



São Paulo, August 15 2007 – General Shopping Brasil S/A [Bovespa: GSHP3], one of the largest shopping mall companies in Brazil, announces its second quarter 2007 results (2Q07). The following financial and operating information, except where otherwise stated, are shown on the basis of consolidated figures and in Reais, according to Brazilian accounting principles. The comparisons refer to the second quarter 2006, unless indicated to the contrary.



## INVESTOR RELATIONS GSB

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## GROSS REVENUE INCREASES 15.9% AND GROSS MARGIN REACHES 67.9% IN 2Q07

"General Shopping Brasil is publishing its first earnings results release since trading in its shares began on the São Paulo Stock Exchange.

The second quarter 2007 performance, the period immediately prior to the initial public share offering, reflects the company's expansion plans which were set in motion even before the IPO. These plans are in line with the Company's marketing strategies for the retail area and growth in the businesses.

Gross revenue rose 15.9% in the second quarter against the same period in 2006 to R\$ 12.2 million. Adjusted Ebitda reached R\$ 7.5 million, a year-on-year increase of 7.4%. General Shopping Brasil also reversed its net result in the second quarter. Net income added up to R\$ 868 thousand, as compared with a net loss of R\$ 860 thousand in the second quarter of 2006. Funds from operations (FFO) increased 66.3%.

In addition, we improved efficiency ratios, such as the reduction in costs of rentals and services. This performance still does not include the most recent acquisitions, Shopping Light and Suzano Shopping, the results of which will only be recognized in third quarter earnings.

With the raising of approximately R\$ 256 million - the net funds from the IPO before the exercising of the green shoe feature - the Company is to continue pursuing its policy of expansion through acquisition and the development of projects. Thus, we expect that General Shopping Brasil will rank as one of the consolidating companies in the industry, due to the domestic economic environment favorable to consumption in the existing stores in our malls and to our competitive advantages."

Alessandro Poli Veronezi, Investor Relations Diretor

## Financial and Operating Highlights

(R\$ 000)	2Q07	2Q06	Chg.
<b>Gross Revenue</b>	<b>12,195</b>	<b>10,522</b>	<b>15.9%</b>
Shopping Malls	9,324	8,107	15.0%
Services	2,871	2,415	18.9%
<b>Net Revenue</b>	<b>10,335</b>	<b>9,413</b>	<b>9.8%</b>
<b>Gross Profit</b>	<b>7,016</b>	<b>5,939</b>	<b>18.1%</b>
Gross Margin	67.9%	63.1%	4.8 p.p.
Operating Results	2,113	(767)	375.5%
EBITDA	7,160	6,941	3.2%
<b>Adjusted EBITDA</b>	<b>7,454</b>	<b>6,941</b>	<b>7.4%</b>
EBITDA Margin (Adjusted)	72.1%	73.7%	-1.6 p.p.
<b>Net Income</b>	<b>868</b>	<b>(860)</b>	<b>200.9%</b>
FFO	1,976	1,188	66.3%



## GENERAL BUSINESS OVERVIEW

General Shopping Brasil has an owned gross leasable area (GLA) of 119.0 thousand m<sup>2</sup> and has six malls, of which five in operation and one under construction, in which it holds a proportional average interest of 84.8%. The malls have total gross constructed area of 263.8 thousand m<sup>2</sup>, 140.3 thousand m<sup>2</sup> of GLA, about 915 stores and 8,010 parking spaces.

The Company proactively participates in all stages of the business, from the prospecting stage to planning, development and investment in the shopping malls. It also commercializes and manages the businesses, provides parking management services as well as managing the supply of electricity and water utility services to the malls. General Shopping Brasil holds at least a 50% stake in the projects, fact that differentiates it from its main competitors. Hence, General Shopping Brasil is able to dictate the guidelines and strategies of the malls in which it invests, always in line with shareholder expectations for creating value.

General Shopping Brasil's portfolio is diversified both in terms of income segment and also by mall type, being made up of one regional mall, four of the neighborhood type and one theme center. The Company develops business strategies that go beyond mere real estate issues. General Shopping Brasil uses its retail intelligence built up over 18 years of experience in mall operations together with ongoing market surveys to compare and analyze jointly with store operators, the expected sales of the market by region and type of activity.

Our current malls are located in the metropolitan region of São Paulo, a region accounting for 31.8% of the Brazil's gross domestic product and 21.8% of the country's population in 2005.

The Poli Shopping, Internacional Shopping Guarulhos and Auto Shopping malls are located in Guarulhos, a city of 1.3 million inhabitants, which represented the second largest GDP in the state of São Paulo and the 8th largest GDP in Brazil in 2005. The Santana Parque Shopping and Shopping Light malls are located in the north and central zones of the city of São Paulo. In August 2007, General Shopping Brasil acquired Suzano Shopping mall, located in the city of Suzano, suburbs of the State of São Paulo.

General Shopping Brasil's premier mall, the Internacional Shopping Guarulhos mall, is, alone, the largest in the São Paulo metropolitan area and the 6th largest in the country in terms of GLA, according to the Brazilian Shopping Malls Association (ABRASCE).

The Company's activities in the shopping mall business began in 1989 with the opening of the Poli Shopping mall. Since 2006, in line with its business strategy, GSB has been expanding its activities through the development of acquisitions of stakes in existing businesses, mall expansions and land for the construction of new malls.

### Shoppings Centers\*

Shopping Mall	GSB Interest (%)	Total GLA (m <sup>2</sup> )	Own GLA (m <sup>2</sup> )	Total Gross Constructed Area
Poli Shopping	50.0%	4,527	2,264	6,600
Internacional Shopping Guarulhos	100.0%	72,958	72,958	117,465
Auto Shopping	100.0%	11,477	11,477	18,000
Santana Parque Shopping <sup>(a)</sup>	50.0%	24,136	12,068	64,600
Shopping Light <sup>(b)</sup>	50.1%	14,140	7,092	36,519
Suzano Shopping <sup>(c)</sup>	100.0%	13,120	13,120	20,633
<b>Total</b>	<b>84.8%</b>	<b>140,358</b>	<b>118,979</b>	<b>263,817</b>

<sup>(a)</sup> To be launched in October 2007

<sup>(b)</sup> Acquired in June 2007

<sup>(c)</sup> Acquired in August 2007

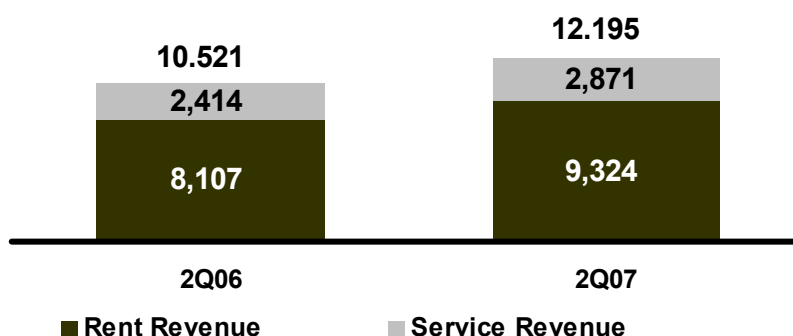
<sup>(\*)</sup> See Subsequent Events



## REVENUE

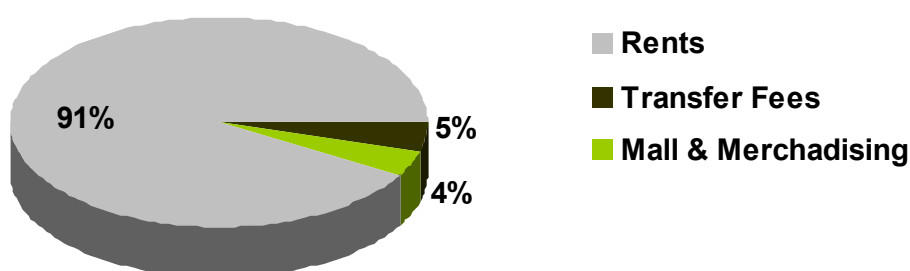
Gross revenue from rent and services totaled R\$ 12.2 million in 2Q07, a 15.9% increase over the same period in 2006.

### Gross Revenues Evolution



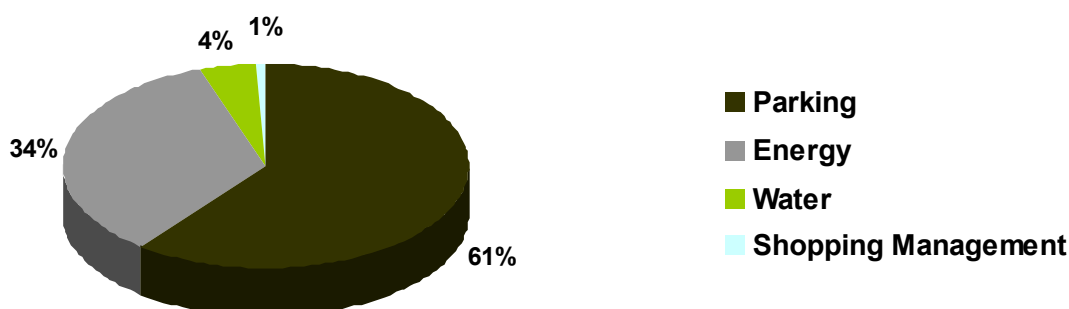
Revenue from rent grew 15.0% in the period to R\$ 9.3 million. This increase reflects the organic growth of revenue from the malls as well as revenue from Auto Shopping Internacional mall, inaugurated in 4Q06.

### Rent Revenues



Revenues from services increased 18.9% and totaled R\$ 2.9 million in 2Q07, as compared with R\$ 2.4 million in 2Q06. The increase in revenue from management of parking lots and energy supplies also contributed to growth during the period.

### Service Revenues





Taxes, discounts and cancellations against gross revenue amounted to R\$ 1.9 million, or 15.3% of gross revenue in 2Q07 as compared with R\$ 1.1 million in the same period 2006.

Net revenue reported a growth of 9.8% to R\$ 10.3 million in 2Q07 from R\$ 9.4 million in 2Q06.

## **COST OF RENTS AND SERVICES**

The costs of rents and services posted a reduction of 4.5% to R\$ 3.3 million in 2Q07 from R\$ 3.5 million in 2Q06.

The increase in payroll and occupation costs was due to the expansion of the Company's activities, notably the start of the Auto Shopping Internacional mall's operations in 4Q06. The increase in third party services costs is related to corporate reorganization and actions preliminary to the IPO, while the decline in depreciation reflects an increase in the useful life of the assets that were revalued on March 31, 2007.

### **Rent and Services Costs**

<b>(R\$ 000)</b>	<b>2Q07</b>	<b>2Q06*</b>	<b>Chg.</b>
<b>Costs</b>			
Personnel	857	627	36.7%
Depreciation	1,108	2,048	-45.9%
Occupancy	788	650	21.2%
Third Parties	566	149	279.9%
<b>Total Rent and Services Cost</b>	<b>3,319</b>	<b>3,474</b>	<b>-4.5%</b>

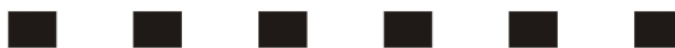
\* Non-audited and combined financial statements

## **GROSS PROFIT**

Gross profit in 2Q07 amounted to R\$ 7.0 million, an increase of 18.1% compared with the same period in 2006. Gross margin reached 67.9% in 2Q07 as compared with 63.1% in 2Q06. The increase in net revenue and the reduction in costs were responsible for the gross margin result.

## **OPERATING EXPENSES**

Operating expenses totaled R\$ 1.0 million in 2Q07, stable compared with the same year-ago period. The operating expenses to net revenue ratio fell by 1.8 percentage point.



## FINANCIAL RESULT

The Company reported net financial expenses of R\$ 3.9 million in 2Q07, an improvement compared with net financial expenses of R\$ 5.7 million in 2Q06, mainly reflecting the reduction in expenses with interest previously incurred on intercompany loans capitalized in 1Q07 at the time of the corporate restructuring prior to the GSB's listing.

### Net Financial Result

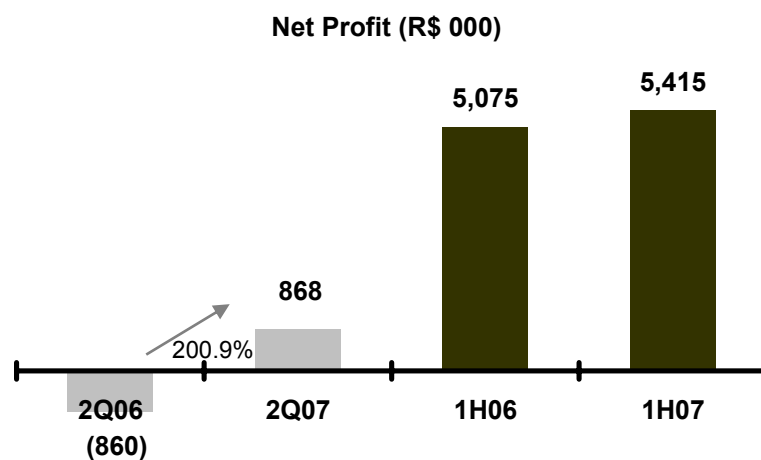
(R\$ 000)	2Q07	2Q06	Chg.
<b>Revenues</b>	<b>1,632</b>	<b>909</b>	<b>79.5%</b>
Interest	121	-	-
Monetary Variation	62	-	-
Foreign Exchange Variation	1,449	909	59.4%
<b>Expenses</b>	<b>(5,571)</b>	<b>(6,569)</b>	<b>-15.2%</b>
Interest	(3,190)	(5,059)	-36.9%
Monetary Variation	(2,381)	(1,510)	57.7%
<b>Financial Result</b>	<b>(3,939)</b>	<b>(5,660)</b>	<b>-30.4%</b>

## INCOME TAX AND SOCIAL CONTRIBUTION

The value of income tax and social contribution registered in 2Q07 was R\$ 1.2 million as compared with R\$ 0.1 million in 2Q06, due to an increase in tax payable calculated on the basis of presumed profit on the billings of the service provider companies.

## NET INCOME

In view of the foregoing, GSB recorded a 2Q07 net income of R\$ 868 thousand as compared with a net loss of R\$ 860 thousand in the same period in 2006.

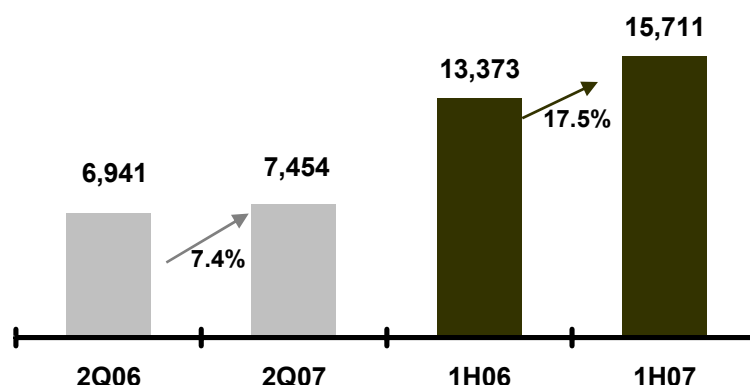


## ADJUSTED EBITDA

Adjusted EBITDA for 2Q07 amounted to R\$ 7.5 million, a growth of 7.4% compared with 2Q06. The adjusted EBITDA margin was 72.1%, a decline of 1.6 percentage point from the 73.7% in 2Q06.

In 1H07, the adjusted EBITDA reached R\$ 15.7 million, an increase of 17.5% compared with 1H06. The adjusted EBITDA margin was 74.6%, an increase of 3.0 percentage points compared with a margin of 71.6% in 1H06.

ADJUSTED EBITDA (R\$ 000)



### EBITDA Reconciliation

(R\$ 000)	2Q07	2Q06	1H07**	1H06*
<b>Net Income (Loss)</b>	<b>868</b>	<b>(860)</b>	<b>5,415</b>	<b>5,075</b>
Income taxes and social contribution	1,245	93	(1,450)	189
Net financial income (expense)	3,939	5,660	7,714	3,733
Depreciation and amortization	1,108	2,048	3,561	4,376
<b>EBITDA</b>	<b>7,160</b>	<b>6,941</b>	<b>15,240</b>	<b>13,373</b>
<b>EBITDA Margin</b>	<b>69.3%</b>	<b>73.7%</b>	<b>72.4%</b>	<b>71.6%</b>
Non-operating income	-	-	-	-
Expenses related to corporate restructuring	294	-	471	-
<b>Adjusted EBITDA</b>	<b>7,454</b>	<b>6,941</b>	<b>15,711</b>	<b>13,373</b>
<b>Adjusted EBITDA Margin</b>	<b>72.1%</b>	<b>73.7%</b>	<b>74.6%</b>	<b>71.6%</b>

(\*) Non-audited and Combined Financial Statements

(\*\*) Pro-forma adjusted EBITDA taking into consideration GSB start of activities on January 1, 2007.

## CAPITAL STRUCTURE

Gross debt stood at R\$ 180.1 million on June 30, 2007. On March 31, 2007, debt amounted to R\$ 153.6 million. The increase of R\$ 26.5 million in the Company debt was due to new short-term loans for funding acquisitions during the period.

Debt maturity profile on June 30, 2007 was represented by 67.7% in long-term payables with 4.0% of total debt denominated in U.S. dollars as compared with 77.7% and 5.0%, respectively, on March 30, 2007.

Description	Currency	Maturity	Index	Average Annual Interest Rate	March 31,	June 30,
					2007	2007
BNDES	R\$	2010	TJLP	6.0% per year	112,905	113,273
Banco Itaú S.A.	US\$/R\$	2007 / 2009	Dollar / Fixed Rates	6.5% per year	8,294	8,202
Banco Pine S.A.	US\$	2007	Dollar	8.0% per year	1,451	1,626
Banco Bradesco S.A.	R\$	2007	CDI	3.0% per year	5,275	4,689
Banco Industrial e Comercial S.A.	R\$	2007	CDI	10.0% per year	3,620	31,934
Banco Real S.A.	R\$	2007	Fixed Rates	21.7% per year	1,255	1,216
Banco Pontual S.A.	R\$	2007	Fixed Rates	12.7% per year	2,955	2,952
Banco Tricury	R\$	2007	CDI	10.0% per year	1,120	967
Others	R\$	2007	-	-	1,249	-
<b>Total Loans and Financing</b>					<b>138,124</b>	<b>164,859</b>
Real Estate Credit Certificates (CCI)	R\$	2016	IGP-M	11.0% per year	15,446	15,242
<b>Total</b>					<b>153,570</b>	<b>180,101</b>

The following table summarizes the maturity breakdown on June, 30 2007, as well as disbursements for payments of loans and real estate credit certificates (CCI):

Year	Total (R\$ 000)	
	Loans	CCIs
2007	51,337	695
2008	14,127	1,137
2009	81,444	1,262
2010	17,951	1,401
After 2010	-	10,747
<b>Total Debt</b>	<b>164,859</b>	<b>15,242</b>

Part of the proceeds raised from the IPO will be used to pay down short-term debt, in order to reduce the Company's cost of capital.

## SUBSEQUENT EVENTS

On August 7, 2007, through our Delta Shopping Empreendimentos Imobiliários Ltda subsidiary, General Shopping Brasil acquired 100% of the property housing the Suzano Shopping mall.

The Suzano Shopping mall is located at a site of 49,513,35 m<sup>2</sup> with a constructed area of 20,632.96 m<sup>2</sup>, 150 stores and 1,700 parking spaces. GLA is 13,120 m<sup>2</sup>.





## GLOSSARY

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<b>ABRASCE</b>	Brazilian Shopping Malls Association.
<b>Alshop</b>	Association of Shopping Mall-Based Retailers.
<b>Anchor Stores</b>	Large and well-known stores that carry special marketing and structural features and that represent an attraction force for consumers for they ensure a permanent flow and uniform traffic of consumers in all areas of the shopping mall.
<b>GLA</b>	Gross Leasable Area is the sum total of all the areas available for leasing in the shopping malls, except for kiosks and third-party areas.
<b>Malls</b>	Common areas at the shopping malls for the leasing of stands and kiosks.
<b>Merchandising</b>	Rental of marketing space for the promotion of products and services.
<b>Primary Area</b>	A shopping mall area that includes customers within a five-minute drive (trips involving all transportation means, with no traffic) from the region in which the venue is located, and it is considered to be exclusive in cases when there are no other competitors in the same area.
<b>Satellite Stores</b>	Small and specialized stores intended for general commerce.
<b>Store Mix</b>	Distribution of types and sizes of stores along the shopping mall.





## CONFERENCE CALLS ABOUT THE 2Q07 EARNINGS RESULTS

General Shopping Brasil, which is currently observing a quiet period related to its initial public offering, will host conference calls with analysts and investors about the 2Q07 earnings results on Sept. 5, 2007. The quiet period ends on Sept. 3, 2007.

### CONFERENCE CALL IN ENGLISH

At 11:00 a.m. (EST)

Dial-in Phone Numbers

Parties from Brazil	11 4688-6301
Toll-free from the U.S.	1-888-700-0802
Parties from other countries	1-786-924-8430

### CONFERENCE CALL IN PORTUGUESE

At 9:00 a.m. (EST)

Dial-in Phone Number  
55 11 4688-6301



## Income Statement

(R\$ 000)	2Q07	2Q06	Chg.	1H07	1H06	Chg.
<b>Gross Operating Revenue</b>	<b>12,195</b>	<b>10,522</b>	<b>15.9%</b>	<b>24,567</b>	<b>21,231</b>	<b>15.7%</b>
Revenue from Rents	9,324	8,107	15.0%	19,109	16,609	15.1%
Revenue from Services	2,871	2,415	18.9%	5,458	4,622	18.1%
<b>Deductions</b>	<b>(1,860)</b>	<b>(1,109)</b>	<b>67.7%</b>	<b>(3,506)</b>	<b>(2,555)</b>	<b>37.2%</b>
Taxes, Discounts and Cancellations	(1,860)	(1,109)	67.7%	(3,506)	(2,555)	37.2%
<b>Net Operating Revenue</b>	<b>10,335</b>	<b>9,413</b>	<b>9.8%</b>	<b>21,061</b>	<b>18,676</b>	<b>12.8%</b>
Rents and Services Costs	(3,319)	(3,474)	-4.5%	(7,707)	(8,025)	-4.0%
<b>Gross Profit</b>	<b>7,016</b>	<b>5,939</b>	<b>18.1%</b>	<b>13,354</b>	<b>10,651</b>	<b>25.4%</b>
<b>Operating Revenue (Expenses)</b>	<b>(964)</b>	<b>(1,046)</b>	<b>-7.8%</b>	<b>(1,675)</b>	<b>(1,654)</b>	<b>1.3%</b>
General and Administrative	(1,795)	(1,585)	13.2%	(3,246)	(2,707)	19.9%
Other Revenues (Expenses)	831	539	54.2%	1,571	1,053	49.2%
<b>Operating Income Before Financial Expenses (EBIT)</b>	<b>6,052</b>	<b>4,893</b>	<b>23.7%</b>	<b>11,679</b>	<b>8,997</b>	<b>29.8%</b>
Financial Results	(3,939)	(5,660)	-30.4%	(7,714)	(3,733)	106.6%
<b>Income Before Income Tax and Social Contribution</b>	<b>2,113</b>	<b>(767)</b>	<b>-375.5%</b>	<b>3,965</b>	<b>5,264</b>	<b>-24.7%</b>
Income Tax and Social Contribution - Current	(1,275)	(93)	1271.0%	(7,744)	(189)	3997.4%
Income Tax and Social Contribution - Deferred	30	-	-	9,194	-	-
<b>Net Profit</b>	<b>868</b>	<b>(860)</b>	<b>-200.9%</b>	<b>5,415</b>	<b>5,075</b>	<b>6.7%</b>

ASSETS	6/30/2007	3/31/2007
<b>Current Assets</b>		
Cash and Cash Equivalents	303	957
Marketable Securities	-	8,001
Certificates of Real Estate Receivables	172	164
Accounts Receivable	8,010	7,773
Recoverable Taxes	1,054	1,274
Deferred Taxes and Social Contribution	387	213
Advance for Future Investments	4,951	-
Other Receivables	7,524	7,608
<b>Total Current Assets</b>	<b>22,401</b>	<b>25,990</b>
<b>Non-current Assets</b>		
<b>Long-term Assets</b>		
Accounts Receivable	1,590	1,185
Certificates of Real Estate Receivables	1,213	1,239
Deferred Taxes and Social Contribution	8,103	8,951
Related Parties	7,193	3,089
Deposits and Bonds	28	28
<b>Long-term Receivables</b>	<b>18,127</b>	<b>14,492</b>
<b>Permanent</b>		
Intangible	5,703	-
Property, plant and equipment	356,254	328,500
<b>Permanent</b>	<b>361,957</b>	<b>328,500</b>
<b>Total Assets</b>	<b>402,485</b>	<b>368,982</b>
LIABILITIES AND SHAREHOLDER'S EQUITY	6/30/2007	3/31/2007
<b>Current Liabilities</b>		
Suppliers	6.153	9.404
Loans and financing	56.594	32.477
Accounts Payable - Purchase of Land	3.452	5.651
Payroll and Related Charges	4.168	791
Taxes and Contributions	13.612	9.995
Tax Payments	563	580
Real Estate Credit Certificates	1.902	1.819
Advances for Future Sale of Investments	0	125
Deferred Taxes and Social Contribution	1.289	710
Related Parties	6.668	5.709
Other Payables	9.892	3.846
<b>Total do Passivo Circulante</b>	<b>104.293</b>	<b>71.107</b>
<b>Non-current</b>		
Loans and financing	108.691	105.647
Accounts Payable - Purchase of Land	7.367	7.634
Key Money	5.344	6.849
Tax Payments	4.269	3.403
Deferred Taxes and Social Contribution	21.686	22.968
Related Parties	12.893	14.217
Provision for Contingencies	10.828	10.624
Real Estate Credit Certificates	13.339	13.626
<b>Total Long-term Liabilities</b>	<b>184.417</b>	<b>184.968</b>
<b>Shareholder's Equity</b>	<b>113.775</b>	<b>112.907</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>402.485</b>	<b>368.982</b>