In compliance with legal, bylaws and securities market requirements, General Shopping Brasil S/A submits to you its annual report and financial statements for the year ended December 31, 2010.

MANAGEMENT COMMENTS

The events and operating results of 2010 confirm the Company's competence in generating the solid and consistent performance of its operations, as well as the alignment of its capital structure to the Company's objectives.

The Company's Net Revenue grew 15.5% in 2010 as compared to 2009, which corresponds to a greater growth (of 13.3%) in gross revenue and a lesser one in deductions (taxes, discounts and cancellations). It is also worth pointing out that within Rental Gross Revenue, which rose 12.9%, the Sales Percentage Revenue alone grew 48.5% in 2010 as compared to 2009, reflecting the performance of the storeowners. Gross Revenue from Services, in turn, grew 15.0% in the same period.

Consolidated NOI in 2010 surpassed the mark of R$ 100.6 million, with a growth of 17.5% over 2009, driven by efficient management of costs that increased only 1.3% between 2009 and 2010, while the occupancy rate remained stable at 96% in 2010. We must remind that the Company has very active tenant-mix management, which causes relocations for better efficiency (as explained previously by management) and the intentional vacancy of a few stores.

Adjusted EBITDA in 2010 reached R$ 81.8 million with a margin of 70.4% and the main expense increases were related to sales (reflecting new projects and expansions in progress) and in personnel (strengthening the Company's team of collaborators).

In the comparison between the financial result of 2009 and 2010, 2009 presented a nonrecurring revenue from the discount granted by BNDES in an early payment while 2010 marked expenses referring to perpetual bonds and the market value of the issuance of a Real Estate Credit Note (CCI) by practice already adapted to the International Financial Reporting Standards (IFRS).

By analyzing the changes that occurred in 2010 in the Company's capital structure, we point out the issuance of the CCI to RB Capital (backed by the public issue of a Real Estate Receivables Certificate -CRI), as well as the issuance of Perpetual Bonds. Both enabled the comfortable lengthening of the indebtedness profile and a cost reduction, in addition to raising funds for plans to develop and expand the Company. In addition, we received capital at a project level after a partner acquired 48% of the equity of Parque Shopping Barueri (according to the rationale presented previously in third quarter).

In the economic analysis (macro and micro, very important in the planning tools and modeling of the Company's internal projects), we are also working with the growth of retail in general, but slowing down in relation to previous years. Such slowdown derived from the "mathematical basis effect" as well as from measures to fight inflation, which is desired to sustain the income of the average and low income classes.

In terms of projects, the Company plans to continue announcing the development of Enclosed Malls, as well as the innovative and successful Lifestyle Centers and Outlet Centers. Besides, not forgetting to well manage and plan expansions within its current portfolio.

Finally, we would like to thank our employees, store owners, customers and the visitors of our projects and the capital market community for their participation in the Company's success another year.

Alessandro Poli Veronezi, Investor Relations Officer

COMPANY OVERVIEW

General Shopping Brasil is one of the largest Brazilian companies focused on owning and managing various kinds of shopping centers. We have 190,100 m² of gross leasable area in 13 shopping centers, with an average ownership interest of 84.3%. We also provide complementary services for the tenants and the malls.

We believe our success is based on market understanding and on the success of the retail operations in our shopping centers.

Our goal is to maximize the profitability of our shopping centers through their lease revenue increase and the suppliance of services due to the improved retail performance. Based on marketing and location surveys, our strategy is:

-Real estate investment in ownership interests in shopping centers, either by developing greenfields, acquiring from third parties or increasing ownership interests in our current portfolio;
-Managing these shopping centers in an optimal way through our competences;
-Providing services that are complementary to shopping center operation;
-Developing new types of shopping centers in the Brazilian market, as well as mixed-use projects that create positive synergy with shopping center performance.

DESCRIPTION OF BUSINESS AND INVESTMENTS

In a way that has been, to this point, different from our competitors, we work in the shopping center market in a manner that is oriented toward the retail market. Our main focus is retail tenants who serve the class B and C consumption classes.

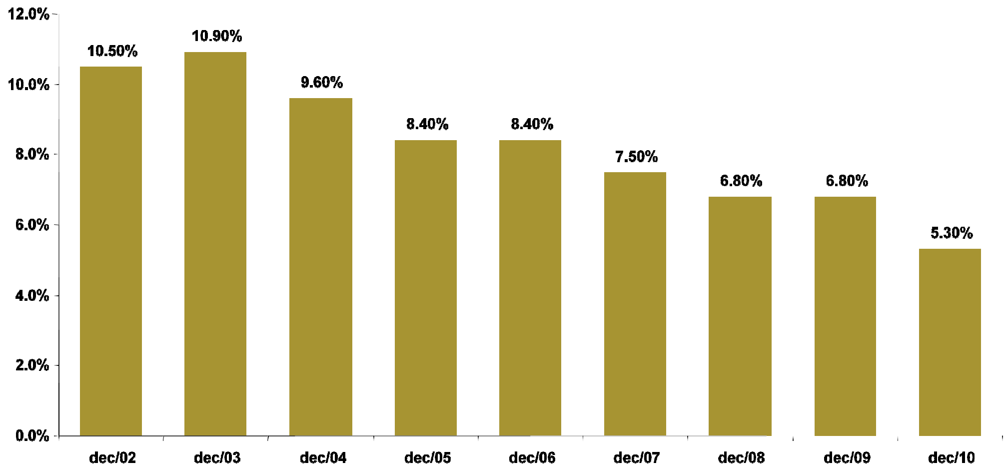
Our activities are (i) planning and managing shopping centers; (ii) leasing commercial space (stores) with a share in their sales; (iii) leasing advertising and promotional space (merchandising); (iv) managing shopping center parking lots; (v) planning and leasing electrical supply equipment; and (vi) water supply management at the developments. (See description of revenue in economic and financial performance).

SCENARIOS AND PERSPECTIVES

As previously stated, we use macro and microeconomic analyses in our models to evaluate retail behavior scenarios, which are used to estimate the sales of our store owners (tenants) and define their expectations regarding expansion and capacity to pay rent for optimal points of sale.

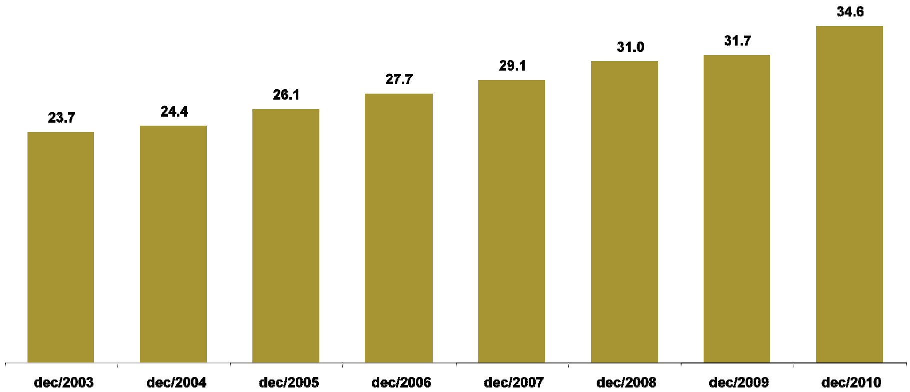
Analyzing the macroeconomic fundamentals, consumption is based on income and credit. We are working with the growth of retail in general, but slowing down in relation to previous years. Such slowdown derived from the "mathematical basis effect" as well as from measures to fight inflation, which is desired to sustain the income of the middle and low income classes.

Unemployment Rate – December



Source: Monthly Trade Survey - IBGE
Table prepared by GSB

Real Income Evolution (1): December
(R$ billion)



Source: Monthly Trade Survey - IBGE
(¹)Based on the employed population and average income of the employed population

ECONOMIC AND FINANCIAL PERFORMANCE

São Paulo, March 24, 2011 – General Shopping Brasil S/A [BM&FBovespa: GSHP3], a company with significant participation in the Brazilian shopping mall industry, announces today the results for the fourth quarter and the year of 2010 (4Q10 and 2010). The following financial and operating information, except where indicated otherwise, are presented on a consolidated basis and in thousands of reais, according to accounting rules adopted in Brazil and to IFRS (International Financial Reporting Standards). The comparisons refer to the fourth quarter and the year of 2009 (4Q09 and 2009), except where indicated otherwise.

NET REVENUE INCREASES 15.5% AND CONSOLIDATED NOI GROWS 17.5% REACHING R$ 100.6 MILLION WITH MARGIN AT 86.6% IN 2010

- General Shopping Brasil's gross revenue grew 13.3% in 2010 when compared with 2009, reaching R$ 126.7 million. In 4Q10, gross revenue totaled R$ 36.2, up 12.7% over the revenue of R$ 32.1 million in 4Q09.

- In 2010, net revenue amounted to R$ 116,2 million, 15.5% higher than 2009. In 4Q10, net revenue reached R$ 33.0 million, a growth of 13.6% in relation to the R$ 29.1 million registered in 4Q09.

- Consolidated NOI in 2010 was R$ 100.6 million, with margin at 86.6% and a growth of 17.5% in comparison with 2009. In 4Q10, Consolidated NOI reached R$ 29.0 million, with margin at 87.9% and a growth of 13.0% in relation to R$ 25.7 million registered in 4Q09.

- Gross Profit in 2010 totaled R$ 91.1 million, with margin at 78.4% and a 20.2% increase in relation to 2009. In 4Q10, it was R$ 26.3 million, with margin at 79.6% and a 16.6% growth in comparison with R$ 22.6 million in 4Q09.

- Adjusted Ebitda in 2010 was R$ 81.8 million, with margin at 70.4%, up 10.8% as compared with 2009. In 4Q10, adjusted EBITDA reached R$ 23.3 million, with margin at 70.4%, up 2.2% in comparison with the R$ 22,8 million registered in 4Q09.

- In November 2010, US$ 200 million were raised through the issue of Perpetual Bonds, with a par value of 10% p.a. and with the option of early redemption as of the 5th year.

Consolidated Financial Highlights

R$ thousand	4Q09	4Q10	Chg.	2009	2010	Chg.
Gross Revenue	**32,108**	**36,177**	**12.7%**	**111,820**	**126,726**	**13.3%**
Rent (Shopping Malls)	25,060	28,017	11.8%	87,965	99,303	12.9%
Services	7,048	8,160	15.8%	23,855	27,423	15.0%
NOI - Consolidated	**25,681**	**29,032**	**13.0%**	**85,636**	**100,615**	**17.5%**
Adjusted EBITDA	**22,755**	**23,266**	**2.2%**	**73,779**	**81,761**	**10.8%**
Adjusted Net Result	**7,619**	**-14,421**	**-289.3%**	**25,835**	**-11,308**	**-143.8%**
Adjusted FFO	**10,827**	**-11,612**	**-207.3%**	**35,956**	**-1,486**	**-104.1%**
NOI Margin	*88.3%*	*87.9%*	*-0,4 p.p.*	*85.2%*	*86.6%*	*1,4 p.p.*
Adjusted EBITDA Margin	*78.2%*	*70.4%*	*-7,8 p.p.*	*73.4%*	*70.4%*	*-3,0 p.p.*
Adjusted Net Result Margin	*26.2%*	*-43.7%*	*-69,9 p.p.*	*25.7%*	*-9.7%*	*-35,4 p.p.*
Adjusted FFO Margin	*37.2%*	*-35.2%*	*-72,4 p.p.*	*35.8%*	*-1.3%*	*-37,1 p.p.*
Gross Revenue per m²	172.11	190.31	10.6%	611.18	671.84	9.9%
NOI per m²	137.66	152.72	10.9%	468.07	533.42	14.0%
Adjusted EBITDA per m²	121.97	122.39	0.3%	403.26	433.46	7.5%
Adjusted Net Result per m²	40.84	(75.86)	-285.7%	141.21	(59.95)	-142.5%
Adjusted FFO per m²	58.04	(61.08)	-205.3%	196.53	(7.88)	-104.0%
Own GLA - Average in the Period (m^2)	186,557	190,100	1.9%	182,957	188,624	3.1%
Own GLA - End of the Period (m^2)	186,557	190,100	1.9%	186,557	190,100	1.9%

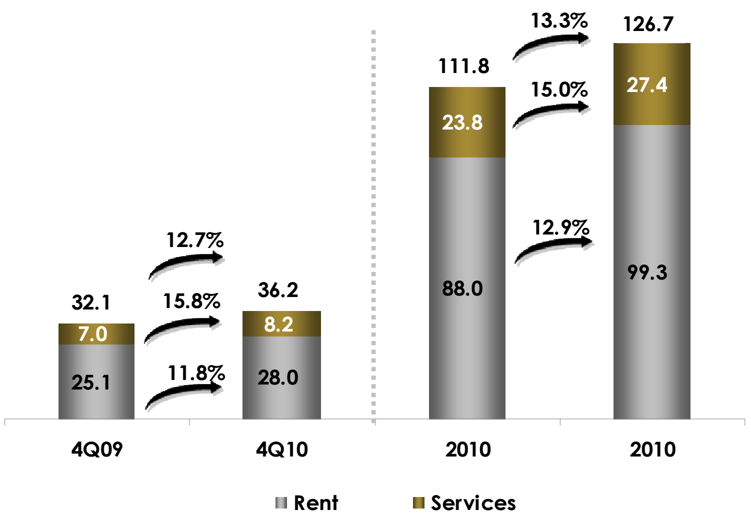
GROSS REVENUE

The company's gross revenue totaled R$ 36.2 million this quarter, up 12.7% over that in 4Q09. In 2010, revenue registered R$ 126.7 million, up 13.3% in comparison with the same period in 2009.

Rental gross revenue amounted to R$ 28.0 million in 4Q10, which accounted for 77.4% of total gross revenue, an increase of 11.8% in relation to 4Q09. The main factors that contributed to this growth were the increase from 30% to 50% in stake at Outlet Premium Sao Paulo, the real growth and annual adjustments in rental contracts. In 2010, this revenue reached R$ 99.3 million, an increase of 12.9% in relation to 2009.

Gross revenue from services in 4Q10 totaled R$ 8.2 million, up 15.8% over that in 4Q09 and R$ 27.4 million in 2010, up 15.0% in comparison with 2009.

RENTAL AND SERVICES REVENUE (R$ million)



RENTAL REVENUE

The Company's rental revenue is comprised of minimum rent, revenue exceeding percentage on sales, key money, advertising and straight-lining revenue, and amounted to R$ 28.0 million in 4Q10, and R$ 99.3 million in 2010.

Rental Revenue Breakdown

R$ million	4Q09	4Q10	Chg.	2009	2010	Chg.
Minimum Rent	22.1	23.8	7.7%	71.6	78.1	9.1%
Percentage on Sales	3.0	4.0	34.4%	7.5	11.1	48.5%
Key Money	1.0	0.9	-2.8%	4.0	4.0	0.2%
Advertising	1.6	2.4	47.2%	4.9	6.1	24.4%
Straight-lining Revenue	(2.6)	(3.1)	19.0%	-	-	-
Total	**25.1**	**28.0**	**11.8%**	**88.0**	**99.3**	**12.9%**

In 4Q10, minimum rent revenue grew by R$ 1.7 million or 7.7% in comparison with 4Q09. This increase was mainly because of the change in stake at Outlet

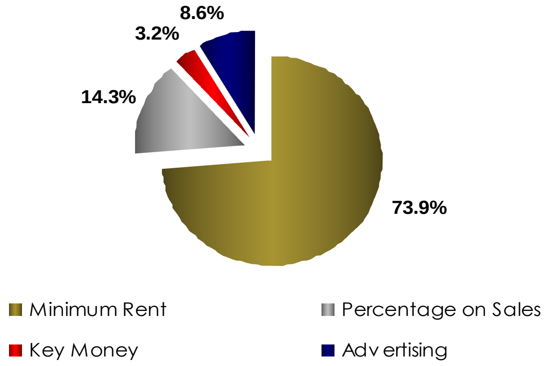
Premium São Paulo, from 30% to 50%. Besides, the annual readjustments and the increase on store sales, reflecting the retail performance. Considering 2010 compared to 2009, the growth was R$ 6.5 million, or 9.1%.

Revenue exceeding percentage on sales increased 34.4% in the comparison between 4Q10 and 4Q09, and 48.5% in 2010 against 2009. This growth was due to the change in stake at Outlet Premium São Paulo and increase on store sales, reflecting the retail sector performance.

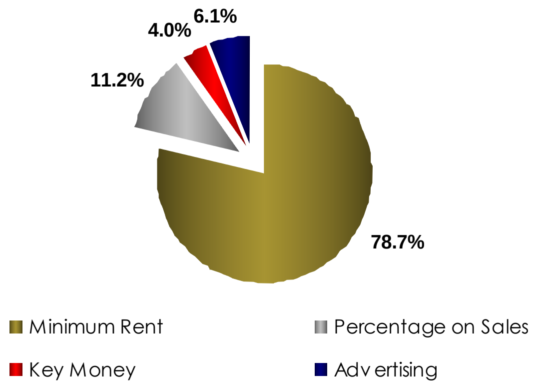
Temporary rentals (advertising) totaled R$ 2.4 million in 4Q10, a growth of R$ 0.8 million or 47.2% above the value registered in 4Q09, and R$ 6.1 million in 2010, a 24.4% increase in comparison with 2009.

In 4Q10, minimum rental revenue, including the straight-lining revenue, accounted for 73.9% of total rental revenue. In 2010, this revenue represented 78.7%.

RENTAL REVENUE BREAKDOWN – 4Q10



RENTAL REVENUE BREAKDOWN – 2010



SERVICES REVENUE

Services revenue in 4Q10 totaled R$ 8.2 million, up 15.8% over the same period of 4Q09. In 2010, this revenue registered R$ 27.4 million, up 15.0% as compared with 2009.

Services Revenue Breakdown

R$ million	4Q09	4Q10	Chg.	2009	2010	Chg.
Parking	5.4	6.5	19.4%	17.7	21.2	20.1%
Energy	1.1	1.1	2.8%	4.1	3.9	-7.1%
Water	0.3	0.4	2.7%	1.4	1.4	4.5%
Management	0.2	0.2	7.9%	0.6	0.9	40.5%
Total	**7.0**	**8.2**	**15.8%**	**23.8**	**27.4**	**15.0%**

Parking services revenue amounted to R$ 6.5 million in 4Q10, increasing R$ 1.1 million, and representing a 19.4% growth as compared with 4Q09. This result was due to the implementation of paid parking services at Osasco (Ago/10), Vale (Ago/10), Unimart (Nov/09) and Outlet (VIP - Nov/09) malls and to an increase in revenue from other operations. In 2010, this item registered R$ 21.2 million, up R$ 3.5 million, 20.1% higher than in 2009.

Revenues from electrical energy supply management totaled R$ 1.1 million in 4Q10, practically the same amount from the same period of 2009, and R$ 3.9 million in 2010, a reduction of 7.1% in comparison with 2009. This result was due to the increase of purchase costs (Spot).

In 4Q10, water supply management revenue amounted to R$ 0.4 million, 2.7% higher than 4Q09, and R$ 1.4 million in 2010, in the same level of 2009.

REVENUE DEDUCTIONS (TAXES, DISCOUNTS AND CANCELLATIONS)

Taxes, discounts and cancellations applicable to gross revenue amounted to R$ 3.1 million in 4Q10, 8.7% of gross revenue while in 4Q09 this account represented 9.4%. In 2010, this item registered R$ 10.6 million, representing 8.3% of gross revenue while in 2009, this percentage was 10.1%.

Taxes (PIS/COFINS) totaled R$ 2.1 million, up R$ 0.1 million in relation with 4Q09. In 2010, the amount was R$ 7.0 million, an increase of R$ 0.8 million in comparison with 2009. Such increase stemmed from an increase in revenues.

In the last quarter of 2010, discounts and cancellations totaled R$ 0.7 million, a growth of 9.9% compared with 4Q09. In 2010, there was a drop of 41.1% as compared with 2009. This decrease is mainly due to a reduction in such practice at the Auto Shopping Guarulhos and Internacional Shopping Guarulhos.

RENTAL AND SERVICES NET REVENUE

Net revenue amounted to R$ 33.0 million in 4Q10, up 13.6% over the same period last year. In 2010, net revenue totaled R$ 116.2 million, up 15.5% over 2009.

RENTAL AND SERVICES COSTS

In 4Q10, rental and services costs increased 3.0%, from R$ 6.5 million in 4Q09 to R$ 6.7 million in this quarter. In the accumulated period of 2010, such costs were R$ 25.0 million, 1.3% higher than the previous year.

Rental and Services Costs

R$ million	4Q09 (*)	4Q10	Chg.	2009 (**)	2010	Chg.
Personnel	0.2	0.3	10.8%	1.0	1.0	-6.1%
Depreciation	3.1	2.7	-12.8%	9.8	9.5	-3.2%
Occupancy	2.0	2.1	5.9%	9.2	8.9	-3.2%
Third parties	1.2	1.6	38.0%	4.7	5.6	21.1%
Total	**6.5**	**6.7**	**3.0%**	**24.7**	**25.0**	**1.3%**

(*) In 4Q09, R$ 0.5 million was reclassified from Third Parties Service Cost to Third Parties Service Expenses.

(**) In 2009, R$ 0.3 million was reclassified from Personnel Cost to Personnel Expenses, and R$ 2.4 million from Third Parties Costs to Third Parties Expenses.

Personnel Cost

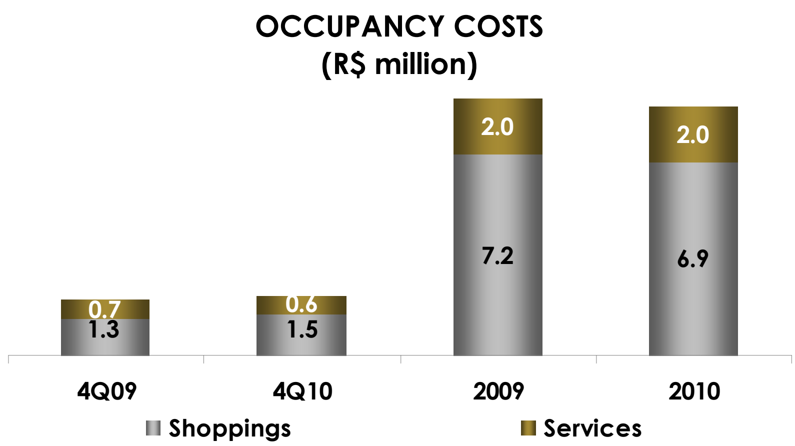
Personnel costs were R$ 0.3 million in this quarter, a growth of R$ 0.1 million or 10.8% in comparison with 4Q09. This increase was due to the salary adjustments established in the annual labor agreement. In 2010, this amount was R$ 1.0 million, 6.1% less than in 2009.

Depreciation Cost

Depreciation costs totaled R$ 2.7 million in 4Q10, a 12.8% drop than 4Q09. In 2010, these costs were R$ 9.5 million, a decrease of 3.2% in comparison with 2009.

Occupancy cost

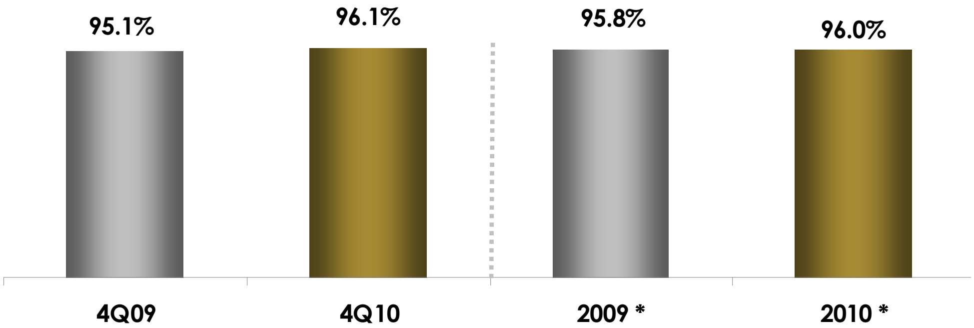
In 4Q10, occupancy costs totaled R$ 2.1 million, R$ 0.1 million or 5.9% higher than registered in 4Q09. In 2010, this amount was R$ 8.9 million, down R$ 0.3 million as compared with 2009.



The occupancy cost of the shopping malls amounted to R$ 1.5 million, up R$ 0.2 million as compared with 4Q09. This increase was due to the recovery of R$ 0.2

million in 4Q09 referring to Top Center promotional fund paid by the Company. In 2010, the occupancy cost was R$ 6.9 million, a drop of R$ 0.3 million in comparison with 2009.

OCCUPANCY RATE PERFORMANCE



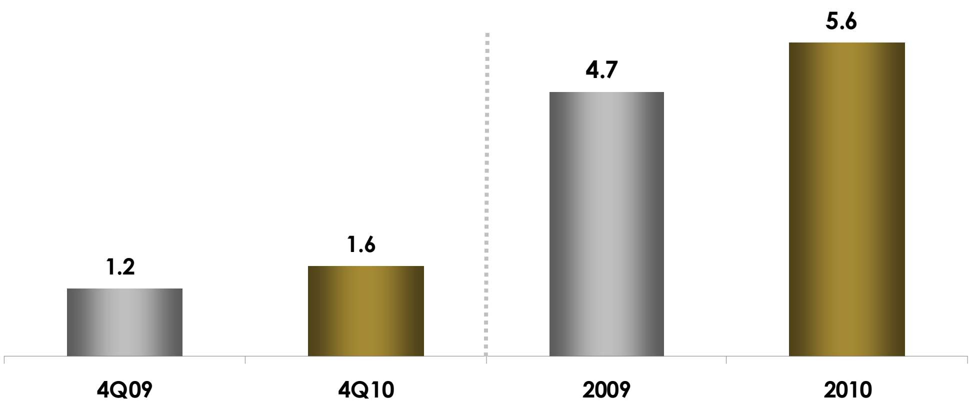
(*) Except for Auto Shopping Guarulhos in 1H09 e 1H10.

Occupancy services costs totaled R$ 0.6 million in 4Q10, a decline of 6.1% as compared with 4Q09, which reached R$ 0.7 million. In 2010, such costs accounted for R$ 2.0 million, similar to that of 2009.

Third-parties Service Cost

Third-parties service costs in 4Q10, mainly parking services, totaled R$ 1.6 million, up R$ 0.4 million as compared with that of 4Q09. This increase was due to the implementation of new operations. In 2010 such costs amounted to R$ 5.6 million, representing a growth of R$ 0.9 million in relation to 2009.

THIRD-PARTIES SERVICES COSTS
(R$ million)



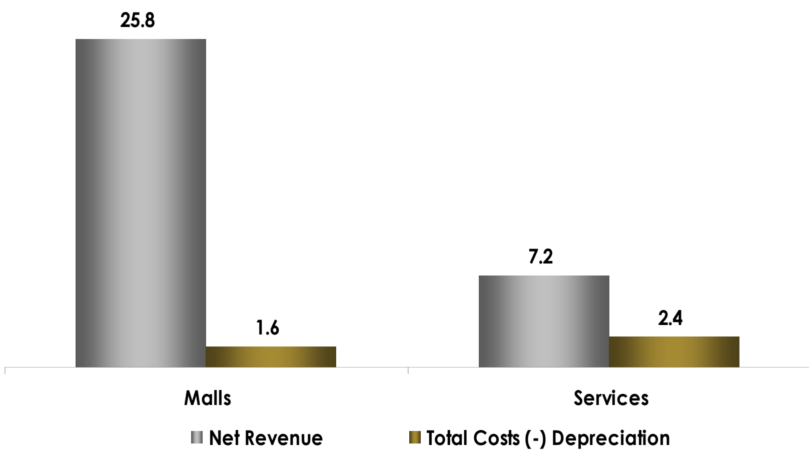
GROSS PROFIT

Gross profit in 4Q10 was R$ 26.3 million, up 16.6% over the R$ 22.6 million in 4Q09, with margin at 79.6%. In 2010, gross profit was R$ 91.1 million, and this increase was 20.2%, with margin at 78.4% as compared with 2009.

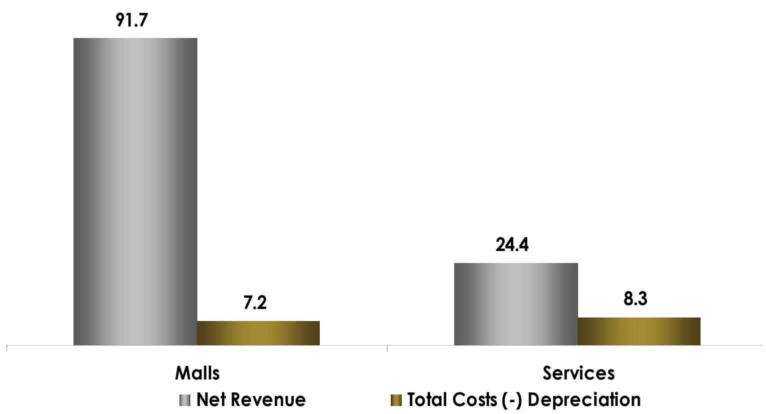
In 4Q10, the Company's consolidated NOI totaled R$ 29.0 million, representing a 13.0% growth in comparison to 4Q09. NOI for shopping mall operations amounted to R$ 24.2 million, while services reached R$ 4.8 million.

In 2010, the consolidated NOI reached R$ 100.6 million, a growth of 17.5% in comparison with 2009. The NOI for shopping mall operations totaled R$ 84.5 million and Services R$ 16.1 million.

NOI – 4Q10
(R$ million)



NOI – 2010
(R$ million)



OPERATING EXPENSES AND OTHER OPERATING REVENUE

In 4Q10, operating expenses and other operating revenues registered a net increase of R$ 2.7 million, as a result of an increase of R$ 1.7 million in General and Administrative Expenses and of a reduction of R$ 1.0 million in Other Operating Revenue. In 2010, operating expenses and other operating revenues were R$ 19.2 million, while in 2009 amounted R$ 13.6 million.

Operating Expenses and Other Operating Revenues

R$ million	4Q09 (*)	4Q10	Chg.	2009 (**)	2010	Chg.
Operational Expenses	5.4	7.1	33.2%	21.7	24.6	14.0%
Other Operating Revenues	(2.3)	(1.3)	-44.2%	(8.1)	(5.4)	-32.4%
Total	**3.1**	**5.8**	**90.9%**	**13.6**	**19.2**	**41.6%**

(*) In 4Q09, R$ 0.5 million was reclassified from Third Parties Service Cost to Third Parties Service Expenses.

(**) In 2009, R$ 0.3 million was reclassified from Personnel Cost to Personnel Expenses, and R$ 2.4 million from Third Parties Costs to Third Parties Expenses.

GENERAL AND ADMINISTRATIVE EXPENSES

In 4Q10, general and administrative expenses totaled R$ 7.1 million, representing a 33.2% increase in relation to 4Q09. In 2010, such expenses registered R$ 24.6 million, up 14.0% over 2009.

General and Administrative Expenses

R$ million	4Q09 (*)	4Q10	Chg.	2009 (**)	2010	Chg.
Personnel	2.2	3.6	68.3%	7.7	10.5	37.3%
Third Parties	1.4	1.7	16.9%	7.4	7.1	-5.0%
Commercialization Expenses	0.5	0.3	-34.8%	1.0	1.3	33.6%
Other Expenses	1.3	1.5	19.3%	5.6	5.7	4.0%
Total	**5.4**	**7.1**	**33.2%**	**21.7**	**24.6**	**14.0%**

(*) In 4Q09, R$ 0.5 million was reclassified from Third Parties Service Cost to Third Parties Service Expenses.

(**) In 2009, R$ 0.3 million was reclassified from Personnel Cost to Personnel Expenses, and R$ 2.4 million from Third Parties Costs to Third Parties Expenses.

In this quarter, the main expenses that contributed to the increase in general and administrative expense were personnel expenses, amounted R$ 1.4 million, due to annual salary adjustments, an increase in the number of employees, profit sharing provision and to third-party services.

In 2010, general and administrative expenses totaled R$ 24.6 million, up R$ 2.9 million due mainly to rising personnel expenses. Out of this total, the increase in the number of employees and annual salary adjustments accounted for R$ 1.0 million, the payment of employee and director bonuses related to 2009 totaled R$ 0.8 million and the provision for 2010 amounted to R$ 0.8 million.

OTHER OPERATING REVENUES

Other operating revenues are comprised of recovery of costs and expenses incurred by the Company which should have been borne by condominiums, reversal of provision for contingencies and other operating revenues. In 4Q10, other operating revenues amounted to R$ 1.3 million and in 4Q09 they totaled R$ 2.3 million. This drop was a result of extraordinary recoveries in 4Q09. In 2010, other operating revenues totaled R$ 5.4 million, a drop of 32.4% in comparison with 2009 mainly for the extraordinary recoveries during 2009.

Other Operating Revenues

R$ million	4Q09	4Q10	Chg.	2009	2010	Chg.
Recovery of Condominium Expenses	(0.8)	(0.6)	-23.1%	(1.1)	(2.5)	122.7%
Reversal of Contingencies	(0.6)	(0.5)	-15.3%	(2.0)	(1.9)	-5.6%
Disposal Property Sale	-	-	-	-	(0.6)	-
Recovery (other)	(0.9)	(0.2)	-79.5%	(5.0)	(0.4)	-91.3%
Total	**(2.3)**	**(1.3)**	**-44.2%**	**(8.1)**	**(5.4)**	**-32.4%**

NET FINANCIAL RESULT

The net financial result in 4Q10 was negative at R$ 32.7 million and in 4Q09, it was negative at R$ 9.1 million; this increase was mainly due to the positive variation of the IGP-M price index, perpetual bonds interests, besides the mark-to-market of CCI Unibanco and its issue expenses that were fully recognized, according to the advanced settlement in February 2011.

In 2010, the figure was a negative R$ 73.1 million, compared with the negative R$ 23.3 million of 2009, mainly also to the positive variation of the IGP-M price index, perpetual bonds interests, besides the mark-to-market of CCI Unibanco and its issue expenses that were fully recognized, besides the R$ 15.2 million discount referring to the BNDES anticipated settlement in 2009.

Net Financial Result

R$ million	4Q09	4Q10	Chg.	2009	2010	Chg.
Revenues	**(2.5)**	**0.9**	**-137.6%**	**20.8**	**5.7**	**-72.4%**
BNDES Discount	-	-	-	15.2	-	-100.0%
Interest and Monetary Variation	(2.5)	0.9	-137.6%	5.6	5.7	2.4%
Expenses	**(6.6)**	**(33.6)**	**410.4%**	**(44.1)**	**(78.8)**	**78.7%**
Interest and Monetary Variation	(6.8)	(29.1)	328.7%	(48.7)	(74.6)	53.3%
Foreign Exchange Variation	0.2	0.2	-5.5%	4.6	0.5	-88.5%
Perpetual Bonds	-	(4.7)	-	-	(4.7)	-
Total	**(9.1)**	**(32.7)**	**260.2%**	**(23.3)**	**(73.1)**	**213.3%**

INCOME TAX AND SOCIAL CONTRIBUTION (current and deferred)

Income tax and social contribution assessed in 4Q10 totaled R$ 2.1 million and in 4Q09 it totaled R$ 2.8 million. This drop was due to income tax and social contribution of companies taxed on the basis of real profit. In 2010, income tax and social contribution amounted R$ 10.1 million, a decrease of R$ 4.4 million in comparison with 2009.

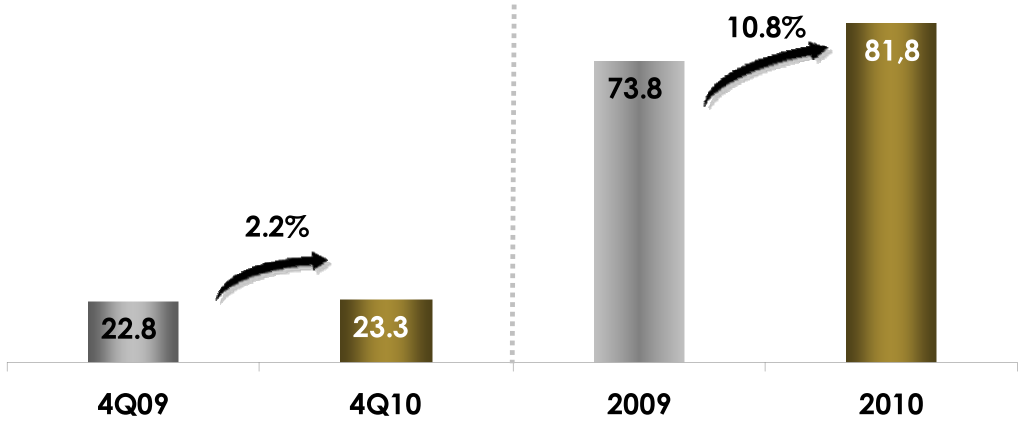
ADJUSTED NET RESULT

In 4Q10, the company posted an adjusted net loss of R$ 14.4 million, compared with the net profit of R$ 7.6 million in 4Q09. In 2010, the adjusted net result was a negative R$ 11.3 million, in comparison with the positive adjusted net result of R$ 25.8 million in 2009.

ADJUSTED EBITDA

Adjusted EBITDA reached R$ 23.3 million in 4Q10, with margin at 70.4% and a 2.2% increase over the prior year, when adjusted EBITDA amounted to R$ 22.8 million. In the accumulated period of 2010, adjusted EBITDA totaled R$ 81.8 million, with margin at 70.4% and a growth of 10.8% in comparison with 2009.

ADJUSTED EBITDA
(R$ million)



Adjusted EBITDA Reconciliation

R$ million	4Q09	4Q10	Chg.	2009	2010	Chg.
Net income	**7.6**	**(14.4)**	**-290.7%**	**24.4**	**(11.4)**	**-146.5%**
(+) Income Tax and Social Contribution	2.8	2.1	-24.9%	14.5	10.1	-30.1%
(+) Net Financial Income	9.1	32.7	260.2%	23.3	73.1	213.3%
(+) Depreciation and Amortization	3.2	2.9	-12.4%	10.2	10.0	-3.0%
(+) Non-Recurring Expenses	0.1	-	-100.0%	1.4	-	-96.7%
Adjusted EBITDA	**22.8**	**23.3**	**2.2%**	**73.8**	**81.8**	**10.8%**
Adjusted EBITDA Margin	***78.2%***	***70.4%***	***-7,8 p.p.***	***73.4%***	***70.4%***	***-3,0 p.p.***

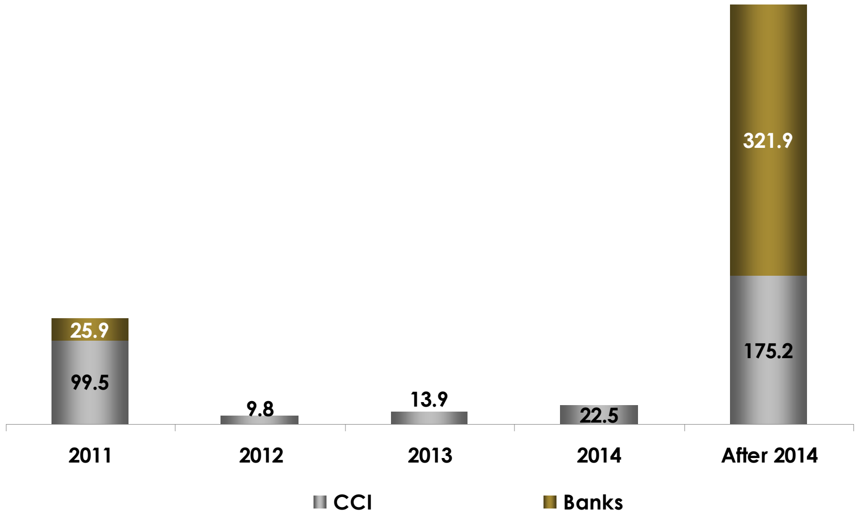
CAPITAL STRUCTURE

The Company's gross debt on December 31, 2010 totaled R$ 668.7 million. On September 30, 2010, this debt stood at R$ 330.8 million.

Taking into consideration the company's cash availability of R$ 344.7 million on December 31, 2010, net debt was R$ 324.0 million. In 3Q10, net debt was at R$ 302.6 million.

R$ million								
Financial Institution	Index	Interest (p.y.)	12/31/10	2011	2012	2013	2014	After 2014
Banks	CDI Rate	5.85%	21.2	21.2	-	-	-	-
CCI - Nova União	IGP-M Rate	11%	13.8	13.8	-	-	-	-
CCI - Unibanco	IGP-M Rate	12%	79.6	79.6	-	-	-	-
CCI - Itaú BBA	TR Rate	11%	167.2	3.9	6.8	10.3	17.5	128.7
CCI - RB CAPITAL	IPCA Rate	9.9%	60.3	2.2	3.0	3.6	5.0	46.5
Perpetual Bonds	USD	10.0%	326.6	4.7	-	-	-	321.9
Total Debt			**668.7**	**125.4**	**9.8**	**13.9**	**22.5**	**497.1**

AMORTIZATION SCHEDULE
(R$ million)



SUBSEQUENTS EVENTS

In January and February 2011, the Company settled early the following CCI and loan transactions: CCI Unibanco, CCI Nova União, Banco ABC and Banco Paraná, amounting to a total of R$ 111,192,764.70.

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

CAPITAL MARKET – GOVERNANCE – DIVIDEND POLICY

Our entry into the capital market in July 2007 allowed us to access better capital sources. This in turn allowed us to conduct an efficient growth strategy.

In addition to access to the capital market, listing on the *Novo Mercado* benefited us with better management practices through the application of corporate governance and equal rights for shareholders.

Our approved dividend policy is to distribute the minimum dividend, required by law, as we consider reinvesting in our activities to provide attractive profitability.

HUMAN RESOURCES

We have 479 employees in our offices and shopping centers. Additionally, our shopping centers use outsourced labor for operations such as maintenance, cleaning and security. We monitor the outsourced companies' compliance with employment and social security law.

ENVIRONMENTAL SUSTAINABILITY

Although shopping center activities generally have low environmental impact, wherever possible we seek to use new concepts in our projects, such as:

- Using electricity from sources certified by the Alternative Source Electrical Power Incentive Program (*Programa de Incentivo às Fontes Alternativas de Energia Elétrica*), or PROINFA.
- Water recycling for use in restrooms and evaporation in cooling towers.
- Recycling waste and oil.
- Landscaping with reforestation.
- Architectural design that takes advantage of natural light.

INDEPENDENT AUDITING

In compliance with Brazilian Securities Commission (CVM) Instruction 381/03, we report that Deloitte Touche Tohmatsu Auditores Independentes provided us no services other than auditing our financial statements in the year ended December 31, 2010.

ARBITRATION

We are obligated to use arbitration at the Market Arbitration Chamber under the arbitration agreement in article 54 of our bylaws.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

General Shopping Brasil S.A.

Financial Statements
For the Year Ended
December 31, 2010 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

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.

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

(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$)

		Parent (BR GAAP)			Consolidated (BR GAAP & IFRSs)		
ASSETS	Note	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
CURRENT ASSETS							
Cash and cash equivalents	4	1.473	1.969	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	118.175
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	933	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	15.813
Intangible assets	14	429	-	-	30.901	31.023	31.240
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

		Parent (BR GAAP)			Consolidated (BR GAAP & IFRSs)		
LIABILITIES AND SHAREHOLDERS' EQUITY	Note	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
CURRENT LIABILITIES							
Trade accounts payable		225	397	907	3.858	4.554	13.461
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)	16	-	-	-	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	42.140
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	317.813	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		371.114	382.469	358.046	371.114	382.469	358.046
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		535.599	526.274	457.267	1.170.833	845.332	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)

		Parent (BR GAAP)		Consolidated (BR GAAP & IFRSs)	
	Note	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	-	-	(1.866)	(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	-	-	-	(15.173)
Equity in subsidiaries	(4.500)	(42.062)	-	-
(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	(3.006)	(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 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., 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 where 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

<u>Recognition and measurement:</u>

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.

<u>Classification:</u>

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 10^{th} 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	Effective for annual periods beginning

Standard	Main requirements	Date of effectiveness
	disclosures for first-time adopters.	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.

GeneralShopping BRASIL

Financial statements consolidated, restated and reconciled in accordance with the new CPCs convergent with IFRSs:

Consolidated balance sheets:

		December 31, 2009 (latest reporting period according to previous accounting policies)			January 01, 2009 (transition date)		
ASSETS	Item	BR GAAP	Adjustments	Restated	BR GAAP	Adjustment	Restated
CURRENT ASSETS							
Cash and cash equivalents		12.143	-	12.143	93.998	-	93.998
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

		December 31. 2009 (latest reporting period according to the previous accounting policies)			January 01. 2009 (transition date)		
LIABILITIES	Note	BR GAAP	Adjustments	Restated	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	-	34.683	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:

ASSETS	As at December 31. 2009 (latest reporting period under previous accounting policies) Prior BR GAAP	Adjustment	Restated BR GAAP	As at January 1. 2009 (transition date) 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

LIABILITIES	As at December 31. 2009 (latest reporting period under previous accounting policies) Prior BR GAAP	Adjustments	Restated BR GAAP	As at January 1. 2009 (transition date) 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. (e)	146	146	142
Condomínio Civil Suzano Shopping Center (e)	342	288	184
Condomínio Civil Voluntários – SPS (e)	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. (e)	-	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	31/12/09	01/01/09
Direct subsidiaries:									
Levian	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:									
Levian:									
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	2,146				
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

	Consolidated							
	Average depreciation rate	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:

	12/31/2010	12/31/2009	1/1/2009
Investment property at cost	Residual value	Residual value	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 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.

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

			Consolidated		
	Currency	Maturity date	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 carryforwards 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, Intesp, 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	93.413	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.

FISCAL COMMITTEE OPINION

“The Fiscal Committee, in the use of its legal authority, in a meeting held on this date, examined the Annual Report from Management and the Financial Statements from General Shopping Brasil S.A for the year ended December 31, 2010. On the basis of the examinations conducted, and considering the opinion of the independent auditors Deloitte Touche Tahmatsu Auditores Independentes, the Committee members gave a favorable opinion regarding the above-mentioned documents, also reporting that the same are in proper condition to be voted on and approved by the shareholders at the next annual general meeting.”

São Paulo, March 24, 2011

Paulo Alves Flores
Fiscal Committee Member

Antonio Carlos Pereira Fernandes Lopes
Fiscal Committee Member

Bruno Piacentini
Fiscal Committee Member