

## **General Shopping Brasil S.A.**

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

**Interim accounting information accompanied by the Independent Auditor's Review Report on the individual and consolidated interim financial information**

**On June 30, 2017**

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(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails. See Note 31 of the financial information.)

# Auditor's review report on the individual and consolidated interim financial information

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To:  
Shareholders, Board of Directors and Executive Officers of  
General Shopping Brasil S.A.  
São Paulo – SP

## Introduction

We have reviewed the individual and consolidated interim financial information of General Shopping Brasil S.A. (Company), contained in the Quarterly Information Form (ITR) referring to the quarterly ended on June 30, 2017, which comprise the balance sheet as of June 30, 2017 and the respective income statements for the three and six periods on that date, the statements of changes in shareholders' equity and statements of cash flows for the six month period then ended, including the summary of accounting practices and the explanatory notes.

Company's management is responsible for preparing the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) "Interim financial information" and for preparing the consolidated interim financial information in accordance with CPC 21 (R1) and with international standard IAS 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB), and for presenting this information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

We have conducted our review in accordance with the Brazilian and international interim information review standards (NBC TR 2410 "Review of Interim Financial Information Performed by the Auditor of the Entity" and ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

#### Conclusion on the individual and consolidated interim financial information

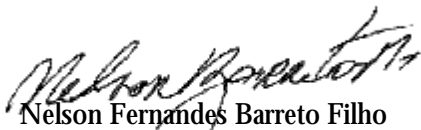
Based on our review, we are not aware of any fact that would lead us to believe that the individual and consolidated interim financial information included in the Quarterly Information (ITR) referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented in compliance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

#### Other matters

##### Statements of Value Added (SVA)

We have also reviewed the individual and consolidated Statements of Value Added (SVA) referring to the six-month period ended June 30, 2017, prepared under the responsibility of the Company's management, whose presentation in the interim information is required in accordance with the Standards issued by the Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Information - ITR and considered as supplementary information by IFRS, which do not require the presentation of the SVA. These statements have been subject to the same review procedures described above and, based on our review, we are not aware of any fact that would lead us to believe that they were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, August 11, 2017.



Nelson Fernandes Barreto Filho  
CT CRC 1SP-151.079/O-0

Grant Thornton Auditores Independentes  
CRC 2SP-025.583/O-1

## General Shopping Brasil S.A.

### Balance Sheets as of June 30, 2017 and December 31, 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts stated in Thousands of Reais, except when indicated otherwise)

#### ASSETS

		Parent Company		Consolidated	
	Notes	06/30/17	12/31/16	06/30/17	12/31/16
Current Assets					
Cash and cash equivalents	3	2,219	2,229	89,807	59,771
Financial Investments	3	-	13,053	-	13,053
Accounts receivable	4	-	-	60,968	66,323
Taxes recoverable	5	1,861	1,842	11,459	11,275
Accounts receivable - Assignments	17	-	-	43,498	54,998
Other accounts receivable	6	2,472	7,867	15,115	19,214
Total Current Assets		6,552	24,991	220,847	224,634
Noncurrent Assets					
Accounts receivable	4	-	-	5,333	7,273
Related parties	7	53,474	42,885	55,903	53,953
Taxes recoverable	5	-	-	4,081	4,307
Deposits and guarantees	-	37	20	3,502	2,247
Financial investments	3	-	-	1,537	1,469
Other accounts receivable	6	-	1,000	430	1,689
		53,511	43,905	70,786	70,938
Investments	8	1,015,458	1,062,530	-	-
Investment properties	9	-	-	2,962,808	2,969,390
Fixed Assets	10	2,408	14,251	8,026	15,258
Intangible	11	5,831	6,926	18,421	19,950
		1,023,697	1,083,707	2,989,255	3,004,598
Total noncurrent assets		1,077,208	1,127,612	3,060,041	3,075,536
Total Assets		1,083,760	1,152,603	3,280,888	3,300,170

The notes are integral part of the quarter financial information

## General Shopping Brasil S.A.

### Balance Sheets as of June 31, 2017 and December 31, 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts stated in Thousands of Reais, except when indicated otherwise)

#### LIABILITIES AND EQUITY

	Notes	Parent Company		Consolidated	
		06/30/17	12/31/16	06/30/17	12/31/16
<b>Current Liabilities</b>					
Suppliers	-	1,110	565	13,275	16,569
Loans and financing	12	-	-	39,046	73,473
Salaries and social charges	-	1,790	1,664	2,536	2,368
Taxes, charges and contributions	16	3,144	8,019	146,365	121,106
Taxes paid in installment	15	1,356	379	16,611	15,434
Real Estate Credit Bills (CCI)	13	-	-	70,570	59,822
Related Parties	7	166,971	168,142	24,602	24,748
Revenues from transfers to appropriated	17	-	-	25,976	25,695
Other accounts payable	14	8	9	2,035	2,700
<b>Total current liabilities</b>		174,379	178,778	341,016	341,915
<b>Noncurrent liabilities</b>					
Loans and financing	12	-	-	1,172,799	1,142,621
Revenues from transfers to appropriated	17	-	-	158,354	170,736
Taxes paid in installment	15	4,666	600	41,860	42,046
Deferred Income Tax and Social Contributions	24	-	-	86,647	86,647
Provision for civil and labor risks	18	52	-	1,621	1,504
Real Estate Credit Bills (CCI)	13	-	-	573,928	541,476
<b>Total Noncurrent Liabilities</b>		4,718	600	2,035,209	1,985,030
<b>Equity</b>					
Share Capital	-	376,781	376,781	376,781	376,781
Capital Reserve	-	6,376	6,376	6,376	6,376
Profit Reserve	-	521,506	590,068	521,506	590,068
		904,663	973,225	904,663	973,225
<b>Total Liabilities and Equity</b>					
		1,083,760	1,152,603	3,280,888	3,300,170

The notes are integral part of the quarter financial information

## General Shopping Brasil S.A.

### Income Statement for the three and six-month periods ended on June 30, 2017 and 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts stated in Thousands of Reais, except when indicated otherwise)

Notes	Parent Company				Consolidated			
	04/01/2017 a 06/30/2017	01/01/2017 a 06/30/2017	04/01/2016 a 06/30/2016	01/01/2016 a 06/30/2016	04/01/2017 a 06/30/2017	01/01/2017 a 06/30/2017	04/01/2016 a 06/30/2016	01/01/2016 a 06/30/2016
<b>Net revenue</b>	20	-	-	-	61,820	121,875	65,610	133,176
Cost of rent and services provided	21	-	-	-	(6,774)	(12,940)	(10,097)	(20,402)
<b>Gross Profit</b>		-	-	-	55,046	108,935	55,513	112,774
<b>Operational (Expenses)/income</b>								
General and administrative	22	(5,683)	(10,818)	(6,139)	(13,062)	(25,193)	(12,390)	(26,090)
Other net operational revenue (expenses)	25	(11,659)	(11,637)	(1)	(4,971)	(4,468)	(18,207)	(17,516)
Result of Equity Adjustment	8	(55,266)	(47,072)	70,130	-	-	-	-
<b>Operational profit / (loss) and before financial income</b>		(72,608)	(69,527)	63,990	37,013	79,274	24,916	69,168
<b>Financial income</b>	23	(347)	965	(27)	(103,890)	(136,092)	50,284	83,385
<b>Net Profit (loss) prior to income tax</b>		(72,955)	(68,562)	63,963	(66,877)	(56,818)	75,200	152,553
Current income tax and social security	24	-	-	215	(6,078)	(11,744)	(13,450)	(20,801)
Deferred income tax and social security	24	-	-	-	-	-	2,213	2,213
<b>Net Profit / (loss) in the period</b>		(72,955)	(68,562)	63,963	(72,955)	(68,562)	63,963	133,965
<b>Net Profit / (loss) attributable to</b>								
Owners of Parent Company	-	(72,955)	(68,562)	63,963	(72,955)	(68,562)	63,963	133,965
<b>Basic net profit / (loss) per share (R\$)</b>	19	(1.08)	(1.02)	0.98	(1.08)	(1.02)	0.98	2.06

The notes are integral part of the quarter financial information

## General Shopping Brasil S.A.

### Statement of changes in Equity (consolidated) for the six-month periods ended on June 30, 2017 and 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts stated in Thousands of Reais, except when indicated otherwise)

Notes	Share Capital			Capital Reserve	Profit Revenue		Total
	Capital Subscribed to	Shares in Treasury	Expenses with the issue of shares		Reserve of Profits to be realized	Accumulated Profits (losses)	
<b>Balances on December 31, 2015</b>	375,745	-	(2,134)	-	406,689	-	780,300
Net income for the period	-	-	-	-	-	133,965	133,965
Constitution of reserves					133,965	(133,965)	-
<b>Balances on June 30, 2016</b>	375,745	-	(2,134)	-	540,654	-	914,265
<b>Balances on December 31, 2016</b>	389,625	(10,710)	(2,134)	6,376	590,068	-	973,225
Net loss for the period	-	-	-	-	-	(68,562)	(68,562)
Realization of reserves	-	-	-	-	(68,562)	68,562	-
<b>Balances on June 30, 2017</b>	389,625	(10,710)	(2,134)	6,376	521,506	-	904,663

The notes are integral part of the quarter financial information



# General Shopping Brasil S.A.

## Cash Flow Statements for the six-month periods ended on June 30, 2017 and 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts stated in Thousands of Reais, except when indicated otherwise)

	Parent Company		Consolidated	
	06/30/17	06/30/16	06/30/17	06/30/16
<b>Cash Flow from operational activities</b>				
Profit in the period	(68,562)	133,965	(68,562)	133,965
<b>Adjustments to reconcile the (losses) / profit of the period with net cash / (used in) from operational activities</b>				
Depreciation and amortization	1,375	1,816	2,461	3,046
Reserve for doubtful accounts	-	-	3,964	2,196
Establishing (reversing) reserve for civil and labor risks	52	-	117	(24)
Income tax and social contributions deferred	-	-	-	(2,242)
Income tax and social contributions	-	-	11,744	20,801
Financial charges on loans, financing, CCI and perpetual bonds	-	-	99,248	120,957
Unrealized loss / (Gain) on transactions with derivative instruments	-	-	-	8,474
Financial charges on payment of taxes in installment plans	-	-	1,384	1,871
Currency exchange rate variation	-	-	16,054	(233,576)
Adjustment to fair value	-	-	-	12,300
Result of equity adjustment	47,072	(140,690)	-	-
<b>(Increase) / reduction of operational assets</b>				
Accounts receivable	-	-	3,331	(476)
Taxes Recoverable	(19)	(220)	42	150
Accounts Receivable on sale of property	-	-	-	(25,333)
Accounts receivable - Assignments	-	-	11,500	-
Other accounts receivable	6,395	934	5,358	1,092
Deposits and bonds	(17)	-	(1,255)	(596)
<b>Increase / (reduction) in operational liabilities</b>				
Suppliers	545	(579)	(3,294)	(3,485)
Taxes, charges and contributions	(4,875)	207	13,515	15,216
Salaries and labor charges	126	266	168	346
Assignment of revenues to be recognized	-	-	(12,101)	87,476
Other accounts payable	(1)	369	(665)	(7,231)
<b>Net cash / (used in) from operational activities</b>	<u>(17,909)</u>	<u>(3,932)</u>	<u>83,009</u>	<u>134,927</u>
Payment of interest	-	-	(65,901)	(77,070)
Income tax and social contribution paid	-	-	-	-
<b>Net cash / (used in) from operational activities</b>	<u>(17,909)</u>	<u>(3,932)</u>	<u>17,108</u>	<u>57,857</u>
<b>Cash flow from investment activities</b>				
Write-off property investments, permanent assets and intangible assets	11,660	-	34,158	-
Write-off permanent investments	-	-	-	-
Financial application and linked application	13,053	-	12,985	(261)
Acquisition of items of fixed assets and intangible assets	(97)	(396)	(21,276)	(50,176)
Receipt from sale of property for investment / assets for sale	-	-	-	60,500
<b>Net cash / (used in) from investment activities</b>	<u>24,616</u>	<u>(396)</u>	<u>25,867</u>	<u>10,063</u>
<b>Cash flow from investment activities</b>				
Raising of loans, financing and CCI	-	-	71,045	-
Cost of raising loans, financing, CCI and perpetual bonds	-	-	(5,466)	(600)
Amortization of the principal of loans, financing and CCI	-	-	(77,422)	(45,419)
New installment-based tax payment plan	5,043	-	5,386	-
Payment of the principal in tax installment plan	-	(131)	(4,386)	(5,781)
Related Parties	(11,760)	4,585	(2,096)	(2,681)
<b>Net cash / (used in) from financing activities</b>	<u>(6,717)</u>	<u>4,454</u>	<u>(12,939)</u>	<u>(54,481)</u>
<b>Net Increase / (reduction) of the balance of cash and cash equivalent</b>	<u>(10)</u>	<u>126</u>	<u>30,036</u>	<u>13,439</u>
<b>Cash and cash equivalent</b>				
In the beginning of the period	2,219	2,022	89,807	124,679
In the end of the period	2,229	1,896	59,771	111,240
<b>Net Increase / (reduction) of the balance of cash and cash equivalent</b>	<u>(10)</u>	<u>126</u>	<u>30,036</u>	<u>13,439</u>

The notes are integral part of the quarter financial information

## General Shopping Brasil S.A.

### Value-Added Statement for the six-month periods ended on June 30, 2017 and 2016

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(Amounts stated in Thousands of Reais, except when indicated otherwise)

	Parent Company		Consolidated	
	06/30/17	06/30/16	06/30/17	06/30/16
<b>Income</b>				
Income from rent, services and others	-	-	132,967	146,257
Reserve for doubtful accounts	-	-	(3,964)	(2,196)
	-	-	129,003	144,061
<b>Third-Party materials and services</b>				
Third-Party materials, services and others	(3,388)	(3,929)	(19,896)	(27,353)
<b>Gross value (consumed) added</b>	(3,388)	(3,929)	109,107	116,708
Depreciation and amortization	(1,375)	(1,816)	(2,461)	(3,046)
<b>Net value (consumed) / added by the Company</b>	(4,763)	(5,745)	106,646	113,662
<b>Added value received in transfer</b>				
Result of equity adjustment	(47,072)	140,690	-	-
Financial revenues	1,917	132	61,204	345,971
Others	(11,637)	5,345	(4,468)	(17,516)
<b>Value added / (consumed) to distribute</b>	(61,555)	140,422	163,382	442,117
<b>Distribution of value added/ (consumed)</b>				
<b>Personnel</b>				
Direct compensation	3,764	3,875	5,279	6,051
Benefits	999	735	1,588	1,173
FGTS	206	273	257	339
INSS	936	878	1,298	1,134
<b>Taxes, Charges and contributions</b>				
Federal	84	215	23,612	34,513
Municipal	66	42	2,614	2,357
<b>Remuneration of Third-Party Capital</b>				
Financial expenses	952	439	197,296	262,586
<b>Remuneration of Own Capital</b>				
Profit / (Loss) in the period	(68,562)	133,965	(68,562)	133,964
	(61,555)	140,422	163,382	442,117

The notes are integral part of the quarter financial information

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# Notes to the individual and consolidated interim financial information for the quarter period ended June 30, 2017 and 2016. (Amounts expressed in thousands of Brazilian Reais, except where otherwise indicated)

## 1. Operations

General Shopping Brasil S.A. (Company) was set up on March 06, 2007 and, as from March 31, 2007, after successive ownership operations through which the interest held in the capital of the companies with shopping mall activities, as well as interest held in the capital stock of companies that provide services to the shopping malls, was grouped, respectively, into two distinct companies: **(a)** Levian Participações e Empreendimentos Ltda. and **(b)** Atlas Participações Ltda. Currently the Company's interest in the capital of the companies with activities in shopping centers are grouped in Levian Participações e Empreendimentos Ltda. and Securis Administradora e Incorporadora Ltda.

The Company trades its stock at BM&FBOVESPA, under the following abbreviation, GSHP3.

The Company filed with the Securities and Exchange Commission (CVM) the request for registration of a restricted program sponsored by Global Depositary Shares based on Regulation S and Rule 144A (GDSs), as approved at a meeting of the Company's Board of Directors held on July 22, 2016. On July 18, 2016, the CVM approved the request. In this context, The Bank of New York Mellon operates as the depositary institution of the GDS Program and is responsible for issuing the respective certificates. The Company's common shares are traded on the BM&FBOVESPA and represent the GDS at the ratio of 1 (one) GDS for every 73 (seventy-three) shares. The Itaú Unibanco S.A. operates as the custodian institution of the Company's shares in Brazil. The establishment of the GDS program involved the issuance of 11,000,000 (eleven million) new common shares as a result of the merger of the indirect subsidiary Druz Administradora e Incorporadora Ltda., as disclosed in Note 19. The new shares issued are held by direct subsidiary GS Investments Limited. The remaining balance of the shares that do not serve as a backing for the GDS program will be repurchased and canceled within one (1) year as of July 22, 2016.

The Company's immediate and final Parent Company is Golf Participações Ltda., established in Brazil.

The Company's head offices are located in São Paulo – SP, at Avenida Angélica, 2,466, suite 221.

The individual and consolidated interim financial information of General Shopping Brasil S.A. (Company) referring to the quarterly ended on June 30, 2017, have been concluded and approved by the Company's Executive Officers on August 11, 2017.

The individual and consolidated interim financial information of the Company referring to the quarterly ended on June 30, 2017 comprises the Company and its subsidiaries (collectively referred to as Group and individually referred to as entities of the Group).

General Shopping Brasil S.A. and its subsidiaries (hereinafter referred to as the Company), have as their main corporate activities the: (a) management of its own and third-party assets; (b) participation in securities business; and (c) real estate development and similar or related activities.

The Company's direct and indirect subsidiaries that were included in the consolidated financial information are the following:

- **ABK do Brasil – Empreendimentos e Participações Ltda. (ABK):** the business activity of which is to manage its own assets and hold interest in other companies. Currently, ABK holds an ideal fraction of 50% in Internacional Guarulhos Auto Shopping Center Ltda., and holds 49.9% interest in the stock of Nova União Administradora e Incorporadora S.A.;
- **ALTE Telecom Comércio e Serviços Ltda. (ALTE):** is engaged in providing web server services, multimedia communication services, and voice over internet protocol (VOIP). On April 10, 2013, the corporate name was changed from ALTE Administradora e Incorporadora Ltda. to ALTE Telecom Comércio e Serviços Ltda., and, its business activity, which previously included managing its own assets, promoting ventures of any nature, and holding ownership interest in ventures or companies of any nature;
- **Andal Administradora e Incorporadora Ltda. (Andal):** the business activity of which is to manage its own assets and hold interest in other companies. Currently, And al holds an ideal fraction of 99.9% in Suzano Shopping Center;
- **Ast Administradora e Incorporadora Ltda. (Ast):** the business activity of which is to manage its own assets and third-party assets, real estate development, hold interest in other companies and real estate ventures and lease security equipment and video cameras;
- **Atlas Participações Ltda. (Atlas):** the business activity of which is to manage its own assets and hold interest in other companies. Currently, Atlas holds full ownership interest in I Park Estacionamento 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., Ast Administradora e Incorporadora Ltda., GS Park Estacionamento Ltda.; ALTE Telecom Comércio e Serviços Ltda. and 100% in BR Brasil Retail Administradora e Incorporadora S.A.;
- **Bac Administradora e Incorporadora Ltda. (Bac):** the business activity of which is real estate development;
- **Bail Administradora e Incorporadora Ltda. (Bail):** the business activity of which is to manage its own assets and third-party assets and real estate development;
- **BOT Administradora e Incorporadora Ltda. (BOT):** the business activity of which is real estate development. BOT holds 100% of Manzanza Consultoria e Administração de Shopping Centers Ltda's shares;

- **Brassul Shopping Administradora e Incorporadora Ltda. (Brassul):** the business activity of which is to manage its own assets and third-party assets and real estate development. Brassul holds 99.99% interest in the quotas of Sale Empreendimentos e Participações Ltda.;
- **BR Brasil Retail Administradora e Incorporadora S.A. (BR Brasil):** the business activity of which is the development and management of projects involving planning, interest and development of retail and wholesale trade activities, as well as acquisition, creation and management of companies operating in retail trade, master franchises, franchiser companies and/or with potential to become franchiser companies, all operating in Brazil.
- **Cly Administradora e Incorporadora Ltda. (Cly):** the business activity of which is to manage its own assets and third-party assets, real estate development and hold ownership interest in other companies and real estate ventures. Cly holds 60% interest in Internacional Shopping Guarulhos;
- **Cristal Administradora e Incorporadora S.A. (Cristal):** Has as its corporate object the real estate development, the sale of properties built or acquired for resale, the management of own and third parties' assets, participation as a quotaholder or shareholder in other companies and participation in real estate projects. Cristal owns non-operating properties to Shopping Center activities, disposed on June 28, 2017;
- **Delta Shopping Empreendimentos Imobiliários Ltda. (Delta):** the business activity of which is to manage its own assets and third-party assets, real estate development and hold ownership interest in other companies and real estate ventures. Delta holds 0.1% interest in Suzano Shopping Center;
- **Eler Administradora e Incorporadora Ltda. (Eler):** the business activity of which is to manage its own assets and third-party assets, real estate development and hold ownership interest in other companies and real estate ventures. Eler holds 24% interest in Internacional Shopping Guarulhos;
- **Energy Comércio e Serviços de Energia Ltda. (Energy):** is engaged in purchasing, selling and leasing equipment for the generation, transfer and distribution of energy and in providing installation, maintenance and consulting services. Currently, Energy provides services referring to the lease of equipment for the generation, transfer and distribution of energy to Internacional Shopping Guarulhos, Internacional Guarulhos Auto Shopping Center, Suzano Shopping, Outlet Premium São Paulo, Parque Shopping Barueri, Outlet Premium Brasília, Outlet Premium Salvador, Shopping do Vale, Parque Shopping Maia, Outlet Premium Rio de Janeiro, Parque Shopping Sulacap and Unimart Shopping;
- **ERS Administradora e Incorporadora Ltda. (ERS):** its corporate purpose is the management of its own and third-party assets and real estate development. The company ERS is owner of 50% of the Shopping Outlet Premium Rio de Janeiro;
- **FIPARK Estacionamentos Ltda (FIPARK):** has as its object the administration of parking lots of motor vehicles in general, own and third parties. Currently FIPARK is responsible for the administration of the parking lots of the Internacional Guarulhos Shopping Center, Parque Shopping Maia, Shopping Bonsucesso;
- **FLK Administradora e Incorporadora Ltda. (FLK):** the business activity of which is to manage its own assets and third-party assets and real estate development. FLK owns 52% of the Outlet Premium in Bahia;
- **Fonte Administradora e Incorporadora Ltda. (Fonte):** the business activity of which is to manage its own assets and third-party assets, and real estate development. Fonte owns 51% of the Shopping Sulacap in Rio de Janeiro;

- **Fundo de Investimento Imobiliário (FII Top Center):** the business activity of which includes the acquisition of real estate project, as long as approved by the General Shareholders' Meeting, aiming at earning revenues by means of the valuation of the properties, the lease and sales of properties that integrate its real estate assets, as allowed by Fundo's regulation, by law and by the provisions issued by the Brazilian Securities and Exchange Commission (CVM);
- **GAX Administradora e Incorporadora Ltda. (GAX):** the business activity of which is to manage its own assets and third-party assets, real estate development, and hold interest in other companies and real estate ventures. GAX holds 50% interest in Outlet Premium São Paulo;
- **General Shopping Brasil Administradora e Serviços Ltda. (GSB Administradora):** the business activity of which is to manage its own assets and third-party assets, provide management services to commercial centers and buildings, provide other complementary, supplementary services or services associated with its activities, in addition to hold interest in other companies, whatever type they may be. Currently, GSB Administradora is the manager of Internacional Guarulhos Shopping Center, Suzano Shopping Center, Poli Shopping, Cascavel JL Shopping, Shopping do Vale, Outlet Premium São Paulo, Outlet Premium Brasília, Unimart Shopping, Parque Shopping Barueri, Shopping Bonsucesso, Outlet Premium Salvador, Parque Shopping Sulacap, Parque Shopping Maia and Outlet Premium Rio de Janeiro;
- **General Shopping Finance Limited (General Shopping Finance):** is a company headquartered in the Cayman Islands that is engaged in performing activities and transactions relating to the Company or its subsidiaries. General Shopping Finance holds 27.5% of the quotas of Levian Participações e Empreendimentos Ltda.;
- **GS Finance II Limited (GS Finance II):** is a company organized in the Cayman Islands that is engaged in performing activities and transactions relating to the Company or its subsidiaries;
- **GS Investments Limited (GS Investments):** is a company headquartered in the Cayman Islands that is engaged in performing activities and transactions relating to the Company or its subsidiaries. GS Investments holds 54.2% of the quotas of Securis Administradora e Incorporadora Ltda.;
- **GS Park Estacionamento Ltda. (GS Park):** is engaged in managing parking lots for motor vehicles of all kinds, of their own or owned by third parties. Currently, GS Park is in charge of managing the parking lots of Outlet Premium Salvador, Parque Shopping Sulacap, Internacional Guarulhos Auto Shopping and Outlet Premium Rio de Janeiro;
- **I Park Estacionamento Ltda. (I Park):** is engaged in exploiting the specific motor vehicle parking business, for both its own vehicles and vehicles owned by third parties, by managing such parking lots. Currently, I Park is in charge of managing the parking lots of Suzano Shopping Center, Cascavel JL Shopping, Outlet Premium São Paulo, Outlet Premium Brasília, Unimart, Shopping do Vale and Parque Shopping Barueri;
- **Indui Administradora e Incorporadora Ltda. (Indui):** the business purpose of which is to manage its own assets and third-party assets, and real estate development. Indui holds 50% interest in Outlet Premium Brasília;
- **Internacional Guarulhos Auto Shopping Center Ltda. (ASG Administradora):** the business activity of which is to manage its own assets and third-party assets, provide management services to commercial centers and buildings, provide other complementary, supplementary services or services associated with its activities, in addition to hold interest in other companies, whatever type they may be. Currently, ASG Administradora is the administrator of Internacional Guarulhos Auto Shopping Center;

- **Levian Participações e Empreendimentos Ltda. (Levian):** the business activity of which is to manage its own assets, hold interest in other companies and other complementary and associated activities. Currently, Levian holds an ideal fraction of 50% of Internacional Guarulhos Auto Shopping Center and 0.5% of Shopping Unimart. Levian also holds interest in ABK do Brasil – Empreendimentos e Participações Ltda. (99.7%), Poli Shopping Center Empreendimentos Ltda. (100%), Send Empreendimentos e Participações Ltda. (90.9%), Nova União Administradora e Incorporadora S.A. (49.9%), Delta Shopping Empreendimentos Imobiliários Ltda. (100%), Fonte Administradora e Incorporadora Ltda. (100%), POL Administradora e Incorporadora Ltda. (100%), BOT Administradora e Incorporadora Ltda. (100%), Vul Administradora e Incorporadora Ltda. (100%), Zuz Administradora e Incorporadora Ltda. (100%), Cly Administradora e Incorporadora Ltda. (100%), Bud Administradora e Incorporadora Ltda. (100%), Bac Administradora e Incorporadora Ltda. (100%), Brassul Shopping Administradora e Incorporadora Ltda. (100%), Mai Administradora e Incorporadora Ltda. (100%), FLK Administradora e Incorporadora Ltda. (100%), Premium Outlet Administradora e Incorporadora Ltda. (100%), BR Outlet Administradora e Incorporadora Ltda. (100%), Jauá Administradora e Incorporadora Ltda. (100%), Securis Administradora e Incorporadora Ltda. (15.3%), Atlas Participações Ltda. (100%) and FIPARK Estacionamentos Ltda (100%);
- **MAI Administradora e Incorporadora Ltda. (MAI):** the business activity of which is to manage its own assets and third-party assets and real estate development;
- **Manzanza Consultoria e Administração de Shopping Centers Ltda. (Manzanza):** is engaged in providing consulting and management services for shopping malls and managing its own assets. Manzanza is the owner of the land in Atibaia;
- **Nova União Administradora e Incorporadora S.A. (Nova União):** the business activity of which is to manage its own assets and third-party assets, hold interest in chattel business and in real estate business, real estate development and associated or similar activities. Nova União holds 6% interest in Internacional Shopping Guarulhos;
- **Palo Administradora e Incorporadora Ltda. (Palo):** the business activity of which is to manage its own assets and third-party assets and its own commercial centers and third-party, real estate development and participation in other companies and real estate projects;
- **Pentar Administradora and Incorporadora Ltda. (Pentar):** the business activity of which is to manage its own assets and third-party assets and its own and third-party shopping centers, real estate development and participation in other companies and real estate projects. Pentar holds 99.5% of Unimart Shopping;
- **POL Administradora e Incorporadora Ltda. (POL):** is engaged in developing real estate development ventures.
- **Poli Shopping Center Empreendimentos Ltda. (Poli Empreendimentos):** is engaged in exploiting the shopping mall industry by leasing its own properties or subleasing third party leased properties. Currently, Poli Empreendimentos holds 50% interest in Poli Shopping Center;
- **Sale Empreendimentos e Participações Ltda. (Sale):** is engaged in purchasing, selling, leasing, urbanizing, mortgaging, developing, building and managing its own real estate or third-party real estate or jointly owned real estate. Sale holds 84.4% interest in Shopping do Vale;
- **SB Bonsucesso Administradora e Incorporadora S.A. (SB Bonsucesso):** the business activity of which is to manage its own assets and third-party assets and real estate development. SB Bonsucesso holds 63.4% interest in Shopping Bonsucesso;

- **Securis Administradora e Incorporadora Ltda. (Securis):** the business activity of which is to manage its own assets and third-party assets and real estate development. Securis holds 100% of quotas of the following companies: Andal Administradora e Incorporadora Ltda., Ardan Administradora e Incorporadora Ltda., Bail Administradora e Incorporadora Ltda., ERS Administradora e Incorporadora Ltda., GAX Administradora e Incorporadora Ltda., SB Bonsucesso Administradora e Incorporadora S.A., XAR Administradora e Incorporadora Ltda., Bavi Administradora e Incorporadora Ltda., Eler Administradora e Incorporadora Ltda., Indui Administradora e Incorporadora Ltda, Fundo de Investimento Imobiliário FII Top Center, Tequs Administradora e Incorporadora Ltda., Vanti Administradora e Incorporadora Ltda., Rumb Administradora e Incorporadora Ltda., Tela Administradora e Incorporadora Ltda, Palo Administradora e Incorporadora Ltda, Pentar Administradora e Incorporadora Ltda. Securis also holds interest in Send Empreendimentos e Participações Ltda. (9.1%), and holds 0.1% interest in Shopping Bonsucesso;
- **Send Empreendimentos e Participações Ltda. (Send):** the business activity of which is to manage its own assets and participate in other societies. Send owns 100% of the shares of Uniplaza Empreendimento Participação e Administração de Centro de Compras Ltda. and 85.5% of Cascavel JL Shopping;
- **Tela Administradora e Incorporadora Ltda. (Tela):** the business activity of which is to manage its own assets and third-party assets and its own commercial centers and third-party, real estate development and participation in other companies and real estate projects;
- **Uniplaza Empreendimentos Participações e Administração de Centros de Compras Ltda. (Uniplaza):** its corporate purpose is the administration of its own assets and third parties and its own and third-party centers, real estate development and participation in other companies and real estate projects;
- **Vide Serviços e Participações Ltda. (Vide):** is engaged in providing services referring to institutional disclosures, managing its own properties and third-party properties, real estate development and holding interest in other companies and real estate development ventures;
- **Vul Administradora e Incorporadora Ltda. (Vul):** the business activity of which is to manage its own assets and third-party assets, real estate development and hold ownership interest in other companies and real estate ventures. Vul is the owner of 63.5% of Parque Shopping Maia;
- **Wass Comércio e Serviços de Águas Ltda. (Wass):** is engaged in leasing water exploration, treatment and distribution equipment, as well as providing installation, maintenance and consultancy services, inherent. Currently, Wass is in charge of leasing water exploration, treatment and distribution equipment to Internacional Guarulhos Shopping Center, Internacional Guarulhos Auto Shopping Center, Cascavel JL Shopping, Suzano Shopping, Outlet Premium São Paulo, Outlet Premium Brasília, Shopping do Vale, Parque Shopping Barueri, Poli Shopping, Shopping Bonsucesso, Outlet Premium Salvador, Parque Shopping Maia and Outlet Premium Rio de Janeiro;
- **XAR Administradora e Incorporadora Ltda. (XAR):** the business activity of which is to manage its own assets and third-party assets, real estate development, hold interest in other companies and in real estate ventures. Currently, XAR holds 48% interest in Parque Shopping Barueri;
- **Zuz Administradora e Incorporadora Ltda. (Zuz):** the business activity of which is to manage its own assets and third-party assets, real estate development and hold interest in other companies and real estate ventures;



The following subsidiaries: Bud Administradora e Incorporadora Ltda. (Bud), BR Outlet Administradora e Incorporadora Ltda. (BR Outlet), Premium Outlet Administradora e Incorporadora Ltda. (Premium Outlet), Jauá Administradora e Incorporadora Ltda. (Jauá), Bavi Administradora e Incorporadora Ltda. (Bavi), Tequs Administradora e Incorporadora Ltda. (Tequs), Ardan Administradora e Incorporadora Ltda. (Ardan), Rumb Administradora e Incorporadora Ltda. (Rumb), Vanti Administradora e Incorporadora Ltda. (Vanti), have as their purpose managing its own properties and third-party properties and real estate development. The companies have no records of operations as of June 30, 2017.

The Company holds direct participation, as of June 30, 2017 and 2016, in the following undertakings:

	06/30/2017			12/31/2016		
	Interest	Total GLA (m²)	Own GLA (m²)	Interest	Total GLA (m²)	Own GLA (m²)
<b>Shopping Center</b>						
Poli Shopping Guarulhos	50.0%	4,527	2,264	50,0%	4,527	2,264
Internacional Shopping	90.0%	77,080	69,372	90,0%	77,080	69,372
Auto Shopping	100.0%	11,477	11,477	100,0%	11,477	11,477
Suzano Shopping	100.0%	19,583	19,583	100,0%	19,583	19,583
Cascavel J.L. Shopping	85.5%	8,877	7,590	85,5%	8,877	7,590
Shopping do Vale	84.4%	16,487	13,913	84,4%	16,487	13,913
Unimart Shopping Campinas	100.0%	14,961	14,961	100,0%	14,961	14,961
Outlet Premium São Paulo	50.0%	21,570	10,785	50,0%	21,570	10,785
Parque Shopping Barueri	48.0%	37,420	17,962	48,0%	37,420	17,962
Outlet Premium Brasília	50.0%	16,116	8,058	50,0%	16,116	8,058
Shopping Bonsucesso	63.5%	24,437	15,517	63,5%	24,437	15,517
Outlet Premium Salvador	52.0%	14,964	7,781	52,0%	14,964	7,781
Parque Shopping Sulacap	51.0%	28,770	14,673	51,0%	28,770	14,673
Parque Shopping Maia	63.5%	31,711	20,136	63,5%	31,711	20,136
Outlet Premium Rio de Janeiro	50.0%	20,936	10,468	50,0%	20,936	10,468
		<b>348,916</b>	<b>244,540</b>		<b>348,916</b>	<b>244,540</b>

## 2. The submission of the interim financial information and main accounting practices

### 2.1. The preparation basis and submission of individual and consolidated interim financial information

#### 2.1.1. Compliance statement

The individual and consolidated interim financial information have been prepared in accordance with CPC 21 “Interim financial information” and with international standards IAS 34 “Interim Financial Reporting”, issued by the “International Account Standard Board (IASB)” and presented in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the interim financial information (ITR).

Provided there are no differences between the consolidated equity and the consolidated results attributable to the Parent Company’s shareholders, stated in the consolidated financial information, equity and the income, the Company has chosen to present these individual and consolidated interim financial information as a whole, and side by side.

Company’s management represents and confirms all relevant information contained in individual and consolidated interim financial information are shown and correspond to the information used by the Company’s Management in its management.

### 2.1.2. Functional currency and presentation of the individual and consolidated interim financial information

The individual interim financial information of each subsidiary included in the consolidation are prepared by using their functional currency (the currency of the main financial economic environment in which each subsidiary operates). Upon defining the functional currency of each subsidiary, Management considered which currency has a significant influence in the selling price of the services provided and the currency in which most of the cost of their services provided is paid or incurred. The consolidated interim financial information are presented in Reais (R\$), which is the Company's functional and presentation currency.

The subsidiaries located abroad (General Shopping Finance, GS Finance II and GS Investments) neither have their own management team nor administrative, financial, and operational independence. Therefore, the Real (R\$) was chosen as the functional currency, which is the functional currency of the Parent Company.

### 2.1.3. Foreign currency

Upon preparing the Company's individual and consolidated interim financial information, the transactions in foreign currency are recorded in accordance with the foreign exchange rates in effect on the date of each transaction. At the end of each fiscal year, the monetary items in foreign currency are converted at the rates in effect. Translation adjustments on monetary items are recognized in the income for the year in which they occur.

### 2.2. Consolidation basis

The consolidated interim financial information include the information of the Company and its subsidiaries, closed on the same date, and are consistent with the accounting practices described in Note 2.1.

Control is obtained when the Company has the power to control the financial and operating policies of an entity to earn benefits from its activities. In the applicable cases, the existence and the effect of potential voting rights, which are currently exercisable or convertible, are taken into consideration when assessing whether the Company controls, or does not control, another entity. The subsidiaries are fully consolidated as from the date on which the control is transferred to the Company and they cease to be consolidated, where applicable, as from the date on which the control ceases.

The subsidiaries were fully consolidated including the assets accounts, liabilities accounts, revenues accounts and expenses accounts according to the nature of each account, complemented with the elimination of (a) investment and equity balances; (b) checking account balances and other balances that integrate the assets and/or liabilities held between the consolidated companies; and (c) revenues and expenses, as well as unrealized profits, where applicable, arising from business transactions between the consolidated companies. On June 30, 2017, the Company does not have any non-controlling interest to be presented.

The profit or loss of the subsidiaries (including real estate investment funds) acquired or disposed of during the year are included in the income statement as from the date of the effective acquisition or up to the date of the disposal, as applicable. The consolidated interim financial information are presented in Brazilian Reais, the Company's functional currency. The Company reviewed the accounting practices adopted by the subsidiaries abroad and did not identify any differences as compared to the practices adopted in Brazil, to be adjusted in the shareholders' equity and in the income for the year of such investments before determining the profit or loss and the adjusted equity result.

The consolidated interim financial information include the transactions of the Company and of the following subsidiaries, the percentage interest of which, held as of the balance sheet date, is summarized as follows:

	% – 06/30/2017 – Interest in Capital	% – 12/31/2016 – Interest in Capital
<b>Direct Subsidiaries</b>		
Levian	100%	100%
Securis	100%	100%
General Shopping Finance	100%	100%
GS Finance II	100%	100%
GS Investments	100%	100%
<b>Indirect Subsidiaries</b>		
ABK	99.7%	99.3%
Alte	100%	100%
Andal	100%	100%
Ardan (no operation)	100%	100%
ASG Administradora	100%	100%
Ast	100%	100%
Atlas	100%	100%
Bac	100%	100%
Bail	100%	100%
Bavi (no operation)	100%	100%
Bot	100%	100%
Br Outlet (no operation)	100%	100%
BR Retail	100%	90%
Brassul	100%	100%
Bud (no operation)	100%	100%
Cly	100%	100%
Cristal	-	100%
Delta	100%	100%
Eler	100%	100%
Energy	100%	100%
ERS	100%	100%
FII Top Center (no operation)	100%	100%
FIPARK	100%	100%
FLK	100%	100%
Fonte	100%	100%
GAX	100%	100%
GSB Administradora	100%	100%
GS Park	100%	100%
Indui	100%	100%
Ipark	100%	100%
Jauá (no operation)	100%	100%
MAI	100%	100%
Manzanza	100%	100%
Nova União	99.8%	99.8%
Palo (no operation)	100%	100%
Pentar	100%	100%
POL	100%	100%
Poli Shopping	100%	100%
Premium Outlet (no operation)	100%	100%
Rumb (no operation)	100%	100%
Sale	100%	100%
SB Bonsucesso	100%	100%
Send	100%	100%
Tela (no operation)	100%	100%
Tequs (no operation)	100%	100%
Uniplaza	100%	100%
Vanti (no operation)	100%	100%
Vide	100%	100%
Vul	100%	100%
Wass	100%	100%
XAR	100%	100%
Zuz	100%	100%

### 2.3. Investments in subsidiaries

The Company's investments in its subsidiaries are evaluated based on the equity method, according to CPC 18 (IAS 28), for the purposes of the Parent company's financial information.

Based on the equity method, the investment in subsidiaries is accounted for in the balance sheet of the parent company at cost, plus the changes after the acquisition of interest in the subsidiary.

The ownership interest in the subsidiaries is presented in the Company's income statement as equity accounting, representing the net income or loss assignable to the Parent Company's shareholders.

The interim financial information of the subsidiaries are prepared in the same reporting period as that of the Company. Where necessary, adjustments are made so that the accounting policies are in accordance with those adopted by the Company.

After applying the equity method of accounting, the Company determines whether it is necessary to recognize impairment on the Company's investment in its subsidiaries. The Company determines at each interim closing date whether there is objective evidence that the investment in a subsidiary suffered impairment. If so, the Company calculates the amount of the impairment as the difference between the recoverable amount of the subsidiary and its book value, and then it recognizes the amount in the income statement.

### 2.4. Presentation of information per segment

The information per operating segment is presented in a manner that is consistent with the internal report provided to the chief operating decision maker. The chief operating decision maker, in charge of allocating resources and assessing the performance of the operating segments, is represented by the CEO.

### 2.5. Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, other immediately liquid short-term investments at a known amount of cash and subject to an insignificant risk of having its value changed, which are recorded at cost plus yield earned up to the balance sheet dates, which do not exceed their market or realization value.

### 2.6. Financial instruments

#### **Recognition and Measurement**

Financial assets and liabilities are initially measured at fair value. The costs of the transactions that are directly attributable to the acquisition or issuance of financial assets and liabilities (except for financial assets and liabilities recognized at fair value in the Company's income statement) are increased by, or deducted from, the fair value of financial assets or liabilities, where applicable, after initial recognition. The transactions costs that are directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the income statement.

The Company's financial instruments are represented by cash and cash equivalents, accounts receivable, financial investments, accounts payable, perpetual bonds, loans and financing and derivative financial instruments.

### **Classification**

The financial instruments of the Company and its subsidiaries were classified under the following categories:

#### **a) Measured at fair value through profit or loss**

Financial assets measured at fair value through profit or loss are financial assets held for negotiation, when acquired for that purpose, mainly in the short term. Derivative financial instruments are also classified in this category. The assets of that category are classified in current assets. The balances referring to gains or losses arising from unsettled transactions are classified in current assets or liabilities and the changes in the fair value are respectively recorded in “Financial income” or “Financial expenses”.

#### **b) Loans and receivables**

Loans and receivables are non-derivative financial instruments with fixed or determinable payments or receipts, which are not listed in stock markets, are classified as current assets, except for those the maturity dates of which exceed 12 months after the date of the preparation of the financial information, which are classified as noncurrent assets. The Company's loans and receivables correspond to loans made to related parties, accounts receivable from clients, cash and cash equivalents, financial investments, and other accounts receivable.

#### **c) Financial liabilities**

Are bank loans and financing, and checking accounts balances held by related parties, except for the checking account balances all others are stated at original value, plus interest, inflation adjustments and translation adjustments incurred up to the dates of the financial information. Financial liabilities are initially measured at fair value, net of transaction costs. Later, they are measured at amortized cost using the effective interest rate method, and the financial expenses are recognized based on the effective yield.

### **2.7. Derivative financial instruments**

The Company has derivative financial instruments to manage its exposure to foreign exchange rate and interest rate risks. Explanatory Note 26 contains further and more detailed information on derivative financial instruments.

Derivatives are initially recognized at fair value on the date they are entered into and are later re-measured at fair value at the end of the fiscal year. Eventual gains or losses are immediately recognized in P&L.

When a derivative financial instrument is listed in a stock exchange, its fair value must be measured by means of valuations techniques based on stock market quotations, where the price used to calculate the fair value is the one at the closure of each month. For those cases of derivatives not listed, that is, over the counter, the fair value must be calculated by means of valuation methods at present value by discounted future cash flow method, and based on market information as of the last day of the month.

## 2.8. Impairment

Financial assets, except for those at fair value through profit or loss, are evaluated according to impairment indicators at the end of each year. Losses due to impairment are recognized when there is objective evidence of the impairment of the financial assets as a result of one or more events that have occurred after their initial recognition, with an impact on the estimated future cash flows of such assets.

The criteria that the Company and its subsidiaries use to determine whether there is objective evidence of impairment of financial assets include:

- significant financial difficulties of the issuer or debtor;
- agreement breach, such as default or the late payment of interest or the principal amount;
- likelihood of the debtor declaring bankruptcy or financial reorganization;
- the extinguishment of an active market for that financial asset by virtue of financial problems.

The book value of the financial assets is directly reduced due to impairment, except for accounts receivable where the book value is reduced due to the use of a provision. The subsequent recovery of amounts previously written off is credited to the provision. Changes in the book value of the provision are recognized in P&L.

## 2.9. Accounts receivable and related parties

Accounts receivable and related parties are initially recorded at the amounts invoiced on the basis of the lease agreements and of the services provided, adjusted by the effects arising from the recognition of revenue from rents on a straight-line basis calculated in accordance with the terms provided for in the agreements, including, where applicable, yield and inflation adjustment gains.

The allowance for doubtful accounts is created at an amount considered sufficient by Management to cover probable losses in the realization of accounts receivable, considering the following criterion: the individual analysis of debtors, regardless of the maturity dates, as described in Note 4. The expenses with the creation of an allowance for doubtful accounts were recorded in “General and administrative expenses ” in the income statement.

## 2.10. Investment properties

Investment properties are represented by land and buildings in shopping malls held for earn yield from rent and/or capital valuation, as disclosed in Explanatory Note 9.

Investment properties are initially recorded at acquisition or construction cost. After the initial recognition, the investment properties are presented at fair value, except for properties under construction (“greenfields”) and land for future expansion. Gains or losses from fair value variations of investment properties are included in the year’s statement of income in the fiscal year in which they are generated.

Properties held for investment construction (“greenfields”) are recognized by the construction cost up to the moment in which operations start or when the Company is able to measure the fair value of assets reliably.

The costs incurred relating to investment properties under use, such as maintenance, repairs, insurance and property taxes are recognized as costs in the income statement of the fiscal year to which they refer.

Investment properties are written off after disposal or when they are permanently withdrawn from use and there are not future economic benefits resulting from disposal. Any gains or losses resulting from the write off of the property (calculated as the difference between net revenues from disposal and the book value of the asset) is recognized in the income for the years in which the property is written off. For transactions in which the investment is realized under a co-venture regime, in which the amounts paid by the partner to the Company are held in liabilities as advance payments until the effective transfer of the risks and rewards of ownership of the asset (completion of construction), when the difference between the net amounts from disposal and book value amounts are recognized in Profit and Loss (P&L).

Financial charges with regard to loans and financing incurred during the construction period, where applicable, are capitalized.

#### 2.11. Fixed Assets

These are stated at acquisition cost. Depreciation is calculated on a straight-line basis at the rates described in Explanatory Note 10, which consider the estimated economic life-cycles of the assets.

Residual values and the life-cycles of the assets are annually reviewed and adjusted, if applicable.

An item of the fixed item is written off after disposal or when there is no any future economic benefit resulting from the continuous use of the asset. Any gains or losses on the sale or write off of an item of the fixed assets are determined by the difference between the amounts received on the sale and the book value of the asset and are recognized in P&L.

#### 2.12. Intangible

Intangible assets with definite useful lives, acquired separately, are recorded at cost, minus amortization and accumulated impairment losses. Amortization is recognized according to the straight-line method based on the estimated useful lives of the assets. The estimated useful life and the amortization method are reviewed at the end of each fiscal year and the effect of any changes in the estimates is accounted for, prospectively.

#### 2.13. Impairment of tangible and intangible assets

Items of the fixed assets, investment properties, intangible assets and other noncurrent assets are annually evaluated to identify evidence of impairment or whenever significant events or changes in the circumstances indicate that the book value might be impaired. When there is loss deriving from the situations in which the book value of the asset exceeds its recoverable amount, in this case defined by the value in use of the asset, using the discounted cash flow method, such loss is recognized in the income for the fiscal year. As of June 30, 2017 and 2016, there have been no evidences suggesting the assets would not be recoverable.

Investment properties are evaluated at fair value, changes in appraisal report values are recorded in the fiscal year's income statement.

#### 2.14. Other assets (current and noncurrent)

An asset is recognized in the balance sheet when it is a resource controlled by the Company deriving from past events and from which it is expected that future economic benefits will inure to the Company. Other current and noncurrent assets are stated at cost or realization value, including, where applicable, the yield and inflation and translation adjustments earned up to the dates the fiscal year are closed.

#### 2.15. Other liabilities (current and noncurrent)

A liability is recognized in the balance sheet when the Company has a legal or constructive obligation resulting from an event in the past and it is probable that an economic resource will be required to settle it. Other current and noncurrent liabilities are stated at known or calculable amounts, plus the corresponding charges and inflation and /or translation adjustments incurred up to the balance sheet date, where applicable.

#### 2.16. Provisions / Reserves

Provisions are recognized to present liabilities (either legal or presumed) resulting from past events in which it is possible to reliably estimate the amounts and the settlement of which is probable. The amount recognized as a provision is the best estimate of the considerations required to settle a liability at the end of each year, considering the risks and uncertainties pertaining to the liability.

#### 2.17. Provision for civil, tax, labor and social security risks

A provision for civil, tax, labor and social security risks is created for lawsuits, the future disbursement probabilities of which are considered probable by the legal advisors and Management of the Company and its subsidiaries, considering the nature of the lawsuits and the experience of Management with similar lawsuits, as described in Explanatory Note 18.

#### 2.18. Cost of loans – capitalization of interest

The financial charges of loans obtained that are directly linked to the acquisition, construction or production of investment properties in progress are capitalized and thus are part of the cost of the asset. The capitalization of such charges starts after the beginning of the preparation of an asset's construction or development activities and is interrupted soon after the beginning of its use or the end of its production or construction.

The costs of loans that are directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to be ready for use or sale, are added to the cost of such assets up to the date in which they are ready for the intended use or sale.

Gains on investments deriving from the temporary investment of resources obtained with specific loans not yet spent with the qualifying asset are deducted from the costs with loans that are entitled to be capitalized. All of the other costs with loans are recognized in the income for the year in which they are incurred.

#### 2.19. Current and deferred income tax and social contribution

The provision for income tax and social contribution is accounted for the actual and assumed profit regime and was established at the rate of 15%, plus the additional 10% rate on annual taxable income exceeding R\$ 240. Social contribution was calculated at the rate of 9% on the adjusted book profit.



As allowed by the tax legislation, certain subsidiaries included in the consolidated financial information chose to be taxed according to the presumed profit tax regime. The basis of calculation of income tax and social contribution is calculated at the rate of 32% on the gross revenues from services provided, 8% on the fair value adjustment and on sale of investment properties, 100% of financial revenues, on which the regular rate of 15% applies, plus the additional 10% for income tax and 9% for social contribution. For that reason, such consolidated companies did not record deferred income tax and social contribution assets on tax losses, negative bases and temporary differences and are not inserted in the context of non-cumulativeness in determining the Tax on Gross Revenues for the Social Integration Program (PIS) and the Tax on Gross Revenues for Social Security Financing (COFINS).

Deferred income tax and social contribution are recognized on the temporary differences arising from the differences between the tax bases of assets and liabilities and their book values in the financial information. Deferred income tax and social contribution are determined by using enacted, or substantially enacted, tax rates (and tax laws) at the balance sheet date, and must be applied when the respective deferred tax asset is realized or when the deferred tax liability is settled. The rates of these taxes, currently defined for the determination of such deferred credits, are 25% for income tax and 9% for social contribution.

## 2.20. Revenue recognition

Revenue from rents is recognized according to the straight-line method based on the duration of the agreements, taking into consideration the contractual readjustment and the collection of the 13<sup>th</sup> rent, and the revenue from services provided is recognized when the services are effectively provided.

Our revenues mainly come from the following activities:

### a) Rent

“Rent” refers to the lease of space to tenants and other commercial spaces such as sales stands and includes the lease of commercial spaces for publicity and promotion purposes. The lease of stores to tenants in shopping malls corresponds to the largest percentage of the Company’s revenues.

### b) Parking lots

“Parking lots” refers to the revenue from exploiting parking lots.

### c) Services

“Services” refers to revenue from managing energy and water supplies in the shopping malls.

#### **d) Revenues from the transfer of rights to be appropriated**

Revenues from the transfer of rights of use to tenants and usufruct of ideal fractions of the parking of Internacional Shopping, Shopping Bonsucesso, Parque Shopping Maia and Shopping Suzano are appropriated to P&L according with the respective term of the first lease agreement, or rights of use agreement, or the usufruct agreement.

#### **2.21. Investment property intended for sale**

When the Company is committed to a sale plan for disposal of a set of assets and liabilities available for immediate sale, these assets and liabilities are classified as assets and liabilities held for sale.

Noncurrent assets and liabilities held for sale are recorded in current, separate from other current assets and liabilities, and are evaluated by the lower amount between the book value and the fair value, minus the sale costs.

#### **2.22. Basic and diluted Profit/Loss by stock**

In compliance with Technical Standard CPC 41 (IAS 33), basic profit or loss per share is calculated by taking into account the income for the year and the weighted average of outstanding shares in the respective year. In the Company's case, the diluted profit or loss per share is equal to the basic profit or loss per share, once the Company does not have any potential dilutive common or preferred stock.

#### **2.23. Statement of Added Value**

The purpose of the statement of value added is to evidence the wealth created by the Company and how it is distributed during certain period of time and is presented by the Company, as required by the Brazilian corporate legislation as part of its individual financial information and as supplementary information to the consolidated financial information, for it is not a statement provided for nor compulsory according to the IFRS.

The Statement of Value Added was prepared based on information obtained from the accounting records that serve as the preparation basis of the interim financial information.

#### **2.24. Statement of Comprehensive Income (DRA)**

The Company is not presenting the statement of comprehensive income (DRA) due to the fact that there are no other comprehensive income in the quarterlies ended on June 30, 2017 and 2016.

#### **2.25. Use of estimates and critical judgment**

The preparation of the interim financial information according to the accounting practices adopted in Brazil and in conformity with the IFRS require Management to use estimates to record certain transactions that affect the assets, liabilities, revenues and expenses of the Company and of its subsidiaries, as well as the disclosure of information about the data in their interim financial information.

The estimates must be determined based on the best existing knowledge, as of the date of approval of the interim financial information, concerning ongoing events and transactions and according to the experience of past and / or current events.

The final results of such transactions and information, when they are effectively performed in subsequent periods, may differ from such estimates.

The main assumptions relative to sources of uncertainty in future estimates and other significant sources of uncertainties in estimates as of balance sheet date, involving a significant risk of causing a significant adjustment to the book value of assets and liabilities in the next financial period are discussed below:

**a) Fair value of investment properties**

The Company hired an external and independent appraisal firm that has renowned appropriate professional qualification in the region and in the type of property that is being appraised, to evaluate the Company's investment properties every year.

The fair values are based on the market values of investment properties and the estimated value at which a property could be exchanged on the date of the appraisal between the knowledgeable and interested parties in a transaction at arm's length. This calculation is based on a detailed inspection, including historic analysis, current situations, future perspectives, and location of investment properties appraised outside markets in general.

**b) Deferred income tax and social contribution**

The Company and its subsidiaries, when applicable, recognize deferred assets and liabilities based on the differences between the book value presented in the interim financial information and the tax base of the assets and liabilities using the rate in effect.

Deferred tax assets are recognized for all of the tax losses not used in the extent to which the Company has taxable temporary differences (deferred IRPJ and CSLL tax liabilities). Such losses refer to the Company that presents a history of losses that do not prescribe. Accumulated tax loss carry-forwards are restricted to the limit of 30% of the taxable income generated in a certain fiscal year.

Deferred income tax and social contribution on equity evaluations of investment properties are calculated according to the assumed profit system.

**c) Fair value of financial instruments**

When the fair value of financial assets and liabilities presented in the balance sheet cannot be obtained on active markets, it is determined by using valuation techniques, including the discounted cash flow method. The data for such methods are based on those practiced on the market, where possible; however, when that is not viable, a certain level of judgment is required to establish the fair value. Such judgment includes considerations about the data used, such as liquidity risk, credit risk and volatility. Changes in the assumptions about such factors could affect the fair value presented in the financial information.

**2.26. New standards, amendments and interpretations**

The International Accounting Standards Board (IASB) has published or amended the following accounting pronouncements, guidelines or interpretations, which must be adopted in subsequent periods:

### 2.26.1. Effective for periods beginning on or after January 1, 2018:

- IFRS 2 - Share-based payments - the amendments address areas involving measurement, classification and modification of terms and / or conditions of such transactions.
- IFRS 4 - Insurance contracts - the amendments address concerns about the adoption of IFRS 9.
- IFRS 9 - Financial Instruments (new pronouncement) - introduces new classification and measurement requirements for financial assets.
- IFRS 15 - Revenue from Contracts with Customers (new pronouncement) - establishes a single comprehensive model to be used by entities in accounting for revenues from contracts with customer.

### 2.26.2. Effective for periods beginning on or after January 1, 2019:

- IFRS 16 - Leases - establishes new lease accounting standards.

The Company has not adopted such pronouncements in advance and is still evaluating the possible impacts arising from the application of these new standards.

## 3. Cash and cash equivalents and financial investments

	Parent Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
<b>Cash and Banks</b>				
<b>In Brazilian Reais</b>				
Cash	14	14	47	47
Banks	5	21	1,443	3,402
<b>In US dólar</b>				
Banks (a)	-	-	93	127
	<b>19</b>	<b>35</b>	<b>1,583</b>	<b>3,576</b>
<b>Financial investments</b>				
<b>In Brazilian Reais</b>				
CDB (b)	2,145	2,027	15,878	7,494
Committed	-	-	23,692	40,008
Interest-bearing account	55	167	1,975	1,887
<b>Exclusive investment fund (c)</b>				
Cash	-	-	10	10
Investment funds	-	-	149	196
LFT	-	-	28,361	35
Financial Bonds	-	-	3,244	5,735
Committed	-	-	14,915	830
<b>Total investments</b>	<b>2,200</b>	<b>2,194</b>	<b>88,224</b>	<b>56,195</b>
<b>Total Cash and cash equivalents</b>	<b>2,219</b>	<b>2,229</b>	<b>89,807</b>	<b>59,771</b>
Current investments (d)	-	13,053	-	13,053
Non-current investments	-	-	1,537	1,469
<b>Total financial investments</b>	<b>-</b>	<b>13,053</b>	<b>1,537</b>	<b>14,522</b>

(a) On June 30, 2017, the total balance of cash and banks is of R\$ 1,583 (consolidated), whereas the amount of R\$ 93 is deposited in a checking account abroad is indexed to the US Dollar. As of December 31, 2016, from the total balance of R\$ 3,576 (consolidated), the amount of R\$ 127 was deposited in a checking account abroad is indexed to the US Dollar.;

(b) Resources invested in Bank Deposit Certificates (CDB) and Committed in banks Santander, Banif, and Itaú with average yield of 100% of CDI;

- (c) On June 30, 2017, the Exclusive Investment Fund portfolio is substantially composed of securities issued by Brazilian financial institutions and highly liquid federal government bonds, recorded at their realization values, which yield, on average 99.89% do CDI. Such fund does not have any significant obligations with third parties and such obligations are limited to asset management fees and other services inherent in fund transactions;
- (d) Funds invested in Real Estate Investment Fund.

Financial investments classified as cash and cash equivalents are investments that may be redeemed within 90 days, composed of highly liquid securities, convertible into cash and that have an insignificant risk of changes in value.

#### 4. Accounts Receivable

	Consolidated	
	06/30/2017	12/31/2016
Rentals receivable and others	92,560	98,252
Allowance for doubtful accounts	(26,259)	(24,656)
<b>Total</b>	<b>66,301</b>	<b>73,596</b>
Current	60,968	66,323
<b>Non-current</b>	<b>5,333</b>	<b>7,273</b>

The accounts receivable from clients are stated at the nominal values of the securities that represent the credits, including, where applicable, yields, inflation adjustments earned and effects arising from linearizing the revenue, calculated on a pro rata day basis up to the balance sheet date. Such nominal amounts correspond, approximately, to their respective present values because they are realizable within the short term.

The Company's maximum exposure to credit risk is the book value of the abovementioned accounts receivable. To mitigate such risk, the Company follows the practice of analyzing the types of collection (rents, services and other items), considering the average history of losses, Management periodically monitoring its clients' equity and financial position, establishing credit limits, analyzing credits that have been past due for more than 180 days and permanently monitoring their debit balance, among other practices. The client portfolio that has not been accrued refers to clients whose individual analysis of their financial position did not show that they would not be realizable.

In order to evaluate the quality of the credit of potential clients, the Company considers the following assumptions: the amount of the guarantee offered must cover at least 12 months of occupancy costs (rent, plus common charges and promotion funds, multiplied by 12); the guarantees accepted (properties, letter of guarantee, insurance, etc.); the good standing of the individuals and legal entities involved in the rental (partners, guarantors, debtors) and the use of SERASA as reference for consultations.

The provision movements transaction for doubtful account for the years ended on June, 30 2017 and December 31, 2016 is the following:

	Consolidated	
	06/30/2017	12/31/2016
<b>Balance at the beginning of the year</b>	<b>(24,656)</b>	<b>(17,943)</b>
Credits provisioned and written of in the period	(1,603)	(6,713)
<b>Balance at the end of the year</b>	<b>(26,259)</b>	<b>(24,656)</b>

The composition of the accounts receivable billed, per maturity period, is the following:

	Consolidated	
	06/30/2017	12/31/2016
<b>Falling due</b>	<b>50,362</b>	<b>56,073</b>
<b>Overdue</b>		
Up to 30 days	1,296	2,684
From 31 up to 60 days	1,620	1,474
From 61 up to 90 days	1,330	1,275
From 91 up to 180 days	4,842	4,133
Over 180 days	33,110	32,613
	<b>42,198</b>	<b>42,179</b>
<b>Total</b>	<b>92,560</b>	<b>98,252</b>

As of June 30, 2017, the amount of R\$ 6,851 in accounts receivable from clients (R\$ 7,957 as of December 31, 2016) is overdue for more than 180 days, but no provision has been made for it. The Company understands that the other past due amounts have been duly negotiated with the clients and there have not been any significant changes in the quality of their credit, and the amounts are considered recoverable.

#### 5. Taxes recoverable

	Parent Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
IRRF Recoverable	67	34	514	460
Withholding Income Tax (IRRF) on investment	23	27	10,923	10,792
Services Tax (ISS)	-	-	125	950
PIS and COFINS recoverable	1	10	486	364
Income Tax – anticipation	1,303	1,303	2,176	2,027
Social contribution - anticipation	467	468	812	775
Other taxes recoverable	-	-	504	214
<b>Total</b>	<b>1,861</b>	<b>1,842</b>	<b>15,540</b>	<b>15,582</b>
Current	1,861	1,842	11,459	11,275
<b>Non-current</b>	<b>-</b>	<b>-</b>	<b>4,081</b>	<b>4,307</b>

## 6. Other accounts receivable

	Parent Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Insurance expenses to record	86	19	225	73
Suppliers advances	19	11	3,104	4,220
Advance of labor benefits	41	54	56	59
Expenses to record	101	7	670	7
Other costs and expenses to record	456	22	456	22
Accounts receivable from other enterprises	-	-	6,945	11,494
Commissions to be apportioned	-	-	3,197	3,880
Dividends Receivable	-	6,433	-	-
Other Accounts Receivable	1,769	2,321	892	1,148
<b>Total</b>	<b>2,472</b>	<b>8,867</b>	<b>15,545</b>	<b>20,903</b>
Current Assets	2,472	7,867	15,115	19,214
<b>Non-current assets</b>	<b>-</b>	<b>1,000</b>	<b>430</b>	<b>1,689</b>

## 7. Related Parties transactions

### a) Balances and transactions with related parties

During the course of the Company's business, the shareholders, the subsidiaries and the civil condominiums (jointly-owned properties) enter into financial and commercial transactions among themselves, which include: **(i)** the provision of consulting services and operating assistance relating to the supply of water and energy and to the electrical installations; **(ii)** management of shopping malls; **(iii)** management of shopping mall parking lots; **(iv)** commercial lease agreements; and **(v)** agreements and decisions made with respect to condominium rules.

Generally speaking, all of the terms and conditions of the agreements entered into by and between the Company and related parties are in accordance with the terms and conditions that are usually adopted in loan agreements on commutative and market bases, as if the loan occurred with a non-related party, except for the balance of current account agreements on which financial charges are not levied.

Management individually negotiates agreements with related parties, analyzing their terms and conditions in the light of the terms and conditions usually adopted in the market, the particularities of each transaction, including timeframes, amounts, compliance with quality standards, thus having the agreement with the related party reflect the option that best meets the interests of the Company with respect to timeframes, amounts and quality conditions, when compared with other similar providers.

The balances as of June 30, 2017 and December 31, 2016, in the Parent Company, are presented in following:

	Parent Company	
	06/30/2017	12/31/2016
<b>Assets</b>		
General Shopping Finance (a)	1,933	1,933
General Shopping Investments (a)	11,629	11,481
Levian (b)	13,349	-
Securis (b)	23,254	26,721
Others	3,309	2,750
<b>Total</b>	<b>53,474</b>	<b>42,885</b>

	Parent Company	
	06/30/2017	12/31/2016
<b>Liabilities</b>		
Levian (b)	166,971	168,142
<b>Total</b>	<b>166,971</b>	<b>168,142</b>

- (a) They refer to costs to issue perpetual bonds paid by the Company;
- (b) They refer to the other loans on which no financial charges are levied and which have no maturity dates.

The balances as of June 30, 2017 and December 31, 2016, in the consolidated, are the following:

	Consolidated	
	06/30/2017	12/31/2016
<b>Assets</b>		
Condomínio Civil Suzano Shopping Center (c)	-	200
Condomínio Unimart Campinas (c)	487	487
Condomínio Outlet Premium SP (c)	-	22
BR Partners Bahia Empreendimentos Imob.	149	149
Condomínio Outlet Premium RJ (c)	2,009	2,385
Condomínio Outlet Premium Brasília (c)	2,466	2,546
Condomínio do Vale (c)	1,356	1,206
Condomínio ASG (c)	-	568
Condomínio Barueri (c)	316	316
Condomínio Bonsucesso (c)	2,721	2,945
Condomínio Parque Shop Sulacap (c)	3,189	3,243
Condomínio Volunt. Civil Parque Shop Maia (c)	4,914	5,667
Fundo de Investimento Imobiliário Sulacap – FII	653	653
Golf Participações Ltda. (a)	26,434	24,900
Tenants	9,007	6,468
Nova Poli Shopping Center	102	102
Individuals (c)	1,780	1,780
PNA Empreendimentos Imobiliários Ltda.	146	146
Others (c)	174	170
<b>Total non-current</b>	<b>55,903</b>	<b>53,953</b>

	Consolidated	
	06/30/2017	12/31/2016
<b>Liabilities</b>		
SAS Venture LLC (b)	22,862	23,285
Others (c)	1,740	1,463
<b>Total current</b>	<b>24,602</b>	<b>24,748</b>
Namport Holdings S.A (d)		24,017
<b>Total -related parties</b>	<b>24.602</b>	<b>48,765</b>

- (a) The loan to the controlling shareholder is subject to financial charges of 1% per month. There is no timeframe to receive it;
- (b) Upon ownership reorganization, the capital stock of the subsidiary “Park Shopping Administradora” was reduced and has been being returned to the then shareholder SAS Ventures LLC, in equal, semi-annual installments, since September 14, 2007;



- (c) On the other loans no financial charges are levied and there are no maturity dates set forth;
- (d) Nampont subscribed and paid on October 28, 2015 all 20 debentures of Cristal Administradora e Incorporadora S.A., according to the Explanatory Note number 12 (o).

## b) Management compensation

On the quarterlys ended June 30, 2017 and 2016, the Company paid its managers short-term benefits (salaries, wages, contributions to social security, profit sharing and medical insurance) in the amount of R\$ 2,945 and R\$ 2,704, respectively, as evidenced below:

	Consolidated	
	06/30/2017	06/30/2016
Director's fees	1,914	2,120
Variable compensation and charges	383	424
Benefits	648	160
<b>Total</b>	<b>2,945</b>	<b>2,704</b>

No amount was paid by way of: (i) post-employment benefits (pensions, other retirement benefits, post-employment life insurance and post-employment medical assistance); (ii) long-term benefits (leaves due to years of service or other leaves, jubilees or other benefits for years of service and benefits for long-term disability); and (iii) share-based compensation.

In the Ordinary and Extraordinary General Shareholders' Meeting held on March 13, 2017, the global remuneration of R\$ 12,450 for fiscal year 2017 (R\$ 11,615 for fiscal year 2016) was approved.

## 8. Investments

	% – Interests	Stocks /share quantity held	Share Capital	Profit (loss) of the year	Net worth (unsecured liabilities)	Results from equity adjustment	Balances of Investments	
							06/30/2017	12/31/2016
<b>Direct Subsidiaries - Investments</b>								
Levian	72.49	486,650,597	671,323	(60,621)	1,350,286	(43,945)	839,030	882,975
Securis	30.51	13,424,400	144,230	96,108	792,877	29,319	160,146	130,827
GS Investments	100	50,000	-	18,288	254,551	18,288	100,317	82,029
GS Finance II	100	50,000	81	(2)	43	(1)	43	44
			<b>815,634</b>	<b>53,773</b>	<b>2,397,757</b>	<b>3,661</b>	<b>1,099,536</b>	<b>1,095,875</b>
<b>Provision for losses on Investment Holdings</b>								
General								
Shopping								
Finance	100	50,000	81	(50,733)	(82,114)	(50,733)	(84,078)	(33,345)
			<b>81</b>	<b>(50,733)</b>	<b>(82,114)</b>	<b>(50,733)</b>	<b>(84,078)</b>	<b>(33,345)</b>
<b>Net Balance</b>			<b>815,715</b>	<b>3,040</b>	<b>2,315,643</b>	<b>(47,072)</b>	<b>1,015,458</b>	<b>1,062,530</b>

	% - Interests	Stocks /share quantity held	Share Capital	Profit (loss) of the year	Net worth (unsecured liabilities)
<b>Indirect Subsidiaries - Levian</b>					
ABK	99.70%	130,343,463	130,343	(2,093)	133,209
Atlas	100%	3,816,399	3,816	12,940	66,372
Bac	100%	10,000	10	1	(14,632)
Bot	100%	51,331,650	51,332	151	65,403
BR Outlet	100%	10,000	10	(3)	(10)
Brassul	100%	25,630,617	25,631	228	65,984
Bud	100%	10,000	10	-	(1)
Cly	100%	10,000	10	20,115	674,822
Delta	100%	72,870,112	72,870	37	70,052
FIPARK	100%	-	-	1168	585
FLK	100%	12,686,271	12,686	776	46,472
Fonte	100%	56,833,764	224,098	(2,038)	102,336
Jauá	100%	10,000	10	1	27
MAI	100%	1,409,558	1,410	(5)	1,591
Manzanza	100%	21,078,331	21,078	(35)	19,233
Nova União	100%	4,332,000	4,332	3,508	66,844
POL	100%	58,921,553	58,922	31	51,410
Poli	100%	596,608	425	(54)	13,965
Premium Outlet	100%	10,000	10	(1)	4
Sale	100%	14,702,069	14,702	299	66,446
Securis	15.3%	18,172,960	144,230	96,108	792,877
Send	100%	288,999,513	289,000	(109,397)	343,086
Uniplaza	100%	42,948,318	42,948	(111,049)	30,079
Vul	100%	350,689,894	350,690	(7,323)	153,731
Zuz	100%	58,139,780	58,140	1,061	93,274

	% - Interests	Stocks /share quantity held	Share Capital	Profit (loss) of the year	Net worth (unsecured liabilities)
<b>Indirect Subsidiaries – Atlas</b>					
Alte	100%	50,000	50	4	(1,773)
ASG Administradora	100%	20,000	20	21	77
Ast	100%	1,497,196	1,497	1,123	4,139
BR Brasil Retail	90%	100	-	(83)	(3,708)
Energy	100%	10,000	10	4,368	35,291
GS Park	100%	10,000	10	310	442
GSB Administradora	100%	1,906,070	1,906	4,260	35,672
Ipark	100%	3,466,160	3,466	220	30,865
Vide	100%	10,000	10	(8)	(215)
Wass	100%	10,000	10	2,437	20,084

	% - Interests	Stocks /share quantity held	Share Capital	Profit (loss) of the year	Net worth (unsecured liabilities)
<b>Indirect subsidiaries - GS</b>					
<b>Investments</b>					
Andal	100%	5,068,000	5,068	2,495	183,200
Ardan	100%	10,000	10	(1)	7
Bail	100%	10,000	10	(40)	631
Bavi	100%	10,000	10	(3)	(24)
Cristal	100%	10,000	10	(804)	(804)
Eler	100%	10,000	10	(11,008)	227,860
ERS	100%	29,597,841	29,598	(2,096)	(26,423)
Fil Top Center	100%	11,673,778	11,758	(63)	(57)
GAX	100%	10,000	10	2,071	63,677
Indui	100%	10,000	10	545	57,333
Palo	100%	10,000	10	-	10
Pentar	100%	10,000	10	110,958	110,966
Rumb	100%	10,000	10	(1)	6
SB Bonsucesso	100%	93,292,158	93,292	675	188,438
Securis	15.30%	18,172,960	144,230	96,108	792,877
Telo	100%	10,000	10	-	10
Tegus	100%	10,000	10	(1)	6
Vanti	100%	10,000	10	(1)	6
XAR	100%	786,849	787	2,966	(16,596)

The changes for the quarterly ended on June 30, 2017 are the following:

<b>Balances on December 31, 2016</b>	<b>847,556</b>
Increase in investment in subsidiary	9,545
Equity accounting results	205,429
<b>Balances on December 31, 2016</b>	<b>1,062,530</b>
Equity accounting results	(47,072)
<b>Balances on June 30, 2017</b>	<b>1,015,458</b>

## 9. Investment property

	In operation	Consolidated "Greenfields" projects under construction (i)	Total
<b>Balances on December 31, 2015</b>	<b>2,614,272</b>	<b>206,690</b>	<b>2,820,962</b>
Acquisition / Additions	94,955	4,819	99,774
Capitalized financial charges	-	2,931	2,931
Alienation (ii)	(13,500)	-	(13,500)
Transfer to operation	8,080	(8,080)	-
Adjustments to fair value (iii)	59,223	-	59,223
<b>Balances on December 31, 2016</b>	<b>2,763,030</b>	<b>206,360</b>	<b>2,969,390</b>
Acquisition / Additions	21,073	-	21,073
Disposal (iv)	-	(19,962)	(19,962)
Transfer to Capital Assets	(7,693)	-	(7,693)
<b>Balances on June 30, 2017</b>	<b>2,776,410</b>	<b>186,398</b>	<b>2,962,808</b>

- (i) Land for future construction and construction in progress.
- (ii) Alienation of 100% of Poli Shopping Osasco;
- (iii) Amounts recognized in income for the year;
- (iv) Disposal of lands.

Investment properties given to guarantee loans are described in Explanatory Notes 12 and 13

### Evaluation at fair value

The fair value of each investment property in operation was determined by the appraisal performed by a specialist independent firm (CB Richard Ellis).

The methodology adopted to appraise such investment properties at fair value is the one prescribed by The Royal Institution of Chartered Surveyors (R.I.C.S.), in Great Britain, and by the Appraisal Institute in the United States, which are internationally used and well known for appraisal cases and other analyses.

All of the calculations are based on the physical qualification analysis of the property studied and on the several pieces of information obtained in the market, which are properly treated to be used in determining the value of the undertaking.

For the appraisals, ten-year cash flows were prepared, not considering the inflation that might exist in that period. The average discount rate applied to the cash flow was 11.22% and the average capitalization rate (perpetuity) adopted in the 10th year was 8.47%.

## 10. Fixed Assets

	% - deprecia- tion rate	Parent Company					
		06/30/2017			12/31/2016		
		Cost	Accumulated Depreciation	Net amount	Cost	Accumulated Depreciation	Net amount
Buildings	2 to 4	587	(190)	397	587	(178)	409
Furniture and fixtures	8 to 15	522	(234)	288	522	(216)	306
Machinery and equipment	8 to 15	1,410	(654)	756	1,410	(585)	825
Computers and Peripherals	15 to 25	1,392	(1,180)	212	1,352	(1,086)	266
Improvements on third parties properties	8 to 15	687	(240)	447	687	(210)	477
Suppliers advances	-	308	-	308	11,968	-	11,968
<b>Total</b>		<b>4,906</b>	<b>(2,498)</b>	<b>2,408</b>	<b>16,526</b>	<b>(2,275)</b>	<b>14,251</b>

	% - depreciation rate	Consolidated					
		06/30/2017			12/31/2016		
		Cost	Accumulated Depreciation	Net amount	Cost	Accumulated Depreciation	Net amount
Buildings	2 to 4	1,595	(1,197)	398	3,890	(1,151)	2,739
Furniture and fixtures	8 to 15	8,053	(4,461)	3,592	8,051	(4,072)	3,979
Machinery and equipment	8 to 15	2,714	(960)	1,754	2,897	(885)	2,012
Vehicles	15 to 25	143	(108)	35	143	(102)	41
Computers and Peripherals	8 to 15	3,132	(2,736)	396	3,056	(2,598)	458
Improvements on third parties properties	8 to 15	7,070	(5,715)	1,355	7,342	(5,560)	1,782
Suppliers advances	-	496	-	496	4,247	-	4,247
<b>Total</b>		<b>23,203</b>	<b>(15,177)</b>	<b>8,026</b>	<b>29,626</b>	<b>(14,368)</b>	<b>15,258</b>

Changes to Fixed assets, as show subsequently, for the quarterly ended on June 30, 2017:

	Parent Company				
	12/31/2016	Additions	Write-off	Depreciation	06/30/2017
Buildings	409	-	-	(12)	397
Furniture and fixtures	306	-	-	(18)	288
Machinery and equipment	825	-	-	(69)	756
Computers and Peripherals	266	40	-	(94)	212
Improvements on third parties properties	477	-	-	(30)	447
Suppliers advances	11,968	-	(11,660)	-	308
<b>Total</b>	<b>14,251</b>	<b>40</b>	<b>(11,660)</b>	<b>(223)</b>	<b>2,408</b>

	Consolidated					
	12/31/2016	Additions	Write-off	Depreciation	Transfer PPI	06/30/2017
Buildings	2,739	-	(2,328)	(46)	33	398
Furniture and fixtures	3,979	2	-	(389)	-	3,592
Machines, devices and equipment	2,012	2	(66)	(75)	(119)	1,754
Vehicles	41	-	-	(6)	-	35
Computers and Peripherals	458	76	-	(138)	-	396
Improvements on third parties properties	1,782	-	(77)	(155)	(195)	1,355
Suppliers advances	4,247	-	(11,725)	-	7,974	496
<b>Total</b>	<b>15,258</b>	<b>80</b>	<b>(14,196)</b>	<b>(809)</b>	<b>7,693</b>	<b>8,026</b>

## 11. Intangible

		Parent Company					
		06/30/2017			12/31/2016		
	% - Amortization rate						
		Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Undefined Useful Life							
Trademarks and patents		397	-	397	389	-	389
Defined Useful Life							
Software	20	18,836	(13,402)	5,434	18,787	(12,250)	6,537
Total		19,233	(13,402)	5,831	19,176	(12,250)	6,926

		Consolidated 06/30/2017			
	% - Amortization rate	Cost	Accumulated amortization	Net amount	
Undefined Useful Life					
Trademarks and patents		-	4,065	-	4,065
Defined Useful Life					
Software	20	21,468	(15,211)	6,257	
Use right of Shopping Suzano (a)	1,67	4,505	(555)	3,950	
Agreements Renewal Right (b)	10	7,970	(3,821)	4,149	
Total		38,008	(19,587)	18,421	

		Consolidated 12/31/2016			
	% - Amortization rate	Cost	Accumulated amortization	Net amount	
Undefined Useful Life					
Trademarks and patents		-	4,013	-	4,013
Defined Useful Life					
Software	20	21,397	(13,956)	7,441	
Use Right of Shopping Suzano (a)	1,67	4,505	(555)	3,950	
Agreements renewal right (b)	10	7,970	(3,424)	4,546	
Total		37,885	(17,935)	19,950	

- (a) On July 30, 2012, the Company pledged to pay to the Municipal Government of Suzano the amount of R\$ 4,505 for property right use with charges of an area totaling 11,925.71 m<sup>2</sup> in the City of Suzano/SP to set up shopping malls. Such right has a 60-year term and is amortized over that period on a straight-line basis;
- (b) By means of an appraisal report, we identified as an intangible asset with definite useful life, arising from the acquisition of 100% of the shares of SB Bonsucesso Administradora de Shopping S.A., the right to renew contracts (contract management), which refers to the automatic renewal of lease contracts of the tenants of Shopping Bonsucesso. The method used was the discounted cash flow method with a 10-year useful life span.

The changes in Intangible Assets for the quarterly ended on June 30, 2017 is the following:

Parent Company						
	Useful life term	Amortization method	12/31/2016	Additions	Amortization	06/30/2017
<b>Undefined Useful Life</b>						
Trademarks and patents	-	-	389	8	-	397
<b>Defined Useful Life</b>						
Software	5 years	straight line	6,537	49	(1,152)	5,434
<b>Total</b>			<b>6,926</b>	<b>57</b>	<b>(1,152)</b>	<b>5,831</b>

Consolidated						
	Useful life term	Amortization Method	12/31/2016	Additions	Amortization	06/30/2017
<b>Undefined Useful Life</b>						
Trademarks and patents	-	-	4,013	52	-	4,065
<b>Defined Useful Life</b>						
Software	5 years	straight line	7,441	71	(1,255)	6,257
Right to use Shopping Suzano	60 years	straight line	3,950	-	-	3,950
Agreements renewal right	10 years	straight line	4,546	-	(397)	4,149
<b>Total</b>			<b>19,950</b>	<b>123</b>	<b>(1,652)</b>	<b>18,421</b>

## 12. Loans and Financing

	Currency	%— Contractual Rates p.a.	Maturity	Consolidated	
				06/30/2017	12/31/2016
Loans and Financing					
Perpetual credit bonds (a)	U\$	10%	-	550,772	542,597
Perpetual credit bonds (b)	U\$	12%	-	489,409	457,441
Debt Bonus (b)	U\$	10%/12%	2026	30,667	30,212
Banco Nacional de Desenvolvimento Econômico e Social (BNDES) PINE FINAME (c)	R\$	9%	2019	392	480
Banco Nacional de Desenvolvimento Econômico e Social (BNDES) BRADESCOFINEM (f)	R\$	6.5% + TJLP	2017	-	5,304
Banco Nacional de Desenvolvimento Econômico e Social (BNDES) Bradesco FINEM (g)	R\$	5.5% + Selic	2017	-	3,610
Banco Nacional de Desenvolvimento Econômico e Social (BNDES) Bradesco FINEM (m)	R\$	6.8% + TJLP	2021	31,373	34,952
Banco Nacional de Desenvolvimento Econômico e Social (BNDES) Bradesco FINEM (n)	R\$	6.8% + Selic	2021	17,870	18,943
Banco BRADESCO(d)	R\$	3.2% + CDI	2017	-	1,413
BBM – CCB (l)	R\$	8.085% + CDI	2017	-	584
Debentures – SB Bonsucesso (e)	R\$	2.7% + CDI	2022	20,903	22,891
Debentures – SB Bonsucesso (e)	R\$	7.5% + IPCA	2022	30,067	29,281
Debentures – Cristal (o)	R\$	2.5% + CDI	2017	-	24,017
Banco Nordeste do Brasil (h)	R\$	3.53%	2025	18,091	19,224
Banco Itaú - FINEM (i)	R\$	5.3% + TJLP	2020	16,524	18,842
Banco Itaú – FINEM (j)	R\$	4.6% + SELIC	2020	5,215	5,660
Banco Itaú – FINEM (k)	R\$	3.5%	2020	562	643
Total				1,211,845	1,216,094
Current Liabilities				39,046	73,473
Non-current liability				1,172,799	1,142,621

- (a) On November 9, 2010, the subsidiary General Shopping Finance obtained, by issuing perpetual bonds, the amount of US\$ 200,000 corresponding to R\$ 339,400, as of the date it was obtained. The perpetual bonds are denominated in US dollars, with quarterly payments of interest at the rate of 10% per year. General Shopping Finance has the option to repurchase the perpetual bonds as from November 9, 2015. According to the perpetual bond issue prospect, the funds obtained are intended for the advance settlement of the CCI and for investing in “Greenfields” and expansions. All of the subsidiaries, except for GSB Administradora, ASG Administradora and FII Top Center, have given sureties to guarantee the transaction. The cost of issue of the perpetual bonds was R\$ 11,483 and the effective cost of the transaction totaled 10.28%.

On April 19, 2011, the subsidiary General Shopping Finance obtained, by issuing perpetual bonds, the amount of US\$ 50,000 corresponding to R\$ 78,960, as of the date it was obtained. The perpetual bonds are denominated in US dollars, with quarterly payments of interest at the rate of 10% per year. General Shopping Finance has the option to repurchase the perpetual bonds as from November 9, 2015. All of the subsidiaries, except for GSB Administradora, ASG Administradora and FII Top Center, have given sureties to guarantee the transaction. The cost of issue of the perpetual bonds was R\$ 758 and the effective cost of the transaction totaled 10.28%.

On October 27, 2015, part of the “Perpetual Bonds” were repurchased for US\$ 85,839 corresponding to R\$ 335,750 on the date of repurchase.

- (b) On March 20, 2012, the subsidiary GS Investments Limited obtained, by issuing perpetual bonds, the amount of US\$ 150,000 corresponding to R\$ 271,530, as of the date it was obtained. The perpetual bonds are denominated in US dollars, with interest of 12% per year paid every six months up to the 5th year counting from the date of issue, after the 5th year through the 10th year counting from the date of issue, 5 Year US Treasury Constant Maturity plus 11.052% per year, paid every six months, and from the 10th year onwards, USD LIBOR rate for three months plus 10.808% and 1% paid every quarterly. The Company will be able to opt to defer interest, indefinitely on the deferred amounts will bear interest at the applicable rate indicated above, plus 1% per annum. In any deferral of interest, the Company should distribute only the equivalent of 25% net profit for the mandatory minimum dividend provided for in Brazilian legislation. GS Investments Limited may totally or partially redeem the bonds at its own discretion in the 5th year counting from the date of issue, in the 10th year counting from the date of issue, and at each interest payment date after then. The bonds will be guaranteed by the sureties from General Shopping and from the following subsidiaries: General Shopping do Brasil S.A., Ast Administradora e Incorporadora Ltda., BOT Administradora e Incorporadora Ltda., BR Outlet Administradora e Incorporadora Ltda., Brassul Shopping Administradora e Incorporadora Ltda., Bud Administradora e Incorporadora Ltda., Cly Administradora e Incorporadora Ltda., Delta Shopping Empreendimentos Imobiliários Ltda., ERS Administradora e Incorporadora Ltda., FLK Administradora e Incorporadora Ltda., Intesp Shopping Administradora e Incorporadora Ltda., I Park Estacionamentos Ltda., Levian Participações e Empreendimentos Ltda., MAI Administradora e Incorporadora Ltda., Manzanza Consultoria e Administração de Shopping Centers Ltda., Poli Shopping Center Empreendimentos Ltda., PP Administradora e Incorporadora Ltda., Premium Outlet Administradora e Incorporadora Ltda., Sale Empreendimentos e Participações Ltda., Securis Administradora e Incorporadora Ltda., Send Empreendimentos e Participações Ltda., Sulishopping Empreendimentos Ltda., Uniplaza Empreendimentos, Participações e Administração de Centros de Compra Ltda., Vide Serviços e Participações Ltda., Vul Administradora e Incorporadora Ltda., and Zuz Administradora e Incorporadora Ltda. The cost of issue of the perpetual bonds was R\$ 12,581.

There are no financial covenants in the perpetual bond issue transactions. The covenants refer to: (i) the limitation of encumbrances on the assets (except for the encumbrances allowed, including the BNDES financing, the refinancing of existing transactions and certain securitizations, among others), where the proportion of the non-encumbered assets/unsecuritized debts should be maintained *pari passu* with the conditions given to encumbered assets/securitized debts; (ii) limitation of sale and lease-back transactions concerning current assets with maturity exceeding three years, under the same conditions of (i) above and (iii) limitation of transactions with affiliates, building in, merging, or transferring of assets.

On August 10, 2016, the amount of US \$ 34,413 was settled in the exchange offer. For this operation, new perpetual senior debt bonds were issued in the amount of US \$ 8,923 with guarantee and maturity in 2026 (10% / 12% Senior Secured PIK Toggle Notes due 2016) and 34,413 Global Depositary Share (GDS) as the Issued by the Company in the proportion of 73 common shares for each 1 GDS, totaling 2,512,149 common shares. The Perpetual Bonds that were exchanged under the Exchange Offer were canceled;

- (c) Financing obtained during the last quarterly of 2011 for the acquisition of equipment to build Parque Shopping Barueri through the FINAME line of credit of the BNDES in the amount of R\$ 937 and the rate of 8.7% per year. In January 2012, R\$ 105 was added to the existing agreement. The duration of the agreement is 96 months, with a grace period of 24 months and 72 months of amortization;

- (d) On June 13, 2012, the amount of R\$ 11,400 plus charges of 100% of the changes in the CDI rate, plus 3.202% interest per year was obtained through a Bank Credit Bill from Banco Bradesco. The agreement duration is 60 months, with a grace period of 12 months for the payment of the principal and the payment of quarterly interest.

As disclosed in Note 26, the Company entered into swap instrument against interest rate risks. Thus, the active index edge is denominated at the CDI rate plus 3.202% per year. However, the passive index edge is denominated at the IPCA rate plus 7.590% per year. The net effect of the debt considering the derivative financial instrument entered into produces the same effect as that of the changes in the IPCA rate plus 4.453% interest per year. Operation settled in advance in March 2017;

- (e) On October 26, 2012, the Debenture Trust Deed of the 1<sup>st</sup> issue of unsecured bonds SB Bonsucesso Administradora de Shoppings S.A, not convertible into shares, with additional security interest and personal guarantee, into two types (DI and IPCA) for public distribution with restricted placement efforts, was signed. The total amount of the debentures is R\$ 78,000, debts in the DI series of R\$ 39,000 with the rate of 2.75% per year + CDI rate, with monthly amortization of the principal and interest and a total duration of 120 months. The IPCA series in the amount of R\$ 39,000 has a 7.5% rate per year + IPCA, with monthly payments and annual amortization and a total 10 years term (120 months);

- (f) On October 30, 2012, R\$ 13,685 was released by means of a FINEM/BNDES financing transaction. Such transaction was performed by Banco Bradesco, at the rate of 6.5% per year + TJLP with total duration of 60 months, where 12 months refer to the grace period and 48 months refer to amortization. Operation settled in April 2017.

As disclosed in Note 26, the Company entered into swap instrument against interest rate risks. Thus, the active index edge is denominated at 6.5% per year + TJLP. However, the passive index edge is denominated at IPCA plus 6.9% per year. The net effect of the debt considering the derivative financial instrument entered into produces the same effect as that of the changes in the IPCA rate plus 4.319% interest per year. Operation settled in April 2017;

- (g) On October 30, 2012, the amount of R\$ 10,264 with charges of 100% of the changes in the CDI rate plus 5.5% interest per year was obtained through Bank Credit Bill from Banco Bradesco. The duration of the agreement is 60 months, with a 12-month grace period to pay the principal and to pay the quarterly interest.



As disclosed in Note 26, the Company entered into swap instrument against interest rate risks. Thus, the active index edge of the derivative instrument is denominated at 100% of the changes in the CDI rate plus 5.5% per year. However, the passive index edge is denominated at IPCA plus 7.97% per year. The net effect of the debt considering the derivative financial instrument entered into produces the same effect as that of the changes in the IPCA rate plus 6.456% of interest per year. Operation settled in April 2017;

- (h) On November 13, 2013, the amount of R\$ 15,344 was obtained through Brazilian Northeast Fund of Financing (FNE) from Banco do Nordeste do Brasil S.A, another R\$ 7,942 was released in December 30, 2013 and R\$ 1,910 in August 19, 2016, totaling R\$ 25,196 at the rate of 3.53% interest per year. The duration of the agreement is 139 months;
- (i) On February 24, 2014, R\$ 28,009 was released. On April 23, 2014, R\$ 199 was released, totalizing the amount of R\$ 28,208. These amounts were obtained by means of a FINEM/BNDES financing transaction. Such transaction was performed by Banco Itaú BBA S.A., at the rate of 5.3% per year + TJLP with total duration of 84 months, where 12 months refer to the grace period and 72 months refer to amortization;
- (j) On February 24, 2014, R\$ 7,002 was released. On April 24, 2014 R\$ 50 was released, totalizing the amount of R\$ 7,052. These amounts were obtained by means of a FINEM/BNDES financing transaction. Such transaction was performed by Banco Itaú BBA S.A., at the rate of 4.6% per year + SELIC with total duration of 84 months, where 12 months refer to the grace period and 72 months refer to amortization;
- (k) On April 22, 2014, R\$ 985 was raised through the financing operation under FINEM/BNDES program. This operation was carried out by Banco Itaú BBA S/A at 3.5% rate per annum and has 83 months term as follows 11 months grace period and 72 months amortization.
- (l) On August 29, 2014, the amount of R\$ 12,000 was obtained by issuing a Bank Credit Bill from Banco BBM S.A. at the rate of 7.122% interest per year and changes in the CDI rate. The duration of the agreement is 12 months, where 3 months refer to the grace period. Transaction settled in August 2015. On July 13, 2015, R\$ 9,300 was raised at 8.085 rate per year + CDI. The agreement term is 18 months, which has 2 months grace period. Operation settled in advance in March 2017;
- (m) On November 25, 2014, R\$ 25,900 was released, R\$ 9,100 was released on March 11, 2015, R\$ 7,700 was released on May 18, 2015, R\$ 1,494 was released on July 28, 2015, totaling the amount of R\$ 44,194. Such amounts were raised through the financing operation under FINEM/BNDES program. This operation was carried out by Banco Bradesco, at 6.8% rate per annum. + TJLP and it has a total 84 months term, which has 12 months grace period and 72 months amortization.
- (n) On November 25, 2014 were transferred R\$ 11,100, on March 11, 2015, R\$ 3,900, was released, R\$ 3,300 was released on May 18, 2015, R\$ 640 was released on July 28, 2015, totaling the amount of R\$ 18,940. These amounts were raised through a financing operation transacted in modality FINEM/ BNDES. This operation was transacted by Banco Bradesco, at the rate of 6.8% p.a. + SELIC for the total period of 84 months, 12 of grace period and 72 months of amortization.;
- (o) On October 28, 2015, Private Deed of the 1st simple debentures issue, not convertible into stocks, unsecured with surety, for public distribution in kind (DI) of Cristal Administradora e Incorporadora S.A. The total debentures amount is R\$ 20,000, at 2.50% rate per annum. + CDI and biannual interest payment and principal amortization on 10/28/2017. Operation settled on June 28, 2017, through the transfer of the shares of Cristal Administradora and Incorporadora S / A, by the value of the capital stock, to America Shopping Administradora e Incorporadora Ltda.

The agreements do not provide for the maintenance of financial indicators (borrowing rate, coverage of expenses with interest etc.).

The composition of the installments as of June 30, 2017, by year of maturity, is composed in the following manner:

	Consolidated
<b>Year</b>	
2017	26,963
2018	29,521
2019	29,477
2020	28,805
2021 onwards	1,097,079
	<b>1,211,845</b>

Because the obtainments through the issuance of perpetual bonds do not have a maturity date, such obtainments were classified as debt payable from 2021 onwards.

Changes in loans and financing for the quarterly ended on June 30, 2017 are the following:

	Parent Company	Consolidated
<b>Balances on December 31, 2015</b>	-	<b>1,519,676</b>
Fundraising	-	1,910
Funding cost	-	(600)
Amortization of Funding Cost	-	3,732
Payment - principal	-	(82,084)
Payment - Interest	-	(75,772)
Gain on the settlement of the Perpetual Bonus	-	(98,464)
Exchange Variation	-	(220,793)
Financial charges	-	168,489
<b>Balances on December 31, 2016</b>	-	<b>1,216,094</b>
Amortization of Funding Cost	-	837
Payment - principal	-	(43,436)
Payment - Interest	-	(40,137)
Exchange Variation	-	16,054
Financial charges	-	62,433
<b>Balances on June 30, 2017</b>	-	<b>1,211,845</b>

### Financial charges and transaction costs

Financial charges and transaction costs of loans and financing are capitalized and allocated to P&L because the duration of the instrument entered into has been elapsing according to the amortized cost, using the effective interest rate method.

### 13. Real estate credit bills

	Currency	% - Rate	Maturity date	Consolidated	
				06/30/2017	12/31/2016
<b>Subsidiary</b>					
ABK (a)	R\$	11% + TR	2018	20,818	29,319
Levian (a)	R\$	11% + TR	2018	20,818	29,319
Andal (b)	R\$	11% + TR	2022	41,028	43,761
Send (c)	R\$	7% + IPCA	2024	64,157	66,282
		6.95% +			
Bot (d)	R\$	IPCA	2024	50,176	51,842
Pol (e)	R\$	6.9%+IPCA	2025	35,763	36,784
Eler (f)	R\$	9.9%+TR	2026	277,790	274,016
Ers (g)	R\$	10%+TR	2027	68,955	69,975
Pentar (h)	R\$	6,5% + IPCA	2027	64,993	-
				<b>644,498</b>	<b>601,298</b>
Current Liabilities				70,570	59,822
<b>Non-current liability</b>				<b>573,928</b>	<b>541,476</b>

- (a) In June 2008, subsidiaries ABK and Levian obtained resources by issuing CCIs, to securitize the rents receivable referring to the property where Internacional Guarulhos Shopping Center is located. The total amount of the CCIs issued is R\$ 180,000. The amount obtained will be paid in 119 monthly installments (until June 2018), plus 11% interest per year and annual inflation adjustments according to the changes in the Referential Rate (TR). The following were granted to guarantee the CCIs: (i) secured fiduciary sale of the property, with book value of R\$ 201,829; (ii) collateral transfers of credits arising from the agreement; and (iii) statutory lien of the quotas of the subsidiary Cly. The costs of obtainment in the amount of R\$ 376 of the CCIs were deducted from the principal and are being amortized in 120 installments on a straight-line basis;
- (b) In June 2012, the subsidiary Andal obtained resources by issuing CCIs. The total amount of the CCIs issued is R\$ 63,911. The amount obtained will be paid in 120 monthly installments, plus 11% interest per year and annual inflation adjustments according to the changes in the TR rate. The following were granted to guarantee the CCIs: (i) secured fiduciary sale of the property called Shopping Suzano; and (ii) statutory lien of Shopping Suzano's receivables. The cost of the obtainment was R\$ 959. The effective cost of the transaction was  $TR + 11.17\%$ ;
- (c) On November 13, 2012, the subsidiary SEND obtained resources by issuing CCIs on behalf of HABITASEC Securitizadora S.A. in the amount of R\$ 67,600, with a 7% interest rate per year + IPCA. The duration of the transaction is 144 months. The following were granted to guarantee the CCIs: (i) statutory lien of the ideal fraction of the property called Parque Shopping Barueri and (ii) statutory lien of Parque Shopping Barueri's receivables;
- (d) On January 8, 2013, the subsidiary Bot Administradora e Incorporadora Ltda. obtained resources by issuing CCIs on behalf of Habitasec Securitizadora S.A. in the amount of R\$ 50,814 with a 6.95% interest rate per year + IPCA. The duration of the transaction is 144 months. The following were granted to guarantee the CCIs: (i) statutory lien of the ideal fraction of the property called Outlet Premium and (ii) statutory lien of Outlet Premium's receivables;
- (e) On June 20, 2013, the subsidiary Pol Administradora e Incorporadora Ltda. obtained resources by issuing CCIs on behalf of HABITASEC Securitizadora S.A. in the amount of R\$ 36,965 with a 6.95% interest rate per year + IPCA. The duration of the transaction is 144 months. The following were granted to guarantee the CCIs: (i) statutory lien of the ideal fraction of the property called Outlet Premium Brasília and (ii) statutory lien of Outlet Premium Brasília's receivables;
- (f) On March 26, 2014, the subsidiary Eler obtained resources by issuing CCIs, to securitize the rents receivable referring to the property where Internacional Guarulhos Shopping Center is located. The total amount of the CCIs issued is R\$ 275,000. The amount obtained will be paid in 144 monthly installments (until April 2026), plus 9.90% interest per year and annual inflation adjustments according to the changes in the Referential Rate (TR). The following were granted to guarantee the CCIs: (i) secured fiduciary sale of the property, with book value of R\$ 201,829; (ii) collateral transfers of credits arising from the agreement; and (iii) statutory lien of the shares and quotas of the subsidiaries Nova União and Eler. The costs of obtainment in the amount of R\$ 10,706 of the CCIs were deducted from the principal and are being amortized in 144 installments on a straight-line basis. On August 1, 2014 Itaú Unibanco assigned the CCIs to Ápice Securitizadora;
- (g) On January 13, 2015, subsidiary Ers Administradora e Incorporadora Ltda., through issue of Real Estate Credit Bills (CCI) in favor of Ápice Securitizadora, has raised R\$ 75,000, at the rate of 10% per annum + TR. This operation has a 145 month term. As collateral for the CCIs, where given: (i) statutory lien of the ideal fraction of the property called Outlet Premium Rio de Janeiro and (ii) partial statutory lien of receivables of Gsb Administradora e Serviços.

- (h) On March 27, 2017, the subsidiary Pentar Administradora e Incorporadora Ltda., through the issuance of Real Estate Credits (CCI) in favor of Habitasec Securitizadora SA, raised R\$ 71,045, at a rate of 6,5% per annum + IPCA. This operation has a term of 120 months. Under CCI guarantee, the following were granted: (i) fiduciary sale of the ideal fraction of the property called Shopping Unimart and (ii) fiduciary sale of receivables from Shopping Unimart. The amount receivable on account of the financial transaction is recorded under "accounts receivable from financial institutions".

The agreements do not provide for the maintenance of financial indicators (indebtedness, coverage of expenses with interest etc.).

The breakdown of installments as of June 30, 2017, by year of maturity, is the following:

Consolidated at 06/30/2017	
2017	31,956
2018	53,002
2019	70,752
2020	74,518
2021 onwards	414,269
<b>Total</b>	<b>644,497</b>

The changes in the CCIs for the quarterly ended on June 30, 2017 is the following:

Consolidated	
<b>Balances on December 31, 2015</b>	<b>623,613</b>
Raising Cost amortization	3,247
Payment - principal	(49,630)
Payment - Interest	(56,443)
Financial burdens	80,511
<b>Balances on December 31, 2016</b>	<b>601,298</b>
Raising	71,045
Raising Cost	(5,466)
Raising Cost amortization	1,757
Payment - principal	(33,986)
Payment - Interest	(24,371)
Financial burdens	34,220
<b>Balances on June 30, 2017</b>	<b>644,497</b>

#### 14. Other accounts payable

	Parent Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Transfer of key money and rentals - partners (a)	-	-	1,154	1,676
Losses unrealized from transactions with derivative instruments (Explanatory Note no. 26)	-	-	-	-
Transfers to condominium	-	-	13	32
Advances from customers	-	-	670	907
Others	8	9	198	85
<b>Total</b>	<b>8</b>	<b>9</b>	<b>2,035</b>	<b>2,700</b>

- (a) It refers to key money and rents to be transferred to the partners of the following ventures: Parque Shopping Barueri, Poli Shopping, Cascavel JL Shopping, Shopping Bonsucesso, Parque Shopping Sulacap, Parque Shopping Maia, Internacional Shopping Guarulhos, Outlet Premium São Paulo, Outlet Premium Brasília, Outlet Premium Salvador and Outlet Rio de Janeiro.

## 15. Tax installment plans

	Parent Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
PIS and COFINS	167	177	30,720	32,459
INSS	1,287	802	1,287	802
ISS	-	-	4,366	4,387
Income Tax And Social Contribution	4,568	-	22,098	19,832
<b>Total</b>	<b>6,022</b>	<b>979</b>	<b>58,471</b>	<b>57,480</b>
Current Liabilities	1,356	379	16,611	15,434
<b>Non-current liability</b>	<b>4,666</b>	<b>600</b>	<b>41,860</b>	<b>42,046</b>

In 2009 and 2014, the Company adhered to the tax installment plan under Law No. 11.941/2009 (REFIS), Law No. 12.996/2014 (REFIS) and to the simplified tax installment plan.

The Company's Management estimate is that the balance, as of June 30, 2017, of the aforementioned installments of REFIS and simplified taxation system are settled within 180 and 60 months, respectively, using the flat number of installments, adjusted through the Liquidation Special System for Settlement and Custody Rate (SELIC).

The Company is required to regularly pay current taxes and tax installment plans for it is an essential condition to continue to be entitled to the above-mentioned tax installment plans. As of June 30, 2017, the Company is up to date with all payments.

The change of debts for the quarterly ended on June 30, 2017, projected by the Company, in connection to tax-installments pay plan, contemplating the amount of the principal added of interests and fines in the period, is the following:

	Consolidated
<b>Balances on December 31, 2015</b>	<b>68,868</b>
New Installments	2,989
Payment - principal	(10,846)
Payment - Interest	(2,415)
Financial charges	(1,116)
<b>Balances on December 31, 2016</b>	<b>57,480</b>
New Installments	5,386
Payment - principal	(4,386)
Payment - Interest	(1,393)
Financial charges	1,384
<b>Balances on June 30, 2017</b>	<b>58,471</b>

## 16. Taxes, Charges and Contributions

The Company is evaluating to join the new installment program established, pursuant to Normative Instruction 1711/2017, which allows federal taxes over due up to April 30, 2017 to be paid in installments. The Company has the amount of R\$ 146,365 outstanding as of June 30, 2017, in case it will adhere to such program, R\$ 135,103 can be paid in installments, With the possibility of using the tax losses and negative basis of the Social Contribution on Net Income. Additionally, R\$ 11,262 is subject to the regular installment payment.

# 17. Revenues from transfers of property rights to be appropriated

The Company controls, in liabilities, revenues from transfer of property rights to be appropriated.

Revenues from assignments of rights of use to tenants and usufruct of ideal fractions of the parking of Internacional Shopping, Shopping Bonsucesso, Parque Shopping Maia and Shopping Suzano are appropriated to the result in accordance with the respective term of the first rental agreement or the agreement of Rights of use, or of the usufruct agreement, with outstanding balance receivable in the amount of R\$ 43,498.

The change in the agreements and recognition of revenue in the quarterly ended on June 30, 2017 is the following:

	Consolidated
<b>Balances on December 31, 2016</b>	<b>196,431</b>
New usufruct contracts	2,715
Revenues recognition	(13,348)
Cost of cessions	(1,879)
Cost of cessions recognition	411
<b>Balances on June 30, 2017</b>	<b>184,330</b>
Current Liabilities	25,976
<b>Non-current liabilities</b>	<b>158,354</b>

# 18. Provision for civil and labor risks

For all matters in litigation, a provision is made in an amount considered sufficient to cover probable losses, based on the assessment of external legal advisors. The amounts reserved include those referring to tax, labor and civil matters.

There are no deposits in court escrow accounts linked to these reserves. The breakdown of the reserves/provisions are the following:

	Consolidated	
	06/30/2017	12/31/2016
Civil (a)	1,334	1,347
Labor	287	157
<b>Total</b>	<b>1,621</b>	<b>1,504</b>

(a) It refers to the lawsuits due to pecuniary injury and pain and suffering damages, lawsuits referring to the renewal of lease agreements, lawsuits regarding collection of amounts owed, and lawsuits concerning contractual termination.

On June 30, 2017, Company as other proceedings in progress approximately R\$ 12,315 (R\$ 15,306 in December 31, 2016), with loss probabilities classified as possible by external legal advisors. No provision was recorded thereto on the financial information.

From time to time, proceedings are evaluated and reserves are supplemented when necessary.

The changes in reserves for these risks, as of the quarterly ended on June 30, 2017, are the following:

	Consolidated		
	12/31/2016	Inclusion	Reversal
Labor	157	184	(54)
Civil	1,347	38	(51)
<b>Total</b>	<b>1,504</b>	<b>222</b>	<b>(105)</b>
			<b>06/30/2017</b>
			<b>287</b>
			<b>1,334</b>
			<b>1,621</b>

## 19. Equity

### Share Capital

Company's capital on June 30, 2017 is R\$ 389,625, represented by 76,000,000 common stocks, and on December 31, 2016 was R\$ 389,625, represented by 76,000,000 common shares without par value, as follows:

	06/30/2017	12/31/2016
Golf Participações	48,267,707	48,267,707
General Shopping Investments Limited	8,487,851	8,487,851
Teton Capital Partners L.P.	6,115,100	6,115,100
Explorador Capital Management	2,539,900	2,539,900
Board of Directors	8,689	8,689
Officers	253	253
Stockholders Ballast In GDS	2,512,149	2,512,149
Other Stockholders	8,068,351	8,068,351
<b>Total Shares</b>	<b>76,000,000</b>	<b>76,000,000</b>
Treasury Shares	(8,487,851)	(8,487,851)
<b>Total Outstanding Stocks</b>	<b>67,512,149</b>	<b>67,512,149</b>

The Company may, through a decision made by the Board of Directors and in accordance with the plan approved by the Shareholders at a Shareholders' Meeting, grant stock option or share subscription, without shareholders being entitled to preemptive right, on behalf of Management, employees or individuals that provide services to the Company, or the Company's direct or indirect subsidiaries.

The Ordinary and Extraordinary General Meeting on April 29, 2016 amended Article 6 of the Company's Bylaws, in order to increase the limit of the Company's authorized share capital by 30,000,000 (thirty million) of new common shares, nominative, book-entry and with no par value, which may be issued by the deliberation of the Company's Board of Directors, regardless of corporate statutory reform, so that the share capital of the Company may be represented by up to 95,000,000 (ninety-five million) common shares

On July 22, 2016, the Extraordinary General Meeting was approved: The Incorporation by the Company of its indirect subsidiary, Druz Administradora e Incorporadora Ltda., with the consequent extinction of the Druz ("Merger"). As a result of the incorporation, the Company's capital stock was increased in the amount of R\$ 13,880, through the issuance of 11,000,000 (eleven million) new common shares, all nominative, book-entry shares with no par value, so that the Company increased to R\$ 389,626, divided into 76,000,000 (seventy-six million) common shares, all registered, book-entry shares with no par value. Such new shares were delivered to General Shopping Investments Limited, sole partner of Druz, replacing the shares held by it in Druz, and the remaining amount of Druz.

On August 10, 2016, the Company announced that, in connection with the settlement of the Exchange Offer, US\$ 34,413 Perpetual Bonds were exchanged for: (i) US\$ 8,923 new senior and guaranteed debt bonds maturing in 2026 (10% / 12 % Senior Secured PIK Toggle Notes due 2026), issued abroad on that date by GS Investments ( "New Bonds") (see note 12); And (ii) 34,413 (thirty four thousand, four hundred and thirteen) Global Depositary Share ( "GDS") with each GDS as the common shares issued by the Company in the proportion of 73 (seventy three) common shares for each 1 ) GDS, totaling 2,512,149 (two million, five hundred and twelve thousand, one hundred and forty nine) common shares issued by the Company. In the total amount of R\$ 9,546, where R\$ 3,170 was recorded as capital increase and R\$ 6,376 as capital reserve.

The balance of the Company's shares held by the subsidiary GS Investment and which did not serve as the basis for issuing the GDSs will be treated as treasury shares until they are repurchased and canceled.

#### **Capital reserve**

Corresponds to the variation of the nominal value of the 2,512,149 shares issued at the time of the perpetual Bonds exchange, in relation to their effective value at the date of the transaction.

#### **Legal reserve**

Legal reserve shall be created in conformity to the Corporate Law and Bylaws, at the basis of 5% of the net profit of each year up to 20% of capital stock. Legal reserve is intended to assure the integrity of the capital stock and can only be used to compensate losses and increase capital. On June 30, 2017, the Company did not establish a legal reserve, as it offset the profit of the period against the accumulated losses.

#### **Profit reserve to realize**

On December 31, 2014, due to a change in accounting policies regarding measurement of investment properties, the Company withheld the adjustment at fair value payment of investment properties, recorded in the opening balance sheet (January 01, 2013). Consequently, the Company's Management proposed that the amount to be paid of R\$ 958,644 of accumulated profit was withhold by the Company to set up the account profit reserve to realize.

As the investment properties are written off, the unrealized profit reserves are transferred to accumulated losses.

#### **Diluted earnings/ (loss) per share**

The Company does not have any debts convertible into shares, neither stock option granted; therefore, it did not calculate the diluted loss per share.

The net income calculated on June 30, 2017, after the constitution of the reserves will be offset against accumulated losses, with no distribution of dividends, according to the Bylaws.



The table below shows the basic profit (loss) per share:

	06/30/2017	03/31/2016
<b>Basic numerator</b>		
Results of the year	(68,562)	70,002
<b>Denominator</b>		
Weighted average of the stocks - basic	67,512	65,000
<b>Basic profit / (loss) per stock in (R\$)</b>	<b>(1,02)</b>	<b>1,08</b>

## 20. Net rental revenues, service and others

	Consolidated			
	Period of 04/01/17 to 06/30/17	Period of 01/01/17 to 06/30/17	Period of 04/01/16 to 06/30/16	Period of 01/01/16 to 06/30/176
<b>Gross Operational Income</b>				
Rental	48,678	96,549	51,266	101,766
Services	21,178	40,842	23,640	49,580
	<b>69,856</b>	<b>137,391</b>	<b>74,906</b>	<b>151,346</b>
<b>Deductions</b>				
Taxes on Rentals and Services	(5,697)	(11,092)	(6,398)	(13,080)
Deductions and discount	(2,339)	(4,424)	(2,898)	(5,090)
<b>Net Operational income from rentals, services and others</b>	<b>61,820</b>	<b>121,875</b>	<b>65,610</b>	<b>133,176</b>

## 21. Cost of rents and services provided per nature

	Consolidated			
	Period of 04/01/17 to 06/30/17	Period of 01/01/17 to 06/30/17	Period of 04/01/16 to 06/30/16	Period of 01/01/16 to 06/30/176
Personnel Cost	(557)	(979)	(1,036)	(1,853)
Depreciation cost	(460)	(1,086)	(600)	(1,226)
Occupation cost	(4,368)	(8,193)	(4,366)	(8,353)
Third-party services cost	(1,389)	(2,682)	(3,221)	(6,814)
Other costs	-	-	(874)	(2,156)
<b>Total</b>	<b>(6,774)</b>	<b>(12,940)</b>	<b>(10,097)</b>	<b>(20,402)</b>

## 22. General and administrative expenses by nature

	Parent Company				Consolidated			
	Period of 04/01/17 to 06/30/17	Period of 01/01/17 to 06/30/17	Period of 04/01/16 to 06/30/16	Period of 01/01/16 to 06/30/16	Period of 04/01/17 to 06/30/17	Period of 01/01/17 to 06/30/17	Period of 04/01/16 to 06/30/16	Period of 01/01/16 to 06/30/16
IPTU	(24)	(48)	(21)	(42)	(119)	(238)	(115)	(214)
Commercialization	-	-	-	-	(1,033)	(2,004)	(913)	(2,654)
Allowance for doubtful accounts	-	-	-	-	(2,064)	(3,964)	(1,375)	(2,196)
Publicity And Advertising	(29)	(66)	(371)	(476)	(305)	(690)	(806)	(1,686)
Facilities conservation	-	-	-	-	(39)	(52)	(17)	(23)
Materials	(59)	(101)	(47)	(77)	(148)	(245)	(91)	(187)
Electric power	(12)	(40)	(24)	(58)	(24)	(62)	(55)	(116)
Personnel expenses	(3,040)	(5,862)	(2,946)	(5,738)	(3,598)	(6,980)	(3,726)	(7,324)
Expenses from third parties services	(1,255)	(2,180)	(1,249)	(2,586)	(3,108)	(5,863)	(2,989)	(6,561)
Depreciation and Amortization expenses	(683)	(1,375)	(913)	(1,815)	(683)	(1,375)	(918)	(1,820)
Rental	(108)	(210)	(151)	(239)	(108)	(210)	(245)	(432)
Fees and contributions	(35)	(58)	(71)	(127)	(423)	(665)	(311)	(766)
Telephony	(119)	(312)	(102)	(230)	(215)	(379)	(128)	(284)
Travels and lodging	(48)	(67)	(110)	(176)	(19)	(131)	(169)	(316)
Insurances	(46)	(101)	(46)	(91)	(107)	(216)	(90)	(175)
Courier service	(55)	(106)	(67)	(103)	(55)	(106)	(72)	(112)
Legal expenses	(14)	(27)	(11)	(93)	(504)	(945)	(133)	(758)
Others	(156)	(265)	(10)	(127)	(509)	(1,067)	(237)	(466)
<b>Total</b>	<b>(5,683)</b>	<b>(10,818)</b>	<b>(6,139)</b>	<b>(11,978)</b>	<b>(13,062)</b>	<b>(25,193)</b>	<b>(12,390)</b>	<b>(26,090)</b>

## 23. Financial income

	Parent Company				Consolidated			
	Period of 04/01/17 to 06/30/17	Period of 01/01/17 to 06/30/17	Period of 04/01/16 to 06/30/16	Period of 01/01/16 to 06/30/16	Period of 04/01/17 to 06/30/17	Period of 01/01/17 to 06/30/17	Period of 04/01/16 to 06/30/16	Period of 01/01/16 to 06/30/16
<b>Financial income</b>								
Interests on financial investments	54	117	63	121	1,869	3,155	1,474	3,214
Gains on operations - derivatives	-	-	-	-	2,064	2,064	2,583	3,586
Assets Exchange Rate variation	-	4	5	6	82	51,745	170,085	335,781
Assets Monetary Variation	-	-	-	-	-	-	-	-
Outros	250	1,796	3	5	1,502	4,240	1,653	3,390
	<b>304</b>	<b>1,917</b>	<b>71</b>	<b>132</b>	<b>5,517</b>	<b>61,204</b>	<b>175,795</b>	<b>345,971</b>
<b>Financial expenses</b>								
Interest on Loans, Financing and CCLs	-	-	-	-	(50,624)	(100,057)	(55,550)	(117,643)
Losses on derivative transactions	-	-	-	-	-	(4,209)	(10,214)	(20,400)
Liabilities Monetary variations	-	-	-	-	(8)	(15)	(15)	(15)
Liability Exchange Rate Change	(2)	(2)	-	(5)	(45,704)	(68,191)	(51,407)	(102,855)
Penalty on taxes in arrears	(158)	(312)	(50)	(299)	(6,294)	(12,158)	(574)	(6,674)
Others	(491)	(638)	(48)	(135)	(6,777)	(12,666)	(7,751)	(14,999)
	<b>(651)</b>	<b>(952)</b>	<b>(98)</b>	<b>(439)</b>	<b>(109,407)</b>	<b>(197,296)</b>	<b>(125,511)</b>	<b>(262,586)</b>
<b>Total</b>	<b>(347)</b>	<b>965</b>	<b>(27)</b>	<b>(307)</b>	<b>(103,890)</b>	<b>(136,092)</b>	<b>50,284</b>	<b>83,385</b>

(i) The net gain obtained with the perpetual Bonds offer was recorded under this caption.

## 24. Income tax and social contribution

Income tax and social contribution debited against the income for the period are composed as follows:

	06/30/2017		03/31/2016	
	Parent Company	Consolidated	Parent Company	Consolidated
(Loss) before Legal Entity Income Tax (IRPJ) and the Social Contribution on Net Profits (CSLL)	(68,562)	(56,818)	133,750	152,553
Combined rate in force	34%	34%	34%	34%
Estimated credits of income tax and social contribution	23,311	19,318	(45,475)	(51,868)
<b>IRPJ and CSLL effects on</b>				
Equity accounting method	(16,004)	-	47,835	-
Other net permanent differences	(42)	(212)	23	(35)
Deferred IRPJ and CSLL on tax losses and non-established temporary differences	(7,265)	(13,845)	(2,168)	(29,495)
IRPJ and CSLL effects of companies assessed by notional profit (*)	-	(17,005)	-	62,810
IRPJ and CSLL effects of companies assessed by notional profit	-	(11,744)	215	(18,588)
Current	-	(11,744)	215	(20,801)
Deferred	-	-	-	2,213

Deferred Income Tax and Social Contribution are composed as below:

	Consolidated	
	06/30/2017	12/31/2016
<b>Calculation Base</b>		
Assessing the fair value of investment properties and properties intended for sale	2,763,030	2,763,030
Presumption for Income Tax 8%-25% rate for income tax	2%	2%
Presumptive Social Contribution 12%- 9% of rate for Social Contribution	1,08%	1,08%
<b>Deferred income tax and social contribution, liabilities on investment properties for sale</b>	<b>(85,101)</b>	<b>(85,101)</b>
Deferred Income tax and social contribution, liabilities on agreements renewal rights	(1,546)	(1,546)
<b>Liabilities Deferred income tax and social contributions</b>	<b>(86,647)</b>	<b>(86,647)</b>

## Basis for realizing Deferred Income Tax and Social Contribution

- a) Realization of deferred tax liabilities on adjustment at fair value of investment properties based on the taxation according to assumed profit as of its respective disposal.

## 25. Other net operating revenues

	Parent Company				Consolidated			
	Period of 04/01/17 to 06/30/17	Period of 01/01/17 to 06/30/17	Period of 04/01/16 to 06/30/16	Period of 01/01/16 to 06/30/16	Period of 04/01/17 to 06/30/17	Period of 01/01/17 to 06/30/17	Period of 04/01/16 to 06/30/16	Period of 01/01/16 to 06/30/16
Net proceeds from sale of properties for investment	-	-	-	-	-	-	60,500	60,500
Cost of selling from properties for investment	-	-	-	-	-	-	(60,500)	(60,500)
Adjustment to fair value of sale of properties for investment	-	-	-	-	-	-	(18,397)	(18,676)
Adjustment to fair value	-	-	-	-	-	162	-	-
Other income (expenses)	(11,660)	(11,660)	-	-	(5,053)	(4,921)	25	946
Recovery of expenses	1	23	(1)	5,345	82	291	165	214
<b>Total</b>	<b>(11,659)</b>	<b>(11,637)</b>	<b>(1)</b>	<b>5,345</b>	<b>(4,971)</b>	<b>(4,468)</b>	<b>(18,207)</b>	<b>(17,516)</b>

## 26. Financial instruments by category

The Company's financial instruments were classified according to the following categories:

	Consolidated							
	06/30/2017				12/31/2016			
	Fair value by the result	Loans and receivables	Other liabilities	Total	Fair value by the result	Loans and receivables	Other liabilities	Total
<b>Assets</b>								
Cash and Cash Equivalents	-	89,808	-	89,808	-	59,771	-	59,771
Financial investments and related investments	1,537	-	-	1,537	14,522	-	-	14,522
Derivative financial instruments	1,096	-	-	1,096	49	-	-	49
Accounts receivable and other receivable	-	125,344	-	125,344	-	149,497	-	149,497
<b>Total</b>	<b>2,633</b>	<b>215,152</b>	<b>-</b>	<b>217,785</b>	<b>14,571</b>	<b>209,268</b>	<b>-</b>	<b>223,839</b>
<b>Liability</b>								
Loans and Financing	-	1,211,845	-	1,211,845	-	1,216,094	-	1,216,094
CCIs	-	644,498	-	644,498	-	601,298	-	601,298
Derivative financial instruments	-	-	-	-	2,187	-	-	2,187
Suppliers	-	-	13,275	13,275	-	-	16,569	16,569
Other Accounts Payable	-	-	2,035	2,035	-	-	2,700	2,700
<b>Total</b>	<b>-</b>	<b>1,856,343</b>	<b>15,310</b>	<b>1,871,653</b>	<b>2,187</b>	<b>1,817,392</b>	<b>19,269</b>	<b>1,838,848</b>

### 26.1. Risk factors

The Company's main source of revenues, as well as of its subsidiaries is rents from tenants in shopping malls.

The Company and its subsidiaries have a risk management policy to manage market risks through financial instruments. The main market risks to which the Company is exposed are translation adjustments and the flotation of inflation indexes inherent to its operations. The policy is monitored by the Board of Directors ensuring that the financial instruments do not exceed the limits of the policy, in consonance with the best corporate governance practices. The primary objective of risk management is to protect the Company's cash flows, where the operations must respect the limits of exposure, coverage, maturity and instrument, thus minimizing operating costs. According to their nature, financial instruments may involve known risks, or unknown risks, so it is important to the Company to assess potential risks according to the Company's and its subsidiaries' judgment. Therefore, there may be risks with guarantees or without guarantees, depending on circumstantial or legal aspects. The policy allows the Company to use derivative financial instruments only for hedging purposes. The Company is forbidden to enter into any derivatives that result in the net sale of options and structured financial transactions with embedded derivatives.

The main market risk factors that can affect the business of the Company and its subsidiaries are presented below:

#### a) Credit risk

The client portfolio is broadly diversified. By means of internal controls, the Company and its subsidiaries permanently monitor the level of their accounts receivable, which limits the risk of bad debt.

The Company's risk management policy allows transactions where cash funds are invested only with first line counterparties, that is, with low credit risk, according to the international rating agencies. The policy allows derivative financial instrument transactions to be directly entered into at BM&FBOVESPA. Both the financial institutions and the brokers must be previously approved by the Risks Management Committee.

#### b) Liquidity risk

The forecast of the cash flow is performed at the operating entities of the Company by financial professionals that continually monitor liquidity in order to ensure that the Company has sufficient cash to meet its operating needs. Such forecast takes into consideration the plans for financing the debt, the achievement of the internal goals of the balance sheet quotient and, if applicable, external or legal regulatory requisites.

The cash and cash equivalents held by the operating entities, in addition to the balance required for managing working capital, is transferred to the treasury, which substantially invests cash and cash equivalents in CDBs, LTNs (Federal Treasury Bonds) and investment funds with their yield linked to the changes in the CDI rate and by choosing instruments with appropriate maturity dates or sufficient liquidity to provide the necessary margin, as established by the above-mentioned provisions.

#### c) Capital risk

The Company and its subsidiaries manage their capital to make sure that the companies will be able to continue their going concern at the same time that they maximize the return to all of the interested parties or all those involved in their operations by optimizing the balance of the debts and equity.

The capital structure of the Company and of its subsidiaries is formed by net indebtedness (loans and financing and CCIs described in Explanatory Notes 12 and 13 deducted from cash and cash equivalents and actives financial instruments) and by the consolidated shareholders' equity (which includes capital issued and reserves, as presented in Explanatory Note 19).

The Company's Management periodically reviews the capital structure of the Company. As a part of such review, it considers the cost of capital and the risks associated to each class of capital. The Company's borrowing rate, as of June 30, 2017, was of 195%, as detailed below:

#### • Borrowing levels

The borrowing rate, as of June 30, 2017 and December 31, 2016 is the following:

	Consolidated	
	06/30/2017	12/31/2016
Debt (i)	1,856,343	1,817,392
Cash and Cash Equivalents	(89,807)	(59,771)
<b>Net debt</b>	<b>1,766,536</b>	<b>1,757,621</b>
Shareholders' Equity (ii)	904,663	973,225
<b>Net Indebtedness Index</b>	<b>195%</b>	<b>181%</b>

- (i) Debt is defined as loans and financing and short and long-term CCIs;
- (ii) Shareholders' equity includes all of the Company's capital and reserves, managed as capital.

#### d) Liquidity risk management

The Company and its subsidiaries manage liquidity risk by maintaining appropriate reserves, bank credit lines e credit lines to obtain loans they deem appropriate, by continually monitoring the forecast and actual cash flows, and by combining the maturity profiles of financial assets and liabilities.

#### Interest and liquidity risk table

The table below shows the details of the remaining contractual maturity term of the bank liabilities of the Company and its subsidiaries and the contractual amortization periods. The tables have been prepared in accordance with the cash flows not discounted of financial liabilities, based on the closer date on which the Company and its subsidiaries must settle their respective liabilities. The tables include the cash flows of the interest and principal amount. While the interest flows were post-fixed, the amount not discounted was obtained on the basis of the interest curves at the end of the year 2016. The contractual maturity is based on the most recent date in which the Company and its subsidiaries must settle their respective liabilities:

Consolidated	%-Weighted Average Effective Interest Rate	Less than one month	From one to three months	From three months to one year	From one to five years	Over five years	Total
Loans and Financing (*)	14.57%	2,950	20,899	75,054	275,930	1,434,233	1,809,067
CCI	11.19%	9,712	19,424	97,299	323,307	517,725	967,467
<b>Total</b>		<b>12,662</b>	<b>40,323</b>	<b>172,353</b>	<b>599,237</b>	<b>1,951,958</b>	<b>2,776,533</b>

- (\*) So as to obtain perpetual bonds, the interest to be incurred up to the date of the purchase option and the principal amount were considered and, because they have no maturity dates, they were classified as debt maturing after more than 05 years.

#### e) Interest rate risk

- **Loans for working capital and CCIs:** the Company's subsidiaries also have a series of loan and financing obtained for working capital, as described in Explanatory Notes 14 and 15, on which average interest rates are levied of up to 13.41% per year.

#### f) Foreign currency exchange rate risk

The Company, through its subsidiary, has financing and amounts payable to non-related parties entered into in foreign currency in the amount of R\$ 1,093,617 in June 30, 2017 (R\$ 1,053,408 in December 31, 2016).

The Company measures its exposures according to the Company's own forecasting and budgeting model. Through its subsidiary, the Company enters into derivatives, such as NDFs, with the purpose of protecting its exposure to exchange variation. The main risk that the Company intends to reduce is the exposure to translation adjustments linked to its liabilities in foreign currency.

On June 30, 2017, the Company is using derivatives for protecting exchange rate variation risks in connection to the issue of perpetual bonds.

The Company does not have derivative or non-derivative instrument transactions to hedge the balance of the principal amount of the perpetual bonds.

For protecting from exchange rate variation in payment of interests on perpetual bonds, the Company uses exchange NDFs classified as level 2, as described at CPC 40. The mark-to-market of the derivative instruments as of June 30, 2017 was:

Instrument	Notional	Maturity date	Fair value on 06/30/2017
NDFs	20,000	08/01/2017	(1,096)
<b>TOTAL</b>	<b>20,000</b>		<b>(1,096)</b>

The Company manages and monitors its derivative position on a daily basis, suiting itself to the best hedge strategy with less cost in relation to others.

#### Sensitivity analysis - derivative

Dollar NDF - over the counter				Effect on DI/TLPJ curve			
				-25%	-50%	-25%	-50%
Notional (US\$ thousands)	Contracted price	Price on 06/30/2017	Fair value	Adjustment	Adjustment	Fair value	Fair value
20,000	R\$3,2717/US\$	R\$3,3082/US\$	(1,096)	(16,496)	(32,993)	(15,401)	(31,897)
<b>20,000</b>			<b>(1,096)</b>	<b>(16,496)</b>	<b>(32,933)</b>	<b>(15,401)</b>	<b>(31,897)</b>

Financial assets, except for those designated at fair value through profit or loss, are evaluated by impairment indicator at the end of each fiscal year. Impairment losses are recognized when there is objective evidence of a reduction in the recoverable amount of a financial asset, as a result of one or more events that have occurred after their initial recognition, with an impact on the estimated future cash flows of such asset.

The criteria that the Company and its subsidiaries use to determine whether there is objective evidence of impairment of a financial asset include:

- significant financial difficulties of issuer or debtor;
- contract breach, such as nonperformance or late payments of interest or principal amount;
- the probability of the debtor declaring bankruptcy or financial reorganization;
- extinguishment of the active market for that financial asset by virtue of financial problems.

The book value of financial assets is directly reduced by impairment losses for all of the financial assets, except for the accounts receivable, where the book value is reduced by using a provision. Subsequent recoveries of amounts previously written off are credited to the provision. Changes in the book value of the provision are recognized in P&L.



### g) Sensitivity analysis– loans, financing and CCI

Considering the aforementioned financial instruments, the Company developed a sensitivity analysis, as provided for by Instruction No. 475/2008 issued by the CVM, which requires the presentation of two other scenarios with 25% and 50% impairment of the risks variable considered. Those scenarios may generate impacts on the Company's profit or loss and/ or on the future cash flows as described below:

- **base scenario:** maintenance of the levels of interest at the same levels observed as of June 30, 2017;
- **adverse scenario:** impairment of 25% in the principal risk factor of the financial instrument in relation to the levels verified on June 30, 2017;
- **remote scenario:** impairment of 50% in the principal risk factor of the financial instrument in relation to the levels verified on June 30, 2017.

### h) Loans, financing and CCI

#### Premises

As described above, the Company understands that it is primarily exposed to risks referring to the changes in the TR and IPCA rates, US-dollar translation adjustments, which are the basis for updating a substantial part of the loans, financing and CCIs and perpetual bonds it has entered into. Thus, the table below demonstrates the rates used to calculate the sensitivity analysis:

Premises	Base scenario	Adverse scenario	Remote scenario
Increase of IPCA rate	0.27%	0.33%	0.40%
TJLP increase	0.57%	0.71%	0.85%
DI increase	0.81%	1.01%	1.21%
Real devaluation against US Dollar	10.00%	12.50%	15.00%

The net exposure in US-dollars, without considering the effects of derivative instruments is demonstrated below:

	Consolidated No effect of derivative operations – 06/30/2017
Loans and Financing (perpetual bnds)	1,070,847
Related Parties	22,863
Cash and Cash Equivalents	(93)
<b>Net exposition</b>	<b>1,093,617</b>

Operation	Risk	Scenarios		
		Base	Adverse	Remote
Interest on Loans subject to IPCA variation	IPCA increase	127,793	135,682	143,572
Interest on Loans subject to TR variation	TR increase	292,580	301,147	309,714
US\$ forward agreements (*)	Dollar increase	299,582	337,030	344,519

(\*) Calculated on the net exposure of the Company, without considering the effects of derivative instruments.

The table above shows the effects of interest and changes in the indices up to the maturity of the contracts.

The interest on the perpetual bonds are flat. Thus, the sensitivity analysis was not carried out.

#### i) Cash and cash equivalents

##### Premises

As described above, the Company understands that it is mainly exposed to the changes in the CDI rate and in foreign exchange rates. Thus, the table below demonstrates the indexes and the rates used to calculate the sensitivity analysis:

Premises				
Deterioration of CDI rate		10.14%	7.61%	5.07%
Operation		Consolidated		
Risk factors	Risk	Base scenario	Adverse scenario	Remote scenario
Subject to CDI variation	Reduction of CDI rate	9,107	6,830	4,553

The exchange variation sensitivity analysis of cash and cash equivalents indexed to USD was presented net of other liabilities indexed to USD, as mentioned in item (i).

#### j) Fair value of bonds

Type	Coin	% – Contract Charge a.a.	Due Date	Fair Value on 06/30/17	Fair Value on 12/31/16
Perpetual credit bonds (a)	U\$	10%	-	475,419	379,470
Perpetual credit bonds (b)	U\$	13%	-	276,803	191,860
Debt Bonus (b)	U\$	10%/12%	2026	27,494	23,451
<b>Total</b>				<b>779,716</b>	<b>594,781</b>

The prices used to calculate the market value of the Company's Bonds were obtained from Bloomberg. Prices are indicative of the market as of June 30, 2017.

#### 27. Insurance coverage

The Companies and its subsidiaries take out insurance to cover possible risks on their assets and/or civil liabilities.

As of June 30, 2017, the insurance coverage is the following:

Modality	Insured amount
Civil responsibility	63,700
Comprehensive Usual fire	3,860,332
Loss of Profit	581,918
Windstorm/Smoke	142,484
Shopping Mall Operations	59,551
Pain and suffering	31,620
Material Damage	807,678
Employer	9,200

The risk assumptions adopted and the amounts of coverage involved, were considered by the Company's management to be sufficient to cover eventual claims that may occur and that may impede the normal continuity of the business.

## 28. Information per segment

The information per segment is used by the Company's Management for decision making concerning the allocation of resources and performance assessment.

The accounting practices for the reportable segments are the same as those of the Company, described in Explanatory Note 2. The P&L per segment consider the items that are directly attributable to the segment, as well as those that may be allocated on a reasonable basis. The assets and liabilities per segment are not being presented, because they are not the subject matter of analyses for Management's strategic decision-making.

Therefore, the reportable segments of the Company are the following:

### a) Rent

Rent refers to the lease of space to tenants and other commercial spaces such as sales stands, lease of commercial spaces for publicity and promotion, exploitation of parking lots, and fees concerning the transfer of rights to use property spaces.

### b) Services

Services provided refer to the revenue from managing the energy and power supply of shopping malls.

The total revenue of the Company is made in Brazil.

## Statement of Income per segment

	Consolidated					
	06/30/2016			Elimination		06/30/2016
	Rental	Service	Corporate	Debt	Credit	Consolidated
Net Revenue	99,472	48,731	-	-	(15,027)	133,176
Cost of rentals and services	(6,762)	(24,835)	-	11,195	-	(20,402)
Gross profit	92,710	23,896	-	11,195	(15,027)	112,774
Operational (Expenses) / Income	(54,471)	10,830	94,056	(94,021)	-	(43,606)
Operational Profit Before The Financial Results	38,239	34,726	94,056	(82,826)	(15,027)	69,168
Financial Income	(89,171)	(1,467)	174,023	-	-	83,385
Operational profit / (loss) before income tax and social contribution	(50,932)	33,259	268,079	(82,826)	(15,027)	152,553
Income Tax And Social Contribution	(14,935)	(3,869)	216	-	-	(18,588)
Net profit /(loss) of the year	(65,867)	29,390	268,295	(82,826)	(15,027)	133,965

	Consolidated					
	06/30/2017			Elimination		06/30/2017
	Rental	Service	Corporate	Debt	Credit	Consolidated
Net Revenue	93,845	35,120	-	-	(7,090)	121,875
Cost of rentals and services	(6,800)	(9,197)	-	3,057	-	(12,940)
Gross profit	87,045	25,923	-	3,057	(7,090)	108,935
Operational (Expenses) / Income	(77,815)	10,460	(39,663)	77,357	-	(29,661)
Operational Profit Before The Financial Results	9,230	36,383	(39,663)	80,414	(7,090)	79,274
Financial Income	(65,789)	(3,399)	(66,904)	-	-	(136,092)
Operational profit / (loss) before income tax and social contribution	(56,559)	32,984	(106,567)	80,414	(7,090)	(56,818)
Income Tax And Social Contribution	(8,845)	(2,899)	-	-	-	(11,744)
Net profit /(loss) of the year	(65,404)	30,085	(106,567)	80,414	(7,090)	(68,562)

## 29. Statement of Cash Flow

The following noncash transactions occurred during the three periods:

	Consolidated	
	06/30/2017	03/31/2016
Capitalized interest on investment property	-	2,931

## 30. Subsequent Event

According to the minutes of the Board of Directors' Meeting held on August 4, 2017, the cancellation of 6,564,301 (six million, five hundred and sixty-four thousand, three hundred and one) common shares with no par value issued by the Company, Held in treasury, which were acquired as part of the share buyback approved at an Extraordinary Shareholders' Meeting held on July 22, 2016, without reducing its capital stock. As a result of referred cancellation, the subscribed and paid-in capital stock of R\$ 389,626, will now be represented by sixty-nine million, four hundred and thirty-five thousand, six hundred and ninety-nine (69,435,699) common, nominative and non-voting shares nominal.

## 31. Explanation added to the translation for the English version

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes. Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used.

\* \* \*

**Victor Poli Veronezi**  
Chief Executive Officer.

**Marcio Snioka**  
Chief Investors Relation Officer

**Vicente de Paula da Cunha**  
Chief Financial Officer

**Francisco José Ritondaro**  
Chief Planning and Expansion Officer

**Francisco Antonio Antunes**  
Accountant  
CRC 1SP-149.353/O-2

São Paulo, August 14, 2017 – General Shopping Brasil S/A [B3: GSHP3], a company with a significant share of the shopping center industry in Brazil, today announces its results for the second quarter 2017. Except where otherwise stated, the following financial and operational information are presented on a consolidated basis and in thousands of Reais.



## 2Q17

### NOI margin rises 4.7 p.p. compared to 1H16 and reaches 90.3% in 1H17

- General Shopping Brasil S/A reported Gross Revenue in the second quarter 2017 (2Q17) of R\$ 69.9 million, a decrease of 6.7% compared with total Gross Revenue of R\$ 74.9 million in the second quarter 2016 (2Q16). In 1H17, Gross Revenue fell 9.2% compared with 1H16, reaching R\$ 137.4 million.
- Consolidated Net Operating Revenue in 2Q17 amounted to R\$ 55.5 million, equivalent to a margin of 89.8% and a decrease of 1.1% in relation to the R\$ 56.1 million reached in 2Q16. In 1H17, Consolidated NOI amounted to R\$ 110.0 million, equivalent to a margin of 90.3% and a decrease of 3.5% compared with 1H16.
- Gross Profit in 2Q17 was R\$ 55.0 million, equivalent to a margin of 89.0% and a decrease of 0.8% compared with the R\$ 55.5 million in 2Q16. In 1H17, Gross Profit amounted to R\$ 108.9 million, corresponding to a margin of 89.4% and a year-on-year decrease of 3.4%.
- Adjusted EBITDA in 2Q17 reached R\$ 43.6 million, corresponding to a margin of 70.5% and a decrease of 5.3% in relation to the R\$ 46.0 million in 2Q16. In 1H17, Adjusted EBITDA was R\$ 87.2 million, equivalent to a margin of 71.5%, a decrease of 6.6% compared with 1H16.

#### Consolidated Financial Highlights

R\$ thousand	2Q16	2Q17	Chg.	1H16	1H17	Chg.
<b>Gross Revenue</b>	<b>74,906</b>	<b>69,856</b>	<b>-6.7%</b>	<b>151,346</b>	<b>137,390</b>	<b>-9.2%</b>
Rent (Shopping Malls)	51,266	48,678	-5.0%	101,766	96,548	-5.1%
Services	23,640	21,178	-10.4%	49,580	40,842	-17.6%
<b>NOI - Consolidated</b>	<b>56,113</b>	<b>55,506</b>	<b>-1.1%</b>	<b>114,000</b>	<b>110,021</b>	<b>-3.5%</b>
<b>Adjusted EBITDA</b>	<b>46,019</b>	<b>43,601</b>	<b>-5.3%</b>	<b>93,294</b>	<b>87,168</b>	<b>-6.6%</b>
<b>Adjusted Net Result</b>	<b>85,411</b>	<b>(67,509)</b>	<b>-179.0%</b>	<b>156,908</b>	<b>(63,129)</b>	<b>-</b>
<b>Adjusted FFO</b>	<b>86,929</b>	<b>(66,367)</b>	<b>-176.3%</b>	<b>159,954</b>	<b>(60,668)</b>	<b>-</b>
NOI Margin	85.5%	89.8%	4,3 p.p.	85.6%	90.3%	4,7 p.p.
Adjusted EBITDA Margin	70.1%	70.5%	0,4 p.p.	70.1%	71.5%	1,4 p.p.
Adjusted Net Result Margin	130.2%	-109.2%	-	117.8%	-51.8%	-
Adjusted FFO Margin	132.5%	-107.4%	-	120.1%	-49.8%	-
Gross Revenue per m <sup>2</sup>	300.44	285.66	-4.9%	593.24	561.83	-5.3%
NOI per m <sup>2</sup>	225.06	226.98	0.9%	446.86	449.91	0.7%
Adjusted EBITDA per m <sup>2</sup>	184.57	178.30	-3.4%	365.69	356.46	-2.5%
Adjusted Net Result per m <sup>2</sup>	342.57	(276.07)	-	615.05	(258.15)	-
Adjusted FFO per m <sup>2</sup>	348.65	(271.40)	-	626.99	(248.09)	-
Own GLA - Average in the Period (m <sup>2</sup> )	249,327	244,540	-1.9%	255,116	244,540	-4.1%
Own GLA - End of the Period (m <sup>2</sup> )	244,540	244,540	-	244,540	244,540	-

#### INVESTOR RELATIONS

Marcio Snioka  
IR Officer

Rodrigo Lepski Lopes  
IR Coordinator

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www.generalshopping.com.br



## **MANAGEMENT COMMENTS**

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The Company's Management is pleased to report on the operating and financial performance for the second quarter 2017 (2Q17).

Firstly, we would like to point out the reduction of 1.9% in GLA (Gross Leasable Area) in the period when compared with 2Q16 due to the divestment of Parque Shopping Prudente and Poli Shopping Osasco.

Total Gross Revenue in 2Q17 fell by 6.7% to R\$ 69.8 million, adversely affected by reduced revenue flows in Rentals and Services which decreased by 10.4% and 5.0%, respectively.

Based on Same Areas Performance, General Shopping recorded growth in Same Area Rentals of 3.0% while Same Area Sales also reported an increase of 10.0%, reflecting improved economic activity and a better retail sector performance overall.

The Company's occupancy rate reported an improvement in 2Q17, increasing to 94.5% from the 94.1% in 2Q16 following improved demand for new rentals at our commercial developments.

In line with General Shopping's commitment to reducing costs, Rental and Services Costs decreased by 32.9%, a reflection of the reduction in personnel and third party services overheads. Consequently, NOI posted a result of R\$ 55.5 million in the period while the NOI margin in the quarter was 89.8%, 4.3 p.p higher in relation to 2Q16.

General and Administrative Expenses recorded an increase of 5.4% compared with the same period in 2016. In 2Q17, Adjusted EBITDA decreased 5.3% to R\$ 43.6 million compared with the same period of 2016, while the Adjusted EBITDA margin rose 0.4 p.p. in the quarter, ending the period at 70.5%.

General Shopping's Net Financial Result was largely affected by the variation in the US Dollar x Real exchange rate, reverting from a positive R\$ 50.3 million in 2Q16 to a negative R\$ 103.9 million in 2Q17.

Subsequent to the end of the quarter on August 4, 2017, approval was given for the cancellation of 6,564,301 common shares issued by the Company without any reduction in its capital stock. These shares were held as treasury stock and acquired in a share buyback operation approved at an Extraordinary General Meeting held on July 22, 2016. In the light of the share cancellation, the capital stock will now be represented by 69,435,699 common shares.

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

**Marcio Snioka, Investor Relations Officer**

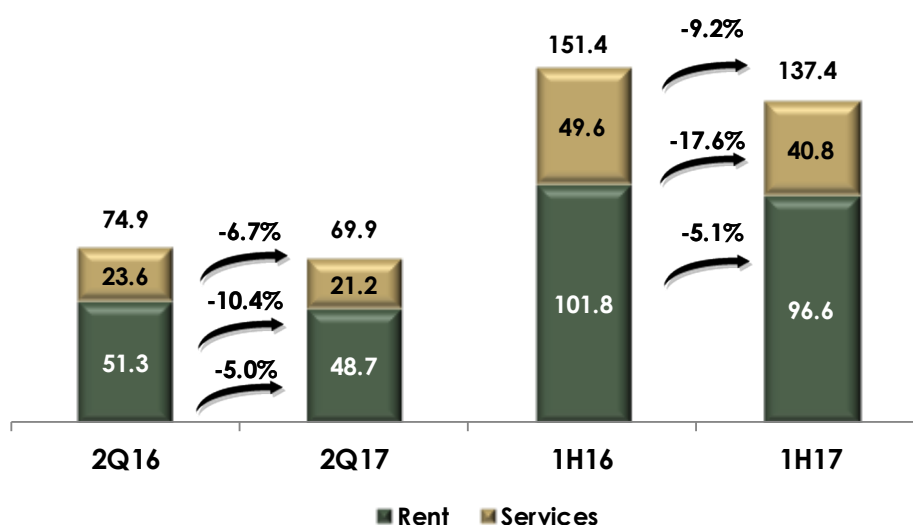
## GROSS REVENUE

The Company's total gross revenue during the quarter was R\$ 69.9 million, representing a decrease of 6.7% relative to 2Q16. In 1H17, the Company posted gross revenue of R\$ 137.4 million, a decrease of 9.2% compared with 1H16.

Gross revenue from rents in 2Q17 was R\$ 48.7 million, representing 69.7% of total gross revenue and a decrease of 5.0% in relation to 2Q16. The principal factors contributing to this result were the decrease in key money revenue and the divestment of stakes in commercial developments during the period, partially compensated by real rates of growth and annual readjustments in rentals. In 1H17, the Company reported gross revenue from rents of R\$ 96.6 million, a decrease of 5.1% compared with 1H16.

Gross revenue from services in 2Q17 was R\$ 21.2 million, a decrease of 10.4% in relation to 2Q16 and R\$ 40.8 million in 1H17, a 17.6% decrease compared with 1H16.

### TOTAL GROSS REVENUE (R\$ million)



## RENTAL REVENUE

The Company's 2Q17 rental revenue amounted to R\$ 48.7 million, comprising minimum rent, percentage on sales, key money, advertising and straight-line revenue.

Rental Revenue Breakdown						
R\$ million	2Q16	2Q17	Chg.	1H16	1H17	Chg.
Minimum Rent	36.9	35.6	-2.6%	73.9	71.5	-2.6%
Percentage on Sales	4.8	5.1	7.1%	9.6	9.2	-3.4%
Key Money	4.4	1.9	-56.8%	7.4	3.8	-48.7%
Advertising	3.3	3.9	17.1%	6.9	7.6	10.1%
Straight-lining Revenue	1.9	2.2	13.4%	4.0	4.5	10.4%
<b>Total</b>	<b>51.3</b>	<b>48.7</b>	<b>-5.0%</b>	<b>101.8</b>	<b>96.6</b>	<b>-5.1%</b>

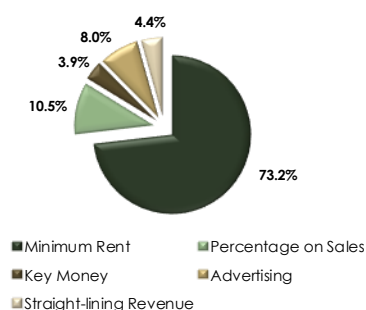
Revenue from minimum rent in 2Q17 posted a decrease of R\$ 1.3 million or 2.6% compared with 2Q16, due to the factors already mentioned. Comparing 1H17 with 1H16, there was a R\$ 2.4 million decrease or 2.6%.

Percentage on sales rose 7.1% in 2Q17 year-on-year. However, there was a decrease of 3.4% in 1H17 relative to the same period in 2016.

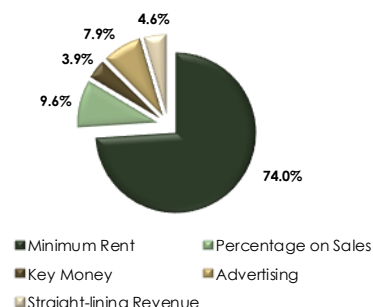
Temporary rentals (Advertising) in 2Q17 were R\$ 3.9 million, an increase of 17.1% in relation to 2Q16 and R\$ 7.6 million in 1H17, growth of 10.1% compared with 1H16.

Minimum rental revenue in 2Q17 accounted for 73.2% of total rental revenue while in 2Q16, this item represented 72.1% of the total. In 1H17, this item accounted for 74.0% of total revenue compared with 72.5% in 1H16.

**Rental Revenue Breakdown - 2Q17**



**Rental Revenue Breakdown - 1H17**



## SERVICES REVENUE

In 2Q17, services revenue totaled R\$ 21.2 million, a 10.4% decline in relation to the same quarter in 2016. In 1H17, services revenue was R\$ 40.8 million, a decrease of 17.6% compared with 1H16.

**Services Revenue Breakdown**

R\$ million	2Q16	2Q17	Chg.	1H16	1H17	Chg.
Parking	15.6	12.2	-22.0%	31.7	23.8	-24.9%
Energy	3.4	3.8	12.6%	7.6	6.3	-17.3%
Water	1.8	1.9	3.4%	4.1	4.0	-1.4%
Management	2.8	3.3	16.4%	6.2	6.7	8.3%
<b>Total</b>	<b>23.6</b>	<b>21.2</b>	<b>-10.4%</b>	<b>49.6</b>	<b>40.8</b>	<b>-17.6%</b>

Parking lot revenue in 2Q17 was R\$ 12.2 million, a decrease of R\$ 3.4 million or 22.0% in relation to 2Q16. This result reflected not only divestments (according to explanatory notes and operational context) during the period but also reduced vehicle traffic at some of our operations. In 1H17, parking revenue was R\$ 23.8 million, a decrease of 24.9% compared with 1H16.

Revenues from the management of energy supply were R\$ 3.8 million in 2Q17, an increase of R\$ 0.4 million or 12.6%. This result reflected the improvement in spot purchase costs, which widened our margins, albeit partially attenuated by the divestments already described. In 1H17, revenues from this item were R\$ 6.3 million, a decline of 17.3% in relation to 1H16.



Revenues from water supply management amounted to R\$ 1.9 million in 2Q17 or R\$ 0.1 million higher than 2Q16. In 1H17, revenues from this item were R\$ 4.0 million, a decrease of 1.4% compared with 1H16.

### DEDUCTIONS FROM REVENUE (TAXES, DISCOUNTS AND CANCELLATIONS)

Taxes, discounts and cancellations charged against gross revenue amounted to R\$ 8.0 million in 2Q17 and corresponding to 11.5% of total gross revenue as against 12.4% in 2Q16. In 1H17, we reported R\$ 15.5 million for this same item, 11.3% of total gross revenue while in 1H16, the percentage was 12.0%.

Sales taxes (PIS/COFINS/ISS) totaled R\$ 5.7 million in 2Q17, representing a decrease of R\$ 0.7 million in relation to 2Q16, a reflection of reduced rental billings, partially mitigated by the change in tax regime at some group companies. In 1H17, these same sales taxes amounted to R\$ 11.1 million, a growth of R\$ 2.0 million compared to 1H16.

In 2Q17, discounts and cancellations were R\$ 2.3 million, a decrease of R\$ 0.6 million relative to 2Q16. In 1H17, we reported R\$ 4.4 million, a growth of R\$ 0.7 million compared with 1H16.

### RENTAL AND SERVICES NET REVENUE

Net Revenue reached R\$ 61.8 million in 2Q17, a 5.8% drop against the same period in 2016. In 1H17, we recorded R\$ 121.9 million for this same item, 8.5% less than in 1H16.

### RENTAL AND SERVICES COST

In 2Q17, rental and services cost posted a decrease of 32.9% to R\$ 6.8 million. For the first six months of 2017, these costs amounted to R\$ 12.9 million, a 36.6% improvement in relation to 1H16.

Rental and Services Costs						
R\$ million	2Q16	2Q17	Chg.	1H16	1H17	Chg.
Personnel*	0.7	0.6	-25.1%	1.5	1.0	-35.0%
Depreciation	0.6	0.4	-23.3%	1.2	1.1	-11.4%
Occupancy	4.4	4.4	-	8.3	8.2	-1.9%
Third parties	3.2	1.4	-56.8%	6.8	2.6	-60.6%
Other Costs*	1.2	-	-	2.6	-	-
<b>Total</b>	<b>10.1</b>	<b>6.8</b>	<b>-32.9%</b>	<b>20.4</b>	<b>12.9</b>	<b>-36.6%</b>

\*Reclassified in fiscal year 2016

### Personnel Costs

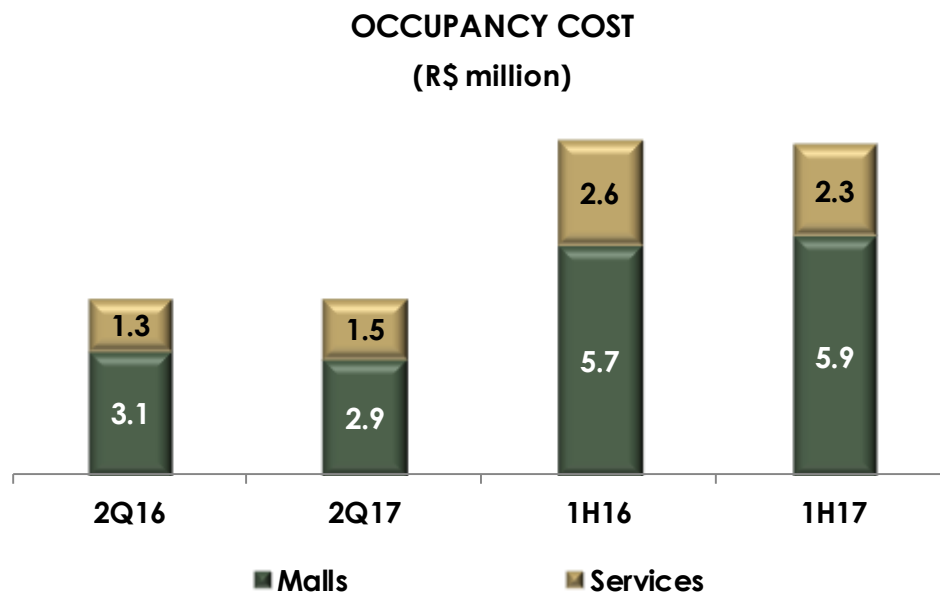
Personnel costs were R\$ 0.6 million in the quarter under review, a decrease of 25.1% in relation to 2Q16. In 1H17, the Company's personnel costs were R\$ 1.0 million, 35.0% lower year-on-year.

### Depreciation Costs

In 2Q17, depreciation costs stood at R\$ 0.4 million, a R\$ 0.2 million decline relative to 2Q16. In 1H17, we recorded depreciation costs of R\$ 1.1 million, a decline of R\$ 0.1 million compared with 1H16.

### Occupancy Costs

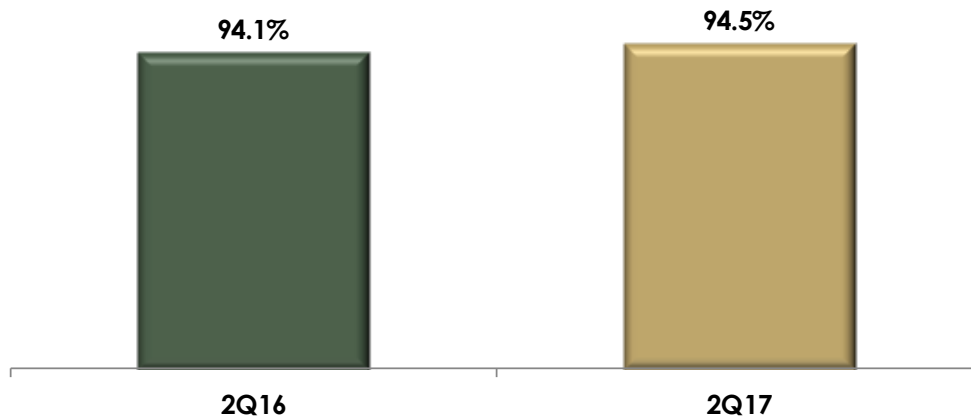
During the quarter under review, occupancy costs amounted to R\$ 4.4 million, the same level as in 2Q16. In 1H17, the Company posted occupancy costs of R\$ 8.2 million, a decrease of R\$ 0.1 million or 1.9%, compared with 1H16.



Shopping center occupancy costs were R\$ 2.9 million in 2Q17, a decrease of R\$ 0.2 million compared with 2Q16. In 1H17, occupancy costs amounted to R\$ 5.9 million, a rise of R\$ 0.2 million in relation to 1H16.

The occupancy costs of services amounted to R\$ 1.5 million in 2Q17, an increase of R\$ 0.2 million compared with 2Q16. In 1H17, this item amounted to R\$ 2.3 million, a decrease of R\$ 0.3 million in relation to 1H16.

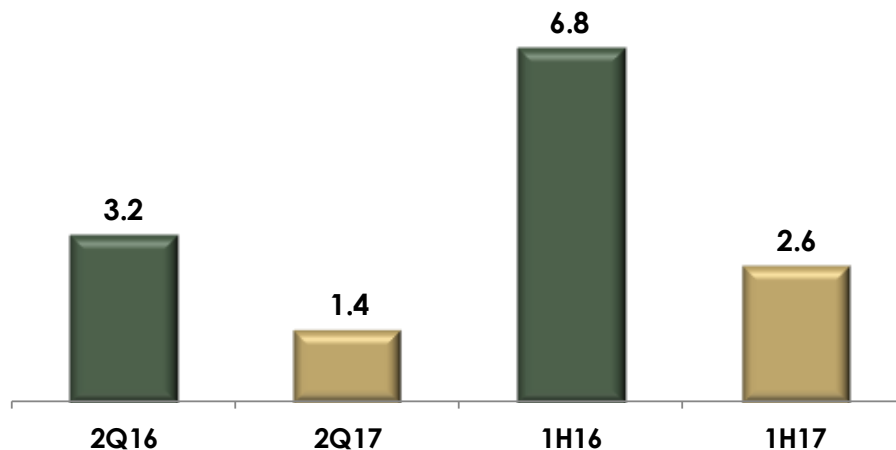
## OCCUPANCY RATE PERFORMANCE



### Third Party Service Costs

Costs of third party services in 2Q17, principally those involving parking lot operations, were R\$ 1.4 million, a decrease of R\$ 1.8 million compared with 2Q16. In 1H17, we registered R\$ 2.6 million for this item, a R\$ 4.2 million decline in relation to 1H16.

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

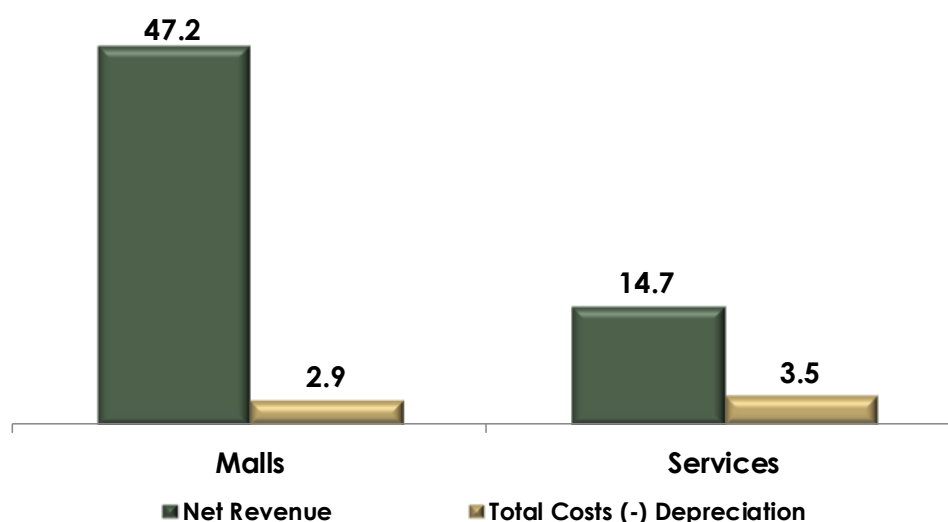


### GROSS PROFIT

Gross profit in 2Q17 was R\$ 55.0 million, equivalent to a margin of 89.0%, and a decline of 0.8% relative to the R\$ 55.5 million in 2Q16. In 1H17, we posted R\$ 108.9 million for this same item and corresponding to 89.4% and a decrease of 3.4% compared with 1H16.

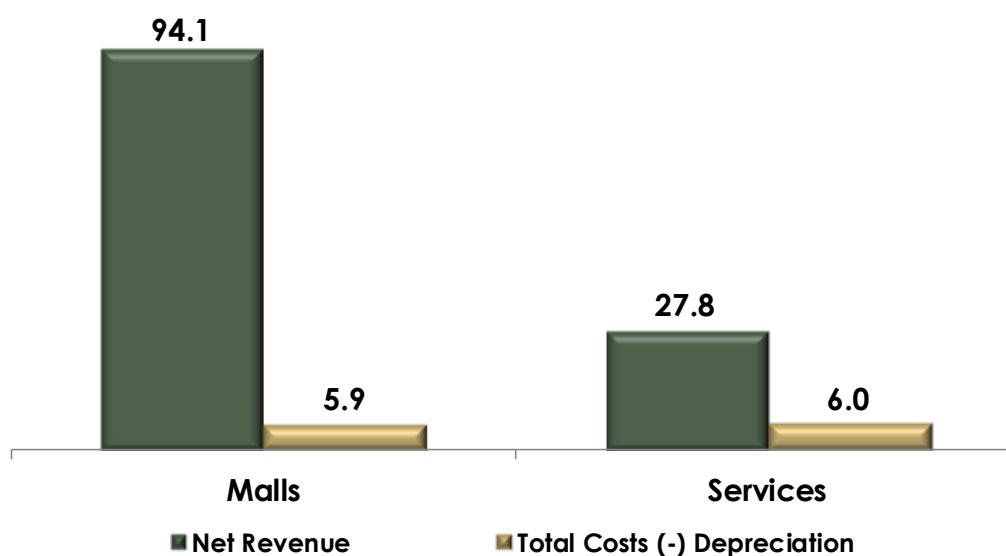
In 2Q17, the Company posted a Consolidated NOI of R\$ 55.5 million. The NOI from shopping center operations was R\$ 44.3 million and the remaining R\$ 11.2 million was generated from services.

### NOI - 2Q17 (R\$ million)



In 1H17, the Company reported R\$ 110.0 million in NOI, of which R\$ 88.2 million was from Shopping Center operations and R\$ 21.8 million from Services.

### NOI - 1H17 (R\$ million)



### GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses in 2Q17 totaled R\$ 13.0 million, an increase of 5.4% compared with 2Q16. In 1H17, this amount was R\$ 25.2 million, 3.4% less than in 1H16.

**General and Administrative Expenses**

R\$ million	2Q16	2Q17	Chg.	1H16	1H17	Chg.
Publicity and Advertising	(0.8)	(0.3)	-62.2%	(1.7)	(0.7)	-59.1%
Provision for Doubtful Accounts	(1.4)	(2.1)	50.2%	(2.2)	(4.0)	80.5%
Personnel	(3.7)	(3.6)	-3.4%	(7.3)	(7.0)	-4.7%
Third Parties	(2.6)	(3.1)	19.7%	(5.1)	(4.8)	-6.0%
Commercialization Expenses	(0.9)	(1.0)	13.2%	(2.7)	(2.0)	-24.5%
Non-recurring Expenses	(0.5)	-	-	(1.5)	(0.1)	-90.3%
Other Expenses	(2.5)	(2.9)	19.0%	(5.6)	(6.6)	18.3%
<b>Total</b>	<b>(12.4)</b>	<b>(13.0)</b>	<b>5.4%</b>	<b>(26.1)</b>	<b>(25.2)</b>	<b>-3.4%</b>

In the quarter under review, the Company reported an increase of R\$ 0.6 million in administrative expenses, in turn a reflection of a rise in (i) provisions for doubtful debts; (ii) third party services; (iii) commercialization and (iv) other expenses, partially attenuated by a decrease in (v) publicity and advertising and (vi) personnel expenses.

**OTHER OPERATING REVENUES AND (EXPENSES)**

Other operating revenues and expenses are reflected principally in the recovery of costs and expenses paid out by the Company for account of shopping center tenants as well as other recoveries in general. In 2Q17, other operating revenues and expenses were a negative R\$ 5.0 million, while in 2Q16, the Company reported a negative R\$ 18.2 million for this item. In 1H17, other operating revenues and expenses were a negative R\$ 4.5 million and in 1H16, we reported a negative R\$ 17.5 million.

**Other Operating Revenues**

R\$ million	2Q16	2Q17	Chg.	1H16	1H17	Chg.
Recovery of Condominium Expenses	0.2	0.1	-50.3%	0.2	0.1	-30.4%
Gain/Loss on Investment Properties Sale	(19.1)	-	-	(19.5)	0.2	-
Recovery (other)	0.7	(5.1)	-	1.8	(4.8)	-
<b>Total</b>	<b>(18.2)</b>	<b>(5.0)</b>	<b>-72.7%</b>	<b>(17.5)</b>	<b>(4.5)</b>	<b>-74.5%</b>

**NET FINANCIAL RESULT**

In 2Q17, the net financial result was a negative R\$ 103.9 million while in 2Q16, the same item was a positive R\$ 50.3 million. It is worth recalling that there is no cash impact from the foreign exchange variation effect on the principal amount of our perpetual debt. In 1H17, we reported a negative net result of R\$ 136.1 million compared with a positive R\$ 83.4 million in 1H16.

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

Net Financial Result						
R\$ million	2Q16	2Q17	Chg.	1H16	1H17	Chg.
<b>Revenues</b>	<b>175.8</b>	<b>5.5</b>	<b>-96.9%</b>	<b>346.0</b>	<b>61.2</b>	<b>-82.3%</b>
Interest on financial investments	1.5	1.9	26.8%	3.2	3.2	-1.8%
Exchange Variation - Asset	170.1	0.1	-	335.8	51.7	-84.6%
Derivative Operational Gain	2.6	2.0	-20.1%	3.6	2.1	-42.5%
Other	1.6	1.5	-9.2%	3.4	4.2	25.1%
<b>Expenses</b>	<b>(125.5)</b>	<b>(109.4)</b>	<b>-12.8%</b>	<b>(262.6)</b>	<b>(197.3)</b>	<b>-24.9%</b>
Interest on loans, financing and CCLs	(28.6)	(23.9)	-16.4%	(60.3)	(48.7)	-19.3%
Perpetual Bonds Debt	(26.9)	(26.7)	-0.8%	(57.3)	(51.4)	-10.4%
Derivative Operational Loss	(10.2)	-	-	(20.4)	(4.2)	-79.4%
Exchange Variation - Liability	(51.4)	(45.7)	-11.1%	(102.9)	(68.2)	-33.7%
Fine on Overdue Taxes	(0.6)	(6.3)	-	(6.7)	(12.1)	82.2%
Other	(7.8)	(6.8)	-12.6%	(15.0)	(12.7)	-15.6%
<b>Total</b>	<b>50.3</b>	<b>(103.9)</b>	<b>-</b>	<b>83.4</b>	<b>(136.1)</b>	<b>-</b>

## FINANCIAL INSTRUMENTS

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

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

No derivative is classified as a hedge instrument under the Brazilian Accounting Standards Committee's CPC 38 definition and therefore is not booked according to Hedge Accounting practices.

## EXCHANGE RISK

General Shopping adopts a strategy of holding at least one year's interest payments hedged against foreign exchange risk. To this end, hedging may be conducted through operations either in Brazil or abroad and include derivative instruments. The Company adheres strictly to set criteria for costs and profitability.

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

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

The Company's currency exposure position as at June 30, 2017 for the next 12 months is shown in the following chart:

**Exchange Hedge Scenario**

US\$ thousands	2017	2018	12 months
Exposure	9,929	9,929	19,858
Total hedge with derivative instruments	10,000	10,000	20,000
<b>Coverage</b>			<b>101%</b>

**Types of Hedge Instruments**

Derivative Instrument - Exchange NDF	2017	2018	12 months
Initial price - R\$/US\$*	3.2717	3.2717	3.2717
Notional value in US\$ thousands	10,000	10,000	20,000
Fair value in R\$ thousands	548	548	1,096

(\*) For the currency NDF, the price reflects the operation's entry price.

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

The Company reported income tax and social contribution in 2Q17 of R\$ 6.1 million compared with R\$ 11.2 million in 2Q16. In 1H17, income tax and social contribution was R\$ 11.7 million, a decrease of R\$ 6.9 million compared with 1H16.

**NET ADJUSTED RESULT**

In 2Q17, the Company reported negative net adjusted result of R\$ 67.5 million compared with a positive net adjusted result of R\$ 85.4 million in 2Q16. In 1H17, the net adjusted result was negative R\$ 63.2 million compared with a positive R\$ 156.9 million in 1H16 for the same item.

**Adjusted Net Result Reconciliation**

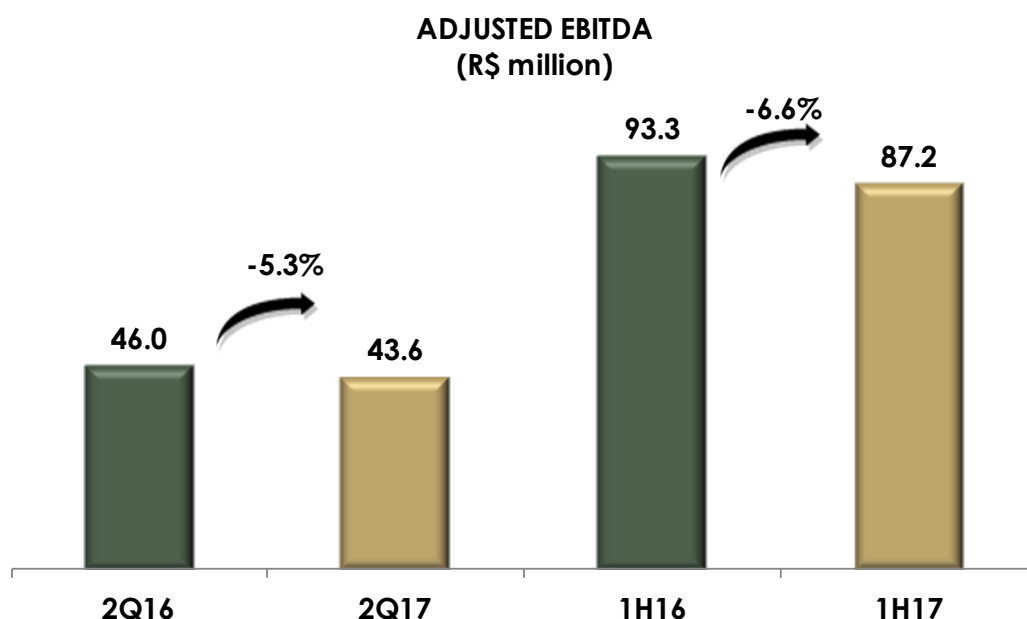
R\$ million	2Q16	2Q17	Chg.	1H16	1H17	Chg.
<b>Net Result</b>	<b>64.0</b>	<b>(73.0)</b>	-	<b>134.0</b>	<b>(68.6)</b>	-
(+) Non-Recurring	19.6	5.5	-72.2%	21.1	5.4	-74.2%
(+) IRPJ/CSLL (Non-Recurring)	1.8	-	-	1.8	-	-
<b>Adjusted Net Result</b>	<b>85.4</b>	<b>(67.5)</b>	-	<b>156.9</b>	<b>(63.2)</b>	-
<b>Adjusted Net Result Margin</b>	<b>130.2%</b>	<b>-109.2%</b>	-	<b>117.8%</b>	<b>-51.8%</b>	-

**ADJUSTED EBITDA**

In 2Q17, Adjusted EBITDA was R\$ 43.6 million, equivalent to a margin of 70.5% and a decrease of 5.3% in relation to the Adjusted EBITDA of R\$ 46.0 million in the same quarter for 2016. In 1H17, Adjusted EBITDA was R\$ 87.2 million and corresponding to a margin of 71.5% and a decrease of 6.6% compared with 1H16.

**Adjusted EBITDA Reconciliation**

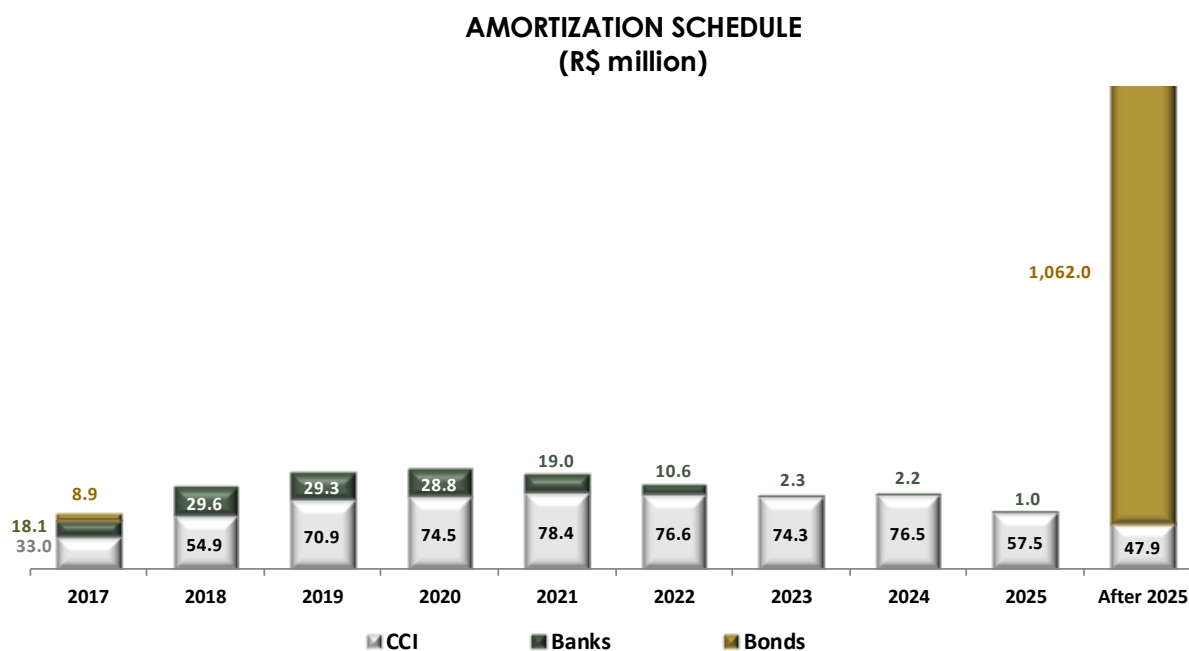
R\$ million	2Q16	2Q17	Chg.	1H16	1H17	Chg.
<b>Net Result</b>	<b>64.0</b>	<b>(73.0)</b>	-	<b>134.0</b>	<b>(68.6)</b>	-
(+) Income Tax and Social Contribution	11.2	6.1	-45.9%	18.6	11.7	-36.8%
(+) Net Financial Result	(50.3)	103.9	-	(83.4)	136.1	-
(+) Depreciation and Amortization	1.5	1.1	-24.8%	3.0	2.6	-19.2%
<b>EBITDA</b>	<b>26.4</b>	<b>38.1</b>	<b>44.3%</b>	<b>72.2</b>	<b>81.8</b>	<b>13.2%</b>
(+) Non-Recurring	19.6	5.5	-72.2%	21.1	5.4	-74.2%
<b>Adjusted EBITDA</b>	<b>46.0</b>	<b>43.6</b>	<b>-5.3%</b>	<b>93.3</b>	<b>87.2</b>	<b>-6.6%</b>
<b>Adjusted EBITDA Margin</b>	<b>70.1%</b>	<b>70.5%</b>	<b>0.4 p.p.</b>	<b>70.1%</b>	<b>71.5%</b>	<b>1.4 p.p.</b>



## CAPITAL STRUCTURE

The Company's gross debt as at June 30, 2017 amounted to R\$ 1,856.3 million. On March 31, 2017, gross debt stood at R\$ 1,844.4 million.

In the light of General Shopping's cash position (cash and cash equivalents and other financial investments) as at June 30, 2017 of R\$ 91.3 million, total net debt amounted to R\$ 1,765.0 million. In 1Q17, net debt amounted to R\$ 1,788.6 million.





R\$ million															
Financial Institution	Maturity	Index	Interest	06/30/2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	After 2025	
BNDES - PINE FINAME	Sep-19	-	8.7%	0.4	0.1	0.2	0.1	-	-	-	-	-	-	-	-
BNDES - HSBC FINEM	Aug-21	SELIC	6.8%	17.9	2.2	4.3	4.2	4.3	2.9	-	-	-	-	-	-
BNDES - HSBC FINEM	Aug-21	TJLP	6.8%	31.3	3.9	7.5	7.4	7.5	5.0	-	-	-	-	-	-
BNDES - ITAÚ CCB	Nov-20	TJLP	6.3%	16.5	2.5	4.8	4.8	4.4	-	-	-	-	-	-	-
BNDES - ITAÚ CCB	Nov-20	SELIC	4.6%	5.2	0.8	1.5	1.5	1.4	-	-	-	-	-	-	-
BNDES - ITAÚ CCB	Nov-20	-	3.5%	0.6	0.1	0.2	0.2	0.1	-	-	-	-	-	-	-
DEBENTURES - SB BONSUCESSO	Oct-22	CDI	2.8%	20.9	2.1	3.9	3.9	3.8	3.9	3.3	-	-	-	-	-
DEBENTURES - SB BONSUCESSO	Oct-22	IPCA	7.5%	30.0	5.3	4.9	4.9	5.0	4.9	5.0	-	-	-	-	-
BNB	Jun-25	-	3.5%	18.1	1.1	2.3	2.3	2.3	2.3	2.3	2.3	2.2	1.0	-	-
CCI - ITAÚ BBA	Jun-18	TR	11.0%	41.6	17.3	24.3	-	-	-	-	-	-	-	-	-
CCI - SANTANDER	Jun-22	TR	11.0%	41.0	3.2	6.9	7.7	8.5	9.5	5.2	-	-	-	-	-
CCI - HABITASEC	Nov-24	IPCA	7.0%	64.1	3.6	7.0	7.6	8.1	8.7	9.3	10.0	9.8	-	-	-
CCI - HABITASEC	Jun-25	IPCA	7.0%	35.8	1.8	3.6	3.8	4.1	4.4	4.7	5.1	5.4	2.9	-	-
CCI - HABITASEC	Dec-24	IPCA	7.0%	50.2	2.8	5.5	5.9	6.3	6.6	7.2	7.7	8.2	-	-	-
CCI - ITAÚ	Sep-26	TR	9.9%	277.8	0.3	-	36.2	36.2	36.2	36.1	36.2	36.2	36.2	24.2	24.2
CCI - ITAÚ BBA	Jan-27	TR	10.0%	69.0	1.6	3.1	4.3	5.5	6.8	7.5	8.3	9.3	10.3	12.3	12.3
CCI - HABITASEC	Mar-27	IPCA	6.5%	65.0	2.4	4.5	5.4	5.8	6.2	6.6	7.0	7.6	8.1	11.4	11.4
BONDS 2012*	-	USD	13.2%	489.4	-	-	-	-	-	-	-	-	-	-	489.4
BONDS 2016	Aug-26	USD	10%/12%	30.7	1.2	-	-	-	-	-	-	-	-	-	29.5
BONDS 2010/2011*	-	USD	10.0%	550.8	7.7	-	-	-	-	-	-	-	-	-	543.1
<b>Total Debt</b>				<b>1,856.3</b>	<b>60.0</b>	<b>84.5</b>	<b>100.2</b>	<b>103.3</b>	<b>97.4</b>	<b>87.2</b>	<b>76.6</b>	<b>78.7</b>	<b>58.5</b>	<b>1,109.9</b>	

\* Perpetual note with a call option

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

## SUBSEQUENT EVENT

According to the Minutes of the Board of Directors' Meeting held on August 4, 2017, the cancellation of 6,564,301 (six million, five hundred sixty-four thousand, three hundred and one) registered common shares with no par value issued by the Company Held in treasury, which were acquired as part of the share buyback approved at an Extraordinary General Meeting held on July 22, 2016, without reducing its capital stock. As a result of said cancellation, the subscribed and paid-in capital stock of R\$ 389,626, will now be represented by sixty-nine million, four hundred and thirty-five thousand, six hundred and ninety-nine (69,435,699) common, nominative shares without nominal value.

**CONSOLIDATED INCOME STATEMENT**

R\$ thousand	2Q16	2Q17	Chg.	1H16	1H17	Chg.
<b>Gross Operating Revenue</b>	<b>74,906</b>	<b>69,856</b>	<b>-6.7%</b>	<b>151,346</b>	<b>137,390</b>	<b>-9.2%</b>
Revenue from Rents	51,266	48,678	-5.0%	101,766	96,548	-5.1%
Revenue from Services	23,640	21,178	-10.4%	49,580	40,842	-17.6%
<b>Revenue Deductions</b>	<b>(9,296)</b>	<b>(8,036)</b>	<b>-13.6%</b>	<b>(18,170)</b>	<b>(15,515)</b>	<b>-14.6%</b>
Pis / Cofins	(5,443)	(5,043)	-7.3%	(11,017)	(9,622)	-12.7%
ISS	(955)	(653)	-31.6%	(2,063)	(1,469)	-28.8%
Discounts	(2,898)	(2,340)	-19.3%	(5,090)	(4,424)	-13.1%
<b>Net Operating Revenue</b>	<b>65,610</b>	<b>61,820</b>	<b>-5.8%</b>	<b>133,176</b>	<b>121,875</b>	<b>-8.5%</b>
<b>Rents and Services Costs</b>	<b>(10,097)</b>	<b>(6,774)</b>	<b>-32.9%</b>	<b>(20,402)</b>	<b>(12,940)</b>	<b>-36.6%</b>
Personnel	(742)	(556)	-25.1%	(1,506)	(979)	-35.0%
Depreciation	(600)	(460)	-23.3%	(1,226)	(1,086)	-11.4%
Occupancy	(4,366)	(4,368)	0.0%	(8,353)	(8,193)	-1.9%
Third Parties	(3,221)	(1,390)	-56.8%	(6,814)	(2,682)	-60.6%
Other Costs	(1,168)	-	-	(2,503)	-	-
<b>Gross Profit</b>	<b>55,513</b>	<b>55,046</b>	<b>-0.8%</b>	<b>112,774</b>	<b>108,935</b>	<b>-3.4%</b>
<b>Operating Expenses</b>	<b>(30,597)</b>	<b>(18,033)</b>	<b>-41.1%</b>	<b>(43,606)</b>	<b>(29,661)</b>	<b>-32.0%</b>
General and Administrative	(12,390)	(13,062)	5.4%	(26,090)	(25,193)	-3.4%
Other Operating Revenues and Expenses	(18,207)	(4,971)	-72.7%	(17,516)	(4,468)	-74.5%
<b>Income Before Financial Result</b>	<b>24,916</b>	<b>37,013</b>	<b>48.6%</b>	<b>69,168</b>	<b>79,274</b>	<b>14.6%</b>
Financial Results	50,284	(103,890)	-	83,385	(136,092)	-
<b>Result Before Income Tax and Social Contribution</b>	<b>75,200</b>	<b>(66,877)</b>	<b>-188.9%</b>	<b>152,553</b>	<b>(56,818)</b>	<b>-</b>
Income Tax and Social Contribution	(11,237)	(6,078)	-45.9%	(18,588)	(11,744)	-36.8%
<b>Net Result in the period</b>	<b>63,963</b>	<b>(72,955)</b>	<b>-</b>	<b>133,965</b>	<b>(68,562)</b>	<b>-</b>

**CONSOLIDATED BALANCE SHEET**

ASSETS R\$ thousand	06/30/2017	12/31/2016
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	89,807	59,771
Financial Application	-	13,053
Accounts Receivable	60,968	66,323
Recoverable Taxes	11,459	11,275
Accounts receivable - Cessions	43,498	54,998
Other Receivables	15,115	19,214
<b>Total Current Assets</b>	<b>220,847</b>	<b>224,634</b>
<b>NON-CURRENT ASSETS</b>		
Financial Application	1,537	1,469
Accounts Receivable	5,333	7,273
Recoverable Taxes	4,081	4,307
Related Parties	55,903	53,953
Deposits and Guarantees	3,502	2,247
Other Accounts Receivable	430	1,689
Investment Property	2,962,808	2,969,390
Property, Plant and Equipment	8,026	15,258
Intangible	18,421	19,950
<b>Total Non-Current Assets</b>	<b>3,060,041</b>	<b>3,075,536</b>
<b>Total Assets</b>	<b>3,280,888</b>	<b>3,300,170</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>CURRENT LIABILITIES</b>		
Suppliers	13,275	16,569
Loans and Financing	39,046	73,473
Payroll and Related Charges	2,536	2,368
Taxes and Contributions	146,365	121,106
Taxes to be paid in Installments	16,611	15,434
Real Estate Credit Notes - CCI	70,570	59,822
Related Parties	24,602	24,748
Cession revenues to be recognized	25,976	25,695
Other Payables	2,035	2,700
<b>TOTAL CURRENT LIABILITIES</b>	<b>341,016</b>	<b>341,915</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans and financing	1,172,799	1,142,621
Cession revenues to be recognized	158,354	170,736
Taxes to be paid in Installments	41,860	42,046
Deferred Taxes and Social Contribution	86,647	86,647
Provision for Labor and Civil Risks	1,621	1,504
Real Estate Credit Notes - CCI	573,928	541,476
<b>Total Non-Current Liabilities</b>	<b>2,035,209</b>	<b>1,985,030</b>
<b>Shareholders Equity</b>	<b>904,663</b>	<b>973,225</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>3,280,888</b>	<b>3,300,170</b>

<b>CONSOLIDATED CASH FLOW</b>		
<b>R\$ thousand</b>	<b>06/30/2017</b>	<b>06/30/2016</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit (Loss) in the period</b>	<b>(68.562)</b>	<b>133.965</b>
<b>Adjustments for reconciling net profit in the period with net cash generated (used) by operating activities:</b>		
Depreciation and Amortization	2.461	3.046
Provision for doubtful accounts	3.964	2.196
Provision / (Recognition) for labor and civil risks	117	(24)
Income taxes and Social Contribution deferred	-	(2.242)
Income taxes and Social Contribution	11.744	20.801
Financial charges on loans, financing, CCI and perpetual bonds	99.248	120.957
Loss/(Gain) not realized with derivatives instruments	-	8.474
Financial charges on taxes paid in installments	1.384	1.871
Exchange Variation	16.054	(233.576)
Fair Value Adjustments	-	12.300
<b>(Increase) Decrease in Operating Assets:</b>		
Accounts Receivable	3.331	(476)
Recoverable Taxes	42	150
Accounts Receivable - Cessions	11.500	-
Accounts Receivable from sold properties	-	(25.333)
Other receivables	5.358	1.092
Deposits and Guarantees	(1.255)	(596)
<b>Increase (Decrease) in Operating Liabilities:</b>		
Suppliers	(3.294)	(3.485)
Taxes, Charges and Contributions	13.515	15.216
Salaries and Social Charges	168	346
Cession Revenue to be recognized	(12.101)	87.476
Other Payables	(665)	(7.231)
<b>Cash (Applied in) / Generated from Operating Activities</b>	<b>83.009</b>	<b>134.927</b>
Payment of Interest	(65.901)	(77.070)
<b>Net Cash (Applied in) / Generated from Operating Activities</b>	<b>17.108</b>	<b>57.857</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Asset write off	34.158	-
Call of Financial Application and Restricted Cash	12.985	(261)
Acquisition of property and intangible assets	(21.276)	(50.176)
Proceeds from sale of investments properties	-	60.500
<b>Net Cash (Applied in) / Generated from Investment Activities</b>	<b>25.867</b>	<b>10.063</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of Loans, Financing and CCI	71.045	-
Costs on issuance of Loans, Financing and CCI and Perpetual Bonds	(5.466)	(600)
Amortization of principal of loans, financing and CCI	(77.422)	(45.419)
New taxes installments	5.386	-
Payment of principal on installment of taxes	(4.386)	(5.781)
Related Parties	(2.096)	(2.681)
<b>Net Cash (Applied in) / Generated from Financing Activities</b>	<b>(12.939)</b>	<b>(54.481)</b>
<b>NET (REDUCTION)/INCREASE OF CASH AND CASH EQUIVALENTS</b>	<b>30.036</b>	<b>13.439</b>
<b>Cash and Cash Equivalents</b>		
Beginning period	59.771	111.240
Closing period	89.807	124.679

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

## GLOSSARY

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