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

General Shopping Brasil S.A. and Subsidiaries

Financial Statements
For the Year Ended December 31, 2008 and the
Period from March 6 (Company's Inception Date) to December 31, 2007 and
Independent Auditors' Report

Deloitte Touche Tohmatsu Auditores Independentes

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
General Shopping Brasil S.A.
São Paulo - SP

1. We have audited the accompanying individual (Company) and consolidated balance sheets of General Shopping Brasil S.A. and subsidiaries as of December 31, 2008, and the related statements of operations, changes in shareholders' equity (Company), the statements of cash flows and the value added statement, all expressed in Brazilian reais and prepared under the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.

2. Our audit was conducted in accordance with auditing standards in Brazil and comprised: (a) planning of the work, taking into consideration the significance of the balances, volume of transactions, and the accounting and internal control systems of the Company and its subsidiaries, (b) checking, on a test basis, the evidence and records that support the amounts and accounting information disclosed, and (c) evaluating the significant accounting practices and estimates adopted by management, as well as the presentation of the financial statements taken as a whole.

3. In our opinion, the financial statements referred to in paragraph 1 present fairly, in all material respects, the individual and consolidated financial positions of General Shopping S.A. and subsidiaries as of December 31, 2008, and the results of their operations, the changes in shareholders' equity (Company), the statements of cash flows and the value added statement as of December 31, 2008, in conformity with Brazilian accounting practices.

4. We had previously audited the individual and consolidated financial statements for the period from March 6 (Company's inception date) to December 31, 2007, comprising the balance sheets, the statements of income, changes in shareholders' equity, changes in financial positions, and cash flows, presented as supplemental information, on which we issued a report dated February 15, 2008, with an emphasis of matter paragraph similar to paragraphs 5 and 6 below, and also with respect to the fact that related-party balance was not subject to financial charges. As mentioned in note 2, certain changes have been introduced to Brazilian accounting practices, effective January 1, 2008. The financial statements for the period from March 6 to December 31, 2007, presented with the 2008 financial statements, have been prepared in conformity with Brazilian accounting practices in effect until December 31, 2008 and, as permitted by Technical Pronouncement CPC 13 -

First-Time Adoption of Law 11638/07 and Provisional Act 449/08, are not being restated with adjustments for purposes of comparability between years. However, as mentioned in note 2, these financial statements include the statements of value added for comparability purposes.

5. As mentioned in note 8, as of March 31, 2007, the Companies changed the accounting practice for recognition of certain property and equipment items (land, buildings, and installations related to the shopping mall operations), which started to be accounted for based on revaluation amounts, rather than based on acquisition cost.

6. The Company is taking actions to complete the registration of certain aquired properties with the proper Registry of Deeds Offices, as mentioned in note 8. Management understands that no material expenses will be incurred in these processes and that there will be no impediments to such registrations.

7. The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo March 6, 2009

DELOITTE TOUCHE TOHMATSU
Auditores Independentes
CRC nº 2 SP 011609/O-8

Ismar de Moura
Engagement partner

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

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF DECEMBER 31, 2008 AND 2007
(In thousands of Brazilian reais)

		Company		Consolidated	
ASSETS	Notes	2008	2007	2008	2007
CURRENT ASSETS					
Cash and cash equivalents		58	128	73.589	7.608
Temporary cash investments	3	18.284	23.654	20.409	23.805
Certificates of Real Estate Receivables (CRIs)	11	-	-	379	251
Trade accounts receivable	4	-	-	20.300	15.946
Recoverable taxes	5	32	17	627	482
Deferred income and social contribution taxes	19	-	-	28	124
Other receivables	6	182	68	119.480	10.119
Total current assets		18.556	23.867	234.812	58.335
NONCURRENT ASSETS					
Certificates of Real Estate Receivables (CRIs)	11	-	-	1.054	1.164
Recoverable taxes	5	868	1.280	868	1.280
Deferred income and social contribution taxes	19	-	-	6.165	6.900
Intercompany receivables	20	320.429	239.716	12.067	13.733
Escrow deposits		-	-	642	372
Other receivables	6	-	-	7.000	-
Investments	7	128.340	115.395	-	-
Property and equipment	8	4.121	1.481	711.362	548.113
Intangible assets	9	-	-	30.544	11.011
Total noncurrent assets		453.758	357.872	769.702	582.573
TOTAL ASSETS		472.314	381.739	1.004.514	640.908

		Company		Consolidated	
LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2008	2007	2008	2007
CURRENT LIABILITIES					
Trade accounts payable		907	130	13.461	3.780
Loans and financing	10	47.489	-	216.156	16.752
Payables for purchase of properties	12	-	-	9.094	14.766
Payroll and related charges		1.473	682	1.694	1.037
Taxes payable		94	10	19.078	15.832
Deferred income and social contribution taxes	19	-	-	413	413
Taxes in installments	13	-	-	325	485
Real Estate Credit Notes (CCIs)	11	-	-	33.104	2.784
Intercompany payables	20	48.558	-	26.178	19.927
Other payables		700	403	12.477	7.691
Total current liabilities		99.221	1.225	331.980	83.467
NONCURRENT LIABILITIES					
Loans and financing	10	-	-	20.741	107.916
Payables for purchase of properties	12	-	-	-	5.112
Deferred revenue from assignments	2.j	-	-	11.397	12.888
Taxes in installments	13	-	-	3.674	4.022
Deferred income and social contribution taxes	19	-	-	20.231	22.999
Reserve for contingencies	14	-	-	8.654	11.188
Real Estate Credit Notes (CCIs)	11	-	-	234.744	12.802
Total noncurrent liabilities		-	-	299.441	176.927
SHAREHOLDERS' EQUITY					
Capital	15	317.813	317.813	317.813	317.813
Revaluation reserve in subsidiaries	8	80.626	81.322	130.421	131.367
Accumulated deficit		(25.346)	(18.621)	(75.141)	(68.666)
Total shareholders' equity		373.093	380.514	373.093	380.514
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		472.314	381.739	1.004.514	640.908

The accompanying notes are an integral part of these financial statements.

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

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND THE PERIOD FROM
MARCH 6 (COMPANY'S INCEPTION DATE) TO DECEMBER 31, 2007
(In thousands of Brazilian reais)

		Company		Consolidated	
	Notes	2008	2007	2008	2007
GROSS REVENUE					
Rentals		-	-	77.208	38.075
Services		-	-	16.802	9.129
		-	-	94.010	47.204
DEDUCTIONS					
Taxes, discounts and cancellations		-	-	(7.054)	(6.582)
NET REVENUE		-	-	86.956	40.622
COST OF RENTALS AND SERVICES	16	-	-	(25.646)	(12.424)
GROSS PROFIT		-	-	61.310	28.198
OPERATING (EXPENSES) INCOME					
General and administrative	17	(13.904)	(27.685)	(20.945)	(31.959)
Other operating income, net		92	147	8.433	4.294
Equity in subsidiaries	7	12.579	2.497	-	-
INCOME FROM OPERATIONS BEFORE FINANCIAL EXPENSES		(1.233)	(25.041)	48.798	533
FINANCIAL EXPENSES	18	(6.474)	5.920	(48.940)	(11.380)
LOSSES FROM OPERATIONS BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES		(7.707)	(19.121)	(142)	(10.847)
Income and social contribution taxes - current	19	-	-	(6.734)	(5.912)
Income and social contribution taxes - deferred	19	-	-	(831)	(2.362)
NET INCOME (LOSS)		(7.707)	(19.121)	(7.707)	(19.121)

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.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (COMPANY)
FOR THE YEAR ENDED DECEMBER 31, 2008 AND THE PERIOD FROM
MARCH 6 (COMPANY'S INCEPTION DATE) TO DECEMBER 31, 2007
(In thousands of Brazilian reais)

	Notes	Capital	Reserves	Accumulated deficit	Total
Balances as of March 6, 2007	1	9	-	-	9
Capital increase	15	31.076	-	-	31.076
Revaluation reserve	8	-	81.822	-	81.822
Capital increase	15	286.728	-	-	286.728
Net loss		-	-	(19.121)	(19.121)
Realization of revaluation reserve		-	(500)	500	-
BALANCES AS OF DECEMBER 31, 2007		317.813	81.322	(18.621)	380.514
Corporate Law nº 11.638/07	2	-	-	286	286
OPENING BALANCES AS OF JANUARY 1, 2008		317.813	81.322	(18.335)	380.800
Net loss		-	-	(7.707)	(7.707)
Realization of revaluation reserve		-	(696)	696	-
BALANCES AS OF DECEMBER 31, 2008		317.813	80.626	(25.346)	373.093

The accompanying notes are an integral part of these financial statements.

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

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND THE PERIOD FROM
MARCH 6 (COMPANY'S INCEPTION DATE) TO DECEMBER 31, 2007
(In thousands of Brazilian reais)

		Company		Consolidated	
	Note	2008	2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES					
Losses from operations before income na social contribution taxes		(7.707)	(19.121)	(142)	(10.847)
Adjustments to reconcile losses from operations before income na social contribution taxes:					
Depreciations and amortizations	16 e 17	162	10	12.165	4.546
Exchange variation, net		-	-	4.718	2.114
Equity in subsidiaries	7	(12.579)	(2.497)	-	-
Financial charges		770	-	34.172	8.137
Allowance for doubtful accounts	4	-	-	947	(1.568)
Reversal of reserve for contingencies	14	-	-	(3.319)	-
Income and social contribution taxes		-	-	3.389	(4.607)
		(19.354)	(21.608)	51.930	(2.225)
Trade accounts receivable		-	-	(5.301)	(9.355)
Trade accounts payable		777	130	9.681	(5.624)
Recoverable taxes (current and noncurrent)		397	(1.297)	267	(488)
Intercompany receivables		(80.713)	-	(679)	(10.846)
Other receivables (current and noncurrent)		(114)	-	(119.130)	(137)
Escrow deposits		-	-	(270)	(344)
Taxes payable		84	10	(1.400)	5.837
Payroll and related charges		791	682	657	246
Deferred revenue from assignments		-	-	(1.491)	6.039
Taxes in installments (current and noncurrent)		-	-	(775)	524
Intercompany payables		48.558	-	6.251	-
Other		584	344	5.072	1.306
Cash used in operating activities		(48.990)	(21.739)	(55.188)	(15.067)
Interest paid		3.064	-	(15.581)	(6.163)
Income tax paid		-	-	(5.477)	(1.305)
Net cash used in operating activities		(45.926)	(21.739)	(76.246)	(22.535)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment		(2.813)	(1.491)	(186.647)	(217.500)
Intangible assets		-	-	(22.365)	(11.077)
Net cash used in investing activities		(2.813)	(1.491)	(209.012)	(228.577)
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital increase		-	286.728	-	286.728
Borrowings		84.470	-	156.502	41.118
Repayments of loans and financing		(41.171)	(239.716)	(45.984)	(52.586)
Real Estate Credit Notes (CCIs)		-	-	249.043	-
Repayments of Real Estate Credit Notes (CCIs)		-	-	(11.718)	(1.895)
Net cash from financing activities		43.299	47.012	347.843	273.365
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(5.440)	23.782	62.585	22.253
Cash and cash equivalents at the beginning of the year / period		23.782	-	31.413	9.160
Cash and cash equivalents at the end of the year / period		18.342	23.782	93.998	31.413
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(5.440)	23.782	62.585	22.253

The accompanying notes are an integral part of these financial statements.

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

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

VALUE ADDED STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008
(In thousands of Brazilian reais)

	Company		Consolidated	
	2008	2007	2008	2007
REVENUES				
Net revenue	-	-	91.687	44.988
Allowance for doubtful accounts	-	-	(947)	1.568
COST OF MATERIALS AND SERVICES				
Outside services, materials and others	(1.253)	(693)	(17.568)	(12.185)
VALUE (CONSUMED) ADDED BY OPERATIONS	(1.253)	(693)	73.172	34.371
DEPRECIATIONS AND AMORTIZATIONS	(162)	(10)	(12.165)	(4.546)
NET VALUE (CONSUMED) ADDED	(1.415)	(703)	61.007	29.825
VALUE ADDED BY INVESTING ACTIVITIES				
Equity in subsidiaries	12.579	2.497	-	-
Financial revenues	1.384	6.223	9.756	12.400
Other operating income, net	-	-	8.433	-
TOTAL VALUE ADDED	12.548	8.017	79.196	42.225
VALUE DISTRIBUTED				
Employees:				
Salaries	4.557	590	7.639	3.280
Benefits	305	57	1.137	295
F.G.T.S (Severance Pay Fund)	143	50	230	170
I.N.S.S (Social Security National Institute)	1.002	340	1.389	1.175
Government:				
Federal taxes	-	-	11.570	12.640
Municipal taxes	6	-	929	1.467
Providers of capital-				
Interest	7.858	303	58.696	23.780
Reinvestment within the Group-				
Net (loss) income	(1.323)	6.677	(2.394)	(582)
	12.548	8.017	79.196	42.225

The accompanying notes are an integral part of these financial statements.

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

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND THE PERIOD FROM MARCH 6 (COMPANY'S INCEPTION DATE)
TO DECEMBER 31, 2007
(Amounts in thousands of Brazilian reais - R$)

1. OPERATIONS

General Shopping Brasil S.A. (the "Company") was established on March 6, 2007 and, on March 31, 2007. After successive corporate operations, 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 is engaged in: (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.

As of December 31, 2008, the Company has consolidated working capital deficit of R$97.168. Management is studying alternatives to obtain short- and long-term financing for the settlement of debts classified in current liabilities. The Company has alternatives to reduce the short-term debts through receivables securitization transactions with financial institutions. In 2008, the Company obtained R$180.000 an R$70.000 in June and December, respectively, from receivables securitization transactions. Based on such alternatives and the projected cash flows from operating activities, management understand that the short term debt will be restructured and assures the settlement of the short term debt.

The direct and indirect subsidiaries of the Company that were 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 Estacionamento Ltda., Energy Comércio e Serviços de Energia Ltda., Wass Comércio e Serviços de Água Ltda., Internacional Guarulhos Shopping Center Ltda., Internacional Guarulhos Auto Shopping Center Ltda. and Vide Serviços e Participações 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.

- 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.

- 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.

- 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.

- Send Empreendimentos e Participações Ltda. ("Send") - engaged in managing its own assets and holding equity interests in other companies. Send presently holds 96% of a property that will be used to build a shopping mall in the city of Barueri, State of São Paulo, 50% of a property in the city of São Bernardo do Campo, State of São Paulo, 30% of a shopping mall to be built and delivered, ready and finished, in the municipality of Itupeva, State of São Paulo, with a purchase option of more than 20% of this project. Send holds 100% of the shares in Uniplaza Empreendimentos Participações e Administração de Centros de Compras Ltda. ("Uniplaza"), which is engaged in managing its own and third parties' assets and trade centers, real estate development, holding equity interests in other companies and real estate projects. Uniplaza holds 100% of Unimart Shopping.

- Manzanza Holding Participações Ltda. ("Manzanza") – engaged in managing its own and third parties' 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 parking is located.

- Sulishopping Empreendimentos Ltda. ("Sulishopping") - operates in the shopping mall segment by leasing owned properties or subletting leased properties.

- I Park Estacionamento Ltda. ("I Park") - manages 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 and Suzano Shopping Center.

- Wass Comércio e Serviços de Águas Ltda. ("Wass") - leases water treatment and distribution equipment and provides 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 and Cascavel JL Shopping.

- 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 Guarulhos Shopping Center and Internacional Guarulhos Auto Shopping Center.

- Internacional Guarulhos Shopping Center Ltda. ("ISG 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 of Internacional Guarulhos Shopping Center, Suzano Shopping Center, Shopping Americanas Osasco, Shopping Americanas Presidente Prudente, Cascavel JL Shopping, Shopping do Vale, Top Center and Unimart Shopping.

- Internacional Guarulhos Auto Shopping Center Ltda. ("ASG Administradora") - engaged in managing its own or third parties' assets, providing trade center management services, building management services, other supplemental or related services, and holding equity interests in other companies. At present, ASG Administradora is the manager of Internacional Guarulhos Auto Shopping Center.

- 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.

- 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%.

- Securis Administradora e Incorporadora Ltda. ("Securis") - engaged in managing its own and third parties' assets and real estate development.

- Delta Shopping Empreendimentos Imobiliários Ltda. ("Delta") - engaged in managing its own and third parties' assets, real estate development, holding equity interests in other companies and real estate projects.

- Intesp Shopping Administradora e Incorporadora Ltda. ("Intesp") - engaged in managing its own and third parties' assets and real estate development. Intesp owns 100% of Shopping Americanas Osasco.

- PP Shopping Administradora e Incorporadora Ltda. ("PP") - engaged in managing its own and third parties' assets and real estate development. PP owns 100% of Shopping Americanas Presidente Prudente.

- 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.

- Fonte Administradora e Incorporadora Ltda. (“Fonte”) - engaged in managing its own and third parties’ assets and real estate development. Fonte owns 90% of a land in Rio de Janeiro where Shopping Sulacap will be built.

- 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.

- 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.

- Cly Administradora e Incorporadora Ltda. (“Cly”) – 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. Cly owns 100% of Internacional Shopping de Guarulhos since June 25, 2008.

- General Shopping Finance – Company located in the Cayman Island engaged in managing its own and third parties’ assets and real estate development.

- Zuz Administradora e Incorporadora Ltda. (“Zuz”) – engaged in managing its own and third parties’ assets and real estate development. Zuz owns 100% of Suzano Shopping Center, 50% of Santana Parque Shopping and 85.5% of Cascavel JL Shopping since December 8, 2008.

- Bac Administradora e Incorporadora Ltda. (“Bac”) – engaged in real estate development activities.

- The subsidiaries Premium Outlet Administradora e Incorporadora Ltda. (“Premium Outlet”), Ast Administradora e Incorporadora Ltda. (“Ast”), Jud Administradora e Incorporadora Ltda. (“Jud”), Vul Administradora e Incorporadora Ltda. (“Vul”), BR Outlet Administradora e Incorporadora Ltda. (“BR Outlet”), Bud Administradora e Incorporadora Ltda. (“Bud”) and Vide Serviços e Participações Ltda. (“Vide”) are engaged in managing their own and third parties’ assets and real estate development and are in preoperating stage as of December 31, 2008.

2. PRESENTATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING PRACTICES

The individual and consolidated financial statements were prepared in accordance with Brazilian accounting practices, which include corporate law, pronouncements, guidelines and interpretations issued by the Accounting Pronouncement Committee (CPC), and standards issued by the Brazilian Securities and Exchange Commission (CVM).

Pursuant to CVM Resolution 565, of December 17, 2008, which approved accounting pronouncement CPC 13, First-time Adoption of Law 11638/07 and Provisional Act 449/08, the Company established December 31, 2007 as the transition date for adopting the new accounting practices. The transition date is determined as the starting point for the adoption of changes in Brazilian accounting practices and represents the date when the Company prepared its opening balance sheet adjusted to the new 2008 accounting provisions.

The Company has exercised the option established by CPC 13 and reflected the adjustments arising from the change in accounting practices against the revaluation reserve and retained earnings as of January 1, 2008. The financial statements for the year ended December 31, 2007, presented with the 2008 financial statements, have been prepared in accordance with Brazilian accounting practices in effect until December 31, 2007 and, as permitted by Technical Pronouncement CPC 13, First-Time Adoption of Law 11638/07 and Provisional Act 449/08, are not being restated with adjustments for purposes of comparability between years.

The main changes are as follows:

- In compliance with paragraph 51 of Technical Pronouncement CPC 13, the Company is not presenting the statements of changes in financial positions for the year ended December 31, 2007.

- Replacement of the statement of changes in financial position by the statement of cash flows, prepared in accordance with CPC 03, Statement of Cash Flows.

- Inclusion of the statement of value added, prepared in accordance with CPC 09, Statements of Value Added.

- As disclosed in note 21, the Company’s financial instruments were classified and measured in compliance with CVM Resolution 566, of December 17, 2008, which approves Technical Pronouncement CPC 14. The adoption of this pronouncement did not generate material differences.

- In accordance with CPC 06, rental income was straight-lined.

The adjustment resulting from the application of the technical pronouncements is as follows:

	Equity
Balance Pryor to the application of Law 11638/07 and Provisional Act 449/08	380,514
Effects of Law 11638/07:	
Straight-line of rental income	286
Opening balance as of January 1st 2008	380,800

The significant accounting practices adopted in the preparation of the financial statements are as follows:

a) Temporary cash investments

Stated at cost, plus income earned through the balance sheet date.

b) Trade accounts receivable

Stated at original amounts, plus income, monetary variations earned and effects from the application of the straight line method, when applicable. An allowance for doubtful accounts is recorded in an amount considered sufficient by Management to cover probable losses on the realization of receivables, under the following criterion: allowance for accounts past-due for more than 180 days, whose individual analysis of debtors indicates impossibility of recovering the receivable.

c) Investments

Investments in subsidiaries and jointly-owned subsidiaries have been accounted for under the equity method, based on financial statements as of the same dates as of the Company's.

d) Property and equipment

Stated at acquisition or construction cost, partially revalued, less depreciation calculated under the straight-line method at the rates mentioned in note 8, based upon the estimated economic useful lives of the assets. Financial charges on loans and financing incurred during the construction period are capitalized, when applicable. The revaluation reserve is realized according to the depreciation of buildings and installations or when the assets are sold, as a credit to the caption "Accumulated deficit".

The direct and indirect subsidiaries ABK, Levian, Park Shopping Administradora, Send, Sulishoppingm and Poli Empreendimentos, then the single owners of the shopping malls, changed on March 31, 2007 the accounting practice for recording of land, buildings and installations related to the shopping malls' operations from acquisition cost to market value, based on technical reports prepared by a specialized firm, as described in note 8.

e) Other current and noncurrent assets

Stated at cost or realizable value, plus income and monetary and exchange variations earned through the balance sheet date, when applicable.

f) Income and social contribution taxes

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

g) Other current and noncurrent liabilities

Stated at known or estimated amounts, plus charges and monetary and exchange variations incurred through the balance sheet date, when applicable.

h) Use of estimates

The preparation of financial statements in conformity with Brazilian accounting practices requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The main estimates for the financial statements refer to the useful life of property and equipment, realization of deferred income and social contribution taxes, allowance for doubtful accounts and reserve for contingencies.

i) Reserve for contingencies

Recorded for lawsuits assessed by legal counsel and Management of the Company and its subsidiaries as probable losses, considering the nature of the lawsuits and Management's experience in similar cases. Reserves were recorded for matters classified as legal obligations, regardless of the expected final outcome of the lawsuits.

j) Recognition of revenues, costs and expenses

Revenues, costs and expenses are recorded on the accrual basis. Revenue from rentals is recognized over the term of the rental agreements and revenue from services is recognized when services are provided, regardless of invoicing. Expenses and costs are recognized when incurred. Revenue from assignments of rights to storeowners is deferred and recognized over the term of the first rental agreement. In accordance with CPC 06, rental income was straight-lined.

k) Consolidation

The consolidated financial statements have been prepared and are presented in conformity with Brazilian accounting practices and standards established by the CVM. Significant accounting practices applied are described above. These financial statements include the accounts of the Company and its subsidiaries. Intercompany balances and transactions and the Company's investments in subsidiaries have been eliminated in consolidation. The consolidated subsidiaries are as follows:

	Type of consolidation	Ownership interest - %
Direct subsidiaries:		
Levian	Full	100
Atlas	Full	100
General Shopping Finance Limited	Full	100
Indirect subsidiaries:		
ABK	Full	99.28
Poli Empreendimentos	Proportionate	50
Park Shopping Administradora	Full	100
Send	Full	100
Manzanza	Proportionate	30
Nova União	Full	100
Sulishopping	Full	100
I Park	Full	100
Wass	Full	100
Energy	Full	100
ISG Administradora	Full	100
ASG Administradora	Full	100
Lux	Full	100

	Type of consolidation	Ownership interest - %
Lumen	Full	100
Securis	Full	100
Delta	Full	100
Brassul	Full	100
Intesp	Full	100
PP	Full	100
Paulis	Full	100
Fonte	Full	100
Zuz	Full	100
Premium Outlet	Full	100
Jud	Full	100
Vul	Full	100
BR Outlet	Full	100
Cly	Full	100
Bud	Full	100
Bac	Full	100
Sale	Full	100
Ast	Full	100
Vide	Full	100

3. TEMPORARY CASH INVESTMENTS

	Company		Consolidated	
	2008	2007	2008	2007
Hedging Griffo - shares in balanced fund	-	5,804	-	5,804
Banco Industrial e Comercial S.A. (a)	2,642	14,842	2,642	14,842
Banco Itaú S.A. - Invest Fix (b)	186	-	2,311	-
Banco Tricury S.A. (c)	15,456	3,008	15,456	3,159
Total	18,284	23,654	20,409	23,805

(a) Short-term investment in bank certificates of deposit (CDB), with average monthly yield of 0.92%.

(b) Short term investment with average yield of 20% above the interbank deposit rate (CDI).

(c) Short-term investment in bank certificates of deposit (CDB), with average monthly yield of 100% of the interbank deposit rate (CDI).

4. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	2008	2007
Rentals and assignments of receivables	29,678	24,377
Allowance for doubtful accounts	(9,378)	(8,431)
Total	20,300	15,946

The aging list of trade accounts receivable is as follows:

Current	15,726
Past-due:	
Up to 30 days	1,199
From 31 to 60 days	715
From 61 to 90 days	311
From 91 to 180 days	926
Over 181 days	10,801
Total	29,678

The Changes in the allowance for doubtful accounts for the year are as follows:

Balance as of December 31, 2007	(8.431)
Reversals, net	254
Allowance recorded in 2008	(1.201)
Balance as of December 31, 2008	(9.378)

5. RECOVERABLE TAXES

	Company		Consolidated	
	2008	2007	2008	2007
IRRF (withholding income tax) on investments	868	1,280	894	1,317
IRRF (withholding income tax) on services	14	9	193	126
ISS (service tax) - estimate	-	-	21	27
PIS and COFINS (taxes on revenue)	-	-	16	12
Prepaid income tax	-	-	193	167
Prepaid social contribution tax	16	-	113	105
Other	2	8	65	8
Total	900	1,297	1,495	1,762
Current	32	17	627	482
Noncurrent	868	1,280	868	1,280

6. OTHER RECEIVABLES

	Company		Consolidated	
	2008	2007	2008	2007
Prepaid insurance expenses	-	-	137	106
Receivables for sale of land	-	-	-	6,751
Advances to suppliers	127	20	433	2,146
Itaú BBA (*)	-	-	118,175	-
União dos Bancos Brasileiros (**)	-	-	7,000	-
Other	55	48	735	1,116
Total	182	68	126,480	10,119
Current	182	68	119,480	10,119
Noncurrent	-	-	7,000	-

(*) Short term investment with average monthly yield of 101,5% of the interbank deposit rate (CDI). Such investment is restricted to the settlement of a loan with National Bank for Economic and Social Development (BNDES).

(**) Escrow deposit referred to the real state credit notes (CCI) issued in December 8, 2008 (See note 11).

7. INVESTMENTS

	Ownership interest - %	Number of shares held	Capital	Net income (loss)	Shareholders' equity	Equity	Balances as of December 31, 2008	Balances as of December 31, 2007
Direct subsidiaries:								
Levian	100	135,591,570	135,367	11,691	119,308	11,691	119,308	110,035
Atlas	100	3,268,672	3,816	888	8,951	888	8,951	5,360
General Shopping Finance	100	50,000	81	-	81	-	81	-
Total				12,579	128,340	12,579	128,340	115,395
Indirect subsidiaries:								
Levian:								
ABK	99.28	55,180,893	54,952	(7,005)	50,380			
Poli Empreendimentos	50	425,000	1,193	362	8,103			
Park Shopping Administradora	100	50,000	50	(35,397)	(33,496)			
Send	100	46,342,045	46,342	(18,763)	(5,695)			
Manzanza	30	300	1	-	(1)			
Nova União	100	4,322,000	4,332	(235)	2,169			
Uniplaza	100	21,215,243	21,215	2,719	23,934			
Sulishopping	100	10,000	10	2,569	9,463			
Lux	100	10,000	10	724	(619)			
Lúmen	100	10,000	86	(12)	112			
Securis	100	10,000	10	(1)	9			
Delta	100	10,000	10	48,203	(47,177)			
Intesp	100	10,000	10	942	1,079			
PP	100	10,000	10	730	868			
Paulis	100	10,000	10	(5,573)	(5,563)			
Fonte	100	10,000	10	(229)	(224)			
Premium Outlet	100	10,000	10	(1)	10			
BR Outlet	100	10,000	10	(1)	10			
Vul	100	10,000	10	(1)	10			
Zuz	100	10,000	10	1,843	98,912			
Jud	100	10,000	10	(1)	10			
Cly	100	10,000	10	2,587	27,092			
Bud	100	10,000	10	(1)	10			
Bac	100	10,000	10	(36)	(26)			
Ast	100	10,000	10	(1)	10			
Sale	100	9,000,000	9,000	1,663	11,680			
Brassul	100	10,000	10	952	1,191			
Atlas:								
I Park	100	10,000	10	1,209	512			
Wass	100	10,000	10	871	1,891			
Energy	100	10,000	10	2,846	8,949			
Vide	100	10,000	10	3	13			
ISG Administradora	100	1,906,070	1,906	51	(2,298)			
ASG Administradora	100	20	20	39	140			

In 2008, a the subsidiary Nova União had a rental income with the subsidiary I Park in the amount of R$2,800 and the subsidiary ISG Administradora a management income with the subsidiary Levian in the amount of R$1,720. These transactions were eliminated in the consolidated financial statements.

8. PROPERTY AND EQUIPMENT

		Consolidated			
		2008			2007
	Annual depreciation rate - %	Revalued cost	Accumulated depreciation	Net book value	Net book value
Land	-	258,453	-	258,453	199,596
Buildings	2	389,593	(13,583)	376,010	328,649
Installations	10	13,188	(1,805)	11,383	10,133
Furniture and fixtures	10	975	(563)	412	336
Machinery and equipment	10	1,446	(1,154)	292	234
Vehicles	20	18	(15)	3	4
Computers and peripherals	20	1,700	(379)	1,321	267
Trademarks and patents	10	6,391	(1,547)	4,844	-
Construction in progress		58,644	-	58,644	8,894
Total		730,408	(19,046)	711,362	548,113

As of March 31, 2007, the Company, based on an appraisal report prepared by independent appraisers DLR Engenheiros Associados Ltda., recorded the revaluation of land, buildings and installations. As a result, there was an equity increase of R$81,822 (represented by the revaluation amount of R$105,118, less the balance of deferred income and social contribution taxes of R$23,296), with a contraentry to the caption “Revaluation reserve”, in shareholders’ equity.

Deferred income and social contribution taxes of R$23,296 on the revaluation of buildings and installations were recorded as a reduction of the account “Revaluation reserve”, in shareholders’ equity, as a contraentry to current and noncurrent liabilities. The Company will include the realization of the revaluation reserve in the calculation basis of mandatory dividends.

As of December 31, 2008, there is a residual balance of revaluation recorded in prior years in subsidiaries, for the caption “Land and buildings”, in the amount of R$49,795. The annual depreciation related to this revaluation is R$2,308 and no deferred income and social contribution taxes were recorded.

The ownership of the properties where Poli Shopping is located was not fully transferred to the Company through its registration with the Registry of Deeds Office. The formalization of the properties’ transfer process to the subsidiary Poli Empreendimentos is still in progress, and the total amount of these properties recorded in the balance sheet as of December 31, 2008 is R$18,673 (R$10,527 for land, R$571 for installations and R$7,575 for buildings).

As of December 28, 2007, through the subsidiary Send, the Company purchased 100% of the shares in Uniplaza, which owns 100% of the total ABL (gross leasable area) of Shopping Unimart.

9. INTANGIBLE ASSETS

	Consolidated			
	2008			2007
	Cost	Accumulated amortization	Net book value	Net book value
Right to use - Shopping Light (a)	5,523	(133)	5,390	5,523
Goodwill - Acquisition of Sale (b)	5,541	(556)	4,985	5,488
Goodwill - Acquisition of Unimart (c)	22,410	(2,241)	20,169	-
Total	33,474	(2,930)	30,544	11,011

(a) On June 6, 2007, the Company paid R$5,523 for a 50.1% share of the right to use Shopping Light. This right is effective for 42 years, since the acquisition date, and is amortized over this period on a straight-line basis.

(b) On December 13, 2007, through the subsidiary Brassul, the Company purchased 100% of the shares in Sale, which owns 84.39% of the total ABL (gross leasable area) of Shopping do Vale. This transaction generated goodwill of R$5,541, which is being amortized under the straight-line method over a ten-year period and is based on the future economic benefits.

(c) On December 28, 2007, through the subsidiary Send, the Company purchased 100% of the shares in Uniplaza, which owns 100% of the total ABL (gross leasable area) of Shopping Unimart. This transaction generated goodwill of R$22,410, which is being amortized under the straight-line method over a ten-year period and is based on the future economic benefits.

10. LOANS AND FINANCING

	Currency	Final maturity	Consolidated 2008	2007
National Bank for Economic and Social Development (BNDES) (a)	R$	2010	116,796	114,152
Banco Itaú S.A.	R$/US$	2009	111	687
Banco Industrial e Comercial S.A. (b)	R$	2009	91,445	5,660
Banco ABN Amro Real S.A. (b)	R$	2009	407	924
Banco Pontual S.A. (c)	R$	2009	3,638	3,229
Banco BBM S.A. (d)	R$	2009	7,479	-
Banco Tricury	R$	2009	17,000	-
Other	R$	2009	21	16
Total			236,897	124,668
Current			216,156	16,752
Noncurrent			20,741	107,916

(a) On June 30, 1998, the current subsidiaries ABK and Levian entered into a financing agreement with the BNDES in the amount of R$60,931, for the building of Internacional Guarulhos Shopping Center. The financing was divided into two subloans equally divided between the Companies. On November 18, 2002, an amendment to the agreement was made to reschedule the debt balance of R$91,096 as of that date, divided into: subloan A of R$51,113, subloan B of R$34,076, and subloan C of R$5,907, with the following maturities: (i) an installment of R$650 on June 19, 2002; (ii) an installment of R$216 on July 2, 2002; (iii) an installment of R$650 on July 17, 2002; (iv) an installment of R$218 on August 2, 2002; (v) an installment of R$650 on August 19, 2002; (vi) an installment of R$206 on September 3, 2002; (vii) an installment of R$694 on September 16, 2002; (viii) three fixed installments of R$900 on October 15, November 15 and December 15, 2002; (ix) 91 monthly consecutive installments, according to the following percentages on the principal falling due on December 15, 2002: 6% in 12 monthly installments beginning on January 15, 2003, 9% in 12 monthly installments beginning on January 15, 2004, 11% in 12 monthly installments beginning on January 15, 2005, 60% in 48 monthly installments beginning on January 15, 2006, 14% in 7 monthly installments beginning on January 15, 2010; (x) a single installment due on January 15, 2009 for the total amount of subloan B; and (xi) a single installment due on August 15, 2010 for the total amount of subloan C. The principal of the debt is subject to interest of 6% per year (spread) above the long-term interest rate (TJLP). The financing is collateralized by the beneficiaries' land where the shopping mall was built, several properties owned by Levian, and several properties owned by shareholders. As of December 31, 2008, the properties offered as collaterals amount to approximately R$227,000. The total amount of properties owned by shareholders pledged as collaterals is estimated at R$2,570.

In June 2008, the subsidiaries ABK and Levian raised funds through issuance of Real Estate Credit Notes (CCIs) for securitization of receivables from rentals of the Internacional Guarulhos Shopping Center. As an accessory obligation, the Companies ABK and Levian have to settle the loan with the National Bank for Economic and Social Development (BNDES). (see note 11).

(b) Working capital loans, with average interest rate of 12.68% per year plus CDI. Loans are guaranteed by shareholders' collateral signatures.

(c) With the out-of-court liquidation of Banco Pontual, the balance is still adjusted for financial charges of 1% per month. However, the settlement of this balance for the amount recorded in the financial statements will depend on the legal limits of financial charges set by the courts. No collaterals have been pledged.

(d) Working capital loan of R$10,000, with average interest rate of 9% per year plus CDI. The loan will be amortized in four installments ended in May 2009.The total debt is collateralized by promissory notes.

The loans do not include covenat agreements.

As of December 31, 2008, the long term portion matures in 2010.

11. REAL ESTATE CREDIT NOTES

	Consolidated	
	2008	2007
Subsidiary:		
Nova União (a)	15,776	15,586
ABK (b)	91,158	-
Levian (b)	91,158	-
Bac (c)	69,756	-
Total	267,848	15,586
Current	33,104	2,784
Noncurrent	234,744	12,802

(a) In April 2006, the subsidiary Nova União raised funds through issuance of Real Estate Credit Notes (CCIs) for securitization of receivables from rentals of the land where the parking lot of Internacional Guarulhos Shopping Center is located, which is presently leased to the subsidiary I Park. The total amount of CCIs issued is R$15,586, of which R$1,415 was retained in the form of Certificates of Real Estate Receivables (CRIs), classified in current and noncurrent assets. The amount raised will be paid in 120 monthly installments of R$208 (until May 2016), plus interest of 11% per year and annual adjustment based on the general market price index (IGP-M). The CCIs are collateralized by: (a) mortgage on the property at book value of R$4,322; (b) pledge by I Park of total revenue from parking lot; (c) assignments of receivables from the agreement; and (d) pledge of the shares in Nova União. As of December 31, 2008, R$4,179 is recorded in current liabilities and R$11,597 in noncurrent liabilities, related to this operation.

(b) In June 2008, the subsidiaries ABK and Levian raised funds through issuance of Real Estate Credit Notes (CCIs) for securitization of receivables from rentals of the Internacional Guarulhos Shopping Center. The total amount of CCIs issued is R$180,000. The repayment will occur in 120 monthly installments (until June 2018) with interest of 11% per year plus TR (Referral Rate). The CCIs are collateralized by: (a) mortgage on the property at book value of R$208,000; (b) assignments of receivables from the agreement; and (c) shares of the subsidiary Cly. Costs from the operation (R$38 in the current liabilities and R$319 in the noncurrent liabilities) are classified in the loan balances and are being amortized according to the contract period. The contract has an agreement which establishes that the Company must settle the debt with the National Bank for Economic and Social Development (BNDES) and the debt with Olivetti do Brasil S.A.

(c) In December 2008, the subsidiaries BAC raised funds through issuance of Real Estate Credit Notes (CCIs) for securitization of receivables from rentals of the Suzano Shopping, Santana Parque Shopping and Cascavel JL Shopping. The total amount of CCIs issued is R$73,000. The repayment will occur in 120 monthly installments (until June 2019) with interest of 12% per year plus IGP-M (general market price index). The CCIs are collateralized by: (a) mortgage on the property at book value of R$73,934; (b) assignments of receivables from the agreement; and (c) shares of the subsidiary Zuz. Costs from the operation (R$418 in the current liabilities and R$3,760 in the noncurrent liabilities) are classified in the loan balances and are being amortized according to the contract period.

12. PAYABLES FOR PURCHASE OF PROPERTIES

	Consolidated	
	2008	2007
Olivetti do Brasil S.A. (a)	345	4,488
Parinvest Participações e Empreendimentos S.A. (b)	-	933
Núcleos Instituto de Seguridade Social (c)	-	1,763
Senpar (d)	4,609	-
Uniplaza (e)	4,000	-
Associação Claretiana (f)	140	-
Fast Shop/Computer Serviços Ltda.	-	9,944
Embrasa (Sulacap)	-	2,750
Total	9,094	19,878
Current	9,094	14,766
Noncurrent	-	5,112

(a) The debit refers to the purchase of the land where Internacional Guarulhos Shopping Center was built. On December 10, 2004, the subsidiaries Levian and ABK entered into a novation agreement with Olivetti do Brasil in respect of the debt in the total amount of R$19,500, which was scheduled to mature as follows: (i) R$600 at sight; (ii) R$1,500 on March 31, 2005; (iii) R$1,500 on July 30, 2005; (iv) R$200 on January 30, 2006; (v) R$200 on December 30, 2004; (vi) R$200 on January 30, 2005; (vii) R$200 on February 28, 2005; (viii) R$200 on April 30, 2005; (ix) R$200 on June 30, 2005; and (x) R$14,500 in 42 monthly, equal and consecutive installments, starting on August 30, 2005. The balance payable is subject to the IGP-M. The total debt is collateralized by promissory notes. In June 2008, the subsidiaries ABK and Levian raised funds through issuance of Real Estate Credit Notes (CCIs) for securitization of receivables from rentals of the Internacional Guarulhos Shopping Center. The contract has an agreement which establishes that the Company must settle the debt with the National Bank for Economic and Social Development (BNDES) and the debt with Olivetti do Brasil S.A.(see note 11).

(b) On August 11, 2005, 10.18% of the properties located in the district of Santana, consisting of two plots of land and one building, were acquired for the construction of Santana Parque Shopping. The purchase price was R$3,747, with the following maturities: (i) R$160 at sight; and (ii) R$3,587 in 30 monthly installments, starting on February 15, 2006. The balance payable is subject to the IGP-M and is collateralized by undivided interests in the properties.

(c) On October 11, 2006, 16.17% of the properties located in the district of Santana, consisting of two plots of land and one building, were acquired for the construction of Santana Parque Shopping. The purchase price was R$6,655, with the following maturities: (i) R$2,894 at sight; (ii) R$655 on October 11, 2007; (iii) R$655 on October 11, 2008; (iv) R$655 on October 11, 2009; and (v) R$655 on October 11, 2010. The balance payable is subject to the variation, if positive, of the national consumer price index (INPC) and is collateralized by mortgages on the undivided interest in the properties.

(d) On December 7, 2007, a plot of land in the city of Itupeva where a shopping mall will be built was acquired for R$18,915, to be paid as follows: (i) R$1,891 at sight; and (ii) the remaining amount of R$17,024 payable according to the percentage of completion of the project. In January 2008, said plot of land was transferred. According to the percentage of completion estimated by the Company, works are scheduled to be completed in May 2009.

(e) On January 11, 2008, 100% of the shares in Uniplaza - Empreendimentos, Participações e Administração de Centros de Compra Ltda. were acquired, to be paid as follows: (i) R$39,000 at sight; and (ii) R$4,000 can be paid on January 11, 2010.

(f) On July 15, 2008, the company purchased a plot of land in the city of Guarulhos in order to expand Poli Shopping Center. The purchase price was R$700, to be paid as follows: (i) R$70 at sight (ii) the remaining amount of R$630 will be paid in nine monthly installments.

13. TAXES IN INSTALLMENTS

	Consolidated	
	2008	2007
PIS and Cofins (a)	2,569	2,944
IPTU (municipal real estate tax) (b)	-	30
INSS (c)	1,105	1,140
ISS (d)	56	100
Income and social contribution taxes	269	293
Total	3,999	4,507
Current	325	485
Noncurrent	3,674	4,022

(a) Properties of the Company and shareholders were pledged as collateral. The debit balance is subject to TJLP, which is 6.25% per year. The present value of this obligation, adjusted based on the annual market interest rate (measured based on CDI), is R$2,802. The debit balance was kept at the original amount plus interest (TJLP), and no adjustment was recorded for the reduction to present value calculated using the current market interest rate.

(b) Refers to the tax not paid from 2001 to 2004 by the subsidiary Send. The debt is being amortized over 12 months, free of financial charges.

(c) INSS on salaries and directors' fees not paid by the subsidiary Poli Empreendimentos from 2003 to 2005. The debt is being amortized over ten years, with financial charges calculated based on the Central Bank overnight rate (Selic).

(d) Refers to the tax not paid in 2005 by the subsidiary I Park. The debt is being amortized over 50 months, with financial charges calculated based on the Selic.

14. RESERVE FOR CONTINGENCIES

For all matters being challenged a reserve is recorded in an amount considered sufficient to cover probable losses, based on the outside legal counsel's opinion. The accrued amounts include tax, civil and labor matters. There are no escrow deposits related to these contingencies. Contingencies are as follows:

	Consolidated	
	2008	2007
Labor (a)	300	300
Civil (b)	314	314
Tax: (c)		
PIS	1,913	2,517
Cofins	6,127	8,057
	8,654	11,188

(a) Refers to lawsuits filed related to claims of joint liability, overtime, and recognition of employment relationship.

(b) Refers to indemnity for property damage and pain and suffering, lawsuits for renewal of rental agreements, collection lawsuits, and contract rescission lawsuits.

(c) Refers to the provision for PIS and Cofins levied on contracts for the lease of space in shopping malls to storeowners by subsidiaries ABK and Levian and not paid in the last years. Management, based on the outside legal counsel's opinion, understands that these taxes should not be levied on those transactions before the corporate restructuring mentioned in note 1 since such revenue was received through condominium. There is no lawsuit filed related to this reserve.

Management understands that the cash provided by its operations will be sufficient to pay these contingencies even if they are due in the short term. In addition, the Company may use available tax installment payment plans or credit lines from financial institutions (unaudited information).

As of December 31, 2008, the Company has other ongoing lawsuits in the amount of approximately R$6,300, for which the likelihood of loss was assessed as possible by outside legal counsel and for which no reserve for contingencies was recorded in the financial statements. Additionally, the subsidiaries are not liable for contingencies arising from past actions, not yet disclosed, related to the spun-off investments, which were assumed by the related company Harpaga.

Lawsuits are periodically reassessed and reserves are complemented, when necessary.

Changes in the reserve for contingencies for the quarter are as follows:

	2007	Reversals	Charges	2008
Labor	300	-	-	300
Civil	314	-	-	314
Tax:				
PIS	2,517	(790)	186	1,913
Cofins	8,057	(2,529)	599	6,127
Labor	11,188	(3,319)	785	8,654

15. SHAREHOLDERS' EQUITY

As of December 31, 2008, the Company's capital is R$317,813,400.00, represented by 50,480,600 common shares without par value.

The Company is authorized to increase capital up to the limit of 65,000,000 registered shares, regardless of amendment to bylaws, by resolution of the Board of Directors, which will also be in charge of setting the issuance terms and conditions, including the price, period and payment method. The Company may issue common shares, debentures convertible into common shares, and warrants within the limit of authorized capital. Additionally, at the discretion of the Board of Directors, the preemptive right can be excluded or have the term for its exercise reduced upon the issuance of common shares, debentures convertible into common shares, and warrants, the placement of which would be made through: (a) sale in stock exchange or public subscription; or (b) share exchange in a takeover bid, as provided by law and within the limit of authorized capital. Finally, the Company may, by resolution of the Board of Directors and according to a plan approved by the General Shareholders' Meeting, grant stock options or warrants, without preemptive rights to shareholders, to its officers, employees, or individuals who provide services to the Company or its direct or indirect subsidiaries.

Shareholders are entitled to a mandatory minimum dividend of 25% of the annual net income adjusted as per corporate law.

16. COST OF RENTALS AND SERVICES

	Consolidated	
	2008	2007
Depreciation and amortization	(12,003)	(4,408)
Personnel	(2,569)	(2,982)
Outside services	(4,658)	(2,597)
Cost of occupancy (vacant stores)	(6,416)	(2,437)
Total	(25,646)	(12,424)

17. GENERAL AND ADMINISTRATIVE EXPENSES

	Company		Consolidated	
	2008	2007	2008	2007
IPTU	(7)	-	(170)	(1,467)
Selling	-	-	(292)	(612)
Depreciation	(162)	-	(162)	-
Allowance for doubtful accounts	-	-	(947)	1,568
Publicity and advertising	(802)	(120)	(1,097)	(1,346)
CPMF (tax on banking transactions)	-	(618)	-	(1,468)
Going public and primary public offering expenses	-	(23,763)	-	(23,763)
Upkeep of installations	(31)	-	(307)	(405)
Materials	(117)	-	(499)	(150)
Personnel	(6,008)	(1,938)	(7,826)	(1,938)
Outside services	(5,499)	(747)	(6,494)	(1,214)
Travells	(569)	-	(671)	-
Phone expenses	(254)	-	(428)	-
Other	(455)	(499)	(2,054)	(1,164)
Total	(13,904)	(27,685)	(20,945)	(31,959)

18. FINANCIAL INCOME (EXPENSES)

	Company		Consolidated	
	2008	2007	2008	2007
Financial income:				
Interest on temporary cash investments	1,248	6,218	1,442	6,534
Monetary variation	136	5	8,314	1,505
Exchange variation	-	-	-	4,361
	1,384	6,223	9,756	12,400
Financial expenses:				
Interest on loans and financing	(6,836)	-	(47,904)	(15,850)
Monetary variation	(894)	-	(5,440)	(5,047)
Exchange variation	(83)	-	(4,718)	-
Other	(45)	(303)	(634)	(2,883)
	(7,858)	(303)	(58,696)	(23,780)
Total	(6,474)	5,920	(48,940)	(11,380)

19. INCOME AND SOCIAL CONTRIBUTION TAXES

Income and social contribution taxes recorded in the statement of operations are as follows:

	Company		Consolidated	
	2008	2007	2008	2007
Loss before income and social contribution taxes	(7,707)	(19,121)	(142)	(10,847)
Statutory rate	34%	34%	34%	34%
Expected income and social contribution taxes	2,620	6,501	48	3,685
Effect of income and social contribution taxes on:				
Reversal of income tax			2,505	
Permanent differences, net	-	-	-	(798)
Utilization of tax loss carryforwards	-	-	-	1,056
Unrecorded deferred income and social contribution taxes on tax loss carryforwards and temporary differences	(2,620)	(6,501)	(2,462)	(9,506)
Effects of income and social contribution taxes of companies taxed based on deemed income (*)	-	-	(9,096)	(1,413)
Other	-	-	1,440	(1,298)
Income and social contribution taxes recorded in the statement of operations	-	-	(7,565)	(8,274)
Current	-	-	(6,734)	(5,912)
Deferred	-	-	(831)	(2,362)

(*) The subsidiaries Levian, ABK, Polishopping, Delta, Securis, Lúmen, Lux, Park Shopping, Send, Suli, Brassul, Intesp, PP, Paulis, Fonte, Zuz, Premiun Outlet, Jud, Vul, BR Outlet, Cly, Bud, Bac, Sale, Ast, Uniplaza, Atlas, Wass, Energy e ASG Administradora opted for taxation based on deemed income.

Deferred income and social contribution taxes are as follows:

	Consolidated	
	2008	2007
Reserve for contingencies	8,654	11,188
Allowance for doubtful accounts	9,378	8,431
Revaluation of buildings and installations	(68,164)	(68,102)
Tax loss carryforwards	151,596	148,358
Tax basis	101,464	99,875
Combined tax rate - income and social contribution taxes	34%	34%
	34,498	33,957
Unrecorded deferred income and social contribution tax credits	(48,949)	(50,345)
Deferred income and social contribution taxes	(14,451)	(16,388)
Current assets	28	124
Noncurrent assets	6,165	6,900
Current liabilities	(413)	(413)
Noncurrent liabilities	(20,231)	(22,999)

20. RELATED-PARTY TRANSACTIONS

In the course of the Company’s business, the controlling shareholders, subsidiaries, jointly-owned subsidiaries, and condominiums carry out intercompany commercial and financial transactions. These transactions include: (a) providing consulting and operational assistance services related to water supply, electrical installations, and power supply; (b) management of shopping malls; (c) management of shopping mall parking lots; (d) commercial lease contracts; and (e) agreements entered into and decisions made according to the condominium bylaws.

The Company's balances are as follows:

Assets	Company 2008	Company 2007
Send	128,710	71,592
Delta	47,498	36,759
Park Shopping Administradora	34,291	24,978
Levian	-	20,020
Paulis	18,713	6,000
PP	17,086	17,263
Lux	16,535	15,999
Brassul	15,863	15,677
Intesp	12,217	12,498
Internacional Guarulhos Shopping Center	12,080	11,233
Fonte	8,962	1,611
Sale	3,156	3,000
ABK	-	2,208
Cly	2,850	-
Internacional Guarulhos Auto Shopping Center	1,040	-
Lumen	583	-
Zuz	137	-
Nova União	116	59
Sulishopping	105	525
Atlas	-	156
Condomínio Civil Suzano Shopping Center	-	137
Securis	-	1
Other	487	-
Total	320,429	239,716

Liabilities	Company 2008	Company 2007
ABK	33,284	-
Levian	10,284	-
Energy	1,847	-
Atlas	1,405	-
Menescal	1,000	
Ipark	405	-
Wass	333	-
Total	48,558	-

The consolidated balances are as follows:

	Consolidated	
	2008	2007
Noncurrent assets:		
Golf Participações Ltda. (a)	9,734	8,467
CSA - Companhia Securitizadora de Ativos (b)	427	415
PNA Empreendimentos Imobiliários Ltda.	142	142
Condomínio Civil Suzano Shopping Center	184	137
Condomínio Civil Voluntários - SPS	-	745
Condomínio Civil do Shopping Internacional de Guarulhos	392	3,474
Individuals	368	155
Other	820	198
Total	12,067	13,733

	Consolidated	
	2008	2007
Current liabilities:		
SAS Venture LLC (c)	18,146	14,291
Individuals (shareholders/former shareholders) (d)	1,816	2,525
Condomínio Civil do Internacional Guarulhos Shopping Center	1,415	1,342
Golf Participações Ltda. (d)	392	394
Menescal Participações Ltda. (e)	3,564	215
ABK International Ltd. (d)	24	24
Other (d)	821	1,136
Total	26,178	19,927

(a) The loan to shareholder is subject to financial charges of 1% per month. There is no defined maturity.

(b) Advances to CSA as guarantee for the CCIs transaction, as mentioned in note 11.

(c) With the corporate restructuring, the capital of Park Shopping Administradora was reduced and will be returned to the then shareholder SAS Ventures LLC in 15 equal semiannual installments, beginning on September 14, 2007. The total debt is subject to exchange variation based on the U.S. dollar and interest of 10.5% per year.

(d) Other loans are not subject to financial charges or a defined maturity.

(e) Working capital loan obtained from Menescal Participações Ltda. in October 28, 2008 in the amount of R$2,196 plus R$1,000 obtained in December 5, 2008. The loans were paid in February and January 2009, respectively.

21. FINANCIAL INSTRUMENTS

The Company's main source of revenue are rentals received from shopping mall storeowners.

According to their nature, financial instruments may involve known or unknown risks and the Company's and its subsidiaries' judgment is important for the risk assessment. Thus, there may exist risks with or without guarantees depending on circumstantial or legal aspects. The main market risk factors that may affect the Company's and subsidiaries' business include the following:

a) Credit risk

The Company and its subsidiaries have a large number of customers and constantly monitor accounts receivable through internal controls, thus limiting the default risk. The allowance for doubtful accounts is recorded as mentioned in note 2.b).

b) Price fluctuation risk

The Company's and its subsidiaries' revenues consist basically of rentals received from shopping malls' storeowners. In general, rentals are adjusted based on the annual variation of the IGP-DI, as provided for in the rental 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 the impacts on its business.

c) Interest rate risk

- Financing from the BNDES - the subsidiaries ABK and Levian obtained a financing from the BNDES for the building of Internacional Guarulhos Shopping Center, subject to the TJLP plus interest of 6% per year (spread). No financial instrument was contracted to hedge this financing against the impact of fluctuations in interest rates.

- Working capital loans - the Company's subsidiaries also have a series of loans and financing for working capital purposes, including Banco Itaú, Banco Pontual, Banco Industrial e Comercial, etc, as mentioned in note 10, subject to average interest rates of 14.45% per year. No interest rate swap transaction was contracted.

Sensitivity analysis - Loans

The Company is exposed to risks related to changes in interest rates of long-term debts.

The analysis was prepared considering the exposure to the CDI variation. CDI is the main index of the Company's loans:

		Scenarios		
Type	Risk	Probable (i)	Possible (ii)	Remote (iii)
Interests to be incurred - CDI	Increase of CDI	5,740	5,298	4,848

(i) Interests calculated with an increase of 2% in the CDI rate, compared to the possible scenario.

(ii) Interests calculated based on the CDI rate as of December 31, 2008.

(iii) Interests calculated with a decrease of 2% in the CDI rate, compared to the possible scenario.

Sensitivity analysis - CCI's

The Company is exposed to risks related to changes in interest rates of long-term debts.

The analysis was prepared considering the exposure to the IGP-M (general market price index) and TR(Referral rate).

		Scenarios		
Type	Risk	Probable (i)	Possible (ii)	Remote (iii)
Interests to be incurred – IGP-M	Increase of IGP-M	106,780	92,468	78,565
Interests to be incurred - TR	Increase of TR	150,190	143,159	136,188

(i) Interests calculated with an increase of 2% and 0,5% in the IGP-M and TR, respectively, compared to the possible scenario.

(ii) Interests calculated based on the projection of IGP-M for the next five years and the TR variation in 2008, according to information provided by BACEN (Central Bank of Brazil)

(iii) Interests calculated with a decrease of 2% and 0,5% in the IGP-M and TR, respectively, compared to the possible scenario.

d) Foreign exchange risk

Through a subsidiary, the Company has financing and intercompany payables in foreign currency in the amount of R$18,146. The risk associated with these liabilities arises from the possibility that exchange rate changes may increase the balance of these liabilities. There are no assets denominated in foreign currency. The Company's subsidiary does not have derivative contracts to hedge this risk.

The carrying amounts of financial instruments, compared with the amounts that could be obtained in an active market, or in the absence thereof, with the net present value adjusted based on the prevailing market interest rate, approximate their fair values.

22. INSURANCE (INFORMATION NOT AUDITED)

The Company and its subsidiaries have insurance coverage in an amount considered sufficient by Management to cover potential risks on its assets and/or civil liabilities.

As of December 31, 2008, insurance is as follows:

Type	Insured amount
Civil liability	1,368
Comprehensive fire	430,468
Loss of profits	87,498
Windstorm/smoke	36,505
Shopping mall operations	64,485
Pain and suffering	9,536
Property damage	125,215
Employer	6,568

23. MANAGEMENT COMPENSATION

During 2008, management compensation in the amount of R$3,918 was paid, recorded under the caption "General and Administrative expenses".

24. PROFIT SHARING

In 2008, the Company accrued R$500 of profit sharing payables.

25. SUBSEQUENT EVENTS

On January 15, 2009 and March 16, 2009, the subsidiaries ABK and Levian settled the sub loan B and A, with the National Bank for Economic and Social Development (BNDES), in the amount of R$86.724 and R$15,183, respectively. According to the 5th clause of the appendix 2 from the loan agreement number 98.2.248.1.1, the payment of sub-loans B and A exempts from payment of sub-loan C. The sub-loan C amounted R$15,095.

As of January 22, 2009, the Company paid the amount of R$12,031of the loan with Banco Tricury. The remaining balance is R$5,274.

As of January 29, 2009, the subsidiary Park Shopping settle the loan with Bic Banco in the amount of R$2,669.

As of January 30, 2009, the subsidiary Paulis paid the amount of R$18,473of the loan with Bic Banco. The remaining balance is R$11,696.

As of January 30, 2009, the subsidiary Send paid the amount of R$19,043 of the loan with Bic Banco. The remaining balance is R$13,235.