



**São Paulo, November 14, 2018**—General Shopping e Outlets do Brasil S/A [B3: GSHP3], a Company with a significant share of the shopping center industry in Brazil, today announces its results for the third quarter 2018. Except where otherwise stated, the following financial and operational information are presented on a consolidated basis and in thousands of Reais.

## Company's Gross Revenue per m<sup>2</sup> grows 8.8% in 3Q18 in relation to 3Q17

- General Shopping e Outlets do Brasil S/A reported Gross Revenue in the third quarter 2018 (3Q18) of R\$ 58.4 million, a decrease of 17.9% compared with total gross revenue of R\$ 71.1 million in the third quarter 2017 (3Q17). In 9M18, Gross Revenue fell 13.3% compared with 9M17, reaching R\$ 180.8 million.
- Consolidated Net Operating Income (NOI) in 3Q18 amounted to R\$ 45.1 million, equivalent to a margin of 87.4%, a decrease of 18.1% in relation to the R\$ 55.0 million reached in 3Q17. In 9M18, Consolidated NOI amounted to R\$ 141.2 million, equivalent to a margin of 88.2% and a decrease of 14.4% compared with 9M17.
- Gross Profit in 3Q18 was R\$ 44.7 million, with a margin of 86.6% and a decrease of 18.1% compared with R\$ 54.6 million in 3Q17. In 9M18, Gross Profit totaled R\$ 140.1 million, with a margin of 87.5% and a decrease of 14.3% in relation to 9M17.
- Adjusted EBITDA in 3Q18 reached R\$ 36.1 million, corresponding to an EBITDA margin of 70.0% and a decrease of 19.8% in relation to the R\$ 45.0 million in 3Q17. In 9M18, Adjusted EBITDA was R\$ 114.3 million, equivalent to a margin of 71.4%, a decrease of 13.5% compared with 9M17.

Consolidated Financial Highlights						
R\$ thousand	3Q17	3Q18	Chg.	9M17	9M18	Chg.
<b>Gross Revenue</b>	<b>71,070</b>	<b>58,358</b>	<b>-17.9%</b>	<b>208,461</b>	<b>180,751</b>	<b>-13.3%</b>
Rent (Shopping Malls)	47,980	35,433	-26.2%	144,529	116,571	-19.3%
Services	23,090	22,925	-0.7%	63,932	64,180	0.4%
<b>NOI - Consolidated</b>	<b>55,047</b>	<b>45,080</b>	<b>-18.1%</b>	<b>165,068</b>	<b>141,218</b>	<b>-14.4%</b>
<b>Adjusted EBITDA</b>	<b>45,023</b>	<b>36,128</b>	<b>-19.8%</b>	<b>132,191</b>	<b>114,290</b>	<b>-13.5%</b>
<b>Adjusted Net Result</b>	<b>27,652</b>	<b>(55,845)</b>	<b>-302.0%</b>	<b>(35,477)</b>	<b>(210,004)</b>	<b>491.9%</b>
<b>Adjusted FFO</b>	<b>28,788</b>	<b>(54,986)</b>	<b>-291.0%</b>	<b>(31,880)</b>	<b>(207,329)</b>	<b>550.3%</b>
NOI Margin	88.2%	87.4%	-0.8 p.p.	89.6%	88.2%	-1.4 p.p.
Adjusted EBITDA Margin	72.1%	70.0%	-2.1 p.p.	71.7%	71.4%	-0.3 p.p.
Adjusted Net Result Margin	44.3%	-108.2%	-	-19.2%	-131.2%	-
Adjusted FFO Margin	46.1%	-106.6%	-	-17.3%	-129.5%	-
Gross Revenue per m <sup>2</sup>	290.63	316.17	8.8%	852.46	897.51	5.3%
NOI per m <sup>2</sup>	225.10	244.24	8.5%	675.01	701.21	3.9%
Adjusted EBITDA per m <sup>2</sup>	184.11	195.74	6.3%	540.57	567.50	5.0%
Adjusted Net Result per m <sup>2</sup>	113.08	(302.56)	-367.6%	(145.08)	(1,042.76)	618.8%
Adjusted FFO per m <sup>2</sup>	117.72	(297.90)	-353.1%	(130.37)	(1,029.48)	689.7%
Own GLA - Average in the Period (m <sup>2</sup> )	244,540	184,576	-24.5%	244,540	201,392	-17.6%
Own GLA - End of the Period (m <sup>2</sup> )	244,540	184,576	-24.5%	244,540	184,576	-24.5%

## INVESTOR RELATIONS

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IR Officer

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Índice de  
Ações com Governança  
Corporativa Diferenciada **IGC**

Índice de  
Ações com Tag Along  
Diferenciado **ITAG**

**GSHP3**  
**NOVO**  
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## **MANAGEMENT'S COMMENTS**

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The Company's Management is pleased to report on its operating and financial performance for the third quarter 2018 (3Q18).

Initially, we would point to a reduction in GLA (Gross Leasable Area) when compared with 3Q17, the result of divesting the stake in Internacional Shopping Guarulhos.

Gross Revenue in 3Q18 fell by 17.9% to R\$ 58.4 million, reflecting the reduction in Rental Revenue of 26.2% and a decline in Services Revenue of 0.7% when compared with the same period in 2017.

In the light of Same Areas performance, Same Area Rentals reported a growth of 0.9% in 3Q18 and an increase in Same Area Sales of 6.3% in this same period, reversing the negative impact of the preceding quarter.

Occupancy rates posted a slight reduction in the quarter, reaching 94.1% in 3Q18 against 95.0% in 3Q17.

There was a R\$ 1.0 million reduction in the quarter in Rental and Services Costs to R\$ 6.9 million. The Company registered a Net Operating Income of R\$ 45.1 million in 3Q18, a reduction of 18.1% in relation to the same period in 2017, and corresponding to a margin of 87.4%.

General and Administrative Expenses increased R\$ 1.5 million in 3Q17, reaching R\$ 13.3 million in the quarter.

In 3Q18, the Company's Net Financial Result was impacted by the variation in the US Dollar x Real exchange rate, increasing from a negative R\$ 10.9 million in 3Q17 to a negative R\$ 85.9 million.

On August 8, 2018, the Company published a material fact, confirming that it had concluded the tender offer for the acquisition of perpetual debt notes ("10.00% Perpetual Notes") worth US\$ 48.3 million.

Subsequent to the end of the quarter, on November 06, 2018, the Company signed a Promise of Purchase and Sales agreement with the purpose of acquiring Outlet Fashion Fortaleza. Should the operation be consummated and certain conditions precedent in the Promise of Purchase and Sales satisfied, the Company will take an indirect interest of 50% in the commercial development.

We would like to take this opportunity to thank our employees, tenants, customers and visitors for their contribution to the Company's results.

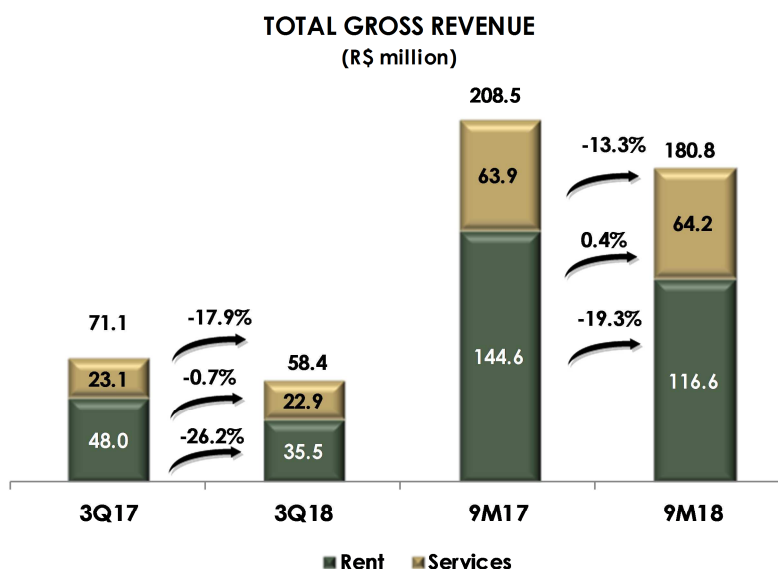
**Marcio Snioka,**  
**Investor Relations Officer**

## GROSS REVENUE

The Company's total gross revenue for the quarter was R\$ 58.4 million, and equivalent to a year-on-year decrease of 17.9%. In 9M18, gross revenue amounted to R\$ 180.8 million, a decline of 13.3% compared with 9M17.

Gross revenue from rents in 3Q18 amounted to R\$ 35.5 million, 60.7% of total gross revenue and a decrease of 26.2% compared with 3Q17. The key factor contributing to this decrease was the sale of the stake in Internacional Shopping Guarulhos during 2018, partially mitigated by a real increase and annual readjustments in rentals. In 9M18, gross revenue was R\$ 116.6 million, a decrease of 19.3% compared with 9M17.

Gross revenue from services in 3Q18 totalled R\$ 22.9 million, a reduction of 0.7% in relation to 3Q17, and R\$ 64.2 million in 9M18, a 0.4% rise in relation to 9M17.



## RENTAL REVENUE

The Company's total rental revenue in 3Q18 was R\$ 35.5 million, this breaking down into minimum rent, percentage on sales, key money, advertising and straight-line revenue.

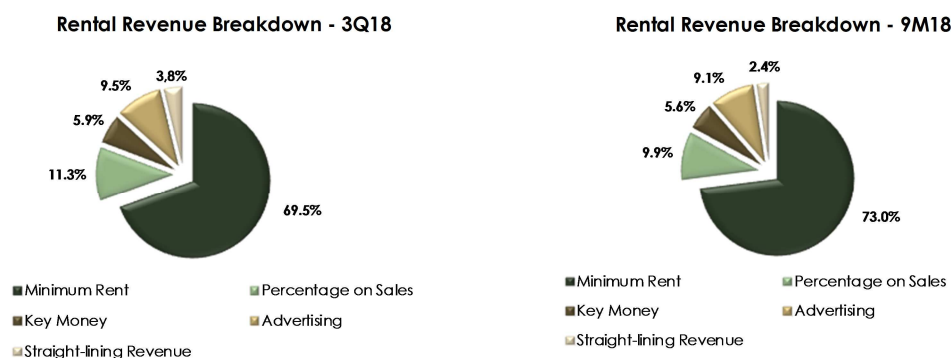
Rental Revenue Breakdown						
R\$ million	3Q17	3Q18	Chg.	9M17	9M18	Chg.
Minimum Rent	35.2	24.7	-30.1%	106.7	85.0	-22.4%
Percentage on Sales	4.7	4.0	-15.4%	14.0	11.6	-17.0%
Key Money	1.9	2.1	15.1%	5.6	6.5	16.3%
Advertising	4.2	3.4	-19.0%	11.8	10.7	-9.4%
Straight-lining Revenue	2.0	1.3	-33.6%	6.5	2.8	-57.5%
<b>Total</b>	<b>48.0</b>	<b>35.5</b>	<b>-26.2%</b>	<b>144.6</b>	<b>116.6</b>	<b>-19.3%</b>

Minimum rent revenue in 3Q18 fell by R\$ 10.5 million, or 30.1% in relation to 3Q17. When comparing 9M18 with 9M17, the decrease was R\$ 21.7 million, or 22.4%.

Percentage rental on sales declined by 15.4% in relation to the two periods. Comparing 9M18 with 9M17, the decline was 17.0%.

Temporary rentals (Advertising) in 3Q18 amounted to R\$ 3.4 million, a decline of 19.0%, and R\$ 10.7 million in 9M18, a fall of 9.4% compared with 9M17.

Minimum rent revenue was 69.5% of total revenue from rents in 3Q18, while in 3Q17 it was 73.5%. In 9M18, this same percentage was 73.0%, compared with 73.9% in 9M17.



## SERVICES REVENUE

In 3Q18, services revenue totaled R\$ 22.9 million, corresponding to a decrease of 0.7% in relation to the same period in 2017. In 9M18, the Company reported R\$ 64.2 million for this same item, an increase of 0.4% compared with 9M17.

Services Revenue Breakdown						
R\$ million	3Q17	3Q18	Chg.	9M17	9M18	Chg.
Parking	14.3	10.3	-28.0%	38.1	31.5	-17.5%
Energy	3.5	7.3	107.4%	9.8	16.3	66.1%
Water	1.9	2.1	12.5%	5.8	6.6	13.3%
Management	3.4	3.2	-5.4%	10.2	9.8	-3.4%
<b>Total</b>	<b>23.1</b>	<b>22.9</b>	<b>-0.7%</b>	<b>63.9</b>	<b>64.2</b>	<b>0.4%</b>

Parking lot revenue in 3Q18 was R\$ 10.3 million, a reduction of R\$ 4.0 million or 28.0% in relation to 3Q17. This result reflects the divestment made in Internacional Shopping Guarulhos (as per notes and operational context) as well as variations in vehicle flows at some of our operations. In 9M18, revenue from this same service was R\$ 31.5 million, down 17.5% compared with 9M17.

Revenues from the management of energy supplies were R\$ 7.3 million in 3Q18, an increase of R\$ 3.8 million, or 107.4%. This reflected the improvement in spot

purchases costs and a consequent increase in margins. In 9M18, we recorded a total of R\$ 16.3 million, a growth of 66.1% compared with the same period in 2017.

Revenues from the management of water supplies amounted to R\$ 2.1 million in 3Q18, R\$ 0.2 million higher than 3Q17. In 9M18, this same revenue amounted to R\$ 6.6 million, growth of 13.3% compared with 9M17.

### **DEDUCTIONS FROM REVENUES (TAXES, DISCOUNTS AND CANCELATIONS)**

Deductions for taxes, discounts and cancellations from gross revenue totaled R\$ 6.8 million in 3Q18, corresponding to 11.6% of gross revenue while in 3Q17 these same deductions came to 12.1%. In 9M18, we reported R\$ 20.7 million, 11.4% of gross revenue, while in 9M17, the percentage 11.6%.

Sales taxes (PIS/COFINS/ISS) totaled R\$ 4.8 million in 3Q18, representing a decrease of R\$ 1.1 million in relation to 3Q17. In 9M18, the amount was R\$ 14.9 million, a decrease of R\$ 2.2 million in relation to 9M17.

Discounts and cancellations in the third quarter 2018 were R\$ 1.9 million, representing a decrease of R\$ 0.7 million compared with 3Q17. In 9M18, we registered R\$ 5.8 million, R\$ 1.3 million less relative to 9M17.

### **NET REVENUE FROM RENTALS AND SERVICES**

Net Revenue amounted to R\$ 51.6 million in 3Q18, a decrease of 17.4% when compared to the same period in 2017. In 9M18, this same item was R\$ 160.1 million, 13.1% less than 9M17.

### **COST OF RENTALS AND SERVICES**

In 3Q18, costs of rentals and services posted a decrease of 12.1% to R\$ 6.9 million. In the first nine months of 2018, these costs were R\$ 20.0 million, a 3.9% decline year-on-year.

<b>Rental and Services Costs</b>						
<b>R\$ million</b>	<b>3Q17</b>	<b>3Q18</b>	<b>Chg.</b>	<b>9M17</b>	<b>9M18</b>	<b>Chg.</b>
Personnel	0.7	0.5	-32.5%	1.7	1.7	-0.8%
Depreciation	0.5	0.4	-15.2%	1.6	1.1	-28.7%
Occupancy	4.4	3.9	-10.8%	12.6	12.3	-2.5%
Third parties	2.3	2.1	-7.0%	4.9	4.9	-0.7%
<b>Total</b>	<b>7.9</b>	<b>6.9</b>	<b>-12.1%</b>	<b>20.8</b>	<b>20.0</b>	<b>-3.9%</b>

### **Personnel Costs**

The Company reported personnel costs of R\$ 0.5 million in the quarter, R\$ 0.2 million down on 3Q17. In 9M18, personnel costs were R\$ 1.7 million and unchanged from 9M17.

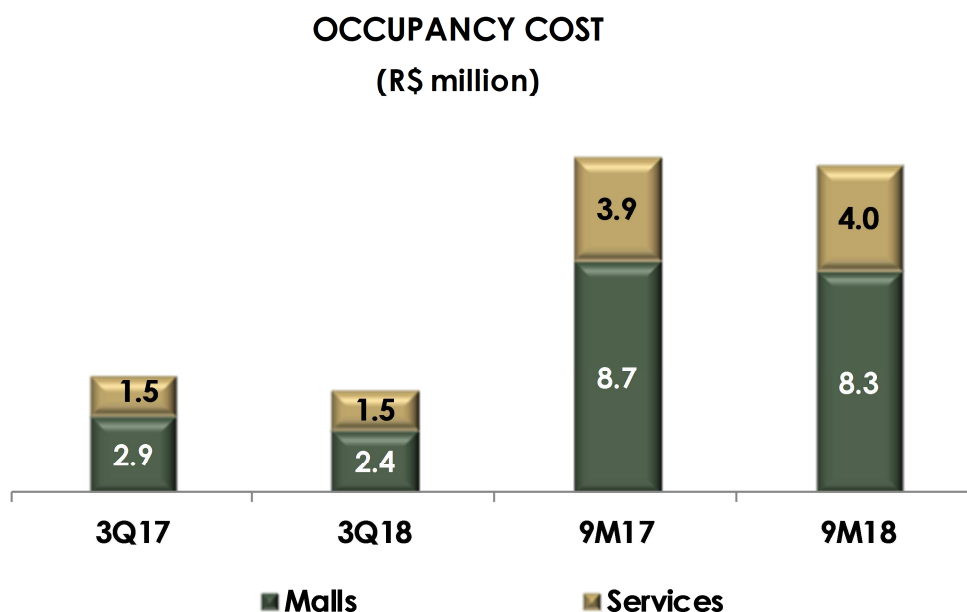


## Depreciation Costs

In 3Q18, depreciation costs were R\$ 0.4 million, R\$ 0.1 million less than 3Q17. In 9M18, the Company reported these same costs as R\$ 1.1 million, a decrease of R\$ 0.5 million compared with 9M17.

## Occupancy Costs

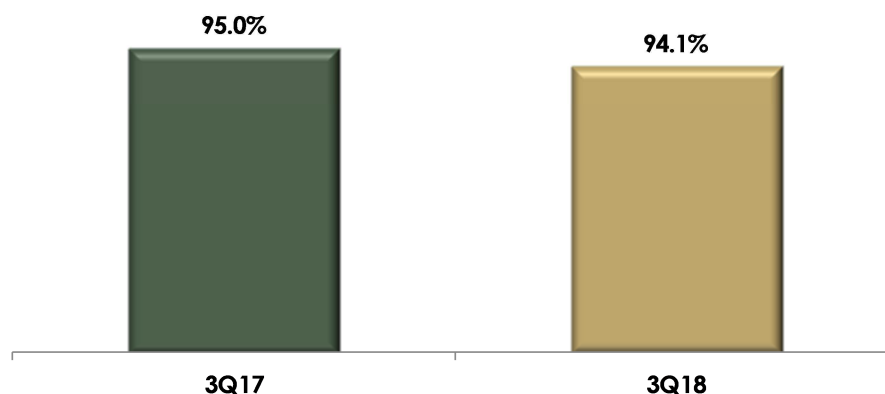
Occupancy costs for the quarter under review were R\$ 3.9 million, R\$ 0.5 million lower than 3Q17. In 9M18, these costs were R\$ 12.3 million, a decrease of R\$ 0.3 million or 2.5% relative to 9M17.



Shopping center occupancy costs were R\$ 2.4 million in 3Q18, R\$ 0.5 million less than 3Q17. In 9M18, costs amounted to R\$ 8.3 million, again a reduction of R\$ 0.4 million in relation to 9M17.

Services' occupancy costs amounted to R\$ 1.5 million in 3Q18, the same as in 3Q17. In 9M18, the Company reported R\$ 4.0 million for this item, an increase of R\$ 0.1 million compared with 9M17.

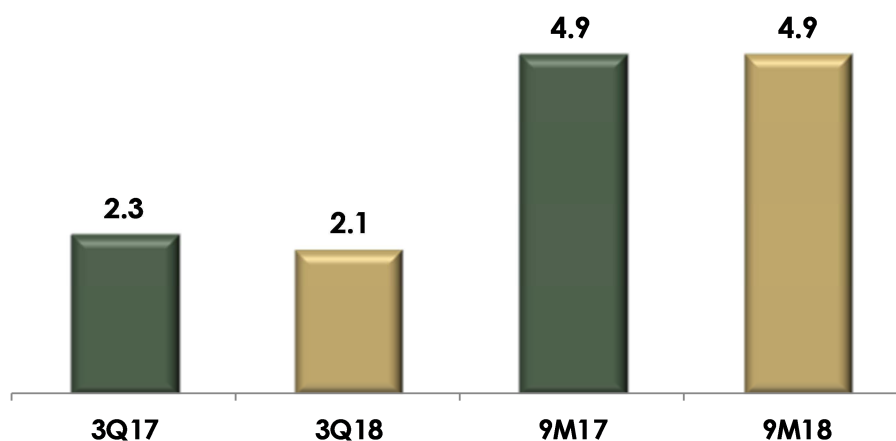
### OCCUPANCY RATE PERFORMANCE



### Third Party Services Costs

The costs of third party services in 3Q18, principally those in relation to parking lot income, were R\$ 2.1 million, R\$ 0.2 million lower than 3Q17. In the 9M18 period, we recorded R\$ 4.9 million, flat relative to 9M17.

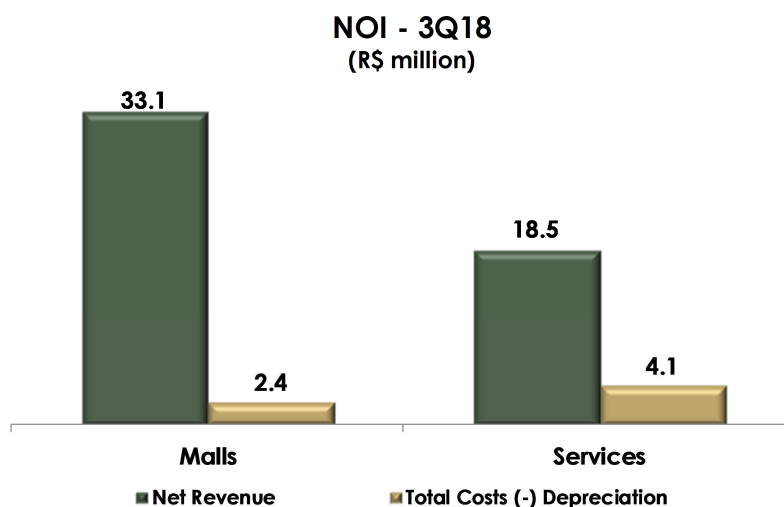
### THIRD-PARTIES SERVICES COST (R\$ million)



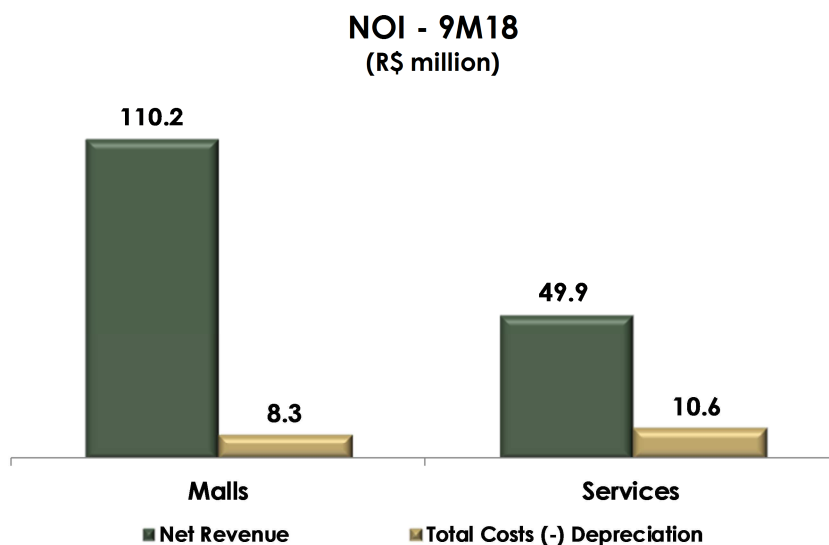
### GROSS PROFIT

Gross profit in 3Q18 was R\$ 44.7 million, equivalent to a margin of 86.6% and a decrease of 18.1% compared to the R\$ 54.6 million reported in 3Q17. In 9M18, we recorded a total gross profit of R\$ 140.1 million, an 87.5% margin and a decline of 14.3% compared with 9M17.

In 3Q18, the Company's consolidated NOI was R\$ 45.1 million. NOI from Shopping Center operations was R\$ 30.7 million and Services, the remaining R\$ 14.4 million.



In 9M18, the Company recorded NOI of R\$ 141.2 million, of which shopping center operations accounted for R\$ 101.9 million and services, R\$ 39.3 million.



## GENERAL AND ADMINISTRATIVE EXPENSES

In 3Q18, general and administrative expenses were R\$ 13.3 million, representing an increase of 11.8% compared with 3Q17. In 9M18, this same item was R\$ 39.1 million, 5.5% greater than 9M17.



#### General and Administrative Expenses

R\$ million	3Q17	3Q18	Chg.	9M17	9M18	Chg.
Publicity and Advertising	(0.3)	(0.3)	-9.5%	(1.0)	(0.9)	-8.0%
Provision for Doubtful Accounts	(1.3)	(0.8)	-39.8%	(5.3)	(2.3)	-57.2%
Personnel	(3.5)	(4.1)	19.1%	(10.5)	(11.1)	6.0%
Third Parties	(3.2)	(2.6)	-21.0%	(7.6)	(8.7)	13.3%
Commercialization Expenses	(1.3)	(0.9)	-27.4%	(3.3)	(2.5)	-22.3%
Non-recurring Expenses	(0.7)	(2.5)	234.7%	(6.3)	(6.5)	2.7%
Other Expenses	(1.5)	(2.1)	39.1%	(3.1)	(7.1)	134.3%
<b>Total</b>	<b>(11.8)</b>	<b>(13.3)</b>	<b>11.8%</b>	<b>(37.1)</b>	<b>(39.1)</b>	<b>5.5%</b>

During the third quarter, there was an increase of R\$ 1.5 million in administrative expenses, reflected in higher (i) payroll expenses, (ii) non-recurring expenses and (iii) Other Expenses, partially attenuated by lower (iv) commercialization expenses, (v) third party services expenses, (vi) publicity and advertising and (vii) provisions for doubtful accounts.

#### OTHER OPERATING REVENUES (EXPENSES)

Other operating revenues and expenses reflect mainly the recovery of costs and expenses paid out by the Company for account of condominiums as well as other recoveries. In 3Q18, other operating revenues and expenses were negative in R\$ 0.2 million while this item was positive in 3Q17 at R\$ 0.9 million. In 9M18, this amount was R\$ 78.6 million negative and in 9M17, R\$ 3.5 million negative.

#### Other Operating Revenues

R\$ million	3Q17	3Q18	Chg.	9M17	9M18	Chg.
Recovery of Condominium Expenses	-	0.8	-	0.2	0.9	373.2%
Gain/Loss on Investment Properties Sale	0.2	(1.6)	-	0.3	(82.7)	-
Recovery (other)	0.7	0.6	-20.4%	(4.0)	3.2	-
<b>Total</b>	<b>0.9</b>	<b>(0.2)</b>	<b>-</b>	<b>(3.5)</b>	<b>(78.6)</b>	<b>-</b>

#### NET FINANCIAL RESULT

The net financial result in 3Q18 was negative at R\$ 85.9 million and in 3Q17, R\$ 10.9 million negative. Worthy of mention is that there is no cash impact from the foreign exchange translation effect on the principal amount of our perpetual debt. In 9M18, we reported a negative net result of R\$ 333.7 million compared with a negative R\$ 147.0 million in 9M17.

Interest charges on agreements for financing greenfield projects are being capitalized during the course of the work and then amortized once the commercial developments become operational.

<b>Net Financial Result</b>						
<b>R\$ million</b>	<b>3Q17</b>	<b>3Q18</b>	<b>Chg.</b>	<b>9M17</b>	<b>9M18</b>	<b>Chg.</b>
<b>Revenues</b>	<b>62.1</b>	<b>128.9</b>	<b>107.1%</b>	<b>123.5</b>	<b>264.2</b>	<b>114.0%</b>
Interest on financial investments	1.5	9.1	485.5%	4.7	20.4	333.6%
Exchange Variation - Asset	58.7	102.7	75.0%	110.5	205.9	86.4%
Derivative Operational Gain	0.2	11.9	-	2.3	28.5	-
Other	1.7	5.2	199.5%	6.0	9.4	56.7%
<b>Expenses</b>	<b>(73.0)</b>	<b>(214.8)</b>	<b>193.8%</b>	<b>(270.5)</b>	<b>(597.9)</b>	<b>121.1%</b>
Interest on loans, financing and CCI's	(21.0)	(26.3)	24.7%	(69.8)	(69.1)	-0.9%
Perpetual Bonds Debt	(25.3)	(29.4)	16.3%	(76.7)	(86.3)	12.5%
Derivative Operational Loss	(4.3)	(6.7)	55.7%	(8.5)	(9.3)	9.7%
Exchange Variation - Liability	(12.4)	(137.5)	-	(80.6)	(374.1)	364.2%
Fine on Overdue Taxes	(4.0)	(8.4)	108.6%	(16.2)	(32.8)	102.5%
Other	(6.0)	(6.5)	8.8%	(18.7)	(26.3)	40.7%
<b>Total</b>	<b>(10.9)</b>	<b>(85.9)</b>	<b>689.9%</b>	<b>(147.0)</b>	<b>(333.7)</b>	<b>127.0%</b>

## FINANCIAL INSTRUMENTS

The Risk Management Policy involves the use of financial derivatives or financial investments in US dollars to protect the Company against variations that may affect liquidity. The Board of Directors is responsible for monitoring and deciding on eventual policy changes.

Speculative transactions are not permitted under the Policy and any instrument used must be for risk mitigation only. All operations are controlled through daily marking-to-market monitoring and through risk limits, information for which is supplied to the Company's Financial Department by a third party consultancy.

No derivative is classified as a hedge instrument under the Brazilian Committee on Accounting Pronouncements' (CPC 38) definition and therefore is not booked in line with Hedge Accounting practices.

## EXCHANGE RISK

The Company's current strategy is to hold at least two year's interest payments covered against foreign exchange risk. To this end, hedging may be conducted through operations either in Brazil or abroad, including derivative instruments and conforming strictly to cost and profitability criteria.

The Company manages and monitors its derivatives position daily, adjusting it in accordance with the best hedging strategy at below market costs.

General Shopping e Outlets uses future contracts traded on B3 and non-deliverable forward contracts (NDF) from first class financial institutions to protect interest payments on its currency-denominated liabilities.

As of September 28, 2018, the Company's currency hedge scenario was as follows:

Types of Hedge Instruments	
Derivative Instrument - Exchange NDF	TOTAL
Initial price - R\$/US\$*	3.7909
Notional value in US\$ thousands	20,000
Fair value in R\$ thousands	5,093
Derivative Instrument - Future Dollar B3	TOTAL
Initial price - R\$/US\$*	4.1166
Notional value in US\$ thousands	20,000
Fair value in R\$ thousands	933
Total Hedge Instruments	TOTAL
Notional value in US\$ thousands	40,000
Fair value in R\$ thousands	6,025

(\*)The price reflects the operation's entry price.

## INCOME TAX AND SOCIAL CONTRIBUTION (CURRENT AND DEFERRED)

The Company reported income tax and social contribution payable in 3Q18 of R\$ 6.6 million compared with R\$ 5.4 million in 3Q17. In 9M18, income tax and social contribution was R\$ 37.9 million, an increase of R\$ 20.8 million compared with 9M17.

## NET ADJUSTED RESULT

In 3Q18, the Company registered a negative net adjusted result of R\$ 55.8 million compared with positive net adjusted result of R\$ 27.6 million in 3Q17. In 9M18, there was a negative net adjusted result of R\$ 210.0 million compared with a negative net adjusted result of R\$ 35.4 million in 9M17.

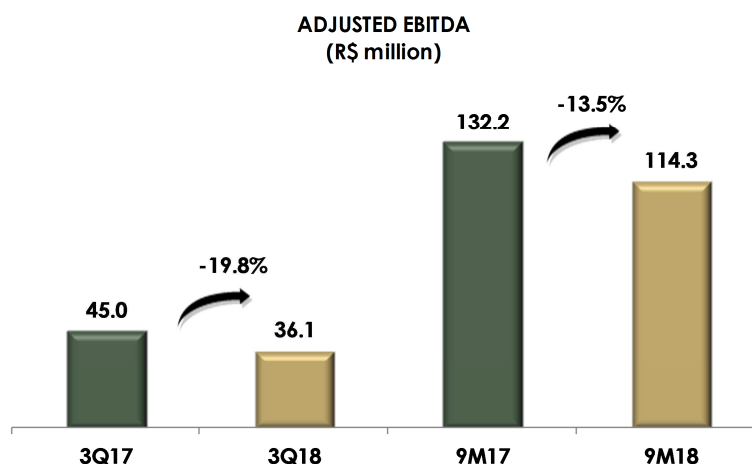
Adjusted Net Result Reconciliation						
R\$ million	3Q17	3Q18	Chg.	9M17	9M18	Chg.
<b>Net Result</b>	<b>27.4</b>	<b>(61.3)</b>	<b>-323.5%</b>	<b>(41.1)</b>	<b>(349.1)</b>	<b>748.6%</b>
(+) Non-Recurring	0.2	4.1	-	5.7	89.2	-
(+) IRPJ/CSLL (Non-Recurring)	-	1.4	-	-	49.9	-
<b>Adjusted Net Result</b>	<b>27.6</b>	<b>(55.8)</b>	<b>-</b>	<b>(35.4)</b>	<b>(210.0)</b>	<b>491.9%</b>
<b>Adjusted Net Result Margin</b>	<b>44.3%</b>	<b>-108.2%</b>	<b>-</b>	<b>-19.2%</b>	<b>-131.2%</b>	<b>-</b>

## ADJUSTED EBITDA

Adjusted EBITDA in 3Q18 was R\$ 36.1 million, corresponding to margin of 70.0%, a decline of 19.8% relative to the Adjusted EBITDA of R\$ 45.0 million in the same period for 2017. In 9M18, adjusted EBITDA was R\$ 114.3 million, equivalent to a margin of 71.4% and a year-on-year decrease of 13.5%.

## Adjusted EBITDA Reconciliation

R\$ million	3Q17	3Q18	Chg.	9M17	9M18	Chg.
<b>Net Result</b>	<b>27.4</b>	<b>(61.3)</b>	<b>-323.5%</b>	<b>(41.1)</b>	<b>(349.1)</b>	<b>748.6%</b>
(+) Income Tax and Social Contribution	5.4	6.6	22.8%	17.1	37.9	121.5%
(+) Net Financial Result	10.9	85.9	689.9%	147.0	333.7	127.0%
(+) Depreciation and Amortization	1.1	0.8	-24.4%	3.5	2.6	-25.6%
<b>EBITDA</b>	<b>44.8</b>	<b>32.0</b>	<b>-28.4%</b>	<b>126.5</b>	<b>25.1</b>	<b>-80.2%</b>
(+) Non-Recurring	0.2	4.1	-	5.7	89.2	-
<b>Adjusted EBITDA</b>	<b>45.0</b>	<b>36.1</b>	<b>-19.8%</b>	<b>132.2</b>	<b>114.3</b>	<b>-13.5%</b>
<b>Adjusted EBITDA Margin</b>	<b>72.1%</b>	<b>70.0%</b>	<b>-2.1 p.p.</b>	<b>71.7%</b>	<b>71.4%</b>	<b>-0.3 p.p.</b>



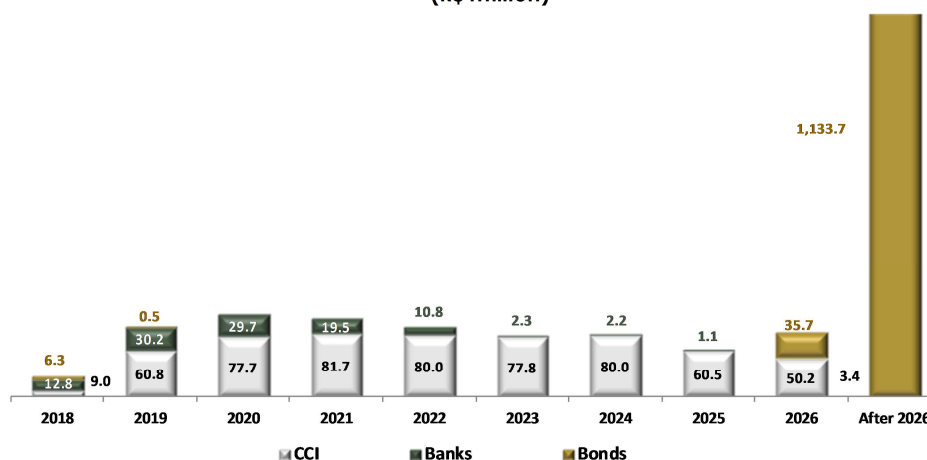
## CAPITAL STRUCTURE

The Company's gross debt as at September 30, 2018 amounted to R\$ 1,865.9 million. On June 30, 2018, gross debt stood at R\$ 2,084.7 million.

In the light of General Shopping e Outlets's cash position (cash and cash equivalents and other financial investments) as at September 30, 2018 of R\$ 757.0 million, total net debt amounted to R\$ 1,108.9 million. In 2Q18, net debt amounted to R\$ 1,059.0 million.

## AMORTIZATION SCHEDULE

(R\$ million)



R\$ million															
Financial Institution	Maturity	Index	Interest	09/30/2018	2018	2019	2020	2021	2022	2023	2024	2025	2026	After 2026	
BNDES - PINE FINAME	Sep-19	-	8.7%	0.2	0.1	0.1	-	-	-	-	-	-	-	-	-
BNDES - BRADESCO FINEM	Aug-21	SELIC	6.8%	13.6	1.2	4.6	4.7	3.1	-	-	-	-	-	-	-
BNDES - BRADESCO FINEM	Aug-21	TJLP	6.8%	22.1	2.0	7.5	7.6	5.0	-	-	-	-	-	-	-
BNDES - ITAÚ CCB	Nov-20	TJLP	6.3%	10.6	1.3	4.8	4.5	-	-	-	-	-	-	-	-
BNDES - ITAÚ CCB	Nov-20	SELIC	4.6%	3.6	0.4	1.7	1.5	-	-	-	-	-	-	-	-
BNDES - ITAÚ CCB	Nov-20	-	3.5%	0.4	-	0.2	0.2	-	-	-	-	-	-	-	-
DEBÊNTURES - SB BONSUCESSO	Oct-22	CDI	2.8%	16.0	1.0	3.9	3.9	3.9	3.3	-	-	-	-	-	-
DEBÊNTURES - SB BONSUCESSO	Oct-22	IPCA	7.5%	26.8	6.2	5.1	5.1	5.2	5.2	-	-	-	-	-	-
BNB	Jun-25	-	3.5%	15.3	0.6	2.3	2.2	2.3	2.3	2.3	2.2	1.1	-	-	-
CCI - SANTANDER	Jun-22	TR	11.0%	32.8	1.8	7.7	8.6	9.5	5.2	-	-	-	-	-	-
CCI - HABITASEC	Nov-24	IPCA	7.0%	58.2	2.1	7.9	8.5	9.1	9.8	10.5	10.3	-	-	-	-
CCI - HABITASEC	Jun-25	IPCA	7.0%	32.9	1.0	4.0	4.3	4.6	4.9	5.3	5.7	3.1	-	-	-
CCI - HABITASEC	Dec-24	IPCA	7.0%	45.6	1.6	6.2	6.6	7.0	7.5	8.1	8.6	-	-	-	-
CCI - ITAÚ	Sep-26	TR	9.9%	284.5	0.1	25.0	38.1	38.2	38.2	38.2	38.2	38.7	29.8	-	-
CCI - ITAÚ BBA	Jan-27	TR	10.0%	65.2	1.0	4.3	5.5	6.8	7.5	8.4	9.2	10.2	11.3	1.0	-
CCI - HABITASEC	Mar-27	IPCA	6.5%	61.9	1.4	5.7	6.1	6.5	6.9	7.3	8.0	8.5	9.1	2.4	-
BONDS 2010/2011 (*)	-	USD	10.0%	470.2	6.3	-	-	-	-	-	-	-	-	463.9	-
BONDS	Aug-26	USD	10%/12%	36.2	-	0.5	-	-	-	-	-	-	35.7	-	-
BONDS 2012 (*)	-	USD	13.2%	669.8	-	-	-	-	-	-	-	-	-	669.8	-
<b>Total Debt</b>				<b>1,865.9</b>	<b>28.1</b>	<b>91.5</b>	<b>107.4</b>	<b>101.2</b>	<b>90.8</b>	<b>80.1</b>	<b>82.2</b>	<b>61.6</b>	<b>85.9</b>	<b>1,137.1</b>	

\* Perpetual note with a call option

According to the criterion of the rating agencies, which monitor the Company (Fitch and Moody's), 50% of the Perpetual Subordinated Debt note issue is considered as Capital.

## SUBSEQUENT EVENT

Considering the Material Fact published in November 06, 2018, GENERAL SHOPPING E OUTLETS DO BRASIL S.A., a listed company with head-offices at. Av. Angélica, nr. 2.466, 24th floor, conj. 241, in the City of São Paulo, State of São Paulo, enrolled in CNPJ under nr. 08.764.621/0001-53 ("Company"), in compliance with the provisions of Instruction CVM nr. 358/02, announces to its shareholders and to the market in general that PALO ADMINISTRADORA E INCORPORADORA LTDA., enrolled in CNPJ under nr. 28.495.101/0001-08, its wholly-owned subsidiary, entered with BR PARTNERS OUTLET PREMIUM FORTALEZA S.A, enrolled in CNPJ under nr. 31.799.830/0001-54 ("BR Partners") and VARICRED DO NORDESTE EMPREENDIMENTOS E PARTICIPAÇÕES LTDA., enrolled in CNPJ under nr. 10.894.117/0001-10, "Promise of Purchase and Sale of Assets and Other Covenants" ("Promise of Purchase and Sale") with the purpose of acquire jointly with BR Partners the business venture named "Outlet Fashion Fortaleza" ("OFF") located in area of 99.069,84m2 to be segregated from the record nr. 42.485 of the real state registry of the City of Caucaia, State of Ceará.

The total value of the transaction is equivalent to an amount of: (i) down payment of 5.000.000,00 BRL; (ii) debt assumption of obligations of total value of 17.476.175,90 BRL; and (iii) price adjustment calculated based on the OFF's results at year-end of 2020, in accordance to the Promise of Purchase and Sale (earn-out).

The transaction is subjected to the satisfaction of the conditions set forth in the Promise of Purchase and Sale after satisfaction of such conditions as consequence of the implementation of the transaction the Company will hold indirect interest equivalent to 50% of the business venture named OFF.



## CONSOLIDATED INCOME STATEMENT

R\$ thousand	3Q17	3Q18	Chg.	9M17	9M18	Chg.
<b>Gross Operating Revenue</b>	<b>71,070</b>	<b>58,358</b>	<b>-17.9%</b>	<b>208,461</b>	<b>180,751</b>	<b>-13.3%</b>
Revenue from Rents	47,980	35,433	-26.2%	144,529	116,571	-19.3%
Revenue from Services	23,090	22,925	-0.7%	63,932	64,180	0.4%
<b>Revenue Deductions</b>	<b>(8,629)</b>	<b>(6,761)</b>	<b>-21.6%</b>	<b>(24,145)</b>	<b>(20,652)</b>	<b>-14.5%</b>
Pis / Cofins	(5,188)	(4,006)	-22.8%	(14,811)	(12,608)	-14.9%
ISS	(778)	(817)	5.0%	(2,247)	(2,242)	-0.2%
Discounts	(2,663)	(1,938)	-27.2%	(7,087)	(5,802)	-18.1%
<b>Net Operating Revenue</b>	<b>62,441</b>	<b>51,597</b>	<b>-17.4%</b>	<b>184,316</b>	<b>160,099</b>	<b>-13.1%</b>
<b>Rents and Services Costs</b>	<b>(7,868)</b>	<b>(6,919)</b>	<b>-12.1%</b>	<b>(20,808)</b>	<b>(19,994)</b>	<b>-3.9%</b>
Personnel	(745)	(503)	-32.5%	(1,724)	(1,711)	-0.8%
Depreciation	(474)	(402)	-15.2%	(1,560)	(1,113)	-28.7%
Occupancy	(4,402)	(3,925)	-10.8%	(12,595)	(12,275)	-2.5%
Third Parties	(2,247)	(2,089)	-7.0%	(4,929)	(4,895)	-0.7%
<b>Gross Profit</b>	<b>54,573</b>	<b>44,678</b>	<b>-18.1%</b>	<b>163,508</b>	<b>140,105</b>	<b>-14.3%</b>
<b>Operating Expenses</b>	<b>(10,919)</b>	<b>(13,459)</b>	<b>23.3%</b>	<b>(40,580)</b>	<b>(117,684)</b>	<b>190.0%</b>
General and Administrative	(11,862)	(13,259)	11.8%	(37,055)	(39,109)	5.5%
Other Operating Revenues and Expenses	943	(200)	-	(3,525)	(78,575)	-
<b>Income Before Financial Result</b>	<b>43,654</b>	<b>31,219</b>	<b>-28.5%</b>	<b>122,928</b>	<b>22,421</b>	<b>-81.8%</b>
Financial Results	(10,875)	(85,907)	689.9%	(146,967)	(333,678)	127.0%
<b>Result Before Income Tax and Social Contribution</b>	<b>32,779</b>	<b>(54,688)</b>	<b>-266.8%</b>	<b>(24,039)</b>	<b>(311,257)</b>	<b>-</b>
Income Tax and Social Contribution	(5,360)	(6,584)	22.8%	(17,104)	(37,885)	121.5%
<b>Net Result in the period</b>	<b>27,419</b>	<b>(61,272)</b>	<b>-323.5%</b>	<b>(41,143)</b>	<b>(349,142)</b>	<b>748.6%</b>

## CONSOLIDATED BALANCE SHEET

ASSETS R\$ thousand	09/30/2018	12/31/2017 (reclassified)
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	460,656	108,647
Restricted Cash	294,648	-
Accounts Receivable	57,563	66,192
Recoverable Taxes	19,315	10,876
Investment Properties in negotiation to sale	-	996,069
Other Receivables	12,977	15,182
<b>Total Current Assets</b>	<b>845,159</b>	<b>1,196,966</b>
<b>NON-CURRENT ASSETS</b>		
Financial Application	1,652	1,588
Accounts Receivable	5,520	5,983
Recoverable Taxes	2,760	3,658
Third parties loans receivable	7,080	8,282
Related Parties	50,150	47,255
Deposits and Guarantees	6,872	6,158
Other Accounts Receivable	85	215
Investment Property	2,227,150	2,268,849
Property, Plant and Equipment	3,216	4,411
Intangible	15,129	16,942
<b>Total Non-Current Assets</b>	<b>2,319,614</b>	<b>2,363,341</b>
<b>Total Assets</b>	<b>3,164,773</b>	<b>3,560,307</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Suppliers	8,872	13,320
Loans and Financing	38,139	47,714
Payroll and Related Charges	3,034	2,093
Taxes and Contributions	151,659	107,579
Taxes to be paid in Installments	15,717	2,344
Real Estate Credit Notes - CCI	50,409	32,487
Related Parties	24,190	20,036
Cession revenues to be recognized	14,134	24,793
Other Payables	2,163	2,698
<b>TOTAL CURRENT LIABILITIES</b>	<b>308,317</b>	<b>253,064</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and financing	1,246,716	1,258,469
Cession revenues to be recognized	69,971	149,201
Taxes to be paid in Installments	68,188	16,042
Deferred Taxes and Social Contribution	63,292	96,355
Provision for Labor and Civil Risks	2,073	1,485
Real Estate Credit Notes - CCI	530,672	561,005
<b>Total Non-Current Liabilities</b>	<b>1,980,912</b>	<b>2,082,557</b>
<b>Shareholders Equity</b>	<b>875,544</b>	<b>1,224,686</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>3,164,773</b>	<b>3,560,307</b>

CONSOLIDATED CASH FLOW		
R\$ thousand	09/30/2018	09/30/2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net loss in the period</b>	<b>(349,142)</b>	<b>(41,143)</b>
<b>Adjustments for reconciling the net result in the period with net cash generated (used) by operating activities</b>		
Depreciation and Amortization	2,675	3,597
Provision for doubtful accounts	4,116	2,947
Provision / (Recognition) for labor and civil risks	588	123
Income taxes and Social Contribution deferred	(33,063)	-
Income taxes and Social Contribution	37,885	17,104
Financial charges on loans, financing, CCI and perpetual bonds	155,530	145,170
(Gain) or loss on disposal of investments properties	39,241	-
Financial charges on taxes paid in installments	2,929	1,524
Exchange Variation	223,840	(29,292)
<b>(Increase) Decrease in Operating Assets</b>		
Accounts Receivable	4,976	2,519
Recoverable Taxes	(7,541)	69
Accounts Receivable - Cessions	-	50,130
Other receivables	2,335	6,916
Deposits and Guarantees	(714)	(1,943)
<b>Increase (Decrease) in Operating Liabilities</b>		
Suppliers	(4,448)	(4,869)
Taxes, Charges and Contributions	6,195	20,934
Salaries and Social Charges	941	289
Cession Revenue to be recognized	(89,889)	(17,263)
Other Payables	(535)	(315)
<b>Cash (Applied in) / Generated from Operating Activities</b>	<b>(4,081)</b>	<b>156,497</b>
Payment of Interest	(77,796)	(94,751)
<b>Net Cash (Applied in) / Generated from Operating Activities</b>	<b>(81,877)</b>	<b>61,746</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Asset write off	836	34,170
Call / (Financial Application) and Restricted Cash	(294,712)	12,950
Acquisition of fixed and intangible assets	(61,124)	(41,123)
Proceeds from sale of investments properties	1,059,148	-
<b>Net Cash (Applied in) / Generated from Investment Activities</b>	<b>704,148</b>	<b>5,997</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of Loans, Financing and CCI	-	71,045
Costs on issuance of Loans, Financing and CCI and Perpetual Bonds	-	(5,466)
Amortization of principal of loans, financing and CCI	(335,935)	(100,885)
New taxes installments	68,451	5,386
Payment of principal on installment of taxes	(5,239)	(4,797)
Related Parties	1,259	(2,906)
Third parties loans receivables	1,202	(1,980)
<b>Net Cash (Applied in) / Generated from Financing Activities</b>	<b>(270,262)</b>	<b>(39,603)</b>
<b>NET (REDUCTION)/INCREASE OF CASH AND CASH EQUIVALENTS</b>	<b>352,009</b>	<b>28,140</b>
<b>Cash and Cash Equivalents</b>		
Beginning period	108,647	59,771
Closing period	460,656	87,911

**Note:** The operating and financial indicators have not been audited by our external auditors.

## GLOSSARY

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<b>Adjusted EBITDA</b>	Gross profit less operating expenses, plus depreciation and amortization together with non-recurring expenses.
<b>Adjusted EBITDA per m<sup>2</sup></b>	Adjusted EBITDA divided by average own GLA in the period.
<b>Adjusted FFO</b>	Funds From Operations: Adjusted Net Profit + Depreciation + Amortization.
<b>Adjusted net results</b>	Net Results plus non-recurring expenses.
<b>Adjusted net results per m<sup>2</sup></b>	Adjusted Net Results divided by average own GLA in the period.
<b>Advertising</b>	Rental of marketing space for the promotion of products and services.
<b>Anchor Stores</b>	Large and well known stores that carry special marketing and structural features, representing an attraction to consumers, ensuring a permanent flow and uniform consumer traffic in all areas of shopping centers.
<b>CPC 06</b>	Statement issued by the Brazilian Committee on Accounting Pronouncements which refers to straight-lining revenue.
<b>CPC 28</b>	Statement issued by the Brazilian Committee on Accounting Pronouncements whose purpose is to prescribe the accounting treatment of investment properties and respective disclosure requirements.
<b>CPC 38</b>	Statement issued by the Brazilian Committee on Accounting Pronouncements which refers to recognition and measurement of financial instruments.
<b>FFO per m<sup>2</sup></b>	FFO divided by average own GLA in the period.
<b>Malls</b>	Common areas of shopping centers (corridors) for the leasing of stands, kiosks and similar.
<b>Minimum Rent</b>	Base rent as defined under the rental contract.
<b>NOI</b>	Net Operating Income: Net Revenue less cost of rents and services, plus depreciation and amortization.
<b>NOI per m<sup>2</sup></b>	NOI divided by average own GLA in the period.
<b>Occupancy Rate</b>	Rented GLA at the shopping center.
<b>Own GLA</b>	Gross leasable area weighted by the Company's interest in the shopping centers.
<b>Percentage of Sales Rent</b>	Difference between minimum rent and the rent from sales percentage.
<b>Satellite Stores</b>	Small and specialized stores intended for general commerce.
<b>Total GLA</b>	Gross leasable area is the sum total of all the areas available for leasing in the shopping centers except for kiosks and third party areas.
<b>Vacancy Rate</b>	Unrented GLA at the shopping center.