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

General Shopping Brasil S.A. and Subsidiaries

Financial Statements for the Quarters Ended September 30, 2008 and 2007 and Independent Auditors' Review Report

Deloitte Touche Tohmatsu Auditores Independentes

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

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF SEPTEMBER 30, 2008 AND JUNE 30, 2008
(The financial statements as of September 30, 2008 were reviewed by independent auditors
to the extent described in limited review report dated October 31, 2008)
(In thousands of Brazilian reais)

		09.30.08		06.30.08	
	Note	Company	Consolidated	Company	Consolidated
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		37	8.282	457	20.465
Temporary cash investments	3	2.659	4.475	19.473	57.147
Certificates of Real Estate Receivables (CRIs)		-	363	-	341
Trade accounts receivable	4	-	14.139	-	14.349
Recoverable taxes	5	45	687	51	673
Deferred income and social contribution taxes	19	-	28	-	124
Other receivables		194	126.491	115	121.193
Total current assets		2.935	154.465	20.096	214.292
NONCURRENT ASSETS					
Long-term assets:					
Certificates of Real Estate Receivables (CRIs)		-	1.085	-	1.110
Recoverable taxes	5	1.195	1.195	1.367	1.367
Deferred income and social contribution taxes	19	-	6.921	-	6.946
Intercompany receivables	20	322.067	14.297	296.512	14.401
Escrow deposits		-	529	-	473
Permanent assets:					
Investments	7	119.379	-	123.018	-
Property and equipment	8	4.031	693.518	3.287	667.269
Intangible assets		-	31.239	-	32.510
Total noncurrent assets		446.672	748.784	424.184	724.076
TOTAL ASSETS		449.607	903.249	444.280	938.368

		09.30.08		06.30.08	
	Note	Company	Consolidated	Company	Consolidated
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		614	8.097	204	5.544
Loans and financing	10	31.135	208.508	50.245	206.940
Payables for purchase of properties	12	-	6.974	-	14.618
Payroll and related charges		786	1.002	572	914
Taxes payable		-	16.947	115	15.775
Deferred income and social contribution taxes	19	-	413	-	413
Taxes in installments	13	27	486	-	595
Real Estate Credit Notes (CCIs)	11	-	25.966	-	25.446
Intercompany payables	20	46.932	19.641	14.226	17.328
Other payables		712	11.683	616	20.180
Total current liabilities		80.206	299.717	65.978	307.753
NONCURRENT LIABILITIES					
Long-term liabilities:					
Loans and financing	10	-	8.675	-	28.130
Payables for purchase of properties	12	-	5.112	-	5.112
Deferred revenue from assignments		-	11.944	-	11.974
Taxes in installments	13	-	3.640	-	3.670
Deferred income and social contribution taxes	19	-	22.752	-	22.792
Reserve for contingencies	14	-	9.593	-	10.083
Real Estate Credit Notes (CCIs)	11	-	172.415	-	170.552
Total noncurrent liabilities		-	234.131	-	252.313
SHAREHOLDERS' EQUITY					
Capital	15	317.813	317.813	317.813	317.813
Revaluation reserve in subsidiaries		80.704	130.499	80.792	130.587
Accumulated deficit		(29.116)	(78.911)	(20.303)	(70.098)
Total shareholders' equity		369.401	369.401	378.302	378.302
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		449.607	903.249	444.280	938.368

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

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

GENERAL SHOPPING BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF OPERATIONS
FOR THE QUARTERS ENDED SEPTEMBER 30, 2008 AND 2007
(The financial statements as of September 30, 2008 were reviewed by independent auditors to the extent described in limited review report dated October 31, 2008)
(In thousands of Brazilian reais)

		09.30.08		09.30.07	
	Note	Company	Consolidated	Company	Consolidated
GROSS REVENUE					
Rentals		-	52.748	-	20.558
Services		-	10.745	-	5.790
		-	63.493	-	26.348
DEDUCTIONS					
Taxes, discounts and cancellations		-	(5.119)	-	(3.832)
NET REVENUE		-	58.374	-	22.516
COST OF RENTALS AND SERVICES	16	-	(18.953)	-	(7.801)
GROSS PROFIT		-	39.421	-	14.715
OPERATING (EXPENSES) INCOME					
General and administrative	17	(10.306)	(15.612)	(23.755)	(27.088)
Other operating income, net		92	6.496	72	1.220
Equity in subsidiaries	7	3.904	-	838	-
INCOME FROM OPERATIONS BEFORE FINANCIAL		(6.310)	30.305	(22.845)	(11.153)
FINANCIAL EXPENSES	18	(4.813)	(34.158)	3.218	(7.430)
LOSS FROM OPERATIONS BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES		(11.123)	(3.853)	(19.627)	(18.583)
Income and social contribution taxes - current	19	-	(7.195)	-	(1.732)
Income and social contribution taxes - deferred	19	-	(75)	-	688
NET INCOME (LOSS)		(11.123)	(11.123)	(19.627)	(19.627)

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

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

INDEPENDENT AUDITORS' REVIEW REPORT

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

1. We have performed a limited review of the accompanying individual (Company) and consolidated balance sheets of General Shopping Brasil S.A and subsidiaries as of September 30, 2008, and the related statements of income, changes in shareholders' equity (Company), cash flows and performance report for the quarter then ended, all expressed in Brazilian reais and prepared in accordance with Brazilian accounting practices under the responsibility of the Company's Management.

2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Companies who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that had or might have had material effects on the financial position and results of operations of the Companies.

3. Based on our special review, we are not aware of any material modifications that should be made to the financial statements referred to in paragraph 1 for them to be in conformity with Brazilian accounting practices established by the Brazilian Securities Commission (CVM), including the Instruction No. 469, of May 2, 2008.

4. As mentioned in note 25, on December 28, 2007, Law No. 11,638 was enacted, altering, revoking and adding new provisions to Law No. 6,404/76 (Brazilian Corporate Law). This Law is effective for fiscal years beginning on or after January 1, 2008 and will introduce changes in Brazilian accounting practices. Although this Law has already become effective, the main changes introduced by it are subject to regulation by regulatory agencies before being fully applied by companies. Accordingly, during this transition phase, CVM, through Instruction No. 469/08, has permitted companies not to apply the provisions of Law No. 11,638/07 in the preparation of the financial statements. Thus, the financial statements for the nine months period ended September 30, 2008, have been prepared in conformity with specific instructions of CVM and do not include the changes in accounting practices introduced by Law No. 11,638/07.

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

6. As mentioned in note 8, the Company is taking actions to complete the registration of the properties where Poli Shopping and Shopping Light are located with the proper Registry of Deeds Offices. Management understands that no material expenses will be incurred in these processes and that there will be no impediments to such registrations.

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

São Paulo, October 31, 2008

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Ismar de Moura
Engagement Partner

1. OPERATIONS

General Shopping Brasil S.A. (the "Company") was established on March 6, 2007 and, on March 31, 2007, after successive corporate operations, the equity interest in the companies engaged in shopping mall activities and the equity interest in the companies that provide services to the shopping malls were grouped into two different companies: (a) Levian Participações e Empreendimentos Ltda.; and (b) Atlas Participações Ltda.

The Company is engaged in: (a) management of its own and third parties' assets; (b) holding of equity interests in real estate projects; and (c) real estate development and related activities.

As of September 30, 2008, the Company has consolidated working capital deficit of R$145.252, represented mainly by working capital loans and financing for the construction and expansion of shopping malls.

The Company has the alternative of restructuring and extending the profile of these debts through the issuance of Certificates of Real Estate Receivables (on November 14, 2008, there is an operation under study in the amount of R$110,000 thousand). The Company also has credit facilities available. Considering this alternative and the projected cash flows from operating activities, Management does not anticipate problems in completing the intended restructuring process and will, therefore, be able to fulfill the company's short-term obligations.

The Company's direct and indirect subsidiaries included in the consolidated financial statements are as follows:

- Atlas Participações Ltda. ("Atlas") - engaged in managing its own assets, and holding equity interests in other companies. Atlas presently holds a 100% interest in I Park Estacionamento Ltda., Energy Comércio e Serviços de Energia Ltda., Wass Comércio e Serviços de Água Ltda., Internacional Guarulhos Shopping Center Ltda., Internacional Guarulhos Auto Shopping Center Ltda. and Vide Serviços e Participações Ltda.

- ABK do Brasil - Empreendimentos e Participações Ltda. ("ABK") - engaged in managing its own assets and holding equity interests in other companies. ABK presently holds an undivided interest of 50% of Internacional Guarulhos Auto Shopping Center and Internacional Guarulhos Shopping Center.

- Levian Participações e Empreendimentos Ltda. ("Levian") - engaged in managing its own assets, holding equity interests in other companies, and other supplemental or related activities. Levian presently holds an undivided interest of 50% of Internacional Guarulhos Auto Shopping Center and Internacional Guarulhos Shopping Center.

- Poli Shopping Center Empreendimentos Ltda. ("Poli Empreendimentos") - engaged in operating in the shopping mall segment by leasing owned properties or subletting leased properties. Poli Empreendimentos is presently the owner of Poli Shopping Center.

- Park Shopping Administradora Ltda. ("Park Shopping Administradora") - engaged in managing its own and third parties' assets, real estate development, and holding equity interests in other companies and real estate projects. At present, Park Shopping Administradora holds, jointly with Send Empreendimentos e Participações Ltda. and Sulishopping Empreendimentos Ltda., 50% of Santana Parque Shopping.

- Send Empreendimentos e Participações Ltda. ("Send") - engaged in managing its own assets and holding equity interests in other companies. Send presently holds, jointly with Park Shopping Administradora and Sulishopping Empreendimentos Ltda., 50% of Santana Parque Shopping, in addition to: 85.5% interest in Cascavel JL Shopping, 96% of a property that will be used to build a shopping mall in the city of Barueri, State of São Paulo, 50% of a property in the city of São Bernardo do Campo, State of São Paulo, and 30% of a shopping mall to be built and delivered, ready and finished, in the municipality of Itupeva, State of São Paulo, with a purchase option of more than 20% of this project. Send holds 100% of the shares in Uniplaza Empreendimentos Participações e Administração de Centros de Compras Ltda. ("Uniplaza"), which is engaged in managing its own and third parties' assets and trade centers, real estate development, holding equity interests in other companies and real estate projects. Uniplaza holds 100% of Unimart Shopping.

- Nova União Administradora e Incorporadora S.A. ("Nova União") - engaged in managing its own and third parties' assets, holding equity interests in real estate and other projects, real estate development, and related or similar activities. Nova União presently holds an undivided interest in the land where Internacional Guarulhos Shopping Center is located.

- Sulishopping Empreendimentos Ltda. ("Sulishopping") - operates in the shopping mall segment by leasing owned properties or subletting leased properties. Sulishopping presently holds, jointly with Send and Park Shopping Administradora, 50% of Santana Parque Shopping.

- I Park Estacionamento Ltda. ("I Park") - manages owned or rented automotive vehicle parking lots. At present I Park operates the parking lots at Internacional Guarulhos Auto Shopping Center, Internacional Guarulhos Shopping Center, Shopping Light, Santana Parque Shopping and Suzano Shopping Center.

- Wass Comércio e Serviços de Águas Ltda. ("Wass") - leases water treatment and distribution equipment and provides related installation, maintenance and consulting services. At present, Wass leases water treatment and distribution equipment to Internacional Guarulhos Shopping Center, Internacional Guarulhos Auto Shopping Center and Cascavel JL Shopping.

- Energy Comércio e Serviços de Energia Ltda. (“Energia”) - engaged in purchasing, selling and leasing electricity generation, transmission and distribution equipment and providing installation, maintenance and consulting services. At present, Energy leases electricity generation, transmission and distribution equipment to Internacional Guarulhos Shopping Center and Internacional Guarulhos Auto Shopping Center.

- Internacional Guarulhos Shopping Center Ltda. (“ISG Administradora”) - engaged in managing its own or third parties’ assets, providing trade center management services, building management services, other supplemental or related services, and holding equity interests in other companies. At present, ISG Administradora is the manager of Internacional Guarulhos Shopping Center, Suzano Shopping Center, Shopping Americanas Osasco, Shopping Americanas Presidente Prudente, Cascavel JL Shopping, Shopping do Vale, Top Center and Unimart Shopping.

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

- Lux Shopping Administradora e Incorporadora Ltda. (“Lux”) - engaged in managing its own and third parties’ assets and real estate development. Lux is the owner of the building where Shopping Light is located.

- Lumen Shopping Administradora e Incorporadora Ltda. (“Lumen”) - engaged in managing its own and third parties’ assets, holding equity interests in real estate and other projects, real estate development, and related or similar activities. On June 26, 2007, Lumen entered into a Property Purchase and Sale Settlement Agreement and an Assignment of the Right to Use the Commercial Property where Shopping Light is located. Lumen’s share in the assignment of the right to use the property is 50.1%.

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

- Delta Shopping Empreendimentos Imobiliários Ltda. (“Delta”) - engaged in managing its own and third parties’ assets, real estate development, holding equity interests in other companies and real estate projects. Delta holds 100 % of Suzano Shopping Center.

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

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

- Paulis Shopping Administradora e Incorporadora Ltda. (“Paulis”) - engaged in managing its own and third parties’ assets and real estate development. Paulis owns 100% of Top Center Shopping São Paulo.

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

- Brassul Shopping Administradora e Incorporadora Ltda. (“Brassul”) - engaged in managing its own and third parties’ assets and real estate development. Brassul holds 99.99% of the shares in Sale Empreendimentos e Participações Ltda.

- Sale Empreendimentos e Participações Ltda. (“Sale”) - engaged in the purchase, sale, lease, urban development, mortgage, development, building, and management of properties owned by the Company and third parties or jointly owned. Sale owns 84.39% of Shopping do Vale.

- Cly Administradora e Incorporadora Ltda. (“Cly”) - engaged in managing its own and third parties’ assets, real estate development, and holding equity interests in other companies and real estate projects. Cly holds a 100% interest in Internacional Shopping Guarulhos as of June 25, 2008.

- General Shopping Finance Limited (“General Shopping Finance”) - Company based in Cayman Islands and engaged in developing activities and operations related to the Company or its subsidiaries.

- The subsidiaries Zuz Administradora e Incorporadora Ltda. (“Zuz”), Premium Outlet Administradora e Incorporadora Ltda. (“Premium Outlet”), Ast Administradora e Incorporadora Ltda. (“Ast”), Jud Administradora e Incorporadora Ltda. (“Jud”), Vul Administradora e Incorporadora Ltda. (“Vul”), BR Outlet Administradora e Incorporadora Ltda. (“BR Outlet”), Cly Administradora e Incorporadora Ltda. (“Cly”), Bud Administradora e Incorporadora Ltda. (“Bud”), Bac Administradora e Incorporadora Ltda. (“Bac”) and Vide Serviços e Participações Ltda. (“Vide”) are engaged in managing their own and third parties’ assets and real estate development and are in preoperating stage as of September 30, 2008.

2. PRESENTATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING PRACTICES

The financial statements have been prepared and are presented in conformity with Brazilian accounting practices and standards established by the Brazilian Securities Commission (CVM).

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

a) Temporary cash investments

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

b) Trade accounts receivable

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

c) Investments

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

d) Property and equipment

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

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

e) Other current and noncurrent assets

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

f) Income and social contribution taxes

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

g) Other current and noncurrent liabilities

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

h) Use of estimates

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

i) Reserve for contingencies

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

j) Recognition of revenues, costs and expenses

Revenues, costs and expenses are recorded on the accrual basis. Revenue from rentals is recognized over the term of the rental agreements and revenue from services is recognized when services are provided, regardless of invoicing. Expenses and costs are recognized when incurred. Revenue from assignments of rights to storeowners is deferred and recognized over the term of the first rental agreement.

k) Consolidation

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

	Type of consolidation	Ownership interest - %
Direct subsidiaries:		
Levian	Full	100
Atlas	Full	100
General Shopping Finance Limited	Full	100
Indirect subsidiaries:		
ABK	Full	99.28
Poli Empreendimentos	Proportionate	50
Park Shopping Administradora	Full	100
Send	Full	100
Nova União	Full	100
Sulishopping	Full	100
I Park	Full	100
Wass	Full	100
Energy	Full	100
ISG Administradora	Full	100
ASG Administradora	Full	100
Lux	Full	100
Lumen	Full	100
Securis	Full	100
Delta	Full	100
Brassul	Full	100
Intesp	Full	100
PP	Full	100
Paulis	Full	100
Fonte	Full	100
Zuz	Full	100
Premium Outlet	Full	100
Jud	Full	100
Vul	Full	100
BR Outlet	Full	100
Cly	Full	100
Bud	Full	100
Bac	Full	100
Sale	Full	100
Ast	Full	100
Vide	Full	100

3. TEMPORARY CASH INVESTMENTS

	09.30.08		06.30.08	
	Company	Consolidated	Company	Consolidated
Banco Industrial e Comercial S.A. (a)	2.607	2.607	5.207	5.207
Invest Fix (b)	52	1.868	-	37.515
Banco Tricury S.A. (c)	-	-	14.266	14.425
Total	2.659	4.475	19.473	57.147

(a) Investment in Bank Certificates of Deposit (CDB), with average monthly yield of 0.92%.

(b) Automatic investments in highly liquid current account, whose yield is based on a 20% DI (interbank deposit) variation.

(c) Investment in Bank Certificates of Deposit (CDB), with average monthly yield of 100% of CDI (Interbank Deposit Certificate).

4. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	09.30.08	06.30.08
Rentals and assignments of receivables	23.156	22.835
Allowance for doubtful accounts	(9.017)	(8.486)
Total	14.139	14.349

The aging list of trade accounts receivable is as follows:

	Consolidated
Current	9.927
Past-due:	
Up to 30 days	772
From 31 to 60 days	476
From 61 to 90 days	148
From 91 to 180 days	740
Over 181 days	11.093
Total	23.156

5. RECOVERABLE TAXES

	09.30.08		06.30.08	
	Company	Consolidated	Company	Consolidated
IRRF (withholding income tax) on investments	1.195	1.265	1.367	1.401
IRRF (withholding income tax) on services	13	26	29	182
ISS (service tax) - estimate	-	57	-	57
PIS and Cofins (taxes on revenue)	-	61	-	67
Prepaid income tax	-	342	-	211
Prepaid social contribution tax	-	99	-	97
Other	32	32	22	25
Total	1.240	1.882	1.418	2.040
Current	45	687	51	673
Noncurrent	1.195	1.195	1.367	1.367

6. OTHER RECEIVABLES

	09.30.08		06.30.08	
	Company	Consolidated	Company	Consolidated
Prepaid insurance expenses	-	209	-	197
Receivables for sale of land (*)	-	7.359	-	6.984
Advances to suppliers	121	3.157	61	1.561
Itaú BBA (**)	-	114.957	-	112.000
Other	73	809	54	451
Total	194	126.491	115	121.193

(*) On November 8, 2006, Park Shopping Administradora sold to the unrelated party Acapurana Participações Ltda. an undivided interest in the land where Santana Parque Shopping was built, for R$12,000, in two equal installments; the first of which was paid at sight and the second is due when the certificate of occupancy permit is released. The balance is adjusted based on the general price index - domestic supply (IGP-DI).

(**) Investment in Bank Certificates of Deposit (CDB), with average monthly yield of 101.5% of CDI (Interbank Deposit Certificate). This investment is blocked for settling the loan from the BNDES (National Bank for Economic and Social Development).

7. INVESTMENTS

	Ownership interest - %	Number of shares held	Capital	Net income (loss)	Shareholders' equity	Equity	Investments
Direct subsidiaries:							
Levian	100	135.038.839	135.367	5.288	112.618	5.288	112.618
Atlas	100	3.816.399	3.816	(1.384)	6.680	(1.384)	6.680
General Shopping Finance	100	50.000	81	-	81	-	81
Total				3.904	119.379	3.904	119.379
Indirect subsidiaries:							
Levian:							
ABK	99,28	55.180.893	54.952	(9.037)	48.336		
Poli Empreendimentos	50	425.000	1.193	220	7.962		
Park Shopping Administradora	100	50.000	50	(1.395)	162		
Send	100	46.342.045	46.342	(2.241)	10.485		
Nova União	100	4.322.000	4.332	(318)	2.085		
Uniplaza	100	21.215.243	21.215	1.776	22.992		
Sulishopping	100	10.000	10	535	5.616		
Lux	100	10.000	10	513	(830)		
Lúmen	100	10.000	86	(297)	173		
Securis	100	10.000	10	(1)	9		
Delta	100	10.000	10	1.979	(3.006)		
Intesp	100	10.000	10	370	507		
PP	100	10.000	10	60	198		
Paulis	100	10.000	10	3.968	(3.958)		
Fonte	100	10.000	10	(243)	238		
Premium Outlet	100	10.000	10	(1)	10		
BR Outlet	100	10.000	10	(1)	10		
Vul	100	10.000	10	(1)	10		
Zuz	100	10.000	10	(1)	10		
Jud	100	10.000	10	(1)	10		
Cly	100	10.000	10	(91)	10		
Bud	100	10.000	10	(1)	10		
Bac	100	10.000	10	(1)	10		
Ast	100	10.000	10	(1)	10		
Sale	100	9.000.000	9.000	1.085	11.102		
Brassul	100	10.000	10	625	864		
Atlas:							
I Park	100	10.000	10	391	(306)		
Wass	100	10.000	10	489	1.508		
Energy	100	10.000	10	(1.983)	8.086		
Vide	100	10.000	10	(4)	6		
ISG Administradora	100	1.906.070	1.906	(211)	(2.559)		
ASG Administradora	100	20	20	27	128		

As of September 30, 2008, there are no intercompany receivables or payables nor have guarantees or collaterals been pledged or mortgages or liens placed in favor of the subsidiaries.

8. PROPERTY AND EQUIPMENT

	Annual depreciation rate - %	Consolidated 09.30.08 Revalued cost	Accumulated depreciation	Net book value	06.30.08 Net book value
Land	-	255.351	-	255.351	255.351
Buildings	4	391.467	(14.672)	376.795	375.055
Installations	10	9.086	(1.735)	7.351	9.938
Furniture and fixtures	10	1.011	(592)	419	344
Machinery and equipment	10	1.415	(1.104)	311	321
Vehicles	20	18	(14)	4	4
Computers and peripherals	20	1.576	(340)	1.236	471
Leasehold improvements		6.259	(1.391)	4.868	5.024
Construction in progress		47.183	-	47.183	20.761
Total		713.366	(19.848)	693.518	667.269

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

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

As of September 30, 2008, there is a residual balance of revaluation recorded in prior years in subsidiaries, for the caption “Land and buildings”, in the amount of R$49,795. The annual depreciation related to this revaluation is R$2,308 and no deferred income and social contribution taxes were recorded.

The ownership of the properties where Poli Shopping is located was not fully transferred to the Company through its registration with the Registry of Deeds Office. The formalization of the properties’ transfer process to the subsidiary Poli Empreendimentos is still in progress, and the total amount of these properties recorded in the balance sheet as of September 30, 2008 is R$18,673 (R$10,527 for land, R$571 for installations and R$7,575 for buildings).

Through a Property Purchase and Sale Settlement Agreement and an Assignment of Use Right, dated June 26, 2007, the subsidiary Lumen purchased the property where Shopping Light is located for R$20,110. The drafting of the Public Purchase and Sale Deed still depends on actions by the seller to obtain certain certificates from the Federal Revenue Service (SRF) and the National Social Security Institute (INSS). On July 1, 2007, though an Assignment of Rights Settlement Agreement, Lumen settled the loan with Lux by transferring the property where Shopping Light is located.

The Company is also registering properties recently acquired with the proper Registry of Deeds Offices.

9. INTANGIBLE ASSETS

	09.30.08			06.30.08
	Cost	Accumulated amortization	Net book value	Net book value
Granting of use - Shopping Light (a)	5.589	(165)	5.424	5.457
Goodwill - Acquisition Sale (b)	5.541	(455)	5.086	5.764
Goodwill - Acquisition Shopping Unimart (c)	22.410	(1.681)	20.729	21.289
Total	33.540	(2,301)	31.239	32.510

(a) On June 6, 2007, the Company paid R$5,589 for a 50.1% share of the right to use Shopping Light. This right is effective for 42 years and is amortized over this period on a straight-line basis.

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

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

10. LOANS AND FINANCING

	Currency	Final maturity	Consolidated 09.30.08	Consolidated 06.30.08
National Bank for Economic and Social Development (BNDES) (a)	R$	2010	115.998	115.280
Banco Itaú S.A.	R$/US$	2008	141	162
Banco Industrial e Comercial S.A. (b)	R$	2009	88.960	88.213
Banco ABN Amro Real S.A. (b)	R$	2008	489	668
Banco Pontual S.A. (c)	R$	-	3.532	3.427
Banco BBM (d)	R$	2009	8.045	10.170
Banco Tricury	R$	2008	-	17.132
Other	R$	2008	18	18
Total			217.183	235.070
Current			208.508	206.940
Noncurrent			8.675	28.130

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

In June 2008, the subsidiaries ABK and Levian raised funds through issuance of Real Estate Credit Notes (CCIs) for securitization of receivables from rentals of the land where the Internacional Guarulhos Shopping Center is located. As an obligation under the contract in the Real Estate Credit Notes operation, the companies ABK and Levian will have to settle all obligations with BNDES (National Bank for Economic and Social Development) (see note 11).

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

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

(d) Working capital loans, with average interest rate of 10.03% per year plus CDI. The debt will be amortized in 4 installments according to the following schedule: (i) August 28, 2008 (ii) November 26, 2008 (iii) February 25, 2009 and (iv) May 25, 2009. Loans are guaranteed by a promissory note in the amount of R$12,700.

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

Maturities of long-term debt as of September 30, 2008 are as follows:

Year	
2009 (three months)	8.821
2010	19.309
Total	28.130

11. REAL ESTATE CREDIT NOTES

	Consolidated	
	09.30.08	06.30.08
Nova União (a)	15.917	15.998
ABK (b)	91.232	90.000
Levian (b)	91.232	90.000
Total	198.381	195.998
Classificado no circulante	25.966	25.446
Classificado no não circulante	172.415	170.552

(a) In April 2006, the subsidiary Nova União raised funds through issuance of Industrial Credit Notes (CCIs) for securitization of receivables from rentals of the land where the parking lot of Internacional Guarulhos Shopping Center is located, which is presently leased to the subsidiary I Park. The total amount of CCIs issued is R$15,586, of which R$1,415 was retained in the form of Certificates of Real Estate Receivables (CRIs), classified in current and noncurrent assets. The amount raised will be paid in 120 monthly installments of R$208 (until May 2016), plus interest of 11% per year and annual adjustment based on the general market price index (IGP-M). The CCIs are collateralized by: (a) mortgage on the property at book value of R$4,322; (b) pledge by I Park of total revenue from parking lot; (c) assignments of receivables from the agreement; and (d) pledge of the shares in Nova União. As of September 30, 2008, R$3,162 is recorded in current liabilities and R$12,512 in noncurrent liabilities, related to this operation.

(b) In June 2008, the subsidiaries ABK and Levian raised funds through issuance of Real Estate Credit Notes (CCIs) for securitization of receivables from rentals of the land where the Internacional Guarulhos Shopping Center is located. The total amount of CCIs is R$180,000. The amount raised will be paid in 120 monthly installments (up to June 2018), plus 11% interest of per year and annual adjustment based on the TR (a managed prime rate).The CCIs are collateralized by: (a) mortgage on the property at book value of R$208,000; (b) assignments of receivables from the agreement, and (c) financed shares of the subsidiary Cly.

It is hereby established that, after complying with conditions precedent for payment, part of the assignment amount sufficient to settle all ABK and Levian’s obligations with BNDES (National Bank for Economic and Social Development) and Olivetti do Brasil S.A., which gave rise to mortgages, should be directly paid by the assignee to

BNDES and Olivetti, before the mortgage statement may be released. As of September 30, 2008, R$21,960 is recorded in current liabilities and R$160,505 in noncurrent liabilities, related to this operation.

Maturities of long-term debt as of September 30, 2008 are as follows:

Year	
2009 (three months)	5.344
2010	22.314
2011	20.675
After 2011	124.082
Total	172.415

12. PAYABLES FOR PURCHASE OF PROPERTIES

	Consolidated	
	09.30.08	06.30.08
Olivetti do Brasil S.A. (a)	1.381	2.390
Parinvest Participações e Empreendimentos S.A (b)	-	67
Núcleos Instituto de Seguridade Social (c)	1.851	1.838
Senpar (d)	4.609	11.435
Uniplaza (e)	4.000	4.000
Associação Claretiana (f)	245	-
Total	12.086	19.730
Current	6.974	14.618
Noncurrent	5.112	5.112

(a) The debt refers the purchase of the land where Internacional Guarulhos Shopping Center was built. On December 10, 2004, the subsidiaries Levian and ABK entered into a novation agreement with Olivetti do Brasil in respect of the debt in the total amount of R$19,500, which was scheduled to mature as follows: (i) R$600 at sight; (ii) R$1,500 on March 31, 2005; (iii) R$1,500 on July 30, 2005; (iv) R$200 on January 30, 2006; (v) R$200 on December 30, 2004; (vi) R$200 on January 30, 2005; (vii) R$200 on February 28, 2005; (viii) R$200 on April 30, 2005; (ix) R$200 on June 30, 2005; and (x) R$14,500 in 42 monthly, equal and consecutive installments, starting on August 30, 2005. The balance payable is subject to the IGP-M. The total debt is collateralized by promissory notes.

In June 2008, the subsidiaries ABK e Levian raised funds through the issuance of Real Estate Credit Notes (CCIs) for securitization of receivables from rentals of the land where the Internacional Guarulhos Shopping Center is located. As an obligation under the contract in the Real Estate Credit Notes operation, the companies ABK and Levian will have to settle the accounts payable with Olivetti (see note 11).

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

(c) On October 11, 2006, 16.17% of the properties located in the district of Santana, consisting of two plots of land and one building, were acquired for the construction of Santana Parque Shopping. The purchase price was R$6,655, with the following maturities: (i) R$2,894 at sight; (ii) R$655 on October 11, 2007; (iii) R$655 on October 11, 2008; (iv) R$655 on October 11, 2009; and (v) R$655 on October 11, 2010. The balance payable is subject to the variation, if positive, of the national consumer price index (INPC) and is collateralized by mortgages on the undivided interest in the properties, in the amount of R$5,916 as of September 30, 2008.

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

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

(f) On July 15, 2008, a plot of land in the city of Guarulhos where the Poli Shopping will be expanded was acquired by R$700, to be paid as follows: (i) R$70 in cash and (ii) the remaining amount, R$630, payable in 9 (nine) installments of R$23, for each of the three 3 sellers (Asilo São Vicente de Paulo, Associação Claretiana de Educação e Assistência Londrina and FAC – Fraterno Auxílio Cristão Nossa Senhora da Conceição).

The long-term portion as of September 30, 2008 matures as follows:

<u>Year</u>	
2009 (três meses)	1.112
Após 2010	4.000

13. TAXES IN INSTALLMENTS

	Consolidated	
	09.30.08	06.30.08
PIS and Cofins (a)	2.580	2.624
IPTU (municipal real estate tax) (b)	23	25
INSS (c)	1.192	1.277
ISS (d)	52	68
Income and social contribution taxes	279	271
Total	4.126	4.265
Current	486	595
Noncurrent	3.640	3.670

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

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

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

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

14. RESERVE FOR CONTINGENCIES

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

	Consolidated	
	09.30.08	06.30.08
Labor (a)	300	300
Civil (b)	314	314
Tax: (c)		
PIS	2.137	2.253
Cofins	6.842	7.216
	9.593	10.083

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

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

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

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

As of September 30, 2008, the Company has other ongoing lawsuits in the amount of approximately R$6,300, for which the likelihood of loss was assessed as possible by outside legal counsel and for which no reserve for contingencies was recorded in the financial statements. Additionally, the subsidiaries are not liable for contingencies arising from past actions, not yet disclosed, related to the spun-off investments, which were assumed by the related company Harpaga.

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

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

	Consolidated			
	06.30.08	Reversals	Charges	09.30.08
Labor	300	-	-	300
Civil	314	-	-	314
Tax:				
PIS	2.253	(167)	50	2.136
Cofins	7.216	(533)	160	6.843
Total	10.083	(700)	210	9.593

15. SHAREHOLDERS' EQUITY

Company

As of September 30, 2008, the Company's capital is R$317,813,400.00, represented by 50,480,600 common shares without par value.

The Company is authorized to increase capital up to the limit of 35,000,000 new registered common shares, without par value, totaling a capital represented by up to 65,000,000 registered shares, regardless of amendment to bylaws, by resolution of the Board of Directors, which will also be in charge of setting the issuance terms and conditions, including the price, period and payment method. The Company may issue common shares, debentures convertible into common shares, and warrants within the limit of authorized capital. Additionally, at the discretion of the Board of Directors, the preemptive right can be excluded or have the term for its exercise reduced upon the issuance of common shares, debentures convertible into common shares, and warrants, the placement of which would be made through: (a) sale in stock exchange or public subscription; or (b) share exchange in a takeover bid, as provided by law and within the limit of authorized capital. Finally, the Company may, by resolution of the Board of Directors and according to a plan approved by the General Shareholders' Meeting, grant stock options or warrants, without preemptive rights to shareholders, to its officers, employees, or individuals who provide services to the Company or its direct or indirect subsidiaries.

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

16. COST OF RENTALS AND SERVICES

	Consolidated	
	09.30.08	09.30.07
Depreciation and amortization	2.254	1.891
Personnel	9.265	2.700
Cost of occupancy (vacant stores)	4.533	1.909
Outside services	2.901	1.301
Total	18.953	7.801

17. GENERAL AND ADMINISTRATIVE EXPENSES

	09.30.08		09.30.07	
	Company	Consolidated	Company	Consolidated
IPTU	5	133	-	1.100
CPMF (tax on banking transactions)	-	-	1.097	-
Selling	-	232	-	-
Allowance for doubtful accounts	-	587	-	(506)
Publicity and advertising	486	722	638	1.055
Materials	43	214	-	78
Electricity	13	32	-	317
Personnel	3.994	4.812	1.777	1.777
Depreciation	89	89	-	-
Outside services	3.353	3.353	-	-
Market maker	90	90	-	-
Travel and lodging	678	678	-	-
Going public and primary public offering expenses	-	-	19.694	20.605
Other	1.555	4.670	549	2.662
Total	10.306	15.612	23.755	27.088

18. FINANCIAL INCOME (EXPENSES)

	09.30.08		09.30.07	
	Company	Consolidated	Company	Consolidated
Financial income:				
Interest on temporary cash investments	980	4.105	3.313	3.830
Monetary variation	111	8.086	-	281
Exchange variation	-	-	-	2.248
	1.091	12.191	-	6.359
Financial expenses:				
Interest on loans and financing	(4.948)	(38.759)	(95)	(7.782)
Monetary variation	-	(5.745)	-	(5.582)
Exchange variation		(1.363)	-	
Other	(956)	(482)	-	(425)
	(5.904)	(46.349)	(95)	(13.789)
Total	(4.813)	(34.158)	3.218	(7.430)

19. INCOME AND SOCIAL CONTRIBUTION TAXES

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

	09.30.08		09.30.07	
	Company	Consolidated	Company	Consolidated
Income (loss) before income and social contribution taxes	11.123	(3.854)	(19.627)	(18.583)
Statutory rate	34%	34%	34%	34%
Expected income and social contribution taxes	(3.782)	1.310	6.673	6.318
Effect of income and social contribution taxes on:				
Permanent differences, net	(1.327)	(488)	(285)	(510)
Temporary differences, net	-	-		(71)
Utilization of tax loss carryforwards	-	-		276
Unrecorded deferred income and social contribution taxes on tax loss carryforwards and temporary differences	5.109	(2.462)	(6.388)	(6.958)
Effects of deferred income and social contribution taxes on tax loss carryforwards and temporary differences recognized in 2007 (*)	-	-		110
Effects of income and social contribution taxes of companies taxed based on deemed income (**)	-	(5.630)		(244)
Other	-	-	-	35
Income Tax e contribuição social charged to the net income	-	(7.270)	-	(1.044)
Current	-	(7.195)	-	(1.732)
Deferred	-	(75)	-	688

(*) Due to the recognition of revaluation reserve in 2007, tax credits were recorded limited to 30% of deferred income and social contribution tax liabilities related to revaluation, in addition to temporary differences referring to the allowance for doubtful accounts.

(**) As of September 30, 2008, the subsidiaries Levian, ABK, Polishopping, Delta, Securis, Lúmen, Lux, Park Shopping, Send, Suli, Brassul, Intesp, PP, Paulis, Fonte, Zuz, Premiun Outlet, Jud, Vul, BR Outlet, Cly, Bud, Bac, Sale, Ast, Uniplaza, Atlas, Wass, Energy e ASG Administradora opted for taxation based on deemed income.

Deferred income and social contribution taxes are as follows:

	Consolidated	
	09.30.08	09.30.07
Reserve for contingencies	9.593	10.083
Allowance for doubtful accounts	8.513	8.486
Revaluation of buildings and installations	(67.991)	(68.080)
Tax loss carryforwards	151.596	151.596
Tax basis	101.711	102.085
Combined tax rate - income and social contribution taxes	34%	34%
	34.582	34.709
Unrecorded deferred income and social contribution tax credits	(50.798)	(50.844)
Deferred income and social contribution taxes	(16.216)	(16.135)
Current assets	28	124
Noncurrent assets	6.921	6.946
Current liabilities	(413)	(413)
Noncurrent liabilities	(22.752)	(22.792)

20. RELATED-PARTY TRANSACTIONS

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

The Company's balances, as of September 30, 2008, are as follows:

Assets	Company	
	09.30.08	09.30.07
Send	128.220	118.838
Delta	47.497	39.440
Park Shopping Administradora	39.614	35.544
PP	17.083	17.083
Lux	16.535	16.535
Brassul	15.863	15.863
Intesp	12.217	12.217
Internacional Guarulhos Shopping Center	11.192	10.907
Paulis	18.253	17.120
Sale	3.156	3.061
Fonte	9.006	6.923
Sulishopping	105	105
Ipark Estacionamentos Ltda	-	150
ISG Administradora	724	498
Atlas	486	405
Condomínio Civil Suzano Shopping Center	137	137
Condomínio Voluntário Cascavel	100	100
Nova União	150	130
Polishopping	33	33
Securis	1	1
Outros	1.695	1.422
Total	322.067	296.512

Liabilities	Company	
	09.30.08	09.30.07
Levian	11.200	10.943
ABK	33.634	2.583
Wass	280	150
Ipark Estacionamentos Ltda	508	-
Energy	1.310	550
Total	46.932	14.226

The consolidated balances are as follows:

	Consolidated	
	09.30.08	09.30.07
Noncurrent assets:		
Golf Participações Ltda. (a)	9.482	9.217
CSA - Companhia Securitizadora de Ativos (b)	415	415
PNA Empreendimentos Imobiliários Ltda. (d)	142	142
Suzano Shopping Center Condominium	178	137
Shopping Internacional de Guarulhos Condominium	348	638
Menescal Participações Ltda. (d)	55	55
Rubicon Empreendimentos Imobiliários (d)	1.020	1.000
Post Scriptum Empreendimentos Imobiliários (d)	1.256	1.256
Individuals	358	583
Other	1.043	958
Total	14.297	14.401

	Consolidated	
	09.30.08	09.30.07
Current liabilities:		
SAS Venture LLC (c)	14,601	12,610
Individuals (shareholders/former shareholders) (d)	1,816	1,816
Internacional Guarulhos Shopping Center Condominium	1,203	1,294
Golf Participações Ltda. (d)	391	391
Menescal Participações Ltda. (d)	309	351
ABK International Ltd. (d)	24	24
Condomínio Voluntário do Cascavel JL Shopping (d)	313	313
Other (d)	984	529
Total	19,641	17,328

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

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

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

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

21. FINANCIAL INSTRUMENTS

The main source of revenues of the Company and its subsidiaries are rentals received from shopping malls' storeowners.

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

a) Credit risk

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

b) Price fluctuation risk

The Company's and its subsidiaries' revenues consist basically of rentals received from shopping malls' storeowners. In general, rentals are adjusted based on the annual variation of the IGP-M, as provided for in the rental agreements. The rental levels may vary according to adverse economic conditions and, consequently, the revenue level may be affected. Management monitors these risks, in order to minimize the impacts on its business.

c) Interest rate risk

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

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

- Payables for purchase of properties - the Company's subsidiaries have payables to unrelated parties for purchase of properties for the building of Internacional Guarulhos Shopping Center and Santana Parque Shopping, as detailed in note 12, subject to financial charges based on general price indices plus interest from 6% to 12% per year. No interest rate swap transaction was contracted.

d) Foreign exchange risk

Through a subsidiary, the Company has financing and intercompany payables in foreign currency in the amount of R$14,291. The risk associated with these liabilities arises from the possibility that exchange rate changes may increase the balance of these liabilities. There are no assets denominated in foreign currency. The Company's subsidiary does not have derivative contracts to hedge this risk.

The carrying amounts of financial instruments, compared with the amounts that could be obtained in an active market, or in the absence thereof, with the net present value adjusted based on the prevailing market interest rate, approximate their fair values, except for intercompany balances that are free from financial charges, as detailed in note

22. INSURANCE (INFORMATION NOT REVIEWED)

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

As of September 30, 2008, insurance is as follows:

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

23. MANAGEMENT COMPENSATION

In the quarter ended September 30, 2008, management compensation in the amount of R$2,505 was paid, recorded under the caption “General and administrative expenses”. The Annual Shareholders’ Meeting set management’s annual overall compensation at R$5,500.

24. PROFIT SHARING

In the quarter ended September 30, 2008, profit sharing was neither accrued nor paid.

25. AMENDMENT TO BRAZILIAN CORPORATE LAW, EFFECTIVE JANUARY 2008

On December 28, 2007, Law No. 11,638 was enacted, altering, revoking and adding new provisions to the Brazilian Corporate Law, especially with respect to chapter XV, Fiscal Year and Financial Statements. This Law is effective for fiscal years beginning on or after January 1, 2008 and was designed primarily to update the Brazilian Corporate Law, so as to enable the convergence of Brazilian accounting practices with international accounting standards (IFRS) and allow the CVM to issue new accounting standards and procedures, in conformity with such international accounting standards.

The changes in Brazilian Corporate Law are applicable to all companies incorporated as corporations, including public companies, and introduces a new requirement for large companies to prepare and report financial statements in accordance with provisions of the

Brazilian Corporate Law. Furthermore, private companies may choose to prepare such financial statements in accordance with standards issued by the CVM.

Certain of these changes shall be applied as of the beginning of the Company's fiscal year while others are subject to regulation by regulatory agencies.

The main changes that may affect the Company are summarized as follows:

- Replacement of the statement of changes in financial position by the statement of cash flows. The Company is already presenting the statement of cash flows.

- Requirement for the presentation of a statement of value added, applicable to public companies, that presents the additional value created by the Company, as well as the composition of the sources of such value and the amount of undistributed value. The Company will present the statement of value added for the year ending December 31, 2008.

- Possibility of maintaining separate accounting records for purposes of complying with tax legislation and reflecting necessary adjustments in order to prepare the financial statements in conformity with Brazilian Corporate Law.

- Creation of a new account group, intangible assets, which includes goodwill, for purposes of balance sheet presentation. This account will encompass rights in intangible assets maintained or used in the operation of the Company's business, including the acquired goodwill. The Company already uses this account group.

- Requirement to record under the caption "Property and equipment" those rights in tangible assets that are maintained or used in the operations of the Company's business, including those rights received as a result of transactions that transfer the benefits, risks and control of such assets to the Company (e.g., capital lease). The Company has no capital lease transactions in place.

- Requirement of periodic analysis of the recoverability of amounts recorded in property and equipment, intangible assets and deferred charges to ensure that: (a) impairment losses are recorded as a result of decisions to discontinue activities related to such assets or when there is evidence that future operating results will not be sufficient to ensure their realization; and (b) the criteria used to determine the estimated remaining useful life of such assets for purposes of recording depreciation, amortization and depletion expense are reviewed and adjusted. The Company already evaluates the recoverability of amounts recorded in property and equipement and intangible assets. The useful lives are substantially based on appraisal reports.

- Requirement that investments in financial instruments, including derivatives, be accounted for: (a) at fair value or equivalent value for trading securities or securities available for sale; or (b) at the lower of historical cost, adjusted for contractual interest and other contractual provisions, and realizable value for other investments. The Company has no trading securities or securities available for sale.

- Creation of a new account group, valuation adjustments to shareholders' equity, in order to record certain fair value adjustments, mainly for financial instruments, and certain fair value adjustments related to assets and liabilities as a result of a merger between unrelated parties that results in the transfer of control. The Company will present the statement of value added for the year ending December 31, 2008.

- Requirement that certain long-term assets and liabilities be recorded at present value, and, if material, for certain other short-term assets and liabilities. The effects of the present value adjustments are no material to the Company.

Elimination of the revaluation reserve. The existing balances of revaluation reserves shall be kept until their realization or reversed by the end of the fiscal year in which the Law goes into effect. The Company will opt to keep the revaluation reserves already recorded.

The Company's management and its subsidiaries evaluated how changes could impact its financial statements and net income in the following years. The management decided to maintain the revaluation reserve balance recognized in previous years, as described in note 8. Other impacts, when applicable, regarding the implementation of required changes for the year ended September 30, 2008 were not material.

26. CASH FLOW STATEMENTS

	09.30.2008		09.30.2007	
	Company	Consolidated	Company	Consolidated
Cash flows from operating activities				
Income before income and social contribution taxes	(11.123)	(3.853)	(19.627)	(18.583)
Adjustments by:				
Depreciation	89	9.354	-	2.700
Exchange variation, net	-	1.363	-	-
Equity in subsidiaries	(3.904)	-	-	-
Interest expenses	1.622	27.514	-	1.357
Recognition of reserve for tax contingencies	-	570	-	389
Reversal of reserve for contingencies	-	(2.165)	-	-
Current income and social contribution taxes		(7.195)		(1.732)
Deferred income and social contribution taxes	-	(75)	-	687
	(13.316)	25.513	(19.627)	(15.182)
(Increase) Decrease in trade account receivables and others	-	1.807	-	(3.554)
Increase (Decrease) in accounts payable - suppliers	484	4.317	173	641
(Increase) Decrease in certificates of Real Estate Receivables (CRIs), current and noncurrent	-	(31)	-	11
(Increase) Decrease in recoverable taxes, current and noncurrent	57	(120)	(34)	(457)
(Increase) Decrease related parties	(82.350)	(567)	(36.354)	(10.436)
(Increase) Decrease others, current and noncurrent	(127)	(116.372)	(46)	(699)
(Increase) Decrease escrow deposits	-	(157)	-	(344)
(Increase) Decrease taxes, fees and contributions	17	(4.287)	22	2.658
(Increase) Decrease payroll and related charges	104	(35)	995	848
(Increase) Decrease unearned income from assignments	-	(944)	-	8.574
(Increase) Decrease taxes in installments, current and noncurrent	-	(525)	-	558
(Increase) Decrease related parties	46.932	(1.269)	-	(50)
Payment of lands accounts payable	-	(13.579)	-	(3.603)
Increase (Decrease) other	311	3.994	-	3.677
Cash flows from operating activities				

	(47.888)	(102.255)	(54.871)	(17.358)
Interest paid	3.064	11.245	-	-
Income and social contribution taxes paid	-	5.477	-	411
Net cash used in operating activities	(44.824)	(85.533)	(54.871)	(16.947)
Cash flows from investing activities				
Purchase of property, plant and equipment	(2.711)	(152.827)	(174)	(74.749)
Advance for future investment:	-	-	-	(16.518)
Purchase of intangible assets	-	(22.397)	-	(5.556)
Net cash used in investing activities	(2.711)	(175.224)	(174)	(96.823)
Cash flows from financing activities				
Proceeds from shares issuance		-	286.728	286.728
Borrowings	77.000	137.000	-	26.195
Repayment of loans and financing	(50.551)	(71.135)	(41.017)	(14.118)
Proceeds from Certificates of Real Estate Receivables (CRIs)	-	180.000	-	-
Payment of Certificates of Real Estate Receivables (CRIs)	-	(3.764)	-	(105)
Cash flows from financing activities	26.449	242.101	245.711	298.700
Increase (decrease) in cash and cash equivalents	(21.086)	(18.656)	190.666	184.930
Cash and cash equivalents at beginning of period	23.782	31.413	9	8.958
Cash and cash equivalents at end of period	2.696	12.757	190.675	193.888