(Convenience translation into English from the original previously issued in Portuguese)

# GENERAL SHOPPING E OUTLETS DO BRASIL S.A.

## Auditor's Review report

## Quartely Information
## For the quarter ended March 31, 2018

GENERAL SHOPPING E OUTLETS DO BRASIL S.A.

Quartely Information
For the quarter ended March 31, 2018

Content

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# INDEPENDENT AUDITOR'S REPORT ON THE INTERIM FINANCIAL STATEMENTS

To
Shareholders, Advisers and Board of Directors of
General Shopping e Outlets do 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 within the Quarterly Financial Information – ITR, identified as Company and Consolidated, respectively, for the quarter ended on March 31, 2018, which comprise the balance sheet on March 31, 2018 and the related statements of income, statement comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, as well as a summary of the significant accounting practices and other notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and with the International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of these interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Financial Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of the review

We conducted our review in accordance with Brazilian and International Standard on Review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 International Standards on Auditing and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, 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 causes us to believe that the individual and consolidated interim financial information included in the Quarterly Financial information - ITR referred to above were not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to Quarterly Financial Information - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

## Other issues

Statement of added value

We have also reviewed the individual and consolidated interim statement of added value for the three-month period ended March 31, 2018, prepared under the responsibility of the Company's management, whose disclosure in the interim financial information is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Financial Information – ITR and considered as supplemental information by the International Financial Accounting Standards (IFRS), which do not require the disclosure of the Statement of Added Value. This statement was submitted to the same review procedures previously described and based on our review, we are not aware of any fact that would lead us to believe that they have not been fairly stated, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

Audit and review of the prior and period's amounts, respectively

The amounts corresponding to the the statements of income, comprehensive income, changes in shareholders' equity, cash flows and added value for the quarter ended March 31, 2017, presented for comparison purposes, were revised by other independent auditors, which issued a review report dated May 11, 2017, unqualified.

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

São Paulo, May 11, 2018.

BDO RCS Auditores Independentes SS
CRC 2 SP-013846/O-1

Mauro de Almeida Ambrósio
Contador CRC 1SP 199692/O-5

# General Shopping e Outlets do Brasil S.A.

## Balance sheet of March 31, 2018 and December 31, 2017

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

ASSETS

| | Notes | Company 03/31/2018 | Company 12/31/2017 | Consolidated 03/31/2018 | Consolidated 12/31/2017 (Reclassified) |
|---|---|---|---|---|---|
| Current assets | | | | | |
| Cash and cash equivalents | 3 | 2,231 | 2,245 | 108,172 | 108,647 |
| Trade accounts receivable | 4 | - | - | 59,678 | 66,192 |
| Recoverable taxes | 5 | 2,367 | 1,942 | 12,259 | 10,876 |
| Investment properties in negotiation for sale | 9 | - | - | 996,069 | 996,069 |
| Other accounts receivables | 6 | 1,459 | 977 | 15,585 | 15,182 |
| Total current assets | | 6,057 | 5,164 | 1,191,763 | 1,196,966 |
| Non-current assets | | | | | |
| Trade accounts receivable | 4 | - | - | 5,008 | 5,983 |
| Related parties | 7 | 50,893 | 51,497 | 48,487 | 47,255 |
| Loans receivables with third parties | | | | 7,754 | 8,282 |
| Recoverable taxes | 5 | - | - | 2,760 | 3,658 |
| Deposits and guarantees | - | 50 | 53 | 5,211 | 6,158 |
| Financial investiments | 3 | - | - | 1,612 | 1,588 |
| Other accounts receivables | 6 | - | - | 125 | 215 |
| | | 50,943 | 51,550 | 70,957 | 73,139 |
| Investments in associates | 8 | 1,256,968 | 1,315,819 | - | - |
| Investment properties | 9 | - | - | 2,150,962 | 2,268,849 |
| Fixed assets | 10 | 2,165 | 2,234 | 4,160 | 4,411 |
| Intangible assets | 11 | 4,450 | 4,932 | 16,237 | 16,942 |
| | | 1,263,583 | 1,322,985 | 2,171,359 | 2,290,202 |
| Total non-current assets | | 1,314,526 | 1,374,535 | 2,242,316 | 2,363,341 |
| Total assets | | 1,320,583 | 1,379,699 | 3,434,079 | 3,560,307 |

The accompanyng notes are integral part of these quartely interim financial statements.

# General Shopping e Outlets do Brasil S.A.

## Balance sheet of March 31, 2018 and December 31, 2017

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

### LIABILITIES AND EQUITY

| | Notas | Company 03/31/2018 | Company 12/31/2017 | Consolidated 03/31/2018 | Consolidated 12/31/2017 |
|---|---|---|---|---|---|
| Current liabilities | | | | | |
| Suppliers | - | 2,255 | 2,690 | 12,543 | 13,320 |
| Loans and financing | 12 | - | - | 46,646 | 47,714 |
| Payroll and social charges | - | 1,694 | 1,462 | 2,277 | 2,093 |
| Taxes, charges and contributions | 16 | 3,221 | 2,873 | 129,580 | 107,579 |
| Taxes in installments | 15 | 293 | 292 | 2,089 | 2,344 |
| Real Estate Credit Bills (CCI) | 13 | - | - | 39,537 | 32,487 |
| Related parties | 7 | 152,367 | 146,897 | 19,931 | 20,036 |
| Revenue from assignments to appropriated | 17 | - | - | 15,655 | 24,793 |
| Other accounts payables | 14 | 7 | 6 | 2,897 | 2,698 |
| Total current liabilities | | 159,837 | 154,220 | 271,155 | 253,064 |
| Current non-liabilities | | | | | |
| Loans and financing | 12 | - | - | 1,267,631 | 1,258,469 |
| Revenue from assignments to appropriated | 17 | - | - | 75,757 | 149,201 |
| Taxes in installments | 15 | 660 | 723 | 15,645 | 16,042 |
| Deferred income taxes | 24 | - | - | 92,274 | 96,355 |
| Provisions for labor and civil risks | 18 | 52 | 70 | 1,980 | 1,485 |
| Real Estate Credit Bills (CCI) | 13 | - | - | 549,603 | 561,005 |
| Total non-current liabilities | | 712 | 793 | 2,002,890 | 2,082,557 |
| Equity | 19 | | | | |
| Share capital - common shares | - | 385,064 | 385,064 | 385,064 | 385,064 |
| Capital reserve | | (1,907) | (1,907) | (1,907) | (1,907) |
| Profit reserves | - | 841,529 | 841,529 | 841,529 | 841,529 |
| Accumulated loss | | (64,652) | - | (64,652) | - |
| | | 1,160,034 | 1,224,686 | 1,160,034 | 1,224,686 |
| Total liabilities and equity | | 1,320,583 | 1,379,699 | 3,434,079 | 3,560,307 |

The accompanyng notes are integral part of these quartely interim financial statements.

# General Shopping e Outlets do Brasil S.A.

## Statement of income (loss)
## For the three months period ended March 31, 2018 and 2017

(Amounts stated in Thousands of Reais, except the amount for share)

| | | Company | | Consolidated | |
|---|---|---|---|---|---|
| | Notes | 03/31/2018 | 03/31/2017 | 03/31/2018 | 03/31/2017 |
| Net revenue | 20 | - | - | 61,602 | 60,055 |
| Cost of rental and services provided | 21 | - | - | (6,364) | (6,166) |
| Gross profit | | - | - | 55,238 | 53,889 |
| Operational (Expenses)/Income | | | | | |
| General and administrative expenses | 22 | (5,742) | (5,135) | (12,266) | (12,131) |
| Other income (expenses), net | 25 | 5 | 22 | (36,955) | 503 |
| Equity in earnings of subsidiaries | 8 | (58,851) | 8,194 | - | - |
| Operational profit/(loss) before financial income, net | | (64,588) | 3,081 | 6,017 | 42,261 |
| Financial income (loss), net | 23 | (64) | 1,312 | (66,395) | (32,202) |
| Profit (Loss) before taxes | | (64,652) | 4,393 | (60,378) | 10,059 |
| Current income taxes | 24 | - | - | (8,348) | (5,666) |
| Deferred income taxes | 24 | - | - | 4,074 | - |
| Net income (loss) for the period | | (64,652) | 4,393 | (64,652) | 4,393 |
| Attributable to: | | | | | |
| Controlling interest | | (64,652) | 4,393 | (64,652) | 4,393 |
| Non-controlling interest | | - | - | - | - |
| Basic income per share – R$ | 19 | (0.96) | 0.07 | (0.96) | 0.07 |

The accompanyng notes are integral part of these quartely interim financial statements.

# General Shopping e Outlets do Brasil S.A.

## Statement of comprehensive income
## For the three months period ended March 31, 2018 and 2017

(Amounts stated in Thousands of Reais, except the amount for share)

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 03/31/2017 | 03/31/2018 | 03/31/2017 |
| Net income (loss) | (64,652) | 4,393 | (64,652) | 4,393 |
| Other comprehensive income (loss) that may be subsequently reclassified to profit or loss: | | | | |
| Other comprehensive income | - | - | - | - |
| Comprehensice income (loss) | (64,652) | 4,393 | (64,652) | 4,393 |
| Total other comprehensive income (loss) attributable to: | | | | |
| Controlling interest | (64,652) | 4,393 | (64,652) | 4,393 |
| Non-controlling interest | - | - | - | - |
| | (64,652) | 4,393 | (64,652) | 4,393 |

The accompanyng notes are integral part of these quartely interim financial statements.

# General Shopping e Outlets do Brasil S.A.

## Statement of changes in equity
## For the three months period ended March 31, 2018 and 2017

(Amounts stated in Thousands of Reais, except the amount for share)

| | | Share capital | | | Capital reserve | | Profit reserves | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Notes | Share capital | Treasury shares | Share issuance expenses | Goodwill on the Issue of shares | Capital transaction | Legal reserve | Profit reserves to realize | Accumlated losses | Total |
| Balances in december 31, 2016 | | 389,625 | (10,710) | (2,134) | - | 6,376 | - | 764,923 | (174,855) | 973,225 |
| Net income | | - | - | - | - | - | - | - | 4,393 | 4,393 |
| Total comprehensive income (loss) | | - | - | - | - | - | - | - | 4,393 | 4,393 |
| Balances in march 31, 2017 | | 389,625 | (10,710) | (2,134) | - | 6,376 | - | 764,923 | (170,462) | 977,618 |
| Balances in december 31, 2017 | | 389,625 | (2,427) | (2,134) | 6,376 | (8,283) | 12,573 | 828,956 | - | 1,224,686 |
| Loss for the period | | - | - | - | - | - | - | - | (64,652) | (64,652) |
| Total comprehensive income (loss) | | - | - | - | - | - | - | - | (64,652) | (64,652) |
| | | | | | | | | | | - |
| Balances in march 31, 2018 | | 389,625 | (2,427) | (2,134) | 6,376 | (8,283) | 12,573 | 828,956 | (64,652) | 1,160,034 |

The accompanyng notes are integral part of these quartely interim financial statements.

General Shopping e Outlets do Brasil S.A.

Statement od cash flows
For the three months period ended March 31, 2018 and 2017

(Amounts stated in Thousands of Reais, except the amount for share)

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 03/31/2017 | 03/31/2018 | 03/31/2017 |
| Cash flow from operating activities | | | | |
| Net income (loss) | (64,652) | 4,393 | (64,652) | 4,393 |
| Adjustments to reconcile net income (loss) to cash provided on operating activities: | | | | |
| Depreciation and amortization | 568 | 692 | 1,028 | 1,318 |
| Allowance for doubtful accounts | - | - | 1,295 | 1,900 |
| Constitution (reversing) provision for labor and civil risks | (18) | - | 495 | 17 |
| Deferred income taxes | - | - | (4,081) | - |
| Income taxes | - | - | (8,348) | 5,666 |
| Financial charges on loans e financing, CCI and Perpetual bonds | - | - | 48,286 | 49,086 |
| Financial charges on payment of taxes in installment | - | - | 138 | 783 |
| Exchange rate variation | - | - | 5,619 | (28,588) |
| Equity in earnings of subsidiaries | 58,851 | (8,194) | - | - |
| Decrease (increase) in opetating activities | | | | |
| Recoverable taxes | - | (22) | 6,194 | 7,392 |
| Valores a receber de instituições financeiras | (425) | - | (485) | 1,051 |
| Accounts receivable - assignments | - | - | - | 5,670 |
| Other accounts receivables | (482) | 5,876 | (313) | 1,471 |
| Deposits and guarantees | 3 | (17) | 947 | (463) |
| Increase (decrease) in opetating activities | | | | |
| Suppliers | (435) | (392) | (777) | (3,292) |
| Taxes, charges and contributions | 348 | (3,363) | 30,349 | 3,683 |
| Payroll and social charges | 232 | 48 | 184 | 112 |
| Revenue from assignments to appropriated | - | - | (82,582) | (7,862) |
| Other accounts payables | 1 | (2) | 199 | (225) |
| Net cash provided by (used in) operating activities | (6,009) | (981) | (66,504) | 42,112 |
| Payment of interest | - | - | (25,513) | (30,471) |
| Net cash provided by (used in) operating activities | (6,009) | (981) | (92,017) | 11,641 |
| Cash flow from investing activities | | | | |
| Write-off property investments, permanent assets and intangible assets | - | 9,003 | 132,511 | 9,143 |
| Acquisition of permanent investments | - | 167,821 | - | - |
| Financial application and linked application | - | (1,034) | (24) | (1,078) |
| Acquisition of investments and fixed assets and intangible assets | (17) | (79) | (14,696) | (9,439) |
| Net cash provided by (used in) investing activities | (17) | 175,711 | 117,791 | (1,374) |
| Cash flow from financing activities | | | | |
| Raising of loans, financing and CCI | - | - | - | 5,433 |
| Cost of raising loans, financing, CCI and perpetual bonds | - | - | - | (5,434) |
| Amortization of the principal of loans, financing and CCI | - | - | (24,843) | (29,320) |
| New taxes installments | (62) | 5,269 | 67 | 5,386 |
| Payment of the principal taxes installment | - | - | (664) | (2,200) |
| Related parties | 6,074 | (180,108) | (809) | (3,704) |
| Net cash provided by (used in) financing activities | 6,012 | (174,839) | (26,249) | (29,839) |
| Increase (Decrease) in cash and cash equivalent, net | (14) | (109) | (475) | (19,572) |
| Cash and cash equivalents | | | | |
| Cash and cash equivalents at the end of period | 2,231 | 2,120 | 108,172 | 40,199 |
| Cash and cash equivalents beginning of period | 2,245 | 2,229 | 108,647 | 59,771 |
| Increase (Decrease) in cash and cash equivalent, net | (14) | (109) | (475) | (19,572) |

The accompanyng notes are integral part of these quartely interim financial statements.

# General Shopping e Outlets do Brasil S.A.

## Statement of added value
## For the three months period ended March 31, 2018 and 2017

(Amounts stated in Thousands of Reais, except the amount for share)

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 03/31/2017 | 03/31/2018 | 03/31/2017 |
| Revenue | | | | |
| Revenue from rent, services and other | - | - | 69,420 | 67,534 |
| Allowance for doubtful accounts | - | - | (1,295) | (1,900) |
| | - | - | 68,125 | 65,634 |
| Third parties services and materials | | | | |
| Third parties services, materials and other | (2,245) | (1,584) | (12,795) | (11,705) |
| Gross added (consumed) value | (2,245) | (1,584) | 55,330 | 53,929 |
| Depreciation and amortization | (568) | (692) | (1,028) | (1,318) |
| Net added (consumed) value generated | (2,813) | (2,276) | 54,302 | 52,611 |
| Net added value by transfer | | | | |
| Equity accounting result | (58,851) | 8,194 | - | - |
| Financial income | 429 | 1,613 | 54,551 | 55,688 |
| Other | 5 | 22 | (36,955) | 503 |
| Net added value total to distribution | (61,230) | 7,553 | 71,898 | 108,802 |
| Distribution of added (consumed) value | | | | |
| Labor | | | | |
| Salaries | 1,870 | 1,883 | 2,608 | 2,655 |
| Benefits | 479 | 362 | 826 | 602 |
| FGTS (Brazilian Labor Social Charges) | 106 | 102 | 133 | 127 |
| INSS (Brazilian Labor Social Security) | 474 | 471 | 645 | 651 |
| Taxes and contribution | | | | |
| Federal | - | - | 10,165 | 11,098 |
| Municipal | - | 41 | 1,227 | 1,386 |
| Capital Remuneration from thirf parties | | | | |
| Interests expenses | 493 | 301 | 120,946 | 87,890 |
| Owned capital remuneration | | | | |
| Net income (loss) for the period | (64,652) | 4,393 | (64,652) | 4,393 |
| | (61,230) | 7,553 | 71,898 | 108,802 |

The accompanyng notes are integral part of these quartely interim financial statements.

## 1. Operating activities

General Shopping e Outlets do 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.

As approved by AGO/E (Ordinary and Extraordinary Shareholders' Meeting) on March 26, 2018, the Company changed the name of General Shopping Brasil S.A. to General Shopping e Outlets do Brasil S.A.

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 were held by the direct subsidiary GS Investments Limited. Of the amount of the shares that did not serve as the basis for the GDS program, 6,564,301 shares were canceled as per minutes of the meeting of the board of directors' held on August 4, 2017. The remaining balance of 1,923,550 shares remains in nominal treasury at Company.

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, 24th floor - suite 241.

The individual and consolidated quarterly interim financial information of General Shopping e Outlets do Brasil S.A. (Company) referring to the quarterly ended on March 31, 2018, have been concluded and approved by the Company's Executive Officers on May 11, 2018.

The individual and consolidated quarterly interim financial information of the Company referring to the quarterly ended on March 31, 2018 comprises the Company and its subsidiaries (collectively referred to as Group and individually referred to as entities of the Group).

General Shopping e Outlets do 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., merged into Levian Participações e Empreendimentos Ltda. on February 9, 2018;
- 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, Andal 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 Estacionamentos Ltda., Energy Comércio e Serviços de Energia Ltda., Wass Comércio e Serviços de Água Ltda., General Shopping Brasil Administradora e Serviços Ltda., Internacional Guarulhos Auto Shopping Center Ltda., Vide Serviços e Participações Ltda., Ast Administradora e Incorporadora Ltda., GS Park Estacionamentos 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 100% 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, merged into Levian Participações e Empreendimentos Ltda. on February 9, 2018;
- 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, merged into Levian Participações e Empreendimentos Ltda. on February 9, 2018;
- 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;

- FAT Empreendimentos e Participações S/A. (FAT): has the purpose of incorporating real estate, the sale of real estate built or acquired for resale and administration of own and third parties' assets, as well as participation as a shareholder and shareholder in other companies and participation in real estate projects;
- 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 Salvador 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 e Outlets do 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 45.3% of the quotas of Securis Administradora e Incorporadora Ltda.;
- GS Park Estacionamentos 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 Estacionamentos 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 100% of Internacional Guarulhos Auto Shopping Center, 80,1% of International Shopping Guarulhos and 0.5% of Shopping Unimart. Levian also holds interest in Poli Shopping Center Empreendimentos Ltda. (100%), Send Empreendimentos e Participações Ltda. (90.9%), 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%), 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. (29.2%), Atlas Participações Ltda. (100%), FIPARK Estacionamentos Ltda (100%),BUD Administradora e Incorporadora Ltda. (100%), BAC Administradora e Incorporadora Ltda. (100%) e EDO Empreendimentos e Participações S.A (100%). On Frebruary 9, 2018, the following investees were merged: ABK Participações e Empreendimentos Ltda, Nova União Administradora e Incorporadora S.A., Cly Administradora e Incorporadora Ltda. and Eler Participações e Empreendimentos Ltda;

- 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, merged into Levian Participações e Empreendimentos Ltda. on February 9, 2018;
- Pentar Administradora e 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., FAT Empreendimentos e Participações S/A., 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. demerged to Levian Participações e Empreendimentos Ltda. on February 9, 2018, 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;
- 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), Tela Administradora e Incorporadora Ltda. (Tela), Palo Administradora e Incorporadora Ltda. (Palo) and EDO Empreendimentos e Participações S.A. (EDO), 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 March 31, 2018.

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

The Company holds direct participation, as of March 31, 2018 and December 31, 2017, in the following undertakings:

| | 03/31/2018 | | | 12/31/2017 | | |
|---|---|---|---|---|---|---|
| | Share | Total GLA (m²) | Own GLA (m²) | Share | Total GLA (m²) | Own GLA (m²) |
| Shopping Center | | | | | | |
| Poli Shopping Guarulhos | 50.0% | 4,527 | 2,264 | 50.0% | 4,527 | 2,264 |
| Internacional Shopping | 80.1% | 77,080 | 61,741 | 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 JL 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 |
| | | 348,916 | 236,909 | | 348,916 | 244,540 |

## 2. Presentation of quarterly information and main accounting policies

### 2.1. Basis of preparation of the individual and consolidated quarterly information

#### 2.1.1. Compliance statement

The individual and consolidated quarterly 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 quarterly information (ITR), and are identified as "Company" and "Consolidated", respectively.

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.

#### Operational continuity

The Company's Management has carried out all its planning and actions aiming at the continuity of its business, so it evaluates that it has the conditions to make available all the resources to continue its operations. Management is not aware of any material uncertainties that may raise doubts about the Company's and its subsidiaries' operating continuity, so quarterly information was prepared taking into account this assumption.

2.1.2. Functional currency and presentation of the individual and consolidated quarterly information

The individual quarterly 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 quarterly 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 quarterly 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 period end, 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 quarterly 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 March 31, 2018, the Company does not have any non-controlling interest to be presented.

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

The profit or loss of the subsidiaries (including real estate investment funds) acquired or disposed of during the period 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 quarterly 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 period of such investments before determining the profit or loss and the adjusted equity result.

The consolidated quarterly 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:

| | % – 03/31/2018 – Interest in capital | % – 12/31/2017 – Interest in capital |
|---|---|---|
| Direct Subsidiaries | | |
| Levian | 100% | 100% |
| Securis | 100% | 100% |
| General Shopping Finance | 100% | 100% |
| GS Finance II | 100% | 100% |
| GS Investments | 100% | 100% |
| Indirect Subsidiaries | | |
| ABK | - | 99.7% |
| 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% | 100% |
| Brassul | 100% | 100% |
| Bud (no operation) | 100% | 100% |
| Cly | - | 100% |
| Delta | 100% | 100% |
| EDO (no operation) | 100% | 100% |
| Eler | - | 100% |
| Energy | 100% | 100% |
| ERS | 100% | 100% |
| FAT | 100% | 100% |
| FII Top Center | 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% |
| 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% |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | % – 03/31/2018 – Interest in capital | % – 12/31/2017 – Interest in capital |
|---|---|---|
| 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 (R2) (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 quarterly 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 segment information

The segment information 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) Financial assets and liabilites at amortized cost

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 financial assets and liabilities at amortized cost of Company's correspond to loans made to related parties, accounts receivable from clients, cash and cash equivalents, financial investments, and other accounts receivable, as well as the 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 closing of each period. 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 on Financial Instruments

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. Trade accounts receivable and related parties

Trade 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. Investments 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 period and 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 period 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 periods 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 assets

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 March 31, 2018 and 2017, 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 period and fiscal year’s income statement.

2.14. Other assets (current and non-current)

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 period are closed.

2.15. Other liabilities (current and non-current)

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

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 period or year, considering the risks and uncertainties pertaining to the liability.

2.17. Provision for labor, tax, civil 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. Borrowing costs – interest capitalization

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 borrowing costs 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 period in which they are incurred.

2.19. Current and deferred tax income

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 13th 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) Revenue from assignments to appropriated

Revenues from the transfer of rights of use to tenants and usufruct of ideal fractions of the parking of 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 in negotiation for sale

When the Company is committed to a sale plan for the disposal of an investment property, these assets are classified for current assets, following the premises of CPC 28 - Investment Properties. Investment property must be written off (removed from the balance sheet) in the disposal or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

## 2.22. Basic and diluted Profit/Loss per Share

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 period or year and the weighted average of outstanding shares in the respective period or 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 shares.

## 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 quarterly information.

2.24. Use of estimates and critical judgment

The preparation of the quarterly 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 quarterly information.

The estimates must be determined based on the best existing knowledge, as of the date of approval of the quarterly 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 taxes income 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 quarterly 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.

2.25. 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:

2.25.1. Effective for periods and years beginnings on or after January 1, 2018:

Standard: IFRS 9 – Financial instruments

Effective date: January 1, 2018

Main points introduced by the standard: The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change which is due to an entity's own credit risk is recorded in Other comprehensive income rather than in the Statement of profit or loss.

Impacts of the adoption: The Company assessed the changes introduced by the standard and concluded that its adoption will not bring significant impacts, mainly regarding the measurement of the financial instruments when compared to the principles of the IAS 39.

The main impacts are related to the classification of financial assets. As IFRS 9 changed the classification categories of financial assets, eliminating the held-to-maturity, loans and receivables and available-for-sale categories, financial assets will be classified in one of the following categories: at amortized cost and cash equivalents, trade accounts receivable, other assets and securities), at fair value through comprehensive income (other investments) or at fair value through profit or loss (derivative financial instruments, stock options and other securities).

Standard IFRS 15 – Revenue recognition

Effective date: January 1, 2018

Main points introduced by the standard: This accounting standard establishes the accounting principles to determine and measure revenue and when the revenue should be recognized.

Impacts of the adoption: The Company assessed the principles and changes introduced by the new standard and concluded that its adoption will not bring impacts on the timing for the revenue recognition from contracts with customers, as well on the measurement, presentation and disclosure in the financial statements.

The existing impacts are related to the revision of internal documents and the creation and/or modification of the procedures, with the purpose of ensuring that new contracts with customers are properly evaluated and accounted according to the concepts of the IFRS 15.

2.25.2 Effective for periods beginning on or after January 1, 2019:

Standard IFRS 16 – Leases

Effective date: January 1, 2019

Main points introduced by the standard: This accounting standard replaces the previous leases standard, IAS 17 Leases, and related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the customers (‘lessees’) and the suppliers (‘lessor’). Lessees are required to recognize a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts, except for certain short-term leases and leases of low-value assets. For lessors, the accounting stays almost the same and continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Impacts of the adoption: The Company´s evaluation of the impacts of the new standard is in progress. Our assessment is being conducted in several areas of the Company in order to identify the existing contracts, as well as the environmental of internal controls and systems impacted by the adoption of the new standard.

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

## 3. Cash and cash equivalents and financial investments

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 12/31/2017 | 03/31/2018 | 12/31/2017 |
| Cash and Banks | | | | |
| In Brazilian Reais | | | | |
| Cash | 12 | 12 | 48 | 48 |
| Banks | 3 | 4 | 1,654 | 1,662 |
| In US Dollar | | | | |
| Banks (a) | - | - | 82 | 54 |
| | 15 | 16 | 1,784 | 1,764 |
| Financial investments | | | | |
| In Brazilian Reais | | | | |
| CDB (b) | 2,209 | 2,209 | 13,204 | 9,473 |
| Committed (b) | - | - | 25,038 | 24,648 |
| Interest-bearing account | 7 | 20 | 871 | 1,293 |
| Exclusive Investment Fund (c) | | | | |
| Cash | - | - | 10 | 10 |
| Investment Fund | - | - | 121 | 84 |
| LFT | - | - | 49,053 | 52,287 |
| Financial Treasury | - | - | 15,451 | 2,184 |
| Committed | - | - | 2,640 | 16,904 |
| Total financial investments | 2,216 | 2,229 | 106,388 | 106,883 |
| Total cash and cash equivalents | 2,231 | 2,245 | 108,172 | 108,647 |
| Current financial investments | - | - | - | - |
| Non-current financial investments | - | - | 1,612 | 1,588 |
| Total financial investments | - | - | 1,612 | 1,588 |

(a) On March 31, 2018, the total balance of cash and banks is of R$ 1,784 (consolidated), whereas the amount of R$ 82 is deposited in a checking account abroad is indexed to the US Dollar. As of December 31, 2017, from the total balance of R$ 1,764 (consolidated), the amount of R$ 54 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 99,3% of CDI;

(c) On March 31, 2018, 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 99.5% 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;

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.

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

## 4. Trade accounts receivable

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Rental receivable and other | 95,258 | 101,452 |
| Allowance for doubtfull accounts | (30,572) | (29,277) |
| Total | 64,686 | 72,175 |
| Current | 59,678 | 66,192 |
| Non-current | 5,008 | 5,983 |

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 March, 31 2018 and December 31, 2017 is the following:

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Balance at the beginning of the period | (29,277) | (24,656) |
| Credits provisioned and written of in the period | (1,295) | (4,621) |
| Balance at the end of the period | (30,572) | (29,277) |

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

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Current receivables | 48,541 | 57,332 |
| | | |
| Overdue | | |
| Up to 30 days | 2,761 | 2,019 |
| From 31 to 60 days | 1,759 | 1,738 |
| From 61 to 90 days | 1,654 | 1,095 |
| From 91 to 180 days | 2,572 | 2,799 |
| Above 180 days | 37,971 | 36,469 |
| | 46,717 | 44,120 |
| | | |
| Total | 95,258 | 101,452 |

As of March 31, 2018, the amount of R$ 7,399 in accounts receivable from clients (R$ 7,192 as of December 31, 2017) 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. Recoverable taxes

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 12/31/2017 | 03/31/2018 | 12/31/2017 |
| Withholding Income Tax (IRRF) on investment | - | 1 | 2,838 | 3,934 |
| IRRF Recoverable | 69 | 67 | 842 | 845 |
| Services Taxes (ISS) | - | - | 149 | 127 |
| PIS and COFINS recoverable | - | - | 571 | 520 |
| Income Tax – anticipation | 1,719 | 1,406 | 8,926 | 7,593 |
| Social contribution – anticipation | 579 | 468 | 1,449 | 1,305 |
| Other taxes recoverable | - | - | 244 | 210 |
| Total | 2,367 | 1,942 | 15,019 | 14,534 |
| Current | 2,367 | 1,942 | 12,259 | 10,876 |
| | | | | |
| Non-current | - | - | 2,760 | 3,658 |

## 6. Other accounts receivable

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 12/31/2017 | 03/31/2018 | 12/31/2017 |
| Insurance expenses to record | 138 | 19 | 378 | 95 |
| Suppliers advances | 31 | 24 | 3,303 | 3,645 |
| Advance of labor benefits | 80 | 136 | 91 | 158 |
| Expenses to record | 747 | 7 | 1,005 | 7 |
| Accounts receivable from other enterprises | - | - | 8,605 | 9,538 |
| Commissions to be apportioned | - | - | 1,514 | 1,431 |
| Other accounts receivable | 463 | 791 | 814 | 523 |
| Total | 1,459 | 977 | 15,710 | 15,397 |
| | | | | |
| Current | 1,459 | 977 | 15,585 | 15,182 |
| | | | | |
| Non-current | - | - | 125 | 215 |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

## 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 March 31, 2018 and December 31, 2017, in the Parent Company, are presented in following:

| | Company | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Assets | | |
| General Shopping Finance (a) | 1,933 | 1,933 |
| General Shopping Investments (a) | 11,629 | 11,629 |
| Securis (b) | 18,757 | 18,767 |
| Andal | 9,959 | 9,959 |
| I Park | 6,659 | 6,659 |
| Other | 1,956 | 2,560 |
| Total | 50,893 | 51,497 |

| | Company | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Liabilities | | |
| Levian (b) | 152,367 | 146,897 |
| Total | 152,367 | 146,897 |

(a) They refer to costs to issue perpetual bonds paid by the Company;

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

(b) They refer to the other loans on which no financial charges are levied and which have no maturity dates.

The balances as of March 31, 2018 and December 31, 2017, in the consolidated, are the following:

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Assets | | |
| Condomínio Unimart Campinas (c) | 326 | 487 |
| BR Partners Bahia Empreendimentos Imob. | 149 | 149 |
| Condomínio Outlet Premium RJ (c) | 1,655 | 1,655 |
| Condomínio Outlet Premium Brasília (c) | 2,466 | 2,466 |
| Condomínio do Vale (c) | 1,516 | 1,360 |
| Condomínio Bonsucesso (c) | 1,893 | 1,893 |
| Condomínio Parque Shop Sulacap (c) | 3,135 | 3,135 |
| Condomínio Volunt. Civil Parque Shop Maia (c) | 5,568 | 4,977 |
| Fundo de Investimento Imobiliário Sulacap – FII | 653 | 653 |
| Golf Participações Ltda. (a) | 28,913 | 28,062 |
| Nova Poli Shopping Center | 100 | 100 |
| Individuals (c) | 1,780 | 1,780 |
| PNA Empreendimentos Imobiliários Ltda. | 146 | 146 |
| Other (c) | 187 | 392 |
| Total – Non-current | 48,487 | 47,255 |

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Liabilities | | |
| SAS Venture LLC (b) | 19,931 | 19,836 |
| Other (c) | - | 200 |
| Total | 19,931 | 20,036 |

(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;

b) Remuneration of key management

On the quarterlys ended March 31, 2018 and 2017, the Company paid its managers short-term benefits (salaries, wages, contributions to social security, profit sharing and medical insurance) in the amount of R$ 1,411 and R$ 1,315, respectively, as evidenced below:

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 03/31/2017 |
| Director’s fee | 954 | 954 |
| Variable remuneration and charges | 191 | 169 |
| Benefits | 266 | 192 |
| Total | 1,411 | 1,315 |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

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 26, 2018, the global remuneration of R$ 12,450 for fiscal year 2018 (R$ 12,450 for fiscal year 2017) was approved.

## 8. Investments in subsidiaries

| | % – Interests | Stocks /share quantity held | Share Capital | Profit (Loss) of the period | Equity | Equity in earnings of subsidiaries | Investments 03/31/2018 | Investments 12/31/2017 |
|---|---|---|---|---|---|---|---|---|
| Direct subsidiaries – Investments | | | | | | | | |
| Levian | 72.49 | 486,888,144 | 671,651 | 18,114 | 1,686,222 | 17,126 | 1,086,571 | 1,069,445 |
| Securis | 25.48 | 169,710,466 | 666,019 | (2,301) | 663,718 | (586) | 172,515 | 173,101 |
| GS Investiments | 100 | 50,000 | - | (76,839) | 173,567 | (76,839) | 19,334 | 96,173 |
| GS Finance II | 100 | 50,000 | 81 | - | 34 | - | 34 | 34 |
| | | | 1,337,751 | (61,026) | 2,523,541 | (60,299) | 1,278,454 | 1,338,753 |
| Provision for losses on Investments In subsidiaries | | | | | | | | |
| General Shopping Finance | 100 | 50,000 | 81 | 1,448 | 13,960 | 1,448 | (21,486) | (22,934) |
| | | | 81 | 1,448 | 13,960 | 1,448 | (21,486) | (22,934) |
| Net balance | | | 1,337,832 | (59,578) | 2,537,501 | (58,851) | 1,256,968 | 1,315,819 |

| | % – Interests | Stocks /share quantity held | Share Capital | Profit (Loss) of the period | Equity |
|---|---|---|---|---|---|
| Indirect subsidiaries – Levian | | | | | |
| Atlas | 100% | 3,816,399 | 3,816 | 3,900 | 86,948 |
| Bac | 100% | 10,000 | 10 | (1) | (14,634) |
| Bot | 100% | 51,331,650 | 51,332 | 30 | 64,847 |
| BR Outlet | 100% | 10,000 | 10 | (3) | (20) |
| Brassul | 100% | 25,630,617 | 25,631 | (460) | 60,921 |
| Bud | 100% | 10,000 | 10 | (1) | (3) |
| Delta | 100% | 72,870,112 | 72,870 | 2 | 70,076 |
| EDO | 100% | 10,000 | 0 | 0 | 0 |
| FIPARK | 100% | 10,000 | 10 | 630 | 2,876 |
| FLK | 100% | 12,686,271 | 12,686 | 295 | 59,626 |
| Fonte | 100% | 224,098,764 | 224,099 | 318 | 123,699 |
| Jauá | 100% | 10,000 | 10 | (1) | 25 |
| MAI | 100% | 1,409,558 | 1,410 | (3) | 1,583 |
| Manzanza | 100% | 21,078,331 | 21,078 | (28) | 18,443 |
| POL | 100% | 58,921,553 | 58,922 | 47 | 51,500 |
| Poli | 100% | 425,000 | 425 | 268 | 14,522 |
| Premium Outlet | 100% | 10,000 | 10 | (1) | 2 |
| Sale | 100% | 14,702,069 | 14,702 | (436) | 61,456 |
| Securis | 29.2% | 194,579,548 | 666,019 | (2,301) | 663,718 |
| Send | 90.9% | 262,581,624 | 289,000 | (5,655) | 351,347 |
| Uniplaza | 100% | 42,948,318 | 42,948 | (805) | 34,060 |
| Vul | 100% | 350,689,894 | 350,690 | (2,664) | 169,575 |
| Zuz | 100% | 58,139,780 | 58,140 | 41 | 93,705 |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | % – Interests | Stocks /share quantity held | Share Capital | Profit (Loss) of the period | Equity |
|---|---|---|---|---|---|
| Indirect subsidiaries – Atlas | | | | | |
| Alte | 100% | 50,000 | 50 | 0 | (1,767) |
| ASG Administradora | 100% | 20,000 | 20 | 30 | 115 |
| Ast | 100% | 1,497,196 | 1,497 | 581 | 4,987 |
| BR Brasil Retail | 100% | 100 | 0 | (7) | (3,720) |
| Energy | 100% | 10,000 | 10 | 3,264 | 44,444 |
| GS Park | 100% | 10,000 | 10 | 144 | 1,065 |
| GSB Administradora | 100% | 1,906,070 | 1,906 | 2,868 | 47,413 |
| Ipark | 100% | 3,466,160 | 3,466 | (1,001) | 30,145 |
| Vide | 100% | 10,000 | 10 | (2) | (217) |
| Wass | 100% | 10,000 | 10 | 1,097 | 22,362 |

| | % – Interests | Stocks /share quantity held | Share Capita | Profit (Loss) of the period | Equity |
|---|---|---|---|---|---|
| Indirects subsidiaries – GS Investments | | | | | |
| Andal | 100% | 5,068,000 | 5,068 | 325 | 180,710 |
| Ardan | 100% | 10,000 | 10 | (1) | 5 |
| Bail | 100% | 10,000 | 10 | (5) | 649 |
| Bavi | 100% | 10,000 | 10 | (1) | (25) |
| ERS | 100% | 29,597,841 | 29,598 | (673) | (38,078) |
| FAT | 100% | 10,000 | 10 | (2,254) | (3,077) |
| FII Top Center | 100% | 11,813,778 | 11,839 | (29) | (49) |
| GAX | 100% | 10,000 | 10 | 971 | 103,615 |
| Indui | 100% | 10,000 | 10 | 583 | 72,725 |
| Palo | 100% | 10,000 | 0 | (1) | (1) |
| Pentar | 100% | 10,000 | 10 | (369) | 106,137 |
| Rumb | 100% | 10,000 | 10 | (1) | 5 |
| SB Bonsucesso | 100% | 93,292,158 | 93,292 | (345) | 197,061 |
| Send | 9.1% | 26,397,889 | 289,000 | (5,655) | 351,347 |
| Securis | 45.3% | 301,728,958 | 666,019 | (2,301) | 663,718 |
| Tela | 100% | 10,000 | 0 | (1) | (1) |
| Tequs | 100% | 10,000 | 10 | (1) | 5 |
| Vanti | 100% | 10,000 | 10 | (1) | 5 |
| XAR | 100% | 786,849 | 787 | (119) | (87) |

The changes for the quarterly ended on March 31, 2018 are the following:

| | |
|---|---|
| Balances on December 31, 2016 | 1,062,530 |
| Equity in earnings of subsidiaries | 253.289 |
| Balances on December 31, 2017 | 1,315,819 |
| Equity in earnings of subsidiaries | (58,851) |
| Balances on March 31, 2018 | 1,256,968 |

## 9. Investment properties

| | Consolidated | | |
|---|---|---|---|
| | In operation | "Greenfields" projects under construction (i) | Total |
| Balances on December 31, 2016 | 2,763,030 | 206,360 | 2,969,390 |
| Aquisition / Additions | 64,670 | - | 59,502 |
| Disposal (i) | - | (20,331) | (20,331) |
| Transfer to fixed assets | (7,693) | - | (2,525) |
| Transfer to "Investiment property in negotiation for sale" (ii) | (936,950) | (58,448) | (995,398) |
| Fair value adjustments (iii) | 258,211 | - | 258,211 |
| Balances on December 31, 2017 | 2,141,268 | 127,581 | 2,268,849 |
| Aquisition / Additions | 14,624 | - | 14,624 |
| Disposal (iv) | (132,511) | - | (132,511) |
| Balances on March 31, 2018 | 2,023,381 | 127,581 | 2,150,962 |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

(i) Disosal of lands;
(ii) Transfer to "Investment property in negotiation for sale" regarding to the 70% interest in Internacional Shopping Guarulhos, as explained in note 29;
(iii) Amounts recognized in income for the year;
(iv) Disposal of 9.9% interest of the Internacional Shopping de Guarulhos.

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

Fair value assessment

The fair value of each investment property in operation is assessed at the end of each year, for the year 2017 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 as of December 31, 2017, 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 10.53% and the average capitalization rate (perpetuity) adopted in the 10th year was 8.30%.

## 10. Fixed assets

| | | Company | | | | | |
|---|---|---|---|---|---|---|---|
| | | 03/31/2018 | | | 12/31/2017 | | |
| | % – Depreciation rate | Cost | Accumulated depreciation | Net amount | Cost | Accumulated depreciation | Net amount |
| Buildings | 2 to 4 | 587 | (208) | 379 | 587 | (202) | 385 |
| Furniture and fixtures | 8 to 15 | 523 | (261) | 262 | 523 | (252) | 271 |
| Machinery and equipment | 8 to 15 | 1,410 | (700) | 710 | 1,410 | (665) | 745 |
| Computer equipment | 15 to 25 | 1,431 | (1,273) | 158 | 1,415 | (1,253) | 162 |
| Improvements on third parties properties | 8 to 15 | 694 | (345) | 349 | 694 | (330) | 364 |
| Suppliers advances | - | 307 | - | 307 | 307 | - | 307 |
| Total | | 4,952 | (2,787) | 2,165 | 4,936 | (2,702) | 2,234 |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | | Consolidated | | | | | |
|---|---|---|---|---|---|---|---|
| | | 03/31/2018 | | | 12/31/2017 | | |
| | % – Depreciation rate | Cost | Accumulated depreciation | Net amount | Cost | Accumulated depreciation | Net amount |
| Buildings | 2 a 4 | 1,596 | (1,216) | 380 | 1,596 | (1,210) | 386 |
| Furniture and fixtures | 8 a 15 | 6,136 | (4,849) | 1,287 | 6,093 | (4,656) | 1,437 |
| Machinery and equipment | 8 a 15 | 2,193 | (1,051) | 1,142 | 2,193 | (1,008) | 1,185 |
| Vehicles | 15 a 25 | 143 | (117) | 26 | 143 | (114) | 29 |
| Computer equipment | 8 a 15 | 3,150 | (2,866) | 284 | 3,135 | (2,826) | 309 |
| Improvements on third parties properties | 8 a 15 | 6,444 | (5,899) | 545 | 6,444 | (5,875) | 569 |
| Suppliers advances | - | 496 | - | 496 | 496 | - | 496 |
| Total | | 20,158 | (15,998) | 4,160 | 20,100 | (15,689) | 4,411 |

Changes to Fixed assets, as show subsequently, for the quarterly ended on March 31, 2018:

| | Company | | | | |
|---|---|---|---|---|---|
| | 12/31/2017 | Additions | Disposals | Depreciation | 03/31/2018 |
| Buildings | 385 | - | - | (6) | 379 |
| Furniture and fixtures | 271 | - | - | (9) | 262 |
| Machinery and equipment | 745 | - | - | (35) | 710 |
| Computers equipment | 162 | 16 | - | (20) | 158 |
| Improvements on third parties properties | 364 | - | - | (15) | 349 |
| Suppliers advances | 307 | - | - | - | 307 |
| Total | 2,234 | 16 | - | (85) | 2,165 |

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 12/31/2017 | Additions | Disposals | Depreciation | Transfer PPI | 03/31/2018 |
| Buildings | 386 | - | - | (6) | - | 380 |
| Furniture and fixtures | 1,437 | 43 | - | (193) | - | 1,287 |
| Machinery, devices and equipment | 1,185 | - | - | (43) | - | 1,142 |
| Vehicles | 29 | - | - | (3) | - | 26 |
| Computers equipment | 309 | 15 | - | (40) | - | 284 |
| Improvements on third parties properties | 569 | - | - | (24) | - | 545 |
| Suppliers advances | 496 | - | - | - | - | 496 |
| Total | 4,411 | 58 | - | (309) | - | 4,160 |

## 11. Intangible assets

| | | Company | | | | | |
|---|---|---|---|---|---|---|---|
| | | 03/31/2018 | | | 12/31/2017 | | |
| | % – Amortization rate | Cost | Accumulated amortization | Net amount | Cost | Accumulated amortization | Net amount |
| Undefined Useful Life | | | | | | | |
| Trademarks and patents | | 397 | - | 397 | 397 | - | 397 |
| Defined Useful Life | | | | | | | |
| Software | 20 | 19,022 | (14,969) | 4,053 | 19,020 | (14,485) | 4,535 |
| Total | | 19,419 | (14,969) | 4,450 | 19,417 | (14,485) | 4,932 |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | | Consolidated | | |
|---|---|---|---|---|
| | | 03/31/2018 | | |
| | % – Amortization rate | Cost | Accumulated amortization | Net amount |
| Undefined Useful Life | | | | |
| Trademarks and patents | - | 4,096 | - | 4,096 |
| Defined Useful Life | | | | |
| Software | 20 | 21,678 | (17,021) | 4,657 |
| Use right of Shopping Suzano (a) | 1.67 | 4,505 | (555) | 3,950 |
| Agreements Renewal Right (b) | 10 | 7,970 | (4,436) | 3,534 |
| Total | | 38,249 | (22,012) | 16,237 |

| | | Consolidated | | |
|---|---|---|---|---|
| | | 12/31/2017 | | |
| | % – Amortization rate | Cost | Accumulated amortization | Net amount |
| Undefined Useful Life | | | | |
| Trademarks and patents | - | 4,083 | - | 4,083 |
| Defined Useful Life | | | | |
| Software | 20 | 21,677 | (16,501) | 5,176 |
| Use right of Shopping Suzano (a) | 1.67 | 4,505 | (555) | 3,950 |
| Agreements Renewal Right (b) | 10 | 7,970 | (4,237) | 3,733 |
| Total | | 38,235 | (21,293) | 16,942 |

(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 m² 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 March 31, 2018 is the following:

| | Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Useful life term | Amortization Method | 12/31/2017 | Addtions | Amortization | Disposals | 03/31/2018 |
| **Undefined Useful Life** | | | | | | | |
| Trademarks and patents | - | - | 397 | - | - | - | 397 |
| Defined Useful Life | | | | | | | |
| Software | 5 years | Straight line | 4,535 | 1 | (483) | - | 4,053 |
| Total | | | 4,932 | 1 | (483) | - | 4,450 |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | Useful life term | Amortization Method | 12/31/2017 | Additions | Amortization | 03/31/2018 |
| **Undefined Useful Life** | | | | | | |
| Trademarks and patents | - | - | 4,083 | 13 | - | 4,096 |
| Defined Useful Life | | | | | | |
| Software | 5 years | Straight line | 5,176 | 1 | (520) | 4,657 |
| Right to use Shopping Suzano | 60 years | Straight line | 3,950 | - | - | 3,950 |
| Agreements renewal right | 10 years | Straight line | 3,733 | - | (199) | 3,534 |
| Total | | | 16,942 | 14 | (719) | 16,237 |

## 12. Loans and financing

| | Currency | % – Average anual interest rate | Maturity | Consolidated 03/31/2018 | 12/31/2017 |
|---|---|---|---|---|---|
| Loans and financing | | | | | |
| Perpetual bonds (a) | U$ | 10% | - | 553,217 | 550,738 |
| Perpetual bonds (b) | U$ | 13% | - | 530,329 | 515,075 |
| Debt bonus (b) | U$ | 10%/12% | 2026 | 30,062 | 30,665 |
| Banco Nacional de Desenvolvimento Econômico e Social (BNDES) PINE FINAME (c) | R$ | 9% | 2019 | 262 | 305 |
| Banco Nacional de Desenvolvimento Econômico e Social (BNDES) Bradesco FINEM (i) | R$ | 6.8% + TJLP | 2021 | 25,896 | 27,761 |
| Banco Nacional de Desenvolvimento Econômico e Social (BNDES) Bradesco FINEM (j) | R$ | 6.8% + Selic | 2021 | 15,494 | 16,363 |
| Debentures – SB Bonsucesso (d) – CDI | R$ | 2.7% + CDI | 2022 | 17,933 | 18,907 |
| Debentures – SB Bonsucesso (d) – IPCA | R$ | 7.5% + IPCA | 2022 | 26,040 | 25,152 |
| Banco Nordeste do Brasil (e) | R$ | 3.53% | 2025 | 16,394 | 16,962 |
| Banco Itaú - FINEM (f) – TJLP | R$ | 5.3% + TJLP | 2020 | 12,982 | 14,183 |
| Banco Itaú – FINEM (g) – SELIC | R$ | 5.3% + SELIC | 2020 | 4,305 | 4,634 |
| Banco Itaú – FINEM (h) – 3.5% | R$ | 3.5% | 2020 | 438 | 480 |
| Debentures – FAT (k) | R$ | 3.5% + CDI | 2027 | 80,925 | 84,958 |
| Total | | | | 1,314,277 | 1,306,183 |
| Current liabilities | | | | 46,646 | 47,714 |
| Non-current liabilities | | | | 1,267,631 | 1,258,469 |

(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 e Outlets 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. (incorporated into the Levian), Delta Shopping Empreendimentos Imobiliários Ltda., ERS Administradora e Incorporadora Ltda., FLK Administradora e Incorporadora Ltda., Intesp Shopping Administradora e Incorporadora Ltda. (incorporated into the Securis), 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. (incorporated into the Securis), Premium Outlet Administradora e Incorporadora Ltda., Sale Empreendimentos e Participações Ltda., Securis Administradora e Incorporadora Ltda., Send Empreendimentos e Participações Ltda. (incorporated into the Securis), 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 U$S 34,413 was settled in the exchange offer. For this operation, new perpetual senior debt bonds were issued in the amount of U$S 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 October 26, 2012, the Debenture Trust Deed of the 1st 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);

(e) 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;

(f) 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;

(g) 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;

(h) 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;

(i) 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;

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

(j) 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;

(k) On November 16, 2017, the Private Instrument of deed of the first issuance of single and non-convertible unsecured debentures of unsecured kind was signed for public distribution with restricted placement efforts FAT Empreendimentos e Participações S.A. The total amount of the debentures is R$ 90,000, with a rate of 3.5% pa + CDI, with payment of interest and monthly amortizations and term of 120 months.

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 March 31, 2018, by year of maturity, is composed in the following manner:

| | Consolidated |
|---|---|
| Year | |
| 2018 | 37,300 |
| 2019 | 32,832 |
| 2020 | 32,187 |
| 2021 | 25,950 |
| 2022 onwards | 1,186,008 |
| | 1,314,277 |

Because the obtainments through the issuance of perpetual bonds do not have a maturity date, such obtainments were classified as debt payable from 2022 onwards.

Changes in loans and financing for the quarterly ended on March 31, 2018 are the following:

| | Company | Consolidated |
|---|---|---|
| Balances on December 31, 2016 | - | 1,216,094 |
| Fundraising | - | 90,000 |
| Funding cost | - | (4,945) |
| Amortization of Funding Cost | - | 1,209 |
| Payment - principal | - | (61,742) |
| Payment – Interest | - | (74,275) |
| Exchange Variation | - | 16,447 |
| Financial charges | - | 123,395 |
| Balances on December 31, 2017 | - | 1,306,183 |
| Fundraising | - | - |
| Funding cost | - | - |
| Amortization of Funding Cost | - | 291 |
| Payment - principal | - | (10,463) |
| Payment – Interest | - | (19,048) |
| Exchange Variation | - | 5,619 |
| Financial charges | - | 31,695 |
| Balances on March 31, 2018 | - | 1,314,277 |

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.

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

## 13. Real estate credit Bills

| | | | | Consolidated | |
|---|---|---|---|---|---|
| | Currency | % – Rate | Maturity | 03/31/2018 | 12/31/2017 |
| Subsidiaries | | | | | |
| Andal (a) | R$ | 11% + TR | 2022 | 36,210 | 37,876 |
| Send (b) | R$ | 7% + IPCA | 2024 | 60,339 | 61,430 |
| Bot (c) | R$ | 6.95% + IPCA | 2024 | 47,208 | 48,061 |
| Pol (d) | R$ | 6.9% + IPCA | 2025 | 33,870 | 34,377 |
| Eler (e) | R$ | 9.9% + TR | 2026 | 281,882 | 280,761 |
| Ers (f) | R$ | 10% + TR | 2027 | 66,848 | 67,630 |
| Pentar (g) | R$ | 6.5% + IPCA | 2027 | 62,783 | 63,357 |
| | | | | 589,140 | 593,492 |
| Current liabilities | | | | 39,537 | 32,487 |
| Non-current liabilities | | | | 549,603 | 561,005 |

(a) 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%;

(b) 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;

(c) 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;

(d) 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;

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

(e) 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;

(f) 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.

(g) 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 and (ii) fiduciary sale of receivables from Shopping Unimart;

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

The breakdown of installments as of March 31, 2018, by year of maturity, is the following:

| | Consolidated |
|---|---|
| Year | |
| 2018 | 24,922 |
| 2019 | 68,706 |
| 2020 | 75,592 |
| 2021 | 79,611 |
| 2022 onwards | 340,309 |
| Total | 589,140 |

The changes in the CCIs for the quarterly ended on March 31, 2018 is the following:

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | Consolidated |
|---|---|
| Balances on December 31, 2016 | 601,298 |
| Raising | 71,046 |
| Raising costs | (5,466) |
| Raising Cost amortization | 3,652 |
| Payment - principal | (78,177) |
| Payment – Interest | (64,609) |
| Financial charges | 65,748 |
| Balances on December 31, 2017 | 593,492 |
| Raising Cost amortization | 1,011 |
| Payment - principal | (14,380) |
| Payment – Interest | (6,272) |
| Financial charges | 15,289 |
| Balances on March 31, 2018 | 589,140 |

## 14. Other accounts payable

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 12/31/207 | 03/31/2018 | 12/31/2017 |
| Transfer of key money and rentals - partners (a) | - | - | 2,035 | 1,918 |
| Transfers to condominium | - | - | 149 | 31 |
| Advances from customers | - | - | 509 | 495 |
| Other | 7 | 6 | 204 | 254 |
| Total | 7 | 6 | 2,897 | 2,698 |

(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. Taxes in installments

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 12/31/2017 | 03/31/2018 | 12/31/2017 |
| PIS and COFINS | 154 | 158 | 11,007 | 11,164 |
| INSS | 700 | 734 | 700 | 734 |
| ISS | - | - | 5,513 | 5,546 |
| Income taxes and social contribution | 99 | 123 | 514 | 942 |
| Total | 953 | 1,015 | 17,734 | 18,386 |
| Current liabilities | 293 | 292 | 2,089 | 2,344 |
| Non-current liabilities | 660 | 723 | 15,645 | 16,042 |

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 March 31, 2018, 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).

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

The change of debts for the quarterly ended on March 31, 2018, 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:

| | |
|---|---|
| Balances on December 31, 2016 | 57,480 |
| New installments | 7,258 |
| Payment – principal | (4,291) |
| Payment – interest | (1,358) |
| Financial charges | 374 |
| Transfer to taxes payable to adhere to the new installments | (41,077) |
| Balances on December 31, 2017 | 18,386 |
| New installments | 68 |
| Payment – principal | (664) |
| Payment – interest | (193) |
| Financial charges | 137 |
| Balances on March 31, 2018 | 17,734 |

## 16. Taxes, Charges and Contributions

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 12/31/2017 | 03/31/2018 | 12/31/2017 |
| Income taxes and social contribution | 1,516 | 1,086 | 73,240 | 61,367 |
| PIS and COFINS | 140 | 113 | 44,540 | 34,263 |
| ISS | - | - | 2,044 | 1,881 |
| Other taxes | 1,565 | 1,674 | 9,756 | 10,068 |
| Total | 3,221 | 2,873 | 129,580 | 107,579 |

The Company adhered to the Special Tax Regularization Program (PERT), established pursuant to normative instructions 1.711/2017 and 1.748/2017, which allows federal taxes due up to April 30, 2017 to be split in addition, Provisional Measure 783/17 was converted into Law N° 13.496/17 on October 25, 2017, including a new installment method, where there is the possibility of using tax loss carryforwards and CSLL negative base to reduce (repay) the consolidated debt under Brazilian Federal Revenue Office (RFB). In October 2017, the Company had R$137,867 of tax debts subject to the installment payment, which were federal tax debts due up to April 30, 2017, the amount of R$110,209 had been settled using tax losses and negative basis of social contribution on the net profit. In addition, R$46,903 is subject to the regular installment payment.

The adhesion to the PERT installment program is under analysis by the Brazilian Federal Revenue Service (RFB), and has not been ratified by the competent tax authority, deferral confirming the consolidated debt will depend on the finalization of the analysis by the competent authority.

## 17. Revenue from assignments to appropriated

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

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

Revenues from assignments of rights of use to tenants and usufruct of ideal fractions of the parking of 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.

The change in the agreements and recognition of revenue in the quarterly ended on March 31, 2018 is the following:

| | Consolidated |
|---|---|
| Balances on December 31, 2017 | 173,994 |
| New contracts | 637 |
| Revenues recogntion | (5,842) |
| Settlement of the assignment of parking | (77,520) |
| Cost of sessions | (52) |
| Cost of sessions recognition | 194 |
| Saldo em 31 de Março de 2018 | 91,412 |
| Current liabilities | 15,655 |
| Non-current liabilities | 75,757 |

## 18. Provisions for labor and civil 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:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 12/31/2017 | 03/31/2018 | 12/31/2017 |
| Civil (a) | - | - | 1,464 | 1,245 |
| Labor | 52 | 70 | 516 | 240 |
| Total | 52 | 70 | 1,980 | 1,485 |

(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 March 31, 2018, Company as other proceedings in progress approximately R$ 13,605 (R$ 16.007 in December 31, 2017), 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 March 31, 2018, are the following.

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | Company | | | |
|---|---|---|---|---|
| | 12/31/2017 | Inclusion | Reversal | 03/31/2018 |
| Labor | 70 | - | (18) | 52 |
| Total | 70 | - | (18) | 52 |

| | Consolidated | | | |
|---|---|---|---|---|
| | 12/31/2017 | Inclusion | Reversal | 03/31/2018 |
| Civil | 1,245 | 238 | (19) | 1,464 |
| Labor | 240 | 294 | (18) | 516 |
| Total | 1,485 | 532 | (37) | 1,980 |

## 19. Equity

### Share capital

Company’s capital on March 31, 2018 is R$ 389,625, represented by 69,435,699 common stocks, and on December 31, 2017 was R$ 389,625, represented by 69,435,699 common shares without par value, as follows:

| | 03/31/2018 | 12/31/2017 |
|---|---|---|
| Golf Participações | 48,267,707 | 48,267,707 |
| Teton Capital Partners L.P | 6,115,100 | 6,115,100 |
| Explorador Capital Management | 2,539,900 | 2,539,900 |
| General Shopping e Outlets do Brasil S.A. | 1,923,550 | 1,923,550 |
| Board of Directors | 8,689 | 8,689 |
| Officers | 253 | 253 |
| Stockholders Ballast in GDSs | 2,512,149 | 2,512,149 |
| Other Stockholders | 8,068,351 | 8,068,351 |
| Total shares | 69,435,699 | 69,435,699 |
| Treasury shares | (1,923,550) | (1,923,550) |
| Total shares in circulation | 67,512,149 | 67,512,149 |

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.

According to the minutes of the meeting of the board of directors of August 4, 2017, 6,564,301 treasury shares were canceled, with the balance of 1,923,550 registered shares remaining with the Company. Treasury shares in the amount of R$10,710 went to R$2,427, with a reduction of R$8,283, deducted from the capital transaction.

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

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.

Profit reserves 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.

Destination of profits
The loss of the period calculated on March 31, 2018, will be offset against Profit reserves to realize on equity in earnings of subsidiaries and fair value.

| | 03/31/2018 | 12/31/2017 |
|---|---|---|
| Net income (loss) of the period and year | (64,652) | 251,461 |
| Legal reserve | - | (12,573) |
| Reserve for unrealized profits on equity method | 64,652 | - |
| Unrealized gains reserve on fair value evaluation of investment properties of subsidiaries | - | (238,888) |
| Distribution of dividends | - | - |

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

| | 03/31/2018 | 03/31/2017 |
|---|---|---|
| Basis numerator | | |
| Net income (loss) for the period | (64,652) | 4,393 |
| Denominator | | |
| Weighted average of the shares – basic | 67,512 | 67,512 |
| Basic profit (loss) per share in Brazilian Reais | (0.96) | 0.07 |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

## 20. Net rental revenues, service and other

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 03/31/2017 |
| Gross operating revenues | | |
| Rental | 48,226 | 47,870 |
| Services | 21,194 | 19,664 |
| | 69,420 | 67,534 |
| Deductions | | |
| Taxes on Rentals and Services | (5,636) | (5,395) |
| Deductions and discount | (2,182) | (2,084) |
| Net revenue | 61,602 | 60,055 |

## 21. Cost of rental and services provided by nature

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 03/31/2017 |
| Personnel cost | (524) | (422) |
| Depreciation cost | (460) | (626) |
| Occupation cost | (4,014) | (3,825) |
| Third-party services cost | (1,366) | (1,293) |
| Other costs | - | - |
| Total | (6,364) | (6,166) |

## 22. General and administrative expenses by nature

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 03/31/2017 | 03/31/2018 | 03/31/2017 |
| IPTU | (25) | (24) | (111) | (119) |
| Commercialization | - | - | (705) | (971) |
| Allowance for doubtful accounts | - | - | (1,295) | (1,900) |
| Publicity And Advertising | (29) | (37) | (327) | (385) |
| Facilities conservation | - | - | (12) | (13) |
| Materials | (46) | (42) | (185) | (97) |
| Electric power | (22) | (28) | (27) | (38) |
| Personnel expenses | (2,934) | (2,822) | (3,399) | (3,382) |
| Expenses from third parties services | (1,633) | (925) | (3,748) | (2,755) |
| Depreciation and Amortization | (568) | (692) | (568) | (692) |
| Rental | (161) | (102) | (164) | (102) |
| Fee and contributions | (9) | (23) | (274) | (242) |
| Telephony | (135) | (193) | (166) | (164) |
| Travels and lodging | (28) | (19) | (61) | (112) |
| Insurances | (64) | (55) | (132) | (109) |
| Courier service | (45) | (51) | (45) | (51) |
| Legal expenses | (12) | (13) | (591) | (441) |
| Other | (31) | (109) | (456) | (558) |
| Total | (5,742) | (5,135) | (12,266) | (12,131) |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

## 23. Financial income (expense)

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 03/31/2017 | 03/31/2018 | 03/31/2017 |
| Financial income | | | | |
| Interests on financial investments | - | 63 | 1,338 | 1,286 |
| Gains on operations - derivatives | - | - | 1,682 | - |
| Assets Exchange Rate variation | - | 4 | 49,150 | 51,663 |
| Assets Monetary Variation | - | - | - | - |
| Other financial income | 429 | 1,546 | 2,381 | 2,739 |
| | 429 | 1,613 | 54,551 | 55,688 |
| Financial expenses | | | | |
| Interest on Loans, Financing and CCIs | - | - | (48,286) | (49,433) |
| Losses on derivative transactions | - | - | (2,631) | (4,209) |
| Liabilities Monetary variations | - | - | (21) | (8) |
| Liability Exchange Rate Change | (2) | - | (54,851) | (22,487) |
| Penalty on taxes in arrears | (461) | (154) | (10,446) | (5,864) |
| Other financial expenses | (30) | (147) | (4,711) | (5,889) |
| | (493) | (301) | (120,946) | (87,890) |
| Total | (64) | 1,312 | (66,395) | (32,202) |

## 24. Income taxes

Income taxes debited against the income for the period are composed as follows:

| | 03/31/2018 | | 03/31/2017 | |
|---|---|---|---|---|
| | Company | Consolidated | Company | Consolidated |
| Profit (Loss) before Legal Entity Income Tax (IRPJ) and the Social Contribution on Net Profits (CSLL) | (72,096) | (67,822) | 4,393 | 10,059 |
| Combined rate in force | 34% | 34% | 34% | 34% |
| Estimated credits of income tax and social contribution | 24,513 | 23,059 | (1,494) | (3,420) |
| IRPJ and CSLL effects on | | | | |
| Equity accounting method | (22,541) | - | 2,786 | - |
| Other net permanent differences | 6 | (5) | 13 | (112) |
| Deferred IRPJ and CSLL on tax losses and non-established temporary differences | (1,978) | (14,544) | (1,305) | (9,386) |
| Effects of IRPJ and CSLL of companies taxed by presumed profit (*) | - | (10,247) | - | 7,252 |
| Effects of IRPJ and CSLL on constitution of deferred tax assets | - | (7) | - | - |
| Effects of IRPJ and CSLL on the adjustment to fair value | - | - | - | - |
| Income taxes and social contribution recognized in income | - | (4,274) | - | (5,666) |
| Current | - | (8,348) | - | (5,666) |
| Deferred | - | 4,074 | - | - |

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

Deferred Income Taxes are composed as below:

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Calculation basis | | |
| Assessing the fair value of investment properties and properties intended for sale | 2,945,707 | 3,078,218 |
| 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% |
| Deferred income tax and social contribution, liabilities on investment properties for sale | (90,728) | (94,809) |
| Deferred Income tax and social contribution, liabilities on agreements renewal rights | (1,546) | (1,546) |
| Liabilities Deferred income tax and social contributions | (92,274) | (96,355) |

Basis for realizing Deferred Income Taxes

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

## 25. Other income (expenses), net

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2018 | 03/31/2017 | 03/31/2018 | 03/31/2017 |
| Net proceeds from sale of properties for investment | - | - | 117,648 | - |
| Cost of selling from properties for investments | - | - | (117,648) | - |
| Adjustment to fair value of sale of properties for Investment | - | - | (37,063) | |
| Fair value adjustment | - | - | - | 162 |
| Other income(expenses) | - | - | (44) | 132 |
| Recovey of expenses | 5 | 22 | 152 | 209 |
| Total | 5 | 22 | (36,955) | 503 |

## 26. Instrumentos financeiros por categoria

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

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 03/31/2018 | | | | 12/31/2017 | | | |
| | Fair value by the result | Financial assets at amortized cost | Other liabilities at amortized cost | Total | Fair value by the result | Loans and receivables | Other liabilities | Total |
| Assets | | | | | | | | |
| Cash and Cash Equivalents | - | 108,172 | - | 108,172 | - | 108,647 | - | 108,647 |
| Financial investments and related investments | 1,612 | - | - | 1,612 | 1,588 | - | - | 1,588 |
| Derivative financial instruments | 2,112 | - | - | 2,112 | - | - | - | - |
| Trade accounts receivable and other receivable | - | 80,397 | - | 80,397 | - | 87,572 | - | 87,572 |
| Total | 3,724 | 188,569 | - | 192,293 | 1,588 | 196,219 | - | 197,807 |
| Liabilities | | | | | | | | |
| Loans and Financing | - | 1,314,277 | - | 1,314,277 | - | 1,306,183 | - | 1,306,183 |
| CCIs | - | 589,140 | - | 589,140 | - | 593,492 | - | 593,492 |
| Derivative financial instruments | - | - | - | - | 60 | - | - | 60 |
| Trade accounts payable | - | - | 12,543 | 12,543 | - | - | 13,320 | 13,320 |
| Other accounts payable | - | - | 2,988 | 2,988 | - | - | 2,698 | 2,698 |
| Total | - | 1,903,417 | 15,531 | 1,918,948 | 60 | 1,899,675 | 16,018 | 1,915,753 |

## 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 14 and 15 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).

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

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 March 31, 2018, was of 156%, as detailed below:

- Borrowing level

The borrowing rate, as of March 31, 2018 and December 31, 2017 is the following:

| | Consolidated | |
|---|---|---|
| | 03/31/2018 | 12/31/2017 |
| Debt (i) | 1,903,417 | 1,899,675 |
| Cash and cash equivalents | (108,172) | (108,647) |
| Net debt | 1,795,245 | 1,791,028 |
| Shareholders' Equity (ii) | 1,152,590 | 1,224,686 |
| **Net Indebtedness Index** | 156% | 146% |

(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 (*) | 14.61% | 3,933 | 22,500 | 86,572 | 295,983 | 1,524,784 | 1,933,771 |
| CCI | 10.05% | 6,904 | 13,808 | 69,757 | 342,503 | 434,708 | 867,680 |
| Total | | 10,837 | 36,308 | 156,329 | 638,486 | 1,959,492 | 2,801,451 |

(*) 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 12 and 13, on which average interest rates are levied of up to 13.2% 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$ 1,133,457 in March 31, 2018 (R$ 1,116,260 in December 31, 2017).

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 March 31, 2018, 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 March 31, 2018 was:

| Instrument | Notional | Maturity | Fair Value in 03/31/2018 |
|---|---|---|---|
| NDFs | 20,000 | 05/02/2018 | 2,112 |
| TOTAL | 20,000 | | 2,112 |

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/TJLP | | | |
|---|---|---|---|---|---|---|---|
| | | | | -25% | -50% | -25% | -50% |
| Notional (US$ Thousands) | Contracted price | Price on 03/31/2018 | Fair Value | Adjustment | Adjustment | Fair Value | Fair Value |
| 20,000 | R$3.1963/US$ | R$3.3025/US$ | 2,112 | (16,423) | (32,847) | (14,311) | (30,735) |
| 20,000 | | | 2,112 | (16,423) | (32,847) | (14,311) | (30,735) |

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 March 31, 2018;

- adverse scenario: impairment of 25% in the principal risk factor of the financial instrument in relation to the levels verified on March 31, 2018;
- remote scenario: impairment of 50% in the principal risk factor of the financial instrument in relation to the levels verified on March 31, 2018;

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

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 | 0.22% | 0.28% | 0.33% |
| TJLP Increase | 0.55% | 0.68% | 0.82% |
| DI Increase | 0.52% | 0.65% | 0.78% |
| 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 – 03/31/2018 |
| Loans and Financing (perpetual bonds) | 1,113,608 |
| Related Parties | 19,931 |
| Cash and Cash Equivalents | (82) |
| Net exposure | 1,133,457 |

| Operation | Risk | Scenarios | | |
|---|---|---|---|---|
| | | Base | Adverse | Remote |
| Interest on Loans subject to IPCA variation | IPCA increase | 77,917 | 83,388 | 88,860 |
| Interest on Loans subject to TR variation | TR increase | 169,714 | 170,722 | 171,730 |
| US$ forward agreements (*) | Dollar increase | 298,029 | 335,282 | 342,733 |

(*) 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:

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

| Premises | Base scenario | Adverse scenario | Remote scenario |
|---|---|---|---|
| Deterioration of CDI rate | 6.39% | 4.79% | 3.20% |

| Operation | | Consolidado | | |
|---|---|---|---|---|
| Risk factors | Risk | Base scenario | Adverse scenario | Remote scenario |
| Subject to CDI variation | Reduction of CDI rate | 6,912 | 5,184 | 3,456 |

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 | Currency | % – Contract rate per year | Due Date | Fair value in 03/31/18 | Fair value in 12/31/17 |
|---|---|---|---|---|---|
| Perpetual credit bonds (a) | U$ | 10% | - | 544,530 | 514,761 |
| Perpetual credit bonds (b) | U$ | 13% | - | 434,781 | 302,627 |
| Debt Bonus (b) | U$ | 10%/12% | 2026 | 20,562 | 25,052 |
| | TOTAL | | | 999,873 | 842,440 |

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 March 31, 2018 and December 31, 2017.

26.2. Determining the fair value of financial instruments

The Company discloses its financial assets and liabilities at fair value, based on the relevant accounting pronouncements, which refer to valuation concepts and disclosure requirements.

Specifically regarding the disclosure, the Company applies the hierarchy requirements set forth in Deliberation CVM No. 699/12, which involves the following aspects:

- Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in a transaction without favor; and
- Hierarchy in 3 levels for the measurement of the fair value, according to observable inputs for the valuation of an asset or liability at the measurement date.

Valuation in 3 levels of hierarchy for the measurement of fair value is based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect valuation techniques adopted by the Company. These two types of inputs create the following fair value hierarchy:

- Level 1 — Observed (unadjusted) prices for identical instruments in active markets. In this category are allocated the investments in Financial Treasury Bills ("LFT") and other Financial Bills;

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

- Level 2 — Prices observed in active markets for similar instruments, observed prices for identical or similar instruments in non-active markets and valuation models for which inputs are observable. At this level, investments in CDB, Committed DI, other financial investments remunerated by DI and derivatives, which are valued by pricing models widely accepted in the market. In addition to the indicators of operations, observable market inputs such as interest rates, volatility factors and exchange parity quotations are used; and
- Level 3 — Instruments whose significant inputs are not observable. The Company does not have financial instruments in this classification.

The table below presents the general classification of financial instruments assets and liabilities in accordance with the valuation hierarchy. For the period ended March 31, 2018, there was no change among the three levels of hierarchy.

| | Company | | | Consolidated | | |
|---|---|---|---|---|---|---|
| | 03/31/2018 | | | 03/31/2018 | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | | | |
| **Financial assets** | | | | | | |
| **Held for trading** | | | | | | |
| CDBs | - | 2,209 | - | - | 13,204 | - |
| Committed DI | - | - | - | - | 27,678 | - |
| Bearing account | - | 7 | - | - | 871 | - |
| Financial Treasury Bills - LFT | - | - | - | 49,053 | - | - |
| Financial treasury | | | | 15,451 | | |
| Derivatives not designated as hedge | - | - | - | - | 2,112 | - |
| | **-** | **2,216** | **-** | **64,504** | **43,865** | **-** |
| **Liabilities** | | | | | | |
| **Financial liabilities measured at fair value** | | | | | | |
| **Other financial liabilities** | | | | | | |
| Derivatives not designated as hedge accounting | - | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** | **-** |

| | Company | | | Consolidated | | |
|---|---|---|---|---|---|---|
| | 12/31/2017 | | | 12/31/2017 | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | | | |
| **Financial assets** | | | | | | |
| **Held for trading** | | | | | | |
| CDBs | - | 2,209 | - | - | 9,473 | - |
| Committed DI | - | - | - | - | 41,552 | - |
| Bearing account | - | 20 | - | - | 1,293 | - |
| Financial Treasury Bill - LFT | - | - | - | 52,287 | - | - |
| Finacial Treasury | - | - | - | 2,184 | - | - |
| Derivatives not designated as hedge accounting | | | | - | - | |
| | **-** | **2,229** | **-** | **54,471** | **52,318** | **-** |
| **Liabilities** | | | | | | |
| **Financial liabilities measured at fair value** | | | | | | |
| **Other financial liabilities** | | | | | | |
| Derivatives not designated as hedge accounting | - | - | - | - | (60) | - |
| | **-** | **-** | **-** | **-** | **(60)** | **-** |

## 27. Insurance coverage

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

As of March 31, 2018, the insurance coverage is the following:

| Modality | Insured amount |
|---|---|
| Civil responsibility | 70,200 |
| Comprehensive Usual fire | 3,844,983 |
| Business interruption | 596,029 |
| Windstorm/Smoke | 316,060 |
| Shopping Mall Operations | 60,006 |
| Pain and suffering | 34,322 |
| Material Damage | 887,438 |
| 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. These assumptions, given their nature, are not part of the audit scope of the financial statements and, therefore, were not audited by our independent auditors.

## 28. Segment information

The segment information 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 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 as well as exploitation of parking lots.

The total revenue of the Company is made in Brazil.

(In Thousand of Brazilian Reais – R$, except when indicated othewise)

Statement of Income per Segment

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 03/31/2018 | | | Elimination | | 03/31/2018 |
| | Rental | Service | Corporate | Debit | Credit | Consolidated |
| Net Revenue | 43,961 | 21,566 | - | (3,925) | - | 61,602 |
| Cost of rentals and services | (3,366) | (4,743) | - | 1,745 | - | (6,364) |
| Gross profit | **40,595** | **16,823** | **-** | **(2,180)** | **-** | **55,238** |
| Operational (Expenses) / Income | (2,701) | 2,945 | (108,045) | 66,025 | (7,445) | (49,221) |
| Profit (Loss) Before Financial Income (Expense) | **37,894** | **19,768** | **(108,045)** | **63,845** | **(7,445)** | **6,017** |
| Finacial income (expense), net | (32,073) | (2,324) | (31,998) | - | - | (66,395) |
| Profit / (loss) before taxes | 5,821 | **17,444** | **(140,043)** | **63,845** | **(7,445)** | **(60,378)** |
| Income taxes | (2,223) | (2,051) | - | - | - | (4,274) |
| Net income (loss) | **3,598** | **15,393** | **(140,043)** | **63,845** | **(7,445)** | **(64,652)** |

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 03/31/2017 | | | Elimination | | 03/31/2017 |
| | Rental | Service | Corporate | Debit | Credit | Consolidated |
| Net Revenue | 44,923 | 18,581 | - | - | (3,449) | 60,055 |
| Cost of rentals and services | (3,547) | (3,919) | - | 1,300 | - | (6,166) |
| Gross profit | 41,376 | 14,662 | - | 1,300 | (3,449) | 53,889 |
| (Operational (Expenses) / Income | (91,861) | 6,825 | 25,401 | - | 48,007 | (11,628) |
| Profit (Loss) Before Financial Income (Expense) | 50,485 | 21,487 | 25,401 | 1,300 | 44,558 | 42,261 |
| Finacial income (expense), net | (36,452) | (495) | 4,745 | - | - | (32,202) |
| Profit / (loss) before taxes | 86,937 | 20,992 | 30,146 | 1,300 | 44,558 | 10,059 |
| Income taxes | (4,196) | (1,470) | - | - | - | (5,666) |
| Net income (loss) | (91,133) | 19,522 | 30,146 | 1,300 | 44,558 | 4,393 |

## 29. Subsequent events

According to a Material Fact disclosed on April 3, 2018, the Company informed its shareholders and the market in general, in addition to the material fact disclosed on December 28, 2017, that on April 2, 2018, the sale of the an interest equivalent to 70% of the commercial enterprise named "INTERNACIONAL SHOPPING GUARULHOS" to the INTERNACIONAL FUNDO DE INVESTIMENTO IMOBILIÁRIO, (previously called CASCAIS FUNDO DE INVESTIMENTO IMOBILIÁRIO), under the terms and conditions set forth in said relevant fact.

Under the Sale Agreement, the relevant part of these resources should be compulsorily used to pay off various Company's indebtedness linked to the INTERNACIONAL SHOPPING GUARULHOS and linked to OTHER DEVELOPMENTS the Company, such as, but not limited to, letters of guarantee, securitizations , debentures and fund transfers to funds, all denominated in Reais and sharing guarantee (i) conditional sale of the Company's participation in the INTERNACIONAL SHOPPING GUARULHOS and (ii) assignment of their receivables.

***

Victor Poli Veronezi
Chief Executive Officer

Marcio Snioka
Chief Investors Relations Officer

Vicente de Paula da Cunha
Chief Financial Officer

Francisco José Ritondaro
Chief Planning and Expansion Officer

Francisco Antonio Antunes
Accountant
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