

The table below shows the main characteristics of Outlet Premium São Paulo:

Outlet Premium São Paulo	
Ownership interest (%)	50.0%
Total gross constructed area (m²)	22,391
Our gross leasable area (m²)	8,858
Number of stores	90
Main stores	Nike, Adidas, Armani, Zegna, Lacoste, Calvin Klein, Le Lis Blanc, Daslu, Applebees, Hugo Boss and Track & Field.
Number of parking spaces	740

Parque Shopping Barueri

In connection with the construction of Parque Shopping Barueri, on November 8, 2007, we acquired a 96% interest in a 42,774 square meter parcel of land, 38.7% of which we sold to VBI GSBR Empreendimentos e Participações Ltda. in September 2010. Parque Shopping Barueri began operating on November 30, 2011 and has a total gross constructed area of 58,700 square meters, a total gross leasable area of 37,420 square meters, 177 stores and 1,700 parking spaces. Our ownership interest in this shopping center represents 17,962 square meters of gross leasable area. It is located in the city of Barueri, state of São Paulo, a city with approximately 0.2 million inhabitants in 2009 according to IBGE and with direct influence area of 0.7 million inhabitants according to IBOPE.

We have the right to increase our ownership interest by to 52% in Parque Shopping Barueri.

Parque Shopping Barueri has 177 stores, the main ones being Renner, Riachuelo, C&A, Magazine Luiza, Marisa, NEO GEO Family, Centauro and Cinépolis.

The table below shows the main characteristics of Parque Shopping Barueri:

Parque Shopping Barueri	
Ownership interest (%)	48.0%
Total gross constructed area (m²)	58,700
Our gross leasable area (m²)	17,962
Number of stores	177
Main stores	Renner, Riachuelo, C&A, Magazine Luiza, Marisa, NEO GEO Family, Centauro and Cinépolis
Number of parking spaces	1,700

Parque Shopping Barueri's main competitors, not including individual stores located outside the shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m^2)	Main Stores
Shopping Tamboré	Barueri – SP	1992	250	49.835	C&A, Carrefour, Cinemark, Lojas Americanas, Renner and Riachuelo
Iguatemi Alphaville	Barueri – SP	2011	166	31.930	Cinépolis, Fast Shop, Hering Store, Ponto Frio and Saraiva Mega Store

Source: Companies' website.

Projects Under Expansion, Development or Construction

Expansion of our shopping centers

We are expanding Poli Shopping, which is projected to gain another 4,400 square meters of gross leasable area and 11,000 square meters of offices, in addition to the current 4,527 square meters of gross leasable area, totaling 19,927 square meters of gross leasable area. This expansion is expected to be concluded in 2013. We seek to increase Poli Shopping's ability to attract customers, mainly by opening new anchor stores which we believe to not yet be present in downtown Guarulhos, adding new stores to the current store mix, increasing the diversity of the food court area and adding new movie theaters. The parking lot will also be expanded, partially alleviating the parking lot shortage at the central region in Guarulhos. We also plan to build an office tower integrated into the shopping center to meet the need for offices in the region. The office tower is also scheduled to open in 2013.

We also plan on expanding Cascavel JL Shopping by adding 2,953 square meters of our gross leasable area, which we expect to complete in 2013. In addition we plan on expanding Unimart Shopping Campinas, by adding 5,217 square meters in gross leasable area which we expect to complete in 2012 and Prudente Parque Shopping, by adding 6,943 square meters in gross leasable area, which we expect to complete in 2012.

Development of new shopping centers

Parque Shopping Sulacap

On June 25, 2007, we entered into a purchase agreement to acquire a 90% interest in a 60,000 square meter lot of land in Jardim Sulacap, in the western part of the city of Rio de Janeiro, for R$10 million. The land will be used for the construction of a shopping center with capacity for 29,932 square meters of gross leasable area and 165 stores, which is expected to open in 2013. In May 2010, we acquired an additional 5% interest for R$3.8 million. In August, 2011, we sold a 44% interest in Parque Shopping Sulacap in a public offering registered with the CVM under Instruction CVM 400/2003 for R$107.8 million.

Outlet Premium Brasília

On October 5, 2010, POL acquired a 121,257 square meter parcel of land located in the city of Alexânia, State of Goiás, for R$3.2 million, for the construction of an outlet center Outlet Premium Brasília with up to 16,479 square meters of total gross leasable area and 82 stores. We expect to open the outlet center in the second quarter of 2012.

Parque Shopping Maia

On January 11, 2011, Vul acquired a 24,160 square meter parcel of land in the city of Guarulhos in the state of São Paulo for R$24.2 million for the construction of a shopping center with up to 26,700 square meters of total gross leasable area and 162 stores. We expect to open the shopping center in 2014.

Unimart Shopping Atibaia

On March 11, 2011, Manzanza acquired a 43,881 square meter parcel of land in the city of Atibaia in the state of São Paulo for R$14 million for the construction of a shopping center with up to 16,245 square meters of total gross leasable area and 152 stores. We expect to open the shopping center in 2014.

Acquisition of shopping centers

On November 14, 2007, we acquired 85.5% of Cascavel JL Shopping, for R$25.2 million.

In November 2007, we acquired 100% of Prudente Parque Shopping, Poli Shopping Osasco and Top Center Shopping São Paulo, comprising an aggregate of 19,660 square meters of gross leasable area, for an aggregate of R$63.8 million.

In November 2007, we acquired 100% of Sale Empreendimentos e Participações Ltda., which in turn is the owner of 84.39% of Shopping do Vale's gross leasable area, for R$18.7 million. Shopping do Vale has approximately 16,487 square meters of gross leasable area, and is located in the southern region of Brazil.

On January 11, 2008, we acquired 100% of Uniplaza – Empreendimentos, Participações e Administração de Centros de Compra Ltda., which is the owner of 100% of Unimart Shopping Campinas's gross leasable area, for R$43.0 million. Unimart Shopping Campinas has approximately 10,233 square meters of gross leasable area and is located in the city of Campinas in the state of São Paulo.

Increase in Interest in Outlet Premium São Paulo

In June 2010, we increased our interest in Outlet Premium São Paulo by 20%, reaching a 50% interest in this shopping center.

Development of mixed-use projects

We are currently negotiating with convention center operators for the project Centro de Convenções Internacional, a convention center located on the same property where Auto Shopping is located, near Internacional Shopping Guarulhos. The convention center is expected to be 25,730 square meters and will complement the complex formed by the two shopping centers and a university campus. We expect to open the center in 2013.

Sale of Interest in Parque Shopping Sulacap

In August, 2011, we sold a 44% interest in Parque Shopping Sulacap in a public offering registered with the CVM under Instruction CVM 400/2003 for R$107.8 million. In connection with the offering, we transferred a 44% interest in such shopping center to *RB Capital General Shopping Sulacap Fundo de Investimento Imobiliário – FII,* a close-ended real estate investment fund, which in turn issued shares to the general public. After completion of the offering, the ownership structure of Parque Shopping Sulacap is as follows: (1) 51% is held by us, (2) 44% is

held by the general public, through *RB Capital General Shopping Sulacap Fundo de Investimento Imobiliário – FII* and (3) 5% is held by Rubicon Empreendimentos Imobiliários Ltda, a minority shareholder.

Assignment of Additional Usage Right for Shopping Light

In March, 2011, Birmann assigned its 19.9% usage right for Shopping Light to Lux, our wholly-owned subsidiary and owner of the shopping center, as a result of Birmann's withdrawal from the consortium which holds the right to use Shopping Light. As a result of this assignment, our usage right in Shopping Light increased to 70%.

Services

Management of shopping centers

We are currently responsible for managing all of the shopping centers in which we hold an ownership interest, through GSB Adm. and ASG Adm., except for Santana Parque Shopping. These activities include the management of the lease contracts with the store owners, the condominium budget and the advertising fund of the shopping centers. Through our management services, we are close to the day-to-day operation of our shopping centers and our store owners. Our proximity to store owners results in improvements of their operations, which is directly reflected in our results. Moreover, by managing the condominium budget we seek efficiency, reducing the store owners' management fees, thereby creating a margin for developers to charge a higher rent. By managing the advertising fund, we are also able to conduct the marketing strategy of each shopping center. Finally, by managing our shopping centers we can optimize the use of the other services we provide. In 2010 and 2011, our shopping center management services generated total gross revenues of R$0.9 million and R$1.2 million, respectively.

Management of parking lots

In 2005, we began our activities in the parking lot management segment at Internacional Shopping Guarulhos, our largest parking lot. Since then, we have enhanced our knowledge in this market segment and we now also manage the parking lot at Auto Shopping, Santana Parque Shopping, Shopping Light, Suzano Shopping, Cascavel JL Shopping, Unimart Shopping Campinas, Outlet Premium São Paulo, Prudente Parque Shopping, Shopping do Vale and Parque Shopping Barueri. We currently serve more than 1.0 million vehicles per month. With our current experience, we believe we can manage any parking lot in the segment and, consequently, we plan to continue performing this activity in our future shopping centers. In 2010 and 2011, our management of shopping center parking lots generated total gross revenues of R$21.2 million and R$25.0 million, respectively.

Management of energy supply

In 2005, we began leasing equipment to provide energy at our properties through our subsidiary Energy to Internacional Shopping Guarulhos. We now also manage the energy supply at Auto Shopping, Shopping Light, Suzano Shopping, Santana Parque Shopping, Outlet Premium São Paulo and Shopping do Vale. This service consists of providing consulting services for the consumption of electricity, the contracting of the electricity demand for the shopping centers in the electricity market and the leasing of the necessary equipment for the particular project. We currently study the best conditions for the supply of electricity, including the purchase of electricity from small hydroelectricity units, *Pequenas Centrais Hidrolétricas*, or PCHs, generating savings for us and helping us to implement our sustainability policy by using energy sources approved by the Brazilian government's Alternative Energy Sources Program (*Programa de Fontes Alternativas de Energia*), or PROINFA. In 2010 and 2011, this service generated total gross revenues of R$3.9 million and R$4.2 million, respectively.

Management of water supply

In 2005, we began managing water supply for our shopping centers through our subsidiary, Wass. We currently provide this service at Internacional Shopping Guarulhos, Poli Shopping, Auto Shopping, Suzano Shopping, Shopping Light, Prudente Parque Shopping, Cascavel JL Shopping, Shopping do Vale, Santana Parque Shopping and Outlet Premium São Paulo. This service consists of planning the consumption and reuse of water by the shopping centers, as well as the exploration of wells for the supply of water. This service assists in decreased water consumption, generating savings for store owners, and the development of sustainable environmental practices

at our shopping centers. In 2010 and 2011, this service generated total gross revenues of R$1.4 million and R$1.4 million, respectively.

Competition

Our main competitors considering ownership interests and management of shopping centers are BR Malls, Iguatemi, Ancar, Brookfield, Multiplan, Aliansce and Sonae.

Customer and Partner Relationship Policies

We seek to offer a broad and renewed mix of stores in our shopping centers and to optimize the services provided, with the goal of increasing the number of visitors and sales volume of our tenants, maximizing the store owners' and the shopping centers' results, as well as strengthening our partnership with our tenants. To do so, we establish strategic plans each year for each shopping center that identify our strategic focus for the following 12 months. These plans are based on an analysis of our competition's strengths and weaknesses, opportunities and threats, among other internal and external factors.

As part of our business policy and in order to maintain the attractiveness of our shopping centers, we constantly work to identify segments and stores with growth potential or downward sales trends. We conduct quantitative and qualitative studies that we share and discuss with our tenants. The studies are conducted both through an evaluation of the opinions of our customers about our shopping centers and through a quantitative analysis of supply and demand. In this regard, our tenants are advised to remodel their stores or even change locations, among other suggestions necessary to improve performance. We also seek to constantly update our tenant mix.

By managing our shopping centers, we remain in constant contact with the store owners, suppliers and service providers, including those we consider to be potential clients. The pursuit of constant renovation and updating of the tenant mix in the shopping centers requires constant research regarding new store owners and new store concepts. Our history and tradition in the industry help us gain store owner confidence and loyalty, which increases our efficiency in prospecting new tenants.

Seeking to guarantee the profitability of the shopping centers, the contractual conditions and costs regarding the service providers are frequently monitored through research and comparative indexes. This research helps us obtain economies of scale, better negotiations and a reduction of costs, aiming at homogeneity among shopping centers and maximization of profitability.

Marketing

Marketing the stores in a shopping center is a key element for the shopping center's success. To create an effective marketing campaign, we consider the characteristics of the market in which the shopping center is located and what tenant mix would best meet the market's needs. We strive to identify and bring to our shopping centers the best stores from each relevant sector and actively engage our store owners in discussion about our shopping centers' marketing strategies.

A shopping center is not only a shopping and leisure destination, but also an important alternative media option for small, medium and large advertisers, who are increasingly in need of new ways to market to potential customers due to the enactment of prohibitions on outdoor advertising in the city of São Paulo in 2007. Accordingly, mall, merchandising and event marketing represent attractive alternatives that allow advertisers to reach a larger number of consumers. For this purpose, we make various spaces available in the internal and external areas of the shopping centers through lighted display windows, door and stair stickers strategically positioned throughout the shopping centers.

Collection and Default Policies

Our strict collection and default control policy has allowed us to maintain low levels of default. In addition, we have rigorous criteria for selecting the store owners. We require minimum qualification standards for candidates through a registration form with documents from the candidates and guarantors to demonstrate creditworthiness.

Creditworthiness of the candidates is also monitored through credit protection bureaus, deeds and real estate registry offices and candidates must prove revenues in an amount greater than 12 times the cost of the monthly rent.

Each shopping center has its own financial department that is responsible for the administrative collection from store owners, which is monitored by us. The financial department processes the revenues on a monthly basis, prints and distributes invoices to store owners and sends the files to the collection systems of the banks at which store owners deposit their rents. Amounts collected from store owners are deposited in a specific collection account maintained for each shopping center. The amounts received are then identified and distributed to the owners and condominium of the shopping center and also to the advertising fund account.

The shopping center is initially responsible for the collection from store owners. However, when a store owner is in default for 90 days or more, collection of such past due amount is outsourced to our affiliate credit bureau *Eral Empresa Recuperadora de Ativos Ltda*., or Eral, which is controlled by our controlling shareholder. Eral presents the shopping center superintendents with periodic reports on collection performance in comparison to targets established monthly by the owners of the shopping center and the superintendent of each shopping center, as well as on the balance collected and collection procedures followed. If the outsourced company is not successful in the collection, the shopping center superintendent, in conjunction with the legal department, decides what action to take. The shopping centers also hire outside counsel when considering eviction and collection proceedings.

These policies have significantly improved our collection ratio.

The table below shows collection data from the years indicated.

	2009	2010	2011
Rent invoiced	100%	100%	100%
Rent received	96.1%	99.8%	97.5%
Default	3.9%	0.2%	2.5%

Seasonality

Our operating results are subject to seasonal fluctuations that affect the shopping center and the retail industry in general. There is a significant increase in store sales on holidays, such as Mother’s Day in May, Valentine’s Day in June, Father’s Day in August, Children’s Day in October and Christmas in December. The vast majority of our shopping center store owners pay in double the minimum contractual rent in December. Our services revenue is also affected by seasonality, although to a lesser extent, as parking lot operations are more affected than water and energy services.

Service providers

In the rendering of management services to our shopping centers, we are responsible for hiring companies that conduct marketing research, shopping center planning, lighting consultation, electrical and hydraulic system planning, fire prevention, air-conditioning planning, mechanical ventilation, property and rights management, landscaping projects, management and implementation of commercial units, security, insurance, conservation and cleaning as well as architectural services. The services are hired by ASG Adm. or GSB Adm., as the case may be, on behalf of the store owners of our shopping centers. According to Rule 331 of the Superior Labor Court we are jointly liable with regard to the labor agreements each service provider enters into with its employees.

Intellectual property

Trademarks

In Brazil, the ownership of a trademark is only acquired through a valid registration with the National Institute of Intellectual Property (*Instituto Nacional da Propriedade Industrial*), or INPI. The owner of a trademark has the right to its exclusive use throughout Brazil for 10 years, with the possibility of being extended for another 10-year term. During the registration process, the entity requesting the trademark merely has an expectation of the right to use the trademark that is used to identify its products or services. We periodically renew our trademarks as they expire, every 10 years.

In Brazil, we or our subsidiaries own 45 trademarks duly registered with INPI, including "Internacional Shopping Guarulhos" (with different logos and in more than one class), "Poli," "Poli Shopping," and our logo. In addition, we have filed several applications for trademark registrations which are currently being examined by the INPI.

Domain names

We own the domain names for the websites related to our shopping centers. As of December 31, 2011, all of our domain names were valid and effective.

Properties

The table below sets forth the gross constructed area and the gross leasable area of the shopping centers in which we have an ownership interest (except for Shopping Light, which we do not own but have acquired a right to use):

Shopping Center	Gross Constructed Area (m^2)	Own Gross Leasable Area (m^2)	Number of Stores
Poli Shopping	6,390	2,264	52
Internacional Shopping Guarulhos(1)(2)	117,465	75,958	292
Auto Shopping	18,127	11,477	80
Santana Parque Shopping	68,561	13,269	176
Shopping Light(3)(4)	36,519	9,898	134
Suzano Shopping	20,633	19,583	174
Cascavel JL Shopping	28,221	7,590	80
Top Center Shopping São Paulo(1)	7,835	6,369	67
Prudente Parque Shopping	35,103	10,276	56
Poli Shopping Osasco	9,903	3,218	19
Shopping do Vale	31,500	13,913	94
Unimart Shopping Campinas	23,873	10,233	91
Outlet Premium São Paulo	22,391	8,858	90
Parque Shopping Barueri	58,700	17,962	177

(1) We have granted a lien on these properties to guarantee debt repayment obligations we incurred in our securitization issuances. See "—Material Agreements—Financing Agreements."
(2) We have granted a lien on Internacional Shopping Guarulhos to guarantee our payment obligations to the National Treasury. See "—Internacional Shopping Guarulhos."
(3) This title Shopping Light is currently registered with the seller and has not yet been transferred to us. See "—Material Agreements—Agreement for the acquisition of Shopping Light."
(4) We have granted a lien on Shopping Light in connection with a bank financing agreement. See "Related Party Transactions—Guarantee Agreements."

Insurance

We maintain insurance policies with top-rated insurance companies for each of our shopping centers, in amounts we consider adequate for our industry and in accordance with the nature and relevance of the risks we believe are related to our business.

Although we maintain insurance policies within usual market practices, there are some risks that may not be covered by these policies (such as war, unavoidable and unforeseen circumstances or an interruption in business activities). Thus, in case any of these non-covered events occur, we could incur additional costs in connection with the recovery of our assets. In addition, we cannot guarantee that, even in case of losses covered by insurance policies, the payment of the indemnification will be sufficient to cover the damages arising out of our losses.

We have insurance policies with various types of coverage, such as fire, theft of property, electrical damage, riots, flooding, lost profits, civil liability and machinery breakdown. These insurance policies cover our shopping centers and parking lot operations, and are renewed annually. The insurance policies that we currently have cover civil liability, large fire and loss of profits.

We have a civil liability insurance policy covering risks related to our parking lots activities, such as damages caused to the parked vehicles and theft. This policy does not cover the parking lots of the following shopping centers: Poli Shopping, Top Center Shopping São Paulo, which are managed by third parties.

Environmental matters

Environmental programs

We have sought to adopt strong environmental management practices in the development of our activities. We have adopted waste recycling policies in our shopping center operations. Our fluorescent lamps are also recycled, with the reuse of gas and the recycled glass. In addition, all of our projects favor areas with natural lighting that not only improves the quality of the environment but also leads to significant energy savings. We are currently studying the best conditions for power supply, including through the purchase of energy from Small Hydropower Plants (*Pequenas Centrais Hidrelétricas* - PCHs), which provide us with savings and allow us to follow our sustainability policy through the use of energy sources approved by Incentive Program for Alternative Sources of Electric Energy (*Programa deIncentivo às Fontes Alternativas de Energia Elétrica* - PROINFA). All of our new projects provide for water reuse. At Santana Parque Shopping, for example, the entire water supply system has already been planned and is being built to allow the reuse for air-conditioning, gardens and bathrooms. Finally, we have a tree planting program at Internacional Shopping Guarulhos. We are not party to any administrative or judicial proceedings relating to environmental matters. We do not have international environmental certification. See "Industry Overview—Environmental Matters."

In order to dispose of solid waste and treat effluents we have entered into agreements with private and public companies that, after segregating trash collection, are responsible for the final disposal of the solid waste generated by our shopping centers in areas specified by the government.

We do not have areas and/or activities that pose a risk to individual health or are otherwise dangerous. However, in compliance with the applicable law, we maintain an Environmental Risk Prevention Program (*Programa de Prevenção de Riscos Ambientais*) and the Medical Oversight and Occupational Health Program (*Programa de Controle Médico e Saúde Ocupacional*). Historically, there has been only one workplace accident involving our employees.

Social Responsibility, Sponsorship and Cultural Incentives

We develop various social projects focused on the educational, cultural and social background of the communities in which we work, including *Projeto Primeiras Aulas* (First Classes Project), related to literacy for adults in partnership with the *Universidade de Guarulhos, Companha do Agasalho* that involves collection of coats throughout June, and *Semana de responsabilidade social da Universidade de Guarulhos* (Social Responsibility Week of the University of Guarulhos) and provision of medical, dental and social services for the community in November.

Awards

Over the last few years, we have received various awards described below.

Internacional Shopping Guarulhos

Internacional Shopping Guarulhos received the following awards: (i) the Premium Shopping award by Alshop in the category of renovation and expansion for 2007; (ii) the Premium Shopping award by Alshop, in the category of promotional marketing for 2008; (iii) Who's Who in the Guarulhos Economy award in the category of excellence in the service sector for 2009; and (iv) the Premium Shopping award by Alsop in the category of community marketing for 2009.

Outlet Premium São Paulo

Outlet Premium São Paulo was elected the best outlet by the Época São Paulo magazine for 2009/2010 and 2011.

Shopping do Vale

Shopping do Vale received (i) honorable mention at the Municipal Congress of Porto Alegre for its environmental programs in June 2009, (ii) a commendation by the military police Battalion Number 26 for the services provided to them, and (iii) an award for waste management from the Municipal Secretary of the Environment and the Municipal Advisory for Sustainable Development and the Environment of Cachoerinha.

Auto Shopping Internacional

Auto Shopping Internacional received the following awards: (i) the Business Excellence award by the Commercial and Business Association of Guarulhos (*Associação Comercial e Empresarial de Guarulhos*, "ACE") for 2007; (ii) the Best Auto Shopping award– Prêmio Olho Vivo for 2007; (iii) 2008 – Prêmio TV Destaque – Announcer of the Year; (iv) the Business Excellence award by ACE for 2009; and (v) Prêmio TV Destaque – Announcer of the Year for 2009.

Santana Parque Shopping

Santana Parque Shopping won the Premium Shopping 2008 award by Alshop for institutional marketing.

Shopping Light

Shopping Light received the Alshop 2011 Award in the category of renovation and expansion.

Top Center

Top Center received the Alshop 2011 Award in the category of renovation and expansion.

Cascavel JL Shopping

Cascavel JL Shopping received the IMPAR prize for the most recognized brand in the Cascavel region in 2010 and 2011.

Employees

We had 180 employees as of December 31, 2011. The table below shows the number of employees per category of activity as of December 31, 2011:

Area	As of December 31, 2011
Management	26
Administrative	94
Operational	60
Total	**180**

All of our employees are located in Brazil with most of them being located in the city of Guarulhos and city of São Paulo, in the state of São Paulo.

Our compensation policy is based on average market compensation. We adjust compensation whenever necessary and according to labor law, as of the date of the applicable collective-bargaining agreements. Our promotion policy is based exclusively on employee merit. We do not have a stock option plan for our employees or our management team.

We provide health insurance to all of our employees, in addition to the benefits required by Brazilian labor law. We also provide technical training and continuing education courses for our employees. We outsource activities that are not related to our main activity, such as cleaning, security, maintenances engineering, landscaping, nurse's station and brokerage services.

Union Relations

We are represented by the Employers' Union for Companies that Purchase, Sell, Rent and Manage Real Estate in São Paulo (*Sindicato das Empresas de Compra, Venda, Locação e Administração de Imóveis de São Paulo*), or SECOVI-SP. Most of our employees are represented by the Union of Employees of Companies that Buy, Sell, Rent and Manage Residential and Commercial Real Estate (*Sindicato dos Empregados em Empresas de Compra, Venda, Locação e Administração de Imóveis Residenciais e Comerciais*) ("SEECOVI"), of São Paulo, Guarulhos, Barueri, Diadema and São Caetano do Sul, all cities in the state of São Paulo. Some of our employees are represented by unions that correspond to the complementary service they help provide such as the Union of Workers in Parking Companies of the State of São Paulo (*Sindicato das Empresas de Garagens e Estacionamentos do Estado de São Paulo*) ("SINDEPARK"). We constantly analyze and discuss proposals with the unions, always seeking consensus to improve our employees' working conditions. There has never been a strike involving our employees. We believe we have a good relationship with our employees and with the unions that represent them.

Our most recent collective bargaining agreement, between SECOVI-SP and SEECOVI, executed on May 1, 2010, and extending through April 30, 2012, requires us to grant a salary adjustment to our employees corresponding to 6.3% of the salaries, as effective on May 1, 2009, subject to offsetting with advances of salary adjustments already granted in the period. In addition, the collective bargaining agreement requires profit sharing payments to be made pursuant to the guidelines and requirements of Law No. 10,1010, dated December 19, 2000.

The collective bargaining agreement executed between SINDEPARK and the Union of Workers in Parking and Garage Companies (*Sindicato dos Empregados de Estacionamentos e Garagens*) or SINDEG, on September 1, 2010, and extends through August 31, 2012, requires (i) in 2010, a salary adjustment corresponding to 7% and (ii) in 2011, salary adjustments to our employees who work in our subsidiaries I Park and Park Shopping Administradora calculated pursuant to the variation of the National Consumer Price Index (*Índice Nacional de Preços ao Consumidor*) ("INPC") index accruing in the 12-month period preceding the adjustment date, increased by 1.5% for salaries due on August 31, 2011. The collective bargaining agreement executed with SINDEPARK and SINDEG also requires that we pay our employees a profit sharing bonus corresponding to R$250.00 per employee. This payment may be made in two installments.

Legal and Administrative Proceedings

As of December 31, 2011, we had provisions in the amount of R$0.6 million related to judicial and administrative civil, labor and tax claims, as well as related to legal obligations. The calculation of the amounts to be provisioned is based on reports from our internal and outside legal counsel and cover probable losses related to our claims.

The table below shows the consolidated position of our claims, provisions and deposits as of December 31, 2011:

(in millions of R$)	As of December 31, 2011	
	Claim	Provision
Labor	4.5	0.3
Civil	3.8	0.3
Tax	2.0	0.0
Total	**10.3**	**0.6**

Civil proceedings

As of December 31, 2011, we were defendants in approximately 82 lawsuits involving civil matters. According to our estimates, the amount involved in these lawsuits is approximately R$3.8 million, and we have recorded provisions in the amount of R$0.3 million.

In general, we are defendants in claims for indemnification for property damage and pain and suffering, renewal actions for lease contracts, collection actions and contract rescission actions. We are plaintiffs in eviction actions for lack of payment and collection actions for sums certain.

Labor proceedings

As of December 31, 2011, we were defendants, severally or jointly, in 73 labor lawsuits. The total amount claimed is approximately R$4.5 million, of which R$0.3 million is related to a claim in which we estimate the chance of loss to be probable, and consequently, we have made a provision for these lawsuits. In general, these cases involve claims for joint liability, overtime and recognition of the employment relationship, among others.

Tax proceedings

As of December 31, 2011, we were involved, severally or jointly, in 14 proceedings related to tax matters, which represent an amount of R$2.0 million, from which R$0.5 million has been issued for installment payment plans. No tax provision has been registered to cover this contingency.

Tax debt installments

In 2009, General Shopping Brasil S.A. adhered to the new installment plan for companies with the Federal Revenue Service, Attorney General's Office for the National Treasury (*Procuradoria-Geral da Fazenda Nacional*), or PGFN, and the INSS, under Law No. 11941/09, referred to as or Refis IV. In 2010, our subsidiaries also adhered to the new installment plan. The outstanding balance on those consolidated installments, as of December 31, 2011, was R$22.2 million.

Other Legal Proceedings

The following sets forth a description of certain material proceedings for which we do not account in "Reserves for contingencies" on our balance sheet.

Collection actions

There are two collection actions, one filed by Banco Pontual S.A. against Levian, and the other filed by Banco Pontual against ABK, related to outstanding balances arising from the opening of lines of credit connected to checking accounts. The trial court issued a decision against us and we are currently awaiting the decision on the appeals filed by ABK and Levian. As of December 31, 2011, the amount claimed in these proceedings totaled approximately R$4.0 million. We have recorded provisions in the amount of R$5.2 million.

Indemnification action

Silpa Moda Jovem Ltda. ME and 12 other plaintiffs initiated a lawsuit claiming damages for pain and suffering, special damages and a contractual revision against Internacional Shopping Guarulhos. The plaintiffs allege that the co-participation agreement related to stores in the shopping center was breached by the condominium of Internacional Shopping Guarulhos because it opened after the scheduled date and before the conclusion of construction. The plaintiffs prevailed on the issue of contractual revision claims at the trial court, in which the store rental was established at 8% of each of the plaintiffs' gross monthly sales. The shopping center was ordered to reimburse any amounts charged above that percentage. The Court of Appeals (*Tribunal de Justiça*) denied the appeals that we had filed and we are currently awaiting a decision on the appeals filed with the Supreme Court (*Supremo Tribunal Federal*) and with the Superior Court of Justice (*Superior Tribunal de Justiça*). The chance of loss for Internacional Shopping Guarulhos is probable with regard to the decision that establishes the rent amount at 8% of each of the plaintiffs' gross monthly sales, and remote with regard to the request for special damages and pain and suffering. As of December 31, 2011, the amount claimed was estimated at R$1.4 million and no provision has been recorded for this case.

Material Agreements

Indenture

10.00% Perpetual Bonds Offering

On November 9, 2010, GS Finance issued US$200 million of perpetual bonds bearing interest at 10.00% per annum with no maturity date. On April 22, 2011, GS Finance issued an additional US$50 million of perpetual

bonds under the same terms as the initial bonds. The bonds are guaranteed by us and each of our subsidiaries except for GSB Adm, ASG Adm. and FII Top Center and are senior unsecured obligations of GS Finance and each of the guarantors. GS Finance may, at its option, redeem the bonds, in whole or in part, on any interest payment date on or after November 9, 2015 at 100% of the principal plus accrued interest and any additional amounts. The indenture under which the bonds were issued contains covenants setting forth certain limitations on General Shopping and its subsidiaries with respect to the following: liens; sale and lease-back transactions; transactions with affiliates; and consolidation, merger or transfer of all or substantially all of our assets, all of which are subject to exceptions.

Financing agreements

Credit Facility with Banco Pine S.A.

On December 28, 2011, Send entered into a credit facility agreement (*Cédula de Crédito Bancário*, a "CCB"), with Banco Pine S.A., in the total amount of R$30.8 million, segregated in two tranches of R$24.7 million and R$6.2 million. The first tranche bears interest at 5.3% plus TJLP per annum increasing 1% per year and the second tranche bears interest at 5.3% per annum plus the variable rate released quarterly by BNDES. The loan is guaranteed by Golf Participações Ltda. and its controlling shareholders, Alessandro Poli Veronezi, Victor Poli Veronezi and Ana Beatriz Poli Veronezi. In addition, this loan is secured by a lien (*alienação fiduciaria*) on 48% of the receivables from Parque Shopping Barueri and 48% of the property on which Parque Shopping Barueri is being built. There is a 24 month-grace period and interest and principal payments are due in 72 equal monthly installments after such period, with the first installment due on February 15, 2014 and the final installment due on January 15, 2020. As of December 31, 2011, the outstanding balance was R$0.9 million.

Pursuant to the terms of the BNDES General Terms and Conditions ("*Disposições Aplicaveis aos Contratos do BNDES*"), which are incorporated into the credit facility agreement, Send is prohibited from incurring additional indebtedness outside of the ordinary course of business, which may be interpreted to include the guarantee by Send of the notes. The failure to comply may result in the imposition of a penalty of 1% of the outstanding principal amount and accrued interest of the loan. We intend to request the consent of the BNDES in order for Send to guarantee the notes, but we can not assure you that we will be able to obtain such consent. If we are not able to obtain the BNDES' consent, we estimate that, based on the outstanding amount under the credit facility agreement as of December 31, 2011, Send could be required to pay a maximum amount of R$ 9,000, or 1% of the outstanding indebtedness of the loan, or to prepay the loan. Send does not intend to borrow any additional amounts under the credit facility agreement unless (1) the waiver is obtained or (2) Send has paid any penalty that may be charged by the BNDES and is permitted to borrow any additional amounts.

Credit Facility Agreement with Banco do Paraná S.A.

General Shopping entered into a CCB with Banco do Paraná S.A., dated March 23, 2010, for the aggregate principal amount of R$15 million. The loan bears interest at 6.8% plus CDI per annum and is guaranteed by Alessandro Poli Veronezi, our chief executive officer, and Golf Participações Ltda., our controlling shareholder. Interest and principal payments are due in 24 equal monthly installments in the amount of R$0.7 million with the final installment due on March 22, 2012. This agreement was paid down in its entirety in the first quarter of 2011.

Levian and ABK certificates of real estate receivables

On June 20, 2008, Levian and ABK issued and assigned a CCI to Cibrasec – Companhia Brasileira de Securitização, our affiliate, for approximately R$180 million, which in turn issued a CRI registered with CETIP representing such CCI. The CRI securitized the receivables for amounts owed by Cly, our affiliate, to Levian and ABK pursuant to the contract for the sale of the land on which Internacional Shopping Guarulhos is located, dated June 20, 2008. The proceeds from the CRI issuance was used to pay our short-term loans and financings and bears interest at TR plus 11% per year. The CRI will be paid in 120 monthly installments, the last installment of which is due on June 26, 2018. As of December 31, 2011, the outstanding balance was R$157.2 million.

In connection with the securitization, the following collateral was given in favor of Cibrasec – Companhia Brasileira de Securitização: (i) a lien (*alienação fiduciária em garantia*) on a certain portion of the real estate where Internacional Shopping Guarulhos is located, (ii) a lien (*alienação fiduciária em garantia*) on Levian's ownership

interest in Cly and (iii) a lien (*alienação fiduciária em garantia*) on the receivables for rent owed by store owners in Internacional Shopping Guarulhos.

Paulis certificates of real estate receivables

On March 25, 2010, Paulis issued and assigned a CCI to RB Capital Securitizadora S.A., our affiliate, for approximately R$60 million, which in turn issued a CRI in the amount of R$62.3 million registered with CETIP representing such CCI. The CRI securitized the receivables for amounts owed by Fundo de Investimento Imobiliário – FII Top Center, our affiliate, to Paulis pursuant to the contract for the sale of the land on which Internacional Shopping Guarulhos is located, dated March 25, 2008. The proceeds from the CRI issuance was used to pay short-term indebtedness and bears interest at IPCA plus the yield of the National Treasury Bond "B" Series, due on 2015, plus the spread of 230 basis points per year. The CRI will be paid in 120 monthly installments, the last installment of which is due on April 22, 2020. As of December 31, 2011, the outstanding balance was R$60.7 million.

In connection with the securitization, the following collateral was given in favor of RB Capital Securitizadora S.A.: (i) a lien (*alienação fiduciária em garantia*) on a certain portion of the real estate where Shopping Top Center is located, (ii) a lien (*alienação fiduciária em garantia*) on Levian's ownership interest in Paulis and (iii) a lien (*alienação fiduciária em garantia*) on the receivables for rent owed by store owners in Shopping Top Center and Shopping Vale.

Agreement for the acquisition of Shopping Light

In June 2007, we acquired the right to use 50.1% of Shopping Light. In addition, we have since entered into an agreement to acquire the entire Shopping Light property, however the title to the property has not yet been transferred to us. The total payments arising thereunder are R$8.6 million, partially represented by promissory notes, indexed to the INPC, plus 6% to 10% a year, with final payment due 2014. Lumen will receive a portion of the profits from rent to be paid by the store owners. Birmann S.A. Comércio e Empreendimentos ("Birman"), which will continue to have a right to use Shopping Light after we acquire the property, has the right to receive the first key money payment by each new tenant in consideration for promotion, publicity and the assignment of the use of the technical infrastructure developed for Shopping Light. This agreement was paid down in its entirety in the fourth quarter of 2011.

On June 26, 2007, Lumen acquired from Funcesp—Fundação CESP an additional interest in the consortium owning the right to use Shopping Light. This transaction resulted in the execution of a deed of purchase of rights of use of the real property comprising Shopping Light, including the land, the building and any other improvements, and encompasses the right to 28% of the gross revenues of Shopping Light. The purchase price of R$20.1 million was paid in one lump sum for actual transfer of the property upon issue of certain tax clearance certificates required for execution of the public deed of transfer.

In March, 2011, Birmann assigned its 19.9% usage right for Shopping Light to Lux, our wholly-owned subsidiary and owner of the shopping center, as a result of Birmann's withdrawal from the consortium which holds the right to use Shopping Light. As a result of this assignment, our usage right in Shopping Light increased to 70%.

Agreements for the purchase of land for construction of Parque Shopping Sulacap

On June 25, 2007, one of our affiliates, Fonte, and Rubicon Empreendimentos Imobiliários executed with Embrasa – Engenharia e Mineração Brasileira S.A. a deed committing to purchase 60,000 square meters of land located in the district of Jardim Sulacap, in the western part of the city of Rio de Janeiro, state of Rio de Janeiro, on which we plan to build a shopping center with approximately 32,000 square meters in gross leasable area, which we estimate opening in 2013. Fonte agreed to pay for the entire property, while owning 90% of the property, and Rubicon Empreendimentos Imobiliários will own the remaining 10% of the property. The agreed purchase price is R$10.0 million, which has been fully paid. In 2010 we increased our ownership interest to 95% and in August, 2011, we sold a 44% interest in Parque Shopping Sulacap in a public offering registered with the CVM under Instruction CVM 400/2003 for R$107.8 million.

Acquisition and Partial Sale of Parque Shopping Barueri

On April 29, 2008, our affiliate Send acquired 96.51% of a land parcel located in the city of Barueri, state of São Paulo, for an aggregate of R$21.0 million. In addition, on May 16, 2008, we acquired an additional 20,610 square meters of land for R$23.7 million.

Send entered into a purchase and sale commitment with VBI GSBR Empreendimentos e Participações Ltda. ("VBI"), dated September 9, 2010, committing to the sale of 38.7% of its ownership interest in the land on which we expect Parque Shopping Barueri to be located for R$22 million. VBI paid R$6.6 million and the remaining R$15.4 million is due in 12 equal monthly installments.

Agreement for the purchase of Outlet Premium São Paulo

On April 2, 2009, our affiliate Send entered into a public deed with Senpar – Terras de São José Empreendimentos Turísticos Ltda., or Senpar, to purchase 30.0% of 108,027.00 square meters of a rural land located in Fazenda São Pedro, at Santa Cruz da Bela Vista, in the city of Itupeva, state of São Paulo, on which we built the POL São Paulo. Our affiliate Send was a committed purchaser of 30% of the land and transferred its rights to BOT, our affiliate. The total purchase price, including the price for the acquisition of the land and of the project is approximately R$18.9 million.

On June 11, 2010, BOT entered into an agreement with Senpar - Terras de São José Empreendimentos Turísticos Ltda. to purchase 20% of Outlet Premium São Paulo for R$15.1 million, increasing our indirect ownership interest to 50% of the outlet.

Agreement for the purchase of Unimart Shopping Campinas

On January 10, 2008, our affiliate Send entered into a purchase agreement with Unimóvel – Empreendimentos e Construções Ltda., to purchase the quotas of Uniplaza, the owner of Unimart Shopping Campinas, located in the city of Campinas, state of São Paulo, for an aggregate amount of R$43.0 million, which has since been paid. General Shopping has guaranteed the payment obligations.

Agreement for the sale of São Bernardo

In January 22, 2010, Send sold its 50% ownership interest in São Bernardo for the amount of R$29.1 million. The total area of the property is 104,796 square meters.

Market Maker Services Agreement

On October 4, 2010, we entered into a market maker services agreement with XP Investimentos Corretora de Câmbio, Títulos e Valores Mobiliários S.A. whereby the latter was hired to develop a secondary market for the Company's publicly traded shares. We agreed to pay R$10,000 per month for such services. This agreement is valid for six months and may be renewed for an additional period of six months.

Agreement for purchase of land in Guarulhos

Vul entered into a purchase and sale agreement with Goldfarb 49 Empreendimento Imobiliário Ltda., dated January 11, 2011 for the acquisition of a 24,160 square meter parcel of land in the city of Guarulhos in the state of São Paulo, for R$24.2 million. Upon execution of the agreement, Vul paid the seller R$8.3 million and agreed to pay the seller a total of R$15.9 million in 21 equal monthly installments.

Agreement for purchase of land in Atibaia

Manzanza entered into a purchase and sale agreement with Mr. Willy Fazzio and Ms. Odila Aparecida de Oliveira, dated March 11, 2011, for the acquisition of a 42,451 square meter parcel of land in the city of Atibaia in the state of São Paulo, for R$14.0 million. Upon execution of the agreement, Manzanza paid the seller R$4 million and agreed to pay the sellers a total of R$10.0 million in four monthly equal installments.

Manzanza entered into a purchase and sale agreement with Mr. Luis Carlos Sampaio Parente and Ms. Celina Irene Figueiredo Parente, dated March 11, 2011, for the acquisition of a 1,430 square meter parcel of land adjacent to the property mentioned immediately above, for R$1.6 million. Upon execution of the agreement, Manzanza paid the sellers R$495 thousand and agreed to pay the sellers a total of R$1,155 million in four monthly equal installments.

Lease agreements

The lease agreements related to commercial areas in our shopping centers are for a term of five years, except for Auto Shopping, which is for three year terms. Our lease agreements also provide for a variable rent, calculated as a percentage from 2% to 15% of the store's gross revenues, or a minimum monthly amount, whichever is higher. The Auto Shopping lease agreements provide for a fixed amount of rent. Minimum rent for satellite stores increase by 5% every 12 months, in addition to an adjustment for inflation. Our lease agreements usually require personal guarantee. See "Related Party Transactions."

MANAGEMENT

Board of Directors

Our board of directors is responsible for establishing our overall business guidelines and policies, including our long term strategy, and for overseeing our performance. Our board of directors is also responsible for the supervision of our executive officers. The business address of our directors is Av. Angélica, 2466 - 25º andar, São Paulo - SP CEP: 01228-200.

Pursuant to our bylaws, our board of directors consists of a minimum of five and a maximum of eight members, one is appointed the chairman and another is appointed the vice chairman. At a shareholder's meeting, the number of board members to be elected in subsequent years is determined, provided a minimum of five directors must be elected. This decision is made by an absolute majority vote, with blank votes not being counted. The members of our board are elected by the shareholders' meeting for a unified two year term of office, reelection being permitted. A director must stay in office until the investiture of his/her successor. However, any director may be removed by the shareholders before his/her term of office expires. Under *Novo Mercado* regulations and our bylaws, a minimum of 20% of the members of our board of directors must be independent. In addition, prior to taking office, our board members are required to sign an agreement of adherence to the regulation of the *Novo Mercado*.

Our board of directors holds mandatory meetings three times a year, and may hold other meetings, as necessary. Meetings of our board of directors are convened only if a majority of the directors are present and all board decisions are taken by a majority vote of the directors, taking into effect any temporary absences and vacancies, and the chairman has the right to cast the tie breaking vote in the case of a deadlock.

Brazilian Corporate Law and CVM Regulation No. 282 of June 26, 1998 allow the adoption of a cumulative vote process by the request of a number of our shareholders representing a minimum of 8% of our capital stock. Brazilian Corporate Law allows minority shareholders that, individually or in a group, hold at least 10% of our common shares to appoint one director, by means of a separate vote. Brazilian Corporate Law does not allow the election of a member to our board of directors, unless waived by our shareholders, if this person is an employee or senior manager of one of our competitors or has a conflicting interest with ours.

Our board of directors is currently made up of eight members, all of whom were elected at the general shareholders' meeting held on June 22, 2011.

The table below sets forth the name, title, date of election and date of the end of the term of each current member of our board of directors:

Directors	Title	Date of election	End of Term
Alessandro Poli Veronezi	Chairman	June 22, 2011	April 2013
Victor Poli Veronezi	Vice-Chairman	June 22, 2011	April 2013
Ana Beatriz Poli Veronezi	Director	June 22, 2011	April 2013
Ricardo Castro da Silva	Director	June 22, 2011	April 2013
Antonio Dias Neto	Director	June 22, 2011	April 2013
Luiz Augusto de Carvalho Certain	Director	June 22, 2011	April 2013
Edgard Antonio Pereira	Independent Director	June 22, 2011	April 2013
Raimundo Lourenço Maria Christians	Independent Director	June 22, 2011	April 2013

Below is a brief biography of each member of our board of directors:

Alessandro Poli Veronezi. Mr. Veronezi is a member of our board of directors. Previously, from 1994 to 1998, Mr. Veronezi was director of Desconto Factoring Fomento Comercial and from 1995 to 1999, he was managing director of Cotação DTVM S.A. From 1994-2002, Mr. Veronezi was assistant financial director and chancellor's assistant of the São Paulo Association for Education and Culture (*Associação Paulista de Educação e Cultura*). From 1996-2003, Mr. Veronezi was a member of the fiscal council of Universidade de Guarulhos. In 1996, he was managing partner of Publica Publicações e Edições. In 1998 Mr. Veronezi worked for Levian as

financial director of Internacional Shopping Guarulhos. In 1999 Mr. Veronezi was director of the Brazilian Institute for Electronic Telecommunications and Information (*Instituto Brasileiro de Telecomunicações Eletrônica e Informática*). In 2003 he was administrative director of Girafa Editora, as well as vice president of the board of directors of CSA—Companhia Securitizadora de Ativos. Mr. Veronezi holds a degree in business administration from EAESP/FGV—Fundação Getulio Vargas and received graduate degrees in financial administration and general administrations from the same institution. Mr. Veronezi also received a specialized degree in education and a master's degree in social sciences and education from UNG—Universidade Guarulhos, as well as an EMBA from the University of Toronto. Mr. Alessandro Poli Veronezi, Mrs. Ana Beatriz Poli Veronezi and Mr. Victor Poli Veronezi are siblings.

Victor Poli Veronezi. Mr. Veronezi is a member of our board of directors. In 1993 he was the administrative director at Poli Shopping. From 1993 to 1996, Mr. Veronezi was the directing partner at Grafpel Artes Gráficas, and from 1993 to 1996 he was also the managing partner at Publica Publicações e Edições. In 1998, he served as an administrative director for Internacional Shopping Guarulhos, and in 2000, Mr. Veronezi was the director at the Instituto Brasileiro de Telecomunicações Eletrônica e Informática. In 2003, Mr. Veronezi was a consultant for Companhia Securitizadora de Ativos—CSA. In 2006, Mr. Veronezi served as an administrative director for Auto Shopping. Mr. Veronezi holds a degree in economics from FAAP—Fundação Armando Álvares Penteado. He specialized on international economics at the Universidade do Porto, Portugal, as well as having specialized in international commerce at the University of Miami. Mr. Veronezi has a masters' in business administration degree in retail from FIA/FEA—Universidade de São Paulo. Mr. Alessandro Poli Veronezi, Mrs. Ana Beatriz Poli Veronezi and Mr. Victor Poli Veronezi are siblings.

Ana Beatriz Poli Veronezi. Ms. Veronezi is a member of our board of directors. In 1999, Ms. Veronezi worked at Volkswagen do Brasil and managed construction at the Volkswagen/Audi-PR and Volkswagen Anchieta-SP plants. From 1997 to 1998, Ms. Veronezi managed the construction of Internacional Shopping Guarulhos. From 1998-2000, Ms. Veronezi was a real estate researcher at POLI/USP, and in 2000, she became a professor of engineering at the continued education program Escola Politécnica da Universidade de São Paulo. Currently, Ms. Veronezi is a director of the Brazilian Electronic Telecommunications and Computing Institute. Ms. Veronezi holds a degree in civil engineering from Escola Politécnica da Universidade de São Paulo. Ms. Veronezi also received a masters degree and a doctorate in civil engineering from the same institution. Mr. Alessandro Poli Veronezi, Mrs. Ana Beatriz Poli Veronezi and Mr. Victor Poli Veronezi are siblings.

Ricardo Castro da Silva. Mr. Silva is a member of our board of directors. Mr. Silva was a manager of accountancy of General Electric from 1986 to 1990. From 1990 to 1992, he was manager of financial planning at Ford New Holland, and from 1992 to 1994, he was financial manager of Sterling Software. He was mergers and acquisitions officer at Banco Multiplic from 1994 to 1997. From 1997 to 2003, he was chief financial officer of Central Lav Lavanderias, and from 2003 to 2007, he was chief financial officer of APEC. From 2007 to 2011, he was chief financial officer of General Shopping Brasil S.A. Mr. Silva holds a degree in economics from IMES. He completed the General Electric's Financial Management Program and received an MBA in Finance from IBMEC-SP.

Antonio Dias Neto. Mr. Dias is a member of our board of directors. Since 1996, Mr. Dias has been a professor of project planning at UNIBAN—Urbano at Universidade Bandeirante de São Paulo, and at FMU—Faculdades Metropolitanas Unidas. Currently, Mr. Dias also works as a architect. Mr. Dias holds a degree in architecture from Faculdade de Arquitetura e Urbanismo which is part of Universidade de Guarulhos in São Paulo. Mr. Antônio Dias Neto and Mr. Alexandre Lopes Dias are siblings.

Luiz Augusto de Carvalho Certain. Mr. Certain is a member of our board of directors. Since 2007, Mr. Certain has been the vice-chairman of Sociedade Paulista de Educação e Cultura. Prior that, he served from 2004 to 2007 as the Distribution Director of Sucos Del Valle do Brasil Ltda. From 1997 to 2004, Mr. Certain was the owner-partner of LA Certain Consultoria S/C Ltda and from 1973 to 1979 and from 1984 to 1997, Mr. Certain was Commercial Superintendent Director of Branches, Economic-Financial General Manager, Corporate Bank General Manager and Governmental Transferences Manager of Banco Noroeste S/A (Banco Santander Brasil S/A). Prior to that, from 1979 to 1984, Mr. Certain was Superintendent Director of Polimaq Engenharia Ind e Comercio and from 1966 to1973, Mr. Certain was Operations and Governmental Transferences Manager of Banco de Investimento Cofibens S.A. Mr. Certain holds degrees in Business Administration and Economics from Universidade Mackenzie.

Edgard Antonio Pereira. Mr. Pereira is a member of our board of directors. Since 1983, Mr. Pereira has been a professor at the Economic Institute (*Instituto de Economia*) of *Universidade Estadual de Campinas*, or UNICAMP. In 1995, Mr. Pereira was a visiting scholar and research associate at the Department of Economics at the University of California, Berkeley. In 1994, Mr. Pereira was Secretary of Finance for the Municipality of Campinas, and in 1993, Mr. Pereira became finance director of Instituto de Previdência of the municipal prefect of Campinas. From 1990 to 1991, Mr. Pereira was secretary of the Finance, Economy and Planning Ministry. From 1988 to 1989 Mr. Pereira was a researcher at Instituto de Economia Industrial da Universidade Federal do Rio de Janeiro. In 1989, and again from 1991 to 1992, Mr. Pereira was economic aid for Fundação José Bonifácio of Universidade Federal Rio de Janeiro. From 1986 to 1987, Mr. Pereira was adjunct secretary for industrial prices of the Special Secretariat of Supply and Prices (*Secretaria Especial de Abastecimento e Preços*) of the Finance Ministry (*Ministério da Fazenda*). Mr. Pereira holds a degree in economics from UNICAMP – Universidade Estadual de Campinas. Mr. Pereira received a masters degree and a doctorate in economics from Instituto de Economia Industrial do Rio de Janeiro—Universidade Federal do Rio de Janeiro.

Raimundo Lourenço Maria Christians. Mr. Christians is a member of our board of directors. From 1979 to 2011, Mr. Christians worked in External Auditing at PwC. From 1986 to 1988, Mr. Christians was an Accounting and Auditing Board Manager at PwC, in charge for the company's auditing and accounting technical guidance. From 1988 to 1990, Mr. Christians conducted an exchange program at PwC in London. In July 1991, Mt. Christians became a partner in the tax department of PwC. From 1998 to 2001, Mr. Christians was responsible for the South America International Tax practice of PwC. From 2000 to 2005, he was elected by PwC's partners to the firm's Oversight Board for South America; and from 2001 to 2005, he was elected by PwC's partners to the firm's Global Board. Mr. Christians received degree in accounting from Universidade Católica de Campinas – PUCC. Mr. Christians has been a lecturer and participant at various seminars, courses and programs, offered by PwC and others in Brazil and abroad.

Board Committees

Pursuant to our bylaws, our board of directors may establish one or more technical or advisory committees for a specific purpose and with specific duties, which members may or may not include our directors or executive officers. Our board of directors will establish the rules applying to these committees, including rules on their composition, term of office, compensation and operation. We currently do not have any committees.

Board of Executive Officers

Our board of executive officers is composed of five officers, who may or may not be shareholders and who are all residents of Brazil. Our board of executive officers is elected by the board of directors and its members hold the following titles: chief executive officer, chief financial officer, investor relations' officer, marketing and retail relation's officer and expansion and planning officer. Our executive officers are elected for a two year term of office with the possibility of reelection, and they are required to remain in office until the investiture of their successors. Under the *Novo Mercado* regulation, our executive officers are also required to sign an instrument of adherence to the rules of the *Novo Mercado* prior to taking office.

Our executive officers are our legal representatives who are responsible for our day-to-day management, implementing the policies and directives set by our board of directors and other duties assigned to them under the law and our bylaws. Our executive officers are authorized to take all actions required for the operation of our business, unless the law or our bylaws specifically delegate authority to the shareholders' meeting or our board of directors.

Our board of executive officers holds mandatory meetings once a month, and may hold other meetings, as necessary. Meetings of our board of executive officers are convened by means of calls from our chief executive officer or two-thirds of the officers and the meetings will be held only if a majority of the officers are present. Under our bylaws, decisions of our board of executive officers are taken by a majority vote of the officers attending a meeting or sending their votes as set forth in our bylaws. The chief executive officer has the right to cast a tie breaking vote in the case of a deadlock. The individual duties of our executive officers are assigned by our directors and are described in our bylaws.

The table below indicates the name, title, date of election and term of office of each current member of our board of executive officers:

Executive officers	Title	Date of election	End of term of office
Victor Poli Veronezi	Chief executive officer and expansion and planning officer	May 6, 2011	May 2013*
Francisco José Ritonadaro	Chief financial officer	May 6, 2011	May 2013*
Alessandro Poli Veronezi	Investor relations officer	May 6, 2011	May 2013*
Alexandre Lopes Dias.............	Marketing and retail relations officer	May 6, 2011	May 2013*

* The officers shall remain in office until the Directors' Meeting to be held promptly after the General Shareholders' Meeting at which the 2012 financial results will be up for approval.

Below is a brief biographical description of the members of our board of executive officers, including officers serving in offices not set forth in our bylaws:

Victor Poli Veronezi. Mr. Veronezi is our chief executive officer. See "—Board of Directors" for his biographical information.

Francisco José Ritondaro. Mr. Ritondaro is our chief financial officer. From 1993 to 1995, Mr. Ritondaro was an auditor at Trevisan Auditores Independentes. From 1995 to 1997, Mr. Ritondaro worked at Desconto Factoring Fomento Comercial Ltda as a financial operator, and in 1997, Mr. Ritondaro also worked as a financial consultant for A&H Indústria e Comércio. From 1997 to 2000, Mr. Ritondaro was a financial manager at Levian, and from 1999 to 2000, Mr. Ritondaro was financial director of IMI Construções Civis. In 2003, Mr. Ritondaro was manager of internal auditing for Golf Participações, and from 2003 to 2007, Mr. Ritondaro was partner and financial director of Naturalen Argentina S/A. From 2009 to 2011, Mr. Ritondaro was chief financial officer at MTEL. He holds a degree in economics from FAAP—Fundação Armando Álvares Penteado, and a graduate degree in management from ESPM—Escola Superior de Propaganda e Marketing. He also has a graduate degree in controllership from Faculdade Trevisan.

Alessandro Poli Veronezi. Mr. Veronezi is our investor relations' officer. See "—Board of Directors" for his biographical information.

Alexandre Lopes Dias. Mr. Dias is our marketing and retail relations officer. From 1991 to 1999, he was general manager of operations of Dias Pastorinho S.A. Comércio e Indústria. He worked at Center Norte S.A. in the marketing department of Shoppings Centernorte and Lar Center from 1999 to 2003. He was general manager of Dias Pastorinho S.A. Comércio e Indústria, until 2006. Mr. Dias holds a degree in business administration from FAAP. He received a specialized degree in management from EAESP/FGV—*Fundação Getulio Vargas* and an MBA in retail from FIA/FEA/USP. Mr. Antônio Dias Neto and Mr. Alexandre Lopes Dias are siblings.

Judicial Proceedings Involving Our Directors and Executive Officers

In 2000, a federal criminal action was initiated by the Federal attorney for the purpose of determining whether a false public document had been issued in the name of Levian. Because on the date of issuance of that certificate, Alessandro Poli Veronezi was an attorney-in-fact for Levian, he and other defendants were formally accused of falsifying the document. Mr. Veronezi was found to be not guilty of the allegations. The federal attorney has appealed this decision, as he is required to by law. Pursuant to the assessment of the lawyers representing Mr. Alessandro Poli Veronezi, the chance of loss in this case is remote.

Fiscal Council

Under Brazilian Corporate Law, the Conselho Fiscal, or fiscal council, is a corporate body independent of the management and our independent auditors. Its primary responsibility is monitoring management activities, reviewing our financial statements, and reporting its findings to our shareholders.

Our fiscal council is not permanent, but it can be established in any year at the request of shareholders representing a minimum of 10% of our capital stock. The fiscal counsel's members are elected at the annual shareholders' meeting with a term of office that extends through the following annual shareholders' meeting. If

established, our fiscal council is composed of three to five effective members and their alternates, who may or may not be shareholders. All members of our fiscal council are also required to sign an instrument of adherence to the *Novo Mercado* rules prior to taking office.

In addition, minority shareholders representing a minimum of 10% of the voting shares are entitled to elect one fiscal council member and his or her alternate by a separate vote. Our fiscal council may not include members that are on our board of directors or our board of executive officers, or are employed by us or a subsidiary or a company under common control with us, or are spouses or close family members of our directors and officers. Brazilian Corporate Law requires fiscal council members to receive as remuneration at least 10% of the average annual amount paid to our officers, which excludes benefits and other allowances, or profit sharing.

Our shareholders approved at the general shareholders' meeting held on April 25, 2011 the establishment of the fiscal council until the annual shareholders' meeting at which the 2011 financial results will be slated for approval. Our fiscal counsel is currently composed of three members. Additionally, our fiscal council also has one alternate, who may substitute the current members of our fiscal council in case of temporary absence of any of the current members.

The table below indicates the name, title, date of election and term of office of each current member of our fiscal council:

Fiscal Council Members	Position	Date of Election	End of term of office
Antonio Carlos Pereira Fernandes Lopes....	Fiscal Council member	April 25, 2011	April 2012
Jorge Michel Lepeltier................................	Fiscal Council member	April 25, 2011	April 2012
Paulo Alves Flores......................................	Fiscal Council member	April 25, 2011	April 2012
Camila de Cassia Satin Briola	Fiscal Council alternate member	April 25, 2011	April 2012

Below is a brief biography of each member and alternate member of our fiscal council:

Antonio Carlos Pereira Fernandes Lopes. Mr. Lopes received a degree in accounting from Pontifícia Universidade Católica de São Paulo in 1976. He has over 30 years experience as an auditor specializing in the tax and accounting fields.

Jorge Michel Lepeltier. Mr. Lepeltier received a degree in economics and accounting from Pontifícia Universidade Católica de São Paulo, and certificates in environmental management from Escola de Ensino Superior Luiz de Queiroz - ESALQ in Piracicaba, and in capital markets, finances and strategic planning from New York University. From 1978 to 1993, Mr. Lepeltier was treasurer, administrative-financial and market relations director of BRASMOTOR S.A. From 1968 to 1978 he was trainee, management assistant and senior manager at PwC. Mr. Lepeltier currently provides tax advice to various companies in Brazil.

Paulo Alves Flores. Mr. Flores received a degree in accounting from Fundação Escola de Comércio Álvares Penteado in 1993. He is an auditor with over 20 years of experience, including accounting and operations in several industries. Mr. Flores specializes in the operational auditing and accounting areas.

Camila de Cassia Satin Briola. Ms. Briola received a degree in accounting from Faculdades Metropolitanas Unidas in 2002. She works in accounting focusing on federal taxes. Between 2005 and 2008, Ms. Briola worked in financial statement auditing. Ms. Briola is an alternate member of the fiscal council, representing members Paulo Alves Flores and Antonio Carlos Pereira Fernandes Lopes.

Compensation

According to our bylaws, and subject to the limits imposed by the applicable legislation, our shareholders are responsible for establishing, at the shareholders' meeting, the compensation to be paid as profit sharing to the members of our board of directors and executive officers of up to 10% of the results for the period, but in any event no greater than their annual compensation established by the shareholders' meeting, after deducting accumulated losses and provisions for income taxes and social contribution, and based on the criterion established by our board of directors. The payment of profit sharing to member of our management may only be made after payment of the

mandatory dividend to our shareholders. If an aggregate amount is set for the directors and executive officers, a meeting of our board of directors should decide on the allocation of this amount between these two corporate bodies.

The general shareholders' meeting held on April 25, 2011 approved an aggregate compensation of up to R$7.3 million to be paid to the members of our board of directors and executive officers during 2011, and our board of directors decided on the allocation of this amount among our directors and executive officers. For the years ended December 31, 2010 and 2011, the aggregate compensation paid to our board of directors and executive officers totaled R$4.4 million and R$4.8 million, respectively.

The table below sets forth the number of shares issued by us and held directly by our directors and officers as of the date of this offering memorandum:

Name	Title	Number of shares	%
Victor Poli Veronezi	Vice-Chairman, chief executive officer and expansions and planning officer	2,895	(1)
Alessandro Poli Veronezi	Chairman and investor relations officer	2,895	
Ana Beatriz Poli Veronezi	Director	2,895	(1)
Raimundo Lourenço Maria Christians	Independent director	1,500	(1)
Alexandre Lopes Dias	Marketing and retail relations officer	11	(1)
Antonio Dias Neto	Director	1	(1)
Francisco José Ritondaro	Chief financial officer	1	(1)
Edgard Antonio Pereira	Independent director	1	(1)
Ricardo Castro da Silva	Director	1	(1)
Total		**10,200**	**(1)**

(1) Less than 0.01%.

Stock Option Plans

We do not have and do not plan to have a stock option plan for our employees or members of our management.

Agreements with Our Directors and Executive Officers

We are not party to any agreement or obligations involving the members of our board of directors and board of executive officers. Our director and executive officer Alessandro Poli Veronezi is a guarantor of banking credit certificates issued by partnerships in our group which guarantees were provided with no consideration. For a description of our agreements with our directors and executive officers, see "Related Party Transactions."

PRINCIPAL SHAREHOLDERS

The table below sets forth the number of shares issued by us and held directly by our principal shareholders as of the date of this offering memorandum:

Shareholder	Shares	(%)
Golf Particpações	29,991,307	59.4
Pollux Capital Administradora de Recursos Ltda.	2,683,300	5.3
Banco Fator	5,060,600	10.1
Directors and Officers	10,200	0.02
Free float	12,735,193	25.2
Total	**50,480,600**	**100.0**

Golf Participações

Our principal shareholder is Golf Participações, a non-operating holding company incorporated on June 2, 1997, which holds 59.4% of our capital stock.

The table below sets forth the capital stock of Golf Participações, our principal shareholder:

	Amount of shares and interest in Golf Participações	
Shareholder[1]	Shares	(%)
Alessandro Poli Veronezi	1,633,191[2]	33.4
Victor Poli Veronezi	1,633,191[3]	33.3
Ana Beatriz Poli Veronezi	1,633,190[4]	33.3
Total	**4,899,572**	**100.0**

(1) Alessandro, Victor and Ana Beatriz Poli Veronezi are siblings.
(2) Of the total shares, 315,000 were donated to Alessandro Poli Veronezi as beneficial owner, with property being held by his mother, Maria Dirce Poli Veronezi, and 315,000 were donated to Alessandro Poli Veronezi as beneficial owner, with property being held by his father, Antonio Veronezi.
(3) Of the total shares, 315,000 were donated to Victor Poli Veronezi as beneficial owner, with property being held by his mother, Maria Dirce Poli Veronezi, and 315,000 were donated to Victor Poli Veronezi as beneficial owner, with property being held by his father, Antonio Veronezi.
(4) Of the total shares, 315,000 were donated to Ana Beatriz Poli Veronezi as beneficial owner, with property being held by her mother, Maria Dirce Poli Veronezi and 315,000 were donated to Ana Beatriz Poli Veronezi as beneficial owner, with property being held by her father, Antonio Veronezi.

RELATED PARTY TRANSACTIONS

In the normal course of our business, our controlling shareholders, our subsidiaries, and our condominiums conduct commercial and financial transactions among themselves on an arm's-length basis following customary market practice, except for certain financial transactions further explained below. Our management negotiates related-party agreements, individually, analyzing their terms and conditions under the usual market practice in our industry.

Our related party transactions include: (i) rendering consulting and operational assistance services related to the supply of water, electrical installations and energy supply; (ii) management of shopping centers; (iii) management of shopping center parking lots; (iv) commercial lease agreements; and (v) agreements and decisions made in the context of condominium agreements.

In conducting our business, we and our subsidiaries enter into loan transactions that are frequently not subject to finance charges. These transactions could generate a different result if they had been entered into with unrelated companies. Most outstanding balances between related parties are in regard to these loan transactions. As of December 31, 2011, the total balance of our transactions with related parties registered in non-current assets was R$22.1 million and the balance of our transactions with related parties registered in current liabilities was R$13.9 million.

In addition, our financial contracts normally include guarantees given by our controlling shareholders or by other companies they control, except with respect to the balance of borrowings not bearing financial charges. Currently, we do not pay our controlling shareholders for those guarantees. However, we cannot ensure that new guarantees such as these will continue to be given in the future at no cost to us.

We present below a summary of the agreements between us and related parties. In addition to the agreements described below, we have entered into various financial agreements among related parties or involving guarantees provided by related parties. See "Business—Material Agreements—Financing Agreements."

Lease Agreements

On November 26, 2003, Energy Comércio, as lessor, entered into a Real Estate Lease Agreement with the Internacional Shopping Guarulhos owners' association, as lessee of an electrical power substation unit and equipment. The minimum monthly price is R$170,000, indexed to the IGP-DI. The agreement expires on November 25, 2013.

On January 2, 2006, Levian and ABK, as lessors, entered into a Commercial Lease Agreement with I Park, as lessees of the Internacional Shopping Guarulhos parking area, as amended. Monthly rent is R$89,432, adjusted annually in accordance with the IGP-M, which is issued by the Fundação Getulio Vargas. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties with 30 days written notice.

On March 1, 2006, Nova União, as lessor, entered into a lease agreement with I Park, as lessee, related to the Internacional Shopping Guarulhos parking area. Monthly rent is R$238,692, adjusted annually in accordance with the IGP-M. The agreement required Nova União to assign credits to CSA – Companhia Securitizadora de Ativos (for more information regarding the securitization, see "Business—Material Agreements—Financing Agreements"). Pursuant to the agreement, I Park is required to maintain liability insurance for the operation of the parking lot in the amount of R$250,000. In addition, I Park has the right to market the advertising space in the parking area. I Park posted a bond of R$207,500 as a guarantee in favor of Nova União. The agreement expires on February 28, 2026.

On March 1, 2007, Levian and ABK, as lessors, entered into a Commercial Lease Agreement with I Park, as lessee, of the Auto Shopping parking area. Monthly rent is R$1,070, adjusted annually in accordance with the IGP-M. The agreement expired on December 31, 2008, but is valid for an indefinite period of time and can be terminated at any time by any of the parties with 30 days written notice.

On July 1, 2007, Internacional Guarulhos Auto Shopping owners' association, as lessee, entered into a Real Estate Lease Agreement with Energy Comércio, as lessor, for the use of an electrical power substation unit along with equipment. The monthly price is calculated by the demand of energy of the shopping center considering the price spread between the A4 consumer fare (selling price for the retailers) and the A2 fare (cost). The agreement expires on November 25, 2013.

Service Agreements

On August 1, 2005, Condomínio Civil do Internacional Guarulhos Shopping Center entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the IGP-DI. The agreement expires on September 1, 2027, when possession of the wells, facilities and equipment will be transferred to Condomínio Civil do Internacional Guarulhos Shopping Center.

On January 30, 2006, ABK and Levian, on behalf of the Internacional Shopping Guarulhos owners' association, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the rendering of services such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Internacional Shopping Guarulhos; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) conservation, security and cleaning of stores/spaces and entering into and terminating agreements for the provision of routine services at Internacional Shopping Guarulhos, among others. The contractor's monthly fee is R$75,000. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On August 28, 2006, ABK and Levian, on behalf of the Internacional Guarulhos Auto Shopping owners' association, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the tenant mix at Internacional Guarulhos Auto Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Internacional Guarulhos Auto Shopping, among others. The contractor's monthly fee is R$9,000. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On October 1, 2006, ASG Adm. entered into a Service Agreement with I Park, as the contractor and lessee of the land where the parking lot for Auto Shopping is located, to manage Auto Shopping's parking area. As we currently charge customers with a parking fee, there is no longer a contractor's monthly fee under this agreement. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On August 6, 2007, Delta, the owner of Suzano Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services including: (i) marketing and publicity; (ii) maintenance of the tenant mix at Suzano Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Suzano Shopping, among others. The contractor's monthly fee is R$10,000. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On August 31, 2007, the Auto Shopping owners' association entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the IGP-DI. The term of the agreement expires on September 1, 2027, when possession of the wells, facilities and equipment will be transferred to the Auto Shopping owners' association.

On August 31, 2007, GSB Adm. entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells at Suzano Shopping. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the highest inflation index between the IGP-DI and the IPC/FIPE, among others. The term of the agreement expires on September 1, 2027, when possession of the wells, facilities and equipment will be transferred to GSB Adm.

On August 31, 2007, the Santana Parque Shopping owners' association entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the IGP-DI. The term of the agreement expires on September 1, 2027, when possession of the wells, facilities and equipment will be transferred to Santana Parque Shopping owners' association.

On October 30, 2007, Delta, the owner of Suzano Shopping, entered into a Service Agreement with I Park, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Suzano Shopping. The management fee paid to I Park is 8% of the gross revenues or the total expenses, whichever s greater, plus taxes. The agreement is valid for an indefinite period of time. This Agreement was assigned by Delta to Zuz on December 8, 2008.

On October 31, 2007, the Shopping Light owners' association entered into a Service Agreement with I Park, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Shopping Light. The management fee paid for I Park is 6% of the gross revenues. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On November 12, 2007, Intesp, the owner of Poli Shopping Osasco, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the tenant mix at Poli Shopping Osasco; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Shopping Americanas Osasco, among others. The contractor's monthly fee is 5% of all condominium expenses. The agreement is valid for an indefinite period of time.

On November 22, 2007, the Shopping Light owners association entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the tenant mix at Shopping Light; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Shopping Light, among others. The contractor's monthly fee is 4% of all condominium expenses, rent revenues and key money received and 12% of all mall and merchandising revenue received. The agreement expires on November 21, 2012.

On November 29, 2007, Sale, the owner of Shopping do Vale, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the tenant mix at Shopping do Vale; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Shopping do Vale, among others. The contractor's monthly fee is 10% of all condominium expenses. The agreement is valid for an indefinite period of time.

On December 26, 2007, Poli Empreendimentos, the owner of Poli Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the tenant mix at Poli Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Poli Shopping, among others. The contractor's monthly fee is 10% of all condominium expenses. The agreement is valid for an indefinite period of time.

On December 26, 2007, Uniplaza, the owner of Unimart Shopping Campinas, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the tenant mix at Unimart Shopping Campinas; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Unimart Shopping Campinas, among others. The

contractor's monthly fee is 10% of all condominium expenses. The agreement is valid for an indefinite period of time.

On December 27, 2007, Send, the owner of Cascavel JL Shopping Center, entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.31. Payments are made on a monthly basis and are indexed to the IGP-DI. The agreement expires on January 1, 2028, when possession of the wells, facilities and equipment will be transferred to Send. The agreement is valid for 20 years, from January 1, 2008 to January 1, 2028.

On December 27, 2007, Sale, the owner of Shopping do Vale, entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.68. Payments are made on a monthly basis and are indexed to the IGP-DI. The agreement expires on January 1, 2028, when possession of the wells, facilities and equipment will be transferred to Sale.

On December 28, 2007, the Shopping Light owners' association entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the IGP-DI. The agreement expires on January 1, 2028, when possession of the wells, facilities and equipment will be transferred to the Shopping Light owners' association.

On January 29, 2008, PP Administradora, the owner of Prudente Parque Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Prudente Parque Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Prudente Parque Shopping, among others. The contractor's monthly fee is 5% of all condominium expenses. The agreement is valid for an indeterminate period of time.

On January 31, 2008, the Cascavel JL Shopping store owners' association entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Cascavel JL Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Cascavel JL Shopping, among others. The contractor's monthly fee is 5% of all condominium expenses and 5% of all rent revenues received. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On February 1, 2008, the Cascavel JL Shopping store owners' association entered into a Service Agreement with I Park, as the contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Cascavel JL Shopping. The management fee paid for I Park is 10% of the gross revenues. The agreement is valid for an indeterminate period of time.

On March 31, 2008, Paulis, the owner of Top Center Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Top Center; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Top Center Shopping, among others. The contractor's monthly fee is 5% of all condominium expenses. The agreement is valid for an indeterminate period of time. This Agreement was assigned to Fundo de Investimento Imobiliário – FII Top Center by Top Center on March 25, 2010, who, in turn, assigned the Agreement to General Shopping on August 1, 2010.

On April 25, 2008, the Shopping Light owners' association entered into a Service Agreement with Energy, as the contractor, for the rendering of technical assistance and maintenance services for managing the energy supply of Shopping Light. The management fee is calculated based on the demand of energy of the shopping considering

the price spread between the A4 regular fare (sell price for the retailers) and the A4 open market fare (cost). The agreement is valid for an indefinite period of time.

On April 25, 2008, Energy entered into a service agreement with Consórcio Shopping Light whereby Energy renders services relating to the management of energy consumption and its contracting with companies belonging to energy free market to Consórcio Shopping Light. Payments are made upon and based on success of such management. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On April 29, 2008, GSB entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells at Prudente Parque Shopping. The price per cubic meter of water consumed will be R$3.31. Payments are made on a monthly basis and are indexed to the highest inflation index between the IGP-DI and the IPC/FIPE, among others. The agreement expires on May 1, 2028, when possession of the wells, facilities and equipment will be transferred to GSB.

On May 30, 2008, Poli Shopping, the owner of Poli Shopping, entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made on a monthly basis and are indexed to the highest inflation index between the IGP-DI and the IPC/FIPE, among others. The agreement expires on June 1, 2028, when possession of the wells, facilities and equipment will be transferred to Poli Shopping.

On June 24, 2008 Manzanza entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Outlet Premium; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Outlet Premium, among others. The contractor's monthly fee is 3% of all condominium expenses. The agreement is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On December 28, 2008, as emended on May 20, 2009, the Outlet Premium shopping center owners' association entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be the same price as the price of the public administration company that works on the city of Itupeva. Payments are made monthly and are indexed to the IGP-DI. The term of the agreement is valid for an indeterminate period of time, when possession of the wells, facilities and equipment will be transferred to the principal. This agreement was assigned on May 20, 2009 by Manzanza Consultoria e Administração to Condomínio Civil Voluntário do Outlet Premium.

On March 31, 2009, Energy entered into service agreement with ZUZ whereby Energy renders services relating to the management of energy consumption at Suzano Shopping and its contracting with companies belonging to energy free market to ZUZ. Payments are made upon and based on success of such management. The agreement is valid for 20 years from its execution. This agreement was assigned to GSB Adm.

On June 25, 2009, ASG Adm., Condomínio Civil Voluntário do Outlet Premium, entered into a Service Agreement with I Park, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Outlet Premium. The monthly management fee paid to I Park is R$3,000 plus taxes. The agreement is valid for an indefinite period of time.

On November 13, 2009, Uniplaza entered into a Service Agreement with I Park, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Unimart Shopping Campinas. The monthly management fee paid to I Park is a minimum of R$48,307.24 or 10% of the gross revenues, whichever is greater, plus taxes. The agreement is valid for an indeterminate period of time.

On January 28, 2010, Energy entered into service agreement with Condomínio do Shopping do Vale whereby Energy renders services relating to the management of energy consumption and its contracting with companies belonging to energy free market to Condomínio do Shopping do Vale. Payments are made upon and based on success of such management. The agreement expires on December 21, 2016.

On May 28, 2010 Condominio Civil Shopping do Vale, entered into a Service Agreement with I Park, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Shopping do Vale. The monthly management fee paid to I Park is 10% of the gross revenues plus the total expenses and taxes. The agreement is valid for an indeterminate period of time.

On July 22, 2010, Intesp, the owner of Poli Shopping Osasco, entered into a Service Agreement with I Park, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Poli Shopping Osasco. The management fee paid to I Park is 5% of the gross revenues or the total expenses, plus taxes. The agreement is valid for an indeterminate period of time.

On September 1, 2010, the owner of Parque Shopping Barueri entered into a Service Agreement with I Park, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Parque Shopping Barueri. The management fee paid to I Park is 8% of the gross revenues or the total expenses, plus taxes. The agreement is valid for an indeterminate period of time.

On September 1, 2010, the owner of Parque Shopping Barueri entered into a Services Agreement with GSB Adm., for the provision of services relating to the development of the shopping center. GSB Adm.'s monthly fee is 5% of (i) common charges paid by the tenants and (ii) net operating revenue from lease payments by tenants. The agreement is valid for an indeterminate period of time.

From 2008 to 2010, we entered into four service agreements with an architecture studio of which Antonio Dias Neto (a member of our Board of Directors) is partner for a total amount of R$2.2 million.

Loan Agreements

On June 30, 2010, Levian and Golf Participações Ltda., our controlling shareholder, entered into the Fourth Amendment to the Loan Agreement, dated June 30, 2007, providing Golf Participações Ltda. a R$12.4 million loan. The loan bears interest at 1% per month, is valid for an indefinite period of time and can be terminated at any time by any of the parties.

On May 1, 2011, GS Finance and GS Finance II entered into a loan agreement, providing GS Finance II a US$60 million line of credit. The loan bears interest at 1% per annum and is valid until May 1, 2026. GS Finance II drew down amounts totaling US$50.5 million under the loan agreement on May 6, 2011 and July 21, 2011.

Guarantee Agreements

On September 14, 2006, SAS Ventures LLC entered into a bank financing agreement, with a mortgage guarantee and other agreements, with Banif Mortgage Company, in the amount of US$10 million. The contract has a five-year term, with principal to be paid in 10 semiannual installments, commencing on March 14, 2007, and ending on September 14, 2011. The interest rate is 8.5% a year. The loan was originally guaranteed by mortgages on three pieces of land owned by Park Shopping Administradora, Send, Sulishopping and Acapurana Participações Ltda., where Santana Parque Shopping is located. The mortgage was replaced by a promissory note, a lien on certain bank certificates (CDB) issued in favor of the Company, a personal guarantee by Alessandro Poli Veronezi and a mortgage on Shopping Light, which was not duly registered before the competent real estate registry and, therefore, has not yet been perfected. Additionally, SAS Ventures LLC has undertaken to grant Banif Mortgage Company a security interest on receivables it owns from private lease agreements signed for autonomous units of Internacional Shopping Guarulhos in the amount of R$500,000 per month. The agreement has the usual acceleration clauses for this type of transaction. As of December 31, 2011, the outstanding balance was R$11.4 million.

***Pro Indiviso* Condominium Agreements**

On January 31, 1997, Levian and ABK, as co-owners of the land where Internacional Shopping Guarulhos and Internacional Guarulhos Auto Shopping were built, entered into *pro indiviso* condominium agreements for Internacional Shopping Guarulhos and Internacional Guarulhos Auto Shopping. Each of the properties owned in *pro indiviso* condominiums is made up of fractions of land, autonomous units, buildings, common areas and other facilities of Internacional Shopping Guarulhos and Internacional Guarulhos Auto Shopping. Each property owned

in *pro indiviso* condominiums is divided into 100,000 equal quotas, with 50% owned by Levian and 50% by ABK. The net monthly revenue (rent, co-participation, the result of financial investments, etc.) for each of the shopping centers will be distributed pro rata to the owners in proportion to their quotas. Levian and ABK may freely sell, assign or transfer their fractional ownership interest to third parties without a right of first refusal for the other owners. Each property may be managed by Levian and ABK, jointly or separately, or by contracted third parties chosen by at a general shareholders' meeting. The approval of owners who hold an 80% ownership interest is required to: (i) amend the *pro indiviso* condominium agreement; (ii) replace the manager without just cause; (iii) distribute results in a manner different than that provided for in the agreement; (iv) terminate the *pro indiviso* condominium, and (v) appoint a joint attorney-in-fact for the owners.

DESCRIPTION OF THE NOTES

The following summary describes certain provisions of the Indenture, the Notes and the Guarantees. This summary does not purport to be complete and is subject to and qualified in its entirety by reference to all the provisions of the Indenture, the Notes and the Guarantees, which are hereby incorporated by reference. Capitalized terms used in the following summary and not otherwise defined herein will have the meanings specified in the Indenture.

General

The Notes will be issued under an Indenture (the "Indenture"), dated as of March 20, 2012, among General Shopping Investments Limited, as issuer, General Shopping Brasil S.A., as guarantor, the Subsidiary Guarantors, and The Bank of New York Mellon, as Trustee, registrar, transfer agent, calculation agent and principal paying agent.

The Notes will be issued in an initial aggregate principal amount of US$150,000,000 and in minimum denominations of US$2,000 and integral multiples of US$1,000 above such amount. Payment of interest will be made by the Issuer depositing immediately available funds in U.S. dollars with the Trustee or a paying agent at least one Business Day prior to the relevant payment date. Payment of interest on the Notes will be paid to holders in immediately available funds by check or, if requested in writing, for holders of more than US$1.0 million in aggregate principal amount of Notes, by wire transfer to the account specified by such holder.

The Issuer is permitted under the Indenture to defer interest payments on the notes at any time, subject to certain conditions. There is no limit on the amount of interest that the Issuer may defer and no limit on the duration of the deferral, which could be for an indefinite period of time. See "—Ability to Defer Interest Payments."

For purposes of this "Description of the Notes" section, the term "Issuer" means General Shopping Investments Limited and its successors under the Indenture; the term "Company" means General Shopping Brasil S.A. and its successors under the Indenture, in each case excluding its Subsidiaries; and the term "Notes" means the 12.000% Perpetual Subordinated Fixed to Floating Rate Notes with Interest Deferral Option offered by this offering memorandum. The covenants in the Indenture will be subject to significant exceptions. Prospective investors in the Notes should carefully review the terms of the Notes, including the covenants and exceptions thereto set forth under "—Covenants," including the exceptions to the covenants and the related definitions under "—Definitions" (which definitions may also include exceptions to the covenants).

The Issuer is currently incorporated under the laws of the Cayman Islands but intends to migrate its registered and principal office and central administration to the Grand Duchy of Luxembourg ("Luxembourg") and be subject to and governed by the laws of Luxembourg and become a *Société Anonyme* (or any other appropriate corporate form) under the laws of Luxembourg without dissolution and with continuation of the legal personality. Whether and when the Issuer may migrate to Luxembourg has not been decided. For the avoidance of doubt, the migration of the Issuer's registered and principal office and central administration to Luxembourg will not be considered an Accounting Triggering Event, a Tax Deduction Triggering Event or a Rating Event. The Luxembourg Stock Exchange will be notified by the Issuer in the event the Issuer will be migrating to Luxembourg and any amended articles of association adopted in connection therewith will be submitted to the Luxembourg Stock Exchange.

Copies of the Indenture are available for inspection during normal business hours at the corporate trust office of the Trustee in New York City. Certain terms used in this "Description of the Notes" section are defined under "—Definitions."

Additional Notes

The Issuer may, from time to time and without the consent of the holders of the Notes, issue additional Notes under the Indenture having the same terms in all respects as the Notes except that interest may accrue on the additional Notes from their date of issuance. The Notes offered hereby and any additional Notes will be treated as a

single class for all purposes under the Indenture and will vote together as one class on all matters with respect to the Notes.

Guarantees

The Company and the Subsidiary Guarantors (together, the "Guarantors") will guarantee the punctual payment of the principal, interest and premium, if any, when due (in the case of the deferred interest, on the Mandatory Settlement Date) and Additional Amounts, if any, on the Notes, as well as any other amounts whatsoever owed under the Indenture. The obligations of the Guarantors under the Guarantees will be direct, unconditional, subordinated and unsecured obligations of the Guarantors for due but unpaid amounts owed by the Issuer under the Notes and the Indenture. The Guarantors will guarantee the obligations of the Issuer under the Notes and the Indenture on a joint and several basis.

Ranking

The Notes are the Issuer's direct, unsecured and subordinated obligations and, in the event of the Issuer's bankruptcy, judicial reorganization, liquidation or dissolution under the law of the jurisdiction of its incorporation (each, a "Bankruptcy Event"), the Notes will be subordinated obligations ranking:

(1) *pari passu* among themselves;

(2) *pari passu* with the Issuer's Parity Securities;

(3) junior in right of payment to the payment of all the Issuer's Senior Indebtedness; and

(4) senior in right of payment to the payment of all of the Issuer's Junior Securities.

All principal, interest or other amounts due or to become due on all Senior Indebtedness in respect of the Issuer will, upon the occurrence of a Bankruptcy Event, be paid in full before the noteholders are entitled to receive any payment from the Issuer, and prior thereto any noteholder will have only a limited ability to influence the conduct of such bankruptcy, judicial reorganization, liquidation or dissolution. If, in the event of any Bankruptcy Event in respect of the Issuer, the Trustee or any noteholder receives any payment or distribution of any kind or character (except for amounts owed to the Trustee, other than amounts payable by the Trustee to the noteholders), whether in cash, property or securities, before the Senior Indebtedness is paid in full, that payment or distribution must be paid over or delivered to the Trustee in bankruptcy or other person making payment or distribution of assets of the Issuer for application to the payment of all the Senior Indebtedness in respect of the Issuer until the Senior Indebtedness is paid in full, after giving effect to any concurrent payment or distribution to the holders of the Senior Indebtedness in respect of the Issuer.

The Guarantees constitute direct, unconditional, unsecured and subordinated obligations of the Guarantors, and in the event of the relevant Guarantor's bankruptcy, judicial reorganization, liquidation or dissolution under the law of the jurisdiction of its incorporation, the Guarantees will be subordinated obligations, ranking:

(1) *pari passu* among themselves;

(2) *pari passu* with such Guarantor's Parity Securities;

(3) junior in right of payment to the payment of all such Guarantor's Senior Indebtedness; and

(4) senior in right of payment to the payment of all such Guarantor's Junior Securities.

All principal, interest or other amounts due or which become due on all Senior Indebtedness in respect of a Guarantor will, upon the occurrence of a Bankruptcy Event, be paid in full before the noteholders are entitled to receive any payment from such Guarantor, and prior thereto any noteholder will have only a limited ability to influence the conduct of such bankruptcy, judicial reorganization, liquidation or dissolution. If, in the event of any Bankruptcy Event in respect of a Guarantor, the Trustee or any noteholder receives any payment or distribution of any kind or character (except for amounts owed to the Trustee, other than amounts payable by the Trustee to the noteholders), whether in cash, property or securities, before the Senior Indebtedness is paid in full, that payment or

distribution must be paid over or delivered to the Trustee in bankruptcy or other person making payment or distribution of assets of the Guarantor for application to the payment of all the Senior Indebtedness in respect of such Guarantors until the Senior Indebtedness is paid in full, after giving effect to any concurrent payment or distribution to the holders of the Senior Indebtedness in respect of such Guarantor.

A consolidation of the Issuer and/or a Guarantor with, or the merger of the Issuer and/or a Guarantor into, another Person, or the liquidation or dissolution of the Issuer and/or a Guarantor after the conveyance or transfer of all or substantially all of its properties, assets and Liabilities (including Notes) to another Person as described under "– Limitation on Consolidation, Merger or Transfer of Assets" or the migration of the Issuer to Luxembourg will not be deemed a Bankruptcy Event for purposes of the subordination provisions.

The Indenture will not impose any limits on the ability of the Issuer or the Guarantors to incur Debt. As of December 31, 2011, the Company had R$690.5 million of outstanding Debt on a consolidated basis, R$218.8 million of which was secured Debt and R$471.7 million of which was Debt of the Company's Subsidiaries, and all of which Debt will be senior to the Notes.

As of the date of this offering memorandum, the Company has no Parity Securites or Junior Securities (other than common shares).

Future Subsidiary Guarantors

If, after the Closing Date, the Company or any Subsidiary acquires or creates another Subsidiary, other than an Unrestricted Subsidiary, the Issuer will cause such Subsidiary to:

(1) execute and deliver to the Trustee (a) a supplemental indenture in the form attached as an exhibit to the Indenture pursuant to which such Subsidiary will unconditionally guarantee all of the Issuer's obligations under the Notes and the Indenture and (b) a notation of guarantee in respect of its guarantee; and

(2) deliver to the Trustee one or more opinions of counsel that such supplemental indenture (a) has been duly authorized, executed and delivered by such Subsidiary and (b) constitutes a valid and legally binding obligation of such Subsidiary in accordance with its terms.

Notwithstanding the foregoing, such Subsidiary will not be required to guarantee the Issuer's obligations under the Notes and the Indenture if the provision of such a guarantee would result in a breach or default of an agreement binding on such Subsidiary (other than an agreement entered into for the purpose of avoiding the obligation to enter into a guarantee) that may not be amended or otherwise modified using commercially reasonable efforts to avoid such breach or default.

References herein and in the Indenture to "the Guarantors" will, unless the context requires otherwise, be deemed to include each such new Subsidiary that becomes a guarantor under the Indenture. The obligations of each Guarantor will be limited to the extent necessary to prevent such guarantee from constituting a fraudulent conveyance under applicable law.

The Luxembourg Stock Exchange will be notified by the Issuer in the event the Company or its Subsidiaries establish or acquire a new Subsidiary and such new Subsidiary becomes a Subsidiary Guarantor.

Interest Rate and Interest Payment Dates

Subject to the Issuer's right to defer interest payments described below, in the period from and including March 20, 2012 (the "Interest Commencement Date") to but excluding March 20, 2017 (the "First Fixed Period Date") the Notes will:

(1) bear interest on their aggregate principal amount at a fixed interest rate of 12.000% per annum, from and including the Interest Commencement Date to but excluding the First Fixed Period Date (the "Fixed Rate of Interest"); and

(2) be payable semi-annually, in arrears, on March 20 and September 20 of each year (each such date, a "First Fixed Period Interest Payment Date"), commencing on September 20, 2012 and ending on the First Fixed Period Date.

Subject to the Issuer's right to defer interest payments described below, in the period from and including the First Fixed Period Date to but excluding March 20, 2022 (the "Second Fixed Period Date") the Notes will:

(1) bear interest on their aggregate principal amount at a fixed rate equivalent to the then prevailing 5-year U.S. Treasury Rate plus the Initial Fixed Rate Credit Spread (the "Reset Interest Rate"); and

(2) be payable semi-annually, in arrears, on March 20 and September 20 of each year (each such date a "Second Fixed Period Interest Payment Date"), commencing on September 20, 2017 and ending on the Second Fixed Period Date.

Subject to the Issuer's right to defer interest payments described below, in the period from and including the Second Fixed Period Date to but excluding the date of redemption, the Notes will:

(1) bear interest on their aggregate principal amount at a floating rate equivalent to 3-month USD LIBOR plus the Initial Floating Rate Credit Spread plus 1.00% (the "Floating Interest Rate"); and

(2) be payable quarterly, in arrears, on March 20, June 20, September 20 and December 20 of each year (each such date, a "Floating Interest Payment Date," and, together with the First Fixed Period Interest Payment Dates and Second Fixed Period Interest Payment Dates, the "Interest Payment Dates"), commencing on June 20, 2022.

The Reset Interest Rate and Floating Interest Rate will be calculated by the Calculation Agent, as provided under "—Calculation Agent."

If any scheduled Interest Payment Date (other than a Floating Interest Payment Date) or any date for early redemption of the Notes is not a Business Day, the payment will be made on the next Business Day. No additional interest on the Notes will accrue or be payable as a result of this delay in payment. If any Floating Interest Payment Date is not a Business Day, it will be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date will be the immediately preceding Business Day.

Subject to applicable law, the Trustee and the paying agents will pay to the Issuer upon written request any monies held by them for the payment of principal or interest that remains unclaimed for two years as soon as reasonably practicable after such request. Thereafter, noteholders entitled to these monies must seek payment from the Issuer.

Increased Interest Rate upon Change of Control Event

Upon the occurrence of a Change of Control Event, if the Issuer does not make an offer to purchase all outstanding Notes at 101% of their principal amount plus interest accrued to the date of purchase but unpaid, including deferred interest and interest thereon, and Additional Amounts, if any, as described under "—Redemption and Repurchase—Repurchase of the Notes at the Option of the Issuer upon a Change of Control Event" or, having made an offer to purchase, does not so repurchase the Notes tendered, the rate of interest otherwise applicable to the Notes will increase by 5.00% per year, as applied to the U.S. Dollar principal amount of the Notes, from the date on which the Change of Control Event occurs.

Ability to Defer Interest Payments

Interest on the Notes will accrue but will not be payable on any Interest Payment Date if the Issuer elects to defer the interest payment that would otherwise be payable on any such Interest Payment Date. The Issuer may elect to defer interst payments at its sole discretion. Such deferral of interest payments is subject to and contingent upon compliance by the Issuer and the Company with the covenant under "—Covenants—Dividend Stopper" and

"Payments—Deferred Interest Payments." The Issuer will give the Trustee written notice of any interest deferral not more than 20 nor less than ten Business Days prior to the applicable Interest Payment Date. The Issuer will also provide notice to the Luxembourg Stock Exchange and to the Holders and of any interest deferral by publisihing notice on the website of the Luxembourg Stock Exchange or in a daily newspaper of general circulation in Luxembourg.

Any deferred amounts of interest on the Notes not paid on an Interest Payment Date will accrue interest at a rate of 1.00% per annum higher than the per annum rate otherwise applicable to the Notes until such deferred amounts are paid in full.

The Issuer may at any time pay, in whole or in part, any deferred interest by providing at least ten Business Days' prior written notice to the Trustee and to the Holders, stating the amount of deferred interest to be paid.

Redemption and Repurchase

The Notes have no fixed maturity and are redeemable only in accordance with the provisions of the Indenture, summarized below.

Optional Redemption

The Notes will be redeemable, at the option of the Issuer, on the First Fixed Period Date, the Second Fixed Period Date and any Interest Payment Date thereafter, in whole or in part, at par together with all accrued and unpaid interest, including deferred interest and interest thereon, and Additional Amounts, if any, provided that in the case of partial redemption, the outstanding principal amount of the Notes immediately after such redemption shall not be less than US$100 million.

Optional Redemption in case of Minimal Outstanding Amount

The Issuer may, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Trustee and the Holders, redeem the Notes in whole, but not in part, at par plus all accrued and unpaid interest, including deferred interest and interest thereon, and Additional Amounts, if any, if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10% of the aggregate principal amount issued on the Closing Date plus the principal amount of any additional Notes, if any, that may be issued under the Indenture after the Closing Date.

Optional Redemption upon Accounting Triggering Event

If an Accounting Triggering Event occurs, the Issuer may, at any time prior to the Second Fixed Period Date, at its option, redeem the Notes, in whole, but not in part, at a redemption price equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest to the redemption date, including deferred interest and interest thereon, and Additional Amounts, if any.

If an Accounting Triggering Event occurs, a notice of redemption may not be given in respect thereof earlier than 60 days prior to the earliest date on which the Company would no longer be permitted to treat the Notes as equity under Brazilian GAAP or under any other accounting regime that is the primary accounting regime under which the Company presents its financial statements at the time of such change in law or accounting rules.

Optional Redemption upon Tax Deduction Triggering Event

If a Tax Deduction Triggering Event occurs, the Issuer may at any time prior to the Second Fixed Period Date, at its option, redeem the Notes, in whole, but not in part, at a redemption price equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest to the redemption date, including deferred interest and interest thereon, and Additional Amounts, if any.

The notice of such redemption upon a Tax Deduction Triggering Event may not be given earlier than 30 days prior to the earliest date on which the Issuer would no longer be permitted to deduct interest payments on the Notes or the Company would no longer be permitted to deduct payments under the Guarantees for Brazilian tax purposes.

Optional Redemption upon Rating Event

If a Rating Event occurs, the Issuer may at any time prior to the Second Fixed Period Date, at its option, redeem the Notes, in whole, but not in part, at a redemption price equal to 100% of the principal amount of such Notes, plus accrued and unpaid interest to, but excluding, the redemption date, including deferred interest and interest thereon, and Additional Amounts, if any.

Optional Redemption for Withholding Tax Reasons

The Notes will be redeemable, at the option of the Issuer, in whole but not in part, at a price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and Additional Amounts, if any, to the redemption date, if, as a result of any generally applicable change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or Brazil or any political subdivision or taxing authority thereof or therein, or any generally applicable change in the official application, administration or interpretation of such laws, regulations or rulings in the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or Brazil, which change or amendment is first announced on or after the Closing Date, the Issuer or the Guarantors have or will become obligated to pay Additional Amounts on the Notes or under the Guarantees (1) in respect of any deduction or withholding of Cayman Taxes or Luxembourg Taxes (as defined below in "—Additional Amounts") or (2) in respect of any deduction or withholding of Brazilian Taxes (as defined below in "—Additional Amounts") in excess of the Additional Amounts that the Issuer or the Guarantors would pay if payments in respect of the Notes were subject to deduction or withholding at a rate of (A) 15% generally in case of any taxes imposed by Brazil, or (B) 25% in case of taxes imposed by Brazil on amounts paid to residents of countries which do not impose any income tax or which impose it at a maximum rate lower than 20% or which do not provide access to information related to shareholding composition, ownership of assets and rights or economic transactions carried out (each determined without regard to any interest, fees, penalties or other additions to tax), and such obligation cannot be avoided by the Issuer or the Guarantors taking reasonable measures available to it; *provided, however,* that (1) for the avoidance of doubt, reasonable measures will not include changing the jurisdiction of incorporation or organization of the Issuer, the Company or any Guarantor, or the incurrence of material out-of-pocket costs by the Issuer, the Guarantors or an Affiliate thereof and (2) no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Issuer or the Guarantors would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due.

Repurchase of the Notes at the Option of the Issuer upon a Change of Control Event

If a Change of Control Event occurs, the Issuer will have the option to offer to repurchase all (but not less than all) of the Notes pursuant to a Change of Control Offer (as defined below) on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a "Change of Control Payment" in U.S. dollars equal to 101% of the aggregate principal amount of the Notes to be repurchased plus accrued and unpaid interest, including any deferred interest and interest thereon, and Additional Amounts, if any, on the Notes repurchased, to the date of purchase (subject to the right of the holders of record on the relevant record date to receive interest, including any deferred interest and interest thereon, and Additional Amounts, if any, on the relevant Interest Payment Date).

Within 30 days following any Change of Control Event, the Issuer shall have the option to make a "Change of Control Offer" by notice to the Trustee and each holder of Notes by delivering such notice, describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date

specified in the notice (the "Change of Control Payment Date"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of the Notes pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

On the Business Day immediately preceding the Change of Control Payment Date, the Issuer will, to the extent lawful, deposit with the paying agent an amount in U.S. dollars equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered. On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer; and

(2) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agents will promptly deliver by wire transfer to the account specified by each holder of Notes properly tendered the Change of Control Payment in U.S. dollars for such Notes. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date in accordance with the provisions set out under "—Notices."

A Change of Control Offer may be made in advance of a Change of Control Event and conditioned upon the occurrence of such Change of Control Event if a definitive agreement is in place for the Change of Control Event at the time of making of the Change of Control Offer.

Optional Redemption Procedures

The Issuer will mail, or cause to be mailed, a notice of redemption to each holder (which, in the case of the global Notes, will be DTC) at least 30 days and not more than 60 days prior to the redemption date, to the address of each holder as it appears on the register maintained by the registrar. Notices of redemption will also be published as set forth under "—Notices." A notice of redemption will be irrevocable.

A partial redemption of the Notes may be effected by such method as the Trustee deems fair and appropriate and may provide for the selection for redemption of a portion of the principal amount of Notes held by a holder equal to an authorized denomination. If the Issuer redeems less than all of the Notes and the Notes are then held in book-entry form, the redemption will be made in accordance with DTC's customary procedures. The Issuer has been advised that it is DTC's practice to determine by the lot the amount of each participant in the securities to be redeemed.

Prior to the giving of notice of redemption of such Notes pursuant to the Indenture, the Issuer will deliver to the Trustee an Officers' Certificate and a written opinion of recognized Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or Brazilian counsel, independent of the Issuer and the Guarantors, to the effect that all governmental approvals necessary for the Issuer to effect such redemption, including any required approvals from the Central Bank, have been or at the time of redemption will be obtained and be in full force and effect and that the Issuer is entitled to effect such a redemption pursuant to the Indenture, and setting forth, in reasonable detail, the circumstances giving rise to such right of redemption.

Except in the case of a default in payment of the applicable redemption price, on and after the redemption

date interest will cease to accrue on the Notes.

The Issuer may enter into an arrangement under which the Company or any Subsidiary of the Company may, in lieu of redemption by the Issuer, purchase any note to be redeemed pursuant to the circumstances described under "Redemption and Repurchase."

Additional Amounts

All payments by the Issuer or the Guarantors in respect of the Notes or the Guarantees, as the case may be, will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or Brazil or any political subdivision or taxing authority of or in the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or Brazil ("Cayman Taxes" (or "Luxembourg Taxes") or "Brazilian Taxes," respectively), unless such withholding or deduction is required by law. In the event of any such withholding or deduction, the Issuer or the Guarantors, as the case may be, will pay to holders of the Notes in U.S. dollars such additional amounts ("Additional Amounts") as will result in the payment to each holder of the U.S. dollar amount that would otherwise have been receivable by such holders in the absence of such withholding or deduction, except that no such Additional Amounts will be payable:

(1) in respect of any tax that would not have been so withheld or deducted but for the existence of any present or former connection, including a permanent establishment, between the holder or beneficial owner of the Note and any payment in respect of such Note (or, if the holder or beneficial owner is an estate, nominee, trust, partnership or corporation, between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the holder or beneficial owner) in the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or Brazil, other than the mere receipt of such payment or the mere holding or ownership of such Note or beneficial interest or enforcement of rights thereunder;

(2) in respect of any tax that would not have been so withheld or deducted if the Note had been presented for payment within 30 days after the Relevant Date (as defined below);

(3) in respect of any tax that would not have been so withheld or deducted but for the failure by the holder or the beneficial owner of the Note to (a) make a declaration of non-residence, or any other claim or filing for exemption, to which it is entitled or (b) comply with any reasonable certification, identification, information, documentation or other reporting requirement concerning its nationality, residence, identity or connection with the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or Brazil, if in either case such declaration or compliance is required or imposed by law as a precondition to exemption from all or part of such tax and at least 30 days prior to the date on which the Issuer or a Guarantor will apply this clause (3), the Issuer or such Guarantor, as the case may be, will have notified all holders of Notes that some or all holders of Notes will be required to comply with such requirement;

(4) in respect of any estate, inheritance, gift, value added, sales, use, excise, transfer, capital gains, personal property or similar taxes, duties, assessments or other governmental charges;

(5) in respect of any tax, assessment or other governmental charge payable other than by withholding or deduction;

(6) in respect of any payment to a holder of a Note that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment or Note, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such

payment or Note would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note;

(7) in respect of any withholding or deduction imposed on a payment to an individual that is required to be made pursuant to the European Union Directive 2003/48/EC (the "Savings Directive") or any other Directive on the taxation of savings income implementing the conclusions of the ECOFIN Council meetings of November 26 and 27, 2000, December 13, 2001 and January 31, 2003 (or any law implementing or complying with, or introduced in order to conform to, such Savings Directive) or the Luxembourg Law of December 23, 2005;

(8) in respect of any taxes imposed in connection with a Note presented for payment by or on behalf of a holder thereof who would have been able to avoid such tax by presenting the relevant note to another paying agent in a member state of the European Union to whom presentation could have been made if the holder of the note is a resident of the European Union for tax purposes;

(9) in respect of any tax, assessment or other governmental charge required to be deducted or withheld by any paying agent in respect of the Notes, to the extent such payment can be made without such deduction or withholding by another paying agent of the Issuer; or

(10) in respect of any combination of the above.

"Relevant Date" means, with respect to any payment due from the Issuer or the Guarantors, whichever is the later of (1) the date on which such payment first becomes due and (2) if the full amount payable has not been received in New York City by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect will have been given to the holders of the Notes in accordance with the Indenture.

In the event that Additional Amounts actually paid with respect to the Notes are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such Notes, and, as a result thereof such holder is entitled to make claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such Notes, be deemed to have assigned and transferred all right, title, and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the holder makes no representation or warranty that the Issuer will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

All references to principal, premium, if any, and interest in respect of the Notes will be deemed also to refer to any Additional Amounts, unless the context requires otherwise, which may be payable as set forth in the Indenture or under the Notes.

The Issuer or the Guarantors will furnish to the Trustee the official receipts (or a certified copy of the official receipts) evidencing payment of any taxes in respect of which it has paid any Additional Amounts. Copies of such receipts will be made available to holders of the Notes upon request.

The Issuer or the Guarantors will promptly pay when due any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery, registration or the making of payments in respect of the Notes or any other document or instrument referred to herein or therein, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of Brazil or the Cayman Islands and taxes, charges or similar levies resulting from certain registration of transfer or exchange of the Notes. For the avoidance of doubt, the Issuer or the Guarantors will pay in all events any taxes, charges or similar levies resulting from, or required to be paid in connection with, the enforcement of the Notes following the occurrence of any Default or Event of Default.

Open Market Purchases

The Issuer, the Company or any of their Affiliates may at any time purchase Notes in the open market or otherwise at any price.

Payments

All payments on the Notes will be made exclusively in U.S. dollars or such other coin or currency of the United States as at the time of payment as is legal tender for the payment of public and private debts.

Payments of principal of and premium, if any, and interest and Additional Amounts, if any, on the Notes will be made to the principal paying agent, which will pass such funds to any other paying agents or to the holders.

Payments of principal will be made upon surrender of the relevant Notes at the specified office of the Trustee or any paying agent. Interest on the Notes will be paid to the Persons in whose name the Notes are registered as of the close of business on the fifteenth day before the due date for payment. Payments of principal, premium, if any, and interest and Additional Amounts, if any, in respect of each note will be made by the paying agents by U.S. dollar check drawn on a bank in New York City and mailed to the holder of such note at its registered address. Upon application by the holder to the specified office of any paying agent not less than 15 days before the due date for any payment in respect of a note, such payment may be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of "—Additional Amounts."

Deferred Interest Payments

Deferred interest payments must be paid in cash. Deferred interest payments may be paid (in whole or in part) at any time at the option of the Issuer and must be paid (in whole but not in part) on the next Mandatory Settlement Date to the Persons in whose name the Notes are registered as of the close of business on the fifteenth day before the due date for payment. "Mandatory Settlement Date" means the earliest of the date on which any of the following shall occur:

(1) shareholders of the Company holding at least a majority of the outstanding common shares resolves at a general shareholders' meeting on the payment of any dividend on any class of share of the Company (other than the Minimum Legally Required Dividend);

(2) the Issuer or the Guarantors next pay interest on, or in respect of, the Notes;

(3) the Issuer or the Guarantors pay any dividend or distribution in respect of any Parity Security or Junior Securities (other than the Minimum Legally Required Dividend);

(4) the Issuer or the Guarantors redeem any Parity Security or Junior Securities;

(5) the redemption of the Notes; and

(6) the winding-up, dissolution or liquidation of the Issuer, the Company or a Guarantor that is also a Significant Subsidiary,

provided that no Mandatory Settlement Date or event above in the cases (3) or (4) will be deemed to occur if: (a) the Issuer or the Guarantors are obliged under the terms and conditions of the Parity Securities or Junior Securities that are not accounted for as equity under Brazilian GAAP to make such payment, redemption, repurchase or other acquisition; or (b) the Issuer or the Guarantors repurchase or otherwise acquire any share of any class or any Parity Securities or Junior Securities under any stock option and/or stock ownership program; and *provided further that*, for the avoidance of doubt, no Mandatory Settlement Date or event will be deemed to occur if a Wholly-Owned Subsidiary of the Company pays any dividend or distributions to the Company or to another Wholly-Owned Subsidiary of the Company.

In connection with the determination of a Mandatory Settlement Date, it is important to note that (1) since the incorporation of the Company in March 2007, the Company has not distributed any dividends or interest on

shareholders' equity and (2) as of the date of this offering memorandum, the Company has no Parity Securites or Junior Securities (other than common shares).

Covenants

Dividend Stopper

In the event that (1) interest that is due and payable is not paid (after giving effect to any applicable grace period), or (2) interest has been deferred in accordance with "—Ability to Defer Interest Payments" above, to the fullest extent permitted by applicable law (which includes compliance by management with any applicable fiduciary duties prescribed by Brazilian law), the Company will not recommend to its shareholders and will otherwise act to prevent, any action that would constitute a Restricted Payment Event until all unpaid amounts due but unpaid on the Notes and all deferred interest and interest thereon have been paid. In such event, the Company will also, to the fullest extent permitted by applicable law (which includes compliance by management with any applicable fiduciary duties prescribed by Brazilian law and the payment of any Minimum Legally Required Dividend), provide a detailed justification to its shareholders describing the reasons why a Restricted Payment Event would be incompatible with the Company's financial position.

Restricted Payment Event

Each of the following will constitute a "Restricted Payment Event":

(1) the Company declares, pays or distributes a dividend (unless such payment or distribution is in respect of a dividend or distribution declared prior to any event set forth in (1) or (2) under "—Dividend Stopper" above and prior to the Issuer providing written notice to the Trustee of an interest deferral) or the Issuer, the Company, or any of their Subsidiaries declares, pays or distributes interest on capital or makes a payment on, or in respect of, any Parity Securities (where such Parity Security is accounted for as equity under Brazilian GAAP) or Junior Securities; or

(2) the Issuer, the Company or any of their Subsidiaries redeems, purchases or otherwise acquires for any consideration any of their or their Subsidiaries' Parity Securities (where such Parity Security is accounted for as equity under Brazilian GAAP) or Junior Securities, other than:

  (a) by conversion into or in exchange for Parity Securities or Junior Securities, in an amount not to exceed the principal amount or number of shares, as the case may be, of such Parity Securities or Junior Securities redeemed, purchased or otherwise acquired; or

  (b) the purchase of interest or the fractional interests in shares of the Issuer's Capital Stock or the capital stock of the Company or any of their Subsidiaries pursuant to the conversion (including the conversion of debt into equity) or exchange provisions of such capital stock (or the security being converted or exchanged).

provided that, for the avoidance of doubt, no Mandatory Settlement Date or event will be deemed to occur if a Wholly-Owned Subsidiary of the Company pays any dividend or distributions to the Company or to another Wholly-Owned Subsidiary of the Company.

If the Issuer, the Company, or any of their Subsidiaries breaches its covenant not to recommend, make or cause a Restricted Payment Event or of any of its other obligations under the Notes and the Indenture (other than a breach that results in a Payment Default), a holder of Notes would not be entitled to accelerate or institute bankruptcy proceedings solely as a result of such breach, and would only be entitled to rights and remedies provided under New York law (or, if applicable, Brazilian law).

Limitation on Consolidation, Merger or Transfer of Assets

The Company will not, and will not permit the Issuer to, consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person, or migrate to any other jurisdiction (except for the migration to Luxembourg as described in "—General"), unless:

(1) the resulting, surviving or transferee Person or Persons (if not the Issuer or the Company) will be a Person or Persons organized and existing under the laws of Brazil, the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General"), the United States, any State thereof or the District of Columbia, any other country that is a member country of the European Union or of the OECD, or any other country the laws of which would not permit the resulting, surviving or transferee Person or Persons to avoid the obligations of the Issuer or the Company, as applicable, under the Notes and the Indenture, and such Person or Persons expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee all the obligations of the Issuer and the Company, as applicable, under the Notes and the Indenture;

(2) the resulting, surviving, migrated or transferee Person or Persons (if not the Issuer or the Company), if not organized and existing under the laws of Brazil or the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General"), undertakes, in such supplemental indenture, to pay such additional amounts in respect of principal and interest as may be necessary in order that every net payment made in respect of the Notes after deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges imposed by the country in which the transferee is organized or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal and interest then due and payable on the Notes, subject to the same exceptions set forth under "Additional Amounts" but adding references to the country in which the transferee is organized to the existing references in such clauses to Brazil or the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General");

(3) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(4) the Issuer or the Company, as applicable, will have delivered to the Trustee an Officers' Certificate and an opinion of legal counsel of recognized standing, each stating that such consolidation, merger, conveyance or transfer complies with the Indenture and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture is enforceable and complies with the Indenture.

The Trustee is authorized to accept such Officers' Certificate and opinion of counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

Further issues of subordinated instruments

The Company will not, and will not permit the Issuer to, issue any securities, and the Guarantors undertake not to provide a guarantee in relation to any securities, in each case which securities or guarantee will be subordinated to general creditors, unless such securities or guarantee will also rank *pari passu* with the Notes and the Guarantee. For the avoidance of doubt, nothing herein will restrict the Company, the Issuer and/or the Guarantors from issuing Junior Securities, Parity Securities or unsubordinated Debt.

Conduct of Business

The Company and its Subsidiaries, taken as a whole, will remain primarily engaged in the Related Businesses.

Reporting Requirements

The Company will provide or make available to the Trustee the following reports (and will also provide the Trustee with electronic versions or, in lieu thereof upon request by the Trustee, sufficient copies of the following reports referred to in clauses (1) through (3) below for distribution, at the expense of the Company, to all holders of the Notes):

(1) an English language version of its annual audited consolidated financial statements prepared in accordance with Brazilian GAAP promptly upon such financial statements becoming available but not later than 120 days after the close of its fiscal year;

(2) an English language version of its unaudited quarterly financial statements prepared in accordance with Brazilian GAAP (including, as supplementary information, an unaudited condensed consolidated balance sheet and an unaudited condensed consolidated statement of operations, in each case, prepared in accordance with Brazilian GAAP), promptly upon such financial statements becoming available but not later than 60 days after the close of each fiscal quarter (other than the last fiscal quarter of its fiscal year);

(3) simultaneously with the delivery of each set of financial statements referred to in clauses (1) and (2) above, an Officers' Certificate stating whether a Default or Event of Default exists on the date of such certificate and, if a Default or Event of Default exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(4) without duplication, English language versions or summaries of such other reports or notices as may be filed or submitted by (and promptly after filing or submission by) the Company with (a) the CVM, (b) the Luxembourg Stock Exchange or any other stock exchange on which the Notes may be listed or (c) the SEC (in each case, to the extent that any such report or notice is generally available to its security holders or the public in Brazil or elsewhere and, in the case of clause (c), is filed, submitted or posted pursuant to Rule 12g3-2(b) under, or Section 13 or 15(d) of, the Exchange Act, or otherwise); and

(5) upon any director or executive officer of the Company becoming aware of the existence of a Default or Event of Default, an Officers' Certificate setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

provided, that any such financial statements will be deemed to have been delivered on the date on which they have been posted on the Company's website (it being understood that the Issuer shall notify the Trustee in writing every time it posts such financial statements on the Company's website).

Delivery of the above reports, information and documents to the Trustee is for informational purposes only and the Trustee's access to, or receipt of, such reports will not constitute constructive notice of any information contained therein or
determinable from information contained therein, including the Issuer's and the Company's compliance with any of its covenants in the Indenture (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

In addition, at any time when the Company is not subject to Section 13 or 15(d) of the Exchange Act or is exempt from the reporting requirements thereunder pursuant to Rule 12g3-2(b) of the Exchange Act, the Company will make available, upon request, to the Trustee the information required pursuant to Rule 144A(d)(4) under the Securities Act.

Events of Default

Each of the following will constitute an "Event of Default" under the Notes:

(1) a failure to pay (a) principal when due upon redemption or (b) interest when payable, Additional Amounts or other amounts due on the Notes, within 30 days of the date set for such payment (a "Payment Default");

(2) an involuntary case or other proceeding is commenced against the Issuer or the Company with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, judicial administrator (*administrador judicial*), liquidator, custodian or other similar official of it or any substantial part of its property, or a final order for relief is entered against the Issuer or the Company under relevant bankruptcy laws as now or hereafter in effect, and the Issuer or the Company do not or did not take, within 60 days following the date of such commencement or entry, as applicable, measures that have the objective of having such involuntary proceeding dismissed or stayed (for the avoidance of doubt, as long as the Issuer or the Company, as the case may be, disputes such proceeding or otherwise takes such measures, then such involuntary proceeding shall not result in an Event of Default);

(3) the Issuer or the Company (a) commences a voluntary case or other proceeding seeking liquidation, reorganization, recuperação judicial ou extrajudicial or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, judicial administrator (*administrador judicial*), liquidator, assignee, custodian, trustee or similar official of the Issuer or the Company or for all or substantially all of the property of the Issuer or the Company or (c) effects any general assignment for the benefit of creditors;

(4) subject to and as from the migration of the Issuer to Luxembourg as described under "—General," an order is made by any competent court or any resolution passed for the winding-up or dissolution (including, without limitation, any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) of the Issuer or formal notice is given of an intention to appoint an administrator (including, without limitation, any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), *juge délégué or juge commissaire*), or any application is made or petition is lodged or documents are filed with the court or administrator in relation to the Issuer;

(5) any event occurs under the laws of Brazil or the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or any political subdivision thereof or any other country that, as a result of an action or inaction within the control of the Issuer or the Company, has substantially the same effect as any of the events referred to in any of the two immediate preceding bullet points (each of clauses (2), (3), (4) and (5), a "Bankruptcy Default"); and

(6) any of the Notes, the Guarantees or the Indenture ceases to be, or is claimed by the Issuer or the Company not to be, in full force and effect.

Consequences of an Event of Default

If a Payment Default occurs, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Issuer (and to the Trustee if the notice is given by the holders), may, and the Trustee at the request of such holders shall, institute proceedings for the winding-up or liquidation of the Issuer and/or the Guarantors, and/or claim in the winding-up or liquidation of the Issuer and/or the Guarantors for payment of unpaid principal of and accrued interest on the Notes, *provided however* that in no event shall the Issuer or the Guarantors, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

Subject to and as from the migration of the Issuer to Luxembourg as described under "—General," if a Payment Default occurs, the Company, as sole shareholder of the Issuer, shall upon written notice of the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, take any such decision and action to wind-up or liquidate the Issuer, in which case the Notes will automatically become payable.

If a Bankruptcy Default occurs, the unpaid principal of and accrued interest on the Notes then outstanding will become immediately due and payable without any declaration or other act on the part of the Trustee or any holder. In this case, the Issuer and the Guarantors will be required, and will agree in the Indenture, to duly comply with any and all then-applicable Central Bank regulations for remittance of funds outside of Brazil.

The holders of a majority in principal amount of the outstanding Notes by written notice to the Issuer and to the Trustee may waive all past Defaults and its consequences if:

(1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest (other than interest permitted to be deferred in the Indenture) on the Notes have been cured or waived;

(2) the waiver would not conflict with any judgment or decree of a court of competent jurisdiction or decision of winding-up or liquidation of the Issuer taken by the Company as sole shareholder of the Issuer; and

(3) all fees owed to the Trustee in connection with such default or Event of Default have been paid.

Except as otherwise provided above and under "—Amendments and Modifications" the holders of a majority in principal amount of the outstanding Notes may, if certain conditions are satisfied, by written notice to the Trustee, waive an existing Default and its consequences. Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

The holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to the Notes. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of holders of Notes not joining in the giving of such direction, and may take any other action it deems proper that is not inconsistent with any such direction received from holders of Notes.

A holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the holder has previously given to the Trustee written notice of a continuing Event of Default;

(2) holders of at least 25% in aggregate principal amount of outstanding Notes have made written request to the Trustee to institute proceedings in respect of the Event of Default in its own name as Trustee under the Indenture;

(3) holders have offered to the Trustee indemnity satisfactory to the Trustee against any costs, liabilities or expenses to be incurred in compliance with such request;

(4) the Trustee within 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) during such 60-day period, the holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a direction that is inconsistent with such written request.

Notwithstanding anything to the contrary, the right of a holder of a Note to receive payment of principal of and interest on its Note, or to bring suit for the enforcement of any such payment, may not be impaired or affected without the consent of that holder.

If any Event of Default occurs and is continuing and is actually known to a responsible officer of the Trustee, the Trustee will send notice of the Event of Default to each holder within 90 days after it occurs, unless the Event of Default has been cured; provided that, except in the case of a Default in the payment of the principal of or interest on any Note, the Trustee may withhold the notice if and so long as a responsible officer of the Trustee in good faith determines that withholding the notice is in the interest of the holders.

In the event of a breach of any of the Issuer's or the Guarantors' obligations not constituting a Payment Default or a Bankruptcy Default under the Notes and the Indenture, a holder of Notes will not be entitled to accelerate or institute bankruptcy proceedings and would only be entitled to rights and remedies provided under New York and Brazilian law.

Meeting of holders

Subject to and as from the migration of the Issuer to Luxembourg as described under "—General," the provisions of the Luxembourg law, as amended, of 10th August 1915 on commercial companies (the "Luxembourg Company Law") will apply whereby (i) holders will be entitled to examine fifteen days before the annual general meeting at the registered office of the Issuer (a) the annual accounts and the list of directors as well as the list of the approved statutory auditors ("*réviseurs d'entreprises agréés*"), (b) the list of sovereign debt, shares, bonds and other company securities making up the portfolio, (c) the report of the Board of Directors of the Issuer and (d) the report of the approved statutory auditors; (ii) holders may attend general meetings of the shareholders of the Issuer and shall be entitled to speak but not to vote; and (iii) the provisions relating to meetings of bondholders contained in articles 86 to 94-8 of the Luxembourg Company Law will not apply in respect of the notes.

Amendments and Modifications

The Indenture contains provisions permitting the Issuer, the Company, and the Trustee, with the consent of the holders of a majority in aggregate in principal amount of the outstanding Notes to modify the Indenture or any supplemental indenture or the rights of the holders of the Notes; *provided, however*, that no such modification will without the consent of the holder of each outstanding note affected thereby:

(1) change the Interest Payment Dates;

(2) reduce the principal amount thereof or the rate of interest thereon including Additional Amounts, if any, or any premium payable upon the redemption thereof;

(3) change any place of payment or the currency in which any note or any premium or the interest thereon is payable;

(4) impair the right to institute suit for the enforcement of any such payment on or after the redemption date;

(5) reduce the percentage of the principal amount of the outstanding Notes whose holders' consent is required for any waiver (of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences) provided for in the Indenture; or

(6) modify certain other provisions of the Indenture.

The Indenture provides that Notes owned by the Company or any of its Affiliates will be deemed not to be outstanding for, among other purposes, consenting to any modification.

The Indenture also contains provisions permitting the Issuer, the Company, and the Trustee to amend the Indenture or the Notes, without the consent of the holders of the Notes, for the following purposes:

(1) cure any ambiguity, omission, defect or inconsistency or to correct a manifest error (including, without limitation, any inconsistency between the Indenture, the Notes and the descriptions thereof in this offering memorandum);

(2) comply with the covenant described under "—Limitation on Consolidation, Merger or Transfer of Assets";

(3) add guarantors or guarantees with respect to the Notes;

(4) add to the covenants of the Issuer or the Guarantors for the benefit of holders of the Notes, provided remedies for breach are limited;

(5) surrender any right conferred upon the Issuer or the Guarantors;

(6) evidence and provide for the acceptance of an appointment by a successor Trustee;

(7) provide for the issuance of Additional Notes; and

(8) to make any changes that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under the Indenture of any such Holder.

It is not necessary for holders of the Notes to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.

To the extent required by applicable regulation, the Luxembourg Stock Exchange will be notified of any amendment regardless of whether noteholders' approval is required.

No Liability of Directors, Officers, Employees, Incorporators, Members and Stockholders

No past, present or future director, officer, partner, employee, incorporator, shareholder or member of the Issuer, the Company or any of their Subsidiaries will have any liability for any obligations of the Issuer, the Company or any Subsidiary Guarantor under the Indenture and the Notes or any Guarantee or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of the Notes, by accepting a note, waives and releases all such liability. Such waivers and releases are part of the consideration for issuance of the Notes. The waivers may not be effective to waive liabilities under the U.S. federal securities laws or under the Brazilian Corporation Law or the Luxembourg Company Law.

Luxembourg Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF market the Issuer and the Company will each use commercially reasonable efforts to obtain and maintain the listing of the Notes on the Official List of the Luxembourg Stock Exchange; however, the Notes are not yet listed and the Issuer and the Company cannot assure the holders of the Notes that they will be accepted for listing.

The Bank of New York Mellon (Luxembourg) S.A. is the Luxembourg Listing Agent, Luxembourg Paying Agent and Luxembourg Transfer Agent in respect of the Notes. The Company will maintain such agencies so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange. The address of the Luxembourg Listing Agent, the Luxembourg Paying Agent and the Luxembourg Transfer Agent are set forth on the inside back cover of this offering memorandum.

Notices

All notices will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to the holders of the Notes at their registered addresses as recorded in the Notes register not later than the latest date, and not earlier than the earliest date, prescribed in the Notes for the giving of such notice.

As long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and its rules so require, the Issuer will also give notices to the holders of the Notes by publication in a daily newspaper of general circulation in Luxembourg (which is expected to be Luxemburger Wort). Notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If publication in Luxembourg is impracticable, the Issuer will make the publication elsewhere in Western Europe. By "daily newspaper," the Issuer means a newspaper that is published on each day, other than a Saturday, Sunday or holiday, in Luxembourg or, when applicable, elsewhere in Western Europe. The holders of the Notes will be presumed to have received these notices on the date on which the Issuer first publishes them. If the Issuer is unable to give notice as described in this paragraph because the publication of any newspaper is suspended or it is otherwise impractical for the Issuer to publish the notice, then the Issuer or the Trustee acting on its instructions and at its expense, will give the holders of the Notes notice in another form. That alternate form of notice will be sufficient notice to the holders of the Notes.

Neither the failure to give any notice to a particular holder of the Notes, nor any defect in a notice given to a particular holder of the Notes, will affect the sufficiency of any notice given to another holder of the Notes.

Satisfaction and Discharge

The Indenture (except with respect to certain rights of the Trustee) will be discharged and, together with any Guarantees, will cease to be of further effect as to all Notes issued thereunder, when:

(1) (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable and the Issuer, the Company or any Subsidiary Guarantor has irrevocably deposited or caused to be deposited with the Trustee as funds in trust solely for the benefit of the holders, cash in U.S. dollars, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, interest and Additional Amounts, if any, to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other material instrument to which the Issuer, the Company or any Subsidiary Guarantor is a party or by which the Issuer, the Company or any Subsidiary Guarantor is bound;

(3) the Issuer, the Company or any Subsidiary Guarantor has paid or caused to be paid all other sums payable by it under the Indenture; and

(4) the Issuer or the Company have delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer and the Company must deliver an Officers' Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Defeasance

The Issuer, the Company and the Subsidiary Guarantors, at the option of the Issuer:

(1) will be discharged from any and all obligations in respect of the Notes and the Guarantees (except in each case for certain obligations, including to register the transfer or exchange of Notes, replace stolen, lost or mutilated Notes, maintain paying agencies and hold moneys for payment in trust and certain obligations of the Trustee); and

(2) need not comply with certain covenants of the Indenture,

if the Issuer or the Company irrevocably deposits with the Trustee, in trust: (i) money; or (ii) U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount; or (iii) a combination thereof, in each case, sufficient to pay and discharge the principal and interest, if any, on the outstanding Notes on the dates such payments are due, in accordance with the terms of the Notes, to and including the redemption date irrevocably designated by the Issuer or the Company pursuant to the final sentence of this section on the day on which payments are due and payable in accordance with the terms of the Indenture and of the Notes; and no Default or Event of Default (including by reason of such deposit) will have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date.

To exercise any such option, the Issuer is required to deliver to the Trustee:

(a) an opinion of recognized U.S. counsel independent of the Issuer and the Company to the effect: (i) that the holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, which in the case of clause (1) above must be based on a change in law or a ruling by the U.S. Internal Revenue Service; and (ii) that the defeasance trust is not, or is not required to be registered as, an investment company under the U.S. Investment Company Act of 1940, as amended;

(b) an opinion of recognized Brazilian counsel independent of the Issuer and the Company to the effect that the holders of the Notes will not recognize income, gain or loss for Brazilian federal income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, and that payments from the defeasance trust to any such holder will not be subject to withholding taxes under Brazilian law;

(c) for so long as the Issuer is subject to and organized under the laws of Cayman Islands, an opinion of recognized Cayman Islands counsel independent of the Issuer and the Company to the effect that the holders of the Notes will not recognize income, gain or loss for Cayman Islands income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, and that payments from the defeasance trust to any such holder will not be subject to withholding taxes under Cayman Islands law;

(d) subject to and as from the migration of the Issuer to Luxembourg as described under "—General," an opinion of recognized Luxembourg counsel independent of the Issuer and the Company to the effect that the holders of the Notes will not recognize income, gain or loss for Luxembourg income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, and that payments from the defeasance trust to any such holder will not be subject to withholding taxes under Luxembourg law, save application of any withholding tax or deduction required under the Savings Directive or the Luxembourg Law of December 23, 2005; and

(e) an opinion of counsel and an Officers' Certificate as to compliance with all conditions precedent provided for in the Indenture relating to the satisfaction and discharge of the Notes.

If the Issuer or the Company has deposited or caused to be deposited money or U.S. Government Obligations to pay or discharge the principal of (and premium, if any,) and interest, if any and Additional Amounts, if any, on the outstanding Notes to and including a redemption date on which all of the outstanding Notes are to be redeemed, such redemption date will be irrevocably designated by a resolution of each of the Board of Directors and the Issuer and the Company delivered to the Trustee on or prior to the date of deposit of such money or U.S.

Government Obligations, and such resolutions will be accompanied by an irrevocable request from the Issuer or the Company that the Trustee give notice of such redemption in the name of and at the expense of the Issuer or the Company not less than 30 nor more than 60 days prior to such redemption date in accordance with the Indenture.

Concerning the Trustee

The Bank of New York Mellon is the Trustee under the Indenture, with its trust corporate office at 101 Barclay Street, Floor 4 East, New York, New York 10286, United States of America.

Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in the Indenture and no others, and no implied covenants or obligations will be read into the Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise those rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

Replacement of Trustee

The Trustee may resign at any time by written notice to the Issuer.

The holders of a majority in principal amount of the outstanding Notes may remove the Trustee by written notice to the Trustee.

If the Trustee is no longer eligible pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), any holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee.

The Issuer shall remove the Trustee if: (1) the Trustee is no longer eligible pursuant to the Trust Indenture Act; (2) the Trustee is adjudged as bankrupt or an insolvent; (3) a receiver or other public officer takes charge of the Trustee or its property; or (4) the Trustee becomes incapable of acting. In addition, the Issuer may remove the Trustee at any time for any reason to the extent the Issuer has given the Trustee at least 30 days' written notice and as long as no Default or Event of Default has occurred and is continuing.

A resignation or removal of the Trustee and appointment of a successor trustee will become effective only upon the successor trustee's acceptance of appointment as provided in this Section.

If the Trustee has been removed by the holders, holders of a majority in principal amount of the Notes may appoint a successor trustee with the consent of the Issuer. Otherwise, if the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, the Issuer will promptly appoint a successor trustee, provided, however, that in case of a bankruptcy, the resigning Trustee will have the right to appoint a successor trustee within 10 Business Days after giving of such notice of resignation if the Issuer has not already appointed a successor trustee. If the successor trustee does not deliver its written acceptance within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the holders of a majority in principal amount of the outstanding Notes may appoint a successor trustee or may petition any court of competent jurisdiction for the appointment of a successor trustee.

Upon delivery by the successor trustee of a written acceptance of its appointment to the retiring Trustee and to the Issuer, (1) the retiring Trustee will, upon payment of its charges, transfer all property held by it as Trustee to the successor trustee, (2) the resignation or removal of the retiring Trustee will become effective, and (3) the successor trustee will have all the rights, powers and duties of the Trustee under the Indenture. Upon request of any successor trustee, the Issuer will execute any and all instruments for fully vesting in and confirming to the successor trustee all such rights, powers and trusts. The Issuer will give notice of any resignation and any removal of the

Trustee and each appointment of a successor trustee to all holders, and include in the notice the name of the successor trustee and the address of its corporate trust office.

Paying Agents

The Trustee will initially act as the principal paying agent for the Notes. The Bank of New York Mellon (Luxembourg) S.A. will initially act as the Luxembourg paying agent. The Issuer may appoint other paying agents in addition to the principal paying agent and Luxembourg paying agent. To the extent that the Luxembourg paying agent is obliged to withhold or deduct tax on payments of interest or similar income, the Issuer will, to the extent permitted by law, ensure that it maintains an additional paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Union Directive 2003/48/EC or any other Directive on the taxation of savings income implementing the conclusions of the ECOFIN Council meetings of November 26 and 27, 2000, December 13, 2001 and January 31, 2003 (or any law implementing or complying with, or introduced in order to conform to, such Directive).

Transfer and Exchange

The Trustee will initially act as the transfer agent and registrar for the Notes. A holder may transfer or exchange Notes at the office designated by the Issuer for such purposes, which initially will be the Corporate Trust Office of the Trustee in New York, New York. The registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents in the form provided and as specified in the Indenture. See "Book Entry, Delivery and Form—Global Notes" and "—Certificated Notes" for a description of additional transfer restrictions applicable to the Notes. Upon any change in the registrar, the Issuer will publish a notice in a leading daily newspaper of general circulation in Luxembourg, which is expected to be the Luxemburger Wort, or alternatively the Issuer may also publish a notice on the website of the Luxembourg Stock Exchange (www.bourse.lu).

No service charge will be imposed in connection with any transfer or exchange of any note, but the Issuer or the Trustee may in general require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

Calculation Agent

The Issuer has appointed The Bank of New York Mellon as Calculation Agent with respect to the Notes (the "Calculation Agent").

The Calculation Agent will, on or as soon as practicable after each time at which any interest rate is to be determined, determine the Reset Interest Rate or the Floating Interest Rate, as applicable, and calculate the amount of interest (the "Interest Amount") payable on the Notes for the relevant Interest Payment Dates. The Calculation Agent will calculate the Interest Amount by applying the Reset Interest Rate or the Floating Interest Rate, as applicable, and the Day Count Fraction to the aggregate principal amount of the Notes and rounding the resultant figure to the nearest cent, with 0.5 or more of a cent being rounded upwards.

The Calculation Agent will cause the Reset Interest Rate or the Floating Interest Rate and each Interest Amount for each Interest Payment Date to be notified to the Issuer and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, and to the holders as soon as possible after their determination, but in no event later than at the beginning of the applicable interest period.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the principal paying agent and the Holders.

Governing Law; Consent to Jurisdiction; Service of Process and Currency Indemnity

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York. The Issuer and the Guarantors have consented to the non-exclusive jurisdiction of the New York state courts and the U.S. federal courts located in the Borough of Manhattan, New York City, with respect to any action

that may be brought in connection with the Indenture or the Notes and have irrevocably appointed National Registered Agents, Inc. as agent for service of process.

If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the holder of a note from U.S. dollars into another currency, the Issuer and the Guarantors have agreed, and each holder by holding such note will be deemed to have agreed, to the fullest extent that the Issuer, the Guarantors and they may effectively do so, that the rate of exchange used will be that at which in accordance with normal banking procedures such holder could purchase U.S. dollars with such other currency in New York City, on the day two Business Days preceding the day on which final judgment is given.

The obligations of the Issuer and the Guarantors in respect of any sum payable by it to the holder of a note will, notwithstanding any judgment in a currency (the "judgment currency") other than U.S. dollars, be discharged only to the extent that on the Business Day following receipt by the holder of such note of any sum adjudged to be so due in the judgment currency, the holder of such note may, in accordance with normal banking procedures, purchase U.S. dollars with the judgment currency; if the amount of the U.S. dollars so purchased is less than the sum originally due to the holder of such note in the judgment currency (determined in the manner set forth in the preceding paragraph), each of the Issuer and the Guarantors agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the holder of such note against such loss, and if the amount of the U.S. dollars so purchased exceeds the sum originally due to the holder of such note, such holder agrees to remit to the Issuer or the Guarantors such excess, *provided* that such holder will have no obligation to remit any such excess as long as the Issuer or the Guarantors has failed to pay such holder any obligations due and payable under such note, in which case such excess may be applied to such obligations of the Issuer or the Guarantors under such note in accordance with the terms thereof.

Definitions

The following is a summary of certain defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all such terms as well as any other capitalized terms used herein for which no definition is provided.

Unless the context otherwise requires, an accounting term not otherwise defined has the meaning assigned to it under and in accordance with Brazilian GAAP. All accounting-based determinations to be made under the Indenture will be made based upon the most recent annual or quarterly consolidated financial statements issued and released, and provided in accordance with "— Reporting Requirements," by the Company.

"Accounting Triggering Event" means any change in applicable law or accounting rules after an Initial Accounting Triggering Event resulting in the Issuer or the Company no longer being permitted to treat the Notes as equity under Brazilian GAAP or under any other accounting regime that is the primary accounting regime under which the Issuer or the Company presents its financial statements at the time of such change in law or accounting rules.

"Additional Amounts" has the meaning specified under "Additional Amounts."

"Affiliate" means, with respect to any specified Person, any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" means when used with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the beneficial ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"beneficial ownership" means, with respect to any Capital Stock, having or sharing, directly or indirectly, the power to (1) vote, or to direct the voting of, such Capital Stock and/or (2) dispose, or direct the disposition of, such Capital Stock. A Person will also be deemed to have beneficial ownership of any Capital Stock if that Person has the right to acquire beneficial ownership (as defined in the previous sentence) of such Capital Stock within 60 days, including, without limitation, any right to acquire (1) through the exercise of any option, warrant or right, (2) through the conversion of another security, (3) pursuant to the power to revoke a trust, discretionary account or

similar arrangement or (4) pursuant to the automatic termination of a trust, discretionary account or similar arrangement. The term “beneficially own” has a meaning correlative thereto.

“Bankruptcy Default” has the meaning specified under “—Events of Default.”

“Bankruptcy Event” has the meaning specified under “Ranking.”

“Board of Directors” means, with respect to any Person, the board of directors of such Person or any committee thereof duly authorized to act on behalf of the board of directors of such Person, or similar governing body of such Person, including any managing partner or similar entity of such Person.

“Brazil” means the Federative Republic of Brazil and any branch of power, ministry, department, authority or statutory corporation or other entity (including a trust) owned or controlled directly or indirectly by it or any of the foregoing or created by law as a public entity.

“Brazilian GAAP” means the accounting practices adopted in Brazil, in accordance with the International Financial Reporting Standards – IFRS issued by the International Accounting Standards Board – IASB, the Brazilian Corporate Law and the pronouncements, instructions and interpretations issued by the Accounting Pronouncement Committee - CPC and the CVM.

“Business Day” means each day that is not a Saturday, Sunday or other day on which banking institutions in New York City, New York, São Paulo, Brazil, or Luxembourg City, Luxembourg, are authorized or required by law to close.

“Calculation Agent” has the meaning specified under “—Calculation Agent.”

“Capitalized Lease Obligation” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes and the amount of Debt represented by such obligation will be the capitalized amount of such obligation; and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty;

“Capital Stock” means, with respect to, any Person, any and all quotas, shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock and partnership interests, but excluding any debt securities convertible into such equity.

“Central Bank” means the Brazilian Central Bank (*Banco Central do Brasil*).

“Change of Control” means that any Person (other than Golf Participações Ltda., Alessandro Poli Veronezi, Victor Poli Veronezi or Ana Beatriz Veronezi, or any of their spouses and descendants (whether natural or adopted), any of his, her or their legal heirs (or similar legal successors upon death), or any Affiliate or Affiliates of any of the foregoing Persons (provided that, in the case of any such Affiliate, the foregoing Persons, directly or indirectly, beneficially own a majority of the Voting Stock of such Affiliate)), directly or indirectly, beneficially owns a majority of the Voting Stock of the Company.

“Change of Control Event” means the occurrence of both a Change of Control and a Rating Decline.

“Change of Control Payment” has the meaning specified under “—Repurchase of the Notes at the option of the issuer upon a change of control event.”

“Change of Control Payment Date” has the meaning specified under “—Repurchase of the Notes at the option of the issuer upon a change of control event.”

"Change of Control Offer" has the meaning specified under "—Repurchase of the Notes at the option of the issuer upon a change of control event."

"Closing Date" means March 20, 2012.

"Company" means General Shopping Brasil S.A. and its successors under the Indenture.

"CVM" means the Brazilian Securities Commission (*Comissão de Valores Mobiliários*).

"Day Count Fraction" means, in respect of the calculation of (i) any Fixed Rate of Interest for any calculation period, the number of days in the calculation period divided by 360, computed on the basis of a 360-day year comprised of twelve 30-day months and (ii) any Floating Interest Amount for any calculation period, the actual number of days in the calculation period divided by 360.

"Debt" means, with respect to any Person, without duplication:

(1) the principal of and premium, if any, in respect of (a) indebtedness of such Person for money borrowed and (b) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(2) all Capitalized Lease Obligations of such Person;

(3) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable or other short-term obligations to suppliers payable within 180 days, in each case arising in the ordinary course of business);

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(5) all Hedging Obligations of such Persons;

(6) all obligations of the type referred to in clauses (1) through (5) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other Persons that are customers or suppliers of such Person for which such Person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such Person does not, or is not required to, make payment in respect thereof);

(7) all obligations of the type referred to in clauses (1) through (5) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured; and

(8) any other obligations of such Person which are required to be, or are in such Person's financial statements, recorded or treated as debt under Brazilian GAAP.

"Default" means any event which is an Event of Default or which, after notice or passage of time or both, would be an Event of Default.

"Event of Default" has the meaning specified under "—Events of Default."

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"First Fixed Period Date" means March 20, 2017.

"Fitch" means Fitch Ratings, Ltd., and its successors.

"Fixed Rate of Interest" has the meaning specified under "—Interest Rate and Interest Payment Dates."

"Floating Interest Rate" has the meaning specified under "—Interest Rate and Interest Payment Dates."

"Global Notes" has the meaning specified under "Form of Notes."

"guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and any obligation, direct or indirect, contingent or otherwise, of any Person:

(1) to pay or purchase (or advance or supply funds for the payment or purchase of) such Debt or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided, however, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee," when used as a verb, has a correlative meaning, and the term "guarantor" means any Person guaranteeing any obligation. The terms "guarantee" and "guarantor" are subject to the following two definitions.

"Guarantee," with respect to the Guarantors' obligations under the Notes and the Indenture, means the guarantee of the Guarantors for punctual payment of the principal of and premium, if any, interest when due and Additional Amounts, if any, on the Notes, as well as any other amounts whatsoever owed under the Indenture.

"Guarantors" means, when used with respect to the Notes, the Company and the Subsidiary Guarantors.

"Hedging Obligations" means, with respect to, any Person, the obligations of such Person under any agreement relating to any swap, option, forward sale, forward purchase, index transaction, cap transaction, floor transaction, collar transaction or any other similar transaction, in each case, for purposes of hedging or capping against inflation, interest rates, currency or commodities price fluctuations.

"Indenture" has the meaning specified in the introductory paragraphs of this "Description of the Notes" section.

"Initial Accounting Triggering Event" means any change in applicable law or accounting rules after the Closing Date resulting in the Company being permitted to treat the Notes as equity under Brazilian GAAP or under any other accounting regime that is the primary accounting regime under which the Company presents its financial statements at the time of such change in law or accounting rules.

"Initial Fixed Rate Credit Spread" means 11.052%.

"Initial Floating Rate Credit Spread" means 10.808%.

"Interest Payment Date," "First Fixed Period Interest Payment Date," "Second Fixed Period Interest Payment Date" and "Floating Interest Payment Date" have the meaning specified under "—Interest Rate and Interest Payment Dates."

"Investment" means, with respect to any Person, any direct or indirect advance, loan (other than advances to customers or suppliers in the ordinary course of business that are recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the applicable lender) or other extension of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Debt or other similar instruments issued by, such Person.

"Issuer" means General Shopping Investments Limited and its successors under the Indenture.

"Junior Securities" means the common shares (and any other equity securities ranking *pari passu* with the common shares under applicable law in respect of return of assets upon liquidation or in respect of interest or payment of dividends or any other payments thereon) of the Issuer, the Company and the Guarantors, as applicable.

"Liabilities" means (1) any statutory claim, (2) any amount payable (whether as a direct obligation or indirectly through a guarantee of a liability by such person) pursuant to an agreement or instrument (including deposits) involving or evidencing money borrowed or received, the advance of credit, a conditional sale or a transfer with recourse or with an obligation to repurchase or pursuant to a lease with substantially the same economic effect as any such agreement or instrument and which, under Brazilian GAAP, would constitute a Capitalized Lease Obligation and (3) any other claim of a creditor of the Issuer or any Guarantor.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Mandatory Settlement Date" has the meaning specified under "—Deferred Interest Payments."

"Minimum Legally Required Dividend" means, for any Person and any period, an amount equal to the minimum mandatory dividend required to be distributed to holders of common shares under applicable Brazilian law by such Person to holders of its Capital Stock during such period, *provided however* that the minimum mandatory dividend that such Person is required to pay to holders of common shares pursuant to its bylaws or organizational documents currently in force can only be increased after the date hereof if there is a change in applicable Brazilian law to raise the default rate currently established at 25% of adjusted net profits.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"OECD" means the Organization for Economic Co-operation and Development, or its successor.

"Officers' Certificate" means a certificate signed by two Officers (as defined in the Indenture) or by an Officer and the Chief Financial Officer of the Issuer or the Company, as the case may be.

"Parity Security" means

(1) in respect of the Issuer, (a) its most junior preference share, preferred stock or preferred security and (b) any security, registered security or other instrument which is issued (i) by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes, or (ii) by a Subsidiary of the Company and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to be *pari passu* with the Issuer's obligations under the Notes; and

(2) in respect of the Company and the Guarantors, any security, registered security or other instrument which (i) is issued by the Company or the Guarantors and the obligations under which rank or are expressed to rank *pari passu* with the Company's and the Guarantors' respective obligations under the Guarantees, or (ii) is issued by a Subsidiary of the Company and guaranteed by the Company or the Guarantors or for which the Company or the Guarantors have otherwise assumed liability where the Company's or

the Guarantors' respective obligations under the relevant guarantee or other assumption of liability rank or are expressed to be *pari passu* with the Company's or the Guarantor's obligations under the Guarantees.

"Payment Default" has the meaning specified under "—Events of Default."

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Rating Agency" means Moody's, S&P or Fitch; provided that if any of Moody's, S&P or Fitch ceases to provide rating services to issuers or investors, a replacement therefor, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer shall be substituted for Moody's, S&P or Fitch or any or all of them, as the case may be.

"Rating Decline" will be deemed to have occurred if any of the Rating Agencies assigns a local or international rating in respect of the Notes, on any date during the period (the "Trigger Period") commencing 60 days prior to the first public announcement by the Company of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of such Change of Control for so long as any Rating Agency has publicly announced that it is considering a possible ratings change), that is lower than its rating on the Notes as of commencement of the Trigger Period.

A "Rating Event" is an event which will occur if the Issuer or the Company has received, and has provided to the Trustee a copy of, a written confirmation from a Rating Agency that the Notes will, as result of a change in hybrid capital methodology or the interpretation thereof after the Closing Date, be eligible for a level of "equity credit" or such similar nomenclature used by such Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the relevant issuer's senior obligations, that is lower than the level of "equity credit" initially attributed to the Notes.

"R$" means the lawful currency of Brazil.

"Related Business" means any business conducted by the Company and its Subsidiaries on the Closing Date and any business related, ancillary or complementary thereto (including, without limitation, any shopping center business).

"Relevant Date" has the meaning specified under "—Additional Amounts."

"Reset Interest Rate" has the meaning specified under "—Interest Rate and Interest Payment Dates."

"Restricted Payment Event" has the meaning specified under "—Covenants—Restricted Payment Events."

"SEC" means the U.S. Securities and Exchange Commission.

"Second Fixed Period Date" means March 20, 2022.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Senior Indebtedness" means all Liabilities of the Issuer, the Company and the Guarantors other than their respective Parity Securities and Junior Securities.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC (but after replacing the references in such rule to "10 percent" with "5 percent").

"S&P" means Standard and Poor's Financial Services LLC, and its sucessors.

"Stated Maturity" means, with respect to any Debt, the date specified in such Debt as the fixed date on which the final payment of principal of such Debt is due and payable, including, with respect to any principal amount which is then due and payable pursuant to any mandatory redemption provision, the date specified for the payment thereof (but excluding any provision providing for the repurchase of any such Debt upon the happening of any contingency unless such contingency has occurred).

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with Brazilian GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity:

(1) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held; or

(2) that is, as of such date, otherwise controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary Guarantors" means, when used with respect to the Notes, (a) each of Ast Administradora e Incorporadora Ltda., BOT Administradora e Incorporadora Ltda., BR Outlet Administradora e Incorporadora Ltda., Brassul Shopping Administradora e Incorporadora Ltda., Bud Administradora e Incorporadora Ltda., Cly Administradora e Incorporadora Ltda., Delta Shopping Empreendimentos Imobiliários Ltda., ERS Administradora e Incorporadora Ltda., FLK Administradora e Incorporadora Ltda., Intesp Shopping Administradora e Incorporadora Ltda., I Park Estacionamentos Ltda., Levian Participações e Empreendimentos Ltda., Lumen Shopping Administradora e Incorporadora Ltda., Lux Shopping Administradora e Incorporadora Ltda., MAI Administradora e Incorporadora Ltda., Manzanza Consultoria e Administração de Shopping Centers Ltda., POL Administradora e Incorporadora Ltda., Poli Shopping Center Empreendimentos Ltda., PP Administradora e Incorporadora Ltda., Premium Outlet Administradora e Incorporadora Ltda., Sale Empreendimentos e Participações Ltda., Securis Administradora e Incorporadora Ltda., Send Empreendimentos e Participações Ltda., Sulishopping Empreendimentos Ltda., Uniplaza Empreendimentos, Participações e Administração de Centros de Compra Ltda., Vide Serviços e Participações Ltda., Vul Administradora e Incorporadora Ltda., and ZUZ Administradora e Incorporadora Ltda. and (b) each other Person that is required to become a Subsidiary Guarantor by the terms of the Indenture after the Closing Date.

"Tax Deduction Triggering Event" means any generally applicable change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the Cayman Islands (or Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or Brazil or any political subdivision or taxing authority thereof or therein, or any generally applicable change in the official application, administration or interpretation of such laws, regulations or rulings in the Cayman Islands (or in Luxembourg, in case the jurisdiction of incorporation of the Issuer is changed as described in "—General") or in Brazil, which change or amendment is first announced on or after the Closing Date, resulting in the Issuer or the Company no longer being entitled to a tax deduction for interest payments on the Notes.

"Trustee" means the trustee named in the introductory paragraphs of this "Description of the Notes" section or its successor as trustee under the Indenture.

"Unrestricted Subsidiaries" means (a) Internacional Guarulhos Auto Shopping Center Ltda. and General Shopping Brasil Administradora e Serviços Ltda., provided that, in either case, such company is not a Significant Subsidiary at any time of determination and (b) any Subsidiary of either such company that is not a Significant Subsidiary and that has as its corporate purpose the management of its own and third party-owned properties, office space management services, building management services and other complementary services.

"Voting Stock" means, with respect to a Person, all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding that are entitled (without regard to the occurrence of any

contingency) to vote in the election of the directors of such Person, but excluding such classes of Capital Stock or other interests that are entitled, as a group in a separate cast, to appoint one director of such Person as representative of the minority shareholders.

"Wholly-Owned Subsidiary" means any Subsidiary of a Person of which 100% of the outstanding Capital Stock or other ownership interests (other than directors' qualifying shares) of such entity shall at that time be owned, directly or indirectly, by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

FORM OF NOTES

Form and Registration

The notes will be represented by Regulation S global notes (as defined below) and Restricted Global Notes (as defined below) (each sometimes referred to herein as a “Global Note” and together referred to herein as the “Global Notes”).

Notes sold outside the United States in reliance on Regulation S will be represented by one or more Global Notes in definitive, fully registered form without interest coupons (collectively, the “Regulation S Global Note”) and will be deposited with the Trustee, as custodian for DTC, and registered in the name of DTC or its nominee for the accounts of Euroclear and Clearstream (as indirect participants in DTC).

Notes sold in reliance on Rule 144A under the Securities Act initially will be represented by one or more Global Notes in definitive, fully registered form without interest coupons (collectively, the “Restricted Global Note”) and will be deposited with the Trustee, as custodian for DTC and registered in the name of DTC or its nominee. The notes will be subject to certain restrictions on transfer and will bear a legend to that effect as described under “Notice to Investors.”

Beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Note only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a person that the transferor reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Beneficial interests in the Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

Global Notes

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them. None of the Issuer, the Company, or the initial purchasers take any responsibility for these operations and procedures and urge investors to contact the systems or their participants directly to discuss these matters.

Upon the issuance of the Regulation S Global Note and the Restricted Global Note, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC (“DTC Participants”) or persons who hold interests through DTC Participants. Ownership of beneficial interests in the Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

So long as DTC or its nominee is the registered owner or holder of a Global Note, DTC, or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such Global Note for all purposes under the Indenture. No beneficial owner of an interest in a Global Note will be able to transfer that

interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture. Investors may hold their interests in the Restricted Global Note directly through DTC if they are DTC Participants, or indirectly through organizations that are DTC Participants.

Investors may hold their interests in the Global Notes directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold interests in the Global Note on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which in turn will hold such interests in the Global Notes in customers' securities accounts in the depositaries' names on the books of DTC.

Payments of the principal and interest and any Additional Amounts on individual notes represented by a Global Note registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the Global Note representing such notes. None of the Issuer, the Company, the initial purchasers, the Trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests. Such persons expect that DTC or its nominee, upon receipt of any payment of principal, interest, Additional Amounts, if any, or premium, if any, in respect of a Global Note representing any notes held by it or its nominee, will credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. Such persons also expect that payments by DTC Participants to owners of beneficial interests in such Global Note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC rules and procedures. Transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and procedures.

The laws of some states require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks. Accordingly, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of each interest, may be affected by the lack of a physical certificate for such interest.

Subject to compliance with the transfer restrictions applicable to the notes described above and under "Notice to Investors," cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules and procedures on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels, Belgium time).

DTC has advised that it will take any action permitted to be taken by a holder of notes (including, without limitation, the presentation of notes for transfer, exchange or conversion as described below) only at the direction of one or more DTC Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, in the limited circumstances described herein, DTC will exchange the Global Notes for certificated notes in definitive form, which it will distribute to DTC Participants and which, if representing interests in the Restricted Global Note, will be legended as set forth under "Notice to Investors." See "—Certificated Notes."

DTC has further advised as follows: DTC will act as the depositary for the notes. The notes will be issued as fully registered notes registered in the name of Cede & Co., which is DTC's partnership nominee. Fully registered Global Notes will be issued for the notes, in the aggregate principal amount of the issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes to participants' accounts, thereby eliminating the need for physical movement of certificates. Direct participants of DTC include securities brokers and dealers, including the initial purchasers of the notes, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to indirect participants, which includes securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

To facilitate subsequent transfers, all Global Notes representing the notes which are deposited with, or on behalf of, DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of Global Notes with, or on behalf of, DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Global Notes representing the notes; DTC's records reflect only the identity of the direct participants to whose accounts the notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Global Notes representing the notes. Under its usual procedure, DTC mails an omnibus proxy to the Issuer as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

DTC may discontinue providing its services as securities depositary with respect to the notes at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depositary is not obtained, certificated notes are required to be printed and delivered. See “—Certificated Notes.”

Under certain circumstances, the Issuer may decide to discontinue use of the system of book-entry transfers through DTC or a successor securities depositary. In that event, certificated notes will be printed and delivered. See “—Certificated Notes.”

Although DTC, Euroclear and Clearstream have agreed to the procedures described above in order to facilitate transfers of interests in the Global Notes among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. Neither the Trustee nor the Issuer will have any liability or responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

If (i) DTC is at any time unwilling or unable to continue as a depositary for the Global Notes and a successor depositary is not appointed by the Issuer within 90 days or (ii) an Event of Default will have occurred and be continuing and the beneficial holder of a note will have requested that the Issuer issue to such beneficial holder its proportionate interest in a Global Note, the Issuer will issue certificated notes which may bear the legend referred to under “Notice to Investors,” in exchange for the Global Notes. Holders of an interest in a Global note may receive certificated notes, which may bear the legend referred to under “Transfer Restrictions,” in accordance with DTC's rules and procedures in addition to those provided for under the Indenture; provided, however, that if the

Issuer is issuing certificated notes pursuant to clause (ii) above, the Issuer will only be required to issue certificated notes to the beneficial owners of the notes who request certificated notes.

The holder of a definitive note may transfer such note by surrendering it at the office or agency maintained by the Issuer for such purpose in the Borough of Manhattan, New York City, which initially will be the corporate trust office of the Trustee. Upon the transfer, exchange or replacement of definitive notes bearing the legend, or upon specific request for removal of the legend on a definitive note, the Issuer will deliver only definitive notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Neither the Trustee nor any paying agent, registrar or transfer agent will be required to register the transfer of or exchange definitive notes for a period from the record date to the due date for any payment of principal of, or interest on, the notes or register the transfer of or exchange any notes for 15 days prior to selection for redemption through the date of redemption. For so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of such exchange so require, in the case of a transfer or exchange of definitive registered notes, a holder thereof may effect such transfer or exchange by presenting and surrendering such notes at, and obtaining new definitive registered notes from the office of the Luxembourg Transfer Agent. In the case of a transfer of only part of a definitive registered note, a new definitive note in respect of the balance of the principal amount of the definitive registered note transferred will be delivered at the office of the Luxembourg Transfer Agent, and in the case of any lost, stolen, mutilated or destroyed definitive registered note, a holder thereof may obtain a new definitive registered notes from the Luxembourg Transfer Agent.

Prior to presentment of a note for registration of transfer (including a Global Note), the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name such note is registered as the owner or holder of such note for the purpose of receiving payment of principal, interest and any Additional Amounts on such note and for all other purposes whatsoever, whether or not such note is overdue, and none of the Issuer, the Trustee or any agent of the Issuer will be affected by notice to the contrary.

NOTICE TO INVESTORS

The notes have not been registered, and will not be registered, under the Securities Act or any other applicable securities laws, and the notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A under the Securities Act; and

- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of notes (other than the initial purchasers in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

1. It is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non-U.S. person that is outside the United States and (c) is not (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, or (c) any entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan's investment in such entity (each of (a), (b) and (c), an "ERISA Plan").

2. It acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

3. It understands and agrees that notes initially offered in the United States to qualified institutional buyers will be represented by one or more global notes and that notes offered outside the United States in reliance on Regulation S will also be represented by one or more global notes.

4. It will not resell or otherwise transfer any of such notes except (a) to the Issuer or the Company, (b) within the United States to a qualified institutional buyer that is not an ERISA Plan in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 under the Securities Act to a person that is not an ERISA Plan, or (d) pursuant to an exemption from registration (if available) to a person that is not an ERISA Plan.

5. It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes.

6. It acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement or in respect of notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the Indenture.

7. It acknowledges that the Trustee, Registrar or Transfer Agent for the notes will not be required to accept for registration transfer of any notes acquired by it, except upon presentation of evidence satisfactory to us and the Trustee, Registrar or Transfer Agent that the restrictions set forth herein have been complied with.

8. It acknowledges that we, the initial purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the

acknowledgements, representations and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify us and the initial purchasers. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations, and agreements on behalf of each account.

Legends

The following is the form of restrictive legend which will appear on the face of the Rule 144A Global Note, and which will be used to notify transferees of the foregoing restrictions on transfer:

"This note has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this note, agrees that this note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (i) to General Shopping Investments Limited or General Shopping Brasil S.A., (ii) so long as this note is eligible for resale pursuant to Rule 144A under the Securities Act ("Rule 144A"), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (iii) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction.

The foregoing legend or any portion thereof may be removed from this note solely in the discretion and at the direction of General Shopping Investments Limited or General Shopping Brasil S.A."

The following additional paragraph will appear on the face of the Rule 144A Global Note and will be used to notify transferees of the foregoing restrictions on transfer:

"This note may not be purchased by or transferred to (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, or (c) any entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan's investment in such entity.

The holder hereof, by purchasing this note, represents and agrees that it will notify any purchaser of this note from it of the resale restrictions referred to above.

The foregoing legend or any portion thereof may be removed from this note solely in the discretion and at the direction of General Shopping Investments Limited or General Shopping Brasil S.A."

The following is the form of restrictive legend which will appear on the face of the Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

"This note has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this note, agrees that neither this note nor any interest or participation herein may be offered, resold, pledged or otherwise transferred in the absence of such registration unless such transaction is exempt from, or not subject to, such registration.

"The foregoing legend or any portion thereof may be removed from this note after 40 days beginning on and including the later of (a) the date on which the notes are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and (b) the original issue date of this note."

The following additional paragraph will appear on the face of the Regulation S Global Note and will be used to notify transferees of the foregoing restrictions on transfer:

> **"This note may not be purchased or transferred to (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, or (c) any entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan's investment in such entity.**
>
> **The holder hereof, by purchasing this note, represents and agrees that it will notify any purchaser of this note from it of the resale restrictions referred to above.**
>
> **The foregoing legend or any portion thereof may be removed from this note solely in the discretion and at the direction of General Shopping Investments Limited or General Shopping Brasil S.A."**

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interest in Global Notes and certificated notes, see "Form of Notes."

TAXATION

The following discussion summarizes certain Brazilian, U.S. federal income, European Union and Cayman Islands tax considerations that may be relevant to the ownership and disposition of the bonds. This summary is based on laws and regulations now in effect in Brazil, the United States and the Cayman Islands, and a Directive of the European Union, each of which may change (possibly on a retroactive basis). This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of investing in and holding the bonds, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

There currently are no income tax treaties between Brazil and the United States. Although the tax authorities of Brazil and the United States have had discussions that may culminate in such a treaty, we cannot assure you as to whether or when a treaty will enter into force or how such a treaty would affect holders of the bonds.

Brazilian Tax Considerations

The following discussion is a summary of the Brazilian tax considerations relating to an investment in the bonds by an individual, entity, trust or organization considered as resident or domiciled outside Brazil for tax purposes ("Non-Resident Holder"). The discussion is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in Brazilian law that may come into effect after such date. The information set forth below is intended to be a general discussion only and does not address all possible tax consequences relating to an investment in the bonds and does not address any tax consequences under the tax laws of any state or locality of Brazil. Prospective investors should consult their own tax advisers as to the consequences of purchasing the bonds, including, without limitation, the consequences of the receipt of interest and the sale, redemption or repayment of the bonds.

Payments on the bonds made by GS Investments and gains on the bonds

Generally, a holder that is a Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil. Therefore, based on the fact that GS Investments is considered for tax purposes as domiciled abroad, any income (including interest and original issue discount) paid by GS Investments in respect of the bonds issued by it in favor of Non-Resident Holders should not be subject to withholding or deduction in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by such entity outside of Brazil.

According to article 26 of Law No. 10,833, enacted on December 29, 2003, capital gains realized on the disposition of assets located in Brazil, regardless of whether the disposition is made by a Non-Resident Holder to a resident or person domiciled in Brazil or to another non-resident, are subject to taxation in Brazil. Based on the fact that the bonds are issued by a company located abroad we believe that the bonds will not fall within the definition of assets located in Brazil for the purposes of Law No. 10,833, and that gains on the sale or other disposition of the bonds made outside Brazil by a Non-Resident Holder to another non-Brazilian resident would not be subject to Brazilian taxes. Nevertheless, considering the general and unclear scope of Law No. 10,833 and the absence of judicial guidance in respect thereof, we cannot guarantee prospective investors that this interpretation will ultimately prevail in the Brazilian courts.

Gains recognized by a Non-Resident Holder from the sale or other disposition of the bonds to (i) a non-resident in Brazil in case the bonds are deemed to be located in Brazil or (ii) a resident in Brazil may be subject to income tax in Brazil at a rate of 15%, or 25%, if such Non-Resident is located in a country or location (i) which does not impose any income tax, or (ii) which impose it at a maximum rate lower than 20% or (iii) where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents ("Low or Nil Tax Jurisdiction"), unless a lower rate is provided for in an applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled.

Payments on the bonds made from the Guarantors

If, by any chance a Brazilian source is required, as a guarantor, to assume the obligation to pay any interest amount in connection with the bonds to a Non-Resident Holder, Brazilian tax authorities could attempt to impose withholding income tax at the rate of 15% or 25%, the rate being variable depending on the nature of the payment and the location of the respective Non-Resident Holder.

In the abovementioned circumstance, another income tax rate may be provided for in an applicable tax treaty between Brazil and the country of residence of the beneficiary. There is some uncertainty regarding the applicable tax treatment to payments of the principal amount by the guarantor to a Non-Resident Holder. Although there is an argument according to which such payments made by the guarantor do not convert the nature of the payment from principal into taxable income, there are no precedents from Brazilian courts endorsing that position and it is not possible to assure that such argument would prevail in court.

Discussion on Low or Nil Tax Jurisdictions

On June 24, 2008, Law No. 11,727 was enacted establishing the concept of "privileged tax regime," in connection with transactions subject to transfer pricing and thin capitalization rules, which is more comprehensive than the tax haven concept. A "privileged tax regime" is considered to apply to a jurisdiction that meets any of the following requirements: (i) does not tax income or taxes income at a maximum rate lower than 20.0%; (ii) grants tax advantages to a non-resident entity or individual (a) without requiring substantial economic activity in the jurisdiction of such non-resident entity or individual or (b) to the extent such non-resident entity or individual does not conduct substantial economic activity in the jurisdiction of such non-resident entity or individual; (iii) does not tax income generated abroad, or imposes tax on income generated abroad at a maximum rate lower than 20.0%, or (iv) restricts the ownership disclosure of assets and ownership rights or restricts disclosure about economic transactions.

Notwithstanding the fact that the "privileged tax regime" concept was enacted in connection with transfer pricing and thin capitalization rules, there is no assurance that Brazilian tax authorities will not attempt to apply the concept of privileged tax regimes to other types of transactions. Prospective purchasers should consult with their own tax advisors regarding the consequences of the implementation of Law 11,727, Normative Ruling No. 1,037 and of any related Brazilian tax law or regulation concerning "tax haven" or "privileged tax regimes."

Other Tax considerations

Tax on Foreign Exchange Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou Relativas a Títulos e Valores Mobiliários*), or IOF/ Exchange, may apply in case payments are made from Brazil. Pursuant to Decree No. 6,306, of December 14, 2007, the conversion of foreign currency into Brazilian *reais* and the conversion of Brazilian *reais* into foreign currency are subject to the IOF/Exchange, including foreign exchange transactions in connection with payments made by a Brazilian guarantor under the guarantee to Non-Resident Holders.

Currently, the IOF/Exchange rate is 0.38% for most foreign exchange transactions. However, as of April 7, 2011, the liquidation of exchange transactions related to the inflow of proceeds into Brazil, including transactions carried out by means of simultaneous transactions, in connection with foreign loans subject to any register before the Brazilian Central Bank, with an average term of less than 720 days, are subject to IOF/Exchange at a 6.0% rate. The exchange transactions related to the outflow of proceeds from Brazil in connection with the mentioned foreign loans are subject to a 0% rate.

On the other hand, exchange transactions related to the inflow and outflow of proceeds into and from Brazil in connection with foreign loans with a term superior than 720 days are subject to the IOF/Exchange at the zero rate.

In any case, the federal government may increase the current IOF/Exchange rate at any time, up to a maximum rate of 25%. Any such new rate would only apply to future foreign exchange transactions.

Generally, there is no stamp, transfer or other similar tax in Brazil with respect to the transfer, assignment or sale of any debt instrument outside Brazil (including the bonds) nor any inheritance, gift or succession tax

applicable to the ownership, transfer or disposition of the bonds, except for gift and inheritance taxes imposed in some states of Brazil on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such Brazilian states.

THE ABOVE DESCRIPTION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

Certain U.S. Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THE OFFERING MEMORANDUM OR ANY DOCUMENT REFERRED TO HEREIN IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY PROSPECTIVE HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following discussion summarizes the anticipated material U.S. federal income tax consequences of the purchase, ownership and disposition of the notes. It applies only to U.S. Holders (as defined below) that acquire the notes in this offering and hold the notes as capital assets (generally, property held for investment purposes). This section does not apply to a member of a special class of holders subject to special rules, including:

- A dealer in securities or currencies,
- A trader in securities that elects to use a mark-to-market method of accounting for securities holdings,
- A tax-exempt organization,
- A life insurance company,
- A financial institution,
- A person liable for alternative minimum tax,
- A person that owns, or has owned, directly, indirectly or constructively 10.0% or more (by vote or value) of the equity (including notes treated as equity for U.S. federal income tax purposes) of GS Investments,
- A person that holds the notes as part of a straddle or a hedging or conversion transaction, or
- A U.S. Holder (as defined below) whose functional currency is not the U.S. dollar.

This discussion does not purport to be a complete analysis of all of the potential U.S. federal income tax considerations that may be relevant to U.S. Holders in light of their particular circumstances. Furthermore, it does not address any aspect of foreign, state or local or estate or gift taxation. Each prospective investor should consult its own tax adviser as to the U.S. federal, state, local, foreign and any other tax consequences of the purchase, ownership and disposition of the notes. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations, and published rulings and court decisions, all as in effect as of the date hereof, and any of which may be repealed, revoked or modified (possibly with retroactive effect) so as to result in U.S. federal income tax consequences different from those discussed below.

A "U.S. Holder" is a beneficial owner of the notes who is:

- A citizen or individual resident of the United States,
- A corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States or any State thereof (including the District of Columbia),
- An estate whose income is subject to United States federal income tax regardless of its source, or
- A trust (i) if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (ii) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership or other pass-through entity holds the notes, the U.S. federal income tax treatment of a partner, beneficiary, or other stakeholder will generally depend on the status of that person and the tax treatment of the pass-through entity. A partner, beneficiary, or other stakeholder in a pass-through entity holding the notes should consult its own tax adviser with regard to the U.S. federal income tax treatment of its investment in the notes.

Classification of the Notes

Under applicable law, the tax characterization of an instrument, such as the notes, as debt or equity for U.S. federal income tax purposes is based on the facts and circumstances existing when the instrument is issued. Although no single factor is dispositive, instruments that are perpetual in duration are generally treated as equity for U.S. federal income tax purposes. Based on the application of the applicable law to the facts and circumstances existing with respect to the notes, GS Investments intends to treat the notes as equity interests for U.S. federal income tax purposes. Accordingly, the indenture requires the holders of the notes, and each holder by its purchase of the notes will acknowledge and agree, to treat the notes as equity interests for all U.S. federal, state and local income tax purposes. The balance of this discussion assumes that the notes will be so treated, and refers to interest payments on the notes as distributions. If, as intended, the notes are treated as equity for U.S. federal income tax purposes, the following U.S. federal income tax treatment will apply.

Distributions on Notes

In general, a distribution on the notes (and any Additional Amounts) will constitute a dividend for U.S. federal income tax purposes to the extent that it is made from GS Investments' current or accumulated earnings and profits as determined under U.S. federal income tax principles. Subject to the passive foreign investment company ("PFIC") rules discussed below, a U.S. Holder will generally be required to include in gross income the amount of any dividend paid on the notes. If a distribution exceeds the amount of GS Investments' current and accumulated earnings and profits, it will be treated as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in the notes on which it is paid, and to the extent it exceeds that basis it will be treated as capital gain. Subject to the PFIC rules discussed below, GS Investments does not intend to compute earnings and profits under U.S. federal income tax principles, all distributions on the notes generally will be presumed to be taxable dividends for U.S. federal income tax purposes.

A distribution on the notes generally will be foreign source income for U.S. foreign tax credit purposes, and should generally constitute "passive category income." The rules with respect to the application of the foreign tax credit to a U.S. Holder are complex, and U.S. Holders are urged to consult their own tax advisers regarding the availability of the foreign tax credit under their particular circumstances and particular limitations that may be applicable to them.

Certain dividends received by non-corporate U.S. investors on shares of certain non-U.S. corporations are subject to U.S. federal income tax at a preferential rate if certain conditions are met. However, because the notes are not tradable on an established securities market in the United States and there is no income tax treaty between the Cayman Islands and the United States, we do not expect that those conditions will be met. Distributions on the notes will not be eligible for the dividends received deduction generally available to U.S. Holders that are corporations.

Sale, Redemption, or other Disposition of Notes

In general, a U.S. Holder will recognize gain or loss upon the sale, redemption, or other disposition of the notes equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in its notes. Subject to the PFIC rules discussed below, a U.S. Holder's tax basis will equal the amount paid for its notes. Gain or loss recognized by a U.S. Holder generally will be treated as U.S. source gain or loss, as the case may be. Subject to the PFIC rules discussed below, gain or loss on the disposition of notes will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder held the notes for more than one year. Generally, an individual U.S. Holder may be entitled to preferential rates of taxation for net long-term capital gains; however, the deductibility of capital losses is limited under the Code.

Passive Foreign Investment Company Rules

A non-U.S. corporation will be considered a PFIC for any taxable year in which (1) 75% or more of its gross income is "passive income" under the PFIC rules or (2) 50% or more of the average quarterly value of its assets produce (or are held for the production of) "passive income." For this purpose, "passive income" generally includes interest, dividends, rents, royalties and certain gains, but an exception is provided under U.S. Treasury regulations under which certain "active rental income" is not considered passive income for purposes of determining whether a non-U.S. corporation is a PFIC. Interest, dividends, rents and royalties received from a related person (within the meaning of the PFIC rules) are excluded from passive income to the extent such payments are properly allocable to the active income of such related person. Moreover, for purposes of determining if the non-U.S. corporation is a PFIC, if the non-U.S. corporation owns, directly or indirectly, at least 25%, by value, of the shares of another corporation, it will be treated as if it holds directly its proportionate share of the assets and receives directly its proportionate share of the income of such other corporation. If a corporation is treated as a PFIC with respect to a U.S. Holder for any taxable year, the corporation will continue to be treated as a PFIC with respect to that U.S. Holder in all succeeding taxable years, regardless of whether the corporation continues to meet the PFIC requirements in such years, unless certain elections are made.

The determination as to whether a non-U.S. corporation is a PFIC is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and the determination will depend on the composition of the income, expenses and assets of the non-U.S. corporation from time to time and the nature of the activities performed by its officers and employees. In particular, our PFIC status for any taxable year will likely depend upon the extent to which lease revenue from our shopping malls is considered "active rental income," an analysis that raises the uncertainties described above. GS Investments believes that it will likely be classified as a PFIC for the 2012 taxable year and future taxable years. However, GS Investments' actual PFIC status for the current or any future taxable year is uncertain and cannot be determined until after the end of such taxable year.

If GS Investments is classified as a PFIC, a U.S. Holder that does not make any of the elections described below would be required to report any gain on the disposition of any notes as ordinary income, rather than as capital gain, and to compute the tax liability on the gain and any "Excess Distribution" (as defined below) received in respect of the notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a portion thereof) for the notes. The amounts allocated to the taxable year during which the gain is realized or distribution is made, and to any taxable years in such U.S. Holder's holding period that are before the first taxable year in which GS Investments is treated as a PFIC with respect to the U.S. Holder, would be included in the U.S. Holder's gross income as ordinary income for the taxable year of the gain or distribution. The amount allocated to each other taxable year would be taxed as ordinary income in the taxable year during which the gain is realized or distribution is made at the highest tax rate in effect for the U.S. Holder in that other taxable year and would be subject to an interest charge as if the income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of the notes as security for a loan may be treated as a taxable disposition of the notes. An "Excess Distribution" is the amount by which distributions during a taxable year in respect of a note exceed 125% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the notes).

Certain additional adverse tax rules will apply to a U.S. Holder for any taxable year in which GS Investments is treated as a PFIC with respect to such U.S. Holder and any subsidiary of GS Investments is also treated as a PFIC (a "Subsidiary PFIC"). In such a case, the U.S. Holder will generally be deemed to own its

proportionate interest (by value) in any Subsidiary PFIC and be subject to the PFIC rules described above with respect to the Subsidiary PFIC regardless of such U.S. Holder's percentage ownership in GS Investments.

The adverse tax consequences described above may be mitigated if a U.S. Holder makes a timely "qualified electing fund" election (a "QEF election") with respect to its interest in the PFIC. Consequently, if GS Investments were to be classified as a PFIC, it would likely be advantageous for a U.S. Holder to elect to treat GS Investments as a "qualified electing fund" (a "QEF") with respect to such U.S. Holder in the first year in which it holds the notes. If a U.S. Holder makes a timely QEF election with respect to GS Investments, the electing U.S. Holder would be required in each taxable year to include in gross income (i) as ordinary income, the U.S. Holder's pro rata share of the ordinary earnings of GS Investments and (ii) as capital gain, the U.S. Holder's pro rata share of the net capital gain (if any) of GS Investments, whether or not the ordinary earnings or net capital gain are distributed. An electing U.S. Holder's basis in the notes will be increased to reflect the amount of any taxed but undistributed income. Distributions of income that had previously been taxed will result in a corresponding reduction of basis in the notes and will not be taxed again as distributions to the U.S. Holder.

A QEF election made with respect to GS Investments will not apply to any Subsidiary PFIC; a QEF election must be made separately for each Subsidiary PFIC (in which case the treatment described above would apply to such Subsidiary PFIC). If a U.S. Holder makes a timely QEF election with respect to a Subsidiary PFIC, it would be required in each taxable year to include in gross income its pro rata share of the ordinary earnings and net capital gain of such Subsidiary PFIC, but may not receive a distribution of such income. Such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge (which would not be deductible if the U.S. Holder were an individual).

GS Investments intends to make available, upon request and in accordance with applicable procedures, a "PFIC Annual Information Statement" with respect to GS Investments and any subsidiary of GS Investments that GS Investments has determined is likely a PFIC and in which GS Investments owns, directly or indirectly, 50% or more of such subsidiary's total aggregate voting power. The "PFIC Annual Information Statement" may be used by U.S. Holders for purposes of complying with the reporting requirements applicable to a QEF election with respect to GS Investments and any Subsidiary PFIC.

The U.S. federal income tax on any gain from the disposition of notes or from the receipt of Excess Distributions may be greater than the tax if a timely QEF election is made. It is recommended that, if GS Investments were to be classified as a PFIC, a U.S. Holder make a QEF election with respect to GS Investments and any Subsidiary PFIC.

Alternatively, if GS Investments were to be classified as a PFIC, a U.S. Holder could also avoid certain of the rules described above by making a mark-to-market election (instead of a QEF election), provided the notes are treated as regularly traded on a qualified exchange or other market within the meaning of the applicable Treasury regulations. However, a U.S. Holder will not be permitted to make a mark-to-market election with respect to a Subsidiary PFIC. U.S. Holders should consult their own tax advisers regarding the potential availability and consequences of a mark-to-market election, as well as the advisability of making a protective QEF election in case GS Investments is classified as a PFIC in any taxable year.

During any taxable year in which GS Investments or any Subsidiary PFIC is treated as a PFIC with respect to a U.S. Holder and in which such holder recognizes gain or receives an Excess Distribution with respect to its ownership in the entity or entities, that U.S. Holder must file U.S. Internal Revenue Service ("IRS") Form 8621. Recently enacted legislation creates an additional annual filing requirement for U.S. persons who are shareholders in a PFIC. The legislation does not describe what information will be required to be included in the additional annual filing, but rather grants the Secretary of the U.S. Treasury authority to decide what information must be included in such annual filing. Recent guidance has suspended the obligation to report such additional information until the IRS releases the relevant forms. U.S. Holders should consult their own tax advisers concerning annual filing requirements.

Information Reporting and Backup Withholding

Dividends paid on, and proceeds from the sale or other disposition of, the notes to a U.S. Holder, generally may be subject to information reporting requirements and may be subject to backup withholding at the appropriate

rate unless the U.S. Holder provides an accurate taxpayer identification number and complies with applicable certification requirements, or otherwise demonstrates that it is exempt. The amount of any backup withholding collected from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that certain required information is submitted to the Internal Revenue Service in a timely manner.

Certain U.S. Holders are required to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in the notes. U.S. Holders are urged to consult their own tax advisers regarding information reporting requirements relating to their ownership of the notes.

European Union Directive on Taxation of Savings Income

The European Union has adopted a Directive regarding the taxation of savings income (EC Council Directive 2003/48/EC; the "EU Tax Directive"). Countries that are member states of the European Union ("Member States") are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria and Luxembourg have instead opted to impose a withholding system for a transitional period unless during such period they elect otherwise. The rate of withholding is currently 35%.

In certain circumstances, the withholding tax provisions of the EU Tax Directive may apply to payments on bonds that are made or received in Austria or Luxembourg. Holders may be able to take steps to keep payments from being subject to such withholding tax, for example, by authorizing their paying agent to report the payments and/or by presenting a certificate issued by the competent authority of their Member State of residence for tax purposes (as provided by the EU Tax Directive), or by receiving payments from a paying agent within the European Union but outside Austria and Luxembourg, although we cannot preclude the possibility that withholding tax will eventually be levied in some situations. In any event, details of payments made on bonds from a Member State will likely have to be reported to tax or other relevant authorities under the EU Tax Directive or local law, including, for example, to Member States in cases where recipients are located in the jurisdiction where payments are actually made.

The European Commission is currently consulting on a proposal to extend the scope of the EU Tax Directive to interest payments which are channelled through intermediate tax-exempted structures and income equivalent to interest obtained through investments in some innovative financial products as well as in certain life insurance products.

Cayman Islands Taxation

The following is a discussion of certain Cayman Islands income tax consequences of an investment in the notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws:

1.1 Payments of interest and principal on the notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the notes nor will gains derived from the disposal of the notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

1.2 No stamp duty is payable in respect of the issue of the notes. An instrument of transfer in respect of a note is stampable if executed in or brought into the Cayman Islands.

GS Investments has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law

1999 Revision

Undertaking as to Tax Concessions

In accordance with the provision of section 6 of The Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with General Shopping Investments Limited (the "Company"):

1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

2.1 on or in respect of the shares, debentures or other obligations of the Company;

or

2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

3. These concessions shall be for a period of twenty years from the 13th day of September 2011.

CERTAIN ERISA CONSIDERATIONS

General

The Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975 of the Code impose certain restrictions on (a) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (b) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, (c) any entities whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan's investment in such entities (each of (a), (b) and (c), an "ERISA Plan") and (d) persons who have certain specified relationships to ERISA Plans ("Parties in Interest" under ERISA and "Disqualified Persons" under the Code). Moreover, based on the reasoning of the United States Supreme Court in John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank, 510 U.S. 86 (1993), an insurance company's general account may be deemed to include assets of the ERISA Plan investing in the general account (e.g., through the purchase of an annuity contract), and such insurance company might be treated as a Party in Interest with respect to an ERISA Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of ERISA Plans subject to ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions between an ERISA Plan and Parties in Interest or Disqualified Persons with respect to such ERISA Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

ERISA Plan Assets Regulation

The United States Department of Labor has issued a regulation, 29 C.F.R. 2510.3-101 that was modified by Section 3(42) of ERISA (the "Plan Assets Regulation"), that provides, under specified circumstances, that the assets of GS Investments would be treated as "plan assets" of an ERISA Plan for purposes of ERISA and Section 4975 of the Code if an ERISA Plan acquires an equity interest in the Issuer and if no exceptions apply. Under the Plan Assets Regulation, if an ERISA Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the 1940 Act, the ERISA Plan's assets are deemed to include both the equity interest itself and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation by "benefit plan investors" is not "significant."

If for any reason the assets of the Issuer were deemed to be "plan assets" of an ERISA Plan, certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded and other provisions of ERISA could be implicated as well.

No ERISA Plans will be Permitted to Acquire a Note

The notes will likely constitute "equity interests" in the Issuer for purposes of the Plan Assets Regulation and there can be no assurance that any of the exceptions to the Plan Assets Regulation will apply. Therefore, in order to avoid the treatment of the assets of the Issuer as assets of any ERISA Plan, ERISA Plans, including without limitation as applicable, an insurance company general account, will not be allowed to acquire or hold any notes.

Accordingly, each purchaser of a note (or an interest therein) will be deemed, by its acquisition of any such interest, to have represented and warranted that it is not, and that it is not acting on behalf of, an ERISA Plan, including without limitation as applicable, an insurance company general account. Any purchase or transfer that violates the aforementioned shall be null and void ab initio.

Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), are not subject to the requirements of Title I of ERISA or Section 4975 of the Code. Accordingly, assets of such plans may be invested in the bonds without regard to the ERISA considerations described herein, subject to the provisions or other applicable federal and state law. However, any such plan that is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code is subject to the prohibited transaction rules set forth in Section 503 of the Code.

PLAN OF DISTRIBUTION

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co. are acting as the initial purchasers for the offering of the notes. Subject to the terms and conditions stated in the purchase agreement among us and the initial purchasers, we have agreed to sell to the initial purchasers, and each of the initial purchasers has agreed, severally and not jointly, to purchase from us, the principal amount of the notes set forth opposite its name below.

Initial Purchaser	Principal Amount of Notes
Merrill Lynch, Pierce, Fenner & Smith Incorporated	US$75,000,000
Goldman, Sachs & Co	US$75,000,000
	US$150,000,000

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed, severally and not jointly, to purchase all of the notes sold under the purchase agreement if any of these notes are purchased. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the nondefaulting initial purchasers may be increased or the purchase agreement may be terminated.

We have agreed to indemnify the several initial purchasers and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The expenses of the offering, not including the initial purchasers' discount, are estimated to be US$ 1.0 million and are payable by us.

Commissions and Discounts

The initial purchasers propose initially to offer the notes at the offering price set forth on the cover page of this offering memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. See "Notice to Investors." After the initial offering, the offering price or any other term of the offering may be changed.

Notes and Guarantees Are Not Being Registered

The notes and the guarantees have not been registered under the Securities Act or any state securities laws. The initial purchasers propose to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. See "Notice to Investors." The initial purchasers will not offer or sell the notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgments, representations and agreements as described under "Notice to Investors."

New Issue of Notes

The notes will constitute a new class of securities with no established trading market. Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF Market of that Exchange. We have been advised by the initial purchasers that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. In addition, market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Settlement

Delivery of the notes was made to investors on March 20, 2012. Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise.

No Sales of Similar Securities

We have agreed that we will not, for a period of 90 days after the date of this offering memorandum, without first obtaining the prior written consent of the initial purchasers, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any debt securities or securities exchangeable for or convertible into debt securities, except for the notes sold to the initial purchasers pursuant to the purchase agreement.

Short Positions

In connection with the offering, the initial purchasers may purchase and sell the notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater principal amount of notes than they are required to purchase in the offering. The initial purchasers must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the initial purchasers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the initial purchasers make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The initial purchasers also may impose a penalty bid. This occurs when a particular initial purchaser repays to the initial purchasers a portion of the commissions received by it because the initial purchasers or their affiliates have repurchased notes sold by or for the account of such initial purchaser in stabilizing or short covering transactions.

Other Relationships

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities.

Some of the initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") no offer of notes may be made to the public in that Relevant Member State other than:

(A) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(B) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or

(C) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This offering memorandum has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for the Company or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or the initial purchasers to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

This offering memorandum does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the notes will not be listed on the SIX Swiss Exchange. Therefore, this offering memorandum may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the initial purchasers from time to time.

Notice to Prospective Investors in the Dubai International Financial Centre

This offering memorandum relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This offering memorandum is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for the offering memorandum. The notes to which this offering memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this offering memorandum you should consult an authorized financial advisor.

Notice to Prospective Investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Hong Kong

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The securities will not be offered or sold in Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the securities which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the securities are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then securities, debentures and units of securities and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Notice to Prospective Investors in The People's Republic of China

This offering memorandum has not been filed with or approved by the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan) authorities, and is not an offer of securities (whether a public offering or private placement) within the meaning of the Securities Law or other pertinent laws and regulations of the People's Republic of China. This offering memorandum shall not be delivered to any party who is not an intended recipient and shall not be distributed to the general public if used within the People's Republic of China, and the notes so offered herein cannot be sold to anyone that is not a qualified purchaser of the People's Republic of China.

Stamp Taxes

Purchasers of any notes sold outside the United States may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price paid by such purchasers for such notes.

LEGAL MATTERS

Skadden, Arps, Slate, Meagher & Flom LLP, our U.S. counsel, Souza, Cescon, Barrieu & Flesch Advogados, our Brazilian counsel, and Maples and Calder, our Cayman Islands counsel, will pass on the validity of the notes and the guarantees for us. Simpson Thacher & Bartlett LLP, U.S. counsel to the initial purchasers, and Mattos Filho Veiga Filho Marrey Jr. e Quiroga Advogados, Brazilian counsel to the initial purchasers, will pass on the validity of the notes and the guarantees for the initial purchasers.

INDEPENDENT AUDITORS

The individual and consolidated financial statements of General Shopping Brasil S.A. as of and for the years ended December 31, 2010 and 2009, included elsewhere in this offering memorandum, have been audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with Brazilian and International auditing standards, as stated in their independent auditor's reports appearing herein, which includes the following explanatory paragraphs referring to (i) the fact that the Company is taking measures to complete the registration of certain title deeds for certain acquired properties in the appropriate Real State Registry Offices, as mentioned in note 11 to such financial statements; (ii) based on the fact, as mentioned in note 2 to the financial statements, that in the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil, therefore, these individual financial statements do not comply with IFRSs, which requires that these investments be stated at fair value or cost in the Company's individual financial statements and (iii) the results of our audit on the individual and consolidated statements of value added, for the year ended December 31, 2010, prepared under the responsibility of management the presentation of which is required by the standards established by the CVM applicable to the preparation of Financial Statements and is considered as supplemental information for IFRS that does not require such presentation.

The individual and consolidated financial statements of General Shopping Brasil S.A. as of and for the years ended December 31, 2011 and 2010, included elsewhere in this offering memorandum, have been audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with Brazilian and International auditing standards, as stated in their independent auditor's reports appearing herein, which includes the following explanatory paragraphs referring to (i) the fact that the Company is taking measures to complete the registration of certain title deeds for certain acquired properties in the appropriate Real State Registry Offices, as mentioned in note 10 to such financial statements; (ii) based on the fact, as mentioned in note 2 to the financial statements, that in the individual financial statements, investments in subsidiaries, joint ventures and associations are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil, therefore, these individual financial statements do not comply with IFRSs, which requires that these investments be stated at fair value or cost in the Company's individual financial statements and (iii) the results of our audit on the individual and consolidated statements of value added, for the year ended December 31, 2011, prepared under the responsibility of management the presentation of which is required by the standards established by the CVM applicable to the preparation of Financial Statements and is considered as supplemental information for IFRS that does not require such presentation.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

GS Investments is incorporated with limited liability under the laws of the Cayman Islands. Each of the Guarantors is a corporation organized under the laws of Brazil. Substantially all of the Company's directors and officers and independent accountants and substantially all of the directors and officers and independent accountants of the Guarantors, and some of the advisors named herein, reside in Brazil or elsewhere outside the United States, and all or a significant portion of the assets of such persons may be, and substantially all of the assets of the Guarantors are located outside the United States. As a result, it may not be possible for investors to affect service of process within the United States or other jurisdictions outside Brazil and the Cayman Islands upon such persons, or to enforce against them or against GS Investments judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions.

In the terms and conditions of the notes, GS Investments and the Guarantors will (i) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, The City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the notes and, for such purposes, irrevocably submit to the jurisdiction of such courts and (ii) name an agent for service of process in the Borough of Manhattan, The City of New York. See "Description of the Notes."

We have been advised by our Cayman Islands legal counsel, Maples and Calder, that there is no statutory enforcement in the Cayman Islands of judgments obtained in New York or Brazil. However, a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, *provided* such judgment (i) is given by a foreign court of competent jurisdiction; (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given; (iii) is final; (iv) is not in respect of taxes, a fine or a penalty; and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

The Company and the Guarantors have been advised by their Brazilian counsel, that judgments of non-Brazilian courts for civil liabilities predicated upon the securities laws of countries other than Brazil, including the U.S. securities laws, subject to certain requirements described below, may be enforced in Brazil. A judgment against either the Company or any Guarantor or any of their respective directors, officers, independent auditors or advisors obtained outside Brazil would be enforceable in Brazil against it or any such person without reconsideration of the merits, upon confirmation of that judgment by the Brazilian Superior Court of Justice (*supreme tribunal de justiça*) ("STJ"). That confirmation, generally, will occur if the foreign judgment:

- fulfills all formalities required for its enforceability under the laws of the country where the foreign judgment is granted;
- is issued by a competent court after proper service of process is made in accordance with Brazilian legislation if made in Brazil, or after sufficient evidence of the parties' absence has been given, as required by applicable law;
- is not subject to appeal;
- is for a sum certain;
- is authenticated by a Brazilian consular office in the country where the foreign judgment is issued and is accompanied by a sworn translation into Portuguese; and
- is not contrary to Brazilian national sovereignty, public policy or public morality.

Notwithstanding the foregoing, no assurance can be given that such ratification would be obtained, that the process described above could be conducted in a timely manner or that the Brazilian court would enforce a monetary judgment for the violation of the U.S. securities laws with respect to the guarantee.

We have also been advised that:

- civil actions may be brought before Brazilian courts based on the federal securities laws of the United States and that, subject to applicable law, Brazilian courts may enforce such liabilities in such actions against us (*provided* that provisions of the federal securities laws of the United States do not contravene Brazilian public policy, good morals or national sovereignty and *provided further* that Brazilian courts can assert jurisdiction over the particular action), and

- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant in Brazil is governed and limited by provisions of Brazilian law.

In addition, a plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of the litigation in Brazil and who does not own real property in Brazil must post a bond to guarantee the payment of the defendant's legal fees and court expenses in connection with court procedures for the collection of payments under the notes and the guarantee except in the case of claims for collection on a commercial paper (an instrument which may be enforced in Brazilian courts without a review on the merits) or counterclaims as established under Article 836 of the Brazilian Code of Civil Procedure or in the case of the enforcement of foreign judgments that have been duly confirmed by the Superior Court of Justice of Brazil.

We have been advised that, if the notes or the indenture were to be declared void by a court applying the laws of the State of New York, a judgment obtained outside of Brazil seeking to enforce the guarantee granted by us may not be confirmed by STJ.

LISTING AND GENERAL INFORMATION

The notes have been accepted for clearance through DTC, Euroclear and Clearstream Luxembourg. The CUSIP, ISIN and Common Code numbers for the notes are as follows:

144A CUSIP	370837 AA4
144A ISIN	US370837AA46
144A Common Code	078056436
Regulation S CUSIP	G3812T AA9
Regulation S ISIN	USG3812TAA90
Regulation S Common Code	076130892

Copies of our latest audited annual financial statements and unaudited quarterly financial statements may be obtained during normal business hours at our executive offices, the offices of the trustee and any paying agent, including the Luxembourg special paying agent and principal paying agent. Copies of our bylaws (*estatuto social*), as well as the indenture (including forms of the notes), will be available during normal business hours at our executive offices, the offices of the trustee and any other paying agent, including the Luxembourg special paying agent and principal paying agent. Copies of the PFIC Annual Information Statement, if provided to any holder upon request, shall also be made available at the office of the Luxembourg paying agent and principal paying agent.

Except as disclosed in this offering memorandum, there has been no material adverse change in our (including GS Investments) financial position since December 31, 2011, the date of the latest unaudited financial statements included in this offering memorandum.

Except as disclosed in this offering memorandum, we (including GS Investments) are not or have not been involved in any governmental, legal or arbitration proceedings during the 12-month period immediately preceding the date of this offering memorandum that had or may reasonably be expected to have any material adverse effect on our financial position and results of operations.

Application has been made to the Luxembourg Stock Exchange for the notes to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

The Subsidiary Guarantors will not prepare and publish separate financial statements.

The creation and issuance of the notes were authorized pursuant to written resolutions of GS Investments's board of directors, dated March 13, 2012. The execution of the related guarantees is expected to be authorized by the board of directors of General Shopping at its board meeting to be held on March 16, 2012.

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITORS' REPORT

To the Shareholders, Directors and Management of
General Shopping Brasil S.A.
São Paulo - SP

We have audited the accompanying individual and consolidated financial statements of General Shopping Brasil S.A. ("Company") and its subsidiaries, identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2011, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board - IASB, and in accordance with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing selected procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

"Deloitte" refere-se à sociedade limitada estabelecida no Reino Unido "Deloitte Touche Tohmatsu Limited" e sua rede de firmas-membro, cada qual constituindo uma pessoa jurídica independente. Acesse www.deloitte.com/about para uma descrição detalhada da estrutura jurídica da Deloitte Touche Tohmatsu Limited e de suas firmas-membro.

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Opinion on the individual financial statements

In our opinion, the individual financial statements present fairly, in all material respects, the financial position of General Shopping Brasil S.A. as at December 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of General Shopping Brasil S.A. as at December 31, 2011, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board - IASB and accounting practices adopted in Brazil.

Emphasis of matter

a) We draw attention to Note 2 to the financial statements, which states that the individual financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of General Shopping Brasil S.A., these accounting practices differ from the IFRSs, applicable to separate financial statements, only with respect to the measurement of investments in subsidiaries by the equity method of accounting, which, for purposes of IFRS, would be measured at cost or fair value.

b) The Company has taken measures to complete the registration of certain title deeds for certain properties acquired in the appropriate real estate registry offices, as stated in Note 10. Management understands that no material expenses will be incurred upon completion of this process and that there will be no impediments to such registration.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added ("DVA") for the year ended December 31, 2011, prepared under the responsibility of the Company's management, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies, and considered as supplemental information for IFRS, which does not require the presentation of a DVA. These financial statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, February 24, 2012

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Ismar de Moura
Engagement Partner

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF DECEMBER 31, 2011 AND 2010
(In thousands of Brazilian reais - R$)

ASSETS	Note	Parent (BR GAAP) 12/31/2011	Parent (BR GAAP) 12/31/2010	Consolidated (BR GAAP & IFRSs) 12/31/2011	Consolidated (BR GAAP & IFRSs) 12/31/2010
CURRENT ASSETS					
Cash and cash equivalents	3	1,346	1,473	121,680	334,045
Certificates of Real Estate Receivables (CRI)		-	-	-	457
Trade accounts receivable	5	-	-	34,260	24,643
Recoverable taxes	6	635	464	4,089	2,113
Other receivables	8	1,564	782	5,740	14,648
Total current assets		3,545	2,719	165,769	375,906
NONCURRENT ASSETS					
Trade accounts receivable	5	-	-	1,346	1,699
Certificates of Real Estate Receivables (CRI)		-	-	-	798
Deferred income tax and social contribution	24	-	-	12,554	12,588
Related parties	7	26,004	18,452	22,124	19,368
Deposits and pledges		-	-	2,756	938
Restricted short-term investments	4	-	-	90,627	10,610
Other receivables	8	-	-	1,068	-
Investments	9	486,831	507,651	-	-
Investment properties	10	-	-	915,030	699,919
Property, plant and equipment	11	15,857	6,348	28,732	18,066
Intangible assets	12	6,441	429	41,822	30,901
Total noncurrent assets		535,133	532,880	1,116,059	794,927
TOTAL ASSETS		538,678	535,599	1,281,828	1,170,833

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent (BR GAAP) 12/31/2011	Parent (BR GAAP) 12/31/2010	Consolidated (BR GAAP & IFRSs) 12/31/2011	Consolidated (BR GAAP & IFRSs) 12/31/2010
CURRENT LIABILITIES					
Trade accounts payable		2,132	225	17,773	3,858
Loans and financing	13	-	10,450	12,782	25,856
Accounts payable - acquisition of real estate	15	-	-	7,550	969
Salaries and related taxes		1,839	1,540	2,257	1,921
Taxes, fees and contributions		315	196	19,219	15,243
Taxes in installments	17	173	294	5,534	6,155
Real Estate Credit Notes (CCI)	14	-	-	18,111	99,500
Related parties	7	199,569	150,484	13,949	14,848
Other payables	16	1,013	897	14,210	4,029
Total current liabilities		205,041	164,086	111,385	172,379
NONCURRENT LIABILITIES					
Loans and financing	13	-	-	459,816	321,915
Key money		-	-	19,179	14,014
Taxes paid in installments	17	524	399	16,641	21,764
Deferred income tax and social contribution	24	-	-	41,850	41,898
Accounts payable - acquisition of real estate	15	-	-	-	116
Reserve for civil, tax, labor and social security risks	18	-	-	613	6,210
Real Estate Credit Notes (CCI)	14	-	-	199,826	221,423
Other payables	16	-	-	99,405	-
Total noncurrent liabilities		524	399	837,330	627,340
SHAREHOLDERS' EQUITY					
Capital	19	317,813	317,813	317,813	317,813
Subsidiaries' revaluation reserve		58,517	58,740	108,312	108,535
Accumulated losses		(43,217)	(5,439)	(93,012)	(55,234)
Total shareholders' equity		333,113	371,114	333,113	371,114
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		538,678	535,599	1,281,828	1,170,833

The accompanying notes are an integral part of these financial statements

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(In thousands of Brazilian reais - R$, except loss per share)

		Parent (BR GAAP)		Consolidated (BR GAAP & IFRSs)	
	Note	12/31/2011	12/31/2010	12/31/2011	12/31/2010
NET REVENUES	20	-	-	137,341	116,159
COSTS OF RENTALS AND SERVICES PROVIDED	21	-	-	(28,065)	(25,032)
GROSS PROFIT		-	-	109,276	91,127
OPERATING INCOME (EXPENSES)					
General and administrative expenses	22	(17,181)	(12,313)	(33,079)	(22,685)
Other operating income, net	25	329	19	9,294	3,450
Equity in subsidiaries	9	(20,901)	4,500	-	-
INCOME (LOSS) FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)		(37,753)	(7,794)	85,491	71,892
FINANCIAL INCOME (EXPENSES)	23	(248)	(3,561)	(108,252)	(73,111)
OPERATING INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(38,001)	(11,355)	(22,761)	(1,219)
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	24	-	-	(15,254)	(10,219)
Deferred	24	-	-	14	83
Total		-	-	(15,240)	(10,136)
NET LOSS FOR THE YEAR		(38,001)	(11,355)	(38,001)	(11,355)
ATTRIBUTABLE TO COMPANY'S OWNERS				(38,001)	(11,355)
BASIC LOSS PER SHARE - R$		(0.75)	(0.22)	(0.75)	(0.22)

The Company does not have comprehensive income (loss) items in the current and prior year.

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (PARENT)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(In thousands of Brazilian reais - R$)

	Capital	Subsidiaries' revaluatinn reserve	Earnings retentinn reserve	Accumulated losses	Total
BALANCES AS OF DECEMBER 31, 2009	317,813	58,906	5,750	-	382,469
Net loss for the year	-	-	-	(11,355)	(11,355)
Realization of revaluation reserve	-	(166)	-	166	-
Offset of accumulated losses against the earnings retentinn reserve	-	-	(5,750)	5,750	-
BALANCE AS OF DECEMBER 31, 2010	317,813	58,740	-	(5,439)	371,114
Net loss for the year	-	-	-	(38,001)	(38,001)
Realization of revaluation reserve	-	(223)	-	223	-
BALANCE AS OF DECEMBER 31, 2011	317,813	58,517	-	(43,217)	333,113

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(In thousands of Brazilian reais - R$)

	Parent (BR GAAP)		Consolidated (BR GAAP & IFRSs)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss for the year	(38,001)	(11,355)	(38,001)	(11,355)
Adjustments to reconcile net income for the year to net cash (used in) provided by operations:				
Depreciation and amortization	404	683	12,457	9,822
Fixed assets disposed of	-	-	-	22,948
Write-off of fixed assets	-	-	-	-
Allowance for doubtful accounts	-	-	975	300
Unbilled revenue from rentals	-	-	-	-
Reversal of reserve for civil, tax, labor and social security	-	-	(5,695)	(1,846)
Monetary restatement of provisions for civil, tax, labor and social security	-	-	98	783
Deferred income and social contribution taxes	-	-	(14)	(83)
Fines and penalties	-	-	-	-
Exchange change on loans and financing	-	-	-	-
Reversal of inflation adjustment and interest on taxes in installments	-	-	-	-
Financial charges on borrowings, financing, CCI and perpetual bonds	31	3,574	79,534	75,220
Financial charges on taxes in installments	62	-	2,965	-
Reversal of taxes in installments	-	-	(2,736)	-
Unrealized loss on derivatives	-	-	418	-
Exchange variation on other assets and liabilities	-	-	36,891	3,689
Equity in subsidiaries	20,901	(4,500)	-	-
(Increase) decrease in operating assets:				
Trade accounts receivable	-	-	(10,239)	(709)
Recoverable taxes	(171)	(20)	(1,976)	(702)
Other receivables	(782)	(695)	7,840	(12,889)
Deposits and pledges	-	-	(1,778)	(214)
Increase (decrease) in operating liabilities:				
Trade accounts payable	1,907	(172)	13,915	(696)
Taxes, fees and contributions	119	579	3,976	1,988
Salaries, related taxes and premiums	299	403	336	365
Unearned income from assignments	-	-	5,165	937
Other payables	116	(403)	109,168	(1,037)
Cash provided by (used in) provided by operating activities	(15,115)	(11,906)	213,299	86,501
Interest paid	(31)	(3,638)	(72,340)	(36,220)
Net cash provided by (used in) operating activities	(15,146)	(15,544)	140,959	50,281
CASH FLOW FROM INVESTING ACTIVITIES				
Receivables from properties for sale	-	-	-	25,394
Restricted short-term investments	-	-	(80,017)	188
Certificates of Real Estate Receivables (CRI)	-	-	1,255	48
Capital increase in subsidiaries	(81)	-	-	-
Purchase of investment properties and fixed and intangible assets	(15,925)	(3,006)	(224,427)	(43,464)
Net cash used in investing activities	(16,006)	(3,006)	(303,189)	(17,834)
CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings, financing and CCI raised	-	15,000	78,960	395,368
Repayment of principal of borrowings, financing and CCI	(10,450)	(35,044)	(131,(29)	(82,474)
Accounts payable - acquisition of real estate	-	-	(9,390)	15,112)
Taxes paid in installments	(58)	-	(5,752)	(3,700)
Related parties	41,533	38,098	(5,069)	(6,968)
Net cash provided by (used in) financing activities	31,025	18,054	(72,380)	297,114
Effect of exchange rate changes on cash and cash equivalents	-	-	22,245	(7,659)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(127)	(496)	(212,365)	321,902
CASH AND CASH EQUIVALENTS				
At end of year	1,346	1,473	121,680	334,045
At beginning of year	1,473	1,969	334,045	12,143
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(127)	(496)	(212,365)	321,902

The accompanying notes are an integral part of these financial statements

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(In thousands of Brazilian reais - R$)

	Parent (BR GAAP)		Consolidated (BR GAAP & IFRSs)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
REVENUES				
Revenue from services	-	-	145.184	124,334
Allowance for doubtful accounts	-	-	(975)	(300)
	-	-	144,209	124,034
SERVICES AND MATERIALS FROM THIRD PARTIES				
Outside services, materials and other	(6,692)	(4,463)	(32,516)	(27,861)
GROSS VALUE ADDED (CONSUMED)	(6,692)	(4,463)	111,693	96,173
DEPRECIATION AND AMORTIZATION	(404)	(683)	(12,457)	(9,822)
VALUE ADDED (CONSUMED) CREATED BY THE COMPANY	(7,096)	(5,146)	99,236	86,351
VALUE ADDED RECEIVED IN TRANSFER				
Equity in subsidiaries	(20,901)	4,500	-	-
Financial income	192	1,178	11,856	6,243
Other	329	19	9,294	5,445
WEALTH FOR DISTRIBUTION	(27,476)	551	120,386	98,039
WEALTH DISTRIBUTED				
Employees:				
Direct compensation	7,131	4,251	10,649	7,287
Benefits	982	1,323	1,442	1,768
FGTS	460	315	514	396
INSS	1,474	1,253	1,666	2,077
Taxes fees and contributions:				
Federal	-	-	21,685	17,094
Municipal	38	25	2,323	1,418
Debt capital:				
Financial expenses	440	4,739	120,108	79,354
Net loss for the year	(38,001)	(11,355)	(38,001)	(11,355)
	(27,476)	551	120,386	98,039

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Amounts in thousands of Brazilian reais - R$, unless otherwise stated)

1. GENERAL INFORMATION

General Shopping Brasil S.A. ("Company") was established on March 6, 2007 and, on March 31, 2007, after successive corporate transactions, the equity interest in the companies engaged in shopping mall activities and the equity interest in the companies that provide services to the shopping malls were grouped into two different companies: (a) Levian Participações e Empreendimentos Ltda. and (b) Atlas Participações Ltda., respectively.

The Company trades its shares on BM&FBovespa (São Paulo Stock Exchange), under the ticker symbol "GSHP3".

The Company's immediate and ultimate Parent Company is Golf Participações Ltda., a company headquartered in Brazil.

The Company is headquartered in São Paulo, at Avenida Angélica, 2.466, conjunto 221.

The Company is engaged in the following activities: (a) management of its own and third parties' assets; (b) holding of equity interests in real estate projects; and (c) real estate development and related activities.

The Company's direct and indirect subsidiaries included in the consolidated financial statements are as follows:

- Atlas Participações Ltda. ("Atlas") - engaged in managing its own assets, and holding equity interests in other companies. Atlas presently holds a 100% interest in I Park Estacionamentos Ltda., Energy Comércio e Serviços de Energia Ltda., Wass Comércio e Serviços de Água Ltda., General Shopping Brasil Administradora e Serviços Ltda., Internacional Guarulhos Auto Shopping Center Ltda., Vide Serviços e Participações Ltda. and Ast Administradora e Incorporadora Ltda.

- ABK do Brasil - Empreendimentos e Participações Ltda. ("ABK") - engaged in managing its own assets and holding equity interests in other companies. ABK presently holds an undivided interest of 50% of Internacional Guarulhos Auto Shopping Center.

- Ast Administradora e Incorporadora Ltda. ("Ast") - engaged in managing its own and third parties' assets, real estate development, holding equity interests in other companies and real estate projects, and leasing security equipment and video cameras.

- Bac Administradora e Incorporadora Ltda. ("Bac") - engaged in developing real estate projects.

- BOT Administradora e Incorporadora Ltda. ("BOT") - engaged in the development of real estate projects. BOT holds 50% of the shares in Outlet Premium São Paulo. On April 25, 2011, BR Outlet Administradora e Incorporadora Ltda. had its corporate name changed to BOT Administradora e Incorporadora Ltda.

- Brassul Shopping Administradora e Incorporadora Ltda. ("Brassul") - engaged in managing its own and third parties' assets and real estate development. Brassul holds 99.99% of the shares in Sale Empreendimentos e Participações Ltda.

- Cly Administradora e Incorporadora Ltda. ("Cly") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects. Cly holds a 90% interest in Internacional Shopping Guarulhos.

- Delta Shopping Empreendimentos Imobiliários Ltda. ("Delta") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects.

- Energy Comércio e Serviços de Energia Ltda. ("Energy") - engaged in purchasing, selling and leasing electricity generation, transmission and distribution equipment and providing installation, maintenance and consulting services. At present, Energy leases electricity generation, transmission and distribution equipment to Internacional Shopping Guarulhos, Internacional Guarulhos Auto Shopping Center, Shopping Light, Santana Parque Shopping, Suzano Shopping, Shopping do Vale and Outlet Premium.

- Fonte Administradora e Incorporadora Ltda. ("Fonte") - engaged in managing its own and third parties' assets and real estate development. Fonte owns 51% of a land in Rio de Janeiro where Shopping Sulacap will be built.

- Real Estate Investment Fund ("FII Top Center") - engaged in: (a) acquiring the real estate comprising the shopping mall known as Top Center; and (b) investing in another real estate project, after approved by the Annual Unitholders' Meeting, in order to earn revenues from the appreciation, rental/lease and sale of the real estate comprising its real estate assets, as prescribed in the fund's bylaws, the applicable legislation and CVM standards.

- General Shopping Brasil Administradora e Serviços Ltda. ("GSB Administradora") - engaged in managing its own or third parties' assets, providing trade center management services, building management services, other supplemental or related services, and holding equity interests in other companies. At present, GSB Administradora is the manager of Internacional Guarulhos Shopping Center, Suzano Shopping Center, Poli Shopping Osasco, Prudente Parque Shopping, Cascavel JL Shopping, Shopping do Vale, Top Center, Outlet Premium and Unimart Shopping.

- General Shopping Finance Limited ("General Shopping Finance") - company based in Cayman Islands and engaged in developing activities and operations related to the Company or its subsidiaries.

- GS Finance II Limited ("GS Finance II") - company based in Cayman Islands and engaged in developing activities and operations related to the Company or its subsidiaries.

- I Park Estacionamentos Ltda. ("I Park") - engaged in managing owned or rented automotive vehicle parking lots. At present I Park operates the parking lots at Internacional Guarulhos Auto Shopping Center, Internacional Guarulhos Shopping Center, Shopping Light, Santana Parque Shopping, Suzano Shopping Center, Cascavel JL Shopping, Outlet Premium, Unimart, Shopping do Vale and Poli Shopping Osasco.

- Internacional Guarulhos Auto Shopping Center Ltda. ("ASG Administradora") - engaged in managing its own or third parties' assets, providing trade center management services, building management services, other supplemental or related services, and holding equity interests in other companies. At present, ASG Administradora is the manager Internacional Guarulhos Auto Shopping Center.

- Intesp Shopping Administradora e Incorporadora Ltda. ("Intesp") - engaged in managing its own and third parties' assets and real estate development. Intesp owns 99.5% of Poli Shopping Osasco.

- Jud Administradora e Incorporadora Ltda. ("Jud") - engaged in managing its own and third parties' assets, real estate development, holding equity interests in other companies and real estate projects. Jud owns 100% of the units in FII Top Center.

- Levian Participações e Empreendimentos Ltda. ("Levian") - engaged in managing its own assets, holding equity interests in other companies, and other supplemental or related activities. Levian presently holds an undivided interest of 50% in Internacional Guarulhos Auto Shopping Center; 0.5% in Prudente Parque Shopping and Poli Shopping Osasco and 0.5% in the shopping mall that will be built in the city of Atibaia.

  Presently, Levian holds equity interests in ABK do Brasil, Poli Shopping Center Empreendimentos Ltda., Lumen Shopping Administradora e Incorporadora Ltda., Lux Shopping Administradora e Incorporadora Ltda., Securis Administradora e Incorporadora Ltda., Delta Shopping Empreendimentos Imobiliários Ltda., Park Shopping Administradora e Incorporadora Ltda., Nova União Administradora e Incorporadora S.A., Sulishopping Empreendimentos Ltda., Send Empreendimentos e Participações Ltda., Manzanza Consultoria e Administração de Shopping Centers Ltda., Uniplaza Empreendimento Participação e Administração de Centro de Compras Ltda., Brassul Shopping Administradora e Incorporadora Ltda., Intesp Shopping Administradora e Incorporadora Ltda., PP Administradora e Incorporadora Ltda., Paulis Shopping Administradora e Incorporadora Ltda., Fonte Administradora e Incorporadora Ltda., Zuz Administradora e Incorporadora Ltda., Premium Outlet Administradora e Incorporadora Ltda., Jud Administradora e Incorporadora Ltda., Vul Administradora e Incorporadora Ltda., BOT Administradora e Incorporadora Ltda., Cly Administradora e Incorporadora Ltda., Bud Administradora e Incorporadora Ltda., Bac Administradora e Incorporadora Ltda., Sale Empreendimentos e Participações Ltda., ERS Administradora e Incorporadora Ltda.; MAI Administradora e Incorporadora Ltda., FLK Administradora e Incorporadora Ltda., Premium Outlet Administradora e Incorporadora Ltda. and BR Outlet Administradora e Incorporadora Ltda.

- Lumen Shopping Administradora e Incorporadora Ltda. ("Lumen") - engaged in managing its own and third parties' assets, holding equity interests in real estate and other projects, real estate development, and related or similar activities. On June 26, 2007, Lumen entered into a Property Purchase and Sale Settlement Agreement and an Assignment of the Right to Use the Commercial Property where Shopping Light is located. Lumen's interest in the indefeasible right to use the property is 46.957%.

- Lux Shopping Administradora e Incorporadora Ltda. ("Lux") - engaged in the management of own or third-parties' assets and real estate development. Lux owns the Shopping Light building and holds a 23.043% interest in the indefeasible right to use the property.

- Manzanza Consultoria e Administração de Shopping Centers Ltda. ("Manzanza") - engaged in providing shopping center consulting and management services and managing own assets. Manzanza owns the land where a shopping mall will be built in Atibaia.

- Nova União Administradora e Incorporadora S.A. ("Nova União") - engaged in managing its own and third parties' assets, holding equity interests in real estate and other projects, real estate development, and related or similar activities. Nova União Cly holds a 10% interest in Internacional Shopping Guarulhos.

- Park Shopping Administradora Ltda. ("Park Shopping Administradora") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects. A Park Shopping Administradora holds 100% of the shares in Sulishopping.

- Paulis Shopping Administradora e Incorporadora Ltda. ("Paulis") - engaged in managing its own and third parties' assets and real estate development.

- POL Administradora e Incorporadora Ltda. ("POL") - engaged in the development of real estate projects. POL owns the land where Shopping Outlet Premium will be built in Alexânia.

- Poli Shopping Center Empreendimentos Ltda. ("Poli Empreendimentos") - engaged in operating in the shopping mall segment by leasing owned properties or subletting leased properties. Poli Empreendimentos is presently the owner of Poli Shopping Center.

- PP Administradora e Incorporadora Ltda. ("PP") - engaged in managing its own and third parties' assets and real estate development. PP owns 99.5% of Prudente Parque Shopping.

- Sale Empreendimentos e Participações Ltda. ("Sale") - engaged in the purchase, sale, lease, urban development, mortgage, development, building, and management of properties owned by the Company and third parties or jointly owned. Sale owns 84.39% of Shopping do Vale.

- Securis Administradora e Incorporadora Ltda. ("Securis") - engaged in managing its own and third parties' assets and real estate development.

- Send Empreendimentos e Participações Ltda. ("Send") - engaged in managing its own assets and holding equity interests in other companies. Send presently holds 48% of Parque Barueri Shopping. Send holds 100% of the shares in Uniplaza.

- Sulishopping Empreendimentos Ltda. ("Sulishopping") - engaged in operating in the shopping mall segment by leasing owned properties or subletting leased properties.

- Uniplaza Empreendimentos Participações e Administração de Centros de Compras Ltda. ("Uniplaza") - engaged in managing its own and third parties' assets, own and third parties' trade centers, real estate development, and holding equity interests in other companies and real estate projects. Uniplaza owns 100% of Unimart Shopping.

- Vide Serviços e Participações Ltda. ("Vide") - engaged in providing institutional marketing services, managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects.

- Vul Administradora e Incorporadora Ltda. ("Vul") is engaged in the management of own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects. Vul owns the land where a new mall will be built in Guarulhos.

- Wass Comércio e Serviços de Águas Ltda. ("Wass") - engaged in leasing water treatment and distribution equipment and providing related installation, maintenance and consulting services. At present, Wass leases water treatment and distribution equipment to Internacional Guarulhos Shopping Center, Internacional Guarulhos Auto Shopping Center, Cascavel JL Shopping, Shopping Light, Prudente Parque Shopping, Suzano Shopping, Santana Parque Shopping, Outlet Premium and Shopping do Vale.

- Zuz Administradora e Incorporadora Ltda. ("Zuz") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects. Zuz owns 100 % of Suzano Shopping Center, 50% of Santana Parque Shopping and 85.5% of Cascavel JL Shopping.

- Subsidiaries Bud Administradora e Incorporadora Ltda. ("Bud"), BR Outlet Administradora e Incorporadora Ltda. ("BR Outlet"), Premium Outlet Administradora e Incorporadora Ltda. ("Premium Outlet"), ERS Administradora e Incorporadora Ltda. ("ERS"), MAI Administradora e Incorporadora Ltda. ("MAI"), and FLK Administradora e Incorporadora Ltda. ("FLK") are engaged in the management of own and third-parties' assets and real estate development. The companies have no operations as at December 31, 2011.

2. PRESENTATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The Company's financial statements comprise:

- The consolidated financial statements of the Company and subsidiaries prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and in accordance with accounting practices adopted in Brazil, identified as Consolidated (IFRS and BR GAAP).

- The individual financial statements of the parent company prepared in accordance accounting practices adopted in Brazil, identified as Parent Company - BR GAAP.

The accounting practices adopted in Brazil comprise the policies set out in the Brazilian Corporate Law and the Pronouncements, Instructions, and Interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM").

The individual financial statements present the valuation of investments in subsidiaries and associates under the equity method, pursuant to prevailing Brazilian legislation. Accordingly, these individual financial statements are not considered as in accordance with IFRSs, which require the measurement of such investments in separate financial statements of the parent company, at their fair value or at cost.

Since there is no difference between the consolidated shareholders' equity and the consolidated net income attributable to the Parent's owners recorded in the consolidated financial statements prepared in accordance with IFRSs and the accounting practices adopted in Brazil, and the Parent's shareholders' equity and net income recorded in the individual financial statements prepared in accordance with accounting practices adopted in Brazil, the Company opted for presenting the individual and consolidated financial statements as a single set, in the side-by-side format.

2.2. Basis of presentation

The financial statements has been prepared based on the historical cost, except otherwise stated. The historical cost is generally based on the fair value of the consideration paid in exchange for an asset.

The significant accounting policies used in preparing the financial statements are described below. These policies are consistent with those adopted in the prior reporting period.

Significant accounting policies adopted by the Company and subsidiaries may be summarized as follows:

2.3. Basis of consolidation

The consolidated financial statements has been prepared and are presented in conformity with accounting practices adopted in Brazil and standards issued by CVM - the main accounting practices applied are described above - and include the financial statements of the Company and its subsidiaries listed below. Intercompany balances and transactions and the Company's investments in subsidiaries have been eliminated in consolidation. The individual and consolidated shareholders' equity and net income do not differ as no unrealized profits have been recorded.

As of December 31, 2011 and 2010, the consolidated companies are as follows:

	Type of consolidation	12/31/2011 Ownership interest - %	12/31/2010 Ownership interest - %
Direct subsidiaries:			
Levian	Full	100	100
Atlas	Full	100	100
General Shopping Finance	Full	100	100
GS Finance II	Full	100	-
Indirect subsidiaries:			
ABK	Full	99.28	99.28
Poli Empreendimentos	Proportionate	50	50
Park Shopping Administradora	Full	100	100
Send	Full	100	100
Manzanza	Full	100	100
Nova União	Full	100	100
Sulishopping	Full	100	100
I Park	Full	100	100
Wass	Full	100	100
Energy	Full	100	100
GSB Administradora	Full	100	100
ASG Administradora	Full	100	100
Lux	Full	100	100
Lumen	Full	100	100
Securis	Full	100	100
Delta	Full	100	100
Brassul	Full	100	100
Intesp	Full	100	100
PP	Full	100	100
Paulis	Full	100	100
Fonte	Full	100	100
Zuz	Full	100	100
Pol	Full	100	100
Jud (no operations)	Full	100	100
Vul	Full	100	100
Bot	Full	100	100
Cly	Full	100	100
Bud (no operations)	Full	100	100
Bac	Full	100	100
Sale	Full	100	100
Ast	Full	100	100
Vide	Full	100	100
Uniplaza	Full	100	100
FII Top Center	Full	100	100
Mai (no operations)	Full	100	-
Ers (no operations)	Full	100	-
Flk (no operations)	Full	100	-
Premium Outlet (no operations)	Full	100	-
Br Outlet (no operations)	Full	100	-

2.4. Investments in subsidiaries

Investments in subsidiaries are accounted for under the equity method.

Investments in companies in which management has significant influence or interest of 20% or more in the voting capital, or which are part of the same group or are under common control, are accounted for under the equity method (see Note 9).

2.5. Investments in joint ventures

A joint venture is the contractual arrangement whereby the Company and other parties agree sharing control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Investments in joint ventures are recognized under the proportionate consolidation method, since the date joint control is acquired. According with this method, assets, liabilities and revenues, costs and expenses are integrated to the financial statements, line by line, proportionately to the control attributable to the Company.

The assets, liabilities, revenue and expenses of jointly controlled entities have been included proportionately to the parent company's interests in their capital, taking into consideration that shared control was obtained under shareholders' agreements entered into by the Company with its partners in these companies, and none of the parties has the power to unilaterally define their financial and operating policies.

2.6. Segment reporting

Reporting by operating segment is consistent with the internal report provided to the chief decision maker (President).

2.7. Functional and reporting currency

The financial statements of each subsidiary included in the consolidation are prepared using the functional currency (i.e., currency of the primary economic environment in which it operates) of each subsidiary. When defining the functional currency of each subsidiary, management considered which currency has a significant influence on the sale price of the services rendered and in which currency most of the cost of services is paid or incurred. The consolidated financial statements is presented in Brazilian reais, which is the functional and reporting currency of the Parent Company.

Foreign subsidiaries General Shopping Finance and GS Finance II have no management body or administrative, financial and operating independence, therefore, its assets and liabilities as well as its profits (losses) are translated using the following method: (i) asset and liability balances are translated at the exchange rate prevailing at the closing date of the consolidated financial statements; and (ii) income statement accounts (revenue and expenses) are translated at the average monthly exchange rate, provided that no significant exchange fluctuations have occurred. Exchange variation effects are recorded in the income statement.

2.8. Foreign currency

In preparing the Company's individual and consolidated financial statements, transactions in foreign currency are recognized at the exchange rates prevailing on transaction dates. At the end of each reporting period, monetary items denominated in foreign currency are translated at the rates prevailing on the balance sheet date. Exchange differences on monetary items are recognized in profit or loss in the period they incur.

2.9. Cash and cash equivalents

Stated at cost plus income earned and include cash, banks and highly liquid short-term investments with maturities equal to or below ninety (90) days, which have an insignificant risk of change in value.

2.10. Restricted cash investments

The Company has cash investments in Bank Certificate of Deposits (CDB) and repurchase debentures earning yield based on the Certificate of Interbank Deposits (CDI). The investments are linked to commitments assumed in CCI (Real Estate Credit Notes) transactions, loans and sales of assets, and the cash investment balances are stated at cost plus earnings earned until the balance sheet dates, as described in Note 4.

2.11. Financial instruments

Recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. The transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (except for financial assets and financial liabilities recognized at fair value through profit or loss) should be added to or deducted from the fair value of financial assets and financial liabilities, when applicable, after initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Classification

The Company's and its subsidiaries' financial instruments have been classified into the following categories:

a) Measured at fair value through profit or loss

Financial assets and financial liabilities held for trading, i.e., acquired or originated primarily for the purpose of sale or repurchase in the short term. Changes in fair value are accounted for in profit or loss, and balances are stated at fair value.

b) Loans and receivables

Non-derivative financial instruments with fixed or determinable payments or receivables that are not quoted in an active market. They are classified as current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as noncurrent assets. The Company's loans and receivables correspond to loans to related parties, trade accounts receivable, cash and cash equivalents, restricted cash investments, certificates of real estate receivables and other accounts receivable.

2.12. Derivatives

The Company has derivative instruments as a strategy to manage its exposure to currency risks. For details on derivatives, see Note 26.

Derivatives are initially recognized at fair value on the trade date and are subsequently remeasured at fair value at the end of the period. Any gains or losses are immediately recognized in profit or loss.

When a derivative is traded on a stock exchange, its fair value should be measured using techniques based on active market quotations, where the price used to measure the fair value corresponds to the closing price for each month. The fair value of derivatives not traded on a stock exchange, that is, traded via an over-the-counter market, should be calculated based on methods that measure the present value of the discounted future cash flow, which are also based on market information on the last day of the month.

2.13. Impairment of financial assets

Financial assets, except those designated at fair value through profit or loss, are valued using impairment indicators at the end of the year. Impairment losses are recognized when there is objective evidence of impairment of the financial asset as a result of one or more events occurred after the initial recognition of the asset, with an impact on the estimated future cash flows.

The criteria used by the Company and its subsidiaries to determine whether there is objective evidence that a financial asset is impaired includes:

- Significant financial difficulty of the issuer or debtor.
- Breach of contract, such as default or delinquency in interest or principal payments.
- Likelihood that the borrower will go into bankruptcy or financial reorganization.
- Disappearance of the active market of that financial asset because of financial difficulties.

The carrying amount of the financial asset is directly written down by the impairment loss for all financial assets, except for trade accounts receivable, in which case the carrying amount is decreased by an allowance. Subsequent recoveries of amounts previously written-off are credited to the allowance. Changes in the carrying amount of the allowance are recognized in profit or loss.

2.14. Due from related parties

Initially stated at billed amounts based on contractual rental amounts and services provided, adjusted by the effects arising from the recognition of rent revenues on a straight-line basis, calculated according to contractual terms, including, when applicable, income earned and inflation adjustment.

The allowance for doubtful accounts is recognized in an amount considered sufficient by management to cover probable losses on the realization of trade accounts receivable, based on the following criterion: individual analysis of the debtors, regardless of the maturity period, as described in note 5.

2.15. Adjustment to present value

The Company evaluated the short- and long-term monetary assets and liabilities subject to adjustment to present value.

When impact is considered material in relation to the financial statements taken as a whole, adjustment to present value is calculated on the balances, taking into consideration contractual cash flows and the explicit or implicit interest rate of corresponding assets and liabilities. Accordingly, the interest embedded in revenues, expenses and costs related to these assets and liabilities is discounted and recognized on the accrual basis.

If the adjustment to present value is recognized, this interest is subsequently transferred to financial income or expenses in the income statement by using the effective interest rate method in relation to the contractual cash flows.

2.16. Investment property

Investment properties are represented by land and buildings in shopping malls held for earning rent revenue and/or for capital appreciation, as disclosed in Note 10.

Investment properties are stated at acquisition or construction cost, less respective accumulated depreciation, calculated under the straight-line method at rates that consider the estimated useful life of the assets.

Costs incurred related to investment properties in use, such as maintenance and repairs, insurance and property taxes, are recognized as cost in the income statement for the year they refer to.

An investment property is written off when it is sold or when it is no longer in use and no future benefits are expected from its sale. Any gain or loss on the write-off of a property (calculated as the difference between net sales revenue and its carrying amount) is recognized in profit or loss when the property is written off, except for transactions where investments are made under a joint venture regime, through which the amounts paid by the investor to the Company are recorded as prepayments in liabilities until the risks and rewards incidental to the ownership of the property are effectively transferred, when will be reversed to the construction costs.

Financial charges on loans and financing incurred over the construction period, when applicable, are capitalized. The revaluation reserve is realized in accordance with the record of the respective depreciation of buildings or at the time assets are sold, and is credited to the "Retained earnings" account.

2.17. Property, plant and equipment

Carried at acquisition cost. Depreciation is calculated under the straight-line method, at the rates mentioned in note 11, based on estimated useful lives of the assets.

Residual values and useful lives of the assets are reviewed and adjusted annually, when appropriate.

An item of property, plant and equipment is written off on sale or when no future economic benefits are expected from its use. Any gain or loss on the sale or write-off of an item of property, plant and equipment corresponds to the difference between the amounts received from the sale and the asset book value, and is recognized in profit or loss.

2.18. Intangible assets - consolidated

Intangible assets with finite useful lives acquired separately are stated at cost, less accumulated amortization and impairment losses thereon. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

2.19. Goodwill

Goodwill arising from a business combination is stated at cost on the date of the business combination less accumulated impairment losses, if any.

For impairment test purposes, goodwill is allocated to each one of the Company's cash generating units to benefit from the business combination synergies.

The cash-generating units to which goodwill is allocated are tested for impairment annually or more often when there is an indication that any unit may be impaired. If the recoverable amount of a cash-generating unit is lower that its book value, the impairment loss is firstly allocated to write down the book value of any goodwill allocated to the unit and, subsequently, to the other assets of the cash-generating unit, prorated to the book value of each of its assets. Any goodwill impairment loss is directly recognized in profit or loss for the year. Impairment losses are not reversed in subsequent periods.

When the underlying cash-generating unit is sold, the amount attributable to goodwill is included in the profit or loss of the transaction.

Up to December 31, 2008, goodwill based on expected future earnings, determined through an economic evaluation projection that uses the discounted cash flow method, was amortized over the period to the extent and in the proportion of projected results. Beginning January 1, 2009, goodwill has not been amortized any longer, but has been tested for impairment annually.

As of December 31, 2011, there were no indications that intangible assets would not be recovered.

2.20. Impairment of tangible and intangible assets, excluding goodwill

Fixed and intangible assets, and other noncurrent assets are tested for impairment annually or whenever significant events or changes in circumstances indicate that the carrying amount may not be recoverable. In the event of a loss resulting from situations where the carrying amount of an asset exceeds its recoverable value, which is defined as the value in use of the asset based on the discounted cash flow method, an impairment loss is recognized in the income statement. As of December 31, 2011, there were no evidences that fixed and intangible assets would not be recoverable.

2.21. Other assets (current and noncurrent)

Other assets are stated at cost or realizable value including, when applicable, income, inflation adjustment and exchange variation earned through the balance sheet dates.

2.22. Other liabilities (current and noncurrent)

Other current and noncurrent liabilities are stated at known or estimated amounts plus, when applicable, charges, inflation adjustment and/or exchange variation incurred through the balance sheet date.

2.23. Loans and financing

Loans and financing are initially recognized at fair value, less transaction costs incurred and, subsequently, are stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the settlement amount is recognized in the income statement during the period the loans remain outstanding, using the effective interest rate method.

2.24. Provisions

Provisions are recognized based on current obligations (legal or constructive) resulting from past events, when the amount of the obligation can be reliably estimated and its settlement is probable. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of each annual reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.25. Reserve for civil, tax, labor and social security risks

Recognized for lawsuits assessed as probable losses by the Company's and its subsidiaries' legal counsel and management, considering the nature of lawsuits and management's experience in similar cases, as disclosed in Note 18.

2.26. Borrowing costs - interest capitalization

Financial charges on loans directly related with the acquisition, construction or production of property, plant and equipment (investment properties under development) are capitalized as part of the asset cost. Capitalization of these charges begins right after the start of preparation for construction or development of the asset and is interrupted as soon as the asset starts to be used or when its production or construction ends.

Borrowing costs directly attributable to acquisition, construction or production of a qualifying asset, which necessarily take a substantial amount of time to be ready for the intended use or sale, are added to the cost of such assets until the date they are ready for the intended use or sale.

Income earned on temporary investments of specific borrowings not yet spent on a qualifying asset is deducted from borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss for the period they are incurred.

2.27. Current and deferred income tax and social contribution

The provision for income tax was recognized at the rate of 15%, plus 10% surtax on annual taxable income exceeding R$240. Social contribution was calculated at the rate of 9% on adjusted book income. Deferred income tax and social contribution were calculated based on temporary differences in the recognition of revenue and expenses for tax and accounting purposes, on tax loss carryforwards and on the revaluation reserve of buildings and facilities. As permitted by tax legislation, certain consolidated companies opted for taxation based on deemed income. The tax bases of income tax and social contribution are calculated at the rate of 32% on gross revenues from services and 100% on financial income, on which the regular 15% tax rate is applied, plus 10% surtax for income tax and 9% for social contribution. As a result, these consolidated companies did not record deferred income tax and social contribution on tax loss carryforwards and temporary differences and are not within the scope of the noncumulative regime for taxes on revenue (PIS and Cofins).

2.28. Revenue recognition

Revenue from rentals is recognized on a straight-line basis over the term of rental agreements, taking into account the contractual adjustment and the collection of the 13th monthly rental. Revenue from services is recognized when services are provided. Revenue from assignment of rights (key money) to shopkeepers is allocated to income over the term of the first rental agreement.

Our revenue derives mainly from the following activities:

a) Rentals

Refers to the rental of store space to shopkeepers and other commercial space, such as sales stands. Includes rental of commercial space for advertising and promotion. The rentals of stores to shopkeepers of shopping malls account for the highest percentage of the Company's revenue.

b) Parking

Refers to the revenue from operation of parking lots.

c) Services

Refers to the revenue obtained from managing the supply of electric power and water to shopping malls.

2.29. Basic earnings (loss) per share

Basic earnings (loss) per share are calculated through profit and loss for the period and the weighted average of shares outstanding in the year.

2.30. Statements of value added

This statement aims to disclose the wealth created by the Company and its distribution during a certain reporting period, and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its individual financial statements, and as supplementary information to the consolidated financial statements, since this statement is not required by IFRSs.

The statement of value added was prepared based on information obtained in the same accounting records used to prepare the financial statements.

2.31. Use of estimates

The preparation of financial statements pursuant to accounting practices adopted in Brazil, in accordance with International Financial Reporting Standards - IFRS, requires management to rely on estimates to record certain transactions that affect the Company's and its subsidiaries' assets and liabilities, revenue and expenses, and to disclose information on its financial statements.

The estimates must be determined based on the best knowledge of ongoing transactions and events existing at the time of approval of the financial statements and in accordance with the experience of past and/or current events.

The results of these transactions and events, when actually realized in subsequent periods, may differ from the estimates. The main estimates concerning the financial statements refer to the useful life of property, plant and equipment items and investment properties; to the projections made for the realization of deferred income tax and social contribution; to the projections for the impairment test analysis of goodwill based on expected future earnings and of other intangible assets; and to the allowance for doubtful accounts and reserve for civil, labor and tax risks.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effects of the reviews of accounting estimates are recognized in the period estimates are reviewed.

2.32. New and revised standards and interpretations

New and revised IFRSs adopted with no relevant impact in the individual and consolidated financial statements.

The new and revised IFRSs below were adopted in the individual and consolidated financial statements. The adoption of these new and revised IFRS had no relevant effect, individually or combined, in the reported and/or disclosed figures in the current and prior period; however they may impact the accounting of future transactions or agreements.

- Amendments to IAS 1 - Presentation of Financial Statements - address that an entity can elect to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements.

- IAS 24 - Related-Party Disclosures (already adopted by CPC): IAS 24 (revised in 2009) changed two aspects: (a) IAS 24 (revised in 2009) introduces the partial exemption from disclosure requirements for government entities; and (b) IAS 24 (revised in 2009) changed the definition of related party.

- Amendments to IAS 32 - Classification of Rights: address the classification of certain rights denominated in foreign currency as equity instruments or financial liabilities.

- Amendments to IFRIC 14 - Prepayments of Minimum Funding Requirements: the amendments establish, among other aspects, when refunds of or deductions from future contributions are available pursuant to IAS 19.58.

- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments: provides guidance on how to account for an extinguished financial liability by issuing equity instruments.

- Amendments to IFRS 3 - Business Combination: explain that the option to measure noncontrolling interests on the date of acquisition will be available only for noncontrolling interests representing those granting their holders the right to proportional interest in the entity's net assets in case of liquidation. The other types of noncontrolling interests are measured at fair value on the date of acquisition, unless other standards require the use of another measurement basis. In addition, IFRS 3 was amended to provide more information on the accounting for the share-based compensation proportionately to the shares held by the acquiree's employees.

2.33. New and revised standards and interpretations issued and not yet adopted

- Amendments to IFRS 7 - Disclosures - Transfers of Financial Assets (1) - enhance disclosure requirements for transactions involving financial assets. These amendments are intended to provide greater transparency for exposures to risks when a financial asset is transferred but the transferor retains some level of exposure in the asset. The amendments also require disclosure when the transfer of financial assets is not proportionately distributed over the period.

- IFRS 9 - Financial Instruments (2) - the most significant impact of IFRS 9 related to the classification and measurement of financial liabilities refers to the accounting of changes in fair value of a financial liability (designated at fair value through profit or loss) attributable to changes in such liability's credit risk. Therefore, the amount of the change in fair value of a financial liability attributable to changes in such liability's credit risk is recognized in "Other comprehensive income", unless the recognition of the effects of changes in the liability credit risk in "Other comprehensive income" results in or increases the accounting mismatch in profit or loss.

- IFRS 10 - Consolidated Financial Statements (2) - supersedes parts of IAS 27 - Consolidated and Separate Financial Statements that address the consolidated financial statements. SIC-12 Consolidation - Special Purpose Entities was superseded by IFRS 10. Under IFRS 10, there is one single basis of consolidation, i.e., control. Additionally, IFRS 10 provides a new definition of control.

- IFRS 11 - Joint Arrangements - supersedes IAS 31 (2) - Interests in Joint Ventures and addresses how a joint arrangement where two or more parties holding joint control should be classified.

- IFRS 12 - Disclosure of Interests in Other Entities (2) - is a disclosure standard applicable to entities holding interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements under IFRS 12 are more comprehensive than those in the current standards.

- IFRS 13 - Fair Value Measurement (2) - sets out a single framework for measuring fair value and disclosing fair value measurements. The standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements.

- Amendments to IAS 1 - Presentation of Other Comprehensive Income (3) - allow the presentation of income and other comprehensive income in a single statement or in two separate and consecutive statements. However, the amendments to IAS 1 require additional disclosures in the other comprehensive income section so that other comprehensive income items are grouped in two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on other comprehensive income items will be similarly recognized.

- IAS 19 (revised in 2011) - Employee Benefits (2) - changes the recognition of defined benefit plans and termination benefits.

- IAS 27 (revised in 2011) - Separate Financial Statements (2) - reflect changes in the recognition of noncontrolling interest and address the accounting of changes in interest in subsidiaries subsequent to the acquisition of control, the accounting of loss in control of subsidiaries and the allocation of gain or loss to a subsidiary's controlling and noncontrolling interest.

- IAS 28 (revised in 2011) - Investments in Associates and Joint Ventures (2) - changes to IAS 28 aimed to clarify that: (i) an investment in an associate should be treated as a single asset for impairment test purposes in accordance with IAS 36 - Impairment of Assets; (ii) any impairment loss to be recognized should not be allocated to specific assets (specifically goodwill); and (iii) reversions of impairment are registered as an adjustment to the book value of the associate as long as its recoverable amount increases.

(1) Effective for annual periods beginning on or after July 1, 2011.

(2) Effective for annual periods beginning on or after January 1, 2013.

(3) Effective for annual periods beginning on or after July 1, 2012.

Management assessed the new rules and, except for the implementation of IFRS 10 and IFRS 11, does not expect significant impacts on the reported amounts. With the adoption of IFRS 10 and IFRS 11, it is possible that the Company may not proportionally consolidate its subsidiary Poli Empreendimentos. However, Management have not completed its detailed analysis of the impact of the implementation of those rules and therefore, did not quantify the possible effects in the financial statements.

3. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Cash and banks:				
Cash	9	9	268	228
Banks (b)	7	7	11,682	329,100
	16	16	11,950	329,328
Cash equivalents:				
Short-term investments CDB (a)	1,330	1,457	72,243	4,717
Interest bearing account (c)	-	-	37,487	-
	1,330	1,457	109,730	4,717
Total cash and cash equivalents	1,346	1,473	121,680	334,045

(a) Investment in CDB, with average monthly yield varying from 100% and 105% of the CDI.

(b) As of December 31, 2011, out of the balance of R$11,682 (consolidated), R$340 is deposited in a checking account abroad and indexed to US dollar. As of December 31, 2010, out of the balance of R$329,100 (consolidated), R$322,407 was deposited in a checking account abroad and indexed to US dollar.

(c) Interest bearing account (yielding average annual rates ranging from 1% to 1.1%) and Financial National Treasury Bills (yielding floating rates).

Short-term investments may be redeemed within 90 days and are comprised of highly-liquid securities convertible into cash having an insignificant risk of change in value.

4. RESTRICTED SHORT-TERM INVESTMENTS

	Consolidated	
	12/31/2011	12/31/2010
CDBs (Bank Certificate of Deposits) (a)	2,779	2,346
CDBs (Bank Certificate of Deposits) (c)	87,848	-
Debentures (b)	-	8,264
Total noncurrent	90,627	10,610

(a) Amount withheld by RB Capital on May 12, 2010 as collateral for the CCIs recorded in FII Top Center, as described in Note 14.(d). Amount invested in CDB-DI, with average monthly rate of 98% of the CDI.

(b) Amount deposited on December 8, 2008 as collateral for the CCIs recorded in subsidiary Bac, as described in Note 14. (c). The amount is invested in debentures from Banco Itaú (formerly Unibanco), with average yield of 105.4% of the CDI. This amount was redeemed in February 2011, when the CCI transaction was settled.

(c) Amount deposited in a short-term investment relating to the advance received on the sale of 44% of the improvements that will be made to Shopping Sulacap to RB Capital General Shopping Fundo de Investimento Imobiliário (FII), as described in Note 16. The amount is invested in CDB-DI at an average monthly rate of 100.6% of the CDI (interbank deposit certificate).

5. TRADE ACCOUNTS RECEIVABLE

	12/31/2011	12/31/2010
Rental and assignment of receivables	47,027	36,317
Unbilled revenue from rentals	-	471
Allowance for doubtful accounts	(11,421)	(10,446)
	35,606	26,342
Current assets	34,260	24,643
Noncurrent assets	1,346	1,699

Trade accounts receivable are stated at their original amounts, plus income, inflation adjustments and exchange rate changes earned and effects from the straight-line method applied to revenue, when applicable.

The Company's maximum exposure to credit risk is the book value of the abovementioned accounts receivable. To mitigate this risk, the Company analyses the types of collection (rentals, services and others) based on the average history of losses, Management's periodic monitoring of customers' financial status, credit limits, an analysis of receivables past due for more than 180 days and permanently monitoring of customers' outstanding balance, among others. The remainder of the portfolio that is not accrued refers to receivables from customers whose analysis of their financial position did not show that they would not be realizable.

In analyzing its prospects' credit worthiness, the Company takes into account the following assumptions: the collateral value should cover the cost of occupancy for a minimum of 12 months (rent, plus common charges and promotion fund multiplied by 12); the collateral accepted (property, bank guarantee, insurance etc.); the good standing of the individuals and legal entities involved in the rental (partners, guarantors, debtors); and the use of SERASA information as reference for consultation on the customer's credit history.

Changes in the allowance for doubtful accounts for the years ended December 31, 2011 and 2010 are as follows:

	Consolidated	
	12/31/2011	12/31/2010
Balance at beginning of year	(10,446)	(10,155)
Allowance for doubtful accounts for the year	(991)	(300)
Receivables recovered in the year	16	-
Receivables permanently written off	-	9
Balance at end of year	(11,421)	(10,446)

Trade accounts receivable is broken down as follows:

	Consolidated	
	12/31/2011	12/31/2010
Current:	30,487	20,586
Past due:		
Up to 30 days	834	1,021
31 to 60 days	548	729
61 to 90 days	345	569
91 to 180 days	1,426	1,416
Over 180 days	13,387	12,467
	16,540	16,202
	47,027	36,788

As of December 31, 2011, trade accounts receivable totaling R$5,119 (R$5,756 as of December 31, 2010) were past due but no allowance for doubtful accounts was recorded, since there were no significant changes to the credit quality and amounts are still considered recoverable and expected to be realized.

6. RECOVERABLE TAXES

	Parent		Consolidated	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Withheld income tax on short-term investments	340	338	1,758	706
IRRF on services	203	39	646	451
Taxes on services	-	-	95	70
Recoverable taxes on revenues (PIS and COFINS)	77	72	233	213
Prepayment of income tax	-	-	781	376
Prepayment of social contribution	-	-	291	259
Other recoverable taxes	15	15	285	38
	635	464	4,089	2,113

7. RELATED-PARTY TRANSACTIONS

a) Related-party balances and transactions

In the course of the Company's business, the controlling shareholders, subsidiaries and jointly-owned subsidiaries, and condominiums carry out intercompany commercial and financial transactions, including: (i) advisory and operating assistance services related to water and electric power supply and electrical wiring; (ii) management of shopping malls; (iii) management of parking lots located in shopping malls; (iv) commercial lease agreements; and (v) agreements and resolutions made, taking into consideration the condominium bylaws.

Parent's balances as of December 31, 2011 and 2010 are as follows:

	12/31/2011	12/31/2010
Assets:		
Ast	106	-
Delta	5	1
Fonte	224	1
General Shopping Finance (a)	2,963	673
Internacional Guarulhos Shopping Center (b)	17,236	15,931
Intesp	40	-
Jud	161	-
Lumen	229	-
Lux	1,741	-
Mai	201	-
Manzanza	187	-
Nova União	134	-
Park Shopping Administradora	10	1
Paulis	67	-
Pol	658	-
PP	910	-
Sale	450	1
Send	-	1
Sulishopping	105	-
Others	577	1,843
	26,004	18,452
Liabilities:		
ABK (d)	32,598	33,852
Atlas (d)	14,361	20,928
BAC (c)	55,365	55,365
BOT (d)	238	-
Cly (d)	1,004	-
Energy (d)	1,843	1,843
I Park (d)	-	403
Levian (d)	87,651	37,679
Send	5,099	-
Wass (d)	-	333
Zuz (d)	1,410	-
Others (d)	-	81
	199,569	150,484

(a) Refers to costs to issue Perpetual Bonds paid by the Company.

(b) Refers to transfer of funds to the subsidiary to settle borrowings obtained from Banco BIC in 2009, without maturity and bearing no financial charges.

(c) Refers to the funds raised to settle the CCI transaction with Itaú on January 30, 2009, without maturity and bearing no financial charges.

(d) Other loans do not incur financial charges and have no determinate maturity.

Consolidated balances as of December 31, 2011 and 2010 are as follows:

	Consolidated	
	12/31/2011	12/31/2010
Noncurrent assets:		
Golf Participações Ltda. (a)	13,720	12,368
CSA - Companhia Securitizadora de Ativos (b)	-	626
PNA Empreendimentos Imobiliários Ltda. (d)	146	146
Menescal	113	113
Condomínio Civil Suzano Shopping Center (d)	1,032	342
Condomínio Civil Voluntários - SPS (d)	249	303
Condomínio Unimart (d)	261	292
Condomínio Outlet Premium (d)	516	258
Condomínio do Vale (d)	1,438	1,110
Condomínio Cascavel (d)	692	588
Condomínio Prudente (d)	32	200
Condomínio ASG (d)	16	237
Condomínio Osasco (d)	58	29
Condomínio Barueri (d)	902	-
Condomínio Shopping Light (d)	71	96
Condomínio Top Center (d)	778	237
Condomínio Internacional Shopping (d)	-	583
Individuals (d)	1,416	1,064
Others (d)	684	776
	22,124	19,368
Current liabilities:		
SAS Venture LLC (c)	11,419	11,243
Condomínio Suzano (d)	108	392
Condomínio Shopping Light (d)	-	1,141
Condomínio ASG (d)	-	518
Condomínio Santana Park Shopping (d)	943	-
Condomínio Prudente (d)	10	-
Others (d)	1,469	1,554
	13,949	14,848

(a) The loan granted to the shareholder is subject to financial charges of 1% p.m., without maturity.

(b) Amount paid in advance to CSA as collateral for the transaction with CCI Nova União - Banco Itaú, as mentioned in Note 14 (a). This transaction was settled in January 2011.

(c) Upon corporate restructuring, the capital of subsidiary Park Shopping Administradora was reduced and is being returned to the then shareholder SAS Ventures LLC, in 15 equal and semi-annual installments as of September 14, 2007. The debt amount is subject to exchange rate changes based on the US dollar fluctuation and financial charges of 10.5% p.a.

(d) Other loans do not incur financial charges and have no determinate maturity.

b) Management compensation

In the years ended December 31, 2011 and 2010, consolidated management compensation was allocated to income, recorded in "General and administrative expenses", and did not exceed the limit approved by shareholders.

In the years ended December 31, 2011 and 2010, management was granted short-term benefits (wages, salaries and social security contributions, profit sharing, healthcare services) amounting to R$4,801 and R$4,423, respectively, as described below:

	12/31/2011	12/31/2010
Payroll and related taxes	4,278	3,744
Variable remuneration and related taxes	415	583
Benefits	108	96
Total	4,801	4,423

No amount was paid as: (i) post-employment benefits (pension, other retirement benefits, post-employment life insurance and post-employment health care plan); (ii) long-term benefits (leave of absence for length of service or other leaves, retirement or other benefits for length of service or benefit for long-term disability); and (iii) share-based compensation.

The Annual Shareholders' Meeting held on April 25, 2011 approved the global compensation of R$7,300 for 2011.

8. OTHER RECEIVABLES

	Parent		Consolidated	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Unearned insurance expenses	408	556	506	886
Advances to suppliers	248	-	1,611	805
Receivables - sale of property	-	-	-	11,479
Advance of labor benefits	51	-	59	-
Unincurred expenses	836	-	836	-
Other advances	21	-	84	-
Advances for provision of services	-	-	1,068	-
Insurance on real estate projects	-	-	518	-
Other receivables	-	226	2,126	1,478
Total	1,564	782	6,808	14,648
Current	1,564	782	5,740	14,648
Noncurrent	-	-	1,068	-

9. INVESTMENTS

	Equity - %	Number of shares Held	Capital	Income (loss) for the year	Shareholders' equity (deficit)	Equity in subsidiaries	Investments 12/31/2011	12/31/2010
Direct subsidiaries:								
Levian	100	482,834,200	823,784	43,718	529,799	43,718	529,799	486,081
Atlas	100	3,268,672	3,816	10,738	37,130	10,738	37,130	26,391
General Shopping Finance	100	50,000	81	(86,192)	(91,013)	(86,192)	(91,013)	(4,821)
GS Finance II	100	50,000	81	10,835	10,915	10,835	10,915	-
Total				(20,901)	486,831	(20,901)	486,831	507,651
Indirect subsidiaries:								
Levian:								
ABK	99	131,163,028	130,535	1,702	125,830			
Poli Empreendimentos	50	425,000	1,193	746	8,590			
Park Shopping Administradora	100	35,226,231	35,226	13,878	22,075			
Send	100	288,999,513	289,000	4,351	245,139			
Manzanza	100	16,975,480	16,975	(36)	16,938			
Nova União	100	21,215,243	4,332	3,611	6,869			
Uniplaza	100	10,000	21,215	4,137	35,284			
Sulishopping	100	5,897,194	5,897	(1)	15,535			
Lux	100	22,938,043	22,938	1,864	26,300			
Lúmen	100	1,902,593	1,903	929	3,650			
Securis	100	10,000	10	(1)	7			
Delta	100	72,870,112	72,870	166	26,148			
Intesp	100	11,130,316	11,130	420	13,226			
PP	100	18,670,574	18,671	1,074	21,076			
Paulis	100	10,000	10	1,418	(728)			
Fonte	100	24,199,060	24,199	(198)	23,586			
POL	100	7,723,297	7,723	(401)	7,319			
BOT	100	51,331,650	5,332	4,721	60,081			
Vul	100	21,872,001	21,872	(29)	21,840			
Zuz	100	58,139,780	58,140	12,492	170,200			
Jud	100	3,096,122	3,096	(2,299)	(2,405)			
Cly	100	10,000	10	13,669	56,337			
Bud	100	10,000	10	(1)	7			
Bac	100	10,000	10	(102)	(14,626)			
Sale	100	14,702,069	14,702	1,885	22,564			
Brassul	100	25,630,617	25,631	1,865	31,945			
FII Top Center	100	600,000	3,072	(2,312)	(2,259)			
ERS	100	10,000	10	(4)	6			
MAI	100	10,000	10	(1)	9			
FLK	100	10,000	10	(1)	9			
Premium Outlet	100	10,000	10	(1)	9			
BR Outlet	100	10,000	10	(1)	9			
Atlas:								
Ast	100	270,081	270	90	479			
I Park	100	3,466,160	3,466	4,146	12,930			
Wass	100	10,000	10	1,019	5,019			
Energy	100	10,000	10	3,469	18,943			
Vide	100	10,000	10	(2)	17			
GSB Administradora	100	1,906,070	1,906	2,115	3,735			
ASG Administradora	100	20	20	(84)	103			

Changes in investments for the nine-month period ended December 31, 2011 are as follows:

	Parent
Balances as of December 31, 2009	155,355
Capital increase	347,796
Equity in subsidiaries	4,500
Balances as of December 31, 2010	507,651
Equity in subsidiaries	(20,901)
Capital increase	81
Balances as of December 31, 2011	486,831

10. INVESTMENT PROPERTIES

		Consolidated					
		12/31/2011			12/31/2010		
	Average depreciation rate (%)	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Land		253,014	-	253,014	201,836	-	201,836
Buildings	2	612,369	(38,036)	574,333	489,925	(28,948)	460,977
Work in process		87,683	-	87,683	37,106	-	37,106
		953,066	(38,036)	915,030	728,867	(28,948)	699,919

Changes in investment properties for the years ended December 31, 2011 and 2010:

	Consolidated					
	12/31/2010	Additions	Capitalized financial charges	Transfers/ reclassifications	Depreciation	12/31/2011
Land	201,836	51,178	-	-	-	253,014
Buildings	460,977	4,151	-	119,527	(10,322)	574,333
Work in process	37,106	161,780	8,873	(120,076)	-	87,683
	699,919	217,109	8,873	(549)	(10,322)	915,030

	Consolidated						
	12/31/2009	Additions	Capitalized financial charges	Write-offs Net	Transfers/ reclassifications	Depreciation	12/31/2010
Land	234,551	5,829	-	(22,067)	(16,477)	-	201,836
Buildings	428,018	23,351	637	(790)	17,647	(7,886)	460,977
Work in process	29,293	9,074	-	(91)	(1,170)	-	37,106
	691,862	38,254	637	(22,948)	-	(7,886)	699,919

On March 31, 2007, the Company, based on a report prepared by independent experts from DLR Engenheiros Associados Ltda., recorded revaluation of land, buildings and facilities against the "Revaluation reserve", in shareholders' equity.

On June 26, 2007, under a Property Purchase and Sale Settlement Agreement and an Assignment of the Right to Use, the Company acquired 50.1% of the property where Shopping Light is located, for R$20,110. The signature of the deed is still contingent upon the seller's actions to obtain specific certificates issued by the Brazilian Revenue Service (SRF) and by the National Institute of Social Security (INSS).

As of December 31, 2011 and 2010, investment properties balances were as follows:

Investment property at cost	12/31/2011 Residual value	12/31/2010 Residual value
Brazil:		
ABK do Brasil - Empreendimentos e Participações Ltda.	25,990	26,307
BOT Administradora e Incorporadora Ltda.	41,572	42,189
Brassul Shopping Administradora e Incorporadora Ltda.	4,170	-
Cly Administradora e Incorporadora Ltda.	193,139	195,640
Delta Shopping Empreendimentos Imobiliários Ltda.	6,639	6,139
Fundo de Investimento Imobiliário ("FII")	49,516	50,307
Fonte Administradora e Incorporadora Ltda.	37,884	19,362
Intesp Shopping Administradora e Incorporadora Ltda.	11,670	12,005
Levian Participações e Empreendimentos Ltda. ("Levian")	29,032	32,325
Mai Administradora e Incorporadora Ltda. ('MAI')	1,286	-
Manzanza Consultoria e Adm. de Shopping Center Ltda. ('Manzanza')	17,169	-
Poli Shopping Center Empreendimentos Ltda. ('Poli')	9,275	-
PP Administradora e Incorporadora Ltda. ("PP")	22,752	16,041
POL Administradora e Incorporadora Ltda. ('Pol')	11,747	
Sale Empreendimentos e Participações Ltda. ("Sale")	21,098	13,945
Send Empreendimentos e Participações Ltda. ("Send")	167,528	63,729
Uniplaza Empreendimentos Participações e Administração de Centro de Compras Ltda. ("Uniplaza")	37,996	18,712
Vul Administradora e Incorporadora Ltda. ("Vul")	31,041	-
Zuz Administradora e Incorporadora Ltda. ("Zuz")	163,160	165,070
Others	32,366	38,148
	915,030	699,919

Measurement at fair value

The fair value of each investment property constructed and under construction was determined by an appraisal conducted by the independent firm CB Richard Ellis.

The methodology adopted to appraise these investment properties at fair value is that prescribed by The United Kingdom's Royal Institution of Chartered Surveyors (R.I.C.S) and the United States Appraisal Institute, which are internationally adopted and recognized for appraisals and similar analyses.

All calculations are based on an analysis of the physical features of the properties under analysis and information available in the market, which are properly treated for being used in determining the real estate project value.

To support the appraisals, cash flows for a 10-year horizon was prepared, not considering any inflation that may be recorded in the period. The average discount rate applied to cash flows was 10.75% while the average capitalization rate adopted in the 10th year of the cash flow was 8.61%.

Below is the measurement at fair value as of December 31, 2011 and 2010 and the respective Company's interest in investment properties:

	12/31/11		12/31/10	
	100%	Company	100%	Company
Investment property in operation	1,881,300	1,497,843	1,418,850	1,180,632

11. PROPERTY, PLANT AND EQUIPMENT

		Parent					
		12/31/2011			12/31/2010		
	Depreciation rate (%)	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net Value
Buildings	2	14,683	(429)	14,254	1,772	(460)	1,312
Facilities	10	179	(54)	125	1,404	(240)	1,164
Furniture and fixtures	10	395	(88)	307	504	(60)	444
Machinery and equipment	10	55	(8)	47	-	-	-
Computers and peripherals	20	1,154	(251)	903	722	(413)	309
Leasehold improvements	10	17	(6)	11	28	-	28
Work in progress	-	210	-	210	3,091	-	3,091
Total		16,693	(836)	15,857	7,521	(1,173)	6,348

		Consolidated					
		12/31/2011			12/31/2010		
	Depreciation rate (%)	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Buildings	2	14,683	(429)	14,254	4,469	(1,375)	3,094
Facilities	10	9,623	(3,282)	6,341	8,938	(2,745)	6,193
Furniture and fixtures	10	1,530	(791)	739	1,197	(592)	605
Machinery and equipment	10	2,697	(1,434)	1,263	1,963	(1,461)	502
Vehicles	20	78	(24)	54	18	(17)	1
Computers and peripherals	20	1,743	(536)	1,207	883	(463)	420
Leasehold improvements	10	8,394	(3,755)	4,639	6,511	(2,822)	3,689
Work in process		235	-	235	3,562	-	3,562
Total		38,983	(10,251)	28,732	27,541	(9,475)	18,066

Changes in property, plant and equipment for the years ended December 31, 2011 and 2010 are as follows:

	Parent				
	12/31/2010	Additions	Transfers/ reclassifications	Depreciation	12/31/2011
Buildings	1,312	88	12,963	(109)	14,254
Facilities	1,164	28	(1,053)	(14)	125
Furniture and fixtures	444	167	(274)	(30)	307
Machinery and equipment	-	12	38	(3)	47
Computers and peripherals	309	784	(91)	(99)	903
Leasehold improvements	28	-	(11)	(6)	11
Construction in progress	3,091	8,691	(11,572)	-	210
	6,348	9,770	-	(261)	15,857

	Parent				
	12/31/2009	Additions	Transfers/ reclassifications	Depreciation	12/31/2010
Buildings	1,499	-	78	(265)	1,312
Facilities	1,310	70	-	(216)	1,164
Furniture and fixtures	511	-	(44)	(23)	444
Computers and peripherals	433	55	-	(179)	309
Leasehold improvements	28	-	-	-	28
Construction in progress	673	2,452	(34)	-	3,091
	4,454	2,577	-	(683)	6,348

	Consolidated				
	12/31/2010	Additions	Transfers/ reclassifications	Depreciation	12/31/2011
Buildings	3,094	87	11,389	(316)	14,254
Facilities	6,193	545	(126)	(271)	6,341
Furniture and fixtures	605	202	(2)	(66)	739
Machinery and equipment	502	883	(58)	(64)	1,263
Vehicles	1	56	-	(3)	54
Computers and peripherals	420	972	-	(185)	1,207
Leasehold improvements	3,689	1,370	454	(874)	4,639
Construction in progress	3,562	9,660	(12,987)	-	235
	18,066	13,775	(1,330)	(1,779)	28,732

	Consolidated				
	12/31/2009	Additions	Transfers/ reclassifications	Depreciation	12/31/2010
Buildings	2,414	1,167	29	(516)	3,094
Facilities	5,805	639	-	(251)	6,193
Furniture and fixtures	594	59	-	(48)	605
Machinery and equipment	330	213	-	(41)	502
Vehicles	2	-	-	(1)	1
Computers and peripherals	546	73	-	(199)	420
Leasehold improvements	4,217	101	-	(629)	3,689
Construction in progress	733	2,829	-	-	3,562
	14,641	5,081	29	(1,685)	18,066

12. INTANGIBLE ASSETS

		Consolidated					
		12/31/2011			12/31/2010		
	Amortization rate (%)	Cost	Accumulated amortization	Net value	Cost	Accumulated amortization	Net value
Indefinite useful life:							
Goodwill - Acquisition of Sale (a)	-	5,541	(556)	4,985	5,541	(556)	4,985
Goodwill - Acquisition of Shopping Unimart (b)	-	22,410	(2,241)	20,169	22,410	(2,241)	20,169
Trademark and patent	-	1,879	-	1,879	-	-	-
Definite useful life:							
Software	20	7,858	(487)	7,371	940	(319)	621
Right to use Shopping Light (c)	2.38	8,069	(651)	7,418	5,589	(463)	5,126
Total		45,757	(3,935)	41,822	34,480	(3,579)	30,901

(a) As of December 13, 2007, the Company, by means of subsidiary Brassul, acquired 100% of the shares in Sale, which holds 84.39% of Shopping do Vale's total gross leasable area (GLA). This transaction generated goodwill of R$5,541 based on expected future earnings. Beginning January 1, 2009, the goodwill amortization based on future earnings was fully discontinued and the annual impairment test became required.

(b) On December 28, 2007, the Company, by means of subsidiary Send, acquired 100% of shares in Uniplaza, which holds 100% of Shopping Unimart's total gross leasable area (GLA). This transaction generated goodwill of R$22,410 based on expected future earnings. Beginning January 1, 2009, the goodwill amortization based on future earnings was fully discontinued and the annual impairment test became required.

(c) On June 6, 2007, the Company assumed the obligation to pay R$5,589 for the right to use 50.1% of Shopping Light. Such right is effective for 42 years amortizable on a straight-line basis. On March 16, 2011, Lumen assigned to Lux 3.15% of its interest in the right to use Shopping Light and, on the same date, Lux committed to pay R$2,480 for the right to use 19.89% of Shopping Light.

Changes in intangible assets for the years ended December 31, 2011 and 2010 are as follows:

			Consolidated				
	Useful life period	Amortization method	12/31/2010	Additions	Tranfers	Amortization	12/31/2011
Indefinite useful life							
Goodwill - Acquisition of Sale			4,985	-		-	4,985
Goodwill - Acquisition of Shopping Unimart			20,169	-		-	20,169
Trademark and patent			-	-	1,879		1,879
Definite useful life						-	
Software	5 year	Straight-line	621	6,918	-	(168)	7,371
Right to use Shopping Light	42 years	Straight-line	5,126	2,480	-	(188)	7,418
			30,901	9,398	1,879	(356)	41,822

	Useful life period	Amortization method	Consolidated 12/31/2009	Additions	Amortization	12/31/2010
Indefinite useful life						
Goodwill - Acquisition of Sale			4,985	-	-	4,985
Goodwill - Acquisition of Shopping Unimart			20,169	-	-	20,169
Definite useful life						
Software	5 year	Straight-line	611	129	(119)	621
Right to use Shopping Light	42 years	Straight-line	5,258	-	(132)	5,126
			31,023	129	(251)	30,901

13. LOANS AND FINANCING

	Currency	Contractual rates (%) p.a.	Maturity date	Parent 12/31/2011	12/31/2010
Loans and financing					
Banco Paraná (c)	R$	6.8 + CDI	2011	-	10,450
Total current				-	10,450

	Currency	Contractual rates (%) p.a.	Maturity date	Consolidated 12/31/2011	12/31/2010
Loans and financing					
Banco ABC Brasil S.A. (a)	R$	14.94	2011	-	6,044
Banco Pontual S.A. (b)	R$	12.00	2009/2010	5,206	4,620
Banco Paraná (c)	R$	6.8 + CDI	2012	-	10,450
Perpetual notes (d)	US$	10.00		466,434	326,636
BNDES (National Economic and Social Development Bank) (e)	R$	TJLP+7%	2016	937	-
Other	R$	-	2010	21	21
				472,598	347,771
Total current				12,782	25,856
Total noncurrent				459,816	321,915

(a) Working capital loans raised on June 18, 2009, through the Special Credit Program of BNDES (PEC-BNDES). The amount raised is R$11,506, with fixed average annual interest rate of 14.94%. Receivables from Poli Shopping Osasco, Unimart and Prudente Parque Shipping were pledged as collateral for these transactions. This transaction was settled on January 14, 2011.

(b) Due to the Banco Pontual extrajudicial liquidation, the balance continues to be adjusted based on the monthly financial charges of 1%. However, its liquidation by the amount recorded in the financial statements will depend on the legal limits of the financial charges established by the courts. No collaterals were provided.

(c) Working capital loans raised on March 23, 2010, in the amount of R$15,000, with average annual interest rate of 6.80% plus CDI. This loan will be settled in 24 installments of R$669. The transactions were secured by a promissory note of R$19,500. This transaction was settled on January 24, 2011.

(d) On November 9, 2010, subsidiary General Shopping Finance Limited raised, through the issuance of Perpetual Bonds, the amount of U$200,000 (R$339,400) on the raising date. The securities are denominated in US dollars and subject to quarterly payments at the annual interest rate of 10%. General Shopping Finance Limited may repurchase the securities after November 9, 2015. In accordance with the issuance prospectus of perpetual bonds, the funds raised will be allocated to the early settlement of the CCIs and investments in greenfields and expansions. Guarantees were pledged as collateral for all subsidiaries, except for GSB Administradora, ASG Administradora and FII Top Center. The issuance cost of the perpetual bonds totaled R$11,483. The effective cost of the transaction was 10.28%.

On April 19, 2011, subsidiary General Shopping Finance Limited raised, through the issuance of Perpetual Bonds ("debt securities"), the amount of U$50,000 (equivalent to R$78,960) on the raising date. The securities are denominated in US dollars and subject to quarterly payments at the annual interest rate of 10%. General Shopping Finance Limited may repurchase the securities after November 9, 2015. In accordance with the issuance prospectus of perpetual bonds, the funds raised will be allocated to the early settlement of the CCIs and investments in greenfields and expansions. Guarantees were pledged as collateral for all subsidiaries, except for GSB Administradora, ASG Administradora and FII Top Center. The issuance cost of the perpetual bonds totaled R$758. The effective cost of the transaction was 10.28%.

The transaction has no financial covenants. The covenants refer to: (i) limitation of liens on assets (except for permitted liens, including BNDES loans, refinancing of outstanding transactions and certain securitizations, among others), according to which the proportion of unencumbered assets/non-collateralized debt and encumbered assets/collateralized debt should be maintained in similar conditions; (ii) limitation of sale and lease-back transactions of current assets whose maturity is over 3 years in the same conditions as item (i) above; (iii) limitation of intercompany transactions, merger, consolidation or transfer of assets. There are no limits on the payment of dividends.

(e) Financing raised during the last quarter to be used in the expansion of Shopping Unimart. Such financing in the total amount of R$25,743 was adjusted based on a rate of 5.50% p.a. The agreement expires within 60 months, with a 12-month grace period and repayment in 48 monthly installments.

These agreements do not provide for the maintenance of financial ratios (indebtedness, interest coverage, among others).

The noncurrent portion, as of December 31, 2011, matures as follows:

	Consolidated 12/31/2011
Year	
2013	39
2014	156
2015	156
2016	156
2017 and thereafter	459,309
	459,816

Changes in loans and financing for the years ended December 31, 2011 and 2010 are as follows:

	Parent	Consolidated
Balances as of December 31, 2009	30,558	68,765
Borrowings	15,000	348,240
Transaction costs	-	(11,483)
Repayment of principal	(35,044)	(65,330)
Payment of interest	(3,638)	(5,216)
Financial charges recognized in investment properties	-	666
Financial charges	3,574	12,129
Balances as of December 31, 2010	10,450	347,771
Borrowings	-	78,960
Repayment of principal	(10,450)	(28,717)
Payment of interest	(31)	(39,778)
Financial charges recognized in investment properties	-	8,873
Exchange rate changes	-	57,722
Financial charges recognized in net income	31	47,767
Balance as of December 31, 2011	-	472,598

14. REAL ESTATE CREDIT NOTES

	Currency	Maturity date	Consolidated 12/31/2011	Consolidated 12/31/2010
Subsidiaries:				
Nova União - Banco Itaú (a)	R$	2016	-	13,813
ABK - Banco Itaú (b)	R$	2018	78,605	83,617
Levian (b)	R$	2018	78,605	83,617
Bac - Unibanco (c)	R$	2018	-	79,600
Fundo de Investimento Imobiliário - Top Center (d)	R$	2020	60,727	60,276
			217,937	320,923
Current			18,111	99,500
Noncurrent			199,826	221,423

(a) In April 2006, subsidiary Nova União raised funds through the issuance of Real Estate Credit Notes (CCI) for securitization of lease receivables from the land where the parking lot of Internacional Guarulhos Shopping Center is located, currently leased to subsidiary I Park. CCI issued amounted to R$15,586, of which R$1,415 was retained as Real Estate Receivable Certificates (CRI), recorded under current and noncurrent assets. The amount raised will be paid in 120 monthly installments of R$208 (through May 2016), plus interest of 11% per year and annual inflation adjustment based on the General Market Price Index (IGP-M). CCI's are collateralized by the following: (i) conditional sale of the real estate, with a carrying amount of R$4,322; (ii) pledge, granted by I Park, of the total parking revenues; (iii) conditional assignment of receivables arising from the agreement; and (iv) pledge of the shares issued by Nova União. This transaction was settled in advance on January 31, 2011, in the amount of R$13,768.

(b) In June 2008, subsidiaries ABK and Levian raised funds through the issuance of Real Estate Credit Notes (CCI) for securitization of lease receivables from the land where Internacional Guarulhos Shopping Center is located. CCIs issued totaled R$180,000. The amount raised will be paid in 119 monthly payments (through June 2018), plus interest of 11% per year and inflation adjustment based on the Reference Rate (TR). CCI's are collateralized by the following: (i) conditional sale of the real estate, with a carrying amount of R$201,829; (ii) conditional assignment of receivables arising from the agreement; and (iii) conditional sale of the shares issued by subsidiary Cly. The CCIs funding costs of R$376 were deducted from the principal and are being repaid in 120 installments on a straight-line basis.

(c) In December 2008, subsidiary Bac raised funds through the issuance of Real Estate Credit Notes (CCI) for securitization of lease receivables from the properties where 100% of Suzano Shopping, 50% of Santana Parque Shopping and 85.5% of Cascavel JL Shopping are located. CCIs issued totaled R$73,934. The amount raised will be paid in 120 monthly payments (through January 2019), plus interest of 12% per year and adjusted for inflation based on the General Market Price Index (IGP-M). CCI's are collateralized by the following: (i) conditional sale of the real estate, with a carrying amount of R$168,867; (ii) conditional assignment of receivables arising from the agreement; and (iii) conditional sale of the shares issued by subsidiary Zuz. The CCIs funding costs are being deducted from the principal and being repaid in 120 installments on a straight-line basis. This transaction was settled in advance on February 24, 2011, in the amount of R$79,600.

(d) In April 2010, Fundo de Investimento Imobiliário Top Center, through its subsidiary Jud, raised funds with the issuance of Real Estate Credit Notes (CCI) for securitization of lease receivables related to the property where Top Center's 100% fraction is located. CCI's issued totaled R$60,000. The amount raised will be paid in 120 monthly payments (through April 2020), plus interest of 9.90% per year and adjusted for inflation based on the Extended Consumer Price Index (IPCA). CCI's are collateralized by the following: (i) conditional sale of the real estate, with a carrying amount of R$50,900; (ii) conditional assignment of receivables arising from the agreement; and (iii) conditional sale of shares held by the subsidiary Fundo de Investimento Imobiliário Top Center. The CCIs funding costs are being deducted from the principal and being repaid in 120 installments on a straight-line basis.

The noncurrent portion, as of December 31, 2011, matures as follows:

	Consolidated
	12/31/2011
2013	21,939
2014	25,633
2015	29,769
2016	34,371
2017 onwards	88,114
	199,826

Changes in CCIs for the years ended December 31, 2011 and 2010 are as follows:

	Consolidated
Balances as of December 31, 2009	253,049
Borrowings	60,000
Transaction costs	(1,389)
Payments - principal	(17,144)
Payments - interest	(29,969)
Financial charges	56,076
Balances as of December 31, 2010	320,923
Payments - principal	(102,412)
Payments - interest	(32,341)
Financial charges	31,767
Balances as of December 31, 2011	217,937

15. ACCOUNTS PAYABLE - ACQUISITION OF REAL ESTATE

	Consolidated	
	12/31/2011	12/31/2010
Right to use - Shopping Light (a)	-	1,085
Land - Guarulhos (b)	7,550	-
	7,550	1,085
Current	7,550	969
Noncurrent	-	116

(a) On June 6, 2007, the Company assumed the obligation to pay R$5,589 for the right to use 50.1% of Shopping Light. The balance payable was paid in December 2011.

(b) On January 11, 2011, the Company acquired a plot of land in Guarulhos, State of São Paulo, where a shopping mall will be built for the amount of R$24,160, payable as follows: (i) R$8,305 on sight; and (ii) R$15,855 in 21 equal, monthly and consecutive installments, adjusted based on INCC-DI/FGV, in the amount of R$755. The first installment was paid in February 2011.

16. OTHER PAYABLES

	Parent		Consolidated	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Advance on the sale of land and improvements in Parque Shopping Sulacap development (a)	-	-	99,405	-
Compensation payable to Fundo de Investimento Sulacap (b)	-	-	1,408	-
Transfer of key money VBI (c)	-	-	5,376	-
EMURB (d)	-	-	1,240	-
Unrealized loss on derivatives transactions	-	-	418	-
Other	1,013	897	5,768	4,029
Total	1,013	897	113,615	4,029
Current	1,013	897	14,210	4,029
Noncurrent	-	-	99,405	-

(a) On August 24, 2011, the Company sold to Fundo RB Capital General Shopping Fundo de Investimento Imobiliário - FII, the undivided interest corresponding to 44% of a plot of land and developments, improvements and accesses that will be embedded into the Parque Shopping Sulkacap building. Under this agreement, subsidiary Fonte Administradora e Incorporadora Ltda. undertakes to deliver the development fully completed within 24 months (2 years). The transaction cost was R$5,970 and will be recognized as expense until the date of transfer of the property to Fundo RB Capital General Shopping Fundo de Investimento Imobiliário - FII. Part of the cash received in advance, in the amount of R$87,848 is recorded as restricted short-term investment.

(b) Refers to compensation payable to Fundo RB Capital General Shopping Fundo de Investimento Imobiliário - FII due to the advance received on the sale of 44% of the improvements that will be made to Parque Shopping Sulacap, as mentioned in Note a) above.

(c) Transfer of key money to partner VBI (VBI Real Estate) relating to Shopping Barueri.

(d) Refers to the assumption of debt with EMURB from the acquisition of interest in Shopping Light by subsidiary Lux.

17. TAXES IN INSTALLMENTS

	Parent		Consolidated	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
PIS and COFINS	173	-	7,778	10,107
IPTU	-	-	-	-
INSS	524	693	573	1,512
ISS	-	-	50	-
Income tax and social contribution	-	-	13,774	16,300
	697	693	22,175	27,919
Current	173	294	5,534	6,155
Noncurrent	524	399	16,641	21,764

In 2009, the Company joined the tax debt installment program in accordance with Law 11941/09 ("REFIS") and the simplified tax debt installment program, amounting to R$5,793.

As of December 31, 2011, management estimates that the balance of said REFIS and simplified installments will be settled within 180 and 60 months, respectively, considering the number of fixed installments, which are adjusted based on the Special Settlement and Custody System (SELIC).

During the year ended December 31, 2010, the Company and its subsidiaries filed a request to pay in installments outstanding income tax and social contribution debts, which amount to R$21,428. The amounts under the tax debt refinancing program are expected to be paid in a period from 3 to 60 months.

The Company is required to pay both current and installment taxes and contributions on time to be eligible to continue under the above-mentioned tax debt refinancing program. As at December 31, 2011, the Company is compliant with this requirement.

The changes in the debts estimated by the Company, relating to the taxes paid in installments, including the amount of principal plus interest and fine for the years ended December 31, 2011 and 2010, are as follows:

	Consolidated
Balances as of December 31, 2009	8,481
Additions	21,428
Payments - principal	(3,700)
Payments - interest	(1,355)
Financial charges	3,045
Balances as of December 31, 2010	27,919
Payments - principal	(5,752)
Payments - interest	(221)
Financial charges	2,965
Reversal (*)	(2,736)
Balances as of December 31, 2011	22,175

(*) With the consolidation of the debt installment by the Federal Revenue Service, as prescribed by Law 11941/09, the installment amount was reduced by R$2,736 due to the utilization of tax losses to offset debts, interest and fines relating to the installment above.

18. RESERVE FOR CIVIL, TAX, LABOR AND SOCIAL SECURITY RISKS

A reserve is recognized for all matters under litigation, in an amount considered sufficient to cover probable losses, based on an assessment made by outside legal counsel. The accrued amounts include those related to tax, civil and labor contingencies. There are no escrow deposits linked to these reserves. The reserves are as follows:

	Consolidated	
	12/31/2011	12/31/2010
Labor (a)	273	201
Civil (b)	340	314
Tax: (c)		
PIS	-	1,354
Cofins	-	4,341
	613	6,210

(a) Refer to lawsuits related to joint liability, overtime and recognition of employment relationship.

(b) Refer to property damages and pain and suffering, renewal of lease agreements, collection actions and contract rescissions actions.

(c) Refer to the provision to cover taxes on revenue (PIS and COFINS) on store lease agreements entered into storeowners at the shopping centers, recognized by subsidiaries ABK and Levian, which taxes were not paid in the years prior to the Company's establishment since management, based on the opinion of its outside legal counsel, believes that these taxes did not levy on such transactions because revenues were received by means of a civil condominium. No lawsuit was filed related to this reserve.

As of December 31, 2011, the Company is party to other lawsuits in progress of, approximately, R$4,496, the unfavorable outcome of which were classified as possible by the external legal counsel and for which no reserve was recorded in the financial statements.

Periodically, the lawsuits are revaluated and reverses are supplemented, as necessary.

Changes in the reserve for risks for the years ended December 31, 2011 and 2010 are as follows:

	Consolidated			
	12/31/2010	Reversals	Adjustment	12/31/2011
Labor	201	-	72	273
Civil	314	-	26	340
Tax:				
PIS	1,354	(1,354)	-	-
Cofins	4,341	(4,341)	-	-
	6,210	(5,695)	98	613

	Consolidated			
	12/31/2009	Reversals	Adjusment	12/31/2010
Labor	201	-	-	201
Civil	314	-	-	314
Tax:				
PIS	1,612	(444)	186	1,354
Cofins	5,166	(1,422)	597	4,341
	7,293	(1,866)	783	6,210

19. SHAREHOLDERS' EQUITY

Capital

As of December 31, 2011, the Company's capital is R$317,813, represented by 50,480,600 common shares without par value.

The Company is authorized to increase its capital up to the limit of 65,000,000 registered shares, regardless of amendment to the bylaws, as approved by the Board of Directors, which is also responsible for establishing the issue conditions, including price, term and payment method. The Company may issue common shares, debentures convertible into common shares, and share warrants within this limit. Additionally, at the Board of Directors' discretion, the preemptive right may be excluded or the exercise price may be reduced as regards to the issuance of common shares, debentures convertible into common shares and share warrants, which are placed upon: (a) sale in stock exchange or public subscription; or (b) stock exchange in connection with the public acquisition of shareholding control, under applicable law, according to the authorized capital limit. Finally, the Company may, as approved by the Board of Directors, in accordance with the plan approved by the Annual Shareholders' Meeting, grant stock options or subscription warrants, without preemptive right to shareholders, on behalf of management, employees or individuals providing services to the Company or companies controlled by the Company, whether directly or indirectly.

Revaluation reserve

In 2007, the Company's accounting for revaluation of assets was approved. The taxes levied on the aforementioned reserve are recorded under "Noncurrent liabilities".

The revaluation reserve is being realized through depreciation, against retained earnings, net of taxes.

Diluted loss per share

The Company has no debt convertible into shares or stock options granted; therefore, no diluted loss per share was calculated.

The basic earnings per share are as follows:

	12/31/2011	12/31/2010
(In thousands, except earnings per share):		
Basic numerator-		
Net loss for the year	(38,001)	(11,355)
Denominator:		
Stock weighted average - basic	50,481	50,481
Basic loss per share in (R$)	(0.753)	(0.225)

20. NET REVENUE FROM RENTALS, SERVICES AND OTHER

	12/31/2011	12/31/2010
Gross revenue:		
Rentals	115,331	99,303
Revenue from services	31,827	27,423
	147,158	126,726
Deductions		
Taxes on rentals and services	(7,843)	(8,175)
Discounts and rebates	(1,974)	(2,392)
Net revenue from rentals, services and other	137,341	116,159

21. COST OF RENTALS AND SERVICES PROVIDED

	Consolidated	
	12/31/2011	12/31/2010
Personnel	(1,181)	(1,004)
Depreciation	(12,036)	(9,489)
Occupation	(8,141)	(8,890)
Outside services	(6,707)	(5,649)
Total	(28,065)	(25,032)

22. GENERAL AND ADMINISTRATIVE EXPENSES - BY NATURE

	Parent		Consolidated	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
IPTU	(38)	(25)	(925)	(200)
Selling	-	-	(3,859)	(1,292)
Allowance for doubtful accounts	-	-	(975)	(300)
Publicity and advertising	(1,258)	(53)	(1,565)	(85)
Conservation of facilities	(23)	-	(304)	-
Materials	(41)	(78)	(129)	(111)
Electricity	(50)	(29)	(389)	(336)
Personnel	(10,047)	(7,143)	(13,088)	(10,525)
Outside services	(3,170)	(3,147)	(8,070)	(7,058)
Depreciation and amortization expense	(421)	(333)	(421)	(333)
Rents	(470)	(153)	(692)	(361)
Fees and emoluments	(17)	(19)	(581)	(193)
Telephone	(242)	(183)	(280)	(287)
Travels and lodging	(177)	(149)	(183)	(153)
Insurance	(99)	(67)	(429)	(427)
Courier services	(147)	(92)	(149)	(93)
Legal expenses	(57)	(92)	(575)	(667)
Other	(924)	(750)	(465)	(264)
Total	(17,181)	(12,313)	(33,079)	(22,685)

23. FINANCIAL INCOME (EXPENSES)

	Parent		Consolidated	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Financial income:				
Interest from short-term investments	151	1,160	9,535	2,273
Gain on derivatives transactions	-	-	717	-
Exchange rate change	-	18	101,428	3,970
Monetary change	41	-	1,604	-
	192	1,178	113,284	6,243
Financial expenses:				
Interest on loans, financing, and CCIs	(31)	(3,996)	(79,534)	(71,713)
Interest payable	(409)	(743)	(3,683)	(6,003)
Exchange rate change	-	-	(138,319)	-
Fines on overdue taxes	-	-	-	(1,638)
	(440)	(4,739)	(221,536)	(79,354)
Total	(248)	(3,561)	(108,252)	(73,311)

24. INCOME TAX AND SOCIAL CONTRIBUTION

Income tax and social contribution charged to income for the nine-month period are as follows:

	Parent		Consolidated	
	12/31/11	12/31/10	12/31/11	12/31/10
Income before Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)	(38,001)	(11,355)	(22,761)	(1,219)
Statutory rate	34%	34%	34%	34%
Estimated income tax and social contribution credit (expense)	12,920	3,861	7,739	414
IRPJ and CSLL effects on:				
Equity in subsidiaries	(7,106)	1,530	-	-
Other permanent differences, net	-	4,558	(14,809)	13,172
Deferred IRPJ and CSLL on tax losses and temporary differences not recognized	(5,814)	(9,949)	1,055	(13,523)
IRPJ and CSLL effects on companies taxed by deemed income (*)	-	-	(9,225)	(10,199)
Income tax and social contribution charged to income	-	-	(15,240)	(10,136)
Current	-	-	(15,254)	(10,219)
Deferred	-	-	14	83

(*) Subsidiaries Polishopping, Securis, Lumen, Lux, Brassul, Intesp, PP, Jud, BR Outlet, Cly, Bud, Sale, Ast, Uniplaza, Wass, Energy, Manzanza, Nova União, Zuz,Vide, Mai, Ers, Flk, BR Outlet and Premium Outlet elected the deemed income regime.

Deferred income tax and social contribution are as follows:

	Consolidated	
	12/31/2011	12/31/2010
Tax base:		
Reserve for civil, tax, labor and social security risks	613	6,210
Allowance for doubtful accounts	11,421	10,446
Unbilled rental revenues	-	471
Revaluation of investment property	(130,554)	(130,800)
Tax loss carryforwards	228,028	187,258
	109,508	73,585
Combined income tax and social contribution rate	34%	34%
	37,233	25,019
Unrecorded deferred income tax and social contribution	(66,529)	(54,329)
Deferred income tax and social contribution	(29,296)	(29,310)
Noncurrent assets	12,554	12,588
Noncurrent liabilities	41,850	41,898

25. OTHER OPERATING INCOME, NET

	Parent		Consolidated	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Reversal of the provision for risks (b)	-	-	5,695	1,866
Reversal of taxes in installment (a)	-	-	2,736	-
Others	329	19	863	1,584
	329	19	9,294	3,450

(a) See note 17.

(b) See note 18.

26. FINANCIAL INSTRUMENTS

26.1. Financial instruments by category

The Company's financial instruments were classified under the following categories:

	Consolidated							
	12/31/2011				12/31/2010			
	Fair value through profit or loss	Loans and receivables	Other liabilities	Total	Fair value through profit or loss	Loans and receivables	Other liabilities	Total
Assets:								
Cash and cash equivalents	37,487	84,193	-	121,680	-	334,045	-	334,045
Certificates of Real Estate Receivables (CRI)	-		-	-	-	1,255	-	1,255
Restricted cash	-	90,627	-	90,627	-	10,610	-	10,610
Trade accounts receivable and other	-	43,965	-	43,965	-	40,990	-	40,990
Total	37,487	218,785	-	256,272	-	386,900	-	386,900
Liabilities-								
Loans and financing	-	-	472,598	472,598	16,494	-	331,277	347,771
Real estate credit notes (CCI)	-	-	217,937	217,937	93,413	-	227,510	320,923
Derivatives	418	-	-	418	-	-	-	-
Trade accounts payable	-	-	17,773	17,773	-	-	3,858	3,858
Other payables	-	-	102,777	102,777	-	-	4,029	4,029
Total	418	-	811,085	811,503	109,907	-	566,674	676,581

26.2. Risk factors

The Company's and its subsidiaries' main source of revenue is rentals received from shopping malls' storeowners.

The Company and its subsidiaries have a risk management policy under which financial instruments are contracted to manage market risks. The main market risks the Company is exposed to include fluctuations in exchange and inflation rates inherent in its operations. The risk management policy is monitored by the Board of Directors to ensure that financial instruments remain within the policy scope. Risk management is a continuous process which is periodically reported to the Board of Directors and

performed in line with the best corporate governance practices. Risk management is primarily intended to protect the Company's cash flows by helping ensure that operations are within the preset limits of exposure, coverage, terms and instruments, ultimately minimizing operating costs. According to their nature, financial instruments may involve known or unknown risks; an assessment of the potential risks, in the Company's and its subsidiaries' best judgment, is important. Thus, risks may exist that require guarantees or not, depending on circumstantial or legal aspects. The policy allows the Company to use derivatives only for hedging purposes. Contracting derivatives that imply the net sale of options and financial transactions structured with embedded derivatives is prohibited.

The main market risk factors that may affect the business of the Company and its subsidiaries are as follows:

a) Credit risk

The Group has a large number of customers. The Company and its subsidiaries constantly monitor accounts receivable through internal controls, thus limiting the default risk.

The Company's Risk Management Policy allows transactions with financial instruments only with prime counterparties, i.e., those with low credit risk in accordance with international rating agencies. The policy allows derivative transactions to be directly conducted on BM&FBovespa, whose counterparty risk is accepted by the Company. Both financial institutions and brokerage firms should be previously approved by the Risk Management Committee.

b) Liquidity risk

The cash flow is estimated for the Company's operational units by finance professionals who continuously monitor the liquidity to ensure that the Company has sufficient cash to meet its operating requirements. This forecast takes into consideration the Company's debt financing plans, compliance with internal balance sheet ratio goals, and external regulatory or legal requirements, if applicable.

Cash surpluses recorded by operating units above the threshold required for working capital management is transferred to the treasury area, which invests the cash surplus in CDBs, by selecting instruments with adequate maturity dates or sufficient liquidity to provide the necessary margin, as determined by the aforementioned forecasts. As of December 31, 2011, the Company recorded cash and cash equivalents of R$121,680 (R$334,045 as of December 31, 2010).

c) Price variation risk

The Company's and its subsidiaries' revenues consist basically of rentals received from shopping malls' storeowners. The rental agreements, in general, are adjusted based on the annual IGP-DI variation, as set forth in such agreements. The rental levels may vary according to adverse economic conditions and, consequently, the revenue level may be affected. Management monitors these risks in order to minimize impacts on its business.

d) Capital risk

The Company and its subsidiaries manage their capital to ensure regular business continuity and, at the same time, maximize return to all stakeholders or parties involved in their operations, by optimizing the debt and equity balance.

The Company's and its subsidiaries' capital structure comprise net debt (borrowings and financing and real estate credit notes (CCI), as detailed in Notes 13 and 14, less cash and cash equivalents) and consolidated shareholders' equity (including capital and reserves, as presented in Note 19).

Management reviews the Company's capital structure on a regular basis. As part of this review, Management considers the cost of capital and risks associated to each class of capital. As at December 31, 2011, debt ratio was 171% (see below).

Debt ratio

As at December 31, 2011 and 2010, the debt ratio is as follows:

	Consolidated	
	12/31/11	12/31/10
Debt (i)	690,535	668,694
Cash and cash equivalents	121,680	334,045
Net debt	568,855	334,649
Shareholders' equity (ii)	333,113	371,114
Net debt-to-equity ratio	171%	90%

(i) The debt is defined as borrowings and financing and short- and long-term real estate credit notes (CCI).

(ii) Shareholders' equity includes the Company's capital and reserves, managed as capital.

e) Liquidity risk management

The Company and its subsidiaries manage the liquidity risk by maintaining proper reserves, bank and other credit facilities to raise new borrowings that they consider appropriate, based on the continuous monitoring of budgeted and actual cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

Liquidity risk and interest table

The table below detail the remaining contractual maturity of the Company's financial liabilities and the contractual payment periods. These tables were prepared in accordance with non-discounted cash flows of financial liabilities based on the closest date when the Company and its subsidiaries should settle the corresponding obligations. The tables include interest and principal cash flows. As interest flows are based on floating rates, the undiscounted amount was based on the interest curves at yearend.

Contractual maturity is based on the most recent date when the Company and its subsidiaries should settle the related obligations.

	Weighed average effective interest rate	Less than 1 month	From one to three months	From to three months to one year	Between one and five years	More than five years	Total
Loans and financing (*)	10.30%	-	11,724	35,172	141,351	469,223	657,470
Real estate credit notes (CCI)	11.28%	3,665	3,787	10,659	150,838	207,429	376,378

(*) In order to invest in perpetual bonds, interest to be incurred through the call option date was taken into consideration and the principal amount, since these bonds do not mature, was classified as debt falling due above 5 (five) years.

f) Interest rate risk

Working capital loans and real estate credit notes - the Company's subsidiaries also raised several working capital loans, as mentioned in Notes 13 and 14, which bear average interest rates of up to 14.45% p.a. No financial instrument was contracted to hedge against interest rate fluctuations in these transactions.

Payables for acquisition of property - The Company's subsidiaries have balances payable to unrelated companies relating to the purchase of properties for the acquisition of Shopping Light, which bear financial charges based on general price indices variation. No financial instrument was contracted to hedge against interest rate fluctuations in these transactions.

g) Foreign exchange risk

The Company, through its subsidiary, has financing and balances payable to related parties contracted in foreign currency, in the amount of R$477,853 as of December 31, 2011 (R$337,879 as of December 31, 2010).

The Company measures its exposures based on its own estimate and budget model and, in September 2011, through its subsidiary, contracted dollar futures with BM&FBovespa to hedge its exposure to currency risks. The primary risk the Company intends to reduce is the currency risk related to its foreign-currency liabilities.

As at December 31, 2011, the Company uses derivatives and non-derivative financial instruments denominated in foreign currency to hedge the currency risks corresponding to eight quarters of interest payable relating to the issue of Perpetual Bonds.

The Company did not contract derivatives or non-derivatives transactions to hedge the principal.

Below is the hedge contracted for the currency risk:

Exposure - Year	Exposure - Perpetual bonds- interest (US$ thousand)	Hedge with derivatives	Cover	Opening price: Rate R$/US$	Fair value (R$ thousand)	Gains for the year
2012	25,000	25,000	100%	1.8589	(209)	528
2013	25,000	25,000	100%	1.8725	(209)	189
	50,000	50,000			(418)	717

The Company manages and monitors the position of its derivatives on a daily basis. The foreign-currency short-term investments match the foreign-currency liabilities and are, therefore, used as natural hedges.

The Company contracts short-term US dollar futures with BM&FBovespa and subsequently rolls over the derivative instruments. The transaction shown above, maturing on February 1, 2012, was renewed by the Company's management.

The Company believes that using derivatives as hedging instruments is more cost-effective than using other strategies.

The Company's derivatives meet the inputs hierarchy described in CPC 40, and are classified at level 1, i.e., derivatives are obtained at prices traded in an active market (without adjustments). As at December 31, 2011, the fair value of the derivatives is R$418, and is recognized in "other accounts payable". In the year ended December 31, 2011, a gain of R$717 was recorded. During the year, no US dollar futures position was closed.

To conduct BM&FBovespa transactions, the Company made, through private securities from prime financial institutions, an initial margin deposit which, as at Dcccmber 31, 2011, totaled R$14,212.

Financial assets, except those designated at fair value through profit or loss, are valued using impairment indicators at the end of year. Impairment losses are recognized if there is objective evidence of impairment as a result of one or more events occurred after the initial recognition of the financial asset, with an impact on the estimated future cash flows.

The criteria used by the Company and its subsidiaries to determine whether there is objective evidence that a financial asset is impaired includes:

- Significant financial difficulty of the issuer or debtor.
- Breach of contract, such as default or delinquency in interest or principal payments.
- Likelihood that the borrower will file for bankruptcy or financial reorganization.
- The disappearance of an active market for that financial asset because of financial problems.

The carrying amount of the financial asset is directly written down by the impairment loss for all financial assets, except for trade accounts receivable, in which case the carrying amount is written down by an allowance. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance are recognized in profit or loss.

h) Sensitivity analysis

Considering the financial instrument previously described, the Company has developed a sensitivity analysis, according to CVM Instruction 475/08, which requires the presentation of two additional scenarios based on 25% and 50% fluctuations in the risk variable taken into consideration. These scenarios may generate impact on the Company's income and/or future cash flows, as described below:

- Base scenario: maintenance of interest at the same levels as at December 31, 2011.
- Adverse scenario: a 25% fluctuation of the main risk factor of the financial instrument compared to the level as at December 31, 2011.
- Remote scenario: a 50% fluctuation of the main risk factor of the financial instrument compared to the level as at December 31, 2011.

i) Loans, financing and CCIs

Assumptions

As described above, the Company understands that it is mainly exposed to the TR and IPCA variation risk and exchange rate change in relation to the US dollar, which are the basis to adjust a significant portion of loans, financing, CCI and perpetual notes contracted. Accordingly, the table below shows the rates used to prepare the sensitivity analysis.

Assumptions	Base scenario	Adverse scenario	Remote scenario
Decrease in IPCA	0.43%	0.54%	0.65%
Decrease in TR	0.10%	0.13%	0.15%
Depreciation of the Brazilian real against the US dollar	5.00%	6.25%	7.50%

		Scenarios - interest to be incurred		
Operation	Risk	Base (i)	Adverse (ii)	Remote (iii)
Interest on borrowings indexed to IPCA	Increase in IPCA	63,729	79,205	88,877
Interest on loans subject to TR variation	Increase in TR	87,010	92,414	95,309
Interest and exchange rate change	Increase in US dollar	384,151	427,271	474,562

The table above shows the effects of interest and index variation up to the agreement termination and, with respect to perpetual bonds, up to the date of purchase by the Company (5th year).

For the sensitivity of derivatives, the Company adopted as base scenario the same levels as those for December 31, 2011. The Company analyzed sensitivity only for the impact of the variables on derivative instruments, rather than analyzing the overall impact on its operations. A possible US dollar depreciation against the Brazilian real may be offset against the opposite effects on its foreign-currency liabilities:

Assumptions	Base scenario	Adverse scenario	Remote scenario
Appreciation of the Brazilian real against the US dollar	1.8800	1.4100	0.9400

Operation	Risk	Scenarios - interest to be incurred		
		Base (i)	Adverse (ii)	Remote (iii)
Exchange rate change	Decrease in US dollar	(418)	(23,918)	(47,419)

j) Cash and cash equivalents

Assumptions

As described above, the Company understands it is mainly exposed to the risk of CDI fluctuation and exchange rate change. Accordingly, the table below shows the indices and rates used to prepare the sensitivity analysis:

Assumptions	Base scenario	Adverse scenario	Remote scenario
CDI fluctuation	9.49%	7.12%	4.75%
Depreciation of the Brazilian real against the US dollar	(5.0%)	(6.25%)	(7.5%)

Operation		Consolidated		
Risk factor	Risk	Base scenario	Adverse scenario	Remote cenario
Subject to CDI fluctuation	Decrease in CDI rate	7,918	5,938	3,959
Subject to US dollar fluctuation	Decrease in US dollar	(1,891)	(2,364)	(2,837)

27. INSURANCE

The Company and its subsidiaries have insurance to cover potential risks on its assets and/or civil liabilities.

As of December 31, 2011, insurance is as follows:

Type	Insurance coverage
Civil liability	39,070
Common fire	1,170,750
Loss on profits	136,733
Windstorm/smoke	54,643
Shopping malls' operations	18,000
Pain and suffering	3,600
Material damages	1,920
Employer	960

28. SEGMENT REPORTING

Segment reporting is used by the Company's top management to make decisions about resources to be allocated to a segment and assess its performance.

The accounting policies for these reportable segments are similar to those of the Company, as described in note 2. The segment reporting considers the items attributable directly to the segment, as well as those that could be reasonably allocated. Assets and liabilities by segment are not presented as they are not considered by senior management in the strategic decision-making process.

Therefore, the Company's reporting segments are as follows:

a) Rentals

Refers to the rental of space to storeowners and other commercial space, such as sales stands; rental of commercial space for advertising and promotion; operation of parking lots; and the property space (technical structure) lease fee.

b) Services

Refers to revenue from electric power and water supply management at the shopping malls.

The Company's total revenues is realized in Brazil.

Income statements by segment:

	Consolidated					
	12/31/2011			Exclusion		12/31/2011
	Rental	Service	Corporate	Debit	Credit	Consolidated
Service revenues	116,541	31,494	-	(10,694)	-	137,341
Rental and services provided	(19,549)	(16,249)	-	-	7,734	(28,065)
Gross profit	96,992	15,245	-	(10,694)	7,734	109,276
Operating revenues (expenses)	(8,267)	(739)	(16,829)	(910)	2,960	(23,785)
Operating revenues (expenses) before financial income (loss)	88,725	14,506	(16,829)	(11,604)	10,694	85,491
Financial loss	(32,477)	(563)	(75,212)	(19,217)	19,217	(108,252)
Operating income (loss) before income tax and social contribution	56,248	13,943	(92,041)	(30,821)	29,911	(22,761)
Income tax and social contribution	(12,034)	(3,206)	-	-	-	(15,240)
Net income (loss) for the year	44,214	10,737	(92,041)	(30,821)	29,911	(38,001)

	Consolidated					
	12/31/2010			Exclusion		12/31/2010
	Rental	Services	Corporate	Debit	Credit	Consolidated
Service revenue	97,504	27,465	-	(8,810)	-	116,159
Rentals and services provided	(16,547)	(14,429)	-	-	5,944	(25,032)
Gross profit	80,957	13,036	-	(8,810)	5,944	91,127
Operating revenues (expenses)	(2,126)	(2,879)	(17,096)	-	2,866	(19,235)
Operating revenues (expenses) before financial income (loss)	78,831	10,157	(17,096)	(8,810)	8,810	71,892
Financial loss	-	-	(73,111)	-	-	(73,111)
Operating income (loss) before income tax and social contribution	78,831	10,157	(90,207)	(8,810)	8,810	(1,219)
Income tax and social contribution	(8,175)	(1,961)	-	-	-	(10,136)
Net income (loss) for the year	70,656	8,196	(90,207)	(8,810)	8,810	(11,355)

29. ADDITIONAL DISCLOSURES OF CASH FLOWS

The Company conducted the following noncash transaction:

	Consolidated	
	12/31/11	12/31/10
Capitalized interest in properties for investment in construction	8,873	1,069
Purchase of land	15,855	-

30. APPROVAL OF THE FINANCIAL STATEMENTS

On February 24, 2012, the Board of Directors of General Shopping Brasil S.A. authorized the conclusion of the financial statements for the year ended December 31, 2011.

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Directors and Management of
General Shopping Brasil S.A.
São Paulo, SP

We have audited the accompanying individual and consolidated financial statements of General Shopping Brasil S.A. ("Company") and its subsidiaries, identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2010, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board - IASB, and in accordance with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing selected procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion on the Individual Financial Statements

In our opinion, the individual financial statements present fairly, in all material respects, the financial position of General Shopping Brasil S.A. as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of General Shopping Brasil S.A. as at December 31, 2010, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board - IASB and accounting practices adopted in Brazil.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which states that the individual financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of General Shopping Brasil S.A., these accounting practices differ from the IFRSs, applicable to separate financial statements, only with respect to the measurement of investments in subsidiaries by the equity method of accounting, which, for purposes of IFRS, would be measured at cost or fair value.

The Company has taken measures to complete the registration of certain title deeds for certain properties acquired in the appropriate real estate registry offices, as stated in Note 11. Management understands that no material expenses will be incurred upon completion of this process and that there will be no impediments to such registration.

Other Matters

Statements of Value Added

We have also audited the individual and consolidated statements of value added ("DVA") for the year ended December 31, 2010, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies, and considered as supplemental information for IFRS, which does not require the presentation of a DVA. These financial statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 24, 2011

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Ismar de Moura
Engagement Partner

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A.

BALANCE SHEETS AS OF DECEMBER 31, 2010 AND 2009 AND JANUARY 1, 2009
(In thousands of Brazilian reais - R$)

ASSETS	Note	Parent (BR GAAP) 12/31/2010	Parent (BR GAAP) 12/31/2009	Parent (BR GAAP) 01/01/2009	Consolidated (BR GAAP & IFRSs) 12/31/2010	Consolidated (BR GAAP & IFRSs) 12/31/2009	Consolidated (BR GAAP & IFRSs) 01/01/2009
CURRENT ASSETS							
Cash and cash equivalents	4	1 473	3 969	18 342	334 045	12.143	93 998
Certificates of Real Estate Receivables (CRI)		-	-	-	457	370	379
Trade accounts receivable	6	-	-	-	24 643	24 515	20 300
Recoverable taxes	7	464	444	900	2 113	1.411	1 495
Assets held for sale	13	-	-	-	-	25 394	-
Restricted cash	5	-	-	-	-	3 079	138 175
Other receivables	9	782	87	182	14.648	1 759	1 305
Total current assets		2 719	2.500	19 424	375.906	68.671	235 652
NONCURRENT ASSETS							
Trade accounts receivable	6	-	-	-	1 699	1 418	-
Certificates of Real Estate Receivables (CRI)		-	-	-	798	913	1 054
Deferred income and social contribution taxes	25	-	-	-	12.588	12 621	12 642
Related parties	8	18 452	363 965	320 429	19 368	15 680	12 067
Deposits and pledges		-	-	-	978	764	642
Restricted cash	5	-	-	-	10 610	7 719	7 000
Investments	10	507 651	155 355	113 293	-	-	-
Investment properties	11	-	-	-	699 919	691 862	694 853
Property, plant and equipment	12	6 348	4 454	4 121	18 066	14 641	15 313
Intangible assets	14	429	-	-	30.901	31.023	11 240
Total noncurrent assets		532 880	523 774	437 843	794 927	776 661	775 311
TOTAL ASSETS		535 599	526.274	457 267	1.170.833	845.332	1 010 963

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent (BR GAAP) 12/31/2010	Parent (BR GAAP) 12/31/2009	Parent (BR GAAP) 01/01/2009	Consolidated (BR GAAP & IFRSs) 12/31/2010	Consolidated (BR GAAP & IFRSs) 12/31/2009	Consolidated (BR GAAP & IFRSs) 01/01/2009
CURRENT LIABILITIES							
Trade accounts payable		225	397	907	3 858	4.554	11 461
Loans and financing	15	10 450	30 014	47 489	25.856	62 070	216 156
Accounts payable for acquisition of properties	17	-	-	-	969	5.416	9 875
Payroll, related charges and profit sharing		1 540	1 137	1 473	1 921	1 556	1 694
Taxes and contribution payable		196	138	94	15 243	34 683	19 078
Taxes in installments	18	294	172	-	6 155	575	325
Real Estate Credit Notes (CCI)	36	-	-	-	99 500	18.447	16 552
Related parties	8	150 484	110 103	48 558	14 848	18.128	26 178
Other payables		897	1 300	700	4 029	5 066	9 279
Total current liabilities		164,086	143 261	99 221	172 379	150.495	312 598
NONCURRENT LIABILITIES							
Loans and financing	15	-	544	-	321 915	6.695	20 741
Key money		-	-	-	14 014	13 077	11 397
Taxes in installments	18	399	-	-	21 764	7 906	3 674
Deferred income and social contribution taxes	25	-	-	-	41 898	42 014	42 130
Accounts payable for acquisition of properties	17	-	-	-	116	781	2 417
Provision for fiscal, labor and civil risks	19	-	-	-	6 210	7 293	8 654
Real Estate Credit Notes (CCI)	16	-	-	-	221.423	234.602	251 296
Total noncurrent liabilities		399	544	-	627.340	312.368	340 319
SHAREHOLDERS' EQUITY							
Capital	20	317.813	317 811	317.813	317.813	317.813	317 813
Revaluation reserve		58.740	58.906	59 130	108.535	108.701	108 925
Earnings reserve		-	5 750	-	-	-	-
Accumulated losses		(5 439)	-	(18.897)	(55.234)	(44.045)	(68.692)
Total shareholders' equity attributable to the Company's owners		371 314	182 469	358 046	371 114	382.469	358 046
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		515.599	526.274	457 267	1.170.833	845 313	1.010 963

The accompanying notes are an integral part of these financial

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A.

INCOME STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(In thousands of Brazilian reais - R$, except earnings (loss) per share)

	Note	Parent (BR GAAP)		Consolidated (BR GAAP & IFRSs)	
		12/31/2010	12/31/2009	12/31/2010	12/31/2009
NET REVENUES	21	-	-	116.159	100.557
COSTS OF RENTALS AND SERVICES	22	-	-	(25.032)	(24.725)
GROSS PROFIT		-	-	91.127	75.832
OPERATING INCOME (EXPENSES)					
General and administrative	23	(12.313)	(10.205)	(24.680)	(21.647)
Other operating income, net		19	444	5.445	8.061
Equity in subsidiaries	10	4.500	42.062	-	-
INCOME (LOSS) FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)		(7.794)	32.301	71.892	62.246
FINANCIAL INCOME (EXPENSES)	24	(3.561)	(7.878)	(73.111)	(23.332)
INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES		(11.355)	24.423	(1.219)	38.914
Current income and social contribution taxes	25	-	-	(10.219)	(14.470)
Deferred income and social contribution taxes		-	-	83	(21)
NET INCOME (LOSS)		(11.355)	24.423	(11.355)	24.423
ATTRIBUTABLE TO THE COMPANY'S OWNERS		(11.355)	24.423	(11.355)	24.423
BASIC EARNINGS (LOSS) PER SHARE - R$		(0,22)	0,48	(0,22)	0,48

The Company does not have comprehensive income (loss) items in the current and prior year, except for net income for the year and, accordingly, does not present a statement of comprehensive income.

The accompanying notes are an integral part of these financial statements

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(In thousands of Brazilian reais - R$)

	Capital	Subsidiaries' revaluation reserve	Earnings retention reserve	Retained earnings (accumulated losses)	Total attributable to the Company's owners
BALANCES AT DECEMBER 31, 2008 (ORIGINALLY REPORTED)	317.813	80.626	-	(25.346)	373.093
Adjustments arising from the first-time adoption of IFRSs	-	(21.496)	-	6.449	(15.047)
BALANCES AT JANUARY 1, 2009	317.813	59.130	-	(18.897)	358.046
Net income for the year	-	-	-	24.423	24.423
Realization of revaluation reserve	-	(224)	-	224	-
Allocation of effects of adopting new accounting practices	-	-	5.750	(5.750)	-
BALANCES AT DECEMBER 31, 2009	317.813	58.906	5.750	-	382.469
Net loss for the year	-	-	-	(11.355)	(11.355)
Realization of revaluation reserve	-	(166)	-	166	-
Offset of accumulated losses against the earnings retention reserve	-	-	(5.750)	5.750	-
BALANCES AT DECEMBER 31, 2010	317.813	58.740	-	(5.439)	371.114

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(In thousands of Brazilian reais - R$)

	Parent (BR GAAP)		Consolidated (BR GAAP & IFRSs)	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
CASH FLOW FROM OPERATING ACTIVITIES				
Net income (loss) for the year	(11.355)	24.423	(11 355)	24.423
Adjustments to reconcile income before income tax and social contribution to cash provided by operations:				
Depreciation and amortization	683	318	9 822	10.120
Net book value of property, plant and equipment and investment properties written off	-	-	22.948	-
Allowance for doubtful accounts	-	-	300	777
Reserve for tax, labor and civil risks	-	-	11.866)	(1.965)
Deferred income tax and social contribution	-	-	(83)	21
Financial charges on borrowings, financing, CCI, perpetual bonds and installment payments of taxes	3.574	4.587	75.220	47.571
Financial charges on the provision for risks	-	-	783	604
Exchange rate change	-	-	3.689	(4.592)
Financial discount on financing	-	-	-	115.173)
Equity in subsidiaries	(4.500)	142.062)	-	-
(Increase) decrease in operating assets:				
Trade accounts receivable	-	-	(709)	(4.992)
Recoverable taxes	(20)	456	(702)	84
Other receivables	(695)	95	(12.889)	(454)
Deposits and pledges	-	-	(214)	(122)
Increase (decrease) in operating liabilities:				
Trade accounts payable	(172)	(510)	(696)	(8.907)
Taxes, fees and contributions	579	216	1.988	20.087
Salaries, related taxes and premiums	403	(336)	365	(138)
Deferred income from assignments	-	-	937	1.680
Other payables	(403)	591	(1.037)	(4.222)
Cash provided by (used in) operating activities	(11.906)	(12.222)	86.501	64.802
Interest paid	(3.638)	(4.546)	(36.220)	(31.992)
Net cash provided by (used in) operating activities	(15.544)	(16.768)	50.281	32.810
CASH FLOW FROM INVESTING ACTIVITIES				
Receipt of properties for sale	-	-	25 394	-
Acquisition of investment properties, property, plant and equipment and intangible assets	13.006)	(651)	(43.464)	(31.134)
Certificates of Real Estate Receivables (CRI)	-	-	48	130
Restricted cash	-	-	188	114.377
Cash used in investing activities	(3.006)	(651)	(17.834)	83.373
CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings, financing, CCI and perpetual bonds raised	15 000	15.774	395.368	22.062
Repayment of principal of borrowings, financing and CCI	(35.044)	(32.737)	(82.474)	(201.570)
Payment of principal of taxes paid in installments	-	-	(3 700)	(772)
Payment of trade accounts payable - acquisition of properties	-	-	(5.112)	(6.095)
Related parties	38.098	18.009	(6.968)	(11.663)
Net cash (used in) provided by financing activities	18.054	1.046	297.114	(198.038)
Effect of exchange rate change on cash and cash equivalents	-	-	(7.659)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(496)	(16.373)	321.902	(81.855)
CASH AND CASH EQUIVALENTS				
At end of year	1.473	1 969	334.045	12.143
At beginning of year	1.969	18 342	12 143	93.998
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(496)	(16.373)	321.902	(81.855)

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A.

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(In thousands of Brazilian reais - R$)

	Parent (BR GAAP)		Consolidated (BR GAAP & IFRSs)	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
REVENUES				
Revenue from services	-	-	124.334	107.759
Allowance for doubtful accounts	-	-	(300)	(777)
	-	-	124.034	106.982
SERVICES AND MATERIALS FROM THIRD PARTIES				
Outside services, materials and other	(4.812)	(4.949)	(27.861)	(26.538)
GROSS VALUE ADDED (CONSUMED)	(4.812)	(4.949)	96.173	80.444
DEPRECIATION AND AMORTIZATION	(317)	(318)	(9.822)	(10.120)
NET VALUE ADDED CREATED BY THE ENTITY	(5.129)	(5.267)	86.351	70.324
VALUE ADDED RECEIVED IN TRANSFER				
Equity in subsidiaries	4.500	42.062	-	-
Financial income	1.178	478	5.721	20.820
Other	2	444	5.445	8.061
WEALTH FOR DISTRIBUTION	551	37.717	97.517	99.205
WEALTH DISTRIBUTED				
Employees:				
Direct compensation	4.251	3.602	7.287	5.805
Benefits	1.323	432	1.768	1.112
FGTS	315	178	396	266
INSS	1.253	710	2.077	1.554
Taxes fees and contributions:				
Federal	-	-	17.094	20.654
Municipal	25	16	1.418	1.239
Debt capital-				
Interest	4.739	8.356	78.832	44.152
Net income (loss) for the year	(11.355)	24.423	(11.355)	24.423
	551	37.717	97.517	99.205

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

GENERAL SHOPPING BRASIL S.A.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Amounts in thousands of Brazilian reais - R$, unless otherwise stated)

1. GENERAL INFORMATION

General Shopping Brasil S.A. ("Company") was established on March 6, 2007 and, on March 31, 2007, after successive corporate transactions, the equity interest in the companies engaged in shopping mall activities and the equity interest in the companies that provide services to the shopping malls were grouped into two different companies: (a) Levian Participações e Empreendimentos Ltda. and (b) Atlas Participações Ltda., respectively.

The Company trades its shares on BM&FBOVESPA (São Paulo Stock Exchange), under the stock symbol "GSHP3".

The Company's immediate and ultimate Parent company is Golf Participações Ltda., a company headquartered in Brazil.

The Company is headquartered in São Paulo, at Avenida Angélica 2.466, suite 221.

The Company is primarily engaged in the following activities: (a) management of its own and third parties' assets; (b) holding of equity interests in real estate projects; and (c) real estate development and related activities.

The Company's direct and indirect subsidiaries included in the consolidated financial statements are as follows:

- Atlas Participações Ltda. ("Atlas") - engaged in managing its own assets, and holding equity interests in other companies. Atlas presently holds a 100% interest in I Park Estacionamentos Ltda., Energy Comércio e Serviços de Energia Ltda., Wass Comércio e Serviços de Água Ltda., General Shopping Brasil Administradora e Serviços Ltda., Internacional Guarulhos Auto Shopping Center Ltda., Vide Serviços e Participações Ltda. and Ast Administradora e Incorporadora Ltda.

- ABK do Brasil - Empreendimentos e Participações Ltda. ("ABK") - engaged in managing its own assets and holding equity interests in other companies. ABK presently holds an undivided interest of 50% of Internacional Guarulhos Auto Shopping Center.

- Ast Administradora e Incorporadora Ltda. ("Ast") - engaged in managing its own and third parties' assets, real estate development, holding equity interests in other companies and real estate projects, and leasing security equipment and video cameras.

- Bac Administradora e Incorporadora Ltda. ("Bac") - engaged in developing real estate projects.

- BR Outlet Administradora e Incorporadora Ltda. ("BR Outlet") - is engaged in developing real estate projects. BR Outlet holds 50% of Outlet Premium's shares.

- Brassul Shopping Administradora e Incorporadora Ltda. ("Brassul") - engaged in managing its own and third parties' assets and real estate development. Brassul holds 99.99% of the shares in Sale Empreendimentos e Participações Ltda.

- Cly Administradora e Incorporadora Ltda. ("Cly") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects. Cly holds a 100% interest in Internacional Shopping Guarulhos.

- Delta Shopping Empreendimentos Imobiliários Ltda. ("Delta") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects

- Energy Comércio e Serviços de Energia Ltda. ("Energy") - engaged in purchasing, selling and leasing electricity generation, transmission and distribution equipment and providing installation, maintenance and consulting services. At present, Energy leases electricity generation, transmission and distribution equipment to Internacional Shopping Guarulhos, Internacional Guarulhos Auto Shopping Center, Shopping Light, Santana Parque Shopping, Suzano, Shopping do Vale and Outlet Premium.

- Fonte Administradora e Incorporadora Ltda. ("Fonte") - engaged in managing its own and third parties' assets and real estate development. Fonte owns 95% of a land in Rio de Janeiro where Shopping Sulacap will be built.

- Real Estate Investment Fund ("FII Top Center") - engaged in: (a) acquiring the real estate comprising the shopping mall known as Top Center; and (b) investing in another real estate project, after approved by the Annual Unitholders' Meeting, in order to earn revenues from the appreciation, rental/lease and sale of the real estate comprising its real estate assets, as prescribed in the Fund's bylaws, the applicable legislation and CVM standards.

- General Shopping Brasil Administradora e Serviços Ltda ("GSB Administradora") - engaged in managing its own or third parties' assets, providing trade center management services, building management services, other supplemental or related services, and holding equity interests in other companies. At present, GSB Administradora is the manager of Internacional Guarulhos Shopping Center, do Suzano Shopping Center, do Poli Shopping Osasco, do Prudente Parque Shopping, do Cascavel JL Shopping, do Shopping do Vale, do Top Center, do Outlet Premium and Unimart Shopping.

- General Shopping Finance Limited. ("General Shopping Finance") - company based in Cayman Islands and engaged in developing activities and operations related to the Company or its subsidiaries.

- I Park Estacionamentos Ltda. ("I Park") - engaged in managing owned or rented automotive vehicle parking lots. At present I Park operates the parking lots at Internacional Guarulhos Auto Shopping Center, Internacional Guarulhos Shopping Center, Shopping Light, Santana Parque Shopping, Suzano Shopping Center, Cascavel JL Shopping, Outlet Premium, Unimart, Shopping do Vale and Poli Shopping Osasco.

- Internacional Guarulhos Auto Shopping Center Ltda. ("ASG Administradora") - engaged in managing its own or third parties' assets, providing trade center management services, building management services, other supplemental or related services, and holding equity interests in other companies. At present, ISG Administradora is the manager Internacional Guarulhos Auto Shopping Center.

- Intesp Shopping Administradora e Incorporadora Ltda. ("Intesp") - engaged in managing its own and third parties' assets and real estate development. Intesp owns 99.5% of Poli Shopping Osasco.

- Jud Administradora e Incorporadora Ltda. ("Jud") - engaged in managing its own and third parties' assets, real estate development, holding equity interests in other companies and real estate projects. Jud owns 100% of the units in FII Top Center.

- Levian Participações e Empreendimentos Ltda. ("Levian") - engaged in managing its own assets, holding equity interests in other companies, and other supplemental or related activities. Levian presently holds an undivided interest of 50% of Internacional Guarulhos Auto Shopping Center and 0.5% of Prudente Parque Shopping and Poli Shopping Osasco.

  Presently, Levian holds equity interests in ABK do Brasil, Poli Shopping Center Empreendimentos Ltda., Lumen Shopping Administradora e Incorporadora Ltda., Lux Shopping Administradora e Incorporadora Ltda., Securis Administradora e Incorporadora Ltda., Delta Shopping Empreendimentos Imobiliários Ltda., Park Shopping Administradora e Incorporadora Ltda., Nova União Administradora e Incorporadora S.A., Sulishopping Empreendimentos Ltda., Send Empreendimentos e Participações Ltda., Manzanza Consultoria e Administração de Shopping Centers Ltda., Uniplaza Empreendimento Participação c Administração de Centro de Compras Ltda., Brassul Shopping Administradora e Incorporadora Ltda., Intesp Shopping Administradora e Incorporadora Ltda., PP Administradora e Incorporadora Ltda., Paulis Shopping Administradora e Incorporadora Ltda., Fonte Administradora e Incorporadora Ltda., Zuz Administradora e Incorporadora Ltda., Premium Outlet Administradora e Incorporadora Ltda., Jud Administradora e Incorporadora Ltda., Vul Administradora e Incorporadora Ltda., BR Outlet Administradora e Incorporadora Ltda., Cly Administradora e Incorporadora Ltda., Bud Administradora e Incorporadora Ltda., Bac Administradora e Incorporadora Ltda. and Sale Empreendimentos e Participações Ltda.

- Lumen Shopping Administradora e Incorporadora Ltda. ("Lumen") - engaged in managing its own and third parties' assets, holding equity interests in real estate and other projects, real estate development, and related or similar activities. On June 26, 2007, Lumen entered into a Property Purchase and Sale Settlement Agreement and an Assignment of the Right to Use the Commercial Property where Shopping Light is located. Lumen's share in the assignment of the right to use the property is 50.1%.

- Lux Shopping Administradora e Incorporadora Ltda. ("Lux") - engaged in managing its own and third parties' assets and real estate development. Lux is the owner of the building where Shopping Light is located.

- Manzanza Consultoria e Administração de Shopping Centers Ltda. ("Manzanza") - engaged in providing shopping center consulting and management services and managing own assets.

- Nova União Administradora e Incorporadora S.A. ("Nova União") - engaged in managing its own and third parties' assets, holding equity interests in real estate and other projects, real estate development, and related or similar activities. Nova União presently holds an undivided interest in the land wherc Internacional Guarulhos Shopping Center is located.

- Park Shopping Administradora Ltda. ("Park Shopping Administradora") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects.

- Paulis Shopping Administradora e Incorporadora Ltda. ("Paulis") - engaged in managing its own and third parties' assets and real estate development. Paulis owns 100% of Top Center Shopping São Paulo. On April 1, 2010, Paulis sold Top Center to FII Top Center.

- Poli Shopping Center Empreendimentos Ltda. ("Poli Empreendimentos") - engaged in operating in the shopping mall segment by leasing owned properties or subletting leased properties. Poli Empreendimentos is presently the owner of Poli Shopping Center.

- PP Shopping Administradora e Incorporadora Ltda. ("PP") - engaged in managing its own and third parties' assets and real estate development. PP owns 99.5% of Prudente Parque Shopping.

- Sale Empreendimentos e Participações Ltda. ("Sale") - engaged in the purchase, sale, lease, urban development, mortgage, development, building, and management of properties owned by the Company and third parties or jointly owned. Sale owns 84.39% of Shopping do Vale.

- Securis Administradora e Incorporadora Ltda. ("Securis") - engaged in managing its own and third parties' assets and real estate development.

- Send Empreendimentos e Participações Ltda. ("Send") - engaged in managing its own assets and holding equity interests in other companies. Send presently holds 48% of a property that will be used to build a shopping mall in the city of Barueri, State of São Paulo. Send holds 100% of the shares in Uniplaza.

- Sulishopping Empreendimentos Ltda. ("Sulishopping") - engaged in operating in the shopping mall segment by leasing owned properties or subletting leased properties.

- Uniplaza Empreendimentos Participações e Administração de Centros de Compras Ltda. ("Uniplaza") - engaged in managing its own and third parties' assets, own and third parties' trade centers, real estate development, and holding equity interests in other companies and real estate projects. Uniplaza owns 100% of Unimart Shopping.

- Vide Serviços e Participações Ltda. ("Vide") - engaged in providing institutional marketing services, managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects.

- Wass Comércio e Serviços de Águas Ltda. ("Wass") - engaged in leasing water treatment and distribution equipment and providing related installation, maintenance and consulting services. At present, Wass leases water treatment and distribution equipment to Internacional Guarulhos Shopping Center, Internacional Guarulhos Auto Shopping Center, Cascavel JL Shopping, Shopping Light, Prudente Parque Shopping, Suzano Shopping, Santana Parque Shopping, Outlet Premium and Shopping do Vale.

- Zuz Administradora e Incorporadora Ltda. ("Zuz") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects. Zuz owns 100 % of Suzano Shopping Center, 50% of Santana Parque Shopping and 85.5% of Cascavel JL Shopping since December 8, 2008.

- The subsidiaries Premium Outlet Administradora e Incorporadora Ltda. ("Premium Outlet"), Vul Administradora e Incorporadora Ltda. ("Vul") and Bud Administradora e Incorporadora Ltda. ("Bud") are engaged in managing their own and third parties' assets and real estate development are in preoperating stage as at December 31, 2010.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Declaration of conformity

The Company's financial statements comprise:

- The consolidated financial statements of the Company and subsidiaries prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and in accordance with accounting practices adopted in Brazil, identified as Consolidated (IFRS and BR GAAP).

- The individual financial statements of the parent company prepared in accordance accounting practices adopted in Brazil, identified as Parent Company - BR GAAP.

The accounting practices adopted in Brazil comprise the policies set out in the Brazilian Corporate Law and the Pronouncements, Instructions, and Interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM").

The individual financial statements present the valuation of investments in subsidiaries and associates under the equity method, pursuant to prevailing Brazilian legislation. Accordingly, these individual financial statements are not considered as in accordance with IFRSs, which require the measurement of such investments in separate financial statements of the parent company, at their fair value or at cost.

Since there is no difference between the consolidated shareholders' equity and the consolidated net income attributable to the Parent's owners recorded in the consolidated financial statements prepared in accordance with IFRSs and the accounting practices adopted in Brazil, and the Parent's shareholders' equity and net income recorded in the individual financial statements prepared in accordance with accounting practices adopted in Brazil, the Company opted for presenting the individual and consolidated financial statements as a single set, in the side-by-side format.

In the interim financial statements for the quarter ended March 31, 2011, the Company will restate its 2010 interim financial statements comparatively to the 2009 financial statements, to be disclosed together, as if these new technical pronouncements, interpretations and instructions had been effective since the beginning of the year ended December 31, 2009.

2.2. Basis of preparation

The financial statements have been prepared based on the historical cost and adjusted to reflect the fair value of certain financial instruments against profit or loss for the year. The historical cost is generally based on the fair value of the consideration paid in exchange for assets.

During 2009 and 2010, CVM approved several technical pronouncements, interpretations, and instructions issued by CPC that changed certain accounting practices previously adopted in Brazil, effective from January 1, 2010, with application retrospectively to January 1, 2009 (transition date), for comparative purposes. The financial statements for the year ended December 31, 2010 already consider these standards, and the financial statements for the year ended December 31, 2009 and the opening balance sheets as at January 1, 2009 have been adjusted and reclassified to consider the application of these standards and make the financial statements comparable for the different years disclosed.

Significant accounting policies adopted by the Company and subsidiaries may be summarized as follows:

2.3. Basis of consolidation

The consolidated financial statements have been prepared and are presented in conformity with accounting practices adopted in Brazil and standards issued by CVM - the main accounting practices applied are described above - and include the financial statements of the Company and its subsidiaries listed below. Intercompany balances and the Company's investments in subsidiaries have been eliminated in consolidation. The individual and consolidated shareholders' equity and net income do not differ as no unrealized profits have been recorded.

As at December 31, 2010 and 2009, and January 1, 2009, the consolidated companies are as follows:

	Type of consolidation	12/31/2010 Ownership interest - %	12/31/2009 Ownership interest - %	01/01/2009 Ownership interest - %
Direct subsidiaries:				
Levian	Full	100	100	100
Atlas	Full	100	100	100
Indirect subsidiaries:				
ABK	Full	99.28	99.28	99.28
Poli Empreendimentos	Proportionate	50	50	50
Park Shopping Administradora	Full	100	100	100
Send	Full	100	100	100
Manzanza	Full	100	30	30
Nova União	Full	100	100	100
Sulishopping	Full	100	100	100
I Park	Full	100	100	100
Wass	Full	100	100	100
Energy	Full	100	100	100
GSB Administradora	Full	100	100	100
ASG Administradora	Full	100	100	100
Lux	Full	100	100	100
Lumen	Full	100	100	100
Securis	Full	100	100	100
Delta	Full	100	100	100
Brassul	Full	100	100	100
Intesp	Full	100	100	100
PP	Full	100	100	100
Paulis	Full	100	100	100
Fonte	Full	100	100	100
Zuz	Full	100	100	100
Premium Outlet	Full	100	100	100
Jud	Full	100	100	100
Vul	Full	100	100	100
BR Outlet	Full	100	100	100
Cly	Full	100	100	100
Bud	Full	100	100	100
Bac	Full	100	100	100
Sale	Full	100	100	100
Ast	Full	100	100	100
Vide	Full	100	100	100
General Shopping Finance	Full	100	100	100
Uniplaza	Full	100	-	-
FII Top Center	Full	100	-	-

2.4. Investments in subsidiaries

Investments in subsidiaries are accounted for under the equity method.

Investments in companies in which management has significant influence or interest of 20% or more in the voting capital, or which are part of the same group or are under the same control, are accounted for under the equity method (see Note 10).

2.5. Interest in joint ventures

A joint venture is the contractual arrangement whereby the Company and other parties agree sharing control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Investments in joint ventures are recognized under the proportionate consolidation method since the date the joint control is acquired. According with this method, assets, liabilities and revenues, costs and expenses are integrated to the financial statements, line by line, proportionately to the control attributable to the Company.

2.6. Segment reporting

Reporting by operating segments is consistent with the internal report provided to the chief decision maker.

2.7. Functional and reporting currency

The financial statements of each subsidiary included in the consolidation are prepared using the functional currency of each subsidiary (i.e., the currency of the primary economic environment in which the subsidiary operates). When defining the functional currency of each subsidiary, management considered which currency has a significant influence on the sale price of the services rendered and in which currency most part of the cost of services is paid or incurred. The consolidated financial statements are presented in Brazilian reais, which is the functional and reporting currency of the Parent Company.

Translation of foreign subsidiaries' financial statements

The foreign subsidiary ("General Shopping Finance") has no management body or administrative, financial and operating independence.

Therefore, its assets and liabilities as well as its profits (losses) are translated using the following method: (i) asset and liability balances are translated at the exchange rate prevailing at the closing date of the consolidated financial statements; (ii) income statement accounts (revenue and expenses) are translated at the average monthly exchange rate, provided that no significant exchange fluctuations have occurred. Exchange variation effects are recorded in the income statement.

2.8. Foreign currency

In preparing the Company's individual and consolidated financial statements, transactions in foreign currency are recognized at the exchange rates prevailing on transaction dates. At the end of each reporting period, monetary items denominated in foreign currency are translated at the rates prevailing on the balance sheet date. Exchange differences on monetary items are recognized in profit or loss in the period in which they occur.

2.9. Cash and cash equivalents

Stated at cost plus income earned and include cash, banks and highly liquid short-term investments with maturities equal to or below ninety (90) days, which have an insignificant risk of change in value.

2.10. Restricted cash investments

The Company has cash investments in Bank Certificate of Deposits (CDB) and debentures earning yield based on the Certificate of Interbank Deposits (CDI). The investments are linked to commitments assumed in CCI (Real Estate Credit Notes) transactions and loans, and the cash investment balances are stated at cost plus earnings earned until the balance sheet dates, as described in Note 5.

2.11. Financial instruments

Recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. The transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (except for financial assets and financial liabilities recognized at fair value in profit or loss) are added to or deducted from the fair value of financial assets and financial liabilities, when applicable, after initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Classification:

The Company's and its subsidiaries' financial instruments have been classified into the following categories:

a) Measured at fair value through profit or loss

Financial assets and financial liabilities held for trading, i.e., acquired or originated primarily for the purpose of sale or repurchase in the short term. Changes in fair value are accounted for in profit or loss, and balances are stated at fair value.

b) Loans and receivables

Non-derivative financial instruments with fixed or determinable payments or receivables that are not quoted in an active market. They are classified as current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as noncurrent assets. The Company's loans and receivables correspond to loans to subsidiaries and associates, trade accounts receivable, cash and cash equivalents, restricted cash investments, certificates of real estate receivables and other accounts receivable.

2.12. Impairment of financial assets

Financial assets, except those designated at fair value through profit or loss, are valued using impairment indicators at the end of each fiscal year. Impairment losses are recognized when there is objective evidence of impairment of the financial asset as a result of one or more events occurred after the initial recognition of the asset, with an impact on the estimated future cash flows.

The criteria used by the Company and its subsidiaries to determine whether there is objective evidence that a financial asset is impaired includes:

- Significant financial difficulty of the issuer or debtor.
- Breach of contract, such as default or delinquency in interest or principal payments.
- Likelihood that the borrower will go into bankruptcy or financial reorganization.
- Disappearance of the active market of that financial asset because of financial difficulties.

The carrying amount of the financial asset is directly written down by the impairment loss for all financial assets, except for trade accounts receivable, in which case the carrying amount is decreased by an allowance. Subsequent recoveries of amounts previously written off are credited to the allowance. Changes in the carrying amount of the allowance are recognized in profit or loss.

2.13. Due from related parties

Initially stated at billed amounts based on contractual rental amounts and services provided, adjusted by the effects arising from the recognition of rent revenues on a straight-line basis, calculated according to contractual terms, including, when applicable, income earned and inflation adjustment.

The allowance for doubtful accounts is recognized in an amount considered sufficient by management to cover probable losses on the realization of trade accounts receivable, based on the following criterion: individual analysis of the debtors, regardless of the maturity period, as described in note 6.

2.14. Adjustment to present value

The Company evaluated the short- and long-term monetary assets and liabilities subject to adjustment to present value.

When impact is considered material in relation to the financial statements taken as a whole, adjustment to present value is calculated on the balances, taking into consideration contractual cash flows and the explicit or implicit interest rate of corresponding assets and liabilities. Accordingly, the interest embedded in revenues, expenses and costs related to these assets and liabilities is discounted and recognized on the accrual basis.

If the adjustment to present value is recognized, the interest is subsequently transferred to financial income or expenses in the statement of income by using the effective interest rate method in relation to the contractual cash flows.

2.15. Investment Property

Investment properties are represented by land and buildings in shopping malls held for earning rent revenue and/or for capital appreciation, as disclosed in Note 11.

Investment properties are recorded at acquisition or construction cost, less respective accumulated depreciation, calculated under the straight-line method at rates that consider the estimated useful life of the assets.

Costs incurred related to investment properties in use, such as maintenance and repairs, insurance and property taxes, are recognized as cost in the statement of income for the year they refer to.

An investment property is written off on sale or when it is no longer in use and no future benefits will arise from the sale. Any gain or loss on the write-off of a property (calculated as the difference between the net revenue from sale and its book value) is recognized in profit or loss for the period in which the property is written off.

Financial charges on loans and financing incurred over the construction period, when applicable, are capitalized. The revaluation reserve is realized in accordance with the record of the respective depreciation of buildings or at the time assets are sold, and is credited to the "Retained earnings" account.

2.16. Property, plant and equipment

Carried at acquisition cost. Depreciation is calculated under the straight-line method, at the rates mentioned in note 12, based on estimated useful lives of the assets.

Residual values and useful lives of the assets are reviewed and adjusted annually, when appropriate.

An item of property, plant and equipment is written off on sale or when no future economic benefits are expected from its use. Any gain or loss on the sale or write-off of an item of property, plant and equipment corresponds to the difference between the amounts received from the sale and the asset book value, and is recognized in profit or loss.

2.17. Noncurrent assets held for sale

Noncurrent assets and groups of assets are classified as held for sale if their book value is recovered mainly through a sale transaction, rather than continuous use. This requirement is met only when it is highly probable that the sale will be completed and the noncurrent asset (or group of assets) is available for immediate sale in its present condition. Management should be committed to selling the asset, and the sale, at the time of recognition, should be completed or expected to be sold within a year from the date of classification.

Noncurrent assets (or group of assets) classified as held for sale are stated at the lower between their book value originally reported and their fair value less selling expenses, and their amortization ceases.

2.18. Intangible assets - consolidated

Intangible assets with finite useful lives acquired separately are stated at cost, less accumulated amortization and impairment losses thereon. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

2.19. Goodwill

Goodwill arising from a business combination is stated at cost on the date of the business combination less accumulated impairment losses, if any.

For impairment test purposes, goodwill is allocated to each one of the Company's cash generating units to benefit from the business combination synergies.

The cash-generating units to which goodwill is allocated are tested for impairment annually or more often when there is an indication that any unit may be impaired. If the recoverable amount of a cash-generating unit is lower than its book value, the impairment loss is firstly allocated to write down the book value of any goodwill allocated to the unit and, subsequently, to the other assets of the cash-generating unit, prorated to the book value of each of its assets. Any goodwill impairment loss is directly recognized in profit or loss. Impairment losses are not reversed in subsequent periods.

When the underlying cash-generating unit is sold, the amount attributable to goodwill is included in the profit or loss of the transaction."

Up to December 31, 2008, goodwill based on expected future earnings, determined through an economic evaluation projection that uses the discounted cash flow method, was amortized over the period to the extent and in the proportion of projected results. Beginning January 1, 2009, goodwill has not been amortized any longer, but has been tested for impairment annually.

In segment reporting, described in note 28, goodwill is allocated to the rent segment.

The methodology adopted to assess recoverability of goodwill based on expected future earnings was established by the Royal Institution of Chartered Surveyors (RICS) of Great Britain and the United States Appraisal Institute, both internationally used and recognized for valuation cases and other analyses.

All calculations are based on the analysis of the physical features of the property under study and of the information gathered in the market, which are treated adequately for use in the determination of the property value.

For the evaluations, 10-year cash flows were prepared, and inflation that might occur in that period was not taken into account. The average discount rate applied to the cash flow was 10.56% and the average capitalization rate adopted in the 10th year of the cash flow was 7.96%.

As at December 31, 2010, projections on the expected recovery of intangible assets through operations do not indicate the need for an allowance for impairment losses.

2.20. Impairment of tangible and intangible assets, except for goodwill

Items in property, plant and equipment, intangible assets, and other noncurrent assets are evaluated annually to identify evidence of unrecoverable losses or whenever significant events or changes in circumstances indicate that the book value may not be recoverable. In the event of a loss resulting from situations where the book value of an asset exceeds its recoverable value, which is defined as the value in use of the asset based on the discounted cash flow method, an impairment loss is recognized in the income statement.

2.21. Other assets (current and noncurrent)

Other assets are stated at cost or realizable value including, when applicable, income, inflation adjustment and exchange variation earned through the balance sheet dates.

2.22. Other liabilities (current and noncurrent)

Current ad noncurrent liabilities are stated at known or estimated amounts plus, when applicable, charges, inflation adjustment and/or exchange variation incurred through the balance sheet date.

2.23. Loans and financing

Loans are initially recognized at fair value, less transaction costs incurred and, subsequently, are stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the settlement amount is recognized in the income statement during the period the loans remain outstanding, using the effective interest rate method.

2.24. Provisions

Provisions are recognized based on current obligations (legal or constructive) resulting from past events, when the amount of the obligation can be reliably estimated and its settlement is probable.

The amount recognized as a provision is the best estimate of the consideration required to settle the current obligation at the end of each fiscal year, taking into account the risks and uncertainties regarding the obligation.

2.25. Reserve for civil, labor and tax risks

Recognized for lawsuits assessed as probable losses by the Company's and its subsidiaries' legal counsel and management, considering the nature of lawsuits and management's experience in similar cases. Reserves have been recognized for matters classified as legal obligations, regardless of the expected final outcome of lawsuits, as described in note 19.

2.26. Borrowing costs - interest capitalization

Financial charges on loans directly related with the acquisition, construction or production of property, plant and equipment (investment properties under development) are capitalized as part of the asset cost. Capitalization of these charges begins right after the start of preparation for construction or development of the asset and is interrupted as soon as the asset starts to be used or when its production or construction ends.

Borrowing costs directly attributable to acquisition, construction or production of a qualifying asset, which necessarily take a substantial amount of time to be ready for the intended use or sale, are added to the cost of such assets until the date they are ready for the intended use or sale.

Income earned on temporary investments of specific borrowings not yet spent on a qualifying asset is deducted from borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss for the period they are incurred.

2.27. Current and deferred income tax and social contribution

The provision for income tax was recognized at the rate of 15%, plus 10% surtax on annual taxable income exceeding R$240. Social contribution was calculated at the rate of 9% on adjusted book income. Deferred income tax and social contribution were calculated based on temporary differences in the recognition of revenue and expenses for tax and accounting purposes, on tax loss carryforwards and on the revaluation reserve of buildings and facilities. Deferred income tax and social contribution assets were limited to 30% of deferred income tax and social contribution liabilities. As permitted by tax legislation, certain consolidated companies opted for taxation based on deemed income. The tax bases of income tax and social contribution are calculated at the rate of 32% on gross revenues from services and 100% on financial income, on which the regular 15% tax rate is applied, plus 10% surtax for income tax and 9% for social contribution. As a result, these consolidated companies did not record deferred income tax and social contribution on tax loss carryforwards and temporary differences and are not within the scope of the noncumulative regime for taxes on revenue (PIS and COFINS).

2.28. Other current and noncurrent liabilities

Stated at known or estimated amounts plus, when applicable, charges, inflation adjustment and exchange variation incurred through the balance sheet dates.

2.29. Revenue recognition

Revenue from rentals is recognized on a straight-line basis over the term of rental agreements, taking into account the contractual adjustment and the collection of the 13th monthly rental. Revenue from services is recognized when services are provided. Revenue from assignment of rights to shopkeepers is allocated to income over the term of the first rental agreement.

Our revenue derives mainly from the following activities:

a) Rentals

Refers to the rental of store space to shopkeepers and other commercial space, such as sales stands. Includes rental of commercial space for advertising and promotion. The rentals of stores to shopkeepers of shopping malls account for the highest percentage of the Company's revenue.

b) Parking

Refers to the revenue from exploitation of parking lots.

c) Services

Refers to the revenue obtained for managing the supply of electric power and water to shopping malls.

2.30. Earnings (loss) per share

Basic earnings per share are calculated through profit and loss for the year and the weighted average of shares outstanding in the year.

2.31. Statement of value added

This statement aims to disclose the wealth created by the Company and its distribution during a certain reporting period; it is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its individual financial statements and as supplementary information to the consolidated financial statements, since this statement is not required by IFRSs.

The statement of value added was prepared based on information obtained in the same accounting records used to prepare the financial statements and pursuant to the provisions of CPC 09 - Statement of Value Added.

2.32. Use of estimates

The preparation of financial statements pursuant to accounting practices adopted in Brazil, in accordance with International Financial Reporting Standards ("IFRS"), requires management to rely on estimates to record certain transactions that affect the Company's and its subsidiaries' assets and liabilities, revenue and expenses, and to disclose information on its financial statements.

The estimates must be determined based on the best knowledge of ongoing transactions and events existing at the time of approval of the financial statements and in accordance with the experience of past and/or current events.

The results of these transactions and events, when actually realized in subsequent periods, may differ from these estimates. The main estimates concerning the financial statements refer to the useful life of property, plant and equipment items and investment properties; to the projections made for the realization of deferred income tax and social contribution; to the projections for the impairment test analysis of goodwill based on expected future earnings and of other intangible assets; and to the allowance for doubtful accounts and reserve for civil, labor and tax risks.

The estimates and underlying assumptions are reviewed on an ongoing basis. Effects of revisions to accounting estimates are recognized in the period estimates are revised.

2.33. New and revised standards and interpretations

Standards, changes and interpretations of standards in effect on December 31, 2010 that did not have a material impact on the Company's financial statements:

Standard	Main requirements	Date of effectiveness
Improvements to IFRSs - 2009	Change in the several accounting pronouncements.	Effective for annual periods beginning on or after January 1, 2010.
Changes to IFRS 1	Limited exemption from comparative IFRS 7 disclosures for first-time adopters.	Effective for annual periods beginning on or after July 1, 2010.
Changes to IFRS 1	Additional exemptions for first-time adopters.	Effective for annual periods beginning on or after January 1, 2010.
Changes to IFRS 32	Classification of issue rights.	Applicable to annual periods beginning on or after February 1, 2010.
Changes to IFRS 2	IFRIC 19 intragroup share-based payments settled in cash.	Effective for annual periods beginning on or after January 1, 2010.
IFRIC 19	IFRIC 19 - Extinguishing financial liabilities with equity instruments.	Effective for annual periods beginning on or after July 1, 2010.

In August 2010, CVM issued Resolution 636/10, which approved CPC 41 - Earnings (Loss) per Share, prepared based on IAS 33 - Earnings per Share. CPC 41 provides for the disclosure of earnings (loss) per share, without any impacts on recognition, measurement and presentation of the individual financial statements. The Company adopted CPC 41 in its individual and consolidated financial statements for the year ended December 31, 2010.

The standards and changes to existing standards below were published and are mandatory for the Company's accounting periods beginning January 1, 2011 or thereafter or for subsequent periods. However, the Company did not adopt these standards and changes in advance.

Standard	Main requirements	Date of effectiveness
Improvements to IFRSs - 2010	Change in the several accounting pronouncements.	Effective for annual periods beginning on or after January 1, 2011.
IFRS 9 (as amended in 2010)	Financial Instruments.	Effective for annual periods beginning on or after January 1, 2013.
Changes to IFRS 24	Related-party disclosure.	Effective for annual periods beginning on or after January 1, 2011.
Changes to IFRS 1	Removal of fixed dates for first-time adopters.	Effective for annual periods beginning on or after July 1, 2011.
Changes to IFRS 7	Disclosure - transfer of financial assets.	Effective for annual periods beginning on or after July 1, 2011.
Changes to IAS 12	Deferred taxes - recovery of the underlying assets when an asset is measured using the fair value model, pursuant to IAS 40.	Effective for annual periods beginning on or after January 1, 2012.
Changes to IFRIC 14	Prepayments of minimum funding requirements	Effective for annual periods beginning on or after January 1, 2011.

IFRS 9 - Financial Instruments (effective as from January 1, 2013). Publication is part of IASB's project issued in November 9 for improving measurement, classification and recognition of financial instruments, and replaces the part of IAS 39 related to the measurement and classification of financial assets. This pronouncement prescribes the classification of financial assets in two categories: assets recognized at fair value and assets recognized at amortized cost, where the classification is determined at the time of recognition of the asset and in accordance with the Company's business model and the features of the contracted financial instrument. Due to the features of the financial instruments currently contracted by the Company, no significant effects are expected at the time of adoption of this pronouncement from January 1, 2013.

Considering the Company's and its subsidiaries' current activities, management does not expect that the adoption of these new rules, interpretations and changes will have a significant impact on the financial statements.

CPC has not yet issued the pronouncements and amendments related to the new and revised IFRSs above. In view of the commitment assumed by CPC and CVM to keep the standards issued based on the changes made by IASB up-to-date, these pronouncements and changes are expected to be issued by CPC and approved by CVM until their mandatory adoption date.

3. EFFECT OF ADOPTING IFRSs AND THE NEW PRONOUNCEMENTS ISSUED BY CPC

3.1. Effects of adopting IFRSs on the consolidated financial statements

3.1.1. Adoption of IFRSs

The consolidated financial statements (identified as Consolidated) for the year ended December 31, 2010 are the first to be presented in accordance with the IFRSs. The Company applied the accounting policies described in Note 2 to all reporting periods presented, which includes the balance sheet as at the transition date, defined as January 1, 2009. In measuring the adjustments to the opening balances and preparing the balance sheet as at the transition date, the Company applied the mandatory exceptions and certain optional exemptions related to the retrospective application prescribed by IFRS 1 and CPC 37(R1) First-time Adoption of International Financial Reporting Standards, as described below:

a) Exemption for business combinations

The Company and its subsidiaries decided to adopt the exemption related to business combinations and are not restating business combinations completed before January 1, 2009.

b) Exemption from the presentation of the fair value of tangible and intangible assets as acquisition cost

The Company revalued its investment properties in April 2007, i.e., 20 months before the transition date, defined as January 1, 2009, and considers that the reported carrying amounts approximate the fair value and revaluing the amount as deemed cost is not necessary.

c) Exemption from the measurement of compound financial instruments (derivatives)

The Company did not have any compound financial instruments at the date of transition to IFRSs.

d) Exemption from the recognition of interests in subsidiaries

The Company's subsidiaries did not prepare financial statements in accordance with IFRSs at the transition date; therefore, the Company elected to adopt the same transition date for all its subsidiaries.

e) Exemption from the classification of financial instruments

The Company elected to classify and measure its financial instruments according to IAS 32/CPC 39 - Financial Instruments: Presentation and IAS 39/CPC 38 - Financial Instruments: Recognition and Measurement at the transition date; therefore, the retrospective analysis of the original contracts of the current financial instruments was not conducted at the date of transition to IFRSs. All financial instruments contracted after the transition date were analyzed and classified at the transaction contract date in accordance with IFRSs.

The Company considered the mandatory exceptions from retrospective application, as follows:

a) Derecognition of financial assets and financial liabilities

The Company concluded that there were no non-derivative financial assets or financial liabilities to be excluded from accounting records at the date of transition to IFRSs.

b) Hedge accounting

The Company did not have hedge transactions for IFRSs purposes at the transition date, and therefore there were no adjustments to be accounted for.

c) Estimates

The Company did not make any adjustment to the estimates recognized according to the previous BR GAAP since it believes that such estimates were in accordance with IFRSs at the transition date.

d) Assets classified as held for sale and discontinued operations

The Company did not have an assets classified as held for sale at the transition date.

Financial statements consolidated, restated and reconciled in accordance with the new CPCs convergent with IFRSs:

Consolidated balance sheets:

ASSETS	Item	December 31, 2009 (latest reporting period according to previous accounting policies) BR GAAP	Adjustments	Restated	January 01, 2009 (transition date) BR GAAP	Adjustment	Restated
CURRENT ASSETS							
Cash and cash equivalents		12.143	-	12.143	93.998	-	97.998
Certificates of Real Estate Receivables (RCI)		370	-	370	379	-	379
Trade account receivables		24.515	-	24.515	20.300	-	20.300
Recoverable taxes		1.411	-	1.411	1.495	-	1.495
Assets held for sale		25.394	-	25.394	-	-	-
Deferred income and social contribution taxes	(a)	28	(28)	-	28	(28)	-
Restricted cash		3.079	-	3.079	118.175	-	118.175
Other receivables		1.759	-	1.759	1.305	-	1.305
		68.699	(28)	68.671	235.680	(28)	235.652
NONCURRENT ASSETS							
Trade accounts receivables		1.418	-	1.418	-	-	-
Certificates of Real Estate Receivables (RCI)		933	-	933	1.054	-	1.054
Deferred income and social contribution taxes	(a)	6.144	6.477	12.621	6.165	6.477	12.642
Related parties		15.680	-	15.680	12.067	-	12.067
Deposits and pledges		764	-	764	642	-	642
Restricted cash		7.719	-	7.719	7.000	-	7.000
Investment properties	(b)	-	691.862	691.862	-	694.853	694.853
Property, plant and equipment	(b)	706.503	(691.862)	14.641	710.666	(694.853)	15.813
Intangible assets		31.023	-	31.023	31.240	-	31.240
		770.184	6.477	776.661	768.834	6.477	775.311
TOTAL ASSETS		838.883	6.449	845.332	1.004.514	6.449	1.010.963

LIABILITIES	Note	December 31, 2009 (latest reporting period according to the previous accounting policies) BR GAAP	Adjustments	Restated	January 01, 2009 (transition date) BR GAAP	Adjustments	Restated
CURRENT LIABILITIES							
Trade accounts payable		4.554	-	4.554	13.461	-	13.461
Loans and financing		62.070	-	62.070	216.156	-	216.156
Accounts payable - acquisition of real estate		5.416	-	5.416	9.875	-	9.875
Payroll, related charges and profit sharing		1.556	-	1.556	1.694	-	1.694
Taxes and contribution payable		34.683	-	34.687	19.078	-	19.078
Deferred income and social contribution taxes	(a)	413	(413)	-	413	(413)	-
Taxes paid in installments		575	-	575	325	-	325
Real Estate Credit Notes (CCI)		18.447	-	18.447	16.552	-	16.552
Related parties		18.128	-	18.128	26.178	-	26.178
Other payables		5.066	-	5.066	9.279	-	9.279
		150.908	(413)	150.495	313.011	(413)	312.598
NONCURRENT LIABILITIES							
Loans and financing		6.695	-	6.695	20.741	-	20.741
Key money		13.077	-	13.077	11.397	-	11.397
Taxes paid in installments		7.906	-	7.906	3.674	-	3.674
Deferred income and social contribution taxes	(a)	20.105	21.909	42.014	20.231	21.909	42.140
Accounts payable - acquisition of real estate		781	-	781	2.417	-	2.417
Provision for fiscal, labor and civil risks		7.293	-	7.293	8.654	-	8.654
Real Estate Credit Notes (CCI)		234.602	-	234.602	251.296	-	251.296
		290.459	21.909	312.368	318.410	21.909	340.319
SHAREHOLDERS' EQUITY							
Capital		317.813	-	317.813	317.813	-	317.813
Revaluation reserve	(a)	130.197	(21.496)	108.701	130.421	(21.496)	108.925
Accumulated losses		(50.494)	6.449	(44.045)	(75.141)	6.449	(68.692)
		397.516	(15.047)	382.469	373.093	(15.047)	358.046
TOTAL LIABILITIES		838.883	6.449	845.332	1.004.514	6.449	1.010.963

Reconciliation of consolidated shareholders' equity:

	Item	As at January 1, 2009 (transition date)	At 12/31/2009 (date of the last period presented in accordance with prior accounting practices)
Total shareholders' equity in accordance with prior accounting practices.		373,093	397,516
Recording of deferred taxes on the revaluation reserve of land	(a)	(21,496)	(21,496)
Recording of deferred tax assets limited to 30% of deferred tax liabilities on the revaluation reserve of land	(a)	6,449	6,449
Total restated shareholders' equity		358,046	382,469

Consolidated statements of income:

	Item	Year ended as of December 31, 2009 (latest reporting period under previous accounting policies)		
		BR GAAP	Adjustments	Restated
NET REVENUES		100,557	-	100,557
COSTS OF RENTALS AND SERVICES		(24,725)	-	(24,725)
Personnel		(1,070)	-	(1,070)
Depreciation		(9,802)	-	(9,802)
Occupation cost		(9,187)	-	(9,187)
Third party services		(4,666)	-	(4,666)
GROSS PROFIT		75,832	-	75,832
General and administrative		(21,647)	-	(21,647)
Other operating income, net		8,061	-	8,061
OPERATING INCOME (EXPENSES), NET		(13,586)	-	(13,586)
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSE)		62,246	-	62,246
FINANCIAL INCOME (EXPENSES)		(23,332)	-	(23,332)
Interest expense		(44,152)	-	(44,152)
Interest income		20,820	-	20,820
INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES		38,914	-	38,914
INCOME AND SOCIAL CONTRIBUTION TAXES		(14,491)	-	(14,491)
Current income and social contribution taxes		(14,470)	-	(14,470)
Deferred income and social contribution taxes		(21)	-	(21)
NET INCOME		24,423	-	24,423

Notes to the reconciliations in shareholders' equity as at December 31, 2009 and January 1, 2009, and net income for the year ended December 31, 2009:

The transition to IFRSs resulted in the following changes in accounting practices:

a) The Company recorded deferred income tax and social contribution on the revaluation reserve of land, in the amount of R$21,496. Deferred taxes recorded in current assets and liabilities under the previous BR GAAP have been reclassified to noncurrent assets and liabilities at the opening balance as at January 1, 2009 and subsequent periods. The Company recorded deferred tax assets corresponding to 30% of deferred tax liabilities on the revaluation reserve of land.

b) The Company reclassified the balances related to shopping malls from property and equipment to investment property.

Effects of adopting the new accounting pronouncements issued by the CPC on individual financial statements:

Adoption of the new Brazilian accounting practices

In preparing its individual financial statements (identified as Parent), the Company adopted all the pronouncements and the related technical interpretations and guidance issued by the CPC and approved by the CVM, which together with the accounting practices included in the Brazilian Corporate Law are called the Brazilian accounting practices (BR GAAP).

The Company applied the accounting policies set out in Note 2 to all periods presented, which includes the balance sheet as at the transition date, defined as January 1, 2009. In measuring the adjustments and preparing this opening balance sheet, the Company applied the requirements set out in CPC 43 (R1) - First-time Adoption of CPCs 15-40, and adjusted its individual financial statements so that when consolidated they produced the same amounts of shareholders' equity, attributable to the owners of the Company, and net income of the consolidation prepared in accordance with IFRSs by applying IFRS 1 and CPC 37 (R1) - First-time Adoption of International Financial Reporting Standards. Accordingly, the Company implemented in its individual financial statements the adjustments for adoption of IFRSs in the consolidated financial statements, as mentioned in Note 2. This procedure was adopted to obtain the same net income and shareholders' equity attributable to the owners of the Parent in the individual and consolidated financial statements.

Balance sheets - Parent:

	As at December 31, 2009 (latest reporting period under previous accounting policies)			As at January 1, 2009 (transition date)		
ASSETS	Prior BR GAAP	Adjustment	Restated BR GAAP	Prior BR GAAP	Adjustment	Restated BR GAAP
CURRENT ASSETS						
Cash and cash equivalents	1 969	-	1 969	18 342	-	18.342
Recoverable taxes	444	-	444	900	-	900
Other receivables	87	-	87	182	-	182
	2.500	-	2.500	19.424	-	19.424
NONCURRENT ASSETS						
Related parties	363.965	-	363 965	320.429	-	320.429
Investments	170.402	(15.047)	155.355	128 340	(15.047)	113 293
Property, plant and equipment	4.454	-	4.454	4.121	-	4.121
	538.821	(15.047)	523 774	452 890	(15 047)	437.843
TOTAL ASSETS	541.321	(15.047)	526.274	472.314	(15.047)	457.267

	As at December 31, 2009 (latest reporting period under previous accounting policies)			As at January 1 2009 (transition date)		
LIABILITIES	Prior BR GAAP	Adjustments	Restated BR GAAP	Prior BR GAAP	Adjustments	Restated BR GAAP
CURRENT LIABILITIES						
Trade accounts payable	397	-	397	907	-	907
Related-party transactions	110.103	-	110.103	-	-	-
Loans and financing	30.014	-	30.014	47.489	-	47.489
Payroll, related charges and profit sharing	1.137	-	1.137	1.473	-	1.473
Taxes and contribution payable	138	-	138	94	-	94
Taxes in installments	172	-	172	48.558	-	48.558
Other payables	1 300	-	1.300	700	-	700
	143 261	-	143 261	99.221	-	99.221
NONCURRENT LIABILITIES						
Loans and financing	544	-	544	-	-	-
	544	-	544	-	-	-
SHAREHOLDERS' EQUITY						
Capital	317 813	-	317.813	317 813	-	317 813
Revaluation reserve	80.402	(21.496)	58.906	80.626	(21.496)	59.130
Accumulated losses	(699)	6 449	5 750	(25.346)	6 449	(18 897)
	397.516	(15 047)	382.469	373 093	(15.047)	358 046
TOTAL LIABILITIES	541.321	(15 047)	526.274	472.314	(15.047)	457.267

Statements of income - Parent:

	Year ended as of December 31, 2009 (latest reporting period under previous accounting policies)		
	Prior BR GAAP	Adjustments	Restated BR GAAP
General and administrative expenses	(10.205)	-	(10.205)
Other operating income, net	444	-	444
Equity in subsidiaries	42.062	-	42.062
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)	32.301	-	32.301
FINANCIAL INCOME (EXPENSES)	(7.878)	-	(7.878)
Financial expenses	(8.356)	-	(8.356)
Financial income	478	-	478
NET INCOME	24.423	-	24.423

4. CASH AND CASH EQUIVALENTS

	Parent			Consolidated		
	31/12/10	31/12/09	01/01/09	31/12/10	31/12/09	01/01/09
Cash and banks:						
Cash	9	6	5	228	180	316
Banks (b)	7	22	53	329,100	5,489	73,273
	16	28	58	329,328	5,669	73,589
Cash equivalents:						
Short-term investments CDB (a)	1,457	1,941	18,284	4,717	6,474	20,409
Total cash and cash equivalents	1,473	1,969	18,342	334,045	12,143	93,998

(a) Investment in CDB, with average monthly yield varying from 100% and 105% of the CDI.

(b) Out of the balance of R$329,100 (consolidated), R$322,407 is deposited in a checking account abroad and indexed to US Dollar.

Short-term investments may be redeemed within 90 days and are comprised of highly-liquid securities convertible into cash that present an immaterial risk of change in value.

5. RESTRICTED CASH

	Consolidated		
	31/12/2010	31/12/2009	01/01/2009
CDBs (Bank Certificate of Deposit) (a)	-	-	118.175
CDBs (Bank Certificate of Deposits) (c)	-	3.079	-
CDBs (Bank Certificate of Deposits) (b)	2.346	-	-
Debentures (d)	8.264	7.719	7.000
Total	10.610	10.798	125.175
Current	-	3.079	118.175
Noncurrent	10.610	7.719	7.000

(a) Investment in CDB, with average monthly yield of 101.5% of the CDI. This investment in Itaú BBA was linked to the settlement of the National Bank for Economic and Social Development (BNDES) loan, which occurred in the first quarter of 2009.

(b) Amount withheld by RB Capital on May 12, 2010 as collateral for the CCIs recorded in FII Top Center, as described in Note 16.(d). Amount invested in CDB-DI, with average monthly rate of 98% of the CDI.

(c) Amount withheld on July 28, 2009, as collateral for the loan contracted with Banco Paulista S.A., as described in Note 15. The amount was invested in Bank Certificates of Deposit (CDB), with average monthly yield of 100% of the CDI.

(d) Amount deposited on December 8, 2008 as collateral for the CCIs recorded in subsidiary Bac, as described in Note 16. The amount is invested in debentures from Banco Itaú (former Unibanco), with average yield of 105.4% of the CDI.

6. TRADE ACCOUNTS RECEIVABLE

	Consolidated		
	31/12/10	31/12/09	01/01/09
Rentals and assignments of receivables	36,317	35,535	29,102
Unbilled revenue from rental	471	553	576
Allowance for doubtful accounts	(10,446)	(10,155)	(9,378)
	26,342	25,933	20,300
Current assets	24,643	24,515	20,300
Noncurrent assets	1,699	1,418	-

Trade accounts receivable are stated at their original amounts, plus income, inflation adjustments and exchange rate changes earned and effects from the straight-line method applied to revenue, when applicable.

The Company's maximum exposure to credit risk is the book value of the abovementioned accounts receivable. To mitigate this risk, the Company analyses the types of collection (rentals, services and others) based on the average history of losses, Management's periodic monitoring of customers' financial status, credit limits, an analysis of receivables past due for more than 180 days and permanently monitoring of customers' outstanding balance, among others. The analyses are based on the weighted mobile average, standard deviation, variance and risk, reflecting the seasonality and variations of the customer portfolio and related means of payment. The remainder of the portfolio that is not accrued refers to receivables from customers whose analysis of their financial position did not show that they would not be realizable.

In analyzing its prospects' credit worthiness, the Company takes into account the following assumptions: the collateral amount should cover the cost of occupancy for a minimum of 12 months (rent, plus common charges and promotion fund multiplied by 12), the collaterals accepted (property, bank guarantee, insurance, etc.), the good standing of the individuals and legal entities involved in the rental (partners; guarantors; debtors), the use of SERASA information as reference for consultation on the customer's credit history.

Changes in the allowance for doubtful accounts for the years ended December 31, 2010 and 2009 are as follows:

	Consolidated	
	31/12/10	31/12/09
Balance at beginning of year	(10,155)	(9,378)
Allowance for doubtful accounts for the year	(300)	(812)
Receivables recovered in the year	-	-
Receivables permanently written off	9	35
Balance at end of year	(10,446)	(10,155)

The aging list of trade accounts receivable is as follows:

	Consolidated		
	12/31/2010	12/31/2009	1/1/2009
Current:	20,586	18,291	15,726
Past due:			
Up to 30 days	1,021	1,528	1,199
31 to 60 days	729	848	715
61 to 90 days	569	491	311
91 to 180 days	1,416	1,593	926
Over 180 days	12,467	13,337	10,801
	16,202	17,797	13,952
	36,788	36,088	29,678

As at December 31, 2010, trade accounts receivable totaling R$5,756 (R$7,642 as at December 31, 2009 and R$4,574 as at January 1, 2009) were past due but no allowance for doubtful accounts was recorded, since there were no significant changes to the credit quality and amounts are still considered recoverable and expected to be realized.

7. RECOVERABLE TAXES

	Parent			Consolidated		
	31/12/10	31/12/09	01/01/09	31/12/10	31/12/09	01/01/09
Withheld income tax on short-term investments	338	414	868	706	579	894
IRRF on services	39	14	14	451	268	193
Taxes on services	-	-	-	70	63	21
Recoverable taxes on revenues (PIS and COFINS)	72	16	-	213	111	16
Prepayment of income tax	-	-	-	376	238	193
Prepayment of social contribution	-	-	16	259	147	113
Other recoverable taxes	15	-	2	38	5	65
	464	444	900	2,113	1,411	1,495

8. RELATED-PARTY TRANSACTIONS

a) Related-party balances and transactions:

Golf Participações Ltda., a company headquartered in Brazil, is the Company's immediate and ultimate Parent.

In the course of the Company's business, the controlling shareholders, subsidiaries and jointly-owned subsidiaries, and condominiums carry out intercompany commercial and financial transactions, including: (i) advisory and operating assistance services related to water and electric power supply and electrical wiring; (ii) management of shopping malls; (iii) management of parking lot located in shopping malls; (iv) commercial lease agreements; and (v) agreements and resolutions made, taking into consideration the condominium bylaws.

Parent's balances as at December 31, 2010 and 2009 and January 1, 2009, are as follows:

	Parent		
	12/31/2010	12/31/2009	1/1/2009
Assets			
Send (a)	1	147,311	128,710
Delta (a)	1	47,586	47,498
Park Shopping Administradora (a)	1	34,291	34,291
Paulis (a)	-	37,329	18,713
PP (a)	-	17,086	17,086
Lux (a)	-	16,535	16,535
Brassul (a)	-	15,879	15,863
Intesp (a)	-	12,217	12,217
Internacional Guarulhos Shopping Center	15,931	15,742	12,080
Fonte (a)	1	8,962	8,962
Sale (a)	1	3,140	3,156
Cly (a)	-	4,806	2,850
General Shopping Finance (b)	673	-	-
Others	1,843	3,081	2,468
	18,452	363,965	320,429
Liabilities			
BAC	55,365	55,371	-
ABK	33,852	33,852	33,284
Levian	37,679	3,912	10,284
Energy	1,843	1,843	1,847
Atlas	20,928	13,060	1,405
Menescal	-	1,246	1,000
I Park	403	405	405
Wass	333	333	333
Others	81	81	-
	150,484	110,103	48,558

(a) Receivables as at December 31, 2009 were recorded as capital increase in the respective subsidiaries in 2010, as described in Note 10.

(b) Refers to costs to issue Perpetual Bonds paid by the Company.

Consolidated balances as at December 31, 2010 and 2009 and January 1, 2009 are as follows:

	Consolidated		
	31/12/2010	31/12/2009	01/01/2009
Noncurrent assets:			
Golf Participações Ltda. (a)	12.368	10.991	9.734
CSA - Companhia Securitizadora de Ativos (b)	626	566	427
PNA Empreendimentos Imobiliários Ltda. (c)	146	146	142
Condomínio Civil Suzano Shopping Center (c)	342	288	184
Condomínio Civil Voluntários – SPS (c)	303	392	-
Condomínio Unimart (e)	292	544	-
Condomínio Outlet Premium (e)	258	343	-
Condomínio do Vale (e)	1.110	257	-
Condomínio Cascavel (e)	588	546	323
Individuals (e)	1.064	579	368
Others (e)	2.271	1.028	889
	19.368	15.680	12.067
Current liabilities:			
SAS Venture LLC (c)	11.243	12.718	18.146
Individuals (e)	-	1.816	1.816
Condomínio Civil do Internacional Guarulhos Shopping Center	-	-	1.415
Menescal Participações Ltda. (d)	-	1.614	3.564
Golf Participações Ltda. (c)	-	392	392
Condomínio Suzano (e)	392	-	-
Condomínio Shopping Light (e)	1.141	45	46
Condomínio ASG (e)	518	1.049	573
ABK International Ltd. (e)	-	24	24
Others (e)	1.554	470	202
	14.848	18.128	26.178

(a) The loan granted to the shareholder is subject to financial charges of 1% p.m., without maturity.

(b) Amount paid in advance to CSA as collateral for the transaction with CCI, as mentioned in Note 16.

(c) Upon corporate restructuring, the capital of subsidiary Park Shopping Administradora was reduced and is being returned to the then shareholder SAS Ventures LLC, in 15 equal and semi-annual installments as at September 14, 2007. The debt amount is subject to exchange rate changes based on the US dollar fluctuation and financial charges of 10.5% p.a.

(d) Working capital loans obtained from Menescal Participações Ltda. are subject to financial charges of 1% p.m. The loan was settled in 2010.

(e) Other loans do not incur financial charges and have no determinate maturity.

b) Management compensation

In the years ended December 31, 2010 and 2009, consolidated management compensation was allocated to income, recorded in 'General and administrative expenses', and did not exceed the limit approved by shareholders.

In the years ended December 31, 2010 and 2009, management was granted short-term benefits (wages, salaries and social security contributions, profit sharing, healthcare, housing, free or company-subsidized products or services) amounting to R$4,423 and R$3,765, respectively, as described below:

	12/31/2010	12/31/2009
Payroll and related taxes	3,744	3,714
Variable compensation and charges	583	-
Benefits	96	51
Total	4,423	3,765

No amount was paid as: (i) post-employment benefits (pension, other retirement benefits, post-employment life insurance and post-employment health care plan); (ii) long-term benefits (leave of absence for length of service or other leaves, retirement or other benefits for length of service or benefit for long-term disability); and (iii) share-based compensation.

The Annual Shareholders' Meeting held on April 19, 2010 approved the global compensation of R$ 5.900 for 2010.

9. OTHER RECEIVABLES

	Parent			Consolidated		
	31/12/2010	31/12/2009	01/01/2009	31/12/2010	31/12/2009	01/01/2009
Prepaid insurance expenses	556	64	-	886	322	137
Advances to suppliers	-	-	127	805	742	433
Receivables - sale of property (a)	-	-	-	11.479	-	-
Other receivables	226	23	55	1.478	695	735
	782	87	182	14.648	1.759	1.305

(a) Refers to receivables from VBI GSBR Empreendimentos e Participações Ltda. for the land sold on September 1, 2010, as part of the transaction to sell 48% of Barueri Project. For the portion relating to the land, R$6,733 was received in cash and R$15,505 will be paid in twelve equal and consecutive installments maturing in September 2011. The adjustment to present value, amounting to R$349, was calculated on the balance based on the cash flow from the agreement. These installments will be adjusted monthly based on the IGPM/FGV variation, if positive. In the year ended December 31, 2010, R$105 was recognized as financial income.

10. INVESTMENTS

	Equity %	Number of shares held	Capital	Income (loss) for the year	Shareholders' equity (deficit)	Equity	Investments 31/12/10	Investments 31/12/09	Investments 01/01/09
Direct subsidiaries:									
Leviam	100	482,834,200	482,834	(157)	486,081	(157)	486,081	138,490	104,261
Atlas	100	3,268,672	3,816	9,558	26,391	9,558	26,391	16,784	8,951
General Shopping Finance	100	50,000	81	(4,901)	(4,821)	(4,901)	(4,821)	81	81
Total				4,500	507,651	4,500	507,651	155,355	113,293
Indirect subsidiaries:									
Leviam:									
ABK	99.28	55,180,893	54,952	(739)	48,545				
Poli Empreendimentos	50	425,000	1,193	572	8,500				
Park Shopping Administradora	100	50,000	50	1,654	(26,980)				
Send	100	46,342,045	46,342	2,257	(1,869)				
Manzanza	100	300	1	-	(1)				
Nova União	100	4,322,000	4,332	53	3,258				
Uniplaza	100	21,215,243	21,215	3,944	31,147				
Sulishopping	100	10,000	10	(3)	9,649				
Lux	100	10,000	10	1,232	1,508				
Lúmen	100	10,000	86	449	828				
Securis	100	10,000	10	(1)	8				
Delta	100	10,000	10	(74)	(46,878)				
Intesp	100	10,000	10	272	1,685				
PP	100	10,000	10	360	1,371				
Paulis	100	10,000	10	1,691	2,)46				
Fonte	100	10,000	10	(85)	(406)				
Premium Outlet	100	10,000	10	(2)	7				
BR Outlet	100	10,000	10	2,802	4,038				
Vul	100	10,000	10	(2)	7				
Zuz	100	10,000	10	(2,335)	99,578				
Jud	100	10,000	10	(3,202)	(3,193)				
Cly	100	10,000	10	9,825	42,668				
Bud	100	10,000	10	(1)	8				
Bac	100	10,000	10	(609)	(922)				
Sale	100	9,000,000	9,000	1,753	14,977				
Brassul	100	10,000	10	1,746	4,459				
FII Top Center	100	600,000	1,746	(3,019)	1,675				
Atlas:									
Ast	100	10,000	10	76	128				
I Park	100	10,000	10	2,745	5,328				
Wass	100	10,000	10	1,080	4,000				
Energy	100	10,000	10	3,099	15,474				
Vide	100	10,000	10	2	19				
GSB Administradora	100	1,906,070	1,906	2,620	1,620				
ASG Administradora	100	20	20	(22)	187				

Changes in investments in the years ended December 31, 2010 and 2009 are as follows:

	Parent
Balances as at January 1, 2009	113,293
Equity in subsidiaries	42,062
Balances as at December 31, 2009	155,355
Capital increase in subsidiaries	347,796
Equity in subsidiaries	4,500
Balances as at December 31, 2010	507,651

11. INVESTMENT PROPERTIES

	Average depreciation rate	Consolidated						
		31/12/10			31/12/09			01/01/09
			Accumulated			Accumulated		
	(%)	Cost	depreciation	Net value	Cost	depreciation	Net value	Net value
Buildings	-	201,836	-	201,836	234,551	-	234,551	258,451
Facilities	2	489,925	(28,948)	460,977	449,080	(21,062)	428,018	373,166
Work in progress		37,106	-	37,106	29,293	-	29,293	63,236
		728,867	(28,948)	699,919	712,924	(21,062)	691,862	694,853

The Company revalued its investment properties in April 2007, i.e., 20 months before the transition date, defined as January 1, 2009, and considers that the reported carrying amounts approximate the fair value and revaluing the amount as deemed cost is not necessary.

Changes in investment properties:

	Consolidated						
	01/01/2009	Additions	Capitalized financial charges	Depreciation	Transfers/Reclassifications	Property reclassified as available for sale	12/31/2009
Buildings	258.451	5.983	-	-	(4.489)	(25.394)	234.551
Facilities	373.166	2.384	4.418	(7.185)	55.235	-	428.018
Work in progress	63.236	16.803	-	-	(50.746)	-	29.293
	694.853	25.170	4.418	(7.185)	-	(25.394)	691.862

	Consolidated						
	12/31/2009	Additions	Capitalized financial charges	Depreciation	Transfers/Reclassifications	Write-off	12/31/2010
Buildings	234.551	5.829	-	-	(16.477)	(22.067)	201.836
Facilities	428.018	23.351	637	(7.886)	17.647	(790)	460.977
Work in progress	29.293	9.074	-	-	(1.170)	(91)	37.106
	691.862	38.254	637	(7.886)	-	(22.948)	699.919

On March 31, 2007, the Company, based on a report prepared by independent experts from DLR Engenheiros Associados Ltda., recorded revaluation of land, buildings and facilities against the "Revaluation reserve", in shareholders' equity.

On June 26, 2007, under a Property Purchase and Sale Settlement Agreement and an Assignment of the Right to Use, the Company acquired 50.1% of the property where Shopping Light is located, for R$20,110 . To signature of the deed is still contingent upon the seller's actions to obtain specific certificates issued by the Brazilian Revenue Service (SRF) and by the National Institute of Social Security (INSS).

In May 2010, the Company segregated between Outlet Premium shopping mall's land and building costs. The segregation resulted in a reclassification of R$31,799 fromI land to buildings. The effect of the depreciation in the period in which buildings were classified as land is not material.

As at December 31, 2010 and 2009 and January 1, 2009, investment properties balances were as follows:

Investment property at cost	12/31/2010 Residual value	12/31/2009 Residual value	1/1/2009 Residual value
Brazil			
ABK do Brasil - Empreendimentos e Participações Ltda.	26,307	26,606	26,875
BR Outlet Administradora e Incorporadora Ltda.	42,189	26,178	-
CLY Administradora e Incorporadora Ltda.	195,640	198,153	200,649
Delta Shopping Empreendimentos Imobiliários Ltda.	6,139	6,130	4,611
Sale Empreendimentos e Participações Ltda. ("Sale")	13,945	14,124	13,404
Send Empreendimentos e Participações Ltda. ("Send")	63,729	69,385	110,311
Uniplaza Empreendimentos Participações e Administração de Centro de Compras Ltda. ("Uniplaza")	18,712	18,974	19,388
Zuz Administradora e Incorporadora Ltda. ("Zuz")	165,070	167,765	168,863
Other	168,188	164,547	150,752
	699,919	691,862	694,853

Review of the useful life of assets

The Company and its subsidiaries reviewed the remaining useful livfe of assets classified as investment property. A technical report was issued by a specialized company as at December 31, 2010. However, based on such report, the useful life of assets remained unchanged.

Measurement at fair value

The fair value of each investment property constructed and under construction was determined by an appraisal conducted by the independent firm CB Richard Ellis.

The methodology adopted to appraise thse investment properties at fair value is that prescribed by The United Kingdom's Royal Institution of Chartered Surveyors (R.I.C.S) and the United States Appraisal Institute, which are internationally adopted and recognized for appraisals and similar analyses.

All calculations are based on an analysis of the physical features of the properties under analysis and information available in the market, which are properly treated for being used in determining the real estate project value.

To support the appraisals, cash flows for a 10-year horizon was prepared, not considering any inflation that may be recorded in the period. The average discount rate applied to cash flows was 10.56% while the average capitalization rate adopted in the 10th year was 7.96%.

Below is the measurement at fair value and the respective Company's interest in investment properties:

	12/31/10		12/31//09		01/01/09	
	100%	Company	100%	Company	100%	Company
Investment property in operation	1,180,632	1,063,318	1,064,604	956,879	902,147	835,394

12. PROPERTY, PLANT AND EQUIPMENT

	Parent							
		12/31/2010			12/31/2009			1/1/2009
	Depreciation rate (%)	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value	Net value
Buildings	4	1,772	(460)	1,312	1,694	(195)	1,499	1,357
Facilities	10	1,404	(240)	1,164	1,334	(24)	1,310	1,630
Furniture and fixtures	10	504	(60)	444	548	(37)	511	403
Computers and peripherals	20	722	(413)	309	667	(234)	433	495
Leasehold improvements	10	28	-	28	28	-	28	21
Work in progress		3,091	-	3,091	673	-	673	215
Total		7,521	(1,173)	6,348	4,944	(490)	4,454	4,121

	Consolidated							
	Depreciation	12/31/2010			12/31/2009			1/1/2009
	rate (%)	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value	Net value
Buildings	4	4,469	(1,375)	3,094	3,273	(859)	2,414	2,845
Facilities	10	8,938	(2,745)	6,193	8,299	(2,494)	5,805	6,368
Furniture and fixtures	10	1,197	(592)	605	1,138	(544)	594	612
Machinery and equipment	10	1,963	(1,461)	502	1,750	(1,420)	330	292
Vehicles	20	18	(17)	1	18	(16)	2	3
Computers and peripherals	20	883	(463)	420	810	(264)	546	625
Leasehold improvements	10	6,511	(2,822)	3,689	6,410	(2,193)	4,217	4,846
Work in progress		3,562	-	3,562	733	-	733	222
Total		27,541	(9,475)	18,066	22,431	(7,790)	14,641	15,813

Changes in property, plant and equipment are as follows:

	Parent			
	01/01/2009	Additions	Depreciation	12/31/2009
Buildings	1.357	440	(298)	1.499
Facilities	1.630	7	(327)	1.310
Furniture and fixtures	403	128	(20)	511
Computers and peripherals	495	62	(124)	433
Leasehold improvements	21	7	-	28
Work in progress	215	458	-	673
	4.121	1.102	(769)	4.454

	Parent				
	12/31/2009	Additions	Depreciation	Transfers/Reclassifications	12/31/2010
Buildings	1.499	-	(265)	78	1.312
Facilities	1.310	70	(216)	-	1.164
Furniture and fixtures	511	-	(23)	(44)	444
Computers and peripherals	433	55	(179)	-	309
Leasehold improvements	28	-	-	-	28
Work in progress	673	2,452	-	(34)	3.091
	4.454	2,577	(683)	-	6.348

	Consolidated					
	01/01/09	Additions	Capitalized financial charges	Depreciation	Transfers/Reclassifications	31/12/09
Buildings	2,845	-	-	(472)	41	2,414
Facilities	6,368	558	-	(1,121)		5,805
Furniture and fixtures	612	78	-	(96)	-	594
Machinery and equipment	292	98	-	(19)	(41)	330
Vehicles	3	-	-	(1)	-	2
Computers and peripherals	625	109	-	(188)	-	546
Leasehold improvements	4,846	11	-	(640)	-	4,217
Work in progress	222	23	488	-	-	733
	15,813	877	488	(2,537)	-	14,641

	Consolidated				
	31/12/09	Additions	Capitalized financial charges	Additions/depreciation	31/12/10
Buildings	2,414	1,167	29	(516)	3,094
Facilities	5,805	639	-	(251)	6,193
Furniture and fixtures	594	59	-	(48)	605
Machinery and equipment	330	213	-	(41)	502
Vehicles	2	-	-	(1)	1
Computers and peripherals	546	73	-	(199)	420
Leasehold improvements	4,217	101	-	(629)	3,689
Work in progress	733	2,829	-	-	3,562
	14,641	5,081	29	(1,685)	18,066

Review of the useful life of assets

The Company and its subsidiaries reviewed the remaining useful livfe of assets classified as investment property. A technical report was issued by a specialized company as at December 31, 2010. However, based on such report, the useful life of assets remained unchanged.

13. ASSETS HELD FOR SALE

	Consolidated		
	12/31/2010	12/31/2009	01/01/09
Land for sale	-	25,394	-

In 2009, the Company decided to sell its 50% share in the land of Send, registered under record # 76842, with the Judiciary District of São Bernardo do Campo.

The Company reclassified the amount of R$25,394 related to the land previously recorded under investment properties to properties for sale for better presentation and disclosure.

On January 22, 2010, the Company, through its parent company Send, sold its share in the land and asset-related improvements, recorded under properties for sale and construction in progress (investment properties) as at December 31, 2009, in the amounts of R$25,394 and R$789, respectively, by the amount of R$29,088, representing a gain of R$638, net of commission of R$2,266. This gain was recorded in the income statement under "other operating income, net".

14. INTANGIBLE ASSETS

	Consolidated						
	12/31/2010			12/31/2009			01/01/09
	Cost	Accumulated amortization	Net value	Cost	Accumulated amortization	Net value	Net value
Indefinite useful life							
Goodwill - Acquisition of Sale (a)	5,541	(556)	4,985	5,541	(556)	4,985	4,985
Goodwill - Acquisition of Shopping Unimart (b)	22,410	(2,241)	20,169	22,410	(2,241)	20,169	20,169
Definite useful life							
Software	940	(319)	621	811	(200)	611	696
Right to use Shopping Light (c)	5,589	(463)	5,126	5,589	(331)	5,258	5,390
Total	34,480	(3,579)	30,901	34,351	(3,328)	31,023	31,240

(a) As at December 13, 2007, the Company, by means of subsidiary Brossul, acquired 100% of the shares in Sale, which holds 84.39% of Shopping do Vale's total gross leasable area (GLA). This transaction generated goodwill of R$5,541 based on expected future earnings. Beginning January 1, 2009, the goodwill amortization based on future earnings was fully discontinued and the annual impairment test became required.

(b) On December 28, 2007, the Company, by means of subsidiary Send, acquired 100% of shares in Uniplaza, which holds 100% of Shopping Unimart's total gross leasable area (GLA). This transaction generated goodwill of R$22,410 based on expected future earnings. Beginning January 1, 2009, the goodwill amortization based on future earnings was fully discontinued and the annual impairment test became required.

(c) On June 6, 2007, the Company assumed the obligation to pay R$5,589 for the right to use 50.1% of Shopping Light. Such right is effective for 42 years amortizable on a straight-line basis.

Changes in intangible assets for the years ended December 31, 2010 and 2009 are as follows:

			Consolidated			
	Useful life period	Amortization method	01/01/2009	Addtions	Amortization	12/31/2009
Indefinite useful life						
Goodwill - Acquisition of Sale (a)			4.985	-	-	4.985
Goodwill - Acquisition of Shopping Unimart (b)			20.169	-	-	20.169
Definite useful life						
Software	5 years	Straight-line	696	181	(266)	611
Right to use Shopping Light (c)	42 years	Straight-line	5.390	-	(132)	5.258
			31.240	181	(398)	31.023

	Useful life period	Amortization method	Consolidated 12/31/2009	Additions	Amortization	12/31/2010
Indefinite useful life						
Goodwill - Acquisition of Sale (a)			4.985	-	-	4.985
Goodwill - Acquisition of Shopping Unimart (b)			20.169	-	-	20.169
Definite useful life				-	-	
Software	5 years	Straight-line	611	129	(119)	621
Right to use Shopping Light (c)	42 years	Straight-line	5.258	-	(132)	5.126
			31.023	129	(251)	30.901

15. LOANS AND FINANCING

	Contractual rates % p.a.	Maturity date	Parent 12/31/2010	12/31/2009	01/01/2009
Loans and financing					
Banco Industrial e Comercial S.A. (b)	11.56 +CDI	2010	-	22.705	23.040
Banco Paulista S.A (e)	12.68+CDI	2010	-	5.059	-
Banco BBM (f)	9+CDI	2009	-	-	7.449
Banco Tricury (g)	15.39+CDI	2009	-	2.794	17.000
Banco Paraná (h)	6.8+CDI	2012	10.450	-	-
			10.450	30.558	47.489
Total current			10.450	30.014	47.489
Total noncurrent			-	544	-

	Currency	Contractual rates % p.a.	Maturity date	Consolidated 12/31/2010	12/31/2009	01/01/2009
Loans and financing						
Banco Nacional de Desenvolvimento Econômico e Social – BNDES (a)	R$	TJLP + 7		-	-	116.796
Banco Industrial e Comercial S.A. (b)	R$	11.56 +CDI	2010	-	46.742	91.445
Banco ABC Brasil S.A. (c)	R$	14.94	2012	6.044	10.049	-
Banco Pontual S.A. (d)	R$	12.00	2009/2010	4.620	4.100	3.638
Banco Paulista S.A (e)	R$	12.68+CDI	2010	-	5.059	-
Banco BBM (f)	R$	9.00+CDI	2009		-	7.479
Banco Tricury (g)	R$	15.39+CDI	2011	-	2.794	17.000
Banco Paraná (h)	R$	6.8+CDI	2012	10.450	-	-
Perpetual bonds	US$	10.00		326.636	-	-
Other	R$	-	2010	21	21	539
				347.771	68.765	236.897
Total current				25.856	62.070	216.156
Total noncurrent				321.915	6.695	20.741

(a) In the first quarter of 2009, subsidiaries ABK and Levian repaid tranche B in the amount of R$86,724, and tranche A in the amount of R$15,183 to BNDES. The settlement of these obligations (tranche A and tranche B), as referred to in clause five of the Amendment the Public Deed of the Credit Facility Agreement 98.2.248.1.1, released the Company from the obligation to pay the amount equivalent to tranche C, in the amount of R$15,173, resulting in a financial deduction recorded under financial income in 2009.

(b) Working capital loans with average annual interest rate of 11.56% plus CDI. The transactions were collateralized by sureties provided by the controlling shareholders in the amount of the loans granted. This loan was settled in May 2010.

(c) Working capital loans raised on June 18, 2009, through the Special Credit Program of BNDES (PEC-BNDES). The amount raised is R$11,506, with fixed average annual interest rate of 14.94%. Receivables from Poli Shopping Osasco, Unimart and Prudente Parque Shipping were pledged as collateral for these transactions.

(d) Due to the Banco Pontual extrajudicial liquidation, the balance continues to be adjusted based on the monthly financial charges of 1%. However, its liquidation by the amount recorded in the financial statements will depend on the legal limits of the financial charges established by the courts. No collaterals were provided.

(e) Working capital loans raised on July 28, 2009 and November 27, 2009, in the amount of R$4,000 and R$2,000, respectively, with average annual interest rate of 12.68% plus CDI. As collateral, the Company pledged the short-term investment made in BNDES, recorded in "restricted investments". This loan was settled on February 24, 2010.

(f) Working capital loans raised on May 30, 2008, in the amount of R$10,000, with average annual interest rate of 9% plus CDI. The debt was repaid in four installments according to the following schedule: (i) August 28, 2008; (ii) November 26, 2008; (iii) February 25, 2009; and (iv) May 25, 2009. The operation was secured by a promissory note in the amount of R$12,700.

(g) Working capital loans raised on March 27, 2009, in the amount of R$4,500, with average annual interest rate of 15.39% plus CDI. The debt was repaid in 24 installments of R$188. These loans are collateralized by the independent unit of the Top Center Shopping condominium, receivables and agreements for assignment of rights of use. This loan was settled on June 29, 2010.

(h) Working capital loans raised on March 23, 2010, in the amount of R$15,000, with average annual interest rate of 6.80% plus CDI. This loan will be settled in 24 installments of R$669. The transactions were secured by a promissory note of R$19,500.

(i) On November 9, 2010, subsidiary General Shopping Finance Limited raised, through the issuance of Perpetual Bonds, the amount of U$200,000 (R$339,400) on the raising date. The securities are denominated in US dollars and subject to quarterly payments at the annual interest rate of 10%. General Shopping Finance Limited may repurchase the securities after November 9, 2015. In accordance with the issuance prospectus of perpetual bonds, the funds raised will be allocated to the early settlement of the CCIs and investments in greenfields and expansions. Guarantees were pledged as collateral for all subsidiaries, except for GSB Administradora, ASG Administradora and FII Top Center. The issuance cost of the perpetual bonds totaled R$11,483.

The transaction has no financial covenants. The covenants refer to (i) limitation of liens on assets (except for permitted liens, including BNDES loans, refinancing of outstanding transactions and certain securitizations, among others), according to which the proportion of unencumbered assets/non-collateralized debt and encumbered assets/collateralized debt should be maintained in similar conditions; (ii) limitation of sale and lease-back transactions of current assets whose maturity is over 3 years in the same conditions as item (i) above; (iii) limitation of intercompany transactions, merger, consolidation or transfer of assets. There are no limits on the payment of dividends. The effective cost of the transaction was 10.28%.

These agreements do not provide for the maintenance of financial ratios (indebtedness, interest coverage, among others).

As at December 31, 2010 and 2009, the aging list of receivables by maturity is as follows:

Year	12/31/2010	12/31/2009	12/31/2010	12/31/2009
2011	-	544	-	4.442
2012	-	-	-	2.253
After 2013	-	-	321.915	-
	-	544	321.915	6.695

Changes in loans and financing for the period are as follows:

	Parent	Consolidated
Balances as at January 1, 2009	47.489	236.897
Funds raised	15.774	22.062
Payments - principal	(32.737)	(174.910)
Payments - interest	(4.546)	(16.675)
Financial discount - BNDES	-	(15.173)
Capitalized interest on investment properties and property, plant and equipment	-	4.906
Interest expense	4.578	11.658
Balances as at December 31, 2009	30.558	68.765
Funds raised	15.000	348.240
Fund raising costs	-	(11.483)
Payments - principal	(35.044)	(65.330)
Payments - interest	(3.638)	(5.216)
Capitalized interest on investment properties and property, plant and equipment	-	666
Interest expense	3.574	12.129
Balances as at December 31, 2010	10.450	347.771

16. REAL ESTATE CREDIT NOTES

	Currency	Maturity date	Consolidated 12/31/2010	12/31/2009	01/01/09
Subsidiaries:					
Nova União - Banco Itáu (a)	R$	2016	13,813	14,082	15,776
ABK - Banco Itáu (b)	R$	2018	83,617	87,964	91,158
Levian (b)	R$	2018	83,617	87,964	91,158
Bac - Unibanco (c)	R$	2018	79,600	63.039	69,756
Fundo de Investimento Imobiliário – Top Center (d)	R$	2020	60,276	-	-
			320,923	253,049	267,848
Current			99,500	18,447	16,552
Noncurrent			221,423	234,602	251,296

(a) In April 2006, subsidiary Nova União raised funds through the issuance of Real Estate Credit Notes (CCI) for securitization of lease receivables from the land where the parking lot of Internacional Guarulhos Shopping Center is located, currently leased to subsidiary I Park. CCI issued amounted to R$15,586, of which R$1,415 was retained as Real Estate Receivable Certificates (CRI), recorded under current and noncurrent assets. The amount raised will be paid in 120 monthly installments of R$208 (through May 2016), plus interest of 11% per year and annual inflation adjustment based on the General Market Price Index (IGP-M). CCI's are collateralized by the following: (i) conditional sale of the real estate, with a carrying amount of R$4,322; (ii) pledge, granted by I Park, of the total parking revenues; (iii) conditional assignment of receivables arising from the agreement; and (iv) pledge of the shares issued by Nova União.

(b) In June 2008, subsidiaries ABK and Levian raised funds through the issuance of Real Estate Credit Notes (CCI) for securitization of lease receivables from the land where Internacional Guarulhos Shopping Center is located. CCIs issued totaled R$180,000. The amount raised will be paid in 119 monthly payments (through June 2018), plus interest of 11% per year and inflation adjustment based on the Reference Rate (TR). CCI's are collateralized by the following: (i) conditional sale of the, with a carrying amount of R$201,829; (ii) conditional assignment of receivables arising from the agreement; and (iii) conditional sale of the shares issued by subsidiary Cly. The CCIs funding costs of R$376 were deducted from the principal and are being repaid in 120 installments on a straight-line basis.

(c) In December 2008, subsidiary Bac raised funds through the issuance of Real Estate Credit Notes - CCI for securitization of lease receivables from the properties where 100% of Suzano Shopping, 50% of Santana Parque Shopping and 85.5% of Cascavel JL Shopping are located. CCIs issued totaled R$73,934. The amount raised will be paid in 120 monthly payments (through January 2019), plus interest of 12% per year and adjusted for inflation based on the General Market Price Index - IGPM. CCI's are collateralized by the following: (i) conditional sale of the real estate, with a carrying amount of R$168,867; (ii) conditional assignment of receivables arising from the agreement; and (iii) conditional sale of the shares issued by subsidiary Zuz. The CCIs funding costs are being deducted from the principal and are repaid in 120 installments on a straight-line basis.

(d) In April 2010, Fundo de Investimento Imobiliário Top Center, through its subsidiary Jud, raised funds with the issuance of Real Estate Credit Notes - CCI for securitization of lease receivables related to the property where Top Center's 100% fraction is located. CCI's issued totaled R$60,000. The amount raised will be paid in 120 monthly payments (through April 2020), plus interest of 9.90% per year and adjusted for inflation based on the Extended Consumer Price Index - IPCA. CCI's are collateralized by the following: (i) conditional sale of the real estate, with a carrying amount of R$50,900; (ii) conditional assignment of receivables arising from the agreement; and (iii) conditional sale of shares held by the subsidiary Fundo de Investimento Imobiliário Top Center. The CCIs funding costs are being deducted from the principal and being repaid in 120 installments on a straight-line basis.

As at December 31, 2010 and 2009, the aging list of receivables by maturity is as follows:

	12/31/2010	12/31/2009
2011	-	18.677
2012	9.797	21.661
2013	13.932	25.146
After 2014	197.694	169.118
	221.423	234.602

Changes in CCIs for the years ended December 31, 2010 and 2009 are as follows:

	Consolidated
Balances as at January 1, 2009	267,848
Payments - principal	(27,302)
Payments - interest	(15,317)
Financial charges	27,820
Balances as at December 31, 2009	253,049
CCI funds	60,000
Fund raising costs	(1,389)
Payments - principal	(17,144)
Payments - interest	(29,669)
Financial charges	56,076
Balances as at December 31, 2010	320,923

17. ACCOUNTS PAYABLE FOR ACQUISITION OF PROPERTIES

	Consolidated		
	12/31/2010	12/31/2009	01/01/09
Olivetti do Brasil S.A.	-	-	345
Senpar (a)	-	-	4,609
Uniplaza (b)	-	4,000	4,000
Right to use - Shopping Light (c)	1,085	2,197	3,198
Associação Claretiana	-	-	140
	1,085	6,197	12,292
Current	969	5,416	9,875
Noncurrent	116	781	2,417

(a) On December 7, 2007, the Company acquired a land in the city of Itupeva for the construction of a shopping mall for R$18,915, paid as follows: (i) R$1,891 in cash; and (ii) the remaining amount of R$17,024 paid based on the construction physical and financial schedule. In January 2008, the land was effectively transferred. The construction works were completed in the first half of 2009, upon the inauguration of Shopping Outlet Premium.

(b) On December 28, 2007, the Company acquired 100% of the shares issued by Uniplaza - Empreendimentos, Participações e Administração de Centros de Compra Ltda., to be paid as follows: (i) R$39,000 in cash; and (ii) R$4,000 falling due on January 11, 2010. In January, Management renegotiated so that this debt is payable in 10 installments, the first of which will fall due in January 2010. This debt was settled in September 2010.

(c) On June 6, 2007, the Company assumed the obligation to pay R$5,589 for the right to use 50.1% of Shopping Light. Such right is effective for 42 years and will be settled through 2014.

18. TAXES IN INSTALLMENTS

	Parent			Consolidated		
	12/31/2010	12/31/2009	01/01/09	12/31/2010	12/31/2009	01/01/09
PIS and Cofins	-	-	-	10,107	3,563	2,569
INSS	693	172	-	1,512	938	1,105
ISS	-	-	-	-	5	56
Income tax and social contribution	-	-	-	16,300	3,975	269
	693	172	-	27,919	8,481	3,999
Current	294	172	-	6,155	575	325
Noncurrent	399	-	-	21,764	7,906	3,674

In 2009, the Company joined the tax debt installment program in accordance with Law 11941/09 ("REFIS") and the simplified tax debt installment program, duly documented through the Federal Revenue Service's website, as follows:

	Overdue up to 11/31/2008				4 companies - January to June 6, 2009 up to 60 months, adjusted by Selic.				
	REFIS 4				Simplified installment				
	Principal	Fine	Interest	Total	Principal	Fine	Interest	Total	12/31/2009
PIS/COFINS	3,186	62	96	3,344	170	34	15	219	3,563
INSS	938	-	-	938	-	-	-	-	938
ISS	-	-	-	-	5	-	-	5	5
Income tax and social contribution	2,413	191	269	2,873	856	171	75	1,102	3,975
	6,537	253	365	7,155	1,031	205	90	1,326	8,481

As at December 31, 2010, management estimates that the balance of said REFIS and simplified installments will be settled within 180 and 60 months, respectively, considering the number of fixed installments, which are adjusted based on the Special Settlement and Custody System (SELIC).

The changes in the debts estimated by the Company, relating to the taxes paid in installments, including the amount of principal plus interest and fine for the period, are as follows:

	Consolidated
Balances as at January 1, 2009	3.999
Additions	5.793
Payments – principal	(772)
Payments – interest	(193)
Financial charges	(346)
Balances as at December 31, 2009	8.481
Additions	21.428
Payments -- principal	(3.700)
Payments – interest	(1.335)
Financial charges	3.045
Balances as at December 31, 2010	27.919

19. PROVISION FOR FISCAL, LABOR AND CIVIL RISKS

A reserve is recognized for all matters under litigation, in an amount considered sufficient to cover probable losses, based on an assessment made the outside legal counsel. The accrued amounts include those related to tax, civil and labor risks. There are no escrow deposits linked to these reserves. The reserves are as follows:

	Consolidated		
	12/31/2010	12/31/2009	01/01/09
Labor (a)	201	201	300
Civil (b)	314	314	314
Tax (c)			
PIS	1,354	1,612	1,913
Cofins	4,341	5,166	6,127
	6,210	7,293	8,654

(a) Refer to lawsuits related to joint liability, overtime and recognition of employment relationship.

(b) Refer to property damages and pain and suffering, renewal of lease agreements, collection actions and contract rescissions actions.

(c) Refer to provisions for PIS and COFINS on agreements for leasing of stores in the shopping malls to storeowners, by the subsidiaries ABK and Levian, and not paid over the last years. Management, based on the opinion of its external legal counsel, understands that these taxes were not levied on the corporate operations referred to in note 1, since the revenues were received through civil condominium. No lawsuit was filed related to this reserve.

As at December 31, 2010, the Company is party to other lawsuits in progress of, approximately, R$2,167, the unfavorable outcome of which were classified as possible by the external legal counsel and for which no reserve was recorded in the financial statements.

Periodically, the lawsuits are revaluated and reverses are supplemented, as necessary.

Changes in the reserve for the years ended December 31, 2010 and 2009 are as follows:

	Consolidated						
	01/01/2009	Reversals	Monetary restatement	12/31/2009	Reversals	Monetary restatement	12/31/2010
Labor	300	(99)	-	201	-	-	201
Civil	314	-	-	314	-	-	314
Tax							
PIS	1.913	(444)	143	1.612	(444)	186	1.354
Cofins	6.127	(1.422)	461	5.166	(1.422)	597	4.341
	8.654	(1.965)	604	7.293	(1.866)	783	6.210

20. SHAREHOLDERS' EQUITY

Capital

As at December 31, 2010, the Company's capital is R$317,813, represented by 50,480,600 common shares without par value.

The Company is authorized to increase its capital up to the limit of 65,000,000 registered shares, regardless of amendment to the bylaws, as approved by the Board of Directors, which is also responsible for establishing the issue conditions, including price, term and payment method. The Company may issue common shares, debentures convertible into common shares, and share warrants within this limit. Additionally, at the Board of Directors' discretion, the preemptive right may be excluded or the exercise price may be reduced as regards to the issuance of common shares, debentures convertible into common shares and share warrants, which are placed upon: (a) sale in stock exchange or public subscription; or (b) stock exchange in connection with the public acquisition of shareholding control, under applicable law, according to the authorized capital limit. Finally, the Company may, as approved by the Board of Directors, in accordance with the plan approved by the Annual Shareholders' Meeting, grant stock option or subscription warrants, without preemptive right to shareholders, on behalf of management, employees or individuals providing services to the Company or companies controlled by the Company, whether directly or indirectly.

Revaluation reserve

In 2007, the Company's accounting for revaluation of assets was approved. The taxes levied on the aforementioned reserve are recorded under "noncurrent liabilities".

The revaluation reserve is being realized through depreciation, against retained earnings, net of taxes.

Revenue retention reserve

In view of the adjustments arising from the adoption of the IFRSs and the new accounting pronouncements issued by CPC on the opening balances as at January 1, 2009, the Company recorded, as at December 31, 2009, retained earnings in the amount of R$5,750, which was allocated to retained earnings reserve . As at December 31, 2010, the retained earnings reserve was used to offset losses for the year.

Diluted earnings (loss) per share

The Company has no debt convertible into shares or stock options granted; therefore, no diluted earnings (loss) per share was calculated.

The basic earnings per share are as follows:

(In thousands, except shares and data per share	12/31/2010	12/31/2009
Basic numerator-		
Net income (loss) for shareholders	(11,355)	24,423
Denominator		
Stock weighted average - basic	50,481	50,481
Basic earnings (losses) per share in (R$)	(0.225)	0.484

21. NET REVENUE FROM RENTALS, SERVICES AND OTHER

	Consolidated	
	12/31/2010	12/31/2009
Gross operating revenue:		
Rentals	99,303	87,965
Revenue from services	27,423	23,855
	126,726	111,820
Deductions:		
Taxes on rentals and services	(8,175)	(7,202)
Discounts and rebates	(2,392)	(4,061)
Net revenue from rentals, services and other	116,159	100,557

22. COST OF RENTALS AND SERVICES PROVIDED – BY NATURE

	Consolidated	
	12/31/2010	12/31/2009
Depreciation	(9.489)	(9.802)
Personnel	(1.004)	(1.070)
Third party services	(5.649)	(4.666)
Occupation cost	(8.890)	(9.187)
Total	(25.032)	(24.725)

23. GENERAL AND ADMINISTRATIVE EXPENSES - BY NATURE

	Parent		Consolidated	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
IPTU	(25)	(17)	(200)	(200)
Selling	-	-	(1.292)	(967)
Depreciation and amortization	(333)	(318)	(333)	(318)
Allowance for doubtful accounts	-	-	(300)	(777)
Advertising and marketing	(53)	(68)	(85)	(314)
Materials	(78)	(67)	(111)	(112)
Electric power	(29)	(33)	(336)	(33)
Personnel	(7.143)	(4.922)	(10.525)	(7.667)
Third party services	(3.147)	(2.765)	(7.058)	(7.432)
Travels and accommodations	-	(113)	-	(115)
Telephone	-	(313)	-	(491)
Other	(1.505)	(1.589)	(4.440)	(3.221)
	(12.313)	(10.205)	(24.680)	(21.647)

24. FINANCIAL INCOME (EXPENSES)

	Parent		Consolidated	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Financial income:				
Income from short-term investments	1,160	286	2,273	2,592
Exchange gains	18	-	3,448	-
Interest	-	192	-	3,055
Financial discounts (*)	-	-	-	15,173
	1,178	478	5,721	20,820
Financial expenses:				
Interest on loans and financing (**)	(3,996)	(7,617)	(71,713)	(39,478)
Exchange losses	(743)	-	(6,003)	(6,461)
Foreign exchange variation	-	-	522	4,592
Fines on overdue taxes	-	-	(1,638)	(2,805)
Other	-	(739)	-	-
	(4,739)	(8,356)	(78,832)	(44,152)
	(3,561)	(7,878)	(73,111)	(23,332)

(*) Financial discount on payment of financing (see Note 15 (a)).

(**) In December 2010, additional financial charges were recognized as a result of the subsequent recognition of the debts settled (see Note 30) at fair value.

25. INCOME AND SOCIAL CONTRIBUTION TAXES

Income and social contribution taxes charged to income for the year are as follows:

	Parent		Consolidated	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Income (loss) before Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)	(11.355)	24.423	(1.219)	38.914
Current rate	34%	34%	34%	34%
Estimated credits (expenses) of income tax and social contribution	3 861	(8.304)	414	(13.231)
IRPJ and CSLL effects on:		-		
Permanent differences, net	6.088	14.301	13.172	14.342
Deferred IRPJ and CSLL on tax loss carry forwards and temporary differences not recorded	(9 949)	(5.997)	(13.523)	(5.997)
IRPJ and CSLL effects on companies taxed by presumed profit (*)	-	-	(10.199)	(9.605)
Income and social contribution taxes	-	-	(10.136)	(14.491)
Current	-	-	(10.219)	(14.470)
Deferred	-	-	83	(21)

(*) Subsidiaries Polishopping, Securis, Lumen, Lux, Brassul, Inlesp, PP, Fonte, Premiun Outlet, Jud, Vul, BR Outlet, Cly, Bud, Bac, Sale, Ast, Uniplaza, Atlas, Wass, Energy, ASG Administradora and Vide elected the deemed income method.

Due to the recognition of revaluation reserve in 2007, tax credits were recorded limited to 30% of deferred income and social contribution taxes liabilities related to revaluation.

Deferred income and social contribution taxes are as follows:

	Consolidated	
	12/31/2010	12/31/2009
Calculation basis		
Reserve for risks	6.210	7.293
Allowance for doubtful accounts	10.446	10.155
Unbilled rental revenues	471	553
Revaluation of buildings and facilities	(67.576)	(67.828)
Revaluation of land at the opening balance as at January 1, 2009	(63.224)	(63.224)
Tax loss carryforwards	187.258	151.596
	73.585	38.545
Combined income tax and social contribution rate	34%	34%
	25.019	13.105
Unrecorded deferred income and social contribution taxes	(54.329)	(42.498)
Deferred income and social contribution taxes	(29.310)	(29.393)
Noncurrent assets	12.588	12.621
Noncurrent liabilities	41.898	42.014

26. FINANCIAL INSTRUMENTS

26.1. Financial instruments by category

The Company's financial instruments were classified under the following categories:

	Consolidated						
	12/31/2010			12/31/2009		01/01/2009	
	Fair value through profit or loss	Loans and receivables	Total	Loans and receivables	Total	Loans and receivables	Total
Assets							
Cash and cash equivalents	-	334.045	334.045	12.143	12.143	93.998	93.998
Trade accounts receivable and other receivables	-	40.990	40.990	27.692	27.692	21.605	21.605
Total	-	375.035	375.035	39.835	39.835	115.603	115.603
Liabilities							
Loans and financing	16.494	331.277	347.771	68.765	68.765	236.897	236.897
Real estate credit notes	93.415	227.510	320.923	253.049	253.049	267.848	267.848
Suppliers	-	3.858	3.858	4.554	4.554	13.461	13.461
Other accounts payable	-	5.114	5.114	11.263	11.263	21.571	21.571
Total	109.907	567.759	677.666	337.631	337.631	539.777	539.777

26.2. Risk factors

The Company's and its subsidiaries' main source of revenue is rentals received from shopping malls' storeowners.

According to their nature, financial instruments may involve known or unknown risks and an assessment of potential risks, in the Company's and its subsidiaries' best judgment, is important. Thus, risks may exist with or without guarantees depending on circumstantial or legal aspects. The main market risk factors that may affect the business of the Company and its subsidiaries are as follows:

a) Credit risk

The Group has a large number of customers. The Company and its subsidiaries constantly monitor accounts receivable through internal controls, thus limiting the default risk.

b) Liquidity risk

The cash flow is estimated for the Company's operational units by finance professionals who continuously monitor the liquidity to ensure that the Company has sufficient cash to meet its operating requirements. This forecast takes into consideration the Company's debt financing plans, compliance with internal balance sheet ratio goals and external regulatory or legal requirements, if applicable.

The Company's cash flow estimate is made at the treasury area. This area monitors the continuous forecasts of liquidity requirements to ensure the Company has sufficient cash to meet its operational needs. This forecast takes into consideration the Company's debt financing plans, compliance with contractual clauses, compliance with internal balance sheet ratio goals, and external regulatory or legal requirements, if applicable (for example, currency restrictions).

Cash surpluses recorded by operating units above the threshold required for working capital management is transferred to the treasury area, which invests the cash surplus in CDBs, by selecting instruments with adequate maturity dates or sufficient liquidity to provide the necessary margin, as determined by the aforementioned forecasts. As at December 31, 2010, the Company recorded cash and cash equivalents of R$334,045 (R$12,143 as at December 31, 2009 and R$93,998 as at January 1, 2009).

c) Price variation risk

The Company's and its subsidiaries' revenues consist basically of rentals received from shopping malls' storeowners. The rental agreements, in general, are adjusted based on the annual IGP-DI variation, as set forth in such agreements. The rental levels may vary according to adverse economic conditions and, consequently, the revenue level may be affected. Management monitors these risks in order to minimize impacts on its business.

d) Interest rate risk

- Working capital loans and real estate credit notes - the Company's subsidiaries also raised several working capital loans and financing, as mentioned in notes 15 and 16, which bear average interest rates of up to 14.45% p.a. The Company's has not contracted any financial instrument in connection with interest rate variations to determine the rates of these transactions.

- Payables for acquisition of property - The Company's subsidiaries have balances payable to nonrelated companies referring to the acquisition of properties for the acquisition of Shopping Unimart and Shopping Light, which bear financial charges based on general price indices variation. The Company's has not contracted any financial instrument in connection with interest rate variations to determine the rates of these transactions.

e) Foreign exchange risk

The Company, through its subsidiary, has financing and balances payable to related parties contracted in foreign currency, in the amount of R$12,683 (R$12,718 as at December 31, 2009). The risk related to these liabilities arises from the possible foreign exchange variations that could increase the balance of these liabilities. There are no foreign currency-denominated assets. The Company's subsidiary has not entered into derivative contracts to hedge against this risk. In November 2010, through subsidiary General Shopping Finance, the Company issued foreign-currency denominated Perpetual Bonds, in the amount of US$200 million, with annual interest of 10% without principal maturity date. The Company, in accordance with its internal foreign exchange risk policy, has foreign-currency denominated short-term investments equivalent to two years of interest. Due to the nature of this operation, the Company has not entered into derivative agreements to hedge the principal.

The carrying amounts of asset and liability financial instruments, when compared to amounts that could be obtained in an active market or, in the absence of such market, the net present value adjusted based on the prevailing market interest rate, approximate their fair values.

f) Sensitivity analysis - Loans, financing and CCI

Considering the financial instrument previously described, the Company has developed a sensitivity analysis, according to the CVM Instruction 475/08, which requires the presentation of two additional scenarios based on 25% and 50% fluctuations in the risk variable taken into consideration. These scenarios may generate impact on the Company's income and/or future cash flows, as described below:

- Base scenario: maintenance of interest at the same levels as at December 31, 2010.
- Adverse scenario: 25% fluctuation of the main risk factor of the financial instrument compared to the level as at December 31, 2010.
- Remote scenario: 50% fluctuation of the main risk factor of the financial instrument compared to the level as at December 31, 2010.

Assumptions

As previously described, the Company understands that it is mainly exposed to the TR and IPCA variation risk and foreign exchange variation in relation to the US dollar, which are the basis to adjust a significant portion of loans, financing, CCI and perpetual notes contracted. Accordingly, the table below shows the rates used to prepare the sensitivity analysis:

Assumptions	Base scenario	Adverse scenario	Remote scenario
IPCA rate decrease	0.63%	0.79%	0.95%
TR decrease	0.14%	0.18%	0.21%
Depreciation of BR real against the US$	5.00%	6.25%	7.50%

Transaction	Risk	Scenarios - interest		
		Probable (i)	Possible (ii)	Remote (iii)
Interest on loans subject to IPCA variation	IPCA increase	107,818	146,087	195,005
Interest on loans subject to TR variation	TR increase	127,425	134,744	142,425
Interest and foreign exchange variation	US$ rate increase	335,636	375,364	417,277

The table above shows the effects of interest and index variation up to the agreement termination and, with respect to perpetual bonds, up to the date of purchase by the Company (5th year).

27. INSURANCE

The Company and its subsidiaries have insurance to cover potential risks on its assets and/or civil liabilities.

As at December 31, 2010, insurance is as follows:

Type	Insurance coverage
Civil liability	4.600
Comprehensive fire	740.306
Loss on profits	145.009
Windstorm/smoke	88.667
Shopping malls' operations	64.543
Pain and suffering	17.712
Property damage	239.150
Employer	13.272

28. SEGMENT REPORTING

Segment reporting is used by the Company's top management to make decisions about resources to be allocated to a segment and assess its performance.

The accounting policies for these reportable segments are similar to those of the Company, as described in note 2. The segment reporting consider the items attributable directly to the segment, as well as those that could be reasonably allocated. Assets and liabilities by segment are not presented as they are not considered by senior management in the strategic decision-making process.

Therefore, the Company's reporting segments are as follows:

a) Rentals

Refers to the rental of space to storeowners and other commercial space, such as sales stands; rental of commercial space for advertising and promotion; operation of parking lots; and the property space (technical structure) lease fee.

b) Services

Refers to revenue from electric power and water supply management at the shopping malls.

The Company's total revenues is realized in Brazil.

Income statements by segment:

	Consolidated					
	12/31/2010			Exclusion		12/31/2010
	Rental	Service	Corporate	Debit	Credit	Consolidated
Service revenues	97.504	27.465	-	(8.810)	-	116.159
Rentals and services provided	(16.547)	(14.429)	-	-	5.944	(25.032)
Gross profit	80.957	13.036	-	(8.810)	5.944	91.127
Operating revenues (expenses)	(2.126)	(2.879)	(17.096)	-	2.866	(19.235)
Operating revenues (expenses) before income (loss)	78.831	10.157	(17.096)	(8.810)	8.810	71.892
Financial loss	-	-	(73.111)	-	-	(73.111)
Operating income (loss) before income tax and social contribution	78.831	10.157	(90.207)	(8.810)	8.810	(1.219)
Income tax and social contribution	(8.175)	(1.961)	-	-	-	(10.136)
Net income (loss) for the year	70.656	8.196	(90.207)	(8.810)	8.810	(11.355)

	Consolidated					
	12/31/2009			Exclusion		12/31/2009
	Rental	Service	Corporate	Debit	Credit	Consolidated
Service revenues	84,732	23,948	-	(8,123)	-	100,557
Rentals and services provided	(19,840)	(13,008)	-	-	8,123	(24,725)
Gross profit	64,892	10,940	-	(8,123)	8,123	75,832
Operating revenues (expenses)	(2,302)	(81)	(11,203)	-	-	(13,586)
Operating revenues (expenses) before income (loss)	62,590	10,859	(11,203)	(8,123)	8,123	62,246
Financial loss	-	-	(23,332)	-	-	(23,332)
Operating income (loss) before income tax and social contribution	62,590	10,859	(34,535)	(8,123)	8,123	38,914
Income tax and social contribution	(12,891)	(1,600)	-	-	-	(14,491)
Net income for the year	49,699	9,259	(34,535)	(8,123)	8,123	24,423

29. STATEMENTS OF CASH FLOWS

a) Cash and cash equivalents: The breakdown of cash and cash equivalents recorded in the statement of cash flows is shown in note 4.

b) Supplemental information: In the year ended December 31, 2010, the Company paid income tax and social contribution of R$8,680, consolidated (as at December 31, 2009 - R$1,965, consolidated).

c) Noncash transactions: The Company increased Levian's capital through the transfer to Levian of the credits held by the Company with the subsidiaries, as mentioned in note 8, in the amount of R$347,796, for the year ended December 31, 2010.

30. EVENTS AFTER THE REPORTING PERIOD

In January and February 2011, the Company settled in advance the following CCI transactions and loans: CCI BAC - Unibanco, CCI Nova União - Banco Itáu, Banco ABC and Banco Paraná, in the total amount of R$111,193.

31. APPROVAL OF THE FINANCIAL STATEMENTS

On March 24, 2011, the General Shopping S.A.' Board of Directors authorized the conclusion of the financial statements for the year ended December 31, 2010.

32. EFFECTS OF ADOPTING IFRSs AND CPCs ON NET INCOME AND SHAREHOLDERS' EQUITY FOR THE QUARTERS ENDED 2010 AND 2009

As mentioned in Note 2, through the date of filing the interim financial statements for the quarter ended March 31, 2011, the Company will restate its 2010 interim financial statements comparatively to 2009, to be disclosed together, as if these new pronouncements, interpretations and instructions were effective since the beginning of the year ended December 31, 2009.

Below is the reconciliation of net income and shareholders' equity from 2010 interim financial statements comparatively to 2009, in accordance with the new CPCs in convergence with the IFRSs:

	Parent and Consolidated					
Quarter ended	03/31/2009	06/30/2009	09/30/2009	03/31/2010	06/30/2010	09/30/2010
Total shareholders' equity in accordance with prior accounting practices	381,200	385,766	389,955	397,689	397,662	400,584
Deferred taxes on land revaluation reserve	(21,496)	(21,496)	(21,496)	(21,496)	(21,496)	(21,496)
Deferred tax assets limited to 30% of tax liabilities on land revaluation reserve	6,449	6,449	6,449	6,449	6,449	6,449
Total restated shareholders' equity	366,153	370,719	374,908	382,642	382,615	385,537
Total according to previous accounting practices	8,107	4,566	4,189	173	(27)	2,922
Total restated income (loss)	8,107	4,566	4,189	173	(27)	2,922

The Company recorded deferred income tax and social contribution on land revaluation reserve in the amount of R$21,496. The Company recorded deferred tax assets equivalent to 30% of deferred liabilities on land revaluation reserve.

These interim financial statements were subject to the special review procedures applied by the Company's independent auditors in accordance with CVM requirements (NPA 06 of IBRACON), including the adjustments arising from the adoption of new accounting practices, and, therefore, were not subject to audit procedures.

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