<u>OFFERING MEMORANDUM</u>

US$ 200,000,000
General Shopping Finance Limited

(*Incorporated in the Cayman Islands*)

10.00% Perpetual Bonds

Fully and Unconditionally Guaranteed by

General Shopping Brasil S.A.

(*Incorporated in the Federative Republic of Brazil*)
and substantially all of its Subsidiaries

General Shopping Finance Limited ("GS Finance") is offering US$ 200,000,000 aggregate principal amount of its 10.00% perpetual bonds. Interest on the bonds will accrue at a rate of 10.00% per year. GS Finance will pay interest on the bonds quarterly in arrears on February 9, May 9, August 9 and November 9 of each year, commencing on February 9, 2011.

The bonds will be perpetual bonds with no fixed final maturity date and will be repaid only in the event that we redeem or repurchase the bonds or upon acceleration due to an event of default, as described under "Description of the Bonds."

GS Finance may, at its option, redeem the bonds, in whole or in part, at 100% of their principal amount plus accrued interest and certain additional amounts, if any, on any interest payment date on or after November 9, 2015 or at any time upon the occurrence of specified events relating to Cayman Islands or Brazilian withholding taxes. See "Description of the Bonds—Redemption."

If a change of control triggering event occurs with respect to General Shopping Brasil S.A. ("General Shopping" or the "Company"), unless GS Finance has exercised its option to redeem the bonds, each holder of bonds will have the right to require GS Finance to repurchase all or any part of that holder's bonds at 101% of the aggregate principal amount of bonds repurchased plus accrued interest and additional amounts, if any, to the date of repurchase.

The bonds will be senior unsecured obligations of GS Finance, ranking equal in right of payment with all of its other existing and future senior unsecured debt.

General Shopping and substantially all of its subsidiaries will fully and unconditionally guarantee the bonds on a senior unsecured basis. Each guarantee will rank equally with the existing and future senior unsecured obligations of the relevant guarantor.

Application has been made to list the bonds on the Official List of the Luxembourg Stock Exchange and to admit the bonds for trading on the Euro MTF market of the Luxembourg Stock Exchange.

Investing in the bonds involves risks that are described in "Risk Factors" beginning on page 18 of this offering memorandum.

Price: 100.00% of the principal amount thereof, plus accrued interest, if any, from November 9, 2010.

The bonds have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and are being offered only to qualified institutional buyers, as defined in Rule 144A under the Securities Act and outside the United States in compliance with Regulation S under the Securities Act. For more information about restrictions on transfer of the bonds, see "Notice to Investors" beginning on page 143.

The bonds were delivered to purchasers in book-entry form through The Depository Trust Company ("DTC"), and its direct and indirect participants, including Clearstream Banking, S.A. Luxembourg and Euroclear Bank S.A./N.V., as operator of the Euroclear System, on November 9, 2010.

Global Coordinator and Joint Bookruner	*Joint Bookrunner*
BofA Merrill Lynch	**BTG Pactual**

The date of this offering memorandum is November 10, 2010.

TABLE OF CONTENTS

You should rely only on the information contained in this offering memorandum. Neither we nor the initial purchasers have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the initial purchasers are not, making an offer to sell the bonds in any jurisdiction where the offer or sale is not permitted. This document may only be used where it is legal to sell the bonds. You should assume that the information appearing in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

We are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing the bonds, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under "Notice to Investors" in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the bonds and may only be used for the purposes for which it has been published. We and the initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the bonds offered by this offering memorandum.

We confirm that, after having made all reasonable inquiries, the information contained in this offering memorandum with regards to us is true and accurate in all material respects and that there are no omissions of any other facts from this offering memorandum which, by their absence herefrom, make this offering memorandum misleading in any material respect. We accept responsibility accordingly. This offering memorandum summarizes certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of our company and the terms of the offering and the bonds, including the merits and risks involved.

We are not making any representation to any purchaser of the bonds regarding the legality of an investment in the bonds by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the bonds.

Application has been made to admit the bonds for listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market. This offering memorandum is the prospectus for admission to the Luxembourg Stock Exchange. The Luxembourg Stock Exchange takes no responsibility for the contents of this offering memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering memorandum.

Neither the U.S. Securities and Exchange Commission (the "Commission"), nor any state securities commission has approved or disapproved the bonds or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

Notwithstanding anything in this document to the contrary, except as reasonably necessary to comply with applicable securities laws, you (and each of your employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the offering and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal income tax treatment of the offering.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO RESIDENTS OF BRAZIL

THE OFFERING WILL NOT BE CARRIED OUT BY ANY MEANS THAT WOULD CONSTITUTE A PUBLIC OFFERING IN BRAZIL UNDER LAW No. 6,385, OF DECEMBER 7, 1976, AS AMENDED, AND UNDER CVM RULE (*INSTRUÇÃO*) No. 400, OF DECEMBER 29, 2003, AS AMENDED. THE ISSUANCE, PLACEMENT AND SALE OF THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (*COMISSÃO DE VALORES MOBILIÁRIOS*) ("CVM"). ANY REPRESENTATION TO THE CONTRARY IS UNTRUTHFUL AND UNLAWFUL. ANY PUBLIC OFFERING OR DISTRIBUTION, AS DEFINED UNDER BRAZILIAN LAWS AND REGULATIONS, OF THE BONDS IS NOT LEGAL WITHOUT SUCH PRIOR REGISTRATION. DOCUMENTS RELATING TO

THE OFFERING OF THE BONDS, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN BRAZIL, AS THE OFFERING OF THE BONDS IS NOT A PUBLIC OFFERING OF SECURITIES IN BRAZIL, NOR MAY THEY BE USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF THE BONDS TO THE PUBLIC IN BRAZIL.

NOTICE TO MEMBERS OF THE PUBLIC OF THE CAYMAN ISLANDS

SECTION 194 OF THE COMPANIES LAW (2010 REVISION) OF THE CAYMAN ISLANDS PROVIDES THAT AN EXEMPTED COMPANY (SUCH AS GS FINANCE) THAT IS NOT LISTED ON THE CAYMAN ISLANDS STOCK EXCHANGE IS PROHIBITED FROM MAKING ANY INVITATIONS TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR ANY OF ITS BONDS UNLESS GS FINANCE IS LISTED ON THE CAYMAN ISLANDS STOCK EXCHANGE.

The bonds may not be offered or sold, directly or indirectly, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof.

FORWARD-LOOKING STATEMENTS

The statements included in this offering memorandum regarding our plans, forecasts, expectations of future events, strategies, projections and financial trends affecting our business, as well as statements regarding other information, mainly under the headings "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," contain forward-looking statements that involve risks and uncertainties and, therefore, constitute no guarantee of future results.

Many important factors, in addition to those discussed elsewhere in this offering memorandum, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among other factors:

- general economic, political and business conditions in Brazil and particularly in the geographic markets we serve;
- inflation, currency fluctuations and fluctuations in prevailing interest rates;
- changes in customer demand and preferences, as well as the financial condition of our tenants and customers;
- preliminary competitive conditions in the shopping center industry in Brazil as a whole and particularly in our areas of operations;
- our ability to implement our business plan, including our ability to secure financing on terms acceptable to us;
- changes in the retail market in Brazil;
- existing and future laws and government regulations applicable to our business;
- increases in our costs;
- our level of indebtedness and other financial obligations;
- interests of and actions taken by, our controlling shareholders;
- our ability to integrate businesses or assets we acquire into our existing business;
- events of *force majeure*; and
- the risk factors discussed under the heading "Risk Factors."

The words "believe," "anticipate," "expect," "estimate," "should," "plan," "can," "may," "intend," "foresee," "project" among other similar words are intended to identify forward-looking statements. Forward-looking statements consist of only our current expectations and are based on our management's beliefs and assumptions and on information currently available to our management. They involve uncertainties, risks and assumptions, since these statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update publicly or to revise any forward-looking statements after we distribute this offering memorandum. In light of the risks and uncertainties described above and elsewhere in this offering memorandum, the forward-looking events and circumstances discussed herein might not occur and are not guarantees of future performance and actual results may differ materially from those expressed or implied in the forward-looking statements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

General Shopping

We maintain our books and records in *reais*. We prepare our financial statements and other financial information in accordance with accounting practices adopted in Brazil, which we refer to as "Brazilian GAAP." These practices are based on Law No. 6,404 of December 15, 1976, as amended, or the "Brazilian Corporate Law"; the rules and regulations issued by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*), ("CVM"); and certain accounting standards issued by the Brazilian Institute of Independent Auditors (*Instituto dos Auditores Independentes do Brasil*) (IBRACON), the Brazilian Federal Accounting Council (*Conselho Federal de Contabilidade*) (the "CFC"), and the Committee of Accounting Standards (*Comitê de Pronunciamentos Contábeis*) (the "CPC"). As of January 1, 2008, Brazilian GAAP has included the amendments to the Brazilian Corporate Law introduced by Law No. 11,638 of December 28, 2007 ("Law No. 11,638"), and as of January 1, 2009, Brazilian GAAP has also included the amendments to the Brazilian Corporate Law introduced by Provisional Measure No. 449 of December 3, 2008 ("Provisional Measure No. 449"), converted into Law No. 11,941 of May 27, 2009 ("Law No. 11,941"), which amended and supplemented certain of the provisions of Law No. 11,638. Brazilian GAAP differs in certain significant respects from accounting principles generally accepted in the United States ("U.S. GAAP"), and from International Financial Reporting Standards ("IFRS").

The following financial information is included elsewhere in this offering memorandum:

- Our individual and consolidated balance sheets as of December 31, 2007 and the individual and consolidated statements of operations, changes in shareholders' equity and cash flows for the period from March 6, 2007 to December 31, 2007, which were audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with auditing standards generally accepted in Brazil and prepared in accordance with Brazilian GAAP as in force at the date of that financial information. These financial statements were not subject to and were not prepared in accordance with the accounting rules introduced by Law No. 11,638 and Law No. 11,941, thereby limiting the comparability of our financial statements as of and for the year ended December 31, 2007 with our financial statements as of and for the years ended December 31, 2008 and 2009. As permitted by CPC Technical Pronouncement 13 – Initial Adoption of Law No. 11,638 and Provisional Measure No. 449, approved by CVM Resolution No. 565, our individual and consolidated financial statements as of and for the year ended December 31, 2007 have not been restated for purposes of comparison between periods. The audit report with respect to the year ended December 31, 2007 includes explanatory paragraphs relating to (i) significant transactions with related parties and intercompany receivables and payables as of December 31, 2007 which were not subject to financial charges, (ii) a change in accounting relating to the recognition of certain property and equipment items (land, buildings, and installations related to the shopping mall operations), based on revaluation amounts, rather than based on acquisition cost, (iii) the inclusion of a certain combined financial information in footnote 27, comprised of combined statements of operations and statements of cash flow for purposes of additional analysis, (iv) the inclusion of a combined statement of operations to present results of the Company as if it had existed since January 1, 2006 which are not necessarily indicative of the financial position that would have been obtained or the results of operations for the reported years, (v) the fact that the financial statements which were being restated to include the individual and consolidated statements of cash flows for the period from March 6, 2007 to December 31, 2007 and (vi) action being taken by the Company to complete the registration of certain acquired properties with the proper Registry of Deeds Offices.
- Our individual and consolidated financial statements as of and for the years ended December 31, 2008 and 2009, which were audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with the auditing standards generally accepted in Brazil and prepared in accordance with Brazilian GAAP in force at the date of such financial information, which included the new accounting rules introduced by Law No. 11,638 and Law No. 11,941. The audit report with respect thereto includes an explanatory paragraphs relating to the fact that the Company is taking actions to complete the registration of certain acquired properties with the proper Registry of Deeds Offices, as mentioned in

note 9 to the financial statements and based on the fact, as mentioned in note 2, the statement of cash flows for the year ended December 31, 2009 and 2008 has been restated.

- Our unaudited individual and consolidated financial statements as of and for the six-month periods ended June 30, 2009 and 2010, which were subject to limited review procedures by Deloitte Touche Tohmatsu Auditores Independentes in accordance with specific rules established by IBRACON and the CFC. The special review report includes explanatory paragraphs relating to (i) the fact that during 2009, the CVM approved new Technical Pronouncements, Interpretations and Instructions issued by the CPC, mandatory for adoption beginning 2010, that introduced changes in Brazilian accounting practices, and as permitted by CVM Resolution nº 603/09, the Company's management opted not to adopt these new Standards and prepared its interim financial statements in accordance with Brazilian accounting practices in effect through December 31, 2009 and (ii) the fact that the Company is taking actions to complete the registration of certain acquired properties with the proper Registry of Deeds Offices, as mentioned in note 9 to the financial statements.

The financial statements of our subsidiaries are consolidated in our consolidated financial statements in accordance with Brazilian GAAP, as follows: (i) for those subsidiaries over which we exercise shared control, the consolidation is proportional to our equity interest in the relevant subsidiary; and (ii) for those subsidiaries over which we exercise full control, the consolidation is made in full, and the participation, if any, of the minority shareholders of such subsidiaries in the subsidiaries' net assets and results of operations is presented as a separate line item of our consolidated balance sheet and consolidated statement of income.

On March 31, 2007, our group of companies consummated a corporate reorganization through which the ownership interest in the capital stock of the companies involved in shopping center activities, as well as the ownership interest in the capital stock of the companies that render services to the shopping centers, were grouped under two separate holding companies: Levian and Atlas, respectively. The following companies were involved in the corporate reorganization: Levian, Atlas, ABK, Nova União, Wass, Energy, IPark, Park Administradora, Send, Poli Empreendimentos, Sulishopping, GSB Adm. and ASG Adm. Because these companies were under common control and management during the period before the corporate reorganization, the financial statements referred to above and the financial information presented for these periods represent these companies' combined operations. After the corporate reorganization, the combined companies became our direct or indirect subsidiaries.

GS Finance

GS Finance, the issuer of the bonds, is an exempted company incorporated with limited liability in the Cayman Islands and a wholly-owned subsidiary of General Shopping. The purpose of GS Finance is to engage in transactions related to the offering of the bonds as well as other financing transactions involving General Shopping or its subsidiaries. Prior to the issuance of the bonds, GS Finance will not have engaged in any business activity. Also, since the date of incorporation, no financial statements of GS Finance have been prepared. GS Finance is not required by Cayman Islands law, and does not intend, to publish audited financial statements or make any such statements available to the trustee or holders of the bonds or appoint any auditors.

Rounding

Some of the percentages and other amounts included in this offering memorandum were rounded for ease of presentation. For this reason, some of the totals in the tables presented may not be the exact sum total of the amounts that precede them.

Currency Information

All references in this offering memorandum to "*real*," "*reais*" or "R$" are to the legal currency of Brazil and all references to "U.S. dollar," "U.S. dollars" or "US$" are to the legal currency of the United States.

EBITDA and Adjusted EBITDA

EBITDA is net income (loss), before income taxes and social contribution, financial results and depreciation and amortization. Adjusted EBITDA is net income (loss), before income taxes and social contribution, financial results, depreciation and amortization and expenses identified by our management as being related to uncompleted securities offerings, other securities offerings costs, costs of implementing management software, gain on sale of property, other non-recurring expenses, our corporate reorganization concluded in March 2007 and our equity offering concluded in July 2007. EBITDA and Adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP or U.S. GAAP, nor should they be considered as alternatives to net income as a measure of operating performance, or as alternatives to operating cash flows, or as a measure of liquidity. EBITDA and Adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or Adjusted EBITDA or similarly titled measures used by other companies. As financial results, income taxes and social contribution, depreciation and amortization are not considered for calculation of EBITDA and Adjusted EBITDA, we believe that our EBITDA and Adjusted EBITDA provides an indication of our general economic performance, which is not affected by interest rate fluctuations, changes in income tax rates and social contribution, or depreciation and amortization. As a result, we believe EBITDA and Adjusted EBITDA are important tools to periodically compare our operating performance and also to form a basis to assist management in making certain administrative decisions. See "Summary—Summary of Financial and Operating Data" for a reconciliation of our EBITDA and Adjusted EBITDA to our net income (loss) for the periods presented. For discussion of our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Market Share and Other Information

We include certain statements in this offering memorandum about our market share in the shopping center industry in Brazil, our competitors and the size of the Brazilian real estate and shopping center industry. We made these statements on the basis of information obtained from sources that we believe are reliable, such as the Brazilian Association of Shopping Centers (*Associação Brasileira de Shopping Centers*) ("ABRASCE"), and the Institute for Market Research and Development (*Instituto de Pesquisa e Desenvolvimento de Mercado*) ("IPDM"), among others. Unless stated otherwise, all the macro-economic information included in this offering memorandum was obtained from the Central Bank, the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatistica*) ("IBGE"), and the Getulio Vargas Foundation (*Fundação Getulio Vargas*) ("FGV"). Although we have no reason to believe that any of this information is inaccurate in any material respect, neither we nor the initial purchasers have independently verified this information.

Exchange Rates

We have translated some of the *real* amounts contained in this offering memorandum into U.S. dollars. The rate used to translate these amounts as of and for the six-month period ended June 30, 2010 and as of and for the year ended December 31, 2009 was R$1.8015 to US$1.00, which was the commercial selling rate in effect as of June 30, 2010, as reported by the Central Bank. The U.S. dollar equivalent information presented in this offering memorandum is provided solely for your convenience and should not be construed as implying that the *real* amounts represent, or could have been or could be converted into, U.S. dollars at this rate or at any other rate. On November 4, 2010 the exchange rate was R$1.6819 to US$1.00, as reported by the Central Bank on its electronic system SISBACEN, using transaction PTAX 800, option 5. See "Exchange Rate Information" for more information regarding the rates of exchange of *reais* into U.S. dollars.

Certain Definitions

In this offering memorandum, unless otherwise indicated or the context otherwise requires, references to "GS Finance" refer to General Shopping Finance Limited, the issuer of the bonds, and references to "General Shopping," "General Shopping Brasil S.A.," "we," "us" or the "Company" refer to General Shopping Brasil S.A. and its consolidated subsidiaries, except where the context requires otherwise. We refer to:

(i) ABK do Brasil Empreendimentos e Participações Ltda. as "ABK,"

(ii) Ast Administradora e Incorporadora Ltda. as "Ast,"

(iii) Atlas Participações Ltda. as "Atlas,"

(iv) Bac Administradora e Incorporadora Ltda. as "Bac,"

(v) BR Outlet Administradora e Incorporadora Ltda. as “BR Outlet,”

(vi) Brassul Shopping Administradora e Incorporadora Ltda. as “Brassul,”

(vii) Bud Administradora e Incorporadora Ltda. as “Bud,”

(viii) Cly Administradora e Incorporadora Ltda. as “Cly,”

(ix) Delta Shopping Empreendimentos Imobiliários Ltda. as “Delta,”

(x) Energy Comércio e Serviços de Energia Ltda. as “Energy,”

(xi) Fonte Administradora e Incorporadora Ltda. as “Fonte Administradora,”

(xii) Intesp Shopping Administradora e Incorporadora Ltda. as “Intesp,”

(xiii) I Park Estacionamentos Ltda. as “I Park,”

(xiv) Jud Administradora e Incorporadora Ltda. as “Jud,”

(xv) Levian Participações e Empreendimentos Ltda. as “Levian,”

(xvi) Lumen Shopping Administradora e Incorporadora Ltda. as “Lumen,”

(xvii) Lux Shopping Administradora e Incorporadora Ltda. as “Lux,”

(xviii) Manzanza Consultoria e Administração de Shopping Centers Ltda. as “Manzanza,”

(xix) Nova União Administradora e Incorporadora S.A. as “Nova União,”

(xx) Park Shopping Administradora Ltda. as “Park Administradora,”

(xxi) Paulis Shopping Administradora e Incorporadora Ltda. as “Paulis Shopping,”

(xxii) Poli Shopping Center Empreendimentos Ltda. as “Poli Empreendimentos,”

(xxiii) PP Administradora e Incorporadora Ltda. as “PP Administradora,”

(xiv) Premium Outlet Administradora e Incorporadora Ltda. as “Premium,”

(xv) Sale Empreendimentos e Participações Ltda. as “Sale Empreendimentos,”

(xvi) Securis Administradora e Incorporadora Ltda. as “Securis,”

(xvii) Send Empreendimentos e Participações Ltda. as “Send,”

(xxviii) Sulishopping Empreendimentos Ltda. as “Sulishopping,”

(xxix) Uniplaza Empreendimentos, Participações e Administração de Centros de Compra Ltda. as “Uniplaza,”

(xxx) Vide Serviços e Participações Ltda. as “Vide,”

(xxxi) Vul Administradora e Incorporadora Ltda. as “Vul,”

(xxxii) Wass Comércio e Serviços de Águas Ltda. as “Wass,”

(xxxiii) Zuz Administradora e Incorporadora Ltda. as “Zuz,” and

collectively, we refer to these entities as the “subsidiary guarantors.”

We refer to General Shopping Brasil Administração Ltda. as "GSB Adm.," Internacional Guarulhos Auto Shopping Center Ltda., as "ASG Adm." and Fundo de Investimento Top Center as "FII Top Center." We refer to the Company and the subsidiary guarantors, collectively, as the "Guarantors." As of June 30, 2010, the subsidiary guarantors represent approximately 99.4% of the Company's consolidated net assets.

The term "Brazil" refers to the Federative Republic of Brazil, and the term "Mercosur" refers to Brazil, Argentina, Uruguay and Paraguay. The term "Brazilian government" refers to the federal government of Brazil. The term "Central Bank" refers to the Central Bank of Brazil (Banco Central do Brasil).

Unless otherwise indicated, all references in this offering memorandum to:

- "lower-income group" corresponds to households that have monthly income of R$968 to R$2,177;
- "middle-income group" corresponds to households that have monthly income of R$2,178 to R$6,289; and
- "higher-income group" corresponds to households that have monthly income of R$6,290 and above.

SUMMARY

This summary highlights selected information about us. It does not contain all of the information that you should consider before purchasing the bonds. Before purchasing the bonds, you should read this entire offering memorandum carefully, including the information contained in "Presentation of Financial and Other Information," "Selected Financial Information," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as our combined financial statements and the notes related thereto, for a more complete understanding of our business and the terms of the bonds.

Overview

We believe we are a leading participant in the shopping center industry in Brazil, and own all or part of 13 operating shopping centers. As of the date of this offering memorandum, these shopping centers had an aggregate of 426,521 square meters of gross constructed area (*área bruta construída*), 225,399 square meters of gross leasable area (*área bruta locável*) and approximately 1,405 stores. Our ownership interest in such shopping centers represents 190,100 square meters of gross leaseable area. Between 2007 and 2009 and between June 30, 2009 and June 30, 2010, our net operating revenues increased at a compounded annual growth rate ("CAGR") of 39.9% and 18.5%, respectively.

We actively participate in the site search, planning, development and construction of shopping centers. We also lease and manage our shopping centers, provide parking management services and also oversee the management of the supply of energy and water to the shopping centers we own and operate.

Our shopping centers are strategically located in the south and southeast areas of Brazil, which accounted for approximately 73.0% of gross domestic product ("GDP") and 73.4% of retail sales in Brazil in 2009, according to the IBGE. In addition, we believe seven of our shopping centers are located in markets that are among the top 10 contributors to Brazilian GDP. We believe, in gross terms of leasable area, our shopping center Internacional Shopping Guarulhos is the largest shopping center in the São Paulo metropolitan area and the eighth-largest in Brazil.

We launched our shopping center activities in 1989, with the opening of Poli Shopping in the city of Guarulhos. Since 2006, we have expanded our business through the development of new "greenfield" shopping centers (shopping centers that we develop), the acquisition of ownership interests in existing shopping centers and the expansion and remodeling of certain shopping centers we own.

The table below sets forth the main operating information of our shopping centers:

Shopping Center:	State	Year launched/ acquired	Ownership interest (%)	Total gross leasable area (m^2)	Our gross leasable area (m^2)	Number of stores[(1)]
Poli Shopping	São Paulo	1989	50.00	4,527	2,264	52
Internacional Shopping Guarulhos	São Paulo	1998	100.00	75,958	75,958	292
Auto Shopping	São Paulo	2006	100.00	11,477	11,477	80
Santana Parque Shopping	São Paulo	2007	50.00	26,538	13,269	176
Shopping Light	São Paulo	2007	50.10	14,140	7,092	134
Suzano Shopping	São Paulo	2007	100.00	19,583	19,583	174
Cascavel JL Shopping	Paraná	2007	85.50	8,877	7,590	80
Top Center Shopping São Paulo	São Paulo	2007	100.00	6,369	6,369	67
Prudente Parque Shopping	São Paulo	2007	100.00	10,276	10,276	56
Poli Shopping Osasco	São Paulo	2007	100.00	3,218	3,218	19
Shopping do Vale	R.G. do Sul	2007	84.39	16,487	13,913	94
Shopping Unimart	São Paulo	2008	100.00	10,233	10,233	91
Outlet Premium São Paulo	São Paulo	2009	50.00	17,716	8,858	90
Total				**225,399**	**190,100**	**1,405**

(1) Includes all stores located within each shopping center.

The table below sets forth the main operational information regarding our greenfield projects:

Greenfields:	Ownership interest (%)	Year launched/ acquired	Project opening[2]	Total gross leasable area (m^2) [2]	Our gross leasable area (m^2) [2]	Number of stores[1] [2]
Convention Centers[3]	100.00%	2006	2012	25,730	25,730	-
Sulacap	95.00%	2007	2011	32,000	30,400	165
Barueri	48.00%	2007	2011	32,000	15,360	202
Total				**89,730**	**71,490**	

(1) Includes all stores that will be located within each shopping center's total gross leasable area.
(2) Based on our projections.
(3) We are currently negotiating the agreements for the development of the convention centers. See "Business—Projects Under Development, Expansion or Construction— Development of mixed-use projects".

The table below sets forth certain highlights of our combined financial and consolidated operating information for the periods indicated:

	Year ended December 31,				Six-month period ended June 30,		
(in thousands, except percentages)	2007[1]	2008[2]	2009[2]	2009	2009[2]	2010[2]	2010
	R$	R$	R$	US$	R$	R$	US$
Financial Information:							
Rentals[3]	47,860	77,208	87,965	48,829	40,360	46,654	25,897
Services[4]	11,716	16,802	23,855	13,242	10,951	12,484	6,930
Total gross revenue	59,576	94,010	111,820	62,071	51,311	59,138	32,827
Net revenue	51,347	86,956	100,557	55,819	45,750	54,227	30,101
Net income (loss)	(15,023)	(7,707)	24,423	13,557	12,673	146	81
Current loans and financings	16,752	216,156	62,070	34,455	58,532	16,301	9,049
Non-current loans and financings	107,916	20,741	6,695	3,716	7,380	9,727	5,399
Related party current loans and financings	19,927	26,178	18,128	10,063	18,487	14,952	8,300
Current real estate credit notes	2,784	16,552	18,447	10,240	17,081	27,298	15,153
Non-current real estate credit notes	12,802	251,296	234,602	130,226	241,747	281,385	156,195
Other financial information:							
EBITDA[5]	12,821	60,964	72,366	40,170	31,011	38,693	21,478
Adjusted EBITDA[5]	37,096	63,870	73,625	40,869	32,157	38,190	21,199
Total debt[9]	140,254	504,745	321,814	178,637	324,740	334,711	185,796
Net debt[10]	108,841	285,572	298,873	165,903	309,649	298,209	165,534
Adjusted EBITDA margin[6]	72.2%	73.5%	73.2%	73.2%	70.3%	70.4%	70.4%
Other operating information:							
Gross leasable area shopping centers (m^2)[7][8]	187,784	207,480	225,399		225,196	225,399	
Our gross leasable area (m^2)[8]	161,335	181,039	186,557		186,354	190,100	

(1) Combined financial information. See "Presentation of Financial and Other Information."
(2) Consolidated financial information. See "Presentation of Financial and Other Information."
(3) Includes revenue derived from rent, assignment of mall use rights and merchandising.
(4) Includes revenue derived from the management of parking lots, energy supply to shopping centers and water supply to shopping centers.
(5) See "—Summary of Financial and Operating Data" and "Selected Financial Information" for a reconciliation of our EBITDA and Adjusted EBITDA to our net income (loss) for the periods presented. For a discussion of our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."
(6) Adjusted EBITDA divided by net revenue.
(7) Reflects the total gross leasable area of each shopping center in which we hold an ownership interest (and, consequently, does not reflect our ownership interest in each shopping center), excluding our greenfields developments.
(8) Reflects gross leasable area at the end of the period.
(9) Total of current and non-current loans and financings and current and non-current real estate credit notes.
(10) Total debt minus cash and cash equivalents and restricted cash.

Over the last five years, Brazil has experienced average annual growth of 3.6%, which has contributed to declining interest rate and to increased disposable income and credit availability, especially among the lower and middle classes, according to IBGE. The shopping center industry in Brazil has benefited from these positive macroeconomic factors, reflected in the compound annual growth rate for nominal revenues of 11.8% from 2005 to 2009, according to ABRASCE. We believe that the Brazilian shopping center industry will benefit further from strong growth due to low availability of per capita gross leasable area and a relatively low percentage of total retail sales at shopping centers compared to that in other countries. In Brazil, for example, shopping centers sales currently represent only 18.3% of total retail sales, while in the United States and Europe, they represent 70% and between 30 and 35%, respectively, according to ABRASCE.

Our Competitive Strengths

We believe that our main competitive strengths are the following:

Strong cash generation and Adjusted EBITDA margins. We have experienced sustained growth in revenue and cash generation over the last few years. Our net operating revenues for the year ended December 31, 2009 and for the six-month period ended June 30, 2010 increased 15.6% and 18.5% compared to our net operating revenues in 2008 and the comparable period in 2009, respectively. Our Adjusted EBITDA margin was 73.2% in 2009 and 70.3% during the six-month period ended June 30, 2010. We believe our strong Adjusted EBITDA margin benefits from our offering of complementary services, our in-depth knowledge of the retail sector, which results in better performance of sales in our shopping centers, and our ability to attract the right tenant mix, which we believe results in higher sustainable occupancy rates and reduced long-term vacancy rates.

Majority ownership interests with operating control of our properties. We own at least a 50% stake in each of our shopping centers (except for Barueri, of which we own 48% and have a right of first refusal to increase our interest to 52%), a characteristic that we believe sets us apart from our competitors. As a result, we exercise operating and management control of our shopping centers and are able to set policies and strategies, including: (i) remodeling the shopping centers; (ii) expanding the shopping center; (iii) revamping the tenant mix; (iv) providing complementary services; and (v) establishing partnerships.

Large offering of complementary services. Our gross operating revenues from complementary services offered to our shopping centers was R$23.9 million in 2009 and R$12.5 million in the six-months ended June 30, 2010. We believe that we have developed extensive know-how and expertise in the leasing and management of shopping centers, as well as in the management of parking lots and of supply of energy and water to our shopping centers. Revenues from certain complementary services including management of supply of energy and water are less likely to be affected by changes in sales volume at our shopping centers, which is our primary source of revenue. By providing complementary services, we diversify our revenue sources and create a stable revenue stream while strengthening our operational capabilities. In addition, these complementary services provide attractive margins because the associated costs are relatively small. We currently offer some of our complementary services at each one of our shopping centers and intend to expand the offer of our complementary services at all of our shopping centers.

Diversified portfolio composed of high-quality assets serving mid to low income groups. Our portfolio is diversified and balanced both by targeted income group and type of development. We have a diversified customer base as our shopping centers serve the middle and lower income groups in Brazil, which we believe are the income groups in which consumption grows fastest. In addition, our portfolio of operating shopping centers is diversified by type of development, being comprised of a regional shopping center, nine neighborhood shopping centers, one open mall, one thematic shopping center and one outlet center. We believe that this portfolio of assets allows us to mitigate the risks inherent to our business because we are able to follow key growth trends in our areas of operation. Our properties are strategically located in regions characterized by strong growth metrics, including dense population, rapid income growth and expansion of economic activity, all of which we believe create high potential retail sales per square meter. In particular, our properties are well-located throughout the São Paulo metropolitan area and the state of São Paulo, the most important market in Brazil, which accounts for 33.7% of Brazilian GDP, according to IBGE. In the state of São Paulo, we believe we are the largest shopping center company in terms of gross leasable area and in number of shopping centers owned. We believe these factors give us a competitive advantage in our primary areas of operation by making us an attractive option for Brazil's main retailers. The diversity and quality of our portfolio minimizes fluctuations in our revenue and allows us to benefit from the growing purchasing power of many of the income groups of the population we serve. Finally, our ten largest tenants represented collectively less than 10% of our revenue in 2008 and 2009 and in the first six months of 2010 which reduces our exposure to any specific retailer.

Successful track record in pursuing accretive acquisitions. The shopping center industry in Brazil continues to be fragmented, with smaller operators facing challenges to continue to grow and have successful operations. We believe that our history of successful acquisitions positions us well with potential acquisition opportunities. We focus exclusively on properties and operators that present a value-creating proposition, including attractive internal rates of return, potential for operational improvement and competitive pricing. We follow strict guidelines when conducting our acquisitions by contracting industry researchers to conduct in-depth surveys of our targets' retail demand and perform follow-up surveys with the store owners to validate the results. We also compile detailed and conservative financial projections of the targets, analyzing changes in tenant mix, the viability of future expansions, and opportunities to provide complementary services. Finally, we evaluate opportunities in the context of potential synergies they provide for our existing properties. For example, in the third quarter of 2007, after thorough analysis, we acquired Suzano Shopping, which is located next to the region's largest hypermarket, with no other shopping center in the city. We have reorganized the tenant mix and added anchor stores to create more value per square meter, completed a more than 6,000 square meter expansion and have been offering complementary services since the fourth quarter of 2008. In addition, after acquiring Top Center Shopping São Paulo in the first quarter of 2008, we reorganized the mall lay-out and changed the tenant mix, which helped increase revenue from rentals by 80% after the shopping center was re-launched in the second quarter of 2009.

Extensive experience in building high-performing greenfield projects. We believe we have established a successful track record in developing greenfield projects. We have learned to optimize the development of new shopping centers by minimizing costs related thereto. For example, we ensure that, before we break ground, we have arrangements with one or more anchor tenants to minimize the risk that the project is not successful. In addition, we enter into fixed price construction contracts to ensure that we minimize our exposure to cost overruns and other variables. This approach was key to our recent successful development of Santana Parque Shopping, of which we had rented over 97% of its gross leasable area by the time it opened in October 2007. In the development of our current greenfield projects, including Sulacap Shopping and Barueri Shopping, we have leased 60% and 75% of the gross leasable area, respectively, more than one year before each shopping center's expected opening.

Close relationships with our tenants and valuable retail intelligence. We have a close relationship with an extensive and diversified base of anchor tenants and satellite store owners. We develop business strategies that reach beyond usual real estate matters. In this regard, we use the retail intelligence we gained over the course of our experience in operating shopping centers in conjunction with the market research we conduct, to help our store owners evaluate the expected sales of the market by region and by type of activity. As a result, we believe our store owners are able to achieve better results, which may lead to more profitable operations for our shopping centers. The value of this close relationship has been recognized by awards we received from the Brazilian Association of Shopping Center Store Owners (*Associação Brasileira de Lojistas de Shopping Centers*). We believe the close relationship we develop with our store owners is an important factor in the success of their operations and gives us credibility in attracting and maintaining other retailers to our shopping centers.

Our Strategy

Our growth strategy is based on the following guidelines: develop greenfields projects, consolidate, expand, renovate, and innovate.

Expansion of our current shopping centers. We intend to continue expanding and remodeling our shopping centers in order to create the optimal tenant mix and create economies of scale and operating efficiency. We believe that this will result in an increase in our revenues with a minimal increase in costs to manage our properties. We believe this organic expansion will lead to economies of scale, maximizing our lease revenues while improving the profitability of our assets.

Prospecting, planning and developing greenfield shopping centers. We intend to take advantage of growth opportunities in the Brazilian shopping center industry by developing new shopping centers. We have grown significantly in recent years and believe our management has the experience and knowledge required to prospect and identify attractive opportunities for developing new shopping centers. We carry out thorough studies and analyses to test the viability and profitability of potential shopping centers. We successfully finalized construction of and opened Santana Parque Shopping in October 2007, which had over 97% of its gross leasable area rented before it opened. We also opened Outlet Premium São Paulo in the city of Itupeva, São Paulo State in 2009 with 100% of gross leasable area rented. We are currently developing a 61,287 square meter lot in Rio de Janeiro for the construction of the Sulacap shopping center with projected gross leasable area of 32,000 square meters, which we expect to open in the last quarter of 2011. In addition, we are developing the Barueri shopping center with projected gross leasable area of 32,000 square meters.

Acquisition of ownership interests in existing shopping centers. The shopping center industry in Brazil is fragmented and consequently offers opportunities for consolidation. We intend to continue expanding our portfolio of properties by purchasing ownership interests in shopping centers from third parties or acquiring other companies that operate in the shopping center industry. We are constantly prospecting and seeking attractive opportunities that maximize profitability and create value for our shareholders. We believe acquiring interests in other shopping centers may allow us to expand our relationships with chain store owners, which will lead to further revenue consolidation and greater market knowledge.

Improving the quality of our assets. We will seek to leverage our management's know-how and experience in identifying potential value-added improvements and changes to existing store mixes at our shopping centers in order to maximize the revenue generation and operating margins of these properties. Similarly, we will use our expertise to renovate and remodel existing properties, to diversify the use of space and to optimize the provision of complementary services in order to increase productivity and reduce vacancies that we believe will ultimately lead to value appreciation of our assets. Examples of this strategy are the improvements at Suzano Shopping, Shopping Light and Top Center Shopping São Paulo, which had at the time of acquisition results below those of our other shopping centers and underwent a restructuring process involving a change to its store mix and diversification of the use of its space.

Development of mixed-use projects. We plan to utilize the Power Center Model (a strategy that brings together various operations such as thematic shopping centers, convention centers, office buildings and retail stores around shopping centers) to develop, directly or through partnerships, mixed-use projects that result in synergies. In addition to the high profitability such projects generate, we would also benefit from the public concentration in the areas where these complexes are located, thereby increasing the flow of potential consumers to our shopping centers. We believe the higher volume of investments coupled with a higher public concentration can also serve as a barrier to entry to competition. We are in the process of developing the International Convention Center, a convention center that will be located adjacent to Internacional Shopping Guarulhos and we have opened Auto Shopping Internacional Guarulhos, using the same strategy. This venue is expected to comprise 25,730 square meters, complementing the complex that currently includes Internacional Shopping Guarulhos and Auto Shopping Internacional Guarulhos and a university campus. We also plan to build an office tower with 4,000 square meters of gross constructed area that will be integrated with Poli Shopping to meet the projected increasing demand for office space in the region, which we expect to complete in 2011. We intend to develop mixed-use projects through partnerships.

Enter new markets and implement innovative concepts through partnerships. We intend to continue entering into partnerships with local shopping center owners and service providers who have the skills and knowledge required to ensure the success of shopping centers in different regions in Brazil. We believe our business model allows us to optimize our efforts toward prospecting new growth opportunities instead of creating a more complex structure to provide services in locations where we have little or no management and leasing expertise. Our partnerships with respect to Cascavel JL Shopping, Shopping do Vale, the Sulacap shopping center and the Barueri shopping center are part of our strategy to use our management expertise and the skills and knowledge of local shopping center owners and service providers to improve existing shopping centers and market their store space with a suitable mix of anchor and satellite stores. We also operate new types of shopping centers in Brazil, including open air malls/lifestyle centers (Shopping Unimart), strip malls and outlet centers (Outlet Premium São Paulo), so as to better supply the retail demand in each market.

History

Our controlling shareholders were among the first to invest in retail commerce in the city of Guarulhos. Due to our extensive knowledge of the local retail market, the majority of our shopping centers were initially concentrated in the city of Guarulhos. Our shopping center business began in 1989 with the opening of Poli Shopping in Guarulhos. From that time on, we began to increase our number of retail properties by offering diversified developments.

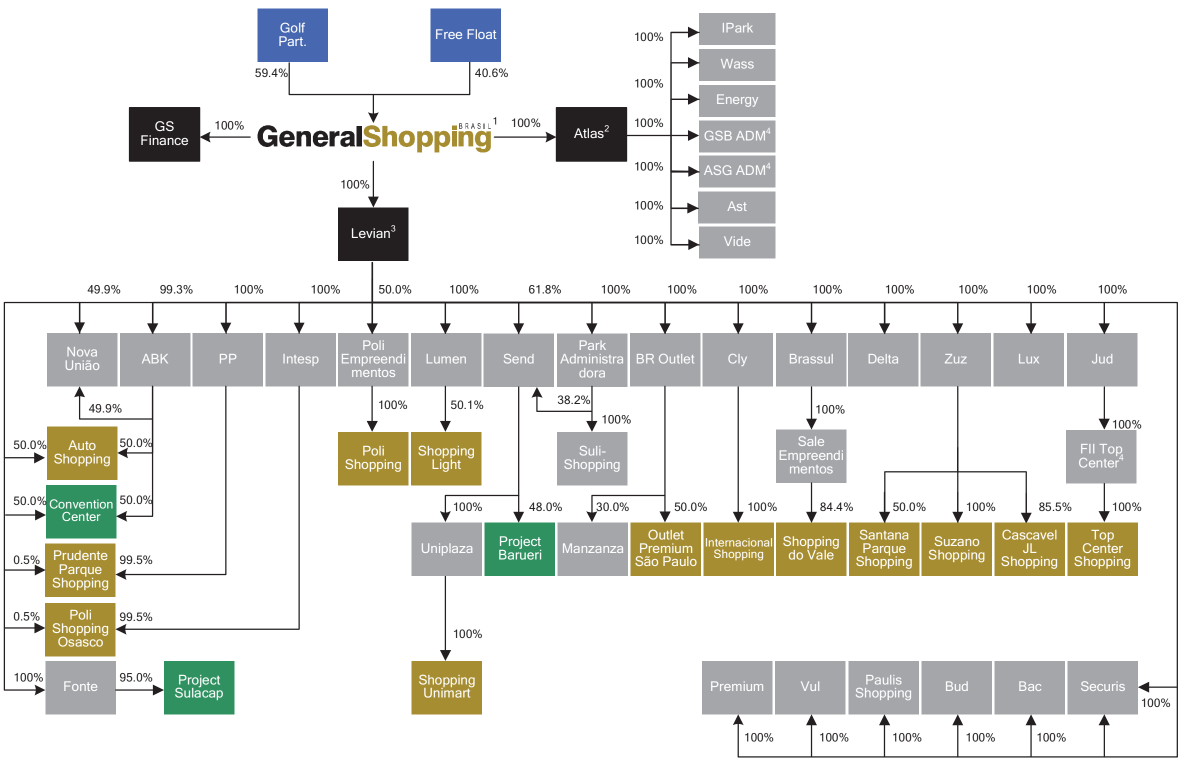
We expanded our activities in 1998 in the shopping center industry, with the opening of Internacional Shopping Guarulhos. Seeking to increase our share in the industry, we opened Auto Shopping in 2006 so as to create our first power center around Internacional Shopping Guarulhos.

In order to increase our geographic reach, we began prospecting new projects to be developed or acquired, such as Santana Parque Shopping in 2005, Shopping Light, Suzano Shopping, Cascavel JL Shopping, Top Center Shopping São Paulo, Prudente Parque Shopping, Poli Shopping Osasco and Shopping do Vale, all of which were acquired in 2007 and Shopping Unimart, acquired in January 2008. In addition, in 2009, acquired 30% interest in Outlet Premium São Paulo. In 2010, we increased our ownership interest to 50%.

Corporate Structure and Corporate Reorganization

In the first quarter of 2007, we conducted various corporate reorganization activities pursuant to which the ownership interests held in the capital stock of the companies that carry out shopping center activities and the companies that provide services to shopping centers were grouped under Levian and Atlas, respectively, two companies that are fully controlled by us.

The diagram below shows our corporate structure and our interest in shopping centers as of the date of this offering memorandum:



1 Boxes in yellow and green represent shopping centers and greenfields projects, respectively.

2 Through Atlas, we engage in various service operations in connection with our shopping centers.

3 Through Levian, we manage our properties, own interest in other companies and conduct other related activities.

4 This subsidiary does not guarantee the bonds.

For further information on our company structure, see "Business—Corporate Structure and Corporate Reorganization."

Our principal executive offices are located at Av. Angélica, 2466, 22nd floor, suite 221, São Paulo—SP, Brazil, 01228-200. The telephone number of our Investor Relations Department is +55-11-3159-5100. Our website is *www.generalshopping.com.br*. The information included on our website is not incorporated by reference into or made a part of this offering memorandum.

GS Finance

GS Finance, the issuer of the bonds, is an exempted company incorporated on June 17, 2008 with limited liability in the Cayman Islands and a wholly-owned subsidiary of General Shopping. The purpose of GS Finance is to engage in transactions related to the offering of the bonds as well as other financing transactions involving General Shopping or its subsidiaries. Prior to the issuance of the bonds, GS Finance will not have engaged in any business activity. The registered offices of GS Finance are located at P.O. Box 309, Ugland House, Grand Cayman, KY1--1104, Cayman Islands. Since the date of incorporation, no financial statements of GS Finance have been prepared. GS Finance is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

THE OFFERING

The following is a brief summary of terms and conditions of the bonds. For a more complete description, see "Description of the Bonds" in this offering memorandum. Certain defined terms used in this summary are defined under "Description of the Bonds—Definitions."

Issuer	General Shopping Finance Limited.
Guarantors	General Shopping Brasil S.A. and substantially all of its subsidiaries, consisting of ABK, Ast, Atlas, Bac, BR Outlet, Brassul, Bud, Cly, Delta, Energy, Fonte Administradora, Intesp, I Park, Jud, Levian, Lumen, Lux, Manzanza, Nova União, Park Administradora, Paulis Shopping, Poli Empreendimentos, PP Administradora, Premium, Sale Empreendimentos, Securis, Send, Sulishopping, Uniplaza, Vide, Vul, Wass and Zuz. The guarantors constitute substantially all of the current subsidiaries of General Shopping (representing approximately 99.4% of the consolidated accounts of all the companies of our group).
Bonds offered	US$200,000,000.00 aggregate principal amount of 10.00% Perpetual Bonds.
Issue price...	100.00%, plus accrued interest, if any, from November 9, 2010.
No maturity date	The bonds will be perpetual bonds with no fixed final maturity date and no sinking fund provisions.
Interest payment dates	February 9, May 9, August 9 and November 9, commencing on February 9, 2011.
Interest..	The bonds will bear interest from November 9, 2010 at the annual rate of 10.00%, payable quarterly in arrears on each interest payment date.
Guarantees	The bonds will be fully and unconditionally guaranteed on a senior unsecured basis by the guarantors.
Ranking..	The bonds will be senior unsecured obligations of GS Finance. The guarantees of each guarantor will be its senior unsecured obligations, ranking: • equal in right of payment to its other existing and future senior unsecured debt; • senior in right of payment to its subordinated debt; and

	• effectively subordinated to its secured debt to the extent of such security. As of June 30, 2010, • General Shopping and its subsidiaries had R$334.7 million of total indebtedness on a consolidated basis; and • approximately R$308.7 million of this total is secured debt of the Company's subsidiaries and structurally senior to the bonds being sold in this offering.
Optional redemption	GS Finance may, at its option, redeem the bonds, in whole or in part, on any interest payment date on or after November 9, 2015 at 100% of the principal amount of the bonds plus accrued interest and Additional Amounts, if any, as further described in "Description of the Bonds—Optional Redemption."
Tax redemption..	GS Finance may redeem the bonds, in whole but not in part, at 100% of their principal amount plus accrued interest and Additional Amounts, if any, upon the occurrence of specified events relating to Cayman Islands or Brazilian withholding taxes. See "Description of the Bonds—Redemption."
Repurchase upon change of control triggering event......	If a change of control triggering event with respect to General Shopping occurs, each holder of bonds will have the right to require us to repurchase all or any part of that holder's bonds at 101% of the aggregate principal amount of bonds repurchased, plus accrued interest and Additional Amounts, if any, to the date of repurchase. See "Description of the Bonds—Repurchase at Option of Holders of Bonds Upon Change of Control Triggering Event."
Additional amounts …………………............................	Payments of interest on the bonds will be made after withholding and deduction for or on account of any Cayman Islands or Brazilian taxes as set forth under "Taxation." We will pay such Additional Amounts as will result in receipt by the holders of bonds of such amounts as would have been received by them had no such withholding or deduction for or on account of Cayman Islands or Brazilian taxes been required, subject to certain exceptions set forth under "Description of the Bonds—Additional Amounts."
Covenants	The indenture will contain covenants setting forth certain limitations on General Shopping and its subsidiaries with respect to the following: liens; sale and lease-back transactions; transactions with affiliates; and consolidation, merger or transfer of all or substantially all of our assets. These covenants

	will, however, be subject to significant exceptions. See "Description of the Bonds—Covenants" and "—Definitions."
Events of default	The indenture will set forth the events of default applicable to the bonds, including an event of default triggered by a payment default or cross-acceleration of other debt in an aggregate amount of US$20 million or more.
Further issuances	GS Finance may from time to time without notice to or consent of the holders of bonds create and issue an unlimited principal amount of additional bonds of the same series as the bonds initially issued in this offering.
Use of proceeds	The net proceeds from the sale of the bonds are estimated to be approximately US$192.5 million and will be used for the repayment of approximately R$110 million of our outstanding short-term and long-term indebtedness (which repayment we intend to make on or about December 31, 2010), for capital expenditures and for general corporate purposes. See "Use of Proceeds."
Form and denomination; settlement	The bonds were issued in the form of global bonds in fully registered form without interest coupons. The global bonds are exchangeable or transferable, as the case may be, for definitive certificated bonds in fully registered form without interest coupons only in limited circumstances. The bonds were issued in registered form in denominations of US$2,000 and integral multiples of US$1,000 in excess thereof. See "Form of Bonds." The bonds will be delivered in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, S.A. Luxembourg ("Clearstream Luxembourg").
Notice to investors	The bonds have not been registered under the Securities Act and are subject to limitations on transfers, as described under "Notice to Investors."
Listings	Application has been made to list the bonds on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market. We cannot assure you, however, that this application will be accepted.
Governing law	The indenture, the bonds and the guarantees will be governed by the laws of the State of New York.

Trustee, registrar, principal paying agent and transfer agent	The Bank of New York Mellon
Luxembourg paying agent and transfer agent................	The Bank of New York Mellon (Luxembourg) S.A.
Luxembourg listing agent..	The Bank of New York Mellon (Luxembourg) S.A.

SUMMARY OF FINANCIAL AND OPERATING DATA

You should read and analyze the information below in conjunction with our combined and consolidated financial statements and accompanying notes included elsewhere in this offering memorandum, as well as with the information under the headings "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Exchange Rates."

We maintain our books and records in reais. We prepare our financial statements and other financial information in accordance with Brazilian GAAP. These practices are based on Brazilian Corporate Law, the rules and regulations issued by the CVM; and certain accounting standards issued by IBRACON, the CFC, and the CPC. As of January 1, 2008, Brazilian GAAP has included the amendments to the Brazilian Corporate Law introduced by Law No. 11,638, and as of January 1, 2009, Brazilian GAAP has also included the amendments to the Brazilian Corporate Law introduced by Provisional Measure No. 449, converted into Law No. 11,941, which amended and supplemented certain of the provisions of Law No. 11,638. Brazilian GAAP differs in certain significant respects from U.S. GAAP and from IFRS.

The following financial information is included elsewhere in this offering memorandum:

- Our individual and consolidated balance sheets as of December 31, 2007 and the individual and consolidated statements of operations, changes in shareholders' equity and cash flows for the period from March 6, 2007 to December 31, 2007, which were audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with auditing standards generally accepted in Brazil and prepared in accordance with Brazilian GAAP as in force at the date of that financial information. These financial statements were not subject to and were not prepared in accordance with the accounting rules introduced by Law No. 11,638 and Law No. 11,941, thereby limiting the comparability of our financial statements as of and for the year ended December 31, 2007 with our financial statements as of and for the years ended December 31, 2008 and 2009. As permitted by CPC Technical Pronouncement 13 – Initial Adoption of Law No. 11,638 and Provisional Measure No. 449, approved by CVM Resolution No. 565, our individual and consolidated financial statements as of and for the year ended December 31, 2007 have not been restated for purposes of comparison between periods. The audit report with respect to the year ended December 31, 2007 includes explanatory paragraphs relating to (i) significant transactions with related parties and intercompany receivables and payables as of December 31, 2007 which were not subject to financial charges, (ii) a change in accounting relating to the recognition of certain property and equipment items (land, buildings, and installations related to the shopping mall operations), based on revaluation amounts, rather than based on acquisition cost, (iii) the inclusion of a certain combined financial information in footnote 27, comprised of combined statements of operations and statements of cash flow for purposes of additional analysis, (iv) the inclusion of a combined statement of operations to present results of the Company as if it had existed since January 1, 2006 which are not necessarily indicative of the financial position that would have been obtained or the results of operations for the reported years, (v) the fact that the financial statements which were being restated to include the individual and consolidated statements of cash flows for the period from March 6, 2007 to December 31, 2007 and (vi) action being taken by the Company to complete the registration of certain acquired properties with the proper Registry of Deeds Offices.
- Our individual and consolidated financial statements as of and for the years ended December 31, 2008 and 2009, were audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with the auditing standards generally accepted in Brazil and prepared in accordance with Brazilian GAAP in force at the date of such financial information, which included the new accounting rules introduced by Law No. 11,638 and Law No. 11,941. The audit report with respect thereto includes an explanatory paragraphs relating to the fact that the Company is taking actions to complete the registration of certain acquired properties with the proper Registry of Deeds Offices, as mentioned in note 9 to the financial statements and based on the fact, as mentioned in note 2, the statement of cahs flow for the year ended December 31, 2009 and 2008 has been restated.
- Our unaudited individual and consolidated financial statements as of and for the six-month periods ended June 30, 2009 and 2010, which were subject to limited review procedures by Deloitte Touche

Tohmatsu Auditores Independentes in accordance with specific rules established by IBRACON and the CFC. The special review report includes explanatory paragraphs relating to (i) the fact that during 2009, the CVM approved new Technical Pronouncements, Interpretations and Instructions issued by the CPC, mandatory for adoption beginning 2010, that introduced changes in Brazilian accounting practices, and as permitted by CVM Resolution nº 603/09, the Company's management opted not to adopt these new Standards and prepared its interim financial statements in accordance with Brazilian accounting practices in effect through December 31, 2009 and (ii) the fact that the Company is taking actions to complete the registration of certain acquired properties with the proper Registry of Deeds Offices, as mentioned in note 9 to the financial statements.

The financial statements of our subsidiaries are consolidated in our consolidated financial statements in accordance with Brazilian GAAP, as follows: (i) for those subsidiaries over which we exercise shared control, the consolidation is proportional to our equity interest in the relevant subsidiary; and (ii) for those subsidiaries over which we exercise full control, the consolidation is made in full, and the participation, if any, of the minority shareholders of such subsidiaries in the subsidiaries' net assets and results of operations is presented as a separate line item of our consolidated balance sheet and consolidated statement of income.

On March 31, 2007, our group of companies consummated a corporate reorganization through which the ownership interest in the capital stock of the companies involved in shopping center activities, as well as the ownership interest in the capital stock of the companies that render services to the shopping centers, were grouped under two separate holding companies: Levian and Atlas, respectively. The following companies were involved in the corporate reorganization: Levian, Atlas, ABK, Nova União, Wass, Energy, IPark, Park Administradora, Send, Poli Empreendimentos, Sulishopping, GSB Adm. and ASG Adm. Because these companies were under common control and management during the period before the corporate reorganization, the financial statements referred to above and the financial information presented for these periods represent these companies' combined operations. After the corporate reorganization, the combined companies became our direct or indirect subsidiaries.

This offering memorandum contains translations of various *real* amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations are representations by us that the *real* amounts actually represent these U.S. dollars amounts or could be converted into U.S. dollars at the rates indicated. Unless otherwise indicated, we have translated the *real* amounts using a rate of R$1.8015 to US$1.00, the selling rate on June 30, 2010, as reported by the Central Bank. See "Exchange Rate Information."

Statements of Income (Operations)

(in thousands)	Year ended December 31,				Six-month period ended June 30,		
	2007[1]	2008[2]	2009[2]	2009	2009[2]	2010[2]	2010
	R$	R$	R$	US$	R$	R$	US$
Gross revenue:							
Rentals	47,860	77,208	87,965	48,829	40,360	46,654	25,897
Services	11,716	16,802	23,855	13,242	10,951	12,484	6,930
Total gross revenue	59,576	94,010	111,820	62,071	51,311	59,138	32,827
Taxes, discounts and cancellations	(8,229)	(7,054)	(11,263)	(6,252)	(5,561)	(4,911)	(2,726)
Net revenue	51,347	86,956	100,557	55,819	45,750	54,227	30,101
Cost of rentals and services	(17,241)	25,646	(27,465)	(15,246)	(12,038)	(11,865)	(6,586)
Gross profit	34,106	61,310	73,092	40,573	33,712	42,362	23,515
Operating (expenses) income:							
General and administrative expenses	(33,133)	(20,945)	(18,907)	(10,495)	(10,926)	(11,365)	6,309)
Other operating income, net	4,839	8,433	8,061	4,475	3,672	3,024	1,679
Income from operations before financial expenses	5,812	48,798	62,246	34,553	26,458	34,021	18,885
Financial expenses, net	(15,181)	(48,940)	(23,332)	(12,951)	(5,234)	(28,317)	(15,719)
Income (loss) before income taxes and social contribution	(9,369)	(142)	38,914	21,601	21,224	5,704	3,166
Current income taxes and social contribution	(10,606)	(6,734)	(14,470)	(8,032)	(8,530)	(5,578)	(3,096)
Deferred income taxes and social contribution	4,952	(831)	(21)	(12)	(21)	20	11
Net income (loss)	**(15,023)**	**(7,707)**	**24,423**	**13,557**	**12,673**	**146**	**81**

(1) Combined financial information. See "Presentation of Financial and Other Information."
(2) Consolidated financial information. See "Presentation of Financial and Other Information."

Balance Sheet

(in thousands)	As of December 31, 2007[(1)]	2008[(1)]	2009[(1)]	2009	As of June 30, 2010[(1)]	2010
	R$	R$	R$	US$	R$	US$
Assets						
Current assets						
Cash and cash equivalents	31,413	93,998	12,143	6,740	26,301	14,600
Restricted cash	-	118,175	3,079	1,709	-	-
Certificates of real estate receivables	251	379	370	205	405	225
Trade accounts receivables	15,946	20,300	24,515	13,608	22,292	12,374
Recoverable taxes	1,762	1,495	1,411	783	1,802	1,000
Deferred income and social contribution taxes	124	28	28	16	28	16
Other receivables	10,119	1,305	27,153	15,072	1,496	830
Total current assets	59,615	235,680	68,699	38,133	52,324	29,045
Non-current assets						
Trade accounts receivable	-	-	1,418	787	1,633	906
Certificates of real estate receivables	1,164	1,054	933	518	867	481
Deferred income and social contribution taxes	6,900	6,165	6,144	3,410	6,135	3,405
Related parties	13,733	12,067	15,680	8,704	18,688	10,374
Restricted cash	-	7,000	7,719	4,285	10,201	5,663
Escrow deposits	372	642	764	424	790	439
Intangible	11,011	31,240	31,023	17,221	30,977	17,195
Property, plant and equipment	548,113	710,666	706,503	392,176	723,928	401,847
Total non-current assets	581,293	768,834	770,184	427,524	793,219	440,310
Total assets	**640,908**	**1,004,514**	**838,883**	**465,658**	**845,543**	**469,355**
Liabilities and shareholders' equity						
Current liabilities						
Trade accounts payable	3,780	13,461	4,554	2,528	3,915	2,173
Loans and financing	16,752	216,156	62,070	34,455	16,301	9,049
Payables for purchase of land	14,766	9,875	5,416	3,006	2,616	1,452
Payroll and related charges	1,037	1,694	1,556	864	1,238	687
Taxes payable	15,832	19,078	34,683	19,252	24,871	13,806
Taxes in installments	485	325	575	319	3,410	1,893
Real estate credit notes	2,784	16,552	18,447	10,240	27,298	15,153
Deferred income and social contribution taxes	413	413	413	229	413	229
Related parties	19,927	26,178	18,128	10,063	14,952	8,300
Other payables	7,691	9,279	5,066	2,812	4,622	2,566
Total current liabilities	83,467	313,011	150,908	83,768	99,636	55,308
Non-current liabilities						
Loans and financing	107,916	20,741	6,695	3,716	9,727	5,399
Payables for purchase of land	5,112	2,417	781	434	116	64
Key money	12,888	11,397	13,077	7,259	13,242	7,351
Taxes in installments	4,022	3,674	7,906	4,389	16,962	9,415
Deferred income and social contribution taxes	22,999	20,231	20,105	11,160	20,076	11,144
Reserve for contingencies	11,188	8,654	7,293	4,048	6,737	3,740
Real estate credit notes	12,802	251,296	234,602	130,226	281,385	156,195
Total non-current liabilities	176,927	318,410	290,459	161.232	348,245	193,308

(in thousands)	As of December 31,				As of June 30,	
	2007[(1)]	2008[(1)]	2009[(1)]	2009	2010[(1)]	2010
	R$	R$	R$	US$	R$	US$
Shareholders' equity						
Capital stock	317,813	317,813	317,813	176,416	317,813	176,416
Revaluation reserve	131,367	130,421	130,197	72,271	130,087	72,210
Accumulated loss	(68,666)	(75,141)	(50,494)	28,029	(50,238)	(27,887)
Shareholders' equity	**380,514**	**373,093**	**397,516**	**220,658**	**397,662**	**220,739**
Total liabilities and shareholders' equity	**640,908**	**1,004,514**	**838,883**	**465,658**	**845,543**	**469,355**

(1) Consolidated financial information. See "Presentation of Financial and Other Information."

Other Financial Data

Reconciliation of EBITDA and Adjusted EBITDA with Net Income (Loss)

EBITDA is net income (loss), before income taxes and social contribution, financial results, and depreciation and amortization. Adjusted EBITDA is net income (loss), before income taxes and social contribution, financial results, depreciation and amortization, and expenses identified by our management as being related to uncompleted securities offerings, other securities offerings costs, costs of implementing management software, gain on sale of property, other non-recurring expenses, our corporate reorganization concluded in March 2007 and our equity offering concluded in July 2007. EBITDA and Adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP or U.S. GAAP, nor should they be considered as alternatives to net income as a measure of operating performance, or as alternatives to operating cash flows, or as a measure of liquidity. EBITDA and Adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or Adjusted EBITDA or similarly titled measures used by other companies. As financial results, income taxes and social contribution, depreciation and amortization are not considered for calculation of EBITDA and Adjusted EBITDA, we believe that our EBITDA and Adjusted EBITDA provide an indication of our general economic performance, which is not affected by interest rate fluctuations, changes in income tax rates and social contribution, or depreciation and amortization. As a result, we believe EBITDA and Adjusted EBITDA are important tools to periodically compare our operating performance and also to form a basis to assist management in making certain administrative decisions.

Below, we present a reconciliation of the EBITDA and Adjusted EBITDA with net income (loss).

	Year ended December 31,				Six-month period ended June 30,		
(in thousands, except percentages)	**2007[4]**	**2008[5]**	**2009[5]**	**2009**	**2009[5]**	**2010[5]**	**2010**
	R$	**R$**	**R$**	**US$**	**R$**	**R$**	**US$**
Net income (loss)	(15,023)	(7,707)	24,423	13,557	12,673	146	81
Income taxes and social contribution	5,654	7,565	14,491	8,044	8,551	5,558	3,085
Financial expenses, net	15,181	48,940	23,332	12,951	5,234	28,317	15,719
Depreciation and amortization	7,009	12,166	10,120	5,618	4,553	4,672	2,593
EBITDA	**12,821**	**60,964**	**72,366**	**40,170**	**31,011**	**38,693**	**21,478**
EBITDA margin[1]	**25.0%**	**70.1%**	**72.0%**	**72.0%**	**67.8%**	**71.4%**	**71,4%**
Costs of uncompleted securities offerings	-	835	985	547	985	-	-
Costs of other securities offering	-	2,071	-	-	-	-	-
Costs of implementing management software	-	-	95	53	53	104	58
Gain on sale of property	-	-	-	-	-	(637)	(354)
Other non-recurring expenses	-	-	179	99	108	30	17
Expenses related to the corporate reorganization[2]	512	-	-	-	-	-	-
Expenses related to the equity offering[3]	23,763	-	-	-	-	-	-
Adjusted EBITDA	**37,096**	**63,870**	**73,625**	**40,869**	**32,157**	**38,190**	**21,199**
Adjusted EBITDA margin[1]	**72.2%**	**73.5%**	**73.2%**	**73.2%**	**70.3%**	**70.4%**	**70.4%**

(1) Represents EBITDA or Adjusted EBITDA divided by net revenue.
(2) Represents legal and consulting services hired by us during our corporate reorganization.
(3) Represents banks' commissions, legal, auditing and consulting services, and all other expenses related to our equity offering concluded in July 2007.
(4) Combined financial information. See "Presentation of Financial and Other Information."
(5) Consolidated financial information. See "Presentation of Financial and Other Information."

RISK FACTORS

An investment in the bonds involves a high degree of risk. You should carefully consider all the information set forth in this offering memorandum, particularly the risks described below before making an investment decision. Our business, financial condition and results of operations could be adversely and materially affected by any of these risks. The price of the bonds could decline due to any of these risks or other factors, and you may lose all or part of your investment. The risks described below are those that we currently believe may adversely affect us. Additional risks and uncertainties not currently known to us, or those that we currently deem to be immaterial, may also materially and adversely affect our business, our financial condition or results of operations, and/or the price of the bonds.

For the purposes of this section, when we state that a risk may or will have an "adverse effect" on us, we mean that the risk, uncertainty or problem could have an adverse effect on our business, financial condition, liquidity, results of operations and/or the price of the bonds, except as otherwise indicated.

Risks Relating to Brazil

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. This influence, as well as Brazilian political and economic conditions, could adversely affect us and the price of the bonds.

The Brazilian government frequently intervenes in the Brazilian economy and occasionally makes significant policy changes. The Brazilian government's actions to control inflation and other policies and regulations have often involved, among other measures, increases in interest rates, changes in tax policies, price controls, currency devaluations, capital controls and limits on imports. Our business, financial condition, results of operations and the trading price of the bonds, may be adversely affected by changes in policy or regulations involving or affecting factors, such as:

- interest rates;
- exchange controls and restrictions on remittances abroad, such as those which were imposed in 1989 and early 1990;
- currency fluctuations;
- inflation;
- economic and social instability;
- liquidity of domestic capital and lending markets;
- international trade policy;
- tax policy
- energy savings; and
- other political, social and economic conditions in or affecting Brazil.

Uncertainty over whether the Brazilian government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets and in the securities issued abroad by Brazilian issuers.

The performance of the Brazilian economy has in the past suffered the impact of the political scenario in Brazil. Historically, crises and political scandals have negatively influenced the confidence of investors and the markets in general and have adversely affected the economy and the market price of securities of Brazilian issuers.

For example, on October 20, 2009, the Brazilian government increased the tax rate related to foreign investments in the Brazilian financial and capital markets from zero to two percent, including investments made pursuant the Brazilian Monetary Council (*Conselho Monetario Nacional*) ("CMN"), Resolution No. 2,689, dated

January 26, 2000, as amended, or Resolution No. 2,689, and has since raised the rate to 6%. The Tax on Foreign Exchange Transactions (*Imposto sobre Operações Financeiras*) ("IOF/Exchange tax"), applies upon conversion of foreign currency into Brazilian *reais* related to equity or debt investments by foreign investors in the Brazilian stock exchanges or the over-the-counter, or OTC, market, as well as private investment funds, Brazilian treasury notes and other fixed income securities. Uncertainty over whether the Brazilian government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and heightened volatility in the Brazilian securities markets and securities issued abroad by Brazilian companies.

In addition, Brazilian presidential and parliamentary elections took place in October 3, 2010, and a run-off for the presidential election between the remaining two candidates took place on October 31, 2010. Dilma Rousseff was elected president. Brazilian presidents have significant power to determine public policy, as well as to introduce measures affecting the Brazilian economy and the operations and financial results of companies such as ours. The new government may seek to implement new policies. This could have a material adverse effect on our operations.

We can neither predict whether the current or future Brazilian government will implement changes to existing policies on taxation, exchange controls, monetary strategy and social security, among others, nor estimate the possible impact of any such changes on the Brazilian economy or our operations.

Inflation and government efforts to curb inflation may delay Brazilian economic growth, which could affect our business and the market price of the bonds.

Brazil has in the past experienced very high rates of inflation. As a result, the Brazilian government adopted monetary policies that resulted in Brazilian interest rates being among the highest in the world. Between 2004 and December 31, 2009, the official Brazilian interest rate, or the SELIC rate, has changed from 19.25% to 8.75% per year. As of June 30, 2010, the SELIC rate was 10.25%. Inflation and government measures to combat inflation, along with the public speculation about possible future governmental measures, have had significant negative effects on the Brazilian economy, and contributed to economic uncertainty in Brazil and heightened volatility in the Brazilian securities market. In addition, the Brazilian government's measures to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and reducing economic growth. On the other hand, the Brazilian government's soft monetary policies may trigger increases in inflation. In the event of an increase in inflation, we may not be able to adjust the prices we charge our customers to offset the effects of inflation on our cost structure, which may adversely affect our business, results of operations and the market price of the bonds.

Exchange rate instability may adversely affect us.

The Brazilian currency has during the last decades experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. Between 2000 and 2002, the *real* devalued significantly against the U.S. dollar, reaching an exchange rate of R$3.53 per US$1.00 at the end of 2002. Between 2003 and mid-2008, the *real* appreciated significantly against the U.S. dollar due to the stabilization of the macro-economic environment and a strong increase in foreign investment in Brazil, with the exchange rate reaching R$1.56 per US$1.00 in August 2008. In the context of the crisis in the global financial markets since mid-2008, the *real* devalued 31.9% against the U.S. dollar over the year 2008 and reached R$2.33 per US$1.00 at year end of 2008. On June 30, 2010, the exchange rate was R$1.8015 per US$1.00.

Devaluation of the *real* against the U.S. dollar could create inflationary pressures in Brazil and cause increases in interest rates which could negatively affect the growth of the Brazilian economy as a whole. This may adversely affect us by curtailing access to foreign financial markets and prompting government intervention, including recessionary governmental policies. Devaluation of the *real* against the U.S. dollar can also, as in the context of the current economic slowdown, lead to decreased consumer spending, deflationary pressures and reduced growth of the economy as a whole. On the other hand, appreciation of the *real* relative to the U.S. dollar and other foreign currencies could lead to a deterioration of the Brazilian foreign exchange current accounts. Depending on the circumstances, either devaluation or appreciation of the *real* could materially any adversely affect the growth of the Brazilian economy and our business.

As of June 30, 2010, none of our indebtedness was denominated in foreign currency. However, the bonds we issue in connection with this offering will be denominated in U.S. dollars.

Fluctuations in interest rates may negatively affect our business and the price of the bonds.

The Central Bank sets the basic interest rates generally available to the Brazilian banking system, based on the expansion or contraction of the Brazilian economy, inflation rate and other monetary policies. In 2002 and 2003, the basic interest rate fluctuated between 18% and 26.5%. The basic interest rate remained at high levels until June 2003, when the Central Bank began to gradually decrease it. Subsequently, during 2004 and in the first months of 2005, the Central Bank decided to increase the basic interest rate. Beginning in 2006, the basic interest rate has again declined, and on June 30, 2010, the basic interest rate was 10.25% per annum.

As of June 30, 2010, a significant portion of our indebtedness was denominated in *reais* and pegged to interest rates available in the Brazilian financial market or to inflation indexes, such as the long-term interest rate (*Taxa de Juros de Longo Prazo*) ("TJLP"), interbank deposit certificates (*Certificado de Depósito Interbancário*) ("CDI"), or the general market price index (*Índice Geral de Preços-Mercado*) ("IGP-M"). As of June 30, 2010, our total indebtedness was R$334.7 million.

The debts of companies in the shopping center industry, including ours, are subject to the fluctuation of market interest rates. If interest rates increase, the costs and payments relating to the service of our debt obligations would also increase. In this event, our business, financial condition, results of operations and the price of the bonds may be negatively affected.

Changes in Brazilian tax laws may have an adverse impact on the taxes applicable to our business.

The Brazilian government frequently implements changes to tax regimes that may affect us and our customers. These changes include changes in prevailing tax rates and, occasionally, enactment of temporary taxes, the proceeds of which are earmarked for designated governmental purposes.

Some of these changes may result in increases in our tax payments, which could adversely affect industry profitability, restrict our ability to do business in our existing and target markets and cause our financial results to suffer. There can be no assurance that we will be able to maintain our projected cash flow and profitability following any increases in Brazilian taxes applicable to us and our operations.

Economic developments and the perception of risk in other countries, especially the United States and emerging market countries, may adversely affect the market price of Brazilian securities, including our bonds.

The market price of securities of Brazilian companies is affected to varying degrees by economic and market conditions in other countries, including other Latin American and emerging market countries. Although economic conditions in these countries may differ significantly from economic conditions in Brazil, investors' reactions to developments in these other countries may have an adverse effect on the market value of securities of Brazilian issuers. Crises in other emerging market countries may diminish investor interest in securities of Brazilian issuers, including ours.

In the past, the adverse development of economic conditions in other emerging markets resulted in a significant outflow of funds and a decrease in the quantity of foreign capital invested in Brazil. The financial crisis that began in the United States during the third quarter of 2008 contributed to a global recession. This had direct and indirect adverse effects on the Brazilian economy and stock market, including on our common shares. These effects included: fluctuations in the trading prices of listed securities, a scarcity of credit, cost-cutting measures, general worldwide recession, exchange rate instability and inflationary pressures. Any of these events could adversely affect the market price of our common shares, and could also make it more difficult for us to gain access to the capital markets and to finance our operations in the future on acceptable terms, or at all. Although the scenario has improved significantly since the second half of 2009, it is still not clear that the global economy has sufficiently recovered.

Modifications in accounting practices in Brazil due to the adoption of IFRS could adversely affect our results.

On December 28, 2007, Law No. 11,638/07 was enacted, complemented by Law No. 11,914/09 of May 27, 2009 (converted into law by Provisional Measure No. 449/08), altering the Brazilian corporate legislation and introducing new accounting rules applicable to our type of corporation, with the objective of adopting IFRS.

New accounting guidelines were issued for mandatory implementation starting in 2010. We are analyzing the possible impacts of these new standards, and this process involves the analysis of cash flows, internal controls, electronic systems and other relevant aspects. To date, our analysis is not far along enough to provide reliable estimates of the possible effects of the implementation of the new accounting rules. With regard to the adjustments resulting from the adoption of new accounting practices starting January 1, 2010, we may need to make adjustments for the effects that would be produced in our financial statements for 2009 and in our interim financial statements for the six-month period ended June 30, 2010, for comparison purposes, as if these new pronouncements had been in place since the start of 2009.

In addition, as part of the conversion process to IFRS, besides the accounting guidelines already issued but not implemented by us, described above, new guidelines are expected to be issued in the future. The implementation of both the already issued guidelines and of new guidelines may affect our results of operations and therefore affect the basis for calculating our dividends paid to our shareholders. These events are beyond our control and we cannot predict the content of these new accounting guidelines and they may significantly alter how we prepare our future financial statements.

In addition, as part of the conversion process to IFRS, besides the accounting guidelines already issued but not implemented by us described above, CPC is expected to issue new guidelines in the future. These new guidelines may affect our results of operations and therefore affect the basis for calculating our dividends paid to our shareholders. These events are beyond our control and we cannot predict the content of these new accounting guidelines and they may significantly alter how we prepare our future financial statements.

Risks Relating to Us and to the Brazilian Shopping Center Industry

Adverse economic conditions in the regions where our shopping centers are located may adversely affect our levels of occupancy and our ability to lease available areas, and, consequently, have an adverse effect on our financial condition and results of operations.

Our results of operations are affected by our ability to lease the areas available in our shopping centers and on our capacity to provide complementary services including water and electricity services as well as the parking lots of our shopping centers. Adverse conditions in the regions where our shopping centers are located may reduce our levels of occupancy and restrict our ability to increase the price of our leases, which may adversely affect our financial condition and results of operations. The following factors, among others, may adversely affect the operating performance of our shopping centers and ultimately our ability to make payments under the bonds:

- decline in our lease prices or increases in levels of default by our tenants due to recessions, increases in interest rates and reduced economic activity in Brazil;
- negative perception by our tenants or the public regarding the safety, convenience and the attractiveness of our shopping centers or the regions where our shopping centers are located;
- breaches by our tenants of their contractual obligations;
- increases in operating and other costs;
- increases in taxes levied on our business;
- limited ability to exercise rights to evict tenants given the structure of the Brazilian legal system; and
- economic decline in the Guarulhos and São Paulo metropolitan regions, due to the concentration of our shopping centers in those areas.

Our results of operations depend on the results of the shopping centers, which depend on our tenants' sales.

Historically, the retail industry is susceptible to economic slowdowns that lead to a decrease in consumer spending. A substantial portion of our revenue is derived from rent payments that are, to a certain extent, linked to a tenant's sales, which are in turn dependent on several factors related to consumer spending and other factors that affect consumer income, including prevailing economic conditions in Brazil, interest rates, inflation, availability of consumer credit, taxes, employment rates and salaries. Revenues derived from the sales at our anchor stores historically have been our major source of rent revenues. The exit of any anchor store from our shopping centers that is not replaced in due course may adversely affect our results of operations and financial condition.

An economic slowdown in the region in which our shopping centers are located in Brazil, reduced store attractiveness, or the opening of new competing shopping centers in the vicinity of our shopping centers could result in a decline in sales volume and diminished profitability of our tenants, including our anchor stores, which could adversely affect our business, financial condition and results of operations.

As our revenues derive mostly from rent received from tenants and merchandising in our shopping centers, a reduction in the consumer flow as a result of these or other factors could result in a decline in the number of consumers visiting the stores in our shopping centers and, consequently, a decline in sales volume, which may adversely affect our business, financial condition and results of operations. A decreased level of activity in our shopping centers could lead to difficulties for tenants and, therefore, to defaults and a reduction in the price and volume of merchandising in our properties.

In addition, the increase of our revenues and operating income depends, in part, on the steady growth of demand for the products offered by the stores located in our shopping centers. Usually these products are high value-added electronics and household appliances. A decline in demand, whether due to changes in consumer preferences, reduction of purchasing power or slowing global economies, could result in reduced store revenues and consequently of our revenues, and may adversely affect our business, financial condition and results of operations.

Financial difficulties of our anchor stores may reduce our revenues.

If, due to financial difficulties or other considerations, any of our anchor stores does not make its required rental payments or terminates or does not renew its lease agreement, we may not be able to replace those anchor stores in a short period of time and/or under the same terms and conditions. The failure to find a replacement anchor store may adversely affect the group of stores of that shopping center, as well as our ability to attract new tenants, which could adversely affect us.

Adverse incidents that occur in our shopping centers may result in damage to our image and a decrease the number of our customers.

Given that shopping centers are open to the public, with ample circulation of people, accidents, theft, robbery and other incidents may occur in our facilities, regardless of the preventative measures we adopt. In the event such an incident or series of incidents occurs, shopping center customers and visitors may choose to visit other shopping venues that they believe are safer and less violent, which may cause a reduction in the sales volume and operating income of our shopping centers.

We may be unable to fully implement the expansion of our shopping centers, the purchase of ownership interests in and/or the revitalization of existing shopping centers, as well as the development of new shopping centers, which may adversely affect our results.

Our strategy contemplates possible future expansion of shopping centers, acquisition of interests and/or turn around of existing shopping centers, as well as the development of new shopping centers. Once we acquire a shopping center and/or we develop a shopping center, we seek to integrate it into our existing business as quickly as possible. However, we may not be successful in expanding, acquiring, revitalizing or developing new shopping centers at reasonable prices or terms, which may adversely affect our growth. In addition, the mix of stores and other characteristics in the shopping centers we may acquire may not be fully compatible with our existing business or our future strategy. Financial resources devoted to the integration of businesses we acquire may adversely affect our financial condition and results of operations.

We are subject to risks associated with the acquisition of the land on which Shopping Light is located.

Under Brazilian law, transferring title to real property requires registration of the title deed with the real estate registry office with jurisdiction over the area on which the property is located. We currently do not own all of the lots of land comprising the property on which Shopping Light is located. The current owner of the lots of land is Fundação CESP. This landowner has executed a commitment of purchase and sale with Lumen to transfer the land property of Shopping Light. This Agreement has not been registered with the appropriate real estate registry office and the public deed of purchase and sale was not executed yet, for which reason the commitment is not binding on third parties (see "Business—Shopping Light"). There can be no assurance that the ownership of the land will be transferred to us, and we are subject to risks associated with the current owner not taking the required action to transfer the property to us through the relevant real estate registry office. The owner may not have all the documents and certificates that are required by law to transfer the real property or to register the commitment. In addition, until such time as the title deeds are registered with the real estate registry office, we will be subject to risks associated with the transfer of the properties to third parties, or with the possibility that a transfer to us would be annulled and voided based on the fraud perpetrated against the creditors, if the current owners were or became insolvent by disposing of the land, or of fraud at execution, if at the time of transfer, the owners were defendants in a lawsuit ultimately representing indebtedness they would be unable to pay due to insolvency.

The loss of members of our senior management of our failure to attract and retain qualified personnel could adversely affect our financial condition and results of operations.

We cannot assure you that our highly qualified senior management, whose performance is highly integral to our success, will remain with the company in the future. None of our senior managers are subject to long-term employment or non-compete agreements. We cannot guarantee that we will be able to successfully attract and retain qualified personnel to replace our key senior managers. The loss of any member of our senior management or our failure to attract and retain qualified personnel to replace them may adversely affect our financial condition and results of operations.

Delays or unexpected casualties related to construction of greenfield projects could result in substantial increases in costs and could disrupt our business and adversely affect our results.

As part of our business and our strategy for future growth, we focus and expect to continue to devote substantial efforts and resources in developing greenfield properties, both as shopping centers and for mixed uses. By their nature, greenfield projects face risks associated with construction activities, including cost overruns, shortages of lumber, steel, concrete or other materials, shortages of labor, labor disputes, unforeseen environmental or engineering problems, work stoppages, natural disasters and the inability to obtain insurance at reasonable rates or at all, any of which could delay construction and result in a substantial increase in our costs for these projects. We may also be subject to delays resulting from changes in legislation, governmental bureaucracy or unforeseen or *force majeure* events, which could result in increased and unexpected costs that are not included in our budgets. Any delay in construction or increase in costs could disrupt our business and adversely affect our results of operations. If there are unforeseen events such as the bankruptcy of, or an uninsured or under-insured losses suffered by, our general contractors, we may become responsible for the losses or other obligations of the general contractors. Should such losses or the cost of such other obligations exceed our insured limits, our results of operations could be adversely affected. In addition, our results of operations could be negatively impacted if a general contractor experiences significant cost overruns or delays, and we effectively are forced to absorb all or part of the impact of such costs or delays.

Construction of greenfield projects is capital intensive, and we cannot assure you that we will have the ability to generate or obtain the requisite capital to fully develop and operate our greenfield developments as currently planned.

Construction of shopping centers on a greenfield basis is capital intensive and typically such projects are scheduled for full development over a long period of time before they begin generating revenue. Our current projections are that over the next two years development of our greenfield properties will require additional investment in excess of R$183.5 million. Our ability to fund ongoing and future construction works, planned capital expenditures and other operating expenses and to service our indebtedness will depend on our ability to generate cash in the future and obtain capital at reasonable costs and terms. Our ability to generate cash and obtain capital is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that we will generate sufficient cash flow from operations, or that future borrowings or other capital infusions will be available to us at reasonable costs and terms, to fund our business and other capital needs.

Without sufficient cash flows from operations, or the ability to obtain future borrowings or other capital infusions, we could be forced to sell assets to make up for any shortfall in our cash requirements. Our obligations under the bonds will limit our ability to sell assets and will also restrict the use of proceeds from any such sales. We may not be able to sell our assets quickly enough or for sufficient amounts to enable us to moot our cash requirements. In addition, the recent downturn in the mortgage sector that has adversely affected the international credit markets may adversely impact our ability in the short term to raise additional needed capital for our continued future development.

The shopping center industry in Brazil is highly competitive, and this may cause a reduction in the volume of our operations and in the revenues derived from the lease of commercial spaces in our shopping centers.

The shopping center industry in Brazil is highly competitive and fragmented, and there are no significant barriers to entry. The main competitive factors in the shopping center industry include entrepreneurial vision, availability and location of land, price, funding, design, quality and reputation. A number of shopping center developers compete with us in seeking land for acquisition, financial resources and prospective purchasers and tenants.

Other companies, including foreign companies working in partnerships with local companies, may become much more active in the shopping center development market segments in Brazil in the near future, increasing competition. To the extent that one or more of our competitors launches a successful marketing or sales campaign and is able to increase significantly their sales, our business could be materially and adversely affected. Moreover, the construction and operation of new shopping centers in the surrounding areas to any of our shopping centers may adversely affect our results and the lease value in existing and future lease agreements with the tenants. If we are not able to respond to such pressures promptly and adequately, our business, financial condition and results of operations could be adversely affected.

Launches of other new commercial real estate developments near ours could impact our ability to renew our lease agreements or rent spaces to new tenants, which could require unexpected investments, adversely affecting our business, our financial condition and results of operations.

Launches of new commercial real estate developments near ours, by our current competitors or by new competitors, may impact our ability to sell, rent or renew the rental of spaces in our developments on favorable terms, which may reduce our cash flows and operating profits. In addition, the entry of new competitors in the regions where we operate may require us to unexpectedly increase investments in our developments, which may adversely affect our financial condition.

We share control of certain of our shopping centers with other investors, whose interests may differ from ours.

We share control of certain of our shopping centers with partners, whose interests may differ from ours. We may depend on the consent of these other investors to make certain significant decisions affecting the strategic goals of these shopping centers. The economic interests of some of our partners may differ or conflict with ours, and our partners may not support or approve measures in our interest, which, in turn, could affect or prevent implementation of our business strategies and have a material adverse effect on us. Disputes between our partners and us could result in litigation or arbitration, which may increase our expenses and reduce our profit margins.

Some of our financing agreements and other debt instruments have negative covenant,s and any material default by us may make it impossible for us to implement our strategies.

Some of our financing agreements and other debt instruments have negative covenants, among other restrictions. Pursuant to these agreements, if we default on any of these obligations and do not timely cure such default or it is not waived by the relevant creditors, early termination of these agreements or acceleration of our debt could result. Our total indebtedness as of June 30, 2010 was R$334.7 million. The acceleration of these obligations may cause a decrease in our assets, our liquidity and in our cash flow, which may adversely affect the achievement of our strategies.

Unfavorable judicial decisions may adversely affect our operating results.

We are defendants in several civil, labor and tax law suits. As of June 30, 2010, the total value claimed in such legal proceedings amounted to R$8.5 million, and we recorded provisions for those legal proceedings in which our legal advisors believe our chances of loss are probable. In case of unfavorable decisions with regard to legal proceedings for which no provisions have been made, or in the event our legal advisors change our chances of loss to probably in other legal proceedings, our operating results may be adversely affected.

Lease agreements in the shopping center industry have clauses which give the tenant the right to review its lease under certain circumstances or readjust the lease price, which may pose risks to conducting our business and adversely affect our results of operations.

Our lease agreements with shopping center tenants grant certain rights to tenants, including compulsory renewal of the lease by filing lease renewal actions when the following conditions are met: (1) there is a signed written agreement for a definite term of five or more years (or the aggregated preceding leases collectively amount to five or more uninterrupted years), (2) the tenant has been exploiting the same field of commercial activity for a minimum of three uninterrupted years, (3) the proposed rent conforms to market prices, and (4) the action is filed one year to six months before the termination date of the lease agreement then in effect.

Accordingly, a lease renewal action may imply two principal risks for us: (i) if we wish to vacate a given store aiming to vary the mix of stores in the shopping center, a tenant could remain in the store by filing a lease renewal action, thus frustrating our strategy; and (ii) in a lease renewal action, both parties may request revision of the lease price and the determination of final value is in the judge's discretion, so we may have to accept a lower amount of rent for the lease of a store. Three years into a lease, rent can also be reviewed judicially to increase or decrease it based on market conditions, after the filing of a motion by the lessor or lessee. In any of the cases described above, our business, financial condition and results of operations, as well as the trading price of the bonds, may be adversely affected.

The Brazilian shopping center industry, and the rendering of complementary services, is subject to extensive regulation, which may affect the operations of our shopping centers, and adversely affect us.

The shopping center industry is subject to federal, state and municipal laws, and to regulations, authorizations and license requirements with respect to construction, zoning, use of the soil, environmental protection, license and permit requirements. Moreover, the rendering of services by the shopping centers as, for instance, the supply of water and electricity to the stores is subject to federal, state and municipal laws. In the event a shopping center violates or fails to comply with these rules or does not obtain or renew its licenses or permits, it may face penalties such as, among others, the payment of fines, project shutdowns, or cancellation of licenses. In addition, the government may issue new and more stringent rules applicable to the operation of shopping centers, including, but not limited, to the operation of parking lots and the supply of water and electricity, or adopt a more restrictive interpretation of existing rules, which would require additional costs for compliance with these rules, and may adversely affect our business and results of operations.

The construction and expansion of shopping centers in Brazil also are subject to extensive regulation relating to building, zoning, location and condominium costs, issued by federal, state and municipal authorities, which may affect the acquisition of land, construction and shopping centers by means of zoning restrictions and license requirements. Regulations relative to new constructions and the expansion of existing shopping centers may cause delays and cause us to incur substantial costs and may prohibit or significantly restrict our shopping center activities. The regulation of the Brazilian real estate sector as well as environmental laws tend to be rigorous, and these restrictions may have an adverse affect on our expansion strategies.

Discrepancies between the indexed adjustments of our lease agreements and those of our indebtedness could have a material adverse effect on our financial condition and results of operations.

As of June 30, 2010, 50.9% our total indebtedness was linked to the reference interest rate (*taxa referencial do juros*) ("TR"), 17.8% to IPCA and 6.5% to CDI, whereas our revenues are linked to variations in price indexes, in particular the IGP-DI (referential rate). If there it a significant discrepancy between these indicies with respect to our revenues and our debt repayments, our financial condition may be adversely affected.

Upon the issuance of the bonds, we will be exposed to variations in the real/U.S. dollar exchange rate that could increase the cost in reais of the U.S. dollar-denominated bonds and adversely affect our financial condition and results of operations.

Our operating revenues, whose cash flows will support our ability to repay or refinance the bonds, are derived entirely in *reais*, while payments under the bonds will be made in U.S. dollars. Our foreign currency exposure gives rise to market risks associated with exchange rate movements of the *real* against the U.S. dollar. Any devaluation of the *real* against the U.S. dollar will increase the cost in *reais* of the U.S. dollar-denominated bonds and could have an adverse effect on our cash flow, financial condition and results of operations. Although we expect to engage in hedging transactions as part of our attempt to manage our exchange rate exposure, it is an imperfect means of managing risk and hedging transactions are subject to credit or counterparty risk themselves. Also, we may rely on our consultants' advice on strategies to mitigate our exchange rate exposure that may prove to be unsuccessful or unsatisfactory.

Our future growth may require additional capital, which may not be available or, if available, may not be sufficient.

Our operations could require significant working capital, particularly for the acquisition or development of new commercial properties for our portfolio. In addition to the cash flow generated internally, we may seek to raise additional funds through the sale of securities, including our shares or bonds, or by entering into loans with financial institutions. We cannot guarantee that additional capital will be available, or, if available, be on acceptable terms. The lack of sufficient additional capital may limit the future growth and development of our activities, which may adversely affect our business, financial condition and results of operations.

Losses not covered by insurance may adversely affect us.

Certain types of losses such as liabilities for certain damages, such as environmental damages, decreased activities levels, war, terrorism, acts of God and *force majeure* are not covered by insurance. If any of the uninsured events should occur, we may lose our investments in our shopping centers. Hence, in case any of these uncovered events occur, we may be required to incur additional expenses to rebuild or conduct repair works in such shopping centers, which could result in losses for the shopping centers and us. In addition, we cannot guarantee that our insurance policies will be sufficient to indemnify possible victims of an accident in our shopping centers, even if such losses and damages are generally covered by insurance. Moreover, we may be unable to renew our insurance policies at the current terms and conditions, which may adversely affect us.

Risks Relating to the Bonds and the Guarantees

GS Finance has no operations of its own, so that holders of the bonds must depend on us to provide GS Finance with sufficient funds to make payments on the bonds when due.

GS Finance is a special purpose, direct wholly-owned subsidiary of General Shopping and is an exempted company incorporated with limited liability under the laws of the Cayman Islands on June 17, 2008. GS Finance was established to issue the bonds and act as a finance subsidiary of General Shopping. Accordingly, the ability of GS Finance to pay principal, interest and other amounts due on the bonds will depend upon our financial condition and results of operations.

Because we do not have any assets from which to make payments on the bonds, we depend on dividends and other cash distributions from our subsidiaries to make payments on the bonds. The debt represented by the bonds is structurally junior to all of our subsidiaries' obligations because our subsidiaries will only be able to pay dividends after fulfillment of all their obligations. A material adverse change in the business or financial condition of our shopping centers or a temporary suspension of payment of dividends to us by our subsidiaries could adversely affect our ability to make payments under the bonds. In addition, fluctuations in currency exchange rates or the adoption of currency exchange controls could adversely affect our ability to make U.S. dollar payments on the bonds upon receipt of cash dividends from our subsidiaries. While our controlling shareholder could decide to make additional cash contributions to us for purposes of making payments under the bonds, such shareholder is under no obligation to do so and thus we cannot assure you that any such contributions will be made. If our subsidiaries fail to pay dividends or make cash distributions to us, we may not be able to make scheduled payments of interest on the bonds or pay the principal amount of the bonds upon the occurrence of an event of default.

The bonds have no maturity date or sinking fund provisions and are not redeemable at the option of the holders of the bonds.

The bonds have no fixed final maturity date or any sinking fund provisions and are not redeemable at the option of holders of the bonds. As a result, holders of the bonds will be entitled to receive a return of the principal amount of their investment only if we elect to redeem or repurchase the bonds or in the event of acceleration due to an event of default. Therefore, purchases of the bonds should be aware that they may be required to bear the financial risks of an investment in the bonds for an indefinite period of time.

The bonds are new securities and there is no existing public market for them. We cannot assure you that an active trading market for the bonds will develop.

No assurance can be provided regarding the development of a market for the bonds, the ability of holders of the bonds to sell their bonds, or the price at which such holders may be able to sell their bonds. Accordingly, we cannot assure you that an active trading market for the bonds will develop or, if a trading market develops, that it will continue. The lack of an active trading market for the bonds would have a material adverse effect on the market price and liquidity of the bonds. Even if a market for the bonds develops, the bonds may trade at a discount from their initial offering price.

The foreign exchange policy of Brazil may affect the ability of companies constituted in Brazil to make money remittances outside Brazil in respect of the bonds and the guarantees.

Under Brazilian regulations, Brazilian companies are not required to obtain authorization from the Central Bank in order to make payments under guarantees in favor of foreign persons, such as the holders of the bonds and GS Finance. We cannot assure you that these regulations will continue to be in force at the time the Guarantors are required to perform their payment obligations under the guarantees. If these regulations are modified and an authorization from the Central Bank is required, the Guarantors would need to seek an authorization from the Central Bank to transfer the amounts under the guarantees out of Brazil or, alternatively, make such payments with funds held by the Guarantors outside Brazil. We cannot assure you that such an authorization will be obtained or that such funds will be available.

Judgments of Brazilian courts enforcing obligations under the guarantee would be payable only in reais.

If proceedings were brought in Brazil seeking to enforce the obligations of the Guarantors under the indenture, we would not be required to discharge our obligations in a currency other than *reais*. Under the Brazilian exchange control limitations, an obligation to pay amounts denominated in a currency other than Brazilian currency, which is payable in Brazil, may only be satisfied in Brazilian currency at the rate of exchange prevailing on the market on the date of payment, as published by the Central Bank. Accordingly, if we were to be declared bankrupt, all our credits denominated in foreign currencies would be converted into *reais* at the prevailing rate on the date of the declaration.

A finding that a guarantee of the bonds was a fraudulent conveyance could result in bondholders losing their legal claim against the relevant Guarantors.

GS Finance's obligation to make payments on the bonds is supported by the Guarantors' obligations to guarantee payments on such bonds. The Guarantors do not believe that the guarantee of the bonds constitutes a fraudulent conveyance. In the event that Brazilian or U.S. fraudulent conveyance or similar laws are applied to any such guarantee by each of the Guarantors and at the time they entered into such guarantee it:

- was rendered insolvent by reason of its entering into such guarantee;
- was engaged in business or transactions for which the assets remaining with it constituted unreasonable small capital;

- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature; or
- received less than reasonably equivalent value or fair consideration thereof;

then the Guarantor's obligations under the guarantee could be voided, or claims in respect of such guarantee could be subordinated to the claims of other creditors. A legal challenge to a guarantee on fraudulent conveyance grounds may focus, among other claims, on the benefits, if any, realized by the relevant guarantors as a result of the issuance of the bonds so guaranteed. If a guarantee is held to be a fraudulent conveyance or unenforceable for any other reason, the holders of the bonds would not have a claim against the Guarantors under the guarantee, or such claim could be subordinated to claims of other creditors of the Guarantors, and will solely have a claim against the issuer of those bonds. The Guarantors cannot assure you that, after providing for all prior claims, there will be sufficient assets to satisfy the claims of the bondholders relating to any voided portion of the guarantee.

We cannot assure investors that a judgment of a court for liabilities under the securities laws of a jurisdiction outside Brazil would be enforceable in Brazil, or that an original action can be brought in Brazil against us for liabilities under applicable securities laws.

The issuer is incorporated under the laws of the Cayman Islands, and we are incorporated under the laws of Brazil. Substantially all of our assets are located in Brazil. All of the issuer's and our directors, executive officers and certain advisors named herein reside in Brazil. As a result, it may not be possible for investors to effect service of process within the United States upon the issuer or us, or its or our directors, executive officers and advisors, or to enforce against the issuer or us, or its or our directors, executive officers and advisors, in U.S. or Brazilian courts, any judgments predicated upon the civil liability provisions of applicable securities laws. In addition, it may not be possible to bring an original action in Brazil against us for liabilities under securities laws of the United States or other jurisdictions or to enforce the our guarantee if the indenture or the bonds were to be declared void by a court applying the laws of the State of New York. See "Service of Process and Enforcement of Judgments."

Brazilian bankruptcy laws may be less favorable to you than U.S. bankruptcy and insolvency laws.

If the Guarantors are unable to pay their indebtedness under the guarantees, then the Guarantors may become subject to bankruptcy proceedings in Brazil. Brazilian bankruptcy laws are significantly different from, and may be less favorable to creditors than, those of the United States. In addition, any judgment obtained against the Guarantors in Brazilian courts in respect of any payment obligations under the bonds normally would be expressed in the *real* equivalent of the U.S. dollar amount of such sum at the exchange rate in effect (1) on the date of actual payment, (2) on the date on which such judgment is rendered, or (3) on the date on which collection or enforcement proceedings are started against us. Consequently, in the event of our or the other Guarantors' bankruptcy, all of our debt obligations that are denominated in foreign currency, including the bonds and the guarantees, will be converted into *reais* at the prevailing exchange rate on the date of declaration of our or the other Guarantors' bankruptcy by the court.

Payments on the bonds and the guarantees will be junior to any secured debt obligations of GS Finance and the Guarantors, as the case may be.

The bonds and the guarantees will constitute senior unsecured obligations of GS Finance and the Guarantors, respectively, and will rank equal in right of payment with all of the other existing and future senior unsecured indebtedness of GS Finance and the Guarantors, respectively. Although the holders of the bonds will have a direct, but unsecured claim on the assets and property of GS Finance, payment on the bonds will be subordinated to any secured debt of GS Finance to the extent of the assets and property securing such debt. Payment on the bonds will also be effectively subordinated to the payment of secured debt of the Guarantors.

In addition, under Brazilian law, the obligations of the Guarantors under the guarantees are subordinated to certain statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes, court fees, expenses and costs. In the event of the Guarantors' liquidation, such applicable statutory preferences will have preference over any other claims, including claims by any holder of the bonds.

Prior to the issuance of the bonds, GS Finance had no debt outstanding. As of June 30, 2010, on a consolidated basis, we and our subsidiaries had R$334.7 million of total indebtedness. R$308.7 million of this total amount is secured debt of the Company's subsidiaries and structurally senior to the bonds being sold in this offering.

The bonds may be treated as equity interests in a passive foreign investment company, which could result in adverse U.S. federal income tax consequences for U.S. investors.

The bonds are expected to be characterized as equity interests, rather than as indebtedness, for U.S. federal income tax purposes. U.S. holders should be aware that they could be subject to certain adverse U.S. federal income tax consequences in the event that GS Finance is classified as a passive foreign investment company ("PFIC"), for U.S. federal income tax purposes. U.S. investors should carefully read "Taxation—U.S. Federal Income Taxation—Passive Foreign Investment Company" for more information and consult their independent tax advisors regarding the likelihood and consequences of GS Finance being treated as a PFIC for U.S. federal income tax purposes, including the advisability of making a "qualified electing fund" election.

We may not have the ability to raise the funds necessary to finance any change of control offer required by the indenture governing the bonds.

Upon the occurrence of certain specific change of control events, we will be required to offer to repurchase all outstanding bonds at 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of any such change of control event to make the required repurchase of the bonds. In addition, our existing and future indebtedness may contain prohibitions on the occurrence of events that would constitute a change of control or require that indebtedness to be repurchased upon a change of control. Moreover, the exercise of your right to require us to repurchase the bonds upon a change of control event may cause a default under such indebtedness even if the change of control event itself does not. Accordingly, we may not be able to satisfy our obligations to purchase your bonds unless we are able to refinance or obtain waivers under such indebtedness. The failure to repurchase the bonds upon a change of control event would cause a default under the indenture governing the bonds. In addition, certain important corporate events, such as leveraged recapitalizations, that would increase the level of our indebtedness may not constitute a change of control event under the indenture governing the bonds. Therefore, if an event occurs that does not constitute a change of control event under the indenture, we will not be required to make an offer to repurchase the bonds and you may be required to continue to hold your bonds despite such event.

The Guarantors' obligations under their guarantees are subordinated to certain statutory preferences.

Under Brazilian law, the Guarantors' obligations under their respective guarantees are subordinated to certain statutory preferences. In the event of a liquidation, bankruptcy or judicial reorganization of any of the Guarantors, such statutory preferences, including post-petition claims, claims for salaries, wages, social security, taxes and court fees and expenses and claims secured by collateral, among others, will have preference over any other claims, including claims by any investor in respect of the guarantees. In such a scenario, enforcement of the guarantees may be unsuccessful, and holders of the bonds may be unable to collect amounts that they are due under the bonds.

We may incur additional indebtedness ranking equal to the bonds and the guarantees.

The indenture will permit GS Finance, us and the Guarantors and their subsidiaries to incur additional debt, including debt that ranks on an equal and ratable basis with their respective guarantees under the bonds. If we or any of the Guarantors incur additional debt or guarantees that rank on an equal and ratable basis with their respective indebtedness or guarantees of the bonds, as the case may be, the holders of that debt (and beneficiaries of those guarantees) would be entitled to share ratably with the holders of the bonds in any proceeds that may be distributed upon that Guarantors' insolvency, liquidation, reorganization, dissolution or other winding up. This would likely reduce the amount of any liquidation proceeds that would be available to be paid to you.

EXCHANGE RATES

The Brazilian foreign exchange system allows the purchase and sale of foreign currency and the international transfer of *reais* by any person or legal entity, regardless of the amount, subject to certain regulatory procedures. On March 24, 2010, the CMN approved Resolution No. 3,844, adopting a series of measures to consolidate and simplify the Brazilian foreign exchange regulations. These changes are expected to reduce the effective cost of foreign exchange transactions and the related administrative expenses for both the public and private sectors as well as to provide more legal certainty to the parties to such transactions.

As of the date of this offering memorandum, all financial transfers from Brazil to other countries and from abroad to Brazil, either in Brazilian currency or in any foreign currency, related to foreign capital flows governed by CMN Resolution No. 3,844, will have to follow the general rules applicable to the Brazilian foreign exchange market, such as complying with all laws, be supported by proper documentation and have a reasonable economic justification.

Since 1999, the Central Bank has allowed the U.S. dollar-*real* exchange rate to float freely, and, since then, the U.S. dollar-*real* exchange rate has fluctuated considerably. Until early 2003, the value of the *real* declined relative to the U.S. dollar. The *real* appreciated against the U.S. dollar in 2004-2007. In 2008, the *real* showed a depreciation of 32% against the U.S. dollar as a result of the global financial and economic crisis. In 2009, as a result of a more stable market environment, the Brazilian *real* appreciated 26% against the U.S. dollar and the exchange rate between the *real* and the U.S. dollar decreased to rates last in effect in 2007 with a low of R$1.741 to US$1.00 as of December 31, 2009. On November 4, 2010, the exchange rate between the *real* and the U.S. dollar was R$1.6811 to US$1.00.

In the past, the Central Bank has intervened occasionally to control unstable movements in foreign exchange rates. We cannot predict whether the Central Bank or the Brazilian government will continue to let the *real* float freely or will intervene in the exchange rate market through the return of a currency band system or otherwise. The *real* may depreciate or appreciate against the U.S. dollar substantially.

The following table sets forth the period end, average, high and low Foreign Exchange Market selling rates published by the Central Bank on its electronic information system (*Sistema de Informações do Banco Central – SISBACEN*), under transaction code PTAX 800 *(Consultas de Câmbio),* or Exchanged Rate Enquiry, Option 5, *Venda (Cotações para Contabilidade),* or Rates for Accounting Purposes expressed in *reais* per U.S. dollar for the periods and dates indicated. The information in the "Average" column represents the average of the daily exchange rates during the period presented.

	***Reais* per U.S. Dollar**			
Year ended December 31,	**High**	**Low**	**Average[(1)]**	**Period End**
2005	2.7621	2.1633	2.4341	2.3407
2006	2.3711	2.0586	2.1771	2.1380
2007	2.1556	1.7325	1.9483	1.7713
2008	2.5004	1.5593	1.8375	2.3370
2009	2.4218	1.7024	1.9935	1.7412

	***Reais* per U.S. Dollar**			
Month ended	**High**	**Low**	**Average[(1)]**	**Period End**
April 30, 2010	1.7806	1.7306	1.7566	1.7306
May 31, 2010	1.8811	1.7315	1.8132	1.8167
June 30, 2010	1.8658	1.7663	1.8065	1.8015
July 31, 2010	1.8006	1.7525	1.7696	1.7572
August 31, 2010	1.7731	1.7489	1.7597	1.7560
September 30, 2010	1.7441	1.6942	1.7187	1.6942
October 31, 2010	1.7112	1.6554	1.6835	1.7014
November 2010 (through November 4)	1.7044	1.6819	1.6933	1.6819

Source: Central Bank.

(1) Represents the average of the exchange rates on the closing of each day during the period.

Brazilian law provides that, whenever there is a serious imbalance in Brazil's balance of payments or there are serious reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad. We cannot assure you that such measures will not be taken by the Brazilian government in the future. See "Risk Factors—Risks Relating to Brazil."

USE OF PROCEEDS

Our net proceeds from the sale of the bonds are estimated to be approximately US$192.5 million, after deducting discounts and commissions and estimated offering expenses.

We intend to use the net proceeds from this offering for the repayment of approximately R$110 million of our outstanding short-term and long-term indebtedness (which repayment we intend to make on or about December 31, 2010), for capital expenditures and for general corporate purposes.

The use of the proceeds as described above depends on various factors that we cannot guarantee will be realized, including the behavior of the markets in which we operate and our ability to negotiate acquisitions of new shopping centers as well as our ability to increase our participations in shopping centers under accessible conditions and other factors described in "Forward-looking Statements."

For more information on the impact of our net proceeds from this offering on our financial condition, see "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

CAPITALIZATION

The table below sets forth our cash and cash equivalents and total capitalization as of June 30, 2010, on a historical basis and as adjusted to reflect the proceeds from this offering. We intend to repay our loan obligations with Paraná Banco S.A., Banco ABC Brasil S.A and part of our real estate credit certificates in the total amount of approximately R$110 million with a portion of the proceeds from this offering on or about December 31, 2010, which repayment is not reflected in the table below. You should read this table in conjunction with the information under the headings "Selected Financial and Operating Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and respective notes included elsewhere in this offering memorandum.

	As of June 30, 2010			
	Historical		Adjusted	
(in thousands of)	**(R$)**	**(US$)**	**(R$)**	**(US$)**
Cash and cash equivalents	**26,301**	**14,600**	**373,090**	**207,100**
Loans and financing	**26,028**	**14,448**	**372,817**	**206,948**
Current loans and financing	16,301	9,049	16,301	9,049
Non-current loans and financing	9,727	5,399	9,727	5,399
Perpetual Bond	-	-	346,789	192,500
Real estate credit certificates	**308,683**	**171,348**	**308,683**	**171,348**
Current real estate credit certificates	27,298	15,153	27,298	15,153
Non-current real estate credit certificates	281,385	156,195	281,385	156,195
Related party transactions	**14,952**	**8,300**	**14,952**	**8,300**
Current related party transactions	14,952	8,300	14,952	8,300
Shareholders' equity	**397,662**	**220,739**	**397,662**	**220,739**
Capital stock	317,813	176,416	317,813	176,416
Revaluation reserve	130,087	72,210	130,087	72,210
Accumulated loss	(50,238)	(27,887)	(50,238)	(27,887)
Total capitalization(1)	**747,325**	**414,835**	**1,094,114**	**607,335**

(1) Corresponds to the sum of loans and financing, real estate credit certificates, related party transactions and total shareholders' equity

SELECTED FINANCIAL AND OPERATING DATA

You should read and analyze the information below in conjunction with our combined and consolidated financial statements and accompanying notes included elsewhere in this offering memorandum, as well as with the information under the headings "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Exchange Rates. "

We maintain our books and records in reais. We prepare our financial statements and other financial information in accordance with Brazilian GAAP. These practices are based on Brazilian Corporate Law, the rules and regulations issued by the CVM; and certain accounting standards issued by IBRACON, the CFC, and the CPC. As of January 1, 2008, Brazilian GAAP has included the amendments to the Brazilian Corporate Law introduced by Law No. 11,638, and as of January 1, 2009, Brazilian GAAP has also included the amendments to the Brazilian Corporate Law introduced by Provisional Measure No. 449, converted into Law No. 11,941, which amended and supplemented certain of the provisions of Law No. 11,638. Brazilian GAAP differs in certain significant respects from U.S. GAAP and from IFRS.

The following financial information is included elsewhere in this offering memorandum:

- Our individual and consolidated balance sheets as of December 31, 2007 and the individual and consolidated statements of operations, changes in shareholders' equity and cash flows for the period from March 6, 2007 to December 31, 2007, which were audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with auditing standards generally accepted in Brazil and prepared in accordance with Brazilian GAAP as in force at the date of that financial information. These financial statements were not subject to and were not prepared in accordance with the accounting rules introduced by Law No. 11,638 and Law No. 11,941, thereby limiting the comparability of our financial statements as of and for the year ended December 31, 2007 with our financial statements as of and for the years ended December 31, 2008 and 2009. As permitted by CPC Technical Pronouncement 13 – Initial Adoption of Law No. 11,638 and Provisional Measure No. 449, approved by CVM Resolution No. 565, our individual and consolidated financial statements as of and for the year ended December 31, 2007 have not been restated for purposes of comparison between periods. The audit report with respect to the year ended December 31, 2007 includes explanatory paragraphs relating to (i) significant transactions with related parties and intercompany receivables and payables as of December 31, 2007 which were not subject to financial charges, (ii) a change in accounting relating to the recognition of certain property and equipment items (land, buildings, and installations related to the shopping mall operations), based on revaluation amounts, rather than based on acquisition cost, (iii) the inclusion of a certain combined financial information in footnote 27, comprised of combined statements of operations and statements of cash flow for purposes of additional analysis, (iv) the inclusion of a combined statement of operations to present results of the Company as if it had existed since January 1, 2006 which are not necessarily indicative of the financial position that would have been obtained or the results of operations for the reported years, (v) the fact that the financial statements which were being restated to include the individual and consolidated statements of cash flows for the period from March 6, 2007 to December 31, 2007 and (vi) action being taken by the Company to complete the registration of certain acquired properties with the proper Registry of Deeds Offices.
- Our individual and consolidated financial statements as of and for the years ended December 31, 2008 and 2009, were audited by Deloitte Touche Tohmatsu Auditores Independentes in accordance with the auditing standards generally accepted in Brazil and prepared in accordance with Brazilian GAAP in force at the date of such financial information, which included the new accounting rules introduced by Law No. 11,638 and Law No. 11,941. The audit report with respect thereto includes an explanatory paragraphs relating to the fact that the Company is taking actions to complete the registration of certain acquired properties with the proper Registry of Deeds Offices, as mentioned in note 9 to the financial statements and based on the fact, as mentioned in note 2, the statement of cahs flow for the year ended December 31, 2009 and 2008 has been restated.
- Our unaudited individual and consolidated financial statements as of and for the six-month periods ended June 30, 2009 and 2010, which were subject to limited review procedures by Deloitte Touche

Tohmatsu Auditores Independentes in accordance with specific rules established by IBRACON and the CFC. The special review report includes explanatory paragraphs relating to (i) the fact that during 2009, the CVM approved new Technical Pronouncements, Interpretations and Instructions issued by the CPC, mandatory for adoption beginning 2010, that introduced changes in Brazilian accounting practices, and as permitted by CVM Resolution nº 603/09, the Company's management opted not to adopt these new Standards and prepared its interim financial statements in accordance with Brazilian accounting practices in effect through December 31, 2009 and (ii) the fact that the Company is taking actions to complete the registration of certain acquired properties with the proper Registry of Deeds Offices, as mentioned in note 9 to the financial statements.

The financial statements of our subsidiaries are consolidated in our consolidated financial statements in accordance with Brazilian GAAP, as follows: (i) for those subsidiaries over which we exercise shared control, the consolidation is proportional to our equity interest in the relevant subsidiary; and (ii) for those subsidiaries over which we exercise full control, the consolidation is made in full, and the participation, if any, of the minority shareholders of such subsidiaries in the subsidiaries' net assets and results of operations is presented as a separate line item of our consolidated balance sheet and consolidated statement of income.

On March 31, 2007, our group of companies consummated a corporate reorganization through which the ownership interest in the capital stock of the companies involved in shopping center activities, as well as the ownership interest in the capital stock of the companies that render services to the shopping centers, were grouped under two separate holding companies: Levian and Atlas, respectively. The following companies were involved in the corporate reorganization: Levian, Atlas, ABK, Nova União, Wass, Energy, IPark, Park Administradora, Send, Poli Empreendimentos, Sulishopping, GSB Adm. and ASG Adm. Because these companies were under common control and management during the period before the corporate reorganization, the financial statements referred to above and the financial information presented for these periods represent these companies' combined operations. After the corporate reorganization, the combined companies became our direct or indirect subsidiaries.

This offering memorandum contains translations of various real amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations are representations by us that the real amounts actually represent these U.S. dollars amounts or could be converted into U.S. dollars at the rates indicated. Unless otherwise indicated, we have translated the real amounts using a rate of R$1.8015 to US$1.00, the selling rate on June 30, 2010, as reported by the Central Bank. See "Exchange Rate Information."

Statements of Income (Operations)

(in thousands)	Year ended December 31,				Six-month period ended June 30,		
	2007[(1)]	2008[(2)]	2009[(2)]	2009	2009[(2)]	2010[(2)]	2010
	R$	R$	R$	US$	R$	R$	US$
Gross revenue:							
Rentals	47,860	77,208	87,965	48,829	40,360	46,654	25,897
Services	11,716	16,802	23,855	13,242	10,951	12,484	6,930
Total gross revenue	59,576	94,010	111,820	62,071	51,311	59,138	32,827
Taxes, discounts and cancellations	(8,229)	(7,054)	(11,263)	(6,252)	(5,561)	(4,911)	(2,726)
Net revenue	51,347	86,956	100,557	55,819	45,750	54,227	30,101
Cost of rentals and services	(17,241)	25,646	(27,465)	(15,246)	(12,038)	(11,865)	(6,586)
Gross profit	34,106	61,310	73,092	40,573	33,712	42,362	23,515
Operating (expenses) income:							
General and administrative expenses	(33,133)	(20,945)	(18,907)	(10,495)	(10,926)	(11,365)	6,309)
Other operating income, net	4,839	8,433	8,061	4,475	3,672	3,024	1,679
Income from operations before financial expenses	5,812	48,798	62,246	34,553	26,458	34,021	18,885
Financial expenses, net	(15,181)	(48,940)	(23,332)	(12,951)	(5,234)	(28,317)	(15,719)
Income (loss) before income taxes and social contribution	(9,369)	(142)	38,914	21,601	21,224	5,704	3,166
Current income taxes and social contribution	(10,606)	(6,734)	(14,470)	(8,032)	(8,530)	(5,578)	(3,096)
Deferred income taxes and social contribution	4,952	(831)	(21)	(12)	(21)	20	11
Net income (loss)	**(15,023)**	**(7,707)**	**24,423**	**13,557**	**12,673**	**146**	**81**

(1) Combined financial information. See "Presentation of Financial and Other Information."
(2) Consolidated financial information. See "Presentation of Financial and Other Information."

Balance Sheet

(in thousands)	As of December 31, 2007(1)	2008(1)	2009(1)	2009	As of June 30, 2010(1)	2010
	R$	R$	R$	US$	R$	US$
Assets						
Current assets						
Cash and cash equivalents	31,413	93,998	12,143	6,740	26,301	14,600
Restricted cash	-	118,175	3,079	1,709	-	-
Certificates of real estate receivables	251	379	370	205	405	225
Trade accounts receivables	15,946	20,300	24,515	13,608	22,292	12,374
Recoverable taxes	1,762	1,495	1,411	783	1,802	1,000
Deferred income and social contribution taxes	124	28	28	16	28	16
Other receivables	10,119	1,305	27,153	15,072	1,496	830
Total current assets	59,615	235,680	68,699	38,133	52,324	29,045
Non-current assets						
Trade accounts receivable	-	-	1,418	787	1,633	906
Certificates of real estate receivables	1,164	1,054	933	518	867	481
Deferred income and social contribution taxes	6,900	6,165	6,144	3,410	6,135	3,405
Related parties	13,733	12,067	15,680	8,704	18,688	10,374
Restricted cash	-	7,000	7,719	4,285	10,201	5,663
Escrow deposits	372	642	764	424	790	439
Intangible	11,011	31,240	31,023	17,221	30,977	17,195
Property, plant and equipment	548,113	710,666	706,503	392,176	723,928	401,847
Total non-current assets	581,293	768,834	770,184	427,524	793,219	440,310
Total assets	**640,908**	**1,004,514**	**838,883**	**465,658**	**845,543**	**469,355**
Liabilities and shareholders' equity						
Current liabilities						
Trade accounts payable	3,780	13,461	4,554	2,528	3,915	2,173
Loans and financing	16,752	216,156	62,070	34,455	16,301	9,049
Payables for purchase of land	14,766	9,875	5,416	3,006	2,616	1,452
Payroll and related charges	1,037	1,694	1,556	864	1,238	687
Taxes payable	15,832	19,078	34,683	19,252	24,871	13,806
Taxes in installments	485	325	575	319	3,410	1,893
Real estate credit notes	2,784	16,552	18,447	10,240	27,298	15,153
Deferred income and social contribution taxes	413	413	413	229	413	229
Related parties	19,927	26,178	18,128	10,063	14,952	8,300
Other payables	7,691	9,279	5,066	2,812	4,622	2,566
Total current liabilities	83,467	313,011	150,908	83,768	99,636	55,308
Non-current liabilities						
Loans and financing	107,916	20,741	6,695	3,716	9,727	5,399
Payables for purchase of land	5,112	2,417	781	434	116	64
Key money	12,888	11,397	13,077	7,259	13,242	7,351
Taxes in installments	4,022	3,674	7,906	4,389	16,962	9,415
Deferred income and social contribution taxes	22,999	20,231	20,105	11,160	20,076	11,144
Reserve for contingencies	11,188	8,654	7,293	4,048	6,737	3,740
Real estate credit notes	12,802	251,296	234,602	130,226	281,385	156,195
Total non-current liabilities	176,927	318,410	290,459	161.232	348,245	193,308

(in thousands)	As of December 31, 2007[1]	2008[1]	2009[1]	2009	As of June 30, 2010[1]	2010
	R$	R$	R$	US$	R$	US$
Shareholders' equity						
Capital stock	317,813	317,813	317,813	176,416	317,813	176,416
Revaluation reserve	131,367	130,421	130,197	72,271	130,087	72,210
Accumulated loss	(68,666)	(75,141)	(50,494)	28,029	(50,238)	(27,887)
Shareholders' equity	**380,514**	**373,093**	**397,516**	**220,658**	**397,662**	**220,739**
Total liabilities and shareholders' equity	**640,908**	**1,004,514**	**838,883**	**465,658**	**845,543**	**469,355**

(1) Consolidated financial information. See "Presentation of Financial and Other Information."

Other Financial Data

Reconciliation of EBITDA and Adjusted EBITDA with Net Income (Loss)

EBITDA is net income (loss), before income taxes and social contribution, financial results, and depreciation and amortization. Adjusted EBITDA is net income (loss), before income taxes and social contribution, financial results, depreciation and amortization, and expenses identified by our management as being related to uncompleted securities offerings, other securities offerings costs, costs of implementing management software, gain on sale of property, other non-recurring expenses, our corporate reorganization concluded in March 2007 and our equity offering concluded in July 2007. EBITDA and Adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP or U.S. GAAP, nor should they be considered as alternatives to net income as a measure of operating performance, or as alternatives to operating cash flows, or as a measure of liquidity. EBITDA and Adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or Adjusted EBITDA or similarly titled measures used by other companies. As financial results, income taxes and social contribution, depreciation and amortization are not considered for calculation of EBITDA and Adjusted EBITDA, we believe that our EBITDA and Adjusted EBITDA provides an indication of our general economic performance, which is not affected by interest rate fluctuations, changes in income tax rates and social contribution, or depreciation and amortization. As a result, we believe EBITDA and Adjusted EBITDA are important tools to periodically compare our operating performance and also to form a basis to assist management in making certain administrative decisions.

Below, we present a reconciliation of the EBITDA and Adjusted EBITDA with net income (loss).

	Year ended December 31,				**Six-month period ended June 30,**		
(in thousands, except percentages)	**2007(4)**	**2008(5)**	**2009(5)**	**2009**	**2009(5)**	**2010(5)**	**2010**
	R$	**R$**	**R$**	**US$**	**R$**	**R$**	**US$**
Net income (loss)	(15,023)	(7,707)	24,423	13,557	12,673	146	81
Income taxes and social contribution	5,654	7,565	14,491	8,044	8,551	5,558	3,085
Financial expenses, net	15,181	48,940	23,332	12,951	5,234	28,317	15,719
Depreciation and amortization	7,009	12,166	10,120	5,618	4,553	4,672	2,593
EBITDA	**12,821**	**60,964**	**72,366**	**40,170**	**31,011**	**38,693**	**21,478**
EBITDA margin(1)	**25.0%**	**70.1%**	**72.0%**	**72.0%**	**67.8%**	**71.4%**	**71,4%**
Costs of uncompleted securities offerings	-	835	985	547	985	-	-
Costs of other securities offering	-	2,071	-	-	-	-	-
Costs of implementing management software	-	-	95	53	53	104	58
Gain on sale of property	-	-	-	-	-	(637)	(354)
Other non-recurring expenses	-	-	179	99	108	30	17
Expenses related to the corporate reorganization(2)	512	-	-	-	-	-	-
Expenses related to the equity offering(3)	23,763	-	-	-	-	-	-
Adjusted EBITDA	**37,096**	**63,870**	**73,625**	**40,869**	**32,157**	**38,190**	**21,199**
Adjusted EBITDA margin(1)	**72.2%**	**73.5%**	**73.2%**	**73.2%**	**70.3%**	**70.4%**	**70.4%**

(1) Represents EBITDA or Adjusted EBITDA divided by net revenue.
(2) Represents legal and consulting services hired by us during our corporate reorganization.
(3) Represents banks' commissions, legal, auditing and consulting services, and all other expenses related to our equity offering concluded in July 2007.
(4) Combined financial information. See "Presentation of Financial and Other Information."
(5) Consolidated financial information. See "Presentation of Financial and Other Information."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial statements and accompanying notes included elsewhere in this offering memorandum, which were prepared in accordance with Brazilian GAAP, and with information under the headings "Presentation of Financial and Other Information," and "Selected Financial and Operating Data."

The estimates and projections presented in this offering memorandum involve risks and uncertainties. Our actual results could differ significantly from the results mentioned here as a result of many factors including, but not limited to, those described under the headings "Forward-Looking Statements" and "Risk Factors."

Overview

We believe we are a leading participant in the shopping center industry in Brazil, and own all or part of 13 operating shopping centers. As of the date of this offering memorandum, these shopping centers had an aggregate of 426,521 square meters of gross constructed area (*área bruta construída*), 225,399 square meters of gross leasable area (*área bruta locável*) and approximately 1,405 stores. Our ownership interest in such shopping centers represents 190,100 square meters of gross leaseable area. Between 2007 and 2009 and between June 30, 2009 and June 30, 2010, our net operating revenues increased at a CAGR of 39.9% and 18.5%, respectively.

We actively participate in the site search, planning, development and construction of shopping centers. We also lease and manage our shopping centers, provide parking management services and also oversee the management of the supply of energy and water to the shopping centers we own and operate.

Our shopping centers are strategically located in the south and southeast areas of Brazil, which accounted for approximately 73.0% of GDP and 73.4% of retail sales in Brazil in 2009, according to the IBGE. In addition, we believe seven of our shopping centers are located in markets that are among the top 10 contributors to Brazilian GDP. We believe, in gross terms of leasable area, our shopping center Internacional Shopping Guarulhos is the largest shopping center in the São Paulo metropolitan area and the eighth-largest in Brazil.

We launched our shopping center activities in 1989, with the opening of Poli Shopping in the city of Guarulhos. Since 2006, we have expanded our business through the development of new "greenfield" shopping centers (shopping centers that we develop), the acquisition of ownership interests in existing shopping centers and the expansion and remodeling of certain shopping centers we own.

The table below sets forth the main operating information of our shopping centers:

Shopping Center:	State	Year launched/ acquired	Ownership interest (%)	Total gross leasable area (m^2)	Our gross leasable area (m^2)	Number of stores[(1)]
Poli Shopping	São Paulo	1989	50.00	4,527	2,264	52
Internacional Shopping Guarulhos	São Paulo	1998	100.00	75,958	75,958	292
Auto Shopping	São Paulo	2006	100.00	11,477	11,477	80
Santana Parque Shopping	São Paulo	2007	50.00	26,538	13,269	176
Shopping Light	São Paulo	2007	50.10	14,140	7,092	134
Suzano Shopping	São Paulo	2007	100.00	19,583	19,583	174
Cascavel JL Shopping	Paraná	2007	85.50	8,877	7,590	80
Top Center Shopping São Paulo	São Paulo	2007	100.00	6,369	6,369	67
Prudente Parque Shopping	São Paulo	2007	100.00	10,276	10,276	56
Poli Shopping Osasco	São Paulo	2007	100.00	3,218	3,218	19
Shopping do Vale	R.G. do Sul	2007	84.39	16,487	13,913	94
Shopping Unimart	São Paulo	2008	100.00	10,233	10,233	91
Outlet Premium São Paulo	São Paulo	2009	50.00	17,716	8,858	90
Total				**225,399**	**190,100**	**1,405**

(1) Includes all stores located within each shopping center.

The table below sets forth the main current operational information regarding our greenfield projects:

Greenfields:	Ownership interest (%)	Year launched/ acquired	Project opening[2]	Total gross leasable area (m^2)[2]	Our gross leasable area (m^2)[2]	Number of stores[1][2]
Convention Centers[3]	100.00%	2006	2012	25,730	25,730	-
Sulacap	95.00%	2007	2011	32,000	30,400	165
Barueri	48.00%	2007	2011	32,000	15,360	202
Total				**89,730**	**71,490**	

(1) Includes all stores that will be located within each shopping center's total gross leasable area.
(2) Based on our projections.
(3) We are currently negotiating the agreements for the operation of the convention centers. See "Business—Projects Under Development, Expansion or Construction— Development of mixed-use projects".

Brazilian Macroeconomic Environment

Since the current Brazilian administration took office in January 2003, the Brazilian economy has been stable and in general, the Brazilian government has maintained the macroeconomic policies of the previous government, prioritizing fiscal responsibility.

In 2007, the *real* appreciated against the U.S. dollar by approximately 20.5%. Notwithstanding, Brazil recorded a trade surplus of US$40.0 billion. In 2007, GDP increased 6.1% and, for the fourth consecutive year, the current accounts to GDP ratio, an international financial crises vulnerability indicator, was positive which reflects Brazil's lower default risk. International reserves also reached unprecedented levels and were of higher quality, with a reduction in speculative capital. The unemployment rate decreased from 8.4% on December 31, 2006, to 7.4% on December 31, 2007, in Brazil's main metropolitan regions, according to IBGE estimates. In 2007, inflation measured by the IPCA was 4.5% and the average TJLP was 6.37%. As a result of the policy for the gradual reduction of interest rates, the SELIC rate decreased gradually to 11.25% per year by the end of 2007.

In 2008, due to an unfavorable external scene resulting from the international economic crisis started in the United States and the increase in income and domestic demand, the Central Bank opted to initiate a monetary constraint period, increasing the SELIC rate to 13.75% on December 31, 2008. In 2008, inflation measured by the IPCA was 5.9%. The *real* depreciated against the U.S. dollar by 24.2%. GDP increased 5.1% in 2008.

In 2009, the Brazilian economy proved resistant to the crisis with a small reduction in GDP of 0.2%, according to IBGE. Solid macroeconomic fundamentals and increased economic stability allowed the Central Bank to resume its previous policy of reducing interests, and the SELIC rate reached a historic low of 8.75% per year. The Brazilian *real* appreciated 34.2% against the U.S. dollar in 2009.

The table below sets forth the GDP growth, inflation, interest rates, appreciation of the *real* against the U.S. dollar and the exchange rate for the periods indicated:

	Year ended December 31,			Six-month period ended June 30,	
	2007	**2008**	**2009**	**2009**	**2010**
GDP growth[1]	6.1%	5.1%	(0.2)%	(1.5)%	8.9%
Inflation (IGP-M)[2]	7.7%	9.8%	(1.7)%	(1.2)%	5.7%
Inflation (IPCA)[3]	4.5%	5.9%	4.3%	2.6%	3.1%
Selic[4]	11.25%	13.75%	8.75%	9.25%	10.25%
TJLP[5]	6.3%	6.3%	6.0%	6.3%	6.0%
Appreciation (devaluation) of *real* against U.S. dollar	20.7%	(24.2)%	34.2%	19.7%	(3.3)%
Exchange rate (closing) R$ per US$1.00	R$1.771	R$2.337	R$1.741	R$1.952	R$1.802
Average exchange rate – R$ per US$1.00[6]	R$1.949	R$1.837	R$1.995	R$2.193	R$1.796

Sources: Central Bank of Brazil, FGV, IBGE, CETIP, BNDES.

(1) The GDP numbers for these periods reflect the new method employed by the IBGE in calculating GDP.

(2) The IGP-M is a general market price index measured by FGV showing 12-month accumulated data for 2007, 2008 and 2009 and six-month accumulated data for the six-month period ended June 30, 2009 and 2010.
(3) The IPCA is a consumer price index measured by the IBGE, showing 12-month accumulated data for 2007, 2008 and 2009 and 6-month accumulated data for the six-month period ended June 30, 2009 and 2010.
(4) The Selic rate is the basic rate used as reference by the monetary policy. Figures refer to end of period target rate.
(5) The interest rate used by BNDES for long-term financing (at the end of the period).
(6) Average exchange rates on the last day of each month during the period.

Main Effects of Brazil's Economic Conditions on Our Results

Our business is directly affected by general economic conditions in Brazil. Changes in short- and long-term interest rates, unemployment and inflation may reduce the availability of consumer credit and the purchasing power of individuals who frequent shopping centers. These factors, combined with low GDP growth, may reduce general consumption rates in our shopping centers. Since most of the lease agreements in our shopping centers, our main source of revenue, require tenants to pay a percentage of their total sales as rent (when this percentage exceeds the minimum rent), a general reduction in consumption may reduce our revenue. A reduction in the number of shoppers in our shopping centers and consequently, in the demand for parking and the use of electricity and water, may also reduce our revenues from services rendered.

Additionally, inflation impacts our financial performance and operating results. The minimum lease amounts paid by tenants in our shopping centers are generally adjusted in accordance with the General Index of Domestically Available Prices (*Índice Geral de Preços Disponibilidade Interna*) ("IGP-DI"), an inflation index published by FGV. Although higher inflation rates in Brazil may increase the minimum lease amount, given that tenants tend to pass on any increases in their own expenses to consumers, higher inflation may lead to increased sale prices charged by tenants for their products, which will ultimately reduce their sales volumes and consequently the portions of rent based on their total sales.

We are also subject to exchange rate fluctuations, attributable to the fact that, as of June 30, 2010, R$12.7 million of our liabilities with related parties were indexed to the U.S. dollar. Therefore, a depreciation of the *real* against the U.S. dollar may generate exchange rate losses on these financings, directly affecting our financial results.

In addition, a research study published in April 2008 that was conducted by the French financial advisor Cetelem in partnership with the Ipsos Public Affairs research institute concluded that in the last two years, 20 million Brazilians migrated from the two lowest income groups to the middle income group. This middle income group is currently composed of 86.2 million people, or approximately 46% of the population (versus 34% in 2005), while the two lowest income groups represent 39% of the population (versus 51% in 2005). The middle income group has also presented strong income growth since 2002 of 31%, well above the national average of 21%.

According to ABRASCE, revenues from the shopping center industry in 2009 were R$71.0 billion, representing a 9.9% increase compared to revenues in 2008. Furthermore, according to ABRASCE, lower interest rates combined with rising income in the lower income groups of the population and the shopping centers in the credit sector had a positive effect on consumer spending.

ABRASCE also indicated that 16 shopping centers were opened in 2009, and another 5 in the first half of 2010, totaling approximately 9.4 million square meters of gross leasable area at all shopping centers in Brazil as of July 2010. As we believe that there are opportunities for consolidation in the industry, we do not believe that the increase in total gross leasable area will directly impact our financial results.

Industry and Operating Factors Affecting Our Results

Our business and revenues are influenced by various important factors that affect the shopping center industry, including:

Share of the shopping center industry in retail sales

Since the opening of the first shopping center in Brazil in 1966, the sector has grown substantially, especially during the 1980's and 1990's when more than 130 shopping centers were opened in Brazil, according to ABRASCE. As of July, 2010, there were 397 shopping centers in Brazil, according to ABRASCE. Shopping centers accounted for approximately 18.3% of retail sales in Brazil (excluding automobiles), in comparison with

70% and between 30% and 35% in the United States and Europe, respectively, also according to ABRASCE. We believe these figures are evidence of the potential for growth in this sector in Brazil.

Seasonality

Our operating results are subject to seasonal fluctuations affecting the shopping center industry and the retail sector in general. Tenants experience a substantial increase in sales before and during holidays such as Mothers' Day (May), Valentines' Day (June), Fathers' Day (August), Children's Day (October) and Christmas (December). These seasonal fluctuations are partially offset by the fact that as required by Brazilian GAAP, the payment to be made pursuant to our lease agreements by our satellite tenants of double the minimum rent for December are accounted for in our financial statements on a monthly basis, in the amount of 1/12 of such rental payment per month. Although to a lesser degree, our revenues from services rendered (such as water supply and parking) are also affected by seasonality, due to the increase in customers at our shopping centers during those festive periods.

Other factors that affect our results

Other factors that affect the shopping center industry are: (1) entry of international store networks in Brazil; (2) competition; (3) the professionalization of tenants and creation of national chains; (4) constant optimizing of resources for operations; (5) management of lease contracts; (6) the number of shopping centers to which we provide complementary services (management of parking lots and management of the electricity and water supply); (7) the need to adapt our shopping centers to new industry trends so that they remain attractive to the public, and (8) team training aimed at maintaining excellence in the rendering of services.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with Brazilian GAAP requires our management to use estimates to record certain transactions that affect assets, liabilities, revenues and expenses of our consolidated subsidiaries, as well as the disclosure of information concerning our financial statements. While we believe that our assumptions and estimates are reasonable, actual results may differ from the estimates and assumptions presented. The main estimates relating to the financial statements refer to the useful life of our fixed assets and the provisions for doubtful accounts and for contingencies.

The main accounting policies we adopted in preparing our financial statements are:

Accounts receivable. Accounts receivable are recorded using the nominal values of the instruments representing the receivables, including, when appropriate, earnings and monetary variations. The provision for doubtful accounts is constituted in an amount considered sufficient by management to cover probable losses, based on criteria where a provision is made in the amount of 100% of balances overdue for more than 180 days when the individual analysis of the debtor indicates an impossibility of recovering the receivables.

Fixed assets. Fixed assets are recorded at their acquisition or construction cost partially adjusted based on their market value, less respective depreciation calculated based on the straight-line method, which consider the estimated useful life of the assets. The financing charges of loans and financing incurred during the construction period are capitalized, when applicable. The revaluation reserve is recorded based on the respective depreciation of buildings and installations or at the time of the disposition of the assets. Our subsidiaries ABK, Levian, Park, Send, Sulishopping and Poli changed their accounting practice as of March 31, 2007 for recording of land, buildings and installations related to the shopping center operations from the acquisition cost method to market value method, based on technical reports prepared by a specialized firm.

Income taxes and social contribution. Provision for income tax was calculated at the rate of 15% plus an additional 10% on annual taxable profits that exceed R$240,000. Social contribution was calculated at the rate of 9% on adjusted net income. Deferred income and social contribution were calculated based on the temporary differences between the carrying amount and the tax basis of income and expenses, tax loss carryforwards and revaluation reserve of buildings and installations. Deferred income taxes and social contribution were limited to 30% of deferred income taxes and social contribution liabilities. In accordance with applicable Brazilian tax legislation, certain companies elected to be taxed based on the presumed profits method. The calculation basis for income tax and social contribution is calculated at 32% of gross revenues from the rendering of services, and 100% of financial revenues, over which the normal rates of 15% plus the additional 10% for income tax and 9% for social contribution apply. As a result, these combined or consolidated companies did not record deferred income taxes and social contribution on tax loss carryforwards and temporary differences and are not subject to the non-cumulative taxation of the Social Integration Program (*Programa de Integração Social*), or PIS.

Provision for contingencies. The provision for contingencies was recorded with respect to the legal proceedings that our legal advisors believe our loss is probable, considering the nature of the proceeding and our experiences with similar cases. The matters classified as legal obligations have been provisioned, regardless of the result expected in the legal proceedings in which the matters are being disputed.

Recognition of revenues, costs and expenses. The revenues, costs and expenses are recognized using the accrual accounting method. Rent revenues are recognized based on the consummation of the agreements, and revenues from services are recognized at the time of effective rendering of the services, regardless of the time of invoicing. Expenses and costs are recognized as they are incurred. Revenues from the assignment of the right to use the infrastructure in shopping centers, which we refer to as key money, are deferred and recognized during the term of the first lease agreement.

Impairment of assets. In preparing the financial statements, we analyze if there is evidence that the carrying amount of an asset may not be recovered. When there is such evidence, we estimate the recoverable value of the asset. The recoverable value of an asset is the higher of: (a) its fair value less costs to sell; and (b) its value-in-use. The value-in-use is equivalent to discounted cash flows (before taxes) arising from the continuous use of the asset up to the end of its useful life. When the carrying amount of an asset exceeds its recoverable value, we recognize impairment. The impairment of assets stated at cost is recorded in income/expenses. If the impairment of an individual asset cannot be determined, we test for impairment the cash-generating unit to which the asset belongs. Except for the impairment of goodwill, previously recognized losses can be reversed. Reversal under these circumstances is limited to the depreciated balance of the asset as of the reversal date, assuming that reversal has not been recorded.

Adjustment to present value. We evaluated the long-term monetary assets and liabilities subject to discount to present value, and short-term monetary assets and liabilities whose impact is considered material in relation to the financial statements taken as a whole. After being recognized, the discount to present value is calculated on the balances, taking into consideration contractual cash flows and the explicit or implicit interest rate of corresponding assets and liabilities. Accordingly, the interest embedded in revenues, expenses and costs related to these assets and liabilities is discounted and recognized on the accrual basis. When a discount to present value is recognized, this interest is subsequently transferred to financial expenses or income in the statement of income, using the effective interest rate method in relation to the contractual cash flows.

Financial instruments (include cash and cash equivalents). Initially recognized at fair value, and those not carried at fair value, are recognized through profit or loss, plus transaction costs directly attributable to the transaction. Measurement of financial instruments subsequent to initial recognition is as follows: (i) financial assets or financial liabilities measured at fair value through profit or loss; and (ii) short-term investments are measured at fair value kept for negotiation for us and our subsidiaries. Subsequent changes in fair value are recognized in net income.

Sources of Revenue

Our main sources of revenue derive from the following activities: (1) investing in shopping centers; (2) rendering parking lot management services; (3) managing the supply of electricity and water to our shopping centers; (4) shopping center management fees; and (5) rent from properties.

Principal Components of Our Statements of Income

Set forth below is a description of the principal components of our income statement.

Gross Revenue

Rentals

Our main source of revenue is derived from leasing commercial areas in our shopping centers. Rent revenue represented 78.7% and 78.9% of our total gross revenue during the year ended December 31, 2009 and the six months ended June 30, 2010, respectively.

The main sources of rental revenues are:

Lease of commercial areas. We lease store space in our shopping centers through agreements with an average term of five years (except for those related to Auto Shopping, which have an average term of three years). The rent is set at the greater of a minimum fixed amount or a percentage of the tenant's revenues, calculated monthly. The minimum rent is based on market prices that take into account the area of the store, the location of the store in the shopping center and its segment, and is generally paid on the first day of the following month. Double minimum rent is due for December of every year, which as required by Brazilian GAAP, is accounted for in our financial statements on a monthly basis, in the amount of 1/12 of such rental payment per month. The variable percentage lease is calculated as a percentage of the tenant's monthly, individual or global sales charged on the tenth day of each month, and which may also vary depending on the segment of the store in question and on the year of the lease.

Our commercial lease revenue represented 70.7% and 71.3% of our total gross revenue for 2009 and the six months ended June 30, 2010, respectively.

Key money. Key money is paid by tenants when a new shopping center is opened or when we repossess a particular store due to default or negotiation. These amounts are negotiated based on the market value of the right to use the commercial areas in the shopping centers, with the most valuable stores being those that are located in high profile locations and those that enjoy greater consumer traffic.

We also charge store owners transfer fees received during the negotiations between them for a specific commercial area. On the transfer of a store from a tenant to a new store owner, the shopping center owners are entitled to a percentage of the amount involved in the transfer of the commercial area.

For accounting purposes, we recognize key money and transfer fee revenue based on the term of the respective lease agreement. Our revenue derived from key money and transfer fees in our shopping centers represented 3.6% and 3.4% of our total gross revenue for 2009 and in the six months ended June 30, 2010, respectively.

Malls and merchandising. Constitutes the temporary lease of kiosks and the temporary promotion of products and services (merchandising) in our shopping centers. This revenue represented 4.4% and 4.2% of our total gross revenue for 2009 and the six months ended June 30, 2010, respectively.

Services

The rendering of services is an important strategic component of our business, and represents an important source of revenue. Our revenue from services represented 21.3% and 21.1% of our total gross revenue for 2009 and the six months ended June 30, 2010, respectively. The services we provide are:

Management of parking lots. We operate parking lots, charging parking fees for the time customers leave their vehicles at shopping center parking lots at certain of our shopping centers. We currently manage the parking lots at Internacional Shopping Guarulhos, Auto Shopping, Suzano Shopping, Cascavel JL Shopping, Shopping Light, Santana Parque Shopping, Shopping Unimart, Outlet Premium São Paulo, Poli Shopping Osasco and Shopping do Vale. Our revenue from parking fees in these shopping centers represented 15.8% and 16.1% of our total gross revenue for the year ended December 31, 2009 and the six months ended June 30, 2010, respectively.

Management of energy supply. We manage the energy supply of our shopping centers and tenants. These services are paid monthly by the tenants to the managing company of the shopping center, which in turn pays Energy, our subsidiary. We currently provide this service at Internacional Shopping Guarulhos, Auto Shopping, Shopping Light, Santana Parque Shopping, Suzano Shopping and Shopping do Vale. Our revenue from management of energy supply represented 3.8% and 3.2% of our total gross revenue for the year ended December 31, 2009 and the six months ended June 30, 2010, respectively.

Management of water supply. We also manage the water supply of our shopping centers and respective tenants. These services are paid every month by the tenants to the management company of the shopping center, which in turn pays Wass. We currently provide this service at Internacional Shopping Guarulhos, Auto Shopping, Suzano Shopping, Cascavel JL Shopping, Prudente Parque Shopping, Shopping do Vale, Shopping Light, Santana Parque Shopping, Outlet Premium São Paulo and Poli Shopping. Our revenue from management of water supply represented 1.2% and 1.2% of our total gross revenue for the year ended December 31, 2009 and the six months ended June 30, 2010, respectively.

Management of shopping centers. We provide management services to our shopping centers for which we receive management fees that are paid monthly by the tenants and reimbursed by the condominium. We currently provide this service to Internacional Shopping Guarulhos, Auto Shopping, Suzano Shopping, Shopping Unimart, Top Center Shopping São Paulo, Poli Shopping Osasco, Prudente Parque Shopping, Cascavel JL Shopping, Shopping do Vale, Outlet Premium São Paulo, Shopping Light and Poli Shopping. Our revenue from the management of shopping centers represented 0.5% and 0.6% of our total gross revenue for the year ended December 31, 2009 and for the six months ended June 30, 2010, respectively.

Deductions

Deductions represent discounts, cancellations and taxes levied on our revenue. The calculation basis and rate of taxes due vary in accordance with the tax method adopted by each of our subsidiaries.

Our subsidiaries that are taxed based on the taxable profits method are: ABK, Delta, Levian, Nova União, Park Shopping, Paulis, Send, Sulishopping, Zuz, Ipark and GSB Adm. The companies that are taxed based on the presumed profits method are: Bac, BR Outlet, Brassul, Cly, Fonte, Intesp, Lumen, Lux, Polishopping, PP, Sale, Uniplaza, Securis, Atlas, Wass, Energy, Vide, AST and ASG Adm. The table below shows each of the tax rates that apply to each tax method:

% on Annual Revenue	PIS[1]	COFINS[2]	ISS[3]
Taxable profits	1.65%	7.6%	Up to 5%
Deemed profits	0.65%	3.0%	Up to 5%

(1) For companies taxed based on the taxable profits regime, PIS is levied on revenues, with discounts for deductions provided for in the applicable laws and regulations (non-cumulative PIS). For companies taxed based on the presumed profits regime, PIS is levied on revenues for rent and services.
(2) For companies taxed based on the taxable profits regime, COFINS is levied on revenues, with discounts for deductions provided for in the applicable laws and regulations (non-cumulative COFINS). For companies taxed based on the presumed profits regime, COFINS is levied on revenues for rent and services.
(3) ISS is levied on our revenues from the rendering of services of parking lot management, water supply management and management of shopping centers, and is subject to the rate up to the stated maximum limit.

In addition to the deductions relating to the payment of the taxes mentioned above, we also have deductions relating to discounts or rebates given to tenants as a result of negotiations with them.

Cost of Rentals and Services

Our cost of rentals and services rendered represents mainly shopping center costs in proportion to our ownership interests. This cost is basically composed of:

- depreciation, calculated on fixed assets, in particular the buildings and facilities of the shopping centers in operation and equipment and machines in our substations and artesian wells, which represented 37.6% and 38.0% of our total cost of rentals and services for the year ended December 31, 2009 and the six months ended June 30, 2010, respectively;
- personnel, including the salaries, social contribution and benefits paid to or on behalf of shopping center, parking lot and shopping center management employees, which represented 4.3% and 4.1% of our total cost of rentals and services for the year ended December 31, 2009 and the six months ended June 30, 2010, respectively;
- support services provided by third parties to support our operations and other specialized services, which represented 22.8% and 21.2% of our total cost of rentals and services for the year ended December 31, 2009 and the six months ended June 30, 2010, respectively; and
- occupancy cost (vacant stores), including the maintenance of vacant stores (including payment of the Municipal Real Estate Tax (*Imposto Predial e Territorial Urbano*) ("IPTU"), and the condominium charge) and contributions to an advertising fund of the shopping center (*Fundo de Promoção dos Shopping Centers*), which represented 35.3% and 36.7% of our total cost of rentals and services for the year ended December 31, 2009 and the six months ended June 30, 2010, respectively.

Operating Income (Expenses)

Operating income and expenses are not directly related to our ownership interests in our shopping centers and our management of complementary services. These are incurred for the management of our subsidiaries, including:

- allowance for doubtful accounts, recorded on a monthly basis, according to the following criteria: provisioning of 100% of the overdue rents by inactive tenants (those who left our shopping centers) and 100% of rents overdue by more than 180 days from tenants in our shopping centers. We analyze all rents that are overdue by less than 180 days on an individual basis to evaluate the need to record a provision;
- advertising expenses;
- sales expenses;
- personnel;
- outside services;
- expenses related to materials;
- IPTU expenses; and
- other revenues and expenses, mainly as a result of the recovery of condominium charges paid by us, extraordinary items and reverse of provisions for contingencies.

Financial Income (Expenses)

Financial income. Represents revenues received as of the date of the respective balance sheets, on financial investments and earnings from exchange rate fluctuations on our liabilities denominated in foreign currencies.

Financial expenses. Represent mainly interest, charges, monetary variations and the losses from exchange rate fluctuations on liabilities denominated in foreign currencies.

Income Tax and Social Contribution

Income tax is calculated at the rate of 15%, plus a10% surtax on annual taxable income exceeding R$240. Social contribution is calculated at the rate of 9% on adjusted net income. Deferred income taxes and social contribution were calculated based on temporary differences between the carrying amount and the tax basis of income and expenses, tax loss carryforwards and revaluation reserve of buildings and installations. Deferred income tax and social contribution assets were limited to 30% of deferred income tax and social contribution liabilities. As permitted by tax legislation, certain consolidated subsidiaries opted for taxation based on deemed income. Income taxes and social contribution are calculated on 32% of gross revenues and 100% of financial income, at the rates of 15% plus a 10% surtax for income tax and 9% for social contribution tax. For this reason, such consolidated subsidiaries did not record deferred income taxes and social contribution on tax loss carryforwards and temporary differences and are not subject to noncumulative taxation of the taxes on revenue (PIS and Cofins).

Statements of Income (Operations)

	Year ended December 31,				Six-month period ended June 30,		
(in thousands)	**2007[1]**	**2008[2]**	**2009[2]**	**2009**	**2009[2]**	**2010[2]**	**2010**
	R$	**R$**	**R$**	**US$**	**R$**	**R$**	**US$**
Gross revenue:							
Rentals	47,860	77,208	87,965	48,829	40,360	46,654	25,897
Services	11,716	16,802	23,855	13,242	10,951	12,484	6,930
Total gross revenue	59,576	94,010	111,820	62,071	51,311	59,138	32,827
Taxes, discounts and cancellations	(8,229)	(7,054)	(11,263)	(6,252)	(5,561)	(4,911)	(2,726)
Net revenue	51,347	86,956	100,557	55,819	45,750	54,227	30,101
Cost of rentals and services	(17,241)	25,646	(27,465)	(15,246)	(12,038)	(11,865)	(6,586)
Gross profit	34,106	61,310	73,092	40,573	33,712	42,362	23,515
Operating (expenses) income:							
General and administrative expenses	(33,133)	(20,945)	(18,907)	(10,495)	(10,926)	(11,365)	6,309)
Other operating income, net	4,839	8,433	8,061	4,475	3,672	3,024	1,679
Income from operations before financial expenses	5,812	48,798	62,246	34,553	26,458	34,021	18,885
Financial expenses, net	(15,181)	(48,940)	(23,332)	(12,951)	(5,234)	(28,317)	(15,719)
Income (loss) before income taxes and social contribution	(9,369)	(142)	38,914	21,601	21,224	5,704	3,166
Current income taxes and social contribution	(10,606)	(6,734)	(14,470)	(8,032)	(8,530)	(5,578)	(3,096)
Deferred income taxes and social contribution	4,952	(831)	(21)	(12)	(21)	20	11
Net income (loss)	**(15,023)**	**(7,707)**	**24,423**	**13,557**	**12,673**	**146**	**81**

(1) Combined financial information. See "Presentation of Financial and Other Information."
(2) Consolidated financial information. See "Presentation of Financial and Other Information."

Six Months Ended June 30, 2009 Compared to Six Months Ended June 30, 2010

Gross revenue. Our gross revenue increased R$7.8 million, or 15.3%, from R$51.3 million in the six months ended June 30, 2009 to R$59.1 million in the six months ended June 30, 2010. Set forth below is a break-down of our revenue, by type, for the six months ended June 30, 2009 and 2010.

Revenue by type:	Six months ended June 30, 2009	2010
	(in millions of R$)	
Rentals:		
Lease of commercial areas	36.3	42.1
Key money	2.1	2.0
Malls and merchandising	2.0	2.5
Services:		
Management of parking lots	8.1	9.5
Management of energy supply	1.9	1.9
Management of water supply	0.6	0.7
Management of shopping centers	0.3	0.4
Total gross revenue	51.3	59.1

Rentals. Our revenue from rentals increased R$6.2 million, or 15.6%, from R$40.4 million in the six months ended June 30, 2009, to R$46.6 million in the six months ended June 30, 2010, primarily as a result of the following factors:

Lease of commercial areas. Our commercial lease revenue increased R$5.8 million, or 16.0%, from R$36.3 million in the six months ended June 30, 2009, to R$42.1 million in the six months ended June 30, 2010, mainly due to (i) the annual upward adjustments in the rent we charge, (ii) the 3.3% increase in the gross leasable area at Top Center Shopping São Paulo as a result of the reconfiguration of the shopping center layout and the opening of Outlet Premium São Paulo, and (iii) the increased sales performance of our tenants, which increased R$1.6 million, the revenue of which in certain cases we earn a percentage.

Key money. Our revenue from key money decreased R$0.1 million, or 4.8%, from R$2.1 million in the six months ended June 30, 2009, to R$2.0 million in the six months ended June 30, 2010.

Malls and merchandising. Our revenue from malls and merchandising increased R$0.5 million, or 23.3%, from R$2.0 million in the six months ended June 30, 2009, to R$2.5 million in the six months ended June 30, 2010, mainly due to the increase in fees received from merchandisers and kiosks.

Services. Our revenue from services increased R$1.5 million, or 14.0%, from R$11.0 million in the six months ended June 30, 2009, to R$12.5 million in the six months ended June 30, 2010, as described below:

Management of parking lots. Our revenues from the management of parking lots increased R$1.4 million, or 17.0%, from R$8.1 million in the six months ended June 30, 2009, to R$9.5 million in the six months ended June 30, 2010, mainly due to (i) we began providing this service at Shopping Unimart in November, 2009 and at Outlet Premium São Paulo in December 2009, and (ii) increase of revenues from the other parking lot operations due to the average increase by 6.0% in the number of cars parked at our shopping centers.

Management of energy supply. Our revenues from the management of energy supply, in the amount of R$1.9 million in the six months ended June 30, 2009, remained stable in comparison to the six months ended June 30, 2010.

Management of water supply. Our revenues from the management of water supply increased R$0.1 million, or 7.4%, from R$0.6 million in the six months ended June 30, 2009, to R$0.7 million in the six months ended June 30, 2010, due to the opening of Outlet Premium São Paulo in June 2009.

Management of shopping centers. Our revenues from the management of shopping centers increased R$0.1 million, or 43.0%, from R$0.3 million in the six months ended June 30, 2009, to R$0.4 million in the six months ended June 30, 2010, primarily due to the opening of Outlet Premium São Paulo in June 2009.

Deductions. Deductions decreased R$0.7 million, or 11.7%, from R$5.6 million in the six months ended June 30, 2009, to R$4.9 million in the six months ended June 30, 2010, mainly as a result of the reduction in discounts previously offered to tenants of Auto Shopping, which was partially offset by the R$0.6 million increase in taxes resulting from an increase in revenues.

Net revenue. Our net revenue increased R$8.5 million, or 18.5%, from R$45.7 million in the six months ended June 30, 2009, to R$54.2 million in the six months ended June 30, 2010, as a result of the factors described above.

Cost of rentals and services. Our cost of rentals and services decreased R$0.1 million, or 1.4%, from R$12.0 million in the six months ended June 30, 2009, to R$11.9 million in the six months ended June 30, 2010. We set forth below our cost of rentals and services in the six-month periods ended June 30, 2009 and 2010.

	Six months ended June 30,	
	2009	2010
Cost of rentals and services:	(in millions of R$)	
Outside services	2.3	2.5
Occupancy cost (vacant stores)	4.8	4.4
Depreciation	4.4	4.5
Personnel	0.5	0.5
Total	12.0	11.9

Outside services. Our costs from outside services increased R$0.2 million, or 8.7%, from R$2.3 million in the six months ended June 30, 2009, to R$2.5 million in the six months ended June 30, 2010, primarily due to the commencement of new parking lot operations at Shopping Unimart in November 2009 and at Outlet Premium São Paulo in December 2009.

Occupancy cost (vacant stores). Our occupancy cost (vacant stores) decreased R$0.4 million, or 9.2 %, from R$4.8 million in the six months ended June 30, 2009, to R$4.4 million in the six months ended June 30, 2010, mainly due to the commencing parking lot operations at Shopping Unimart in 2009, for which we incurred a one time expenses to initiate such operations in the six months ended June 30, 2009.

Depreciation. Depreciation costs increased R$0.1 million, or 2.5%, from R$4.4 million in the six months ended June 30, 2009, to R$4.5 million in the six months ended June 30, 2010.

Personnel. Our personnel costs, in the amount of R$0.5 million in the six months ended June 30, 2009, remained stable in comparison to the six months ended June 30, 2010.

Gross profit. Our gross profit increased R$8.7 million, or 25.7%, from R$33.7 million in the six months ended June 30, 2009, to R$42.4 million in the six months ended June 30, 2010, as a result of the factors mentioned above.

Operating income (expenses). Operating expenses increased R$1.0 million, or 15.0%, from R$7.3 million in the six months ended June 30, 2009, to R$8.3 million in the six months ended June 30, 2010, as described below:

General and administrative expenses. Our general and administrative expenses increased R$0.4 million, or 4.0%, from R$10.9 million in the six months ended June 30, 2009, to R$11.3 million in the six months ended June 30, 2010, due to the increase in personnel expenses, which increased mainly as a result of (i) annual upward adjustments in salaries by 6.25% and in bonus payments made by us for the first time in 2010, and (ii) an increase in the number of employees from 64 to 70 in the six months ended June 30, 2010 compared to the prior period.

Other operating income, net. Our other operating income decreased R$0.6 million, or 17.7%, from R$3.6 million in the six months ended June 30, 2009, to R$3.0 million in the six months ended June 30, 2010, mainly as a result of a reimbursement received from one of our partners in the six months ended June 30, 2009 related to expenses incurred by us in previous periods.

Income from operations before financial expenses, net. Our income from operations before financial expenses increased R$7.5 million, or 28.6%, from R$26.5 million in the six months ended June 30, 2009, to R$34.0 million in the six months ended June 30, 2010, mainly as a result of the factors mentioned above.

Financial expenses, net. Our financial expenses, net increased R$23.1 million, or 441.0%, from R$5.2 million in the six months ended June 30, 2009, to R$28.3 million in the six months ended June 30, 2010, mainly as a result of (i) the increase of the IGP-M (an index generally used to calculate the interest rate of our debt) in the relevant comparable period, and (ii) the one-time R$15.2 million financial discount granted to us by BNDES in the first quarter of 2009 as a result of the repayment of our loan obligations to BNDES on the maturity date, pursuant to the loan agreement which provided for such a discount in event we repaid the principal amount prior to or on its maturity date.

Income before income taxes and social contribution. Our income before income taxes and social contribution decreased R$15.5 million, or 73.1%, from R$21.2 million in the six months ended June 30, 2009, to R$5.7 million in the six months ended June 30, 2010, as a result of the factors mentioned above.

Income taxes and social contribution. Our income taxes and social contribution decreased R$3.0 million, or 34.6% from R$8.6 million in the six months ended June 30, 2009, to R$5.6 million in the six months ended June 30, 2010, mainly as a result of the one-time financial discount granted to us by BNDES in the first quarter of 2009 as discussed above.

Net income. Our net income decreased R$12.5 million, or 98.8%, from R$12.7 million in the six months ended June 30, 2009, to R$0.1 million in the six months ended June 30, 2010, as a result of the factors discussed above.

Year Ended December 31, 2008 Compared to the Year Ended December 31, 2009

Gross revenue. Our gross revenue increased R$17.8 million, or 18.9%, from R$94.0 million in the year ended December 31, 2008, to R$111.8 million in the year ended December 31, 2009. Set forth below is a break-down of our revenue, by type, for the year ended December 31, 2008 and 2009.

	Year ended December 31,	
	2008	2009
Revenue by type:	(in millions of R$)	
Rentals:		
Lease of commercial areas	70.2	79.1
Key money	3.0	4.0
Malls and merchandising	4.0	4.9
Services:		
Management of parking lots	11.8	17.7
Management of energy supply	3.3	4.1
Management of water supply	1.1	1.4
Management of shopping centers	0.6	0.6
Total gross revenue	94.0	111.8

Rentals. Our revenue from rentals increased R$10.8 million, or 13.9%, from R$77.2 million in the year ended December 31, 2008, to R$88.0 million in the year ended December 31, 2009, primarily as a result of the following factors:

Lease of commercial areas. Our commercial lease revenue increased R$8.9 million, or 12.5%, from R$70.2 million in the year ended December 31, 2008, to R$79.1 million in the year ended December 31, 2009, mainly due to (i) the annual upward adjustments in the rent we charge, (ii) the increase in revenue resulting from the increase in the number of tenants from the expansion of Suzano Shopping, by 6,463 square meters in its gross leasable area, and of Internacional Shopping Guarulhos, by 3,000 square meters in its gross leasable area, which was completed at both shopping centers in December 2008, (iii) the increase by 80% of the rent we charge at Top Center Shopping São Paulo as a result of its reconfiguration, and (iv) the opening of Outlet Premium São Paulo in June 2009.

Key money. Our revenue from key money increased R$1.0 million, or 33.5%, from R$3.0 million in the year ended December 31, 2008, to R$4.0 million in the year ended December 31, 2009, mainly due to the revenue from key money from Outlet Premium São Paulo, which opened in June 2009.

Malls and merchandising. Our revenue from malls and merchandising increased R$0.9 million, or 24.9%, from R$4.0 million in the year ended *December* 31, 2008, to R$4.9 million in the year ended December 31, 2009, mainly due to the increase in fees received from merchandisers and kiosks.

Services. Our revenue from services increased R$7.0 million, or 42.0%, from R$16.8 million in the year ended December 31, 2008, to R$23.9 million in the year ended December 31, 2009, as described below:

Management of parking lots. Our revenues from the management of parking lots increased R$5.9 million, or 49.6%, from R$11.8 million in the year ended December 31, 2008, to R$17.7 million in the year ended December 31, 2009, mainly due to (i) we began providing this service at Suzano Shopping in March 2008, at Shopping Unimart in November 2009, and at Santana Parque Shopping in July 2008, and (ii) the increase of revenue from parking lot operations at Internacional Shopping Guarulhos due to the increase in parking fees and the increase in the number of cars parked at our shopping centers.

Management of energy supply. Our revenues from the management of energy supply increased R$0.8 million, or 26.2%, from R$3.3 million in the year ended December 31, 2008, to R$4.1 million in the year ended December 31, 2009, mainly due to (i) the increase in revenues at Internacional Shopping Guarulhos and Shopping Light, and (ii) the commencement of this service at Suzano Shopping in August 2009.

Management of water supply. Our revenues from the management of water supply increased R$0.3 million, or 27.3%, from R$1.1 million in the year ended December 31, 2008, to R$1.4 million in the year ended December 31, 2009, due to (i) our recording of full annual revenues from this service in 2009 from shopping centers that initiated this service in 2008 (Shopping Light in August 2008, Prudente Parque Shopping in June 2008 and Shopping do Vale in June 2008), and (ii) the commencement of this service at Outlet Premium São Paulo in June 2009.

Management of shopping centers. Our revenues from the management of shopping centers, in the amount of R$0.6 million in the year ended December 31, 2009, remained stable in comparison to the year ended December 31, 2008.

Deductions. Deductions increased R$4.2 million, or 59.7%, from R$7.1 million in the year ended December 31, 2008, to R$11.3 million in year ended December 31, 2009, mainly as a result of (i) the increase in the discounts offered to tenants of Auto Shopping and (ii) the R$2.2 million increase in taxes resulting from increases in revenues.

Net revenue. Our net revenue increased R$13.6 million, or 15.6%, from R$87.0 million in the year ended December 31, 2008, to R$100.6 million in the year ended December 31, 2009, as a result of the factors described above.

Cost of rentals and services. Our cost of rentals and services increased R$1.8 million, or 7.1%, from R$25.7 million in the year ended December 31, 2008, to R$27.5 million in the year ended December 31, 2009. We set forth below our cost of rentals and services in the year ended December 31, 2008 and 2009.

Cost of rentals and services:	Year ended December 31, 2008	2009
	(in millions of R$)	
Outside services	4.7	7.1
Occupancy cost (vacant stores)	6.4	9.2
Depreciation	12.0	9.8
Personnel	2.6	1.4
Total	25.7	27.5

Outside services. Our costs from outside services increased R$2.4 million, or 52.6%, from R$4.7 million in the year ended December 31, 2008, to R$7.1 million in the year ended December 31, 2009, mainly due to the commencement of parking lot operations at Suzano Shopping in January 2009 and at Santana Parque Shopping in July 2009.

Occupancy cost (vacant stores). Our occupancy cost (vacant stores) increased R$2.8 million, or 43.2%, from R$6.4 million in the year ended December 31, 2008, to R$9.2 million in the year ended December 31, 2009, mainly as a result of (i) changes in tenants at Auto Shopping, (ii) the lease payment grace period offered to new tenants at Top Center Shopping São Paulo and Outlet Premium São Paulo, and (iii) we began providing parking lot operations at Suzano Shopping in 2008, for which we incurred non-recurring expenses to initiate such operations in the year ended December 31, 2009.

Depreciation. *Depreciation* costs decreased R$2.2 million, or 18.3%, from R$12.0 million in the year ended December 31, 2008, to R$9.8 million in the year ended December 31, 2009, as a result of a new appraisal applied in 2009, which extended the expected useful life of certain assets.

Personnel. Our personnel costs decreased R$1.2 million, or 46.8%, from R$2.6 million in the year ended December 31, 2008 to R$1.4 million in the year ended December 31, 2009, mainly due to the outsourcing of parking lot operations at Internacional Shopping Guarulhos in July 2008.

Gross profit. Our gross profit increased R$11.8 million, or 19.2%, from R$61.3 million in the year ended December 31, 2008, to R$73.1 million in the year ended December 31, 2009, as a result of the factors mentioned above.

Operating income (expenses). Operating expenses decreased R$1.7 million, or 13.3%, from R$12.5 million in the year ended December 31, 2008, to R$10.8 million in the year ended December 31, 2009, as described below:

General and administrative expenses. Our general and administrative expenses decreased R$2.0 million, or 9.7%, from R$20.9 million in the year ended December 31, 2008, to R$18.9 million in the year ended December 31, 2009, primarily due to (i) the reduction of (a) R$0.4 million in marketing and advertisement expenses, (b) R$0.6 million in expenses related to travel and accommodations, (c) R$0.2 million in expenses of provision for doubtful accounts, (d) R$1.0 million in non-recurring expenses, and (e) R$2.0 million related to other expenses, which were partially offset by the increase by R$0.6 million in personnel expenses and by R$1.6 million in use of outside services.

Other operating income, net. Our other operating income decreased R$0.3 million, or 4.4%, from R$8.4 million in the year ended December 31, 2008, to R$8.1 million in the year ended December 31, 2009, mainly as a result of (i) increase in expenses incurred with respect to recovery of expenses paid by us, including condominium charges, IPTU and insurance premiums from tenants, and (ii) the reverse of provisions for contingencies in the total amount of R$1.3 million.

Income from operations before financial expenses, net. Our income from operations before financial expenses increased R$13.4 million, or 27.6%, from R$48.8 million in the year ended December 31, 2008, to R$62.2 million in the year ended December 31, 2009, as a result of the factors mentioned above.

Financial expenses, net. Our financial expenses, net decreased R$25.6 million, or 52.3%, from R$48.9 million in the year ended December 31, 2008, to R$23.3 million in the year ended December 31, 2009, mainly due to (i) the decrease in the variation of the IGP-M (a index generally used to calculate the interest rate of our debt) in the relevant period, and (ii) the one time financial discount granted to us by BNDES in 2009 as discussed above.

Income (loss) before income taxes and social contribution. Our income before income taxes and social contribution increased R$39.0 million, from a loss of R$0.1 million in the year ended December 31, 2008, to income of R$38.9 million in the year ended December 31, 2009, as a result of the factors mentioned above.

Income taxes and social contribution. Our income taxes and social contribution increased R$6.9 million, or 91.6%, from R$7.6 million in the year ended December 31, 2008, to R$14.5 million in the year ended December 31, 2009. This increase was mainly due to the one time financial discount granted to us by BNDES in 2009 as discussed above.

Net income (loss). Our net income increased R$32.1 million, from a loss of R$7.7 million in the year ended December 31, 2008, to a profit of R$24.4 million in the year ended December 31, 2009, as a result of the factors discussed above.

Year Ended December 31, 2007 Compared to the Year Ended December 31, 2008

Gross revenue. Our gross revenue increased R$34.4 million, or 57.8%, from R$59.6 million in the year ended December 31, 2007 to R$94.0 million in the year ended December 31, 2008. Set forth below is a break-down of our revenue, by type, for the years ended December 31, 2007 and 2008.

	Year ended December 31,	
	2007(1)	**2008**(2)
Revenue by type:	(in millions of R$)	
Rentals		
Lease of commercial areas	43.4	70.2
Key money	2.4	3.0
Malls and merchandising	2.1	4.0
Services		
Management of parking lots	7.1	11.7
Management of energy supply	4.0	3.3
Management of water supply	0.5	1.1
Management of shopping center	0.1	0.7
Total gross revenue	59.6	94.0

(1) Combined financial information. See "Presentation of Financial and Other Information."
(2) Consolidated financial information. See "Presentation of Financial and Other Information."

Rentals. Our revenue from rentals increased R$29.3 million, or 61.3%, from R$47.9 million in the year ended December 31, 2007, to R$77.2 million in the year ended December 31, 2008, primarily as a result of the following factors:

Lease of commercial areas. Our commercial lease revenue increased R$26.8 million, or 61.9%, from R$43.4 million in the year ended December 31, 2007, to R$70.2 million in the year ended December 31, 2008, mainly due to (i) the increase in revenue by 8.6% from Internacional Shopping Guarulhos, Auto Shopping and Poli Shopping, resulting from the annual upward adjustments in the lease agreements (contractual annual increases and inflationary adjustments), (ii) recording full annual revenues in 2008 from shopping centers acquired and opened in 2007 (Suzano Shopping in August, Santana Parque Shopping, in October, and Cascavel JL Shopping, Poli Shopping Osasco, Prudente Parque Shopping and Shopping do Vale, in November), and (iii) the consolidation of revenues from Top Center Shopping São Paulo and Shopping Unimart, which were acquired in January 2008.

Key money. Our revenue from key money increased R$0.6 million, or 25.2%, from R$2.4 million in the year ended December 31, 2007, to R$3.0 million in the year ended December 31, 2008, due to our recording of full annual revenues from key money in 2008 from shopping centers acquired and opened in 2007 (Suzano Shopping, in August, Santana Parque Shopping, in October, and Cascavel JL Shopping, Poli Shopping Osasco, Prudente Parque Shopping and Shopping do Vale, in November).

Malls and merchandising. Our revenue from malls and merchandising increased R$1.9 million, or 90.8%, from R$2.1 million in the year ended December 31, 2007, to R$4.0 million in the year ended December 31, 2008, mainly due our reporting of full annual revenues from this service in 2008 from shopping centers acquired and opened in 2007 (Suzano Shopping, in August, Santana Parque Shopping, in October, and Cascavel JL Shopping, Poli Shopping Osasco, Prudente Parque Shopping and Shopping do Vale, in November).

Services. Our revenue from services increased R$5.1 million, or 43.4%, from R$11.7 million in the year ended December 31, 2007, to R$16.8 million in the year ended December 31, 2008, as described below:

Management of parking lots. Our revenue from the management of parking lots increased R$4.6 million, or 64.2%, from R$7.1 million in the year ended December 31, 2007, to R$11.7 million in the year ended December 31, 2008, mainly due to (i) the commencement of new operations at the end of 2007 and beginning of 2008, including Suzano Shopping (November 2007), Cascavel JL Shopping (June 2008), Shopping Light (November 2007), and Santana Parque Shopping (October 2007).

Management of energy supply. Our revenue from the management of energy supply decreased R$0.7 million, or 16.1%, from R$4.0 million in the year ended December 31, 2007, to R$3.3 million in the year ended December 31, 2008, primarily due to the decrease in the spread between energy prices charged to our tenants by us and the prices at which we purchase energy in the open market.

Management of water supply. Our revenue from the management of water supply increased R$0.6 million, or 102.8% from R$0.5 million, in the year ended December 31, 2007, to R$1.1 million in the year ended December 31, 2008, primarily due to our reporting of full annual revenues from this service in 2008 from shopping centers acquired and opened in 2007 (Suzano Shopping, in August, Santana Parque Shopping, in October, and Cascavel JL Shopping, Poli Shopping Osasco, Prudente Parque Shopping and Shopping do Vale, in November).

Management of shopping centers. Our revenue from the management of shopping centers increased R$0.6 million, or 561.0%, from R$0.1 million in the year ended December 31, 2007, to R$0.7 million in the year ended December 31, 2008, mainly due to the management fees of the new shopping centers opened in 2008, which are Shopping do Vale in November 2007, Top Center Shopping São Paulo in January 2008, Cascavel JL Shopping in November 2007, Prudent Parque Shopping in November 2007, and Poli Shopping Osasco in November 2007.

Deductions. Deductions decreased R$1.1 million, or 14.3%, from R$8.2 million in the year ended December 31, 2007, to R$7.1 million in the year ended December 31, 2008, mainly as a result of (i) the reduction of discounts offered to tenants of Internacional Shopping Guarulhos, and (ii) a shift to the presumed profits method, adopted by most of our subsidiaries that we control.

Net revenue. Our net revenue increased R$35.7 million, or 69.4%, from R$51.3 million in the year ended December 31, 2007, to R$87.0 million in the year ended December 31, 2008, as a result of the factors described above.

Cost of rentals and services. Our cost of rentals and services increased R$8.4 million, or 48.8%, from R$17.2 million in the year ended December 31, 2007, to R$25.6 million in the year ended December 31, 2008. We set forth below our cost of rentals and services in the years ended December 31, 2007 and 2008.

Cost of rentals and services:	Year ended December 31, 2007(1)	2008(2)
	(in millions of R$)	
Depreciation	7.0	12.0
Personnel	3.8	2.6
Outside services	3.0	4.6
Occupancy cost (vacant stores)	3.4	6.4
Total cost of rentals and services	**17.2**	**25.6**

(1) Combined financial information. See "Presentation of Financial and Other Information."
(2) Consolidated financial information. See "Presentation of Financial and Other Information."

Depreciation. Depreciation costs increased R$5.0 million, or 71.5%, from R$7.0 million in the year ended December 31, 2007, to R$12.0 million in year ended December 31, 2008, as a result of the increase in depreciation of new shopping centers acquired in 2007 (Suzano Shopping, in August, Santana Parque Shopping, in October, and Cascavel JL Shopping, Poli Shopping Osasco, Prudente Parque Shopping and Shopping do Vale, in November), due to the recording of full annual depreciation in 2008 of these shopping centers, as opposed to partial annual depreciation in 2007, which was partly offset by the decrease in depreciation of Internacional Shopping Guarulhos, Auto Shopping and Poli Shopping, whose assets were revalued at the end of the first quarter of 2007.

Personnel. Our personnel costs decreased R$1.2 million, or 32.1%, from R$3.8 million in the year ended December 31, 2007, to R$2.6 million in the year ended December 31, 2008, mainly due to the outsourcing of parking lot operations at Internacional Shopping Guarulhos in July 2008, and (ii) the conveyance of GSB Adm.'s personnel to the condominiums.

Outside services. Our costs from outside services increased R$1.6 million, or 55.1%, from R$3.0 million in the year ended December 31, 2007, to R$4.6 million in year ended December 31, 2008, mainly as a result of the replacement of our own personnel with third-party services to run the parking lot operations at Internacional Shopping Guarulhos beginning in July 2008 and Santana Parque Shopping in July 2008.

Occupancy cost (vacant stores). Our occupancy cost (vacant stores) increased R$3.0 million, or 85.7%, from R$3.4 million in the year ended December 31, 2007, to R$6.4 million in the year ended December 31, 2008, mainly due to our recording of full annual vacancies in 2008 at the shopping centers we acquired and opened in 2007 (Suzano Shopping, in August, Santana Parque Shopping, in October, and Cascavel JL Shopping, Poli Shopping Osasco, Prudente Parque Shopping and Shopping do Vale, in November), as opposed to partial annual vacancies in 2007 from those shopping centers related to the period starting on the date on which each of those shopping centers were acquired up to December 31, 2007.

Gross profit. Our gross profit increased R$27.2 million, or 79.8%, from R$34.1 million in the year ended December 31, 2007, to R$61.3 million in the year ended December 31, 2008, as a result of the factors mentioned above.

Operating income (expenses). Operating expenses decreased R$15.8 million, or 55.8 %, from R$28.3 million in the year ended December 31, 2007, to R$12.5 million in the year ended December 31, 2008, as described below:

General and administrative expenses. Our general and administrative expenses decreased R$12.2 million, or 36.8%, from R$33.1 million in the year ended December 31, 2007, to R$20.9 million in the year ended December 31, 2008, mainly as a result of (i) the reduction by R$21.2 million in nonrecurring expenses related to the public offering concluded in 2007, which was partially offset by (ii) the increase of R$5.1 million in personnel expenses related to the management of our holding company, (iii) the increase of R$1.2 million in third-parties services expenses, (iv) the increase of R$2.4 million in provision for doubtful accounts and (v) the increase of R$0.3 million in other general and administrative expenses.

Other operating income, net. Our other operating income increased R$3.6 million, or 74.3%, from R$4.8 million in the year ended December 31, 2007, to R$8.4 million in the year ended December 31, 2008, as a result of expenses incurred for the recovery of amounts owed to us, condominium charges, such as IPTU, and insurance premiums of the new shopping centers acquired at the end of 2007 and beginning of 2008.

Income from operations before financial expenses, net. Our income from operations before financial income increased R$43.0 million, or 739.6%, from R$5.8 million in the year ended December 31, 2007, to R$48.8 million in the year ended December 31, 2008, as a result of the factors mentioned above.

Financial expenses, net Our financial expenses, net increased R$33.7 million, or 222.4%, from R$15.2 million in the year ended December 31, 2007, to R$48.9 million in the year ended December 31, 2008, mainly as a result of the increase in interest payments on bank loans, related to our higher level of indebtedness, which increased from R$108.8 million in the year ended December 31, 2007, to R$285.6 million in the year ended December 31, 2008.

Loss before income taxes and social contribution. Our loss before income tax and social contribution decreased R$9.3 million, from losses of R$9.4 million in the year ended December 31, 2007, to losses of R$0.1 million in the year ended December 31, 2008, as a result of the factors mentioned above.

Income taxes and social contribution. Our income taxes and social contribution increased R$1.9 million, or 33.8%, from R$5.7 million in the year ended December 31, 2007, to R$7.6 million in the year ended December 31, 2008, mainly as a result of investments in new shopping centers, which increased the revenues and, consequently, the taxes owed as a result.

Net loss. Our net loss decreased R$7.3 million, from a loss of R$15.0 million in the year ended December 31, 2007, to a loss of R$7.7 million in the year ended December 31, 2008, as a result of the factors discussed above.

Liquidity and Capital Resources

Our main source of funds is the generation of operating cash resulting from our ownership interest in shopping centers. Our levels of operating cash may vary from time to time depending on the revenue from rentals and services, costs, expenses and our investments related to a particular property.

Cash flows

For the year ended December 31, 2009 and the six-month period ended June 30, 2010, our main source of liquidity originated from our operating activities. In 2007 and 2008 our main source of liquidity originated from our equity offering and the certificate of real estate receivables securitizations, respectively.

The table below sets forth the summarized cash flows from our operating, investing and financing activities for the years ended December 31, 2007, 2008 and 2009 and the six months ended June 30, 2009 and 2010.

	Year ended December 31,			Six months ended June 30,	
Cash flow statement	**2007(1)(2)**	**2008(1)**	**2009(1)**	**2009(1)**	**2010(1)**
			(in thousands of R$)		
Net cash generated by (used in) operating activities	(5,401)	65,778	60,320	3,789	32,989
Net cash generated by (used in)investing activities	(228,577)	(193,350)	(31,134)	(23,502)	3,981
Net cash provided by (used in) financing activities	256,231	190,157	(111,041)	(66,578)	(22,812)
Increase (decrease) in cash and cash equivalents	22,253	62,585	(81,855)	(88,291)	14,158
Cash and cash equivalents					
At the beginning of the period	9,160	31,413	93,998	93,998	12,143
At the end of the period	31,413	93,998	12,143	7,707	26,301

(1) Consolidated financial statements. See "Presentation of Financial and Other Information."
(2) Consolidated cash flow for the period from March 6, 2007 to December 31, 2007.

Net Cash Generated by (Used in) Operating Activities

Our net cash generated by operating activities in the six months ended June 30, 2010 and 2009 were R$33.0 million and R$3.8 million, respectively, mainly as a result of the increase in operating income and the decrease in accounts payable to suppliers.

Our net cash generated by operating activities in the years ended December 31, 2009 and 2008 was R$60.3 million and R$65.8 million, respectively. This decrease in the operating income was mainly as a result of a decrease in working capital due to a decrease in accounts payable to suppliers.

Our net cash generated by (used in) operating activities in the years ended December 31, 2008 and 2007 was R$65.8 million and R$(5.4 million), respectively, mainly a result of the consolidation of the results of shopping centers acquired during 2007.

Net Cash Generated by (Used in) Investing Activities

We invest most of our funds in the acquisition of fixed assets to expand our operations. In the six months ended June 30, 2010, (i) we sold 50% of the real estate of the São Bernardo "greenfield" project for approximately R$30 million, (i) increased our investment in Outlet Premium by 20% for R$15.5 million, reaching a total investment of 50% in that project, (iii) invested in fixed assets also in the Outlet Premium in the amount of R$2.0 million, (iv) invested in the Sulacap project in the amount approximately of R$2.2 million, (v) invested R1.0 million in the Barueri project and (vi) invested in other fixed assets.

In 2009, we invested R$37.8 million mainly in (i) the expansion of Top Center, in the amount of R$15.5 million, (ii) the completion of construction of Outlet Premium, in the amount of R$5.6 million, (iii) fixed assets of General Shopping Holding, in the amount of R$0.9 million, (iv) fixed assets for Internacional Shopping Guarulhos, in the amount of R$1.5 million, (v) the expansion of Suzano Shopping, in the amount of R$9.6 million, (vi) Sulacap "greenfield", in the amount of R$2.2 million, and (vii) the acquisitions of other assets, in the total amount of R$2.5 million.

In 2008, we invested R$192.0 million mainly in (i) the acquisition of Uniplaza Empreendimentos, Participações e Administração de Centros de Compra Ltda, and incorporation of fixed assets in the amount of R$30.2 million, (ii) expansion of Polishopping in the amount of R$0.8 million, (iii) revitalization project at Shopping do Vale, in the amount of R$1.2 million, (iv) Sulacap "greenfield", in the amount of R$12.8 million, (v) Ipark operation, in the amount of R$1.7 million, (vi) Energy operation, in the amount of R$1.2 million, (vii) fixed assets at General Shopping Holding, in the amount of R$2.8 million, (viii) the acquisition of Top Center Shopping São Paulo, in the amount of R$30.2, (ix) the acquisition of land for implementation of Barueri Shopping, in the amount of R$23.7 million, (x) Barueri "greenfield", in the amount of R$7.0 million, (xi) the acquisition of land for implementation of Outlet Premium Shopping, in the amount of R$19.0 million, (xii) São Bernardo "greenfield", in the amount of R$2.4 million, (xiii) the expansion of Suzano Shopping, in the amount of R$25.2 million, (xv) the acquisition of land for implementation of Suzano Shopping, in the amount of R$2.9 million, (xvi) goodwill on acquisition of Uniplaza Empreendimentos, Participações e Administração de Centros de Compra Ltda by Send Empreendimentos in the amount of R$22.6 million, (xvii) the acquisition of fixed assets for Levian in the amount of R$2.6 million and (xvii) the acquisitions of other assets, in the total amount of R$5.7 million.

In 2007, we invested R$242.2 million mainly in (i) the acquisition of Suzano Shopping, in the amount of R$45.8 million, (ii) the acquisition of Shopping Light building, in the amount of R$26.2 million, (iii) the acquisition of Cascavel JL Shopping, in the amount of R$31.7 million, (iv) the acquisition of Shopping do Vale, in the amount of R$19.1 million, (v) the acquisition of Prudente Parque Shopping, in the amount of R$17.3 million, (vi) the acquisition of Poli Shopping Osasco, in the amount of R$12.5 million, (vii) the acquisition of Top Center Shopping São Paulo, in the amount of R$6.0 million, (viii) the acquisition of land for implementation of Shopping São Bernardo, in the amount of R$22.3 million, (ix) the acquisition of land for implementation of Barueri Shopping, in the amount of R$25.0 million, (x) the acquisition of land for implementation of Shopping Sulacap, in the amount of R$9.4 million, (xi) the construction of Santana Parque Shopping, in the amount of R$23.6 million, (xii) the construction of Outlet Premium São Paulo, in the amount of R$1.9 million, (xiii) the acquisitions of other assets, in the total amount of R$1.4 million.

Net Cash Generated by (Used in) Financing Activities

Our net cash generated by financing activities in the six months ended June 30, 2010 and 2009 was R$(22.8 million) and R$(66.6 million), respectively. In the six months ended June 30, 2010, we raised R$74.0 million through the issuance of securitized receivables, which was partially offset by R$97.1 in loan repayments, capital expenditures and related party transactions. In the six months ended June 30, 2009, we withdrew R$12.9 million in bank loans, and repaid R$79.4 million in loan obligations.

Our net cash generated by financing activities in the years ended December 31, 2009 and 2008 was R$(111.0 million) and R$190.2 million, respectively. In 2009 we received R$22.1 million in bank loan financing and made R$133.1 in loan repayments relating to our issued securitized receivables, capital expenditures and related party transactions. In 2008, we received R$280.3 million in bank loan financing and the issuances of securitized receivables and paid R$90.1 million in loan repayment obligations. In 2008, we also received R$22.1 million in bank loan financing.

Our net cash generated by financing activities in the years ended December 31, 2008 and 2007 was R$190.2 million and R$256.2 million, respectively. In 2008, we obtained R$280.3 million in new bank loans and issuances of securitized receivables and made R$90.1 million in loan repayments. In 2008, we also received R$22.1 million in bank loan financing. In 2007, we raised R$ 286.7 million in an equity offering and received R$30.3 million in bank loan financing. In 2007 we made R$60.8 million in loan repayments.

Capital Expenditures

To continue our growth strategy, we intend to (i) expand our current shopping centers, (ii) acquire ownership interests in existing shopping centers and increase our ownership interest in our existing shopping centers, (iii) develop new shopping centers, and (iv) develop mixed use projects. According to our estimates, these investments will represent expenditures of R$185.5 million in 2010, 2011 and 2012. See "Business— Development of New Shopping Center". However, the actual costs of these investments may vary significantly based on a number of factors described in this offering memorandum.

Indebtedness

To the extent necessary, we enter into loans with private financial institutions. As of June 30, 2010, our total indebtedness was R$334.7 million, of which R$43.6 million was short-term debt and R$291.1 million was long-term debt, representing an increase of R$10.0 million, or 3.1%, in relation to our indebtedness as of June 30, 2009. For more information about our financing agreements and agreements entered into after June 30, 2010, see "Business—Material Agreements."

The table below sets forth our loans and financing real estate credit certificates that we had contracted for the period indicated.

Description	Currency	Maturity date	Index	Interest	As of June 30, 2010
					(in millions of R$)
BANCO ABC BRASIL S/A	*Reais*	September/2012	-	15.95% p.a.	8.0
BANCO PONTUAL S/A(1)	*Reais*	undetermined	-	12.68% p.a.	4.4
BANCO DO PARANÁ S/A	*Reais*	March/2012	CDI	6.8% p.a	13.6
CCI - NOVA UNIÃO	*Reais*	March/2016	IGP-M	11.0% p.a.	14.0
CCI - UNIBANCO	*Reais*	December/2018	IGP-M	12.0% p.a.	64.7
CCI - ITAÚ BBA	*Reais*	June/2018	TR	11.0% p.a.	170.3
CCI - RB CAPITAL	*Reais*	April/2020	IPCA	9.9% p.a.	59.7
Total.......................................					**334.7**

(1) This loan is currently the subject of litigation between Levian, ABK and Banco Pontual S/A. See "—Legal and Administrative Proceedings—Collection Actions"

The table below sets forth our debt payment schedule:

	Total amount	
	Loans	CCIs
	(in millions of R$)	
2010	10.3	11.7
2011	11.9	28.8
2012	3.8	31.9
2013	-	32.2
After 2013	-	204.1
Total indebtedness	**26.0**	**308.7**

We believe our current indebtedness level does not place significant pressure on our cash flow and that we are capable of meeting our financial obligations.

We believe that (i) we have sufficient liquidity to fund investments, expenses, debts, and other amounts to be paid in the next few years, although we cannot ensure that this situation will not change and (ii) our strong revenue growth and cash generation is sufficient to ensure the necessary funds to maintain our agreements relating to our debt within their terms.

In addition, as of the date of this offering memorandum, we had met all our financial obligations set forth in our financing agreements.

Off-Balance Sheet Arrangements

We currently have no adjustment or material operation that is not reflected in our balance sheet. Neither do we have subsidiaries in which we hold majority ownership interests that are not included in our consolidated financial statements.

Contractual Obligations

Our material contractual obligations as of June 30, 2010 were:

	Total	Less than 1 Year	1-3 years	3-5 years	More than 5 years
			(in thousands of R$)		
Purchase of land	2,732	2,616	116	—	—
Tax installments	20,372	3,410	6,820	6,820	3,322
Loans and financing	26,028	16,301	9,727	—	—
Real estate credit certificates	308,683	27,298	64,078	70,486	146,821
Total	357,815	49,625	80,741	77,306	150,143

The amounts for the purchase of land refer to payments to be made to (i) Parinvest Participações e Developments S.A., in the amount of R$1.5 million, relating to the land for the construction of Shopping Light and (ii) Unimóvel Empreendimentos e Construções Ltda., in the amount of R$1.2 million, relating to the acquisition of Shopping Unimart.

The amounts for tax installments refer mainly to (i) PIS and Social Security Financing Tax (*Contribuição para o Financiamento de Seguridade Social*), ("COFINS"), in the total amount of R$6.6 million, (ii) National Social Security Institute (*Instituto Nacional do Seguro Social*) ("INSS"), the amount of R$1.5 million, and (iii) income taxes and social contribution in the amount of R$12.2 million. For information on our material contracts, see "Business – Material Contracts."

Quantitative and Qualitative Analysis of Market Risks

We are exposed to the market risks described in "Risk Factors", "Forward-Looking Statements" and elsewhere in this offering memorandum.

Interest rates and indexing risks

As of June 30, 2010, our indebtedness indexed to IPCA was R$59.6 million, indexed to TR was R$170.4 million and indexed to CDI was R$21.8 million. If such variable interest rates are 10% higher in 2010 than in 2009, our financial expenses would increase by R$0.9 million. These results are determined taking into account the impact of hypothetical interest rates on our variable-rate indebtedness and investment balances as of June 30, 2010.

Exchange rate risk

None of our indebtedness was denominated in U.S. dollars as of June 30, 2010.

INDUSTRY OVERVIEW

History

The first Brazilian shopping centers appeared during the second half of the 1960s. A few new shopping centers were launched in the 1970s, but it was not until the 1980s that large shopping centers were developed, mainly in the cities of São Paulo, Rio de Janeiro and other large metropolitan cities in Brazil.

The shopping center industry grew significantly as a result of certain socio-economic changes in Brazil. The main factors that led to this growth include the following: (i) increased urbanization; (ii) economic stability with the success of the *Plano Real*; (iii) greater need for personal security in many Brazilian urban centers; and (iv) increase in retail sales and gross disposable income. The development of shopping centers during the mid- to late-1990s was fostered by the success of some of the shopping centers launched in the 1980s, which promoted investment in the industry, with funds coming primarily from pension funds expanding their portfolios. This period also benefited from the maturity and expansion of existing shopping centers.

Since the inception of the shopping center industry in Brazil, the number of shopping centers in the country has increased significantly, totaling 392 on December 31, 2009, according to ABRASCE. The table below sets forth the increase in the number of shopping centers in Brazil beginning in 2000.

Year	Number of Shopping Centers	Growth in relation to the previous year (%)	Accumulated growth (%)
2000	281	—	—
2001	294	4.6	4.6
2002	303	3.1	7.8
2003	317	4.6	12.8
2004	326	2.8	16.0
2005	338	3.7	20.3
2006	351	3.8	24.9
2007	365	4.0	29.9
2008	376	3.0	33.8
2009	392	4.3	39.5

Source: ABRASCE

According to ABRASCE, in July 2010 there were approximately 397 shopping centers and 9.3 million square meters of gross leasable area in Brazil. The table below sets forth the development of the gross leasable area of shopping centers in Brazil beginning in 2000.

Year	Millions of square meters	Growth in relation to the previous year (%)
2000	5.1	—
2001	5.2	2.0
2002	5.5	5.8
2003	5.6	1.8
2004	6.2	10.7
2005	6.5	4.8
2006	7.5	15.4
2007	8.3	10.7
2008	8.6	3.6
2009	9.1	5.8

Source: ABRASCE

The increase in the number of shopping centers and gross leasable area in Brazil has led to an increase in the number of visitors in recent years beginning in 2000:

Year	Flow of shoppers (in millions per month)	Growth in relation to the previous year (%)
2000	125	—
2001	135	8.0
2002	160	18.5
2003	175	9.4
2004	185	5.7
2005	181	(2.2)
2006	203	12.2
2007	305	50.2
2008	325	6.6
2009	348	7.1

Source: ABRASCE

The table below sets forth the distribution of shopping centers throughout Brazil as of July 2010:

Brazilian Regions	Units	% of Total	Gross leasable area (m^2)	% of Total
North	12	3.0	328,229	3.5
Northeast	58	14.6	1,287,863	13.7
Midwest	36	9.1	764,646	8.2
Southeast	214	53.9	5,382,868	57.4
South	77	19.4	1,611,699	17.2
Brazil	397	100.0	9,375,305	100.0

Source: ABRASCE

As seen in the above table, approximately 57% of the total gross leasable area is located in the southeastern region of Brazil, which is responsible for most of the Brazilian GDP, with the highest levels of population density and per capita income, as of July 2010. Approximately 39% of the Brazilian gross leasable area is in the state of São Paulo and 12% in the state of Rio de Janeiro as of the same date, according to ABRASCE.

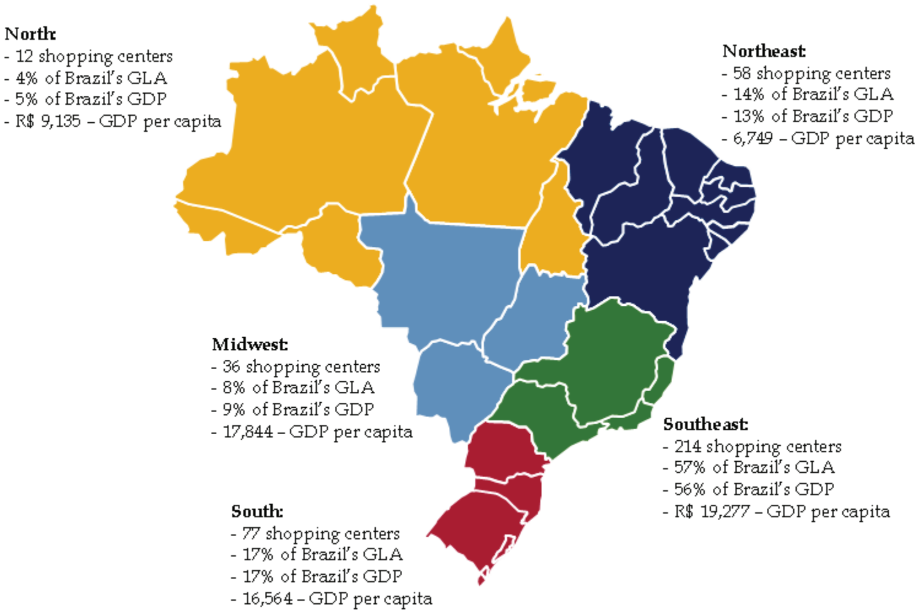
The states of São Paulo, Rio de Janeiro and Minas Gerais are responsible for approximately 53% of the total number of shopping centers in Brazil as of July 2010. São Paulo has approximately 33% of Brazil's shopping centers as of the same date, according to ABRASCE (July 2010).

According to ABRASCE, there were, as of July 2010, roughly 9.4 million square meters of gross leasable area distributed in 397 shopping centers all over the country. The total gross leasable area was occupied by nearly 68,000 satellite stores and 2,800 anchor stores as of the same date.

A significant portion of the total gross leasable area is located in the following cities: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Curitiba, Brasília and Salvador, which represents almost half of the total gross leasable area as of December 2009.

The following chart shows the distribution of gross leasable area and GDP per region in Brazil.

Regional Profile



Source: ABRASCE (July, 2010) for GLA figures and IBGE (2007) for GDP figures.

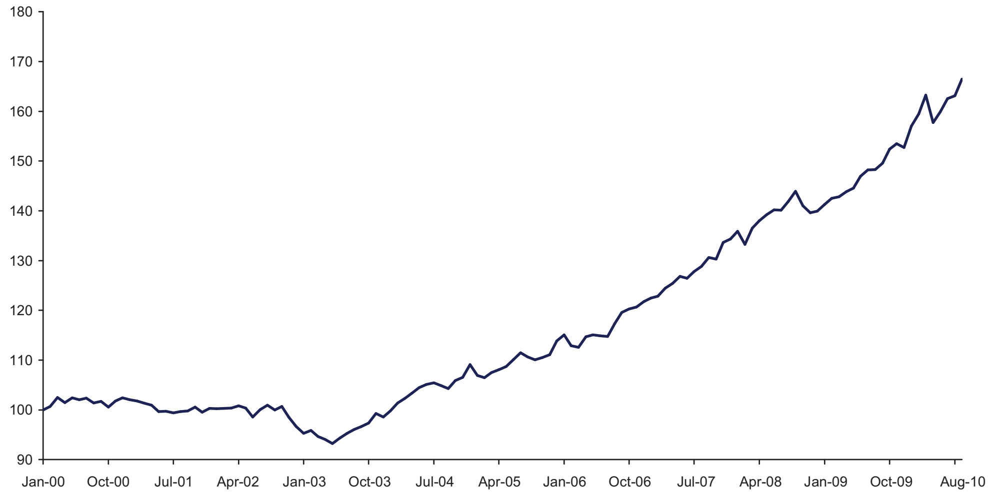
Overview

In addition to the concentration of diversified stores and services in a single location, there are other factors that make shopping centers an attractive shopping alternative in Brazil. The sense of personal security and shelter against excessive heat and tropical rain, which are more frequent during the year-end holiday seasons, during which time the highest rates of retail sales are reported, are factors that have caused sales in shopping centers to increase at a faster rate than retail sales in general.

Sales performance of stores in shopping centers has historically been directly related to the general performance of Brazilian retail sales. Partly due to the positive macroeconomic scenario, the shopping center industry has grown steadily over the last few years. However, Brazilian retail real sales increased 6% during 2009 while in the same year Brazilian GDP decreased 0.2%.

The chart below sets forth the Brazilian retail sales from January 2000 to July 2010:

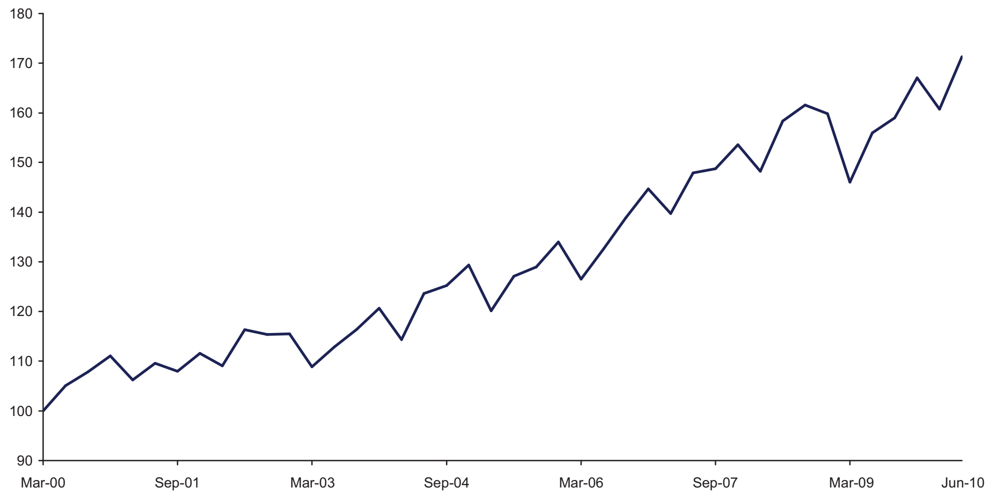
Real retail sales growth



Source: Ipeadata
Note: Index with seasonality adjustment (January 2000 = 100)

In addition, the increase in Brazilian gross disposable income may have influenced the increase in retail sales in the country, as set forth in the chart below:

Disposable gross income real growth



Source: Ipeadata
Note: index deflated by the IPCA (January 2000 = 100)

According to ABRASCE, total sales in shopping centers had a nominal growth of 9.9% in 2009.

The performance of retail sales has stimulated the demand for additional stores in shopping centers. With the reduction in the number of new shopping centers in the last five years, resulting in a limited supply of additional gross leasable area in shopping centers, we have observed an inadequate supply of spaces to meet the demands of the main retailers. The table below shows the evolution in vacancy in the shopping center industry in Brazil:

Evolution of vacancy levels in the shopping center industry in Brazil (%)

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Vacancy	5.5	4.2	6.0	5.2	4.0	3.2	3.2	2.4	2.5

Source: ABRASCE

The table below sets forth the revenues of Brazilian shopping centers for the periods indicated.

Year	In millions of R$	Growth in relation to the previous year (%)	Annual inflation (IPCA)	Real GDP growth
2000	26,136	—	6.0	4.3
2001	28,750	10.0	7.7	1.3
2002	31,705	10.3	12.5	2.7
2003	35,909	13.3	9.3	1.1
2004	41,591	15.8	7.6	5.7
2005	45,471	9.3	5.7	3.2
2006	50,000	10.0	3.1	4.0
2007	58,000	16.0	4.5	6.1
2008	64,600	11.4	5.9	5.1
2009	71,000*	9.9	4.3	(0.2)

Source: ABRASCE and IBGE
* *Estimates*

The table below sets forth the number of stores located in shopping centers per segment:

Store Segment	Number of Stores	(%) of Total
Anchor Stores	2,822	7
Megastores	1,424	2
Satellite Stores	67,614	79
Convenience Services	5,696	8
Leisure/Entertainment	2,388	4
Total	**79,944**	**100**

Source: ABRASCE (Censo Brasileiro de Shopping Centers 2010) as of July 2010.

The Brazilian shopping center industry is highly fragmented, both in number of shopping centers and in gross leasable area. The ten largest groups of shopping center owners in the country have only 26% of the gross leasable area in Brazil, according to information published in the *Citibank Research Report – Brazilian Shopping Malls – Sep/10*.

We believe that, over the last five years, the trend in the Brazilian shopping center industry has been to focus on small neighborhood and community shopping centers found mainly in medium-sized cities. We have also seen a recent trend to broaden the social and community function of shopping centers, which have begun to offer various types of services, entertainment, leisure and culture. The concept of shopping centers is being updated through changes in its profile and differentiated formats, such as the development of outlets nearby large metropolitan areas, as well as the creation of thematic shopping centers, like automobile shopping centers. According to ABRASCE, in 2009, the shopping center industry grew considerably and demonstrated a great deal of vitality and capacity to renew itself, taking on an important role in the economy by providing approximately 760,000 jobs and significantly increasing its integration within the community through community activities.

Classification of Shopping Centers and Stores

The criteria used by ABRASCE to classify a commercial center as a shopping center are: (i) ownership of the majority of stores leased to store owners; (ii) existence of parking spaces compatible with the actual number of visitors; and (iii) the use of anchor stores as a way to attract consumers. According to the ABRASCE methodology, shopping centers are classified in the following categories:

- *Neighborhood shopping center*. This type of shopping center is designed to be convenient for consumers' day-to-day purchasing needs. They generally have a supermarket as an anchor, supported by stores offering other convenience items.
- *Community shopping center*. A community shopping center generally offers a wider range of clothing stores and other merchandise. Among the more common anchor stores are supermarkets and discount department stores. Community shopping center stores sometimes include discount retailers selling items such as clothing, household appliances and furniture, toys, electronic or sporting goods.
- *Regional shopping center*. This type of shopping center offers a varied portfolio of goods and a wide range of services. Its main attractions are traditional anchor stores, discount department stores or hypermarkets. A typical regional shopping center is enclosed, with stores facing an indoor mall.
- *Thematic or specialized shopping center*. This type of shopping center is focused on a specific mix of stores from a particular group of activities, such as fashion, furniture and interior design, boating, sports or automobiles.
- *Outlet center*. These consist primarily of factory outlet stores selling their own brands at discount prices, as well as discount retailers. These shopping centers normally have simpler stores with lower rent and construction costs.
- *Festival mall*. This is a shopping center focused on leisure, culture and tourism. This type of development is found less frequently in Brazil, and is almost always located in tourist areas and is focused on leisure and restaurants, fast food courts, movie theaters and other forms of entertainment.

Most shopping centers in Brazil are regional shopping centers, with a varied portfolio of stores, services and other leisure, entertainment and culture alternatives. While regional shopping centers are predominant in Brazil, thematic ones, such as automotive as well as textile and decoration centers, have been growing. Plans for developing festival malls are also being projected.

The table below contains information regarding the share of each of the main types of shopping centers in Brazil in 2010.

Type of shopping center	**Split (%)**
Small	44
Medium	23
Regional	27
Mega	6

Source: ABRASCE (Censo Brasileiro de Shopping Centers 2010) as of June 2010.

Anchor stores

Anchor stores are department stores well-known by the population that are needed primarily to attract the public to shopping centers, mainly those located in regions far from central areas of town. In more strategically located shopping centers, the strategic role of anchor stores is less relevant.

An anchor store is important in the early stages of a shopping center's operations because it is responsible for creating a large flow of consumers. Once a shopping center gains presence in the market, or if it wishes to select its public, it may try to decrease the number of anchor stores in order to increase profitability. Anchor stores occupy large areas of leasable space for prices lower than those paid by boutique and satellite stores, and in some instances do not even pay rent.

There are several alternatives to anchor stores in shopping centers. Currently, in addition to the established and consolidated retail chains that operate nationwide, there has been an increasing tendency to replace traditional anchor stores by other forms of entertainment, such as movie theaters, food courts, medical and office space and gyms.

Satellite stores

Satellite stores are smaller retail establishments (normally between 30 and 200 square meters of gross leasable area) that are specialized in a particular product segment and located around the anchor stores. This store segment has grown substantially and has operated in a more professional manner as a result of the influence of regional and nationwide franchise networks. According to ABRASCE, as of July 2010, there were over 67,000 satellite stores in operation in Brazil. Satellite stores are extremely important for the success of shopping centers, as they are usually the largest source of revenue, paying the highest rent per square meter of gross leasable area.

Competition

The shopping center industry is researching new formats and operating strategies. Changes in consumer preference, development of alternative retail systems and the increasing number of shopping centers under construction create the need for constant modifications and remodelings of existing shopping centers in order to remain competitive. As part of the effort to renew shopping centers, the inclusion of leisure and food courts has been frequently observed.

Competition for consumers and the search for a differentiating factor determine the measures necessary to revitalize and redefine the profile of shopping centers. Among these measures are: increased marketing costs, selection and/or modification of the store owner network, selection of anchor stores, event promotion, parking spaces, architectural design, increased number of leisure and services centers, training and modernization and computerization of operations.

Operation

A shopping center is usually operated by a management company, often part of the same group of companies as the shopping center's owners or shareholders. Ownership of stores provides managers and developers with greater freedom to make decisions and control the management of individual stores. In addition, third-party service providers also take part in the operation of shopping centers. These include services in the areas of maintenance, landscaping, decoration, security equipment, parking and leisure.

The largest source of revenues for the management company and the developers of shopping centers is rent (partly fixed, partly variable based on sales) which varies according to the terms of each lease and, in general, have a five-year term. The fixed amount of rent is defined based on market practices, taking into consideration the store category, the size of the store and its location within the shopping center. The variable portion of the rent is calculated based on individual or global monthly sales, and may also be impacted by the year when the store was rented and the market segment in which the store operates. The store monthly sales review performed by certain shopping centers has become a way to audit stores to determine actual sales volume, which permits greater control of the rent charged. Other revenues are obtained through the use of common areas for mall and merchandising, temporary sales and advertising of products or brands in kiosks and other media outlets in the common areas. Another growing source of revenue is parking fees, which vary according to the location and size of the shopping center. Expenses from common areas are shared by the store owners who pay a maintenance fee in addition to rent, and also contribute to the advertising fund.

Sources of financing of shopping centers

Generally, the development of shopping centers is funded with capital provided by the developers, third party investor funds and financial development institutions, such as the BNDES and the Federal Savings Bank (*Caixa Econômica Federal*), as well as securitization of receivables ("CRIs").

The profile of shopping center investors has changed over the years. Initially, investors included primarily banks, investment companies, building contractors and individuals. In the 1980s, pension funds also began investing in the shopping center industry and today they are the most significant source of funding in the industry.

Investments in the shopping center industry are usually made by acquiring ownership quotas. In the pre-operational phase, revenues derive from co-participation agreements, pursuant to which shopping center owners charge tenants a share of the expenses incurred in the development that is proportional to the space that will be occupied and leased by the tenant. These can include architects' and legal fees, special installations and design, special installation and project costs. Depending on the situation and at the shopping center owner's criteria, these charges can be waived, in which case the tenant will pay only the rent for its store.

The following key factors are usually considered by developers before making an investment in a shopping center: (i) location; (ii) the expertise and level of commitment and funding of the developer and the management company involved; and (iii) the project's feasibility study.

The economic and financial valuation of an existing shopping center follows a commercial retail logic, and its appraisal is generally not related to construction costs, but derives from its estimated future cash flows and probable profitability.

Regulations Relating to Shopping Centers

Shopping centers in Brazil are established under one or both of these organizational structures: (i) real estate development (shopping centers) under a building condominium, created pursuant to the Development Law (*Lei de Condomínio e Incorporação*) and the Brazilian Civil Code, where each store constitutes an autonomous unit and the relationship between the building occupants are governed by the condominium agreement and internal regulations; or (ii) a civil condominium under the *pro indiviso* (undivided) condominium model, under the Brazilian Civil Code, where the development constitutes a single property and the relationship between the co-owners is regulated by a co-owners' agreement.

The general terms and conditions of the condominium agreement, the co-ownership convention, the internal regulations and the co-owners' agreement, when one exists, are the main instruments for regulating the operation of the shopping centers, store owners' rights and duties, and the hiring and compensation of the shopping center management company.

The relationship between the shopping center, tenant store owners and management company is governed by lease agreements with the tenant store owners, general rules to lease agreements and store owners' association bylaws.

Condominium

Brazil's most relevant shopping centers are generally organized as building condominiums and *pro indiviso* condominiums.

The main difference between a *pro indiviso* condominium and a building condominium is that only the developer in a building condominium can sell stores separately, in whole or in part, without consent or agreement of the owners of the other independent units. The two models may co-exist, and as a result, shopping centers are very commonly constituted using a building condominium, in which each store space constitutes an independent piece of real estate, with each of these stores spaces having two or more owners, which is a feature of the *pro indiviso* model.

Pro indiviso condominium

Presently *pro indiviso* condominiums are regulated by Articles 1,314 et. seq. of the Brazilian Civil Code. In this type of condominium, two or more co-owners exercise their ownership through a notional fraction, and neither co-owner is entitled to a proportional area of the common areas. All co-owners share ownership of the property proportionally to each participation. Among the most relevant provisions applicable to condominiums:

- each condominium member may sell its interest, subject to the other members' right of first refusal;
- each condominium member may mortgage its interest in the condominium without consent of the other members;
- the condominium member may demand partition at any time (if the property is undivided the condominium member may request sale of a property in a public auction). However, condominium

members may agree not to allow partition for a period of five years, which period may be extended. Notwithstanding, in extraordinary situations, a condominium member may request early partition in court;

- each condominium member is entitled to receive the earnings generated by the common property proportionally to its participation;
- each condominium member must pay its share of expenses incurred for the benefit of the common property, even if such expenses are incurred entirely by another condominium member; and
- Shopping centers organized as civil condominiums are one single property, with one real estate registration, and the members of a pro indiviso condominium are owners of a share of the development.

Alternatively, in shopping centers organized as building condominiums, co-existing with *pro indiviso* condominiums the development consists of various properties, each with a real estate registration, and the holders of interest own a share of the units.

Building condominium

The Brazilian Condominium and Development Law and Articles 1,331 et. seq. of the Brazilian Civil Code regulate the creation of shopping centers in the form of a building condominium. In these shopping centers, individual units, which may belong to one or more owners, co-exist with common areas, which belong to all of the owners of individual units. Therefore, in shopping centers that are developed as building condominiums, each of the stores is an individual unit with its own real estate registration, and the shopping center aisles are common areas.

In a building condominium, in contrast with a *pro indiviso* condominium, there in no right of first refusal requiring that the sale of one exclusively owned individual unit must first be offered to the owners of other units. However, if there is a *pro indiviso* condominium within an individual unit, the right of first refusal exists in relation to the tenants of such unit.

Condominium agreement

The Brazilian Civil Code foresees that the relationship between the owners of the individual units of a condominium are governed by law and by the condominium agreement. The condominium agreement may determine the quorum necessary for the decisions of the general meeting of tenants. If the condominium agreement does not provide for a special quorum, decisions by the shopping center condominium association will be made by an absolute majority of tenants and the value of each tenant's vote is proportional to the fraction of its respective store or individual unit. However, without prejudice to the condominium agreement provisions, the Brazilian Civil Code expressly provides certain majorities for the approval of specific resolutions, as set forth below:

- majority of tenants for approval of useful improvements;
- two-thirds of the condominium members for approval of: (a) cosmetic improvements; (b) expansion of existing common areas; and (c) amendment of the condominium agreement or the internal regulations of the condominium; and
- the unanimous vote of the tenants for approval of: (a) construction of other floors or on common property, or of other buildings; and (b) change of the purpose of the building or the real estate unit.

Lease agreements in shopping centers

Leases in shopping centers are regulated by the Lease Law (*Lei de Locação*), which governs the rights and obligations of landlords and tenants in lease agreements for urban real estate in general.

General characteristics of commercial leases

Compulsory lease renewal. Under the Lease Law, a tenant has the right of compulsory renewal of leases if the following conditions are accomplished: (i) written agreement valid for at least five years (or previous written agreements in effect for at least or more than five years in the aggregate); (ii) commercial use of the real estate for a minimum uninterrupted period of three years; and (iii) renewal is proposed within the maximum period of one year and minimum period of six months before the expiration of the lease.

Rent reviews. The Lease Law also provides that the lessor or the lessee, after a period of three years from the time they first entered into the lease agreement, may file a legal action for adjustment of the rent, such as to adjust the rent to market rates. This right may be granted if the action is filed upon the third anniversary of the lease agreement or of a previous agreement for adjustment of the rent on market rates.

Right of first refusal. The Lease Law guarantees the tenant the right of first refusal to acquire the leased property over an acquiring third party, on the same terms. If the landlord breaches the tenant's right of first refusal, the Lease Law may provide two separate solutions: (i) if the lease agreement is registered before the land registry office, the tenant may acquire the property against the landlord's will by depositing the purchase price in court; or (ii) if the lease agreement is not registered, the tenant may claim indemnity for losses and damages suffered.

Particular characteristics of shopping center leases

Shopping center lease agreements have their own peculiarities that are not found in general commercial leases. Because shopping center leases involve commercial relationships whose characteristics go beyond the simple use of space in exchange for remuneration, the Lease Law expressly gives shopping centers and store owners greater freedom in defining the parties' rights and obligations during the lease, stating that the conditions agreed to between the landlord and tenants prevail.

Some specific characteristics that are usually present in shopping center leasing agreements include: (i) establishment of rent as a percentage of the tenant's revenues; (ii) doubling rent for a specific month due to higher expected sales; (iii) the landlord's review of the store's activities to confirm its sales, by means of internal auditors; (iv) contribution towards a promotional fund; (v) prohibitions against changing store type; (vi) limits on subleasing, assignment and lending space; (vii) a non-compete clause or one preventing a store from opening another branch within a given radius/distance; (viii) the need for landlord approval of the store design; and (ix) a "step-up clause" which is a contractual provision for rent increases.

The rent to be paid by the store owner is usually decided based on the greater of the following: (i) a fixed amount calculated according to location and size of the store occupied by the tenant, called "minimum rent"; and (ii) a variable amount, corresponding to the percentage of the store owner's gross sales, called "percentage rent."

Co-participation right

Another characteristic of shopping center leases is the co-participation right (*direito de co-participação*).

Store owners benefit from the advantage of having a store mix and the structure planned, constructed and opened by the shopping center, which results in more diversified commerce as compared to street stores. In addition, the tenant has the right to renew its lease agreement, after five years, if certain conditions are met. This restricts the shopping center from changing the store mix when it believes it is necessary to improve the shopping center's traffic and sales. Because such rights and benefits, a store owner wishing to open a business in the shopping center must pay an assignment fee known as "key money," for the right to use a joint share in the infrastructure offered by the shopping center. The amount and terms of payment of key money are established between the shopping center management and the store owner when the latter joins the development (before or after completion of construction). The calculation is based on the period during which the store owner will benefit from having access to the shopping center's structure.

Deed of general rules

A deed of general rules (*escritura de normas gerais*) is a public or private instrument that governs the organization and operation of shopping centers and is also known as deed of supplementary rules of the lease agreement, or deed of general rules for regulation of shopping center operation and lease.

The purpose of the deed of general rules is to establish the rules that will govern the shopping center's tenants, including each party's rights and obligations in connection with the operation of the shopping center, as well as to establish the general rules for those that take part directly or indirectly in the property.

The following are the main provisions of a deed of general rules:

- the lessor's right to monitor the lessee's sales, with the purpose of determining the accuracy of rent payments;
- promotions and discount sales;
- prohibition of opening other stores within a given distance of the shopping center (distance limitation clause);
- prohibition of changes in lessee's business, in order to keep original stores' mix;
- approval of the plan and the store layout, as well as the execution period; and
- penalties for the failure to perform established obligations.

The tenants agree to observe the deed of general rules once they sign the lease agreement.

Co-owners' agreement

The relationship between co-owners in a *pro indiviso* condominium is defined by law. However, the co-owners may enter into agreements that govern the rights and obligations of the interested parties in relation to the property in which they share ownership. This co-owners' agreement is also often called a condominium agreement, but should not be confused with the condominium agreements that the law provides for in the case of a building condominium.

In *pro indiviso* condominium in shopping centers, the co-owners' agreement governs the following points: (i) rules for the use and management of the property owned in common; (ii) duties of the manager; (iii) responsibilities related to leasing the property owned in common; (iv) management and distribution of revenues; (v) management of the mix of stores; and (vi) tenants' right of first refusal.

Store owners' association

Store owners must become members of the store owners' association of the shopping centers where they own or lease space. The association is a non-profit entity organized by the shopping center's store owners. Its purpose is to support and represent its members' interests regarding third parties, improve relations between tenants and to establish codes of ethics and regulations to govern its members' activities. Its purpose is also to, directly or through third parties, perform studies and utility services for its members, and especially promote and market the shopping center.

Store owners must make a monthly contribution to the advertising fund to cover advertising and marketing expenses. The shopping center owner is also a member of the store owners' association and defines guidelines and strategies for marketing campaigns that are necessary for the development and integration of the shopping center within the local community.

Management agreement and internal regulations

Management of a shopping center may be delegated to third parties—especially companies specialized in administration and management of shopping centers. The manager will work as the shopping center owner's representative, with authority to manage and oversee the development.

If the shopping center is managed by a legal entity other than the shopping center's owner, the tenant must enter into a management agreement with the management company. That agreement will be an integral part of the lease agreement. The rules related to shopping center management are normally included in the condominium agreement and the lease agreement itself. These instruments allow the management company to make changes to the building's structural plans, review store owner activities, maintain common areas and establish the amount and terms of payment of the management paid by store owners.

The shopping center management company is also responsible for preparing internal regulations which should, secondarily to the other documents and agreements, govern the activities of the shopping center's store owners in greater detail.

Environmental Matters

Environmental licenses and authorizations

The shopping center industry is subject to federal, state and municipal environmental regulations. In general, environmental licensing of a potentially polluting development is reviewed by the state government. Shopping centers that may generate a regional environmental impact or that are located in areas of interest to or that belong to the Brazilian government are subject to licensing by the Brazilian Institute for the Environment and Renewable Natural Resources (*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis*), or IBAMA. In all other cases, the licensing authority lies with state environmental agencies.

An environmental license is needed for the initial construction phases of the development as well as any additions to it. The licenses granted must be renewed periodically. The environmental licensing process is basically comprised of the issuance of three licenses: (i) the prior license, (ii) the implementation license, and (iii) the operating license. Each license is issued according to the stage of construction of the shopping center, and the maintaining of a valid license depends on the shopping center's compliance with the conditions established by the applicable environmental agency.

Failure to maintain a valid environmental license is classified as an environmental crime and could subjects the owner of the shopping center to administrative penalties such as fines and the interruption of its activities, even if no damage to the environment has taken place.

Any delays or denials by the environmental licensing authority in issuing or renewing licenses, as well as the inability to meet the requirements established by the environmental authorities during the environmental licensing process, may delay or even prevent the construction and regular maintenance of these shopping centers. The requirements for those licenses may vary according to the type and location of operations performed.

The various environmental bodies have adopted differing positions, and in some cases require environmental licensing for commercial establishments such as shopping centers. In general, the project is submitted to the appropriate authorities for analysis, who will determine whether the development is subject to environmental licensing. Environmental licensing has not been required of any of our projects.

Even though the shopping centers activities may not be considered potentially polluting, it is possible that shopping centers must be submitted to environmental licensing, such as for gas stations, medical clinics, supermarkets, laundries and effluents treatment stations.

Environmental liability

Brazilian environmental legislation establishes legal and administrative penalties for individuals and legal entities that engage in activities deemed to be environmental crimes or violations, in addition to establishing the obligation to repair the environmental damage that was caused.

- the penalties that may be imposed as a result of potential environmental crimes and infractions include:
- the imposition of fines at the administrative level may reach R$50 million, depending on the polluting party's financial condition and credit record, as well as the seriousness of the facts of the case and the polluting party's compliance history. Fines may be doubled or tripled for repeated breaches;
- suspension or prohibition of the development's activities, and
- the loss of tax benefits and incentives.

Environmental damage results in direct and indirect, joint and strict liability. This means that the obligation to repair the environment may affect all those who directly or indirectly caused the damage, irrespective of the fault of each intervening party. Therefore, activities that potentially pollute the environment that are performed by third parties contracted to carry out any services on the shopping centers (including, for example, the treatment and disposal of residue, segregation of trash collection and final disposal of waste, weed removal, cutting down trees or earth moving) do not exempt developers from liability for potential environmental damage caused if the third parties do not follow the applicable environmental rules.

In addition, environmental legislation provides for the piercing of the corporate veil of the controlling shareholder whenever there is an obstacle to indemnifying for damages caused to the environment.

Other authorizations

In addition to the environmental licensing procedure, Brazilian legislation sets forth required environmental standards that must be met, including obtaining specific permits and authorizations, so as (i) authorization for water supply regarding capture and disposal of effluents; (ii) permission for flora suppression; (iii) certificate of approval for disposal of industrial waste; (iv) authorization for the use of hazardous products; and (v) neighborhood impact studies analyzing urban zone and land use, air quality and other nuisances. A failure to receive such authorizations may subject the company to penalties as discussed in "—Environmental liability".

Use of hydro resources

The use of hydro resources is subject to previous authorization by the competent regulatory agency. Lack of such authorization may subject the company using hydro resources to notification or fines, which may reach the maximum amount of R$10,000 and/or embargo.

ISSUER

GS Finance is an exempted company with limited liability, incorporated on June 17, 2008 under the laws of the Cayman Islands with company registration number 212614. The registered office of GS Finance is at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The memorandum and articles of association of GS Finance have not been amended since its incorporation.

GS Finance is a wholly-owned finance subsidiary of General Shopping. Accordingly, the ability of GS Finance to pay interest and other amounts due on the bonds will depend upon General Shopping's financial condition and results of operations. In the event of an adverse change in General Shopping's financial condition or results of operations, GS Finance may not have sufficient funds to repay all amounts due on or with respect to the bonds.

GS Finance will not publish financial statements, except for such financial statements that GS Finance may be required under the laws of the Cayman Islands to publish. In addition, GS Finance does not intend to furnish to the trustee or the holders of the bonds any financial statements of, or other reports relating to, GS Finance. GS Finance will not have any operations independent from General Shopping. GS Finance's obligations under the bonds will be fully and unconditionally guaranteed by General Shopping.

As of June 30, 2010, GS Finance had no convertible debt securities, exchangeable debt securities or debt securities with warrants attached. On a pro forma basis after giving effect to this offering, the total amount of loan debt outstanding of GS Finance will be US$200,000,000 (consisting entirely of the bonds and guarantees by General Shopping and the other subsidiaries). GS Finance does not hold any capital that is likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits or losses.

The share capital of GS Finance is US$50,000, divided into 50,000 common shares of US$1.00 par value each, 100% of which have been fully paid.

The directors of GS Finance are Alessandro Poli Veronezi, Ricardo Castro da Silva and Alexandre Lopes Dias. For more information on these directors, see "Management."

The memorandum and articles of association of GS Finance will be available at the offices of the Luxembourg paying agent.

Prior to the issuance of the Bonds, GS Finance will not have engaged in any business activity.

BUSINESS

Overview

We believe we are a leading participant in the shopping center industry in Brazil, and own all or part of 13 operating shopping centers. As of the date of this offering memorandum, these shopping centers had an aggregate of 426,521 square meters of gross constructed area (*área bruta construída*), 225,399 square meters of gross leasable area (*área bruta locável*) and approximately 1,405 stores. Our ownership interest in such shopping centers represents 190,100 square meters of gross leaseable area. Between 2007 and 2009 and between June 30, 2009 and June 30, 2010, our net operating revenues increased at CAGR of 39.9% and 18.5%, respectively.

We actively participate in the site search, planning, development and construction of shopping centers. We also lease and manage our shopping centers, provide parking management services and also oversee the management of the supply of energy and water to the shopping centers we own and operate.

Our shopping centers are strategically located in the south and southeast areas of Brazil, which accounted for approximately 73.0% of GDP and 73.4% of retail sales in Brazil in 2009, according to the IBGE. In addition, we believe seven of our shopping centers are located in markets that are among the top 10 contributors to Brazilian GDP. We believe, in gross terms of leasable area, our shopping center Internacional Shopping Guarulhos is the largest shopping center in the São Paulo metropolitan area and the eighth-largest in Brazil.

We launched our shopping center activities in 1989, with the opening of Poli Shopping in the city of Guarulhos. Since 2006, we have expanded our business through the development of new "greenfield" shopping centers (shopping centers that we develop), the acquisition of ownership interests in existing shopping centers and the expansion and remodeling of certain shopping centers we own.

The table below sets forth the main operating information of our shopping centers:

Shopping Center:	**State**	**Year launched/ acquired**	**Ownership interest (%)**	**Total gross leasable area (m^2)**	**Our gross leasable area (m^2)**	**Number of stores[(1)]**
Poli Shopping	São Paulo	1989	50.00	4,527	2,264	52
Internacional Shopping Guarulhos	São Paulo	1998	100.00	75,958	75,958	292
Auto Shopping	São Paulo	2006	100.00	11,477	11,477	80
Santana Parque Shopping	São Paulo	2007	50.00	26,538	13,269	176
Shopping Light	São Paulo	2007	50.10	14,140	7,092	134
Suzano Shopping	São Paulo	2007	100.00	19,583	19,583	174
Cascavel JL Shopping	Paraná	2007	85.50	8,877	7,590	80
Top Center Shopping São Paulo	São Paulo	2007	100.00	6,369	6,369	67
Prudente Parque Shopping	São Paulo	2007	100.00	10,276	10,276	56
Poli Shopping Osasco	São Paulo	2007	100.00	3,218	3,218	19
Shopping do Vale	R.G. do Sul	2007	84.39	16,487	13,913	94
Shopping Unimart	São Paulo	2008	100.00	10,233	10,233	91
Outlet Premium São Paulo	São Paulo	2009	50.00	17,716	8,858	90
Total				**225,399**	**190,100**	**1,405**

(1) Includes all stores located within each shopping center.

The table below sets forth the main current operational information regarding our greenfield projects:

Greenfields:	Ownership interest (%)	Year launched/ acquired	Project opening(2)	Total gross leasable area (m²) (2)	Our gross leasable area (m²) (2)	Number of stores(1) (2)
Convention Centers(3)	100.00%	2006	2012	25,730	25,730	-
Sulacap	95.00%	2007	2011	32,000	30,400	165
Barueri	48.00%	2007	2011	32,000	15,360	202
Total				**89,730**	**71,490**	

(1) Includes all stores that will be located within each shopping center's total gross leasable area.
(2) Based on our projections.
(3) We are currently negotiating the agreements for the development of the convention centers. See "— Greenfield Projects Under Development, Expansion or Construction— Development of mixed-use projects".

The table below sets forth certain highlights of our combined financial and consolidated operating information for the periods indicated:

(in thousands, except percentages)	Year ended December 31,				Six-month period ended June 30,		
	2007(1)	2008(2)	2009(2)	2009	2009(2)	2010(2)	2010
	R$	R$	R$	US$	R$	R$	US$
Financial Information:							
Rentals(3)	47,860	77,208	87,965	48,829	40,360	46,654	25,897
Services(4)	11,716	16,802	23,855	13,242	10,951	12,484	6,930
Total gross revenue	59,576	94,010	111,820	62,071	51,311	59,138	32,827
Net revenue	51,347	86,956	100,557	55,819	45,750	54,227	30,101
Net income (loss)	(15,023)	(7,707)	24,423	13,557	12,673	146	81
Current loans and financings	16,752	216,156	62,070	34,455	58,532	16,301	9,049
Non-current loans and financings	107,916	20,741	6,695	3,716	7,380	9,727	5,399
Related party current loans and financings	19,927	26,178	18,128	10,063	18,487	14,952	8,300
Current real estate credit notes	2,784	16,552	18,447	10,240	17,081	27,298	15,153
Non-current real estate credit notes	12,802	251,296	234,602	130,226	241,747	281,385	156,195
Other financial information:							
EBITDA(5)	12,821	60,964	72,366	40,170	31,011	38,693	21,478
Adjusted EBITDA(5)	37,096	63,870	73,625	40,869	32,157	38,190	21,199
Total debt(9)	140,254	504,745	321,814	178,637	324,740	334,711	185,796
Net debt(10)	108,841	285,572	298,873	165,903	309,649	298,209	165,534
Adjusted EBITDA margin(6)	72.2%	73.5%	73.2%	73.2%	70.3%	70.4%	70.4%
Other operating information:							
Gross leasable area shopping centers (m²)(7)(8)	187,784	207,480	225,399		225,196	225,399	
Our gross leasable area (m2)(8)	161,335	181,039	186,557		186,354	190,100	

(1) Combined financial information. See "Presentation of Financial and Other Information."
(2) Consolidated financial information. See "Presentation of Financial and Other Information."
(3) Includes revenue derived from rent, assignment of mall use rights and merchandising.
(4) Includes revenue derived from the management of parking lots, energy supply to shopping centers and water supply to shopping centers.
(5) See "Summary—Summary of Financial and Operating Data" and "Selected Financial Information" for a reconciliation of our EBITDA and Adjusted EBITDA to our net income (loss) for the periods presented. For a discussion of our operating performance, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."
(6) Adjusted EBITDA divided by net revenue.
(7) Reflects the total gross leasable area of each shopping center in which we hold an ownership interest (and, consequently, does not reflect our ownership interest in each shopping center), excluding our greenfields developments.
(8) Reflects gross leasable area at the end of the period.
(9) Total of current and non-current loans and financings and current and non-current real estate credit notes.
(10) Total debt minus cash and cash equivalents and restricted cash.

Over the last five years, Brazil has experienced average annual growth of 3.6%, which has contributed to declining interest rates and to increased disposable income and credit availability, especially among the lower and middle classes, according to IBGE. The shopping center industry in Brazil has benefited from these positive macroeconomic factors, reflected in the compound annual growth rate for nominal revenues of 11.8% from 2005 to 2009, according to ABRASCE. We believe that the Brazilian shopping center industry will benefit further from strong growth due to low availability of per capita gross leasable area and a relatively low percentage of total national retail sales at shopping centers compared to that in other countries. In Brazil, for example, shopping centers sales currently represent only 18.3% of total retail sales, while in the United States and Europe, they represent 70% and between 30 and 35%, respectively, according to ABRASCE.

Our Competitive Strengths

We believe that our main competitive strengths are the following:

Strong cash generation and Adjusted EBITDA margins. We have experienced sustained growth in revenue and cash generation over the last few years. Our net operating revenues for the year ended December 31, 2009 and for the six-month period ended June 30, 2010 increased 15.6% and 18.5% compared to our net operating revenues in 2008 and the comparable period in 2009, respectively. Our Adjusted EBITDA margin was 73.2% in 2009 and 70.3% during the six-month period ended June 30, 2010. We believe our strong Adjusted EBITDA margin benefits from our offering of complementary services, our in-depth knowledge of the retail sector, which results in better performance of sales in our shopping centers, and our ability to attract the right tenant mix, which we believe results in higher sustainable occupancy rates and reduced long-term vacancy rates.

Majority ownership interests with operating control of our properties. We own at least a 50% stake in each of our shopping centers (except for Barueri, in which we own 48% and have a right of first refusal to increase our interest to 52%), a characteristic that we believe sets us apart from our competitors. As a result, we exercise operating and management control of our shopping centers and are able to set policies and strategies, including: (i) remodeling the shopping centers; (ii) expanding the shopping center; (iii) revamping the tenant mix; (iv) providing complementary services; and (v) establishing partnerships.

Large offering of complementary services. Our gross operating revenues from complementary services offered to our shopping centers was R$23.9 million in 2009 and R$12.5 million in the six-months ended June 30, 2010. We believe that we have developed extensive know-how and expertise in the leasing and management of shopping centers, as well as in the management of parking lots and of supply of energy and water to our shopping centers. Revenues from certain complementary services including management of supply of energy and water are less likely to be affected by changes in sales volume at our shopping centers, which is our primary source of revenue. By providing complementary services, we diversify our revenue sources and create a stable revenue stream while strengthening our operational capabilities. In addition, these complementary services provide attractive margins because the associated costs are relatively small. We currently offer some of our complementary services at each one of our shopping centers and intend to expand the offer of our complementary services at all of our shopping centers.

Diversified portfolio composed of high-quality assets serving mid to low income groups. Our portfolio is diversified and balanced both by targeted income group and type of development. We have a diversified customer base as our shopping centers serve the middle and lower income groups in Brazil, which we believe are the income groups in which consumption grows fastest. In addition, our portfolio of operating shopping centers is diversified by type of development, being comprised of a regional shopping center, nine neighborhood shopping centers, one open mall, one thematic shopping center and one outlet center. We believe that this portfolio of assets allows us to mitigate the risks inherent to our business because we are able to follow key growth trends in our areas of operation. Our properties are strategically located in regions characterized by strong growth metrics, including dense population, rapid income growth and expansion of economic activity, all of which we believe create high potential retail sales per square meter. In particular, our properties are well-located throughout the São Paulo metropolitan area and the state of São Paulo, the most important market in Brazil, which accounts for 33.7% of Brazilian GDP, according to IBGE. In the state of São Paulo, we believe we are the largest shopping center company in terms of gross leasable area and in number of shopping centers owned. We believe these factors give us a competitive advantage in our primary areas of operation by making us an attractive option for Brazil's main retailers. The diversity and quality of our portfolio minimizes fluctuations in our revenue and allows us to benefit from the growing purchasing power of many of the income groups of the population we serve. Finally, our ten largest tenants represented collectively less than 10% of our revenue in 2008 and 2009 and in the first six months of 2010 which reduces our exposure to any specific retailer.

Successful track record in pursuing accretive acquisitions. The shopping center industry in Brazil continues to be fragmented, with smaller operators facing challenges to continue to grow and have successful operations. We believe that our history of successful acquisitions positions us well as we propose with potential acquisition opportunities. We focus exclusively on properties and operators that present a value-creating proposition, including attractive internal rates of return, potential for operational improvement and competitive pricing. We follow strict guidelines when conducting our acquisitions by contracting industry researchers to conduct in-depth surveys of our targets' retail demand and perform follow-up surveys with the store owners to validate the results. We also compile detailed and conservative financial projections of the targets, analyzing changes in tenant mix, the viability of future expansions, and opportunities to provide complementary services. Finally, we evaluate opportunities in the context of potential synergies they provide for our existing properties. For example, in the third quarter of 2007, after thorough analysis, we acquired Suzano Shopping, which is located next to the region's largest hypermarket, with no other shopping center in the city. We have reorganized the tenant mix and added anchor stores to create more value per square meter, completed a more than 6,000 square meter expansion and have been offering complementary services since the fourth quarter of 2008. In addition, after acquiring Top Center Shopping São Paulo in the first quarter of 2008, we reorganized the mall lay-out and changed the tenant mix, which helped increase revenue from rentals by 80% after the shopping center was re-launched in the second quarter of 2009.

Extensive experience in building high-performing greenfield projects. We believe we have established a successful track record in developing greenfield projects. We have learned to optimize the development of new shopping centers by minimizing costs related thereto. For example, we ensure that, before we break ground, we have arrangements with one or more anchor tenants to minimize the risk that the project is not successful. In addition, we enter into fixed price construction contracts to ensure that we minimize our exposure to cost overruns and other variables. This approach was key to our recent successful development of Santana Parque Shopping, of which we had rented over 97% of its gross leasable area by the time it opened in October 2007. In the development of our current greenfield projects, including Sulacap Shopping and Barueri Shopping, we have leased 60% and 75% of the gross leasable area, respectively, more than one year before each shopping center's expected opening.

Close relationships with our tenants and valuable retail intelligence. We have a close relationship with an extensive and diversified base of anchor tenants and satellite store owners. We develop business strategies that reach beyond usual real estate matters. In this regard, we use the retail intelligence we gained over the course of our experience in operating shopping centers in conjunction with the market research we conduct, to help our store owners evaluate the expected sales of the market by region and by type of activity. As a result, we believe our store owners are able to achieve better results, which may lead to more profitable operations for our shopping centers. The value of this close relationship has been recognized by awards we received from the Brazilian Association of Shopping Center Store Owners (*Associação Brasileira de Lojistas de Shopping Centers*). We believe the close relationship we develop with our store owners is an important factor in the success of their operations and gives us credibility in attracting and maintaining other retailers to our shopping centers.

Our Strategy

Our growth strategy is based on the following guidelines: develop greenfields projects, consolidate, expand, renovate, and innovate.

Expansion of our current shopping centers. We intend to continue expanding and remodeling our shopping centers in order to create the optimal tenant mix and create economies of scale and operating efficiency. We believe that this will result in an increase in our revenues with a minimal increase in costs to manage our properties. We believe this organic expansion will lead to economies of scale, maximizing our lease revenues while improving the profitability of our assets.

Prospecting, planning and developing greenfield shopping centers. We intend to take advantage of growth opportunities in the Brazilian shopping center industry by developing new shopping centers. We have grown significantly in recent years and believe our management has the experience and knowledge required to prospect and identify attractive opportunities for developing new shopping centers. We carry out thorough studies and analyses to test the viability and profitability of potential shopping centers. We successfully finalized construction of and opened Santana Parque Shopping in October 2007, which had over 97% of its gross leasable area rented before it opened. We also opened Outlet Premium São Paulo in the city of Itupeva, São Paulo State in 2009 with 100% of gross leasable area rented. We are currently developing a 61,287 square meter lot in Rio de Janeiro for the construction of the Sulacap shopping center with projected gross leasable area of 32,000 square meters, which we expect to open in the last quarter of 2011. In addition, we are developing the Barueri shopping center with projected gross leasable area of 32,000 square meters.

Acquisition of ownership interests in existing shopping centers. The shopping center industry in Brazil is fragmented and consequently offers opportunities for consolidation. We intend to continue expanding our portfolio of properties by purchasing ownership interests in shopping centers from third parties or acquiring other companies that operate in the shopping center industry. We are constantly prospecting and seeking attractive opportunities that maximize profitability and create value for our shareholders. We believe acquiring interests in other shopping centers may allow us to expand our relationships with chain store owners, which will lead to further revenue consolidation and greater market knowledge.

Improving the quality of our assets. We will seek to leverage our management's know-how and experience in identifying potential value-added improvements and changes to existing store mixes at our shopping centers in order to maximize the revenue generation and operating margins of these properties. Similarly, we will use our expertise to renovate and remodel existing properties, to diversify the use of space and to optimize the provision of complementary services in order to increase productivity and reduce vacancies that we believe will ultimately lead to value appreciation of our assets. Examples of this strategy are the improvements at Suzano Shopping, Shopping Light and Top Center Shopping São Paulo, which had at the time of acquisition results below those of our other shopping centers and underwent a restructuring process involving a change to its store mix and diversification of the use of its space.

Development of mixed-use projects. We plan to utilize the Power Center Model (a strategy that brings together various operations such as thematic shopping centers, convention centers, office buildings and retail stores around shopping centers) to develop, directly or through partnerships, mixed-use projects that result in synergies. In addition to the high profitability such projects generate, we would also benefit from the public concentration in the areas where these complexes are located, thereby increasing the flow of potential consumers to our shopping centers. We believe the higher volume of investments coupled with a higher public concentration can also serve as a barrier to entry to competition. We are in the process of developing the International Convention Center, a convention center that will be located adjacent to Internacional Shopping Guarulhos and we have opened Auto Shopping Internacional Guarulhos, using the same strategy. This venue is expected to comprise 25,730 square meters, complementing the complex that currently includes Internacional Shopping Guarulhos and Auto Shopping Internacional Guarulhos and a university campus. We also plan to build an office tower with 4,000 square meters of gross constructed area that will be integrated with Poli Shopping to meet the projected increasing demand for office space in the region, which we expect to complete in 2011. We intend to develop mixed-use projects through partnerships.

Enter new markets and implement innovative concepts through partnerships. We intend to continue entering into partnerships with local shopping center owners and service providers who have the skills and knowledge required to ensure the success of shopping centers in different regions in Brazil. We believe our business model allows us to optimize our efforts toward prospecting new growth opportunities instead of creating a more complex structure to provide services in locations where we have little or no management and leasing expertise. Our partnerships with respect to Cascavel JL Shopping, Shopping do Vale, the Sulacap shopping center and the Barueri shopping center are part of our strategy to use our management expertise and the skills and knowledge of local shopping center owners and service providers to improve existing shopping centers and market their store space with a suitable mix of anchor and satellite stores. We also operate new types of shopping centers in Brazil, including open air malls/lifestyle centers (Shopping Unimart), strip malls and outlet centers (Outlet Premium São Paulo), so as to better supply the retail demand in each market.

History

Our controlling shareholders were among the first to invest in retail commerce in the city of Guarulhos. Due to our extensive knowledge of the local retail market, the majority of our shopping centers were initially concentrated in the city of Guarulhos. Our shopping center business began in 1989 with the opening of Poli Shopping in Guarulhos. From that time on, we began to increase our number of retail properties by offering diversified developments.

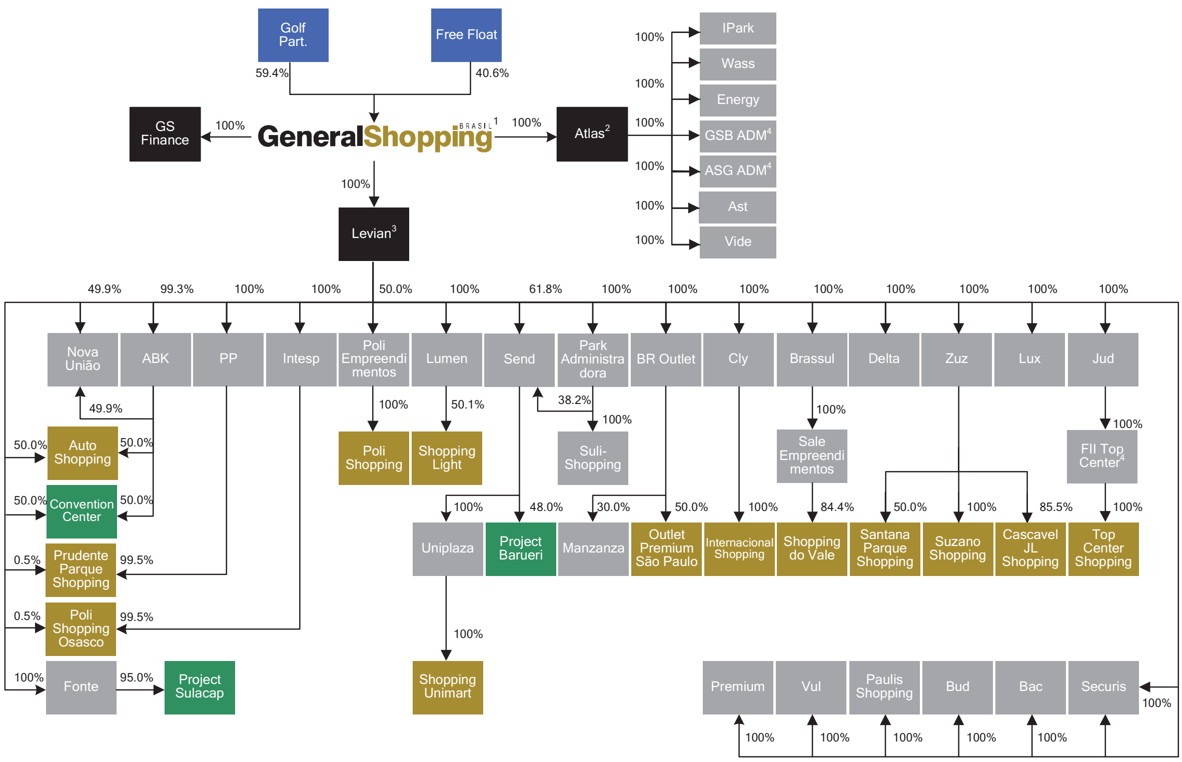
We expanded our activities in 1998 in the shopping center industry, with the opening of Internacional Shopping Guarulhos. Seeking to increase our share in the industry, we opened Auto Shopping in 2006 so as to create our first power center around Internacional Shopping Guarulhos.

In order to increase our geographic reach, we began prospecting new projects to be developed or acquired, such as Santana Parque Shopping in 2005, Shopping Light, Suzano Shopping, Cascavel JL Shopping, Top Center Shopping São Paulo, Prudente Parque Shopping, Poli Shopping Osasco and Shopping do Vale, all of which were acquired in 2007 and Shopping Unimart, acquired in January 2008. In addition, in 2009, acquired 30% interest in Outlet Premium São Paulo. In 2010, we increased our ownership interest to 50%.

Corporate Structure and Corporate Reorganization

In the first quarter of 2007, we conducted various corporate reorganization activities pursuant to which the ownership interests held in the capital stock of the companies that carry out shopping center activities and the companies that provide services to shopping centers were grouped under Levian and Atlas, respectively, two companies that are fully controlled by us.

The diagram below shows our corporate structure and our interest in shopping centers as of the date of this offering memorandum:



[1] Boxes in yellow and green represent shopping centers and greenfields projects, respectively.

[2] Through Atlas, we engage in various service operations in connection with our shopping centers.

[3] Through Levian, we manage our properties, own interest in other companies and conduct other related activities.

[4] This subsidiary does not guarantee the bonds.

Our Segments and Markets

Ownership interest in shopping centers

We have ownership interests in 13 shopping centers: (1) Internacional Shopping Guarulhos—Guarulhos, State of São Paulo, (2) Santana Parque Shopping—São Paulo, State of São Paulo, (3) Auto Shopping—Guarulhos, State of São Paulo, (4) Poli Shopping—Guarulhos, State of São Paulo, (5) Shopping Light—São Paulo, State of São Paulo, (6) Suzano Shopping—Suzano, State of São Paulo, (7) Cascavel JL Shopping—Cascavel—State of Paraná, (8) Top Center Shopping São Paulo—São Paulo—State of São Paulo, (9) Prudente Parque Shopping—Presidente Prudente—State of São Paulo, (10) Poli Shopping Osasco—Osasco—State of São Paulo, (11) Shopping do Vale—Cachoeirinha—State of Rio Grande do Sul, (12) Shopping Unimart—Campinas—State of São Paulo and (13) Outlet Premium São Paulo—Itupeva—State of São Paulo. These shopping centers are classified as regional (Internacional Shopping Guarulhos), neighborhood (Santana Parque Shopping, Poli Shopping, Shopping Light, Suzano Shopping, Cascavel JL Shopping, Top Center Shopping São Paulo, Prudente Parque Shopping, Poli Shopping Osasco and Shopping do Vale), open mall (Shopping Unimart), thematic (Auto Shopping) and outlet (Outlet Premium São Paulo), and are targeted to economic segments from upper-middle to lower-income customers income groups, which are characterized by customer loyalty and demand for quality.

Management of shopping centers

We are currently the sole managers of all of the shopping centers in which we hold an ownership interest, except for Santana Parque Shopping. We are specialized in the management of our shopping centers and in rendering complementary services such as parking lot management and water and energy supply management. See "—Services."

Complementary services

Besides the management of the shopping centers, we provide complementary services to the shopping centers we manage. We manage the parking lots of ten of our shopping centers and the supply of energy in six of our shopping centers and water to ten of our shopping centers.

Management of parking lots

We are experienced in the planning, implementation, management and operation of parking lots in shopping centers. In all of our operations that have parking lots, we provide parking services through IPark.

Management of energy supply to shopping centers

We are experienced in the planning, implementation and operation of energy supply equipment for our shopping center developments and condominiums. We first analyze the historical and/or the estimated energy consumption and costs of the shopping center, and further compare energy supply alternatives and prepare a viability study to quantify the attractiveness of the investment considering the new equipment being used. Besides reviewing the economic viability of energy alternatives, Energy, our subsidiary engaged in these activities, seeks the best solution in terms of energy supply sustainability.

Management of water supply to shopping centers

We are experienced in the planning, implementation and operation of water supply equipment to shopping center developments and condominiums. We first analyze the historical and/or the estimated water consumption and cost by the shopping center, comparing supply alternatives, including water reuse. Our shopping center water management and supply services are provided by Wass.

Developments

The following are descriptions of the shopping centers in which we hold an ownership interest as of the date of this offering memorandum:

Poli Shopping

Poli Shopping was opened in 1989 and was our first project and also the first shopping center in the city of Guarulhos. Poli Shopping has an area of 5,120 square meters, a total gross constructed area of 6,390 square meters, gross leasable area of 4,527 square meters, 52 stores (including one anchor store, Lojas Americanas) and 210 parking spaces. Our ownership interest in this shopping center represents 2,264 square meters of gross leasable area. Because Poli Shopping is an urban shopping center located in downtown Guarulhos, it benefits from the flow of people who go daily to the area.

Poli Shopping is undergoing a major expansion and revitalization process which is scheduled to be concluded in the fourth quarter of 2011. With a projected expansion of approximately 11,400 square meters, Poli Shopping will have 15,927 square meters of gross leasable area, which will allow the inclusion of two more anchor stores that are currently not present in downtown Guarulhos.

The table below shows the main characteristics of Poli Shopping:

Poli Shopping	
Ownership interest (%)	50%
Total gross constructed area (m²)	6,390
Our gross leasable area (m²)	4,527
Number of stores	52
Main stores	Lojas Americanas, CVC, Bob's, Giraffa's, Barred's, Colombo and Boticário
Number of parking spaces	210

Poli Shopping's main competitors are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m^2)	Anchor Stores
Internacional Shopping Guarulhos(1)	Guarulhos/Dutra	1998	292	75,958	C&A, Extra, Renner, Riachuelo, Pernambucanas, Casas Bahia
Comércio Rua Dom Pedro..........................	Guarulhos/Centro	—	—	—	C&A, Riachuelo, Casas Bahia, Marabraz, Lojas Marisa

Source: Company and IPDM.
(1) Owned by us.

Internacional Shopping Guarulhos

Internacional Shopping Guarulhos was opened in 1998 and is located at exit 225 of the Presidente Dutra highway in the city of Guarulhos, São Paulo, a city with 1.3 million inhabitants in 2009 according to IBGE. Guarulhos is considered part of the São Paulo metropolitan area.

Currently, the shopping center has an area of 177,752 square meters, a total gross constructed area of 117,465 square meters and a leasable area of 75,958 square meters with 292 stores distributed on two floors. Among its main stores are: C&A, Renner, Riachuelo, Pernambucanas, Extra, Lojas Americanas, Fast Shop, Casas Bahia, Ponto Frio, Lojas Seller, Camicado, Cinemark, Neo Geo World and Nike Outlet. It also has the largest and the most complete indoor amusement park in Brazil, with 10,000 square meters according to NeoGeo. Internacional Shopping Guarulhos also has 15 movie theaters, making it one of the five largest movie complexes in Brazil.

Internacional Shopping Guarulhos's mix of leisure and entertainment activities includes the Neo Geo Hyper Bowling, one of the largest bowling alleys in Brazil, with 24 automated lanes. This bowling alley is often the venue for Brazil's most important bowling championships.

Internacional Shopping Guarulhos has a large food court, with more than 35 fast food establishments, restaurants and bars with a capacity to serve 2,000 people simultaneously.

Its store mix also includes 50 service operations, including a federal police station, which issues passports, a Blockbuster store, two gas stations, four bank branches and 30 ATMs. Approximately 71% of the visitors of Internacional Shopping Guarulhos are 24 years of age or older, 23% of them are upper-middle income consumers, 51% are middle income consumers and 23% of visitors are lower income consumers, according to IPDM. To serve its customers, Internacional Shopping Guarulhos has a large parking lot with 4,200 spaces that operates 24 hours a day, seven days a week. Internacional Shopping Guarulhos is currently managed by our subsidiary GSB Adm.

The following liens have been granted with respect to Internacional Shopping Guarulhos: (i) a lien in favor of the Brazilian National Treasury (*Fazenda Nacional*), (ii) a lien (*alienação fiduciaria em garantia*) with respect to approximately R$15.4 million in the issuance of securitized certificates of real estate receivables, (iii) a lien (*alienação fiduciária em garantia*) with respect to approximately R$180 million of issued securitized certificates of real estate receivables and (iv) a lien with respect to a lease agreement with I Park.

For more information, see "Material Agreements — Internacional Shopping Guarulhos certificates of real estate receivables" and "Levian and ABK certificates of real estate receivables"

The table below shows the main characteristics of Internacional Shopping Guarulhos:

Internacional Shopping Guarulhos	
Ownership interest (%)	100%
Total gross constructed area (m²)	117,465
Our gross leasable area (m²)	75,958
Number of stores	292
Main stores	C&A, Lojas Americanas, Renner, Riachuelo, Pernambucanas, Marisa, Extra, Casas Bahia, Fast Shop, Ponto Frio, Seller, Camicado, Cinemark, Neo Geo World, Nike Outlet
Number of parking spaces	4,200

Internacional Shopping Guarulhos's main competitors, not including individual stores located outside shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area (m²)	Anchor Stores
Poli Shopping(1)	Guarulhos/Centro	1989	52	4,527	Lojas Americanas
Shopping Center Norte	Vila Guilherme	1984	331	64,000	C&A, Renner and Riachuelo
Shopping Center Penha	Penha	1992	219	29,918	Lojas Americanas, C&A and Marisa
Shopping Metro Tatuapé	Tatuapé	1997	312	36,462	Lojas Americanas, C&A, Renner and Cinemark
Boulevard Shopping Tatuapé	Tatuapé	2007	152	18,764	Fast Shop, Cinemark and Marisa

Source: Website of each shopping center.
(1) Owned by us.

Auto Shopping

Auto Shopping, our first thematic shopping center was opened in September 2006. It is located in the city of Guarulhos and was the first thematic shopping center in the region. This shopping center is an example of a strong trend in Brazil: the creation of automobile shopping centers that allow a consumer to find more than 1,000 vehicles for sale in a single place, while enjoying the comfort and personal security of a shopping center.

Auto Shopping has an area of 21,102 square meters, which is a part of a larger plot of land, a total gross constructed area of 18,127 square meters and a gross leasable area of 11,477 square meters, with 80 stores and 200 parking spaces. It also has stores which provide support services for vehicle purchases including vehicle registration, finance, insurance and inspection. Auto Shopping has a food court and offers car sound, accessory, bodywork and carwash services.

Auto Shopping's consumers are mainly middle-lower income couples. We believe that what differentiates Auto Shopping from other shopping centers is that it provides its customers with multiple choices for vehicle purchases and encourages strong competition among store owners. Because of its specialized theme, Auto Shopping's number of visitors is different from a traditional shopping center.

The table below shows the main characteristics of Auto Shopping:

Auto Shopping	
Ownership interest (%)	100%
Total gross constructed area (m^2)	18,127
Our gross leasable area (m^2)	11,477
Number of stores	80
Main stores	ABN Amro, HSBC, BV Financeira, Metran, Thomaz e Trilha, Dicar, São Caetano, Bicar, Nascimento, Pompeu
Number of parking spaces	200

Auto Shopping's main competitors, not including individual stores located outside shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area (m^2)(1)	Main Stores
Auto Shopping Cristal Leste	Penha	2005	30	6,000	M5, Authentic, Authenticar
Auto Shopping Cristal Norte	Santana	2006	30	2,500	M5, Authentic, Authenticar, La Penna
Auto Moto Shopping Vimave	Vila Maria	2003	23	4,000	Rommer, LGS, Placar

Source: Shopping Council, a company specialized in providing consulting services for the implementation of auto shopping centers.
(1) Approximate amounts.

Santana Parque Shopping

We restarted construction of Santana Parque Shopping in 2005, at which point we held a 100% interest in the development. In November 2006, we entered into a purchase agreement with Aliansce in which we agreed to sell 50% of Santana Parque Shopping to Acapurana. Santana Parque Shopping was opened on October 25, 2007. The management of Santana Parque Shopping is shared between both parties. See "—Material Agreements." According to IBGE, the area around Santana Parque Shopping had a population of 912,301 inhabitants in 2010.

We have granted a lien (*alienação fiduciaria em garantia*) of the land on which Santana Parque Shopping is located, which was made in connection with our approximately R$73.9 million issuance of securitized debt. For more information, please see "—Material Agreements—Various shopping center certificates of real estate receivables".

Santana Parque Shopping has an area of 28,899 square meters, a total gross constructed area of 68,560 square meters, total gross leasable area of 68,561 square meters, 176 stores, with 10 anchor stores and 1,500 parking spaces. Its main stores are: C&A, Renner, Lojas Americanas, Casas Bahia, Centauro, Ponto Frio, Marisa Lingerie, Saraiva and Magic Games, as well as the Bio Ritmo health club and an eight-screen UCI chain movie theater.

Santana Parque Shopping is strategically located in the northern part of the city of São Paulo, a region that has only two shopping centers.

The table below shows the main characteristics of Santana Parque Shopping:

Santana Parque Shopping	
Ownership interest (%)	50%
Total gross constructed area (m²).	68,561
Our gross leasable area (m²)	13,269
Number of stores	176
Main stores	C&A, Lojas Americanas, Renner, UCI, Centauro, Casas Bahia, Ponto Frio, Saraiva, Bio Ritmo, McDonald's, Burger King, Magic Games, Central Surf and Marisa Lingerie
Number of parking spaces	1,500

Santana Parque Shopping's main competitors, not including individual stores located outside shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area (m^2)	Anchor Stores
Shopping Center Norte	Vila Guilherme	1984	331	64,000	C&A, Renner, Riachuelo and Carrefour
Shopping D	Canindé	1994	230	29,000	C&A, Lojas Marisa, Mix Móveis, Casas Bahia and Cinemark

Source: Website of each shopping center.

Shopping Light

In June 2007, we acquired the right to use 50.1% of Shopping Light. We have since entered into an agreement to acquire the entire ownership interest in Shopping Light, however the title to the property has not yet been transferred to us. Once the transfer is complete, a third party will continue to hold the right to use 49.9% of the shopping center, but will be required to compensate us for its use.

Shopping Light is an urban shopping center, located in one of the most visited points of the city of São Paulo. Shopping Light was opened in 1999 in a building certified as a historic site (the former headquarters of *Cia. Light & Power de Eletricidade*) in downtown São Paulo, above Anhangabaú subway station, according to information published by the IPDM, has 91,000 users a day. The customers of Shopping Light are primarily people who often visit and work the downtown region of São Paulo. We believe that in 2009 approximately 690,000 people visited Shopping Light per month. Shopping Light currently has 134 stores, the main ones being Renner and Lojas Americanas, Reebok Outlet, K@2 Academia, World Tennis, Arezzo, Boticário, Camisaria Colombo and MOfficer.

We purchased our share in the consortium and have renovated large vacant areas, improving the store mix, transforming it into a mixed-use area with a food court, health club, passport services, university campus and cultural venues, among other activities that add value to a retail development.

Shopping Light has an area of 4,547 square meters and a constructed area of 36,519 square meters and is managed by GSB Adm.

The table below shows the main characteristics of Shopping Light:

Shopping Light	
Right to use Shopping Light (%)	50.1% (we have)
Total gross constructed area (m²).	36,518
Our gross leasable area (m²)	7,092
Number of stores	134
Main stores	Renner, Lojas Americanas, Reebok Outlet, K@2 Academia, World Tennis, Arezzo, Boticário, Camisaria Colombo and MOfficer
Number of parking spaces	200

Shopping Light's main competitors are individual stores located on the streets in the downtown area of São Paulo.

Suzano Shopping

We acquired 100% of Suzano Shopping in 2007. Suzano Shopping has an area of 54,823.35 square meters, a total gross constructed area of 20,633 square meters, gross leasable area of 19,583 square meters, 174 stores (including two anchor stores) and 1,700 parking spaces, all of which includes our expansion of 6,463 square meters of gross leasable area carried out in October 2008.

Suzano Shopping has 174 stores, the main ones being Lojas Americanas, Casas Bahia, Centerplex, Bomboliche, C&A, Renner, Centauro, Boticário, Barred's and MOfficer.

We have granted a lien (*alienação fiduciaria em garantia*) on the land on which Suzáno Shopping is located to guarantee the debt from the securitization of the certificates of real estate receivables in the amount of R$73.7 million.

The table below shows the main characteristics of Suzano Shopping:

Suzano Shopping	
Ownership interest (%)	100%
Total gross constructed area (m²).	20,633
Own gross leasable area (m²)	19,583
Number of Stores	174
Main stores	Lojas Americanas, Casas Bahia, Centerplex, Bomboliche, C&A, Renner, Centauro, Boticário, Barred's and MOfficer
Number of parking spaces	1,700

Suzano Shopping's main competitors, not including individual stores located outside shopping centers are:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m^2)	Anchor Stores
Mogi Shopping	Mogi das Cruzes	1991	171	29,276	C&A, Marisa, C&C, Lojas Americanas

Source: Mogi Shopping's website.

Cascavel JL Shopping

We acquired an 85.5% ownership in Cascavel JL Shopping in 2007. Cascavel JL Shopping has an area of 8,690 square meters, a total gross constructed area of 28,221 square meters, a total gross leasable area of 8,877 square meters, 80 stores (including two anchor stores) and 384 parking spaces. Our ownership interest in this shopping center represents 7,590 square meters of gross leasable area. It is located in the city of Cascavel, state of Paraná, in the southern region of Brazil, a city with approximately 300,000 inhabitants in 2009.

Cascavel JL Shopping is also owned by Post Scriptum Empreendimentos Imobiliários (4.5%) and Jota Ele Construções Civis Ltda. (10.0%). Each owner has the right of first refusal for sales of the property to third parties.

Cascavel JL Shopping has 80 stores, the main ones being Lojas Americanas, Renner, Hering Store, Boticário and Word Tennis.

We granted a lien with respect to our ownership in Cascavel JL Shopping in connection with our securitization offering in 2008. See "—Material Agreements— Various shopping centers certificates of real estate receivables".

The table below shows the main characteristics of Cascavel JL Shopping:

Cascavel JL Shopping	
Ownership interest (%)	85.5%
Total gross constructed area (m²)	28,221
Our gross leasable area (m²)	7,590
Number of stores	80
Main stores	Lojas Americanas, Renner, Hering Store, Boticário, World Tennis
Number of parking spaces	384

Cascavel JL Shopping is the sole shopping center in the city of Cascavel.

Top Center Shopping São Paulo

We acquired 100% of Top Center Shopping São Paulo in 2007. Top Center Shopping São Paulo has an area of 3,948 square meters, a total gross constructed area of 7,835 square meters, gross leasable area of 6,369 square meters and 67 stores the main ones being Runner, Fotoptica, Myabi, Any & Any, Hering Store, Starbucks Café, M. Martan, and Havaianas. Top Center Shopping São Paulo's parking is owned by third-parties. Top Center Shopping São Paulo is located on Avenida Paulista in São Paulo.

We have granted a lien (*alienação fiduciaria em garantia*) of the land on which Top Center Shopping São Paulo is located in connection with our R$60 million issuance of securitized debt. For more information, see "—Material Agreements— Shopping center certificates of real estate receivables".

The table below shows the main characteristics of Top Center Shopping São Paulo:

Top Center Shopping São Paulo	
Ownership interest (%)	100.0%
Total gross constructed area (m²).	7,835
Our gross leasable area (m²)	6,369
Number of stores	67
Main stores	Runner, Fotoptica, Myabi, Any & Any, Hering Store, Starbucks Café, M. Martan, and Havaianas

Top Center Shopping São Paulo's main competitor, not including individual stores located outside the shopping centers, is:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m^2)	Anchor Stores
Shopping Paulista	São Paulo	1989	231	27,313	Saraiva, Zara, Fast Shop and Cinemark

Source: Website of the shopping center.

Prudente Parque Shopping

We acquired 100% of Prudente Parque Shopping in 2007. Prudente Parque Shopping has an area of 19,151 square meters, a total gross constructed area of 35,103 square meters, gross leasable area of 10,276 square meters, 56 stores, the main ones being Hipermercado Muffato, Lojas Americanas, Magic Games and Boticário and 520 parking spaces. Prudente Parque Shopping is located in the western region of the city of Presidente Prudente, state of São Paulo, a city with 0.2 million inhabitants in 2009 according to IBGE.

We granted a lien with respect to the land on which Prudente Parque Shopping is located, guaranteeing the R$4.1 million loan with Banco ABC Brasil S.A.

The table below shows the main characteristics of Prudente Parque Shopping:

Prudente Parque Shopping	
Ownership interest (%)	100.0%
Total gross constructed area (m²)	35,103
Our gross leasable area (m²)	10,276
Number of stores	56
Main stores	Hipermercado Muffato, Lojas Americanas, Magic Games and Boticário
Number of parking spaces	520

Prudente Parque Shopping's main competitor, not including individual stores located outside the shopping center, is:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m2)	Anchor Stores
Prudenshopping	Presidente Prudente	1990	142	19,060	Hipermercado Carrefour, Magazine Luiza, Ri Happy and Casas Bahia

Source: Prudenshopping website.

Poli Shopping Osasco

We acquired 100% of Poli Shopping Osasco in 2007. Poli Shopping Osasco has an area of 5,863 square meters, a total gross constructed area of 9,903 square meters, gross leasable area of 3,218 square meters, 19 stores the main ones being Lojas Americanas and Ri Happy and 160 parking spaces. Poli Shopping Osasco is located in the central region of the city of Osasco, a city with approximately 700,000 inhabitants in 2009 and located in the greater São Paulo metropolitan area, according to IBGE.

The table below shows the main characteristics of Poli Shopping Osasco:

Poli Shopping Osasco	
Ownership interest (%)	100.0%
Total gross constructed area (m²)	9,903
Our gross leasable area (m²)	3,218
Number of stores	19
Main stores	Lojas Americanas and Ri Happy
Number of parking spaces	160

Poli Shopping Osasco's main competitor, not including individual stores located outside the shopping center, is:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area (m^2)	Anchor Stores
Osasco Plaza Shopping	Osasco	1995	226	14,600	Marisa, Lojas Americanas, Casas Bahia and Riachuelo.

Source: Poli Shopping Osasco's website.

Shopping do Vale

We acquired 84.4% of the stores in Shopping do Vale in 2007. Shopping do Vale, which opened on May 10, 1995, has an area of 17,807 square meters, a total gross constructed area of 31,500 square meters, a total gross leasable area of 16,487 square meters, 94 stores (including five anchor stores) the main ones being Lojas Americanas, Lojas Colombo, Renner, Marisa, Magic Games, Camisaria Colombo and Manlec and 350 parking spaces. Our ownership interest represents 13,913 square meters of gross leasable area. Shopping do Vale is located in the city of Cachoeirinha, state of Rio Grande do Sul. Cachoeirinha is a city with approximately 100,000 inhabitants in 2009 and located in the greater Porto Alegre metropolitan area.

The table below shows the main characteristics of Shopping do Vale:

Shopping do Vale	
Ownership interest (%)	84.4%
Total gross constructed area (m²)	31,500
Our gross leasable area (m²)	13,913
Number of stores	94
Main stores	Lojas Americanas, Lojas Colombo, Renner, Marisa, Magic games, Camisaria Colombo and Manlec
Number of parking spaces	350

Shopping do Vale does not have any direct competitors.

Shopping Unimart

On January 11, 2008, we acquired 100% of Uniplaza – Empreendimentos, Participações e Administração de Centros de Compra Ltda., which is the owner of 100% of the gross leasable area of Shopping Unimart. Shopping Unimart has a total gross constructed area of 23,873 square meters, 10,233 square meters of leasable area, 91 stores (including one anchor store), the main ones being Lojas Americanas, Meggashopping, D. Paschoal, Caixa Econômica, UNIFIT, World Tennis and Movie Cinemas, and 800 parking spaces. Shopping Unimart is located in the city of Campinas in São Paulo State, a city with 1.0 million inhabitants in 2009.

The table below shows the main characteristics of Shopping Unimart:

Shopping Unimart	
Ownership interest (%)	100.0%
Total gross constructed area (m²)	23,873
Our gross leasable area (m²)	10,233
Number of stores	91
Main stores	Lojas Americanas, Meggashopping, D. Paschoal, Caixa Econômica, UNIFIT, World Tennis and Movie Cinemas
Number of parking spaces	800

Shopping Unimart's main competitor, not including individual stores located outside the shopping centers is:

Name	Location	Year Opened	Number of Stores	Gross Leasable Area(m^2)	Main Stores
Campinas Shopping	Campinas – SP	1994	168	30,384	Poupatempo, Box Cinemas, Walmart and Ponto Frio
Parque D. Pedro Shopping	Campinas – SP	2002	386	11,600	Walmart, Lojas Americanas, Etna, Telhanorte and Kinoplex

Source: Companies' website.

Outlet Premium São Paulo

On December 7, 2007, we acquired a 30% interest in Outlet Premium São Paulo and on June 11, 2010, we acquired an additional 20% of Outlet Premium São Paulo, increasing our indirect ownership interest to 50%. Outlet Premium São Paulo has a total area of 108,027 square meters, a total gross constructed 22,391 area of square meters, 17,716 square meters of total gross leasable area, 90 stores and 740 parking spaces. Our ownership interest represents 8,858 square meters of gross leasable area. Outlet Premium São Paulo is located in the city of Itupeva in São Paulo State, with 20 million inhabitants within a 100 kilometer radius of the store in 2009 according to IBGE.

The table below shows the main characteristics of Outlet Premium São Paulo:

Outlet Premium São Paulo	
Ownership interest (%)	50.0%
Total gross constructed area (m²)	22,391
Our gross leasable area (m²)	8,858
Number of stores	90
Main stores	Nike, Adidas, Armani, Zegna, Lacoste, Diesel, Calvin Klein, Applebees, Hugo Boss, Track & Field.
Number of parking spaces	740

Projects Under Expansion, Development or Construction

Expansion of our shopping centers

We are expanding Poli Shopping, which is projected to gain another 11,400 square meters of gross leasable area and 4,000 square meters of offices, in addition to the current 4,527 square meters of gross leasable area, totaling 15,927 square meters of gross leasable area. This expansion is expected to be concluded in the fourth quarter of 2011. We seek to increase Poli Shopping's ability to attract customers, mainly by opening new anchor stores which we believe to not yet be present in downtown Guarulhos, adding new stores to the current store mix, increasing the diversity of the food court area and adding new movie theaters. The parking lot will also be expanded, partially alleviating the parking lot shortage at the central region in Guarulhos. We also plan to build an office tower integrated into the shopping center to meet the need for offices in the region with 5,000 square meters of gross constructed area. The office tower is also scheduled to open in the fourth quarter of 2011.

We also plan on expanding Cascavel JL Shopping by adding 2,953 square meters of our gross leasable area, which we expect to complete in 2011. In addition we plan on expanding Shopping Unimart, by adding 8,000 square meters in gross leasable area which we expect to complete in 2011 and Prudente Parque Shopping, by adding 8,000 square meters in gross leasable area, which we expect to complete in 2012.

Development of new shopping centers

On June 25, 2007, we entered into a purchase agreement to acquire a 90% interest in a 60,000 square meter lot of land in Jardim Sulacap, in the western part of the city of Rio de Janeiro, for R$10 million, for the construction of a shopping center with capacity for 32,000 square meters of gross leasable area, which is expected to open in 2011. In 2010 we increased our ownership interest to 95%.

On November 8, 2007, we acquired a 96% interest in 42,774 square meters of total leasable area for R$24.3 million, for the construction of a shopping center with up to 32,000 square meters of gross leasable area in the city of Barueri, within the greater São Paulo metropolitan area. In September 2010, we committed to the sale of 38.7% of this project to VBI GSBR Empreendimentos e Participações Ltda. for R$22 million. We expect to open the shopping center in the fourth quarter of 2011.

Acquisition of shopping centers

On November 14, 2007, we acquired 85.5% of Cascavel JL Shopping, for R$25.2 million.

In November 2007, we acquired 100% of Prudente, Parque Shopping, Poli Shopping, Osasco and Top Center Shopping São Paulo, comprising an aggregate of 19,660 square meters of gross leasable area, for an aggregate of R$63.8 million.

In November 2007, we acquired 100% of Sale Empreendimentos e Participações Ltda., which in turn is the owner of 84.39% of Shopping do Vale's gross leasable area, for the price of R$18.7 million. Shopping do Vale has approximately 16,487 square meters of gross leasable area, and is located in the southern region of Brazil.

On January 11, 2008, we acquired 100% of Uniplaza – Empreendimentos, Participações e Administração de Centros de Compra Ltda., which is the owner of 100% of Shopping Unimart's gross leasable area, for R$43.0 million. Shopping Unimart has approximately 10,233 square meters of gross leasable area and is located in the city of Campinas in the state of São Paulo.

Increase in Interest in Outlet Premium São Paulo

In June 2010, we increased our interest in Outlet Premium São Paulo by 20%, reaching a 50% interest in this shopping center.

Development of mixed-use projects

We are currently negotiating with covention center operators for the project Centro de Convenções Internacional, a convention center located on the same property where Auto Shopping is located, near Internacional Shopping Guarulhos. The convention center is expected to be 25,730 square meters and will complement the complex formed by the two shopping centers and a university campus. Its opening is scheduled for 2012.

Services

Management of shopping centers

We are currently responsible for managing all of the shopping centers in which we hold an ownership interest, through GSB Adm. and ASG Adm., except for Santana Parque Shopping. These activities include the management of the lease contracts with the store owners, the condominium budget and the advertising fund of the shopping centers. Our goal is to maximize the returns to our shareholders. Through our management services, we are close to the day-to-day operation of our shopping centers and our store owners. Our proximity to store owners results in improvements of their operations, which is directly reflected in our results. Moreover, by managing the condominium budget we seek efficiency, reducing the store owners' management fees, thereby creating a margin for developers to charge a higher rent. By managing the advertising fund, we are also able to conduct the marketing strategy of each shopping center. Finally, by managing our shopping centers we can optimize the use of the other services we provide. In the year ended December 31, 2009 and the six-month period ended June 30, 2010, our shopping center management services generated total gross revenues of R$0.6 million and R$0.4, respectively.

Management of parking lots

In 2005, we began our activities in the parking lot management segment at Internacional Shopping Guarulhos, our largest parking lot. Since then, we have enhanced our knowledge in this market segment and we now also manage the parking lot at Auto Shopping, Santana Parque Shopping, Shopping Light, Suzano Shopping, Cascavel JL Shopping, Shopping Unimart, Outlet Premium São Paulo, Prudente Parque Shopping and Shopping do Vale. We currently serve more than 1.0 million vehicles per month. With our current experience, we believe we can manage any parking lot in the segment and, consequently, we plan to continue performing this activity in our future shopping centers. In the year ended December 31, 2009 and the six-month period ended June 30, 2010, our management of shopping center parking lots generated total gross revenues of R$17.7 million and R$9.5 million, respectively.

Management of energy supply

In 2005, we began leasing equipment to provide energy at our properties through our subsidiary Energy to Internacional Shopping Guarulhos. We now also manage the energy supply at Auto Shopping, Shopping Light, Suzano Shopping and Santana Parque Shopping. This service consists of providing consulting services for the consumption of electricity, the contracting of the electricity demand for the shopping centers in the electricity market and the leasing of the necessary equipment for the particular project. We currently study the best conditions for the supply of electricity, including the purchase of electricity from small hydroelectricity units, *Pequenas Centrais Hidrolétricas*, or PCHs, generating savings for us and helping us to go through our sustainability policy by using energy sources approved by the Brazilian government's Alternative Energy Sources Program (*Programa de Fontes Alternativas de Energia*), or PROINFA. In the year ended December 31, 2009 and the six-month period ended June 30, 2010, this service generated total gross revenues of R$4.1 million and R$1.9 million, respectively.

Management of water supply

In 2005, we began our management of water supply for our shopping centers through our subsidiary, Wass. We currently provide this service at Internacional Shopping Guarulhos, Poli Shopping, Auto Shopping, Suzano Shopping, Shopping Light, Prudente Parque Shopping, Cascavel JL Shopping, Shopping do Vale, Santana Parque Shopping and Outlet Premium São Paulo. This service consists of planning the consumption and reuse of water by the shopping centers, as well as the exploration of wells for the supply of water. This service allows the rationalization of the use of water, generating savings for store owners, and the development of environmental sustainability to the facilities. In the year ended December 31, 2009 and the six-month period ended June 30, 2010, this service generated total gross revenues of R$1.4 million and R$0.7 million, respectively.

New Greenfield

On Octobert 5, 2010, Premium Outlet acquired a 121,257 square meters parcel of land located in the city of Alexânia, State of Goiás, for R$3.2 million.

Competition

Our main competitors considering ownership interests and management of shopping centers are BR Malls, Iguatemi, Ancar, Brookfield, Multiplan, Aliansce and Sonae.

Customer and Partner Relationship Policies

Our main objectives are to offer a broad and renewed mix of stores in our shopping centers and to optimize the services provided, with the goal of increasing the number of visitors and the sales volume of the store owners, maximizing the store owners' and the shopping centers' results, as well as strengthening our partnership with the store owners. To do so, we establish strategic plans each year for each shopping center that identify our strategic focus for the following 12 months. These plans are based on an analysis of our competition's strengths and weaknesses, opportunities and threats, among other internal and external factors.

As part of our business policy and in order to maintain the attractiveness of our shopping centers, we constantly work to identify segments and stores with growth potential or downward sales trends. We conduct quantitative and qualitative studies that we share and discuss with the store owners of our shopping centers. The studies are done both through an evaluation of the opinions of our customers about our shopping centers and through a quantitative analysis of supply and demand. In this regard, our store owners are advised to remodel their stores or even change locations, among other suggestions necessary to improve performance. We also seek to constantly update our mix of stores.

By managing our shopping centers, we remain in constant contact with the store owners, suppliers and service providers, including those we consider to be potential clients. The pursuit of constant renovation and updating of the mix of stores in the shopping centers requires constant research regarding new store owners and new store concepts. Our history and tradition in the industry help us gain store owner confidence and loyalty, which increases our efficiency in prospecting new store owners.

Seeking to guarantee the profitability of the shopping centers, the contractual conditions and costs regarding the service providers are frequently monitored through research and comparative indexes. This research helps us obtain economies of scale, better negotiations and a reduction of costs, aiming at homogeneity among the shopping centers and maximization of profitability.

Marketing

Marketing the stores in a shopping center is a key element for the shopping center's success. To create an effective marketing campaign, we consider the characteristics of the market in which the shopping center is located and what mix of stores would best meet the market's needs. We strive to identify and bring to our shopping centers the best stores from each relevant sector and actively engage our store owners in discussion about our shopping centers' marketing strategies.

A shopping center is not only a shopping, leisure and convenience destination, but also an important alternative media option for small, medium and large advertisers, who are increasingly in need of new ways to market to potential customers due to the enactment of prohibitions on outdoor advertising in the city of São Paulo in 2007. Accordingly, mall, merchandising and event marketing represent attractive alternatives that allow them to reach a large number of consumers. For this purpose, we make various spaces available in the internal and external areas of the shopping centers through lighted display windows, door and stair stickers strategically positioned throughout the shopping centers.

Collection and Default Policies

Our strict collection and default control policy has allowed us to maintain low levels of default. In addition, we have rigorous criteria for selecting the store owners. We require minimum qualification standards for candidates through a registration form with documents from the candidates and guarantors to prove creditworthiness. Creditworthiness of the candidates is also monitored through credit protection bureaus, deeds and real estate registry offices and candidates must prove revenues in an amount greater than 12 times the cost of the monthly rent.

Each shopping center has its own financial department that is responsible for the administrative collection from store owners, which is monitored by us. The financial department processes the revenues on a monthly basis, prints and distributes the invoices to the store owners and sends the files to the collection systems of the banks at which store owners deposit their rents. Amounts collected from store owners are deposited in a specific collection account for each shopping center. The amounts received are then identified and accordingly distributed to the owners and condominium of the shopping center and also to the advertising fund account.

The shopping center is initially responsible for the collection from store owners. However, when a store owner is in default for 90 days or more, collection of such past due amount is outsourced to our affiliate credit bureau *Eral Empresa Recuperadora de Ativos Ltda*., or Eral, which is controlled by our controlling shareholder. Eral presents the shopping center superintendents with periodic reports on collection performance in comparison to targets established monthly by the owners of the shopping center and the superintendent of each shopping center, as well as on the balance collected and collection procedures followed. If the outsourced company is not successful in the collection, the shopping center superintendent, in conjunction with the legal department, decides what action to take. The shopping centers also hire outside counsel when considering eviction and collection proceedings.

These policies have significantly improved our collection ratio.

The table below shows collection data from 2007 to 2009 and the six months ended June 30, 2010.

	2007	**2008**	**2009**	**Six months ended June 30, 2010**
Rent invoiced	100.00%	100%	100%	100%
Rent received	95.88%	94.6%	96.1%	100.9%
Default	4.12%	5.4%	3.9%	(0.9)%

Seasonality

Our operating results are subject to seasonal fluctuations that affect the shopping center and the retail industry in general. There is a significant increase in store sales on holidays, such as Mother's Day in May, Valentine's Day in June, Father's Day in August, Children's Day in October and Christmas in December. The vast majority of our shopping center store owners pay in double the minimum contractual rent in December. Our services revenue is also affected by seasonality, although to a lesser extent, as parking lot operations are more affected than water and energy services.

Service providers

In the rendering of management services to our shopping centers, we are responsible for hiring companies that conduct marketing research, shopping center planning, lighting consultation, electrical and hydraulic system planning, fire prevention, air-conditioning planning, mechanical ventilation, property and rights management, landscaping projects, management and implementation of commercial units, security, insurance, conservation and cleaning as well as architectural services. The services are hired by ASG Adm. or GSB Adm., as the case may be, in the name of the store owners of our shopping centers. According to Rule 331 of the Superior Labor Court we assume joint liability with regard to the labor agreements each service provider enters into with its employees.

Intellectual property

Trademarks

In Brazil, the ownership of a trademark is only acquired through a valid registration with the National Institute of Intellectual Property (*Instituto Nacional da Propriedade Industrial*), or INPI. The owner of a trademark has the right to its exclusive use throughout Brazil for 10 years, with the possibility of being extended for another 10-year term. During the registration process, the entity requesting the trademark merely has an expectation of the right to use the trademark that is used to identify its products or services. We periodically renew our trademarks as they expire, every 10 years.

In Brazil, we or our subsidiaries own 24 trademarks duly registered with INPI, including "Internacional Shopping Guarulhos" (with different logos and in more than one class), "Poli," "Poli Shopping," and our logo. In addition, we have filed several applications for trademark registrations which are currently being examined by the INPI.

Domain names

We own the domain names for the websites related to our shopping centers. As of June 30, 2010, all of our domain names were valid and effective.

Properties

The table below sets forth the gross constructed area and the gross leasable area of the shopping centers in which we have an ownership interest (except for Shopping Light, which we do not own but have acquired a right to use):

Shopping Center	Gross Constructed Area (m^2)	Own Gross Leasable Area (m^2)	Number of Stores
Poli Shopping	6,390	2,264	52
Internacional Shopping Guarulhos(1)(3)	117,465	75,958	292
Auto Shopping	18,127	11,477	80
Santana Parque Shopping(1)	68,561	13,269	176
Shopping Light(4)(5)	36,519	7,092	134
Suzano Shopping(1)	20,633	19,583	174
Cascavel JL Shopping(1)	28,221	7,590	80
Top Center Shopping São Paulo(1)	7,835	6,369	67
Prudente Parque Shopping(2)	35,103	10,276	56
Poli Shopping Osasco	9,903	3,218	19
Shopping do Vale	31,500	13,913	94
Shopping Unimart	23,873	10,233	91
Outlet Premium São Paulo	22,391	8,858	90

(1) We have granted a lien on these properties to guarantee debt repayment obligations we incurred in our securitization issuances. See "—Material Agreements—Financing Agreements."

(2) We have granted a lien on Prudente Parque Shopping with respect to guarantee our loan repayment obligations to Banco ABC Brasil S.A. See "—Material Agreements—Financing Agreements."

(3) We have granted a lien on Internacional Shopping Guarulhos to guarantee our payment obligations to the National Treasury. See "—Internacional Shopping Guarulhos".

(4) This title Shopping Light is currently registered with the seller and has not yet been transferred to us. See "—Material Agreements—Agreement for the acquisition of Shopping Light".

(5) We have granted a lien on Shopping Light in connection with a bank financing agreement. See "Related Party Transactions—Guarantee Agreeements".

Insurance

We maintain insurance policies with top-rated insurance companies for each shopping center, in amounts we consider adequate for our industry and in accordance with the nature and relevance of the risks we believe are related to our business.

Although we maintain insurance policies within usual market practices, there are some risks that may not be covered by these policies (such as war, *force majeure* events or an interruption in business activities). Thus, in case any of these non-covered events occur, we could incur additional costs in connection with the recovery of our assets. In addition, we cannot guarantee that, even in case of losses covered by insurance policies, the payment of the indemnification will be sufficient to cover the damages arising out of our losses.

We have 29 policies with various types of coverage, such as fire, theft of property, electrical damage, riots, flooding, lost profits, civil liability and machinery breakdown. These insurance policies cover our shopping centers and parking lot operations, and are renewed annually. The insurance policies that we currently have cover civil liability, large fire and loss of profits.

We have a civil liability insurance policy covering risks related to our parking lots activities, such as damages caused to the parked vehicles and theft. This policy does not cover the parking lots of the following shopping centers: Poli Shopping, Top Center Shopping São Paulo, which are managed by third parties.

Environmental matters

Environmental programs

We have sought to adopt strong environmental management practices in the development of our activities. We have adopted waste recycling policies in our shopping center operations. Our fluorescent lamps are also recycled, with the reuse of gas and the recycled glass. In addition, all of our projects favor areas with natural lighting that not only improves the quality of the environment but also leads to significant energy savings. We are currently studying the best conditions for power supply, including through the purchase of energy from PCHs, which provide us with savings and allow us to follow our sustainability policy through the use of energy sources approved by PROINFA. All of our new projects provide for water reuse. At Santana Parque Shopping, for example, the entire water supply system has already been planned and is being built to allow the reuse for air-conditioning, gardens and bathrooms. Finally, we have a tree planting program at Internacional Shopping Guarulhos. We are not party to any administrative or judicial proceedings relating to environmental matters. We do not have international environmental certification. See "Industry Overview—Environmental Matters."

In order to dispose of solid waste and treat effluents we have entered into agreements with private and public companies that, after segregating trash collection, are responsible for the final disposal of the solid waste generated by our shopping centers in areas specified by the government.

We do not have areas and/or activities that are unhealthy or dangerous. However, in compliance with the applicable law, we maintain an Environmental Risk Prevention Program (*Programa de Prevenção de Riscos Ambientais*) and the Medical Oversight and Occupational Health Program (*Programa de Controle Médico e Saúde Ocupacional*). Historically, there has been only one workplace accident involving our employees.

Social Responsibility, Sponsorship and Cultural Incentives

We develop various social projects focused on the educational, cultural and social background of the communities in which we work, including *Projeto Primeiras Aulas* (First Classes Project), related to literacy for adults in partnership with the *Universidade de Guarulhos, Companha do Agasalho* that involves collection of coats throughout June, and *Semana de responsabilidade social da Universidade de Guarulhos* (Social Responsibility Week of the University of Guarulhos) and provision of medical, dental and social services for the community in November.

Awards

Over the last few years, we have received various awards described below.

Internacional Shopping Guarulhos

Internacional Shopping Guarulhos received the following awards: (i) the Premium Shopping award by Alshop in the category of renovation and expansion for 2007; (ii) the Premium Shopping award by Alshop, in the category of promotional marketing for 2008; (iii) Who's Who in the Guarulhos Economy award in the category of excellence in the service sector for 2009; and (iv) the Premium Shopping award by Alsop in the category of community marketing for 2009.

Outlet Premium São Paulo

Outlet Premium São Paulo was elected the best outlet by the Epoch São Paulo magazine for 2009/2010.

Shopping do Vale

Shopping do Vale received (i) honorable mention at the Municipal Congress of Porto Alegre for its environmental programs in June 2009 and (ii) a commendation by the military police Battalion Number 26 for the services provided to them.

Auto Shopping Internacional

Auto Shopping Internacional received the following awards: (i) the Business Excellence award by the Commercial and Business Association of Guarulhos (*Associação Comercial e Empresarial de Guarulhos*, "ACE") for 2007; (ii) the Best Auto Shopping award– Prêmio Olho Vivo for 2007; (iii) 2008 – Prêmio TV Destaque – Announcer of the Year; (iv) the Business Excellence award by ACE for 2009; and (v) Prêmio TV Destaque – Announcer of the Year for 2009.

Santana Parque Shopping

Santana Parque Shopping won the Premium Shopping 2008 award by Alshop for institutional marketing.

Employees

We had 130 employees as of June 30, 2010. The table below shows the number of employees per category of activity at the end of the periods indicated:

Area	Year ended December 31,			Six-months ended June 30, 2010
	2007	2008	2009	2010
Management	22	18	22	22
Administrative	36	48	60	62
Operational	129	47	42	46
Total	**187**	**113**	**124**	**130**

All of our employees are located in Brazil with most of them being located in the city of Guarulhos and city of São Paulo, in the state of São Paulo.

Our compensation policy is based on average market compensation. We adjust compensation whenever necessary and according to labor law, as of the date of the applicable collective-bargaining agreements. Our promotion policy is based exclusively on employee merit. We do not have a stock option plan for our employees or our management team.

We provide health insurance to all of our employees, in addition to the benefits required by Brazilian labor law. We also provide technical training and continuing education courses for our employees. We outsource activities that are not related to our main activity, such as cleaning, security, maintenances engineering, landscaping, nurse's station and brokerage services.

Union Relations

We are represented by the Employers' Union for Companies that Purchase, Sell, Rent and Manage Real Estate in São Paulo (*Sindicato das Empresas de Compra, Venda, Locação e Administração de Imóveis de São Paulo*), or SECOVI-SP. Most of our employees are represented by the Union of Employees of Companies that Buy, Sell, Rent and Manage Residential and Commercial Real Estate (*Sindicato dos Empregados em Empresas de Compra, Venda, Locação e Administração de Imóveis Residenciais e Comerciais*) ("SEECOVI"), of São Paulo, Guarulhos, Barueri, Diadema and São Caetano do Sul, all cities in the state of São Paulo. Some of our employees are represented by unions that correspond to the complementary service they help provide such as the Union of Workers in Parking Companies of the State of São Paulo (*Sindicato das Empresas de Garagens e Estacionamentos do Estado de São Paulo*) ("SINDEPARK"). We constantly analyze and discuss proposals with the unions, always seeking consensus to improve our employees' working conditions. There has never been a strike involving our employees. We believe we have a good relationship with our employees and with the unions that represent them.

Our most recent collective bargaining agreement, between SECOVI-SP and SEECOVI, executed on May 1, 2010, and extending through April 30, 2012, requires that we grant a salary adjustment to our employees corresponding to 6.3% of the salaries, as effective on May 1, 2009, subject to offsetting with advances of salary adjustments already granted in the period. In addition, the collective bargaining agreement requires profit sharing payments to be made pursuant to the guidelines and requirements of Law No. 10,1010, dated December 19, 2000.

The collective bargaining agreement executed between SINDEPARK and the Union of Workers in Parking and Garage Companies (*Sindicato dos Empregados de Estacionamentos e Garagens*) or SINDEG, on September 1, 2010, and extends through August 31, 2012, requires (i) in 2010, a salary adjustment corresponding to 7% and (ii) in 2011, salary adjustments to our employees who work in our subsidiaries IPark and Park Administradora calculated pursuant to the variation of the National Consumer Price Index (*Índice Nacional de Preços ao Consumidor*) ("INPC") index accruing in the 12-month period preceding the adjustment date, increased by 1.5% for salaries due on August 31, 2011. The collective bargaining agreement executed with SINDEPARK and SINDEG also requires that we pay to our employees a profit sharing bonus corresponding to R$250.00 per employee. This payment may be made in two installments.

Legal and Administrative Proceedings

As of June 30, 2010, we had provisions in the amount of R$6.7 million related to judicial and administrative civil, labor and tax claims, as well as related to legal obligations. The calculation of the amounts to be provisioned is based on reports from our internal and outside legal counsel and cover probable losses related to our claims.

The table below shows the consolidated position of our claims, provisions and deposits as of June 30, 2010:

(in millions of R$)	Six months ended June 30, 2010	
	Claim	**Provision**
Labor	2.7	0.2
Civil	4.4	0.3
Tax	1.4	6.2
Total	**8.5**	**6.7**

Civil proceedings

As of June 30, 2010, we were defendants in approximately 54 lawsuits involving civil matters. According to our estimates, the amount involved in these lawsuits is approximately R$4.4 million, and we have recorded provisions in the amount of R$0.3 million.

In general, we are defendants in claims for indemnification for property damage and pain and suffering, renewal actions for lease contracts, collection actions and contract rescission actions. We are plaintiffs in eviction actions for lack of payment and collection actions for sums certain.

Labor proceedings

As of June 30, 2010, we were defendants, severally or jointly, in 67 labor lawsuits. The total amount claimed is R$2.7 million, of which R$0.2 million is related to a claim in which we estimate the chance of loss to be probable, and consequently, we have made a provision for these lawsuits. In general, these cases involve claims for joint liability, overtime and recognition of the employment relationship, among others.

Tax proceedings

As of June 30, 2010, we were involved, severally or jointly, in 26 proceedings related to tax matters, which represent an amount of R$1.4 million. In accordance with our internal and outside legal counsels the chance of loss in connection with such proceedings is estimated to be possible. No tax provision has been registered to cover this contingency.

We established a provision regarding tax liabilities for the last five years, in the amount of R$6.2 million, as of June 30, 2010, which relates to taxes levied on leases of store space in shopping centers operated by our subsidiaries ABK and Levian. Pursuant to the opinion of our external counsels, these taxes were not levied on such leases prior to our corporate restructuring as the lease payments were revenues of a civil condominium. There is no ongoing lawsuit or administrative proceedings related to this provision.

Tax debt installments

In 2009, General Shopping Brasil S.A. adhered to the new installment plan for companies with the Federal Revenue Service, Attorney General's Office for the National Treasury (*Procuradoria-Geral da Fazenda Nacional*), or PGFN, and the INSS, under Law No. 11941/09, referred to as or Refis IV. In 2010, our subsidiaries also adhered to the new installment plan. The outstanding balance on those consolidated installments, as of June 30, 2010, was R$20.4 million.

Other Legal Proceedings

The following sets forth a description of certain material proceedings for which we do not account in "Reserves for contingencies" on our balance sheet.

Collection actions

There are two collection actions, one filed by Banco Pontual S.A. against Levian, and the other filed by Banco Pontual against ABK, related to outstanding balances arising from the opening of lines of credit connected to checking accounts. The trial court issued a decision against us and we are currently awaiting the decision on the appeals filed by ABK and Levian. As of June 30, 2010, the amount claimed in these proceedings totaled approximately R$3.5 million. We have recorded provisions in the amount of R$4.4 million, which we record as indebtedness.

Indemnification action

Silpa Moda Jovem Ltda. ME and 12 other plaintiffs initiated a lawsuit claiming damages for pain and suffering, special damages and a contractual revision against Internacional Shopping Guarulhos. The plaintiffs allege that the co-participation agreement related to stores in the shopping center was breached by the condominium of Internacional Shopping Guarulhos because it opened after the scheduled date and before the conclusion of construction. The plaintiffs prevailed on the issue of contractual revision claims at the trial court, in which the store rental was established at 8% of each of the plaintiffs' gross monthly sales. The shopping center was ordered to reimburse any amounts charged above that percentage. The Court of Justice (*Tribunal de Justiça*) denied the appeals that we had filed and we are currently awaiting a decision on the appeals filed with the Superior Federal Court (*Supremo Tribunal Federal*) and with the Supreme Court of Justice (*Superior Tribunal de Justiça*). The chance of loss for Internacional Shopping Guarulhos classified as probable with regard to the decision that establishes the rent amount at 8% of each of the plaintiffs' gross monthly sales, and remote with regard to the request for special damages and pain and suffering. As of June 30, 2010, the amount claimed was estimated at R$1.4 million and no provision has been recorded for this case.

Material Agreements

Financing agreements

Credit Facility Agreement with Banco do Paraná S.A.

General Shopping. entered into a credit facility agreement (Cédula de Crédito Bancário – CCB) with Banco do Paraná S.A., dated March 23, 2010, for the aggregate principal amount of R$15 million. The loan bears interest at 6.8% plus CDI per annum and is guaranteed by Alessandro Poli Veronezi, our chief executive officer, and Golf Participações Ltda., our controlling shareholder. Interest and principal payments are due in 24 equal monthly installments in the amount of R$0.7 million with the final installment due on March 22, 2012. As of June 30, 2010, the outstanding balance was R$13.6 million.

Credit Agreements with Banco ABC Brasil S.A.

ABK entered into a credit agreement with Banco ABC Brasil S.A., dated May 6, 2009, as amended on September 22, 2009, for the aggregate principal amount of R$4.1 million. The loan bears interest at 17.1% per annum and is guaranteed by General Shopping and a senior mortgage on certain of its real estate and a lien on the rights arising under certain loan agreements ABK entered into with store owners. Interest and principal payments are due in 36 equal monthly installments with the final installment due on May 15, 2012. As of June 30, 2010, the outstanding balance was R$2.7 million.

Wass, I Park and Energy Comércio e Serviços each entered into a credit agreement with Banco ABC Brasil S.A., dated September 1, 2009, for the aggregate principal amount of R$0.2 million, R$2.3 million and R$0.7 million, respectively. Each loan bears interest at 6.5% per annum plus CDI and is guaranteed by General Shopping, a senior mortgage on certain of its real estate and a lien on the rights arising under certain lease agreements each company entered into with its store owners. Interest and principal payments are due 35 equal monthly installments with the final installment due on September 15, 2012. As of June 30, 2010, the outstanding balance was R$2.6 million.

Levian entered into a credit agreement with Banco ABC Brasil S.A., dated May 6, 2009, for the aggregate principal amount of R$4.3 million. The loan bears interest at 17.1% per annum and is guaranteed by us and by General Shopping and a senior mortgage on certain of its real estate. Interest and principal payments are due in 36 equal monthly installments with the final installment due on May 15, 2012. As of June 30, 2010, the outstanding balance was R$2.8 million.

Internacional Shopping Guarulhos certificates of real estate receivables

On April 26, 2006, Nova União issued a CCI, registered with the Clearinghouse for Custody and Settlement (*Câmera de Custódia e Liquidação*), or CETIP, representing Real Estate Receivable Certificates (a "CRI"), in the amount of approximately R$15.4 million in favor of CSA—Companhia Securitizadora de Ativos, in a transaction to securitize receivables for rent owed by IPark, as lessee, of the land on which the Internacional Shopping Guarulhos parking lot is located, according to a lease agreement entered into on March 1, 2006, with Nova União, the lessor. The amount securitized bears interest based on the IGP-M plus 11% per year. The CCI will be paid in 120 monthly installments. The last installment will be due May 1, 2016. This agreement restricts the guarantors from changing their capital stock, assigning ownership interest control, reducing the term of existence of Nova União or liquidating it before the CCI is paid. As of June 30, 2010, the outstanding balance was R$14.0 million. In connection with the securitization, the following guarantees were given in favor of CSA—Companhia Securitizadora de Ativos: (i) a lien the properties, which are subject to the lease agreement (five pieces of land in the city of Guarulhos, state of São Paulo where the Internacional Shopping Guarulhos parking lot is located); (ii) a lien on the real estate credits represented by the CCI, connected to the lease agreement; (iii) a lien on the credits from such lease agreement; (iv) a pledge of the revenue from Internacional Shopping Guarulhos parking lot, joint liability of Nova União in favor of CSA—Companhia Securitizadora de Ativos, related to the payment of the rent to be paid by IPark under the lease agreement; and (v) a pledge of the shares representing the capital stock of Nova União held by Levian, ABK and Antonio Veronezi. The certificate contains the usual acceleration provisions for this type transaction, including change of control and corporate restructuring of Nova União.

Levian and ABK certificates of real estate receivables

On June 20, 2008, Levian and ABK issued and assigned a CCI to Cibrasec – Companhia Brasileira de Securitização, our affiliate, for approximately R$180 million, which in turn issued a CRI registered with CETIP representing such CCI. The CRI securitized the receivables for amounts owed by Cly, our affiliate, to Levian and ABK pursuant to the contract for the sale of the land on which Internacional Shopping Guarulhos is located, dated June 20, 2008. The proceeds from the CRI issuance was used to pay our short-term loans and financings and bears interest at TR plus 11% per year. The CRI will be paid in 120 monthly installments, the last installment of which is due on June 26, 2018. As of June 30, 2010, the outstanding balance was R$170.3 million.

In connection with the securitization, the following collateral was given in favor of Cibrasec – Companhia Brasileira de Securitização: (i) a lien (*alienação fiduciária em garantia*) on a certain portion of the real estate where Internacional Shopping Guarulhos is located, (ii) a lien (*alienação fiduciária em garantia*) on Levian's ownership interest in Cly and (iii) a lien (*alienação fiduciária em garantia*) on the receivables for rent owed by store owners in Internacional Shopping Guarulhos.

Various shopping centers certificates of real estate receivables

On December 8, 2008, (i) Send, (ii) SulShopping, (iii) Park Shopping and (iv) Delta Shopping issued and assigned a CCI to Cibrasec – Companhia Brasileira de Securitização, our affiliate, for approximately R$70 million, which in turn issued a CRI registered with CETIP representing such CCI. The CRI securitized the receivables for amounts owed by ZUZ, our affiliate, to our affiliates listed in (i) through (iv) above, pursuant to the contract for the sale of the land on which Santana Park Shopping, Shopping Cascavel and Shopping Suzano are located, dated December 8, 2009. The proceeds from the CRI issuance was used to repay short term debt and bears interest at IGP-M plus 12.0% per year. The CRI will be paid in 120 monthly installments, the last installment of which is due on December 11, 2018. As of June 30, 2010, the outstanding balance was R$64.7 million.

In connection with the securitization, the following collateral was given in favor of Cibrasec – Companhia Brasileira de Securitização: (i) a lien (*alienação fiduciária em garantia*) on a certain portion of the real estate where Santana Parque Shopping, Shopping Cascavel and Shopping Suzano are located, (ii) a lien (*alienação fiduciária em garantia*) on Levian's ownership interest in ZUZ and (iii) a lien (*alienação fiduciária em garantia*) on the receivables for rent owed by store owners in Santana Parque Shopping, Shopping Cascavel and Shopping Suzano.

Paulis Shopping certificates of real estate receivables

On March 25, 2010, Paulis Shopping issued and assigned a CCI to RB Capital Securitizadora S.A., our affiliate, for approximately R$60 million, which in turn issued a CRI in the amount of R$62.3 million registered with CETIP representing such CCI. The CRI securitized the receivables for amounts owed by Fundo de Investimento Imobiliário – FII Top Center, our affiliate, to Paulis Shopping pursuant to the contract for the sale of the land on which Internacional Shopping Guarulhos is located, dated March 25, 2008. The proceeds from the CRI issuance was used to pay short-term indebtedness and bears interest at IPCA plus the yield of the National Treasury Bond "B" Series, due on 2015, plus the spread of 230 basis points per year. The CRI will be paid in 120 monthly installments, the last installment of which is due on April 22, 2020. As of June 30, 2010, the outstanding balance was R$59.7 million.

In connection with the securitization, the following collateral was given in favor of Cibrasec – Companhia Brasileira de Securitização: (i) a lien (*alienação fiduciária em garantia*) on a certain portion of the real estate where Shopping Top Center is located, (ii) a lien (*alienação fiduciária em garantia*) on Levian's ownership interest in Paulis Shopping and (iii) a lien (*alienação fiduciária em garantia*) on the receivables for rent owed by store owners in Shopping Top Center and Shoping Vale.

Agreement for the acquisition of Shopping Light

In June 2007, we acquired the right to use 50.1% of Shopping Light. In addition, we have since entered into an agreement to acquire the entire Shopping Light property, however the title to the property has not yet been transferred to us. The total payments arsing thereunder is R$8.6 million, partially represented by promissory notes, indexed to the INPC, plus 6% to 10% a year, with final payment due 2014. Lumen will receive a portion of the profits from rent to be paid by the store owners. Birmann S.A. Comércio e Empreendimentos, which will continue to have a right to use Shopping Light after we acquire the property, has the right to receive the first key money payment by each new tenant in consideration for promotion, publicity and the assignment of the use of the technical infrastructure developed for Shopping Light. As of June 30, 2010, the outstanding balance under these agreements was R$1.5 million.

Moreover, on June 26, 2007, Lumen acquired from Funcesp—Fundação CESP an additional interest in the consortium owning the right to use Shopping Light. This transaction resulted in the execution of a deed of purchase of rights of use of the real property comprising Shopping Light, including the land, the building and any other improvements, and encompasses the right to 28% of the gross revenues of Shopping Light. The purchase price of R$20.1 million was paid in one lump sum for actual transfer of the property upon issue of certain tax clearance certificates required for execution of the public deed of transfer.

Agreements for the purchase of land for construction of Shopping Center Sulacap

On June 25, 2007, one of our affiliates, Fonte, and Rubicon Empreendimentos Imobiliários executed with Embrasa – Engenharia e Mineração Brasileira S.A. a deed committing to purchase 60,000 square meters of land located in the district of Jardim Sulacap, in the western part of the city of Rio de Janeiro, state of Rio de Janeiro, on which we plan to build a shopping center with approximately 32,000 square meters in gross leasable area, which we estimate opening in the last quarter of 2011. Fonte agreed to pay for the entire property, while owning 90% of the property, and Rubicon Empreendimentos Imobiliários will own the remaining 10% of the property. The agreed purchase price is R$10.0 million, which has been fully paid. Following completion of the payment, the final deed of purchase will be executed and registered. In 2010 we increased our ownership interest to 95%.

Acquisition and Partial Sale of Barueri Shopping

On April 29, 2008, our affiliate Send acquired 96.51% of a land parcel located in the city of Barueri, state of São Paulo, for an aggregate of R$21.0 million. In addition, on May 16, 2008, we aquired an additional 20,610 square meters of land for R$23.7 million.

Send entered into a purchase and sale commitment with VBI GSBR Empreendimentos e Participações Ltda. ("VBI"), dated September 9, 2010, committing to the sale of 38.7% of its ownership interest in the land on which we expect Barueri Shopping to be located for R$22 million. VBI paid R$6.6 million and the remaining R$15.4 million is due in 12 equal monthly installments.

Agreement for the purchase of Outlet Premium São Paulo

On April 2, 2009, our affiliate Send entered into a public deed with Senpar – Terras de São José Empreendimentos Turísticos Ltda., or Senpar, to purchase 30.0% of 108,027.00 square meters of a rural land located in Fazenda São Pedro, at Santa Cruz da Bela Vista, in the city of Itupeva, state of São Paulo, on which we built the Premium Outlet São Paulo. Our affiliate Send was a committed purchaser of 30% of the land and transferred its rights to BR Outlet, our affiliate. The total purchase price, including the price for the acquisition of the land and of the project is approximately R$18.9 million.

On June 11, 2010, BR Outlet entered into an agreement with Senpar - Terras de São José Empreendimentos Turísticos Ltda. to purchase 20% of Outlet Premium São Paulo for R$15.1 million, increasing our indirect ownership interest to 50% of the outlet.

Agreement for the purchase of Shopping Unimart

On January 10, 2008, our affiliate Send entered into a purchase agreement with Unimóvel – Empreendimentos e Construções Ltda., to purchase the quotas of Uniplaza, the owner of Shopping Unimart, located in the city of Campinas, state of São Paulo, for an aggregate amount of R$43.0 million, which has since been paid. General Shopping has guaranteed the payment obligations.

Agreement for the sale of São Bernardo

In January 22, 2010, Send sold to 50% ownership interest in São Bernardo for the amount of R$29.1 million. The total area of the property is 104,796 square meters.

Market Maker Services Agreement

On October 4, 2010, we entered into a market maker services agreement with XP Investimentos Corretora de Câmbio, Títulos e Valores Mobiliários S.A. whereby the latter was hired to develop a secondary market for the Company's publicly traded shares. We agreed to pay R$10,000 in monthly compensation for such services. This agreement is valid for 6 months and may be renewed for an additional period of 6 months.

Lease agreements

The lease agreements related to commercial areas in our shopping centers are for a term of five years, except for Auto Shopping, which is for three year terms. Our lease agreements also provide for a variable rent, calculated as a percentage from 2% to 15% of the store's gross revenues, or a minimum monthly amount, whichever is higher. The Auto Shopping lease agreements provide for a fixed amount of rent. Minimum rent for satellite stores increase by 5% every 12 months, in addition to an adjustment for inflation. Our lease agreements usually require personal guarantee. See "Related Party Transactions."

MANAGEMENT

Board of Directors

Our board of directors is responsible for establishing our overall business guidelines and policies, including our long term strategy, and for overseeing our performance. Our board of directors is also responsible for the supervision of our executive officers. Under Brazilian Corporate Law, each director is required to hold at least one share issued by us.

Pursuant to our bylaws, our board of directors consists of a minimum of five and a maximum of eight members, one is appointed the chairman and another is appointed the vice chairman. At a shareholder's meeting, the number of board members to be elected in subsequent years is determined, provided a minimum of five directors must be elected. This decision is made by an absolute majority vote, with blank votes not being counted. The members of our board are elected by the shareholders' meeting for a unified two year term of office, reelection being permitted. A director must stay in office until the investiture of his/her successor. However, any director may be removed by the shareholders before his/her term of office expires. Under *Novo Mercado* regulations and our bylaws, a minimum of 20% of the members of our board of directors must be independent. In addition, prior to taking office, our board members are required to sign an agreement of adherence to the regulation of the *Novo Mercado*.

Our board of directors holds mandatory meetings three times a year, and may hold other meetings, as necessary. Meetings of our board of directors are convened only if a majority of the directors are present and all board decisions are taken by a majority vote of the directors, taking into effect any temporary absences and vacancies, and the chairman has the right to cast the tie breaking vote in the case of a deadlock.

Brazilian Corporate Law and CVM Regulation No. 282 of June 26, 1998 allow the adoption of a cumulative vote process by the request of a number of our shareholders representing a minimum of 8% of our capital stock. Brazilian Corporate Law allows minority shareholders that, individually or in a group, hold at least 10% of our common shares to appoint one director, by means of a separate vote. Brazilian Corporate Law does not allow the election of a member to our board of directors, unless waived by our shareholders, if this person is an employee or senior manager of one of our competitors or has a conflicting interest with ours.

Our board of directors is currently made up of seven members, all of whom were elected at the general shareholders' meeting held on April 20, 2009.

The table below sets forth the name, title, date of election and date of the end of the term of each current member of our board of directors:

Directors	Title	Date of election	End of term
Victor Poli Veronezi	Chairman	April 20, 2009	April 2011
Alessandro Poli Veronezi	Vice-Chairman	April 20, 2009	April 2011
Ana Beatriz Poli Veronezi	Director	April 20, 2009	April 2011
Francisco José Ritondaro	Director	April 20, 2009	April 2011
Antonio Dias Neto	Director	April 20, 2009	April 2011
Edgard Antonio Pereira	Independent Director	April 20, 2009	April 2011
Júlio Sérgio Gomes de Almeida	Director	April 20, 2009	April 2011

Below is a brief biography of each member of our board of directors:

Alessandro Poli Veronezi. Mr. Veronezi is a member of our board of directors. Previously, from 1994 to 1998, Mr. Veronezi was director of Desconto Factoring Fomento Comercial and from 1995 to 1999, he was managing director of Cotação DTVM S.A. From 1994-2002, Mr. Veronezi was assistant financial director and chancellor's assistant of the São Paulo Association for Education and Culture (*Associação Paulista de Educação e Cultura*). From 1996-2003, Mr. Veronezi was a member of the fiscal council of Universidade de Guarulhos. In 1996, he was managing partner of Publica Publicações e Edições. In 1998 Mr. Veronezi worked for Levian as financial director of Internacional Shopping Guarulhos. In 1999 Mr. Veronezi was director of the Brazilian Institute for Electronic Telecommunications and Information (*Instituto Brasileiro de Telecomunicações Eletrônica e Informática*). In 2003 he was administrative director of Girafa Editora, as well as vice president of the board of directors of CSA—Companhia Securitizadora de Ativos. Mr. Veronezi holds a degree in business administration from EAESP/FGV—Fundação Getulio Vargas and received graduate degrees in financial administration and general administrations from the same institution. Mr. Veronezi also received a specialized degree in education and a master's degree in social sciences and education from UNG—Universidade Guarulhos, as well as an EMBA from the University of Toronto. Mr. Alessandro Poli Veronezi, Mrs. Ana Beatriz Poli Veronezi and Mr. Victor Poli Veronezi are siblings.

Victor Poli Veronezi. Mr. Veronezi is a member of our board of directors. In 1993 he was the administrative director at Poli Shopping. From 1993 to 1996, Mr. Veronezi was the directing partner at Grafpel Artes Gráficas, and from 1993 to 1996 he was also the managing partner at Publica Publicações e Edições. In 1998, he served as an administrative director for Internacional Shopping Guarulhos, and in 2000, Mr. Veronezi was the director at the Instituto Brasileiro de Telecomunicações Eletrônica e Informática. In 2003, Mr. Veronezi was a consultant for Companhia Securitizadora de Ativos—CSA. In 2006, Mr. Veronezi served as an administrative director for Auto Shopping. Mr. Veronezi holds a degree in economics from FAAP—Fundação Armando Álvares Penteado. He specialized on international economics at the Universidade do Porto, Portugal, as well as having specialized in international commerce at the University of Miami. Mr. Veronezi has a masters' in business administration degree in retail from FIA/FEA—Universidade de São Paulo. Mr. Alessandro Poli Veronezi, Mrs. Ana Beatriz Poli Veronezi and Mr. Victor Poli Veronezi are siblings.

Ana Beatriz Poli Veronezi. Ms. Veronezi is a member of our board of directors. In 1999, Ms. Veronezi worked at Volkswagen do Brasil and managed construction at the Volkswagen/Audi-PR and Volkswagen Anchieta-SP plants. From 1997 to 1998, Ms. Veronezi managed the construction of Internacional Shopping Guarulhos. From 1998-2000, Ms. Veronezi was a real estate researcher at POLI/USP, and in 2000, she became a professor of engineering at the continued education program Escola Politécnica da Universidade de São Paulo. Currently, Ms. Veronezi is a director of the Brazilian Electronic Telecommunications and Computing Institute. Ms. Veronezi holds a degree in civil engineering from Escola Politécnica da Universidade de São Paulo. Ms. Veronezi also received a masters degree and a doctorate in civil engineering from the same institution. Mr. Alessandro Poli Veronezi, Mrs. Ana Beatriz Poli Veronezi and Mr. Victor Poli Veronezi are siblings.

Fransisco José Ritondaro. Mr. Ritondaro is a member of our board of directors. From 1993 to 1995, Mr. Ritondaro was an auditor at Trevisan Auditores Independentes. From 1995-1997, Mr. Ritondaro worked at Desconto Factoring Fomento Comercial Ltda as a financial operator, and in 1997, Mr. Ritondaro also worked as a financial consultant for A&H Indústria e Comércio. From 1997 to 2000, Mr. Ritondaro was a financial manager at Levian, and from 1999 to 2000, Mr. Ritondaro was financial director of IMI Construções Civis. In 2003, Mr. Ritondaro was manager of internal auditing for Golf Participações, and from 2003 to 2007, Mr. Ritondaro was partner and financial director of Naturalen Argentina S/A. Mr. Ritondaro is currently the chief financial officer at MTEL. He holds a degree in economics from FAAP—Fundação Armando Álvares Penteado, and a graduate degree in management from ESPM—Escola Superior de Propaganda e Marketing. He also has a graduate degree in controllership from Faculdade Trevisan.

Antonio Dias Neto. Mr. Dias is a member of our board of directors. Since 1996, Mr. Dias has been a professor of project planning at UNIBAN—Urbano at Universidade Bandeirante de São Paulo, and at FMU—Faculdades Metropolitanas Unidas. Currently, Mr. Dias also works as a architect. Mr. Dias holds a degree in architecture from Faculdade de Arquitetura e Urbanismo which is part of Universidade de Guarulhos in São Paulo. Mr. Antônio Dias Neto and Mr. Alexandre Lopes Dias are siblings.

Edgard Antonio Pereira. Mr. Pereira is a member of our board of directors. Since 1983, Mr. Pereira has been a professor at the Economic Institute (*Instituto de Economia*) of *Universidade Estadual de Campinas*, or UNICAMP. In 1995, Mr. Pereira was a visiting scholar and research associate at the Department of Economics at the University of California, Berkeley. In 1994, Mr. Pereira was Secretary of Finance for the Municipality of Campinas, and in 1993, Mr. Pereira became finance director of Instituto de Previdência of the municipal prefect of Campinas. From 1990 to 1991, Mr. Pereira was secretary of the Finance, Economy and Planning Ministry. From 1988 to 1989 Mr. Pereira was a researcher at Instituto de Economia Industrial da Universidade Federal do Rio de Janeiro. In 1989, and again from 1991 to 1992, Mr. Pereira was economic aid for Fundação José Bonifácio of Universidade Federal Rio de Janeiro. From 1986 to 1987, Mr. Pereira was adjunct secretary for industrial prices of the Special Secretariat of Supply and Prices (*Secretaria Especial de Abastecimento e Preços do Ministério da Fazenda*) of the Finance Ministry (*Ministério da Fazenda*). Mr. Pereira holds a degree in economics from UNICAMP – Universidade Estadual de Campinas. Mr. Pereira received a masters degree and a doctorate in economics from Instituto de Economia Industrial do Rio de Janeiro—Universidade Federal do Rio de Janeiro.

Júlio Sérgio Gomes de Almeida. Mr. Almeida is a member of our board of directors. Since 1988, Mr. Almeida has been a professor at the Economic Institute of UNICAMP. Also, since 2006, Mr. Almeida has been a consultant at the Institute of Studies for Industrial Development (*Instituto de Estudos para o Desenvolvimento Industrial*), or IEDI, having been an executive officer at such institute from 1997 to 2006. Mr. Almeida was also an adjunct professor and collaborating professor at FEA/UFF and UFRJ/FEA. Mr. Almeida held several positions at the IBGE, such as senior analyst and chief of the Department of Study on Social Politics, member of the fiscal council, consultant at the Planning Department and consultant. Mr. Almeida was a member of the consulting committee, an alternate faculty coordinator, professor and researcher at the Industrial Economic Institute (*Instituto de Economia Industrial*) at *Universidade Federal do Rio de Janeiro*, or UFRJ. Mr. Almeida was the chief of the Brazilian Economy Adjustment Program and a special adjunct secretary at the Special Secretariat for Economic Affairs of the Finance Ministry. He was also secretary of Economic Politics at the Finance Ministry. Mr. Almeida was a consultant at various entities, such as Cepal/Cet, Petrobras, IESP/SP, the Economy Institute of the Public Sector of Fundap, and the United Nations Program for Development/IPEA, or PNUD. Mr. Almeida was a member of the fiscal council of, an alternate member of the Federal Privatization Council, and a special advisor at the Secretariat of Science, Technology and Economic Development of the State of São Paulo. Mr. Almeida was vice-president for Investments of Banespa and from 1992 to 1993 he was an officer at Banespa in Madrid, Spain. Mr. Almeida holds a degree in economics from University of São Paulo (FEA/UFF) and received a masters' degree and a doctorate in economics from UNICAMP.

Board Committees

Pursuant to our bylaws, our board of directors may establish one or more technical or advisory committees for a specific purpose and with specific duties, which members may or may not include our directors or executive officers. Our board of directors will establish the rules applying to these committees, including rules on their composition, term of office, compensation and operation. We currently do not have any committees.

Board of Executive Officers

Our board of executive officers is composed of five officers, who may or may not be shareholders and who are all residents of Brazil. Our board of executive officers is elected by the board of directors and its members hold the following titles: chief executive officer, chief financial officer, investor relations' officer, marketing and retail relation's officer and expansion and planning officer. Our executive officers are elected for a two year term of office with the possibility of reelection, and they are required to remain in office until the investiture of their successors. Under the *Novo Mercado* regulation, our executive officers are also required to sign an instrument of adherence to the rules of the *Novo Mercado* prior to taking office.

Our executive officers are our legal representatives who are responsible for our day to day management, implementing the policies and directives set by our board of directors and other duties assigned to them under the law and our bylaws. Our executive officers are authorized to take all actions required for the operation of our business, unless the law or our bylaws specifically delegate authority to the shareholders' meeting or our board of directors.

Our board of executive officers holds mandatory meetings once a month, and may hold other meetings, as necessary. Meetings of our board of executive officers are convened by means of calls from our chief executive officer or two-thirds of the officers and the meetings will be held only if a majority of the officers are present. Under our bylaws, decisions of our board of executive officers are taken by a majority vote of the officers attending a meeting or sending their votes as set forth in our bylaws. The chief executive officer has the right to cast a tie breaking vote in the case of a deadlock. The individual duties of our executive officers are assigned by our directors and are described in our bylaws.

The table below indicates the name, title, date of election and term of office of each current member of our board of executive officers:

Executive officers	Title	Date of election	End of term of office
Alessandro Poli Veronezi	Chief executive officer and Investor relations officer	May 8, 2009	May 2011*
Ricardo Castro da Silva	Chief financial officer	May 8, 2009	May 2011*
Alexandre Lopes Dias.............	Marketing and retail relations officer	May 8, 2009	May 2011*
Victor Poli Veronezi	Expansion and planning officer	May 8, 2009	May 2011*

* The officers shall remain in office until the Directors' Meeting to be held promptly after the General Shareholders' Meeting at which the 2010 financial results will be up for approval.

Below is a brief biographical description of the members of our board of executive officers, including officers serving in offices not set forth in our bylaws:

Alessandro Poli Veronezi. Mr. Veronezi is our Chief executive officer and investor relations' officer. See "—Board of Directors" for his biographical information.

Ricardo Castro da Silva. Mr. Silva is our chief financial officer. Mr. Silva was a manager of accountancy of General Electric from 1986 to 1990. From 1990 to 1992, he was manager of financial planning at Ford New Holland, and from 1992 to 1994, he was financial manager of Sterling Software. He was mergers and acquisitions officer at Banco Multiplic from 1994 to 1997. From 1997 to 2003, he was chief financial officer of Central Lav Lavanderias, and from 2003 to 2007, he was chief financial officer of APEC. Mr. Silva holds a degree in economics from IMES. He completed the General Electric's Financial Management Program and received an MBA in finance from IBMEC-SP.

Alexandre Lopes Dias. Mr. Dias is our marketing and retail relations officer. From 1991 to 1999, he was general manager of operations of Dias Pastorinho S.A. Comércio e Indústria. He worked at Center Norte S.A. in the marketing department of Shoppings Centernorte and Lar Center from 1999 to 2003. He was general manager of Dias Pastorinho S.A. Comércio e Indústria, until 2006. Mr. Dias holds a degree in business administration from FAAP. He received a specialized degree in management from EAESP/FGV—*Fundação Getulio Vargas* and an MBA in retail from FIA/FEA/USP. Mr. Antônio Dias Neto and Mr. Alexandre Lopes Dias are siblings.

Victor Poli Veronezi. Mr. Veronezi is our expansion and planning officer. See "—Board of Directors" for his biographical information.

Judicial Proceedings Involving Our Directors and Executive Officers

In 2000, a federal criminal action was initiated by the Federal attorney for the purpose of determining whether a false public document had been issued in the name of Levian. Because on the date of issuance of that certificate, Alessandro Poli Veronezi was an attorney-in-fact for Levian, he and other defendants were formally accused of falsifying the document. Mr. Veronezi was found to be not guilty of the allegations. The federal attorney has appealed this decision, as he is required to by law. Pursuant to the assessment of the lawyers representing Mr. Alessandro Poli Veronezi, the prospects for loss in this case are remote.

Mr. Júlio Sérgio Gomes de Almeida, member of our board of directors, and former executive officer of Banco do Estado de São Paulo S.A. – BANESPA, currently known as Banco Santander Brasil S.A., is a defendant, along with other officers, in seven criminal proceedings related to matters arising out of his former position at BANESPA. We considered these proceedings in our selection of Júlio Sérgio Gomes de Almeida to be a member of our board of directors and concluded that these proceedings were merely incidental to the position he assumed at BANESPA.

Fiscal Council

Under Brazilian Corporate Law, the Conselho Fiscal, or fiscal council, is a corporate body independent of the management and our independent auditors. Its primary responsibility is monitoring management activities, reviewing our financial statements, and reporting its findings to our shareholders.

Our fiscal council is not permanent, but it can be established in any year at the request of shareholders representing a minimum of 10% of our capital stock. The fiscal counsel's members are elected at the annual shareholders' meeting with a term of office that extends through the following annual shareholders' meeting. If established, our fiscal council is composed of three to five effective members and their alternates, who may or may not be shareholders. All members of our fiscal council are also required to sign an instrument of adherence to the *Novo Mercado* rules prior to taking office.

In addition, minority shareholders representing a minimum of 10% of the voting shares are entitled to elect one fiscal council member and his or her alternate by a separate vote. Our fiscal council may not include members that are on our board of directors or our board of executive officers, or are employed by us or a subsidiary or a company under common control with us, or are spouses or close family members of our directors and officers. Brazilian Corporate Law requires fiscal council members to receive as remuneration at least 10% of the average annual amount paid to our officers, which excludes benefits and other allowances, or profit sharing.

Our shareholders approved at the general shareholders' meeting held on April 19, 2010 the establishment of the fiscal council until the annual shareholders' meeting at which the 2010 financial results will be slated for approval. Our fiscal counsel is currently composed of three members. Additionally, our fiscal council also has two alternates, who may substitute the current members of our fiscal council in case of temporary absence of any of the current members.

The table below indicates the name, title, date of election and term of office of each current member of our fiscal council:

Fiscal Council Members	Position	Date of Election	End of term of office
Alissa Prince	Fiscal Council member	April 19, 2010	April 2011
Antonio Carlos Pereira Fernandes Lopes	Fiscal Council member	April 19, 2010	April 2011
Paulo Alves Flores	Fiscal Council member	April 19, 2010	April 2011
Camila de Cassia Satin Briola	Fiscal Council alternate member	April 19, 2010	April 2011
Bruno Piacentini	Fiscal Council alternate member	April 19, 2010	April 2011

Below is a brief biography of each member and alternate member of our fiscal council:

Alissa Prince. Ms. Prince received a degree in business administration from Fundação Getulio Vargas (FGV-SP) in 2004. She began her career at Citibank as an intern, later working at Mauá Investimentos as an equity trader and then as an equity analyst. In July 2009, Ms. Prince joined Fama Investimentos management team as an equity analyst.

Antonio Carlos Pereira Fernandes Lopes. Mr. Lopes received a degree in accounting from Pontifícia Universidade Católica de São Paulo in 1976. He has over 30 years experience as an auditor specializing in the tax and accounting fields.

Paulo Alves Flores. Mr. Flores received a degree in accounting from Fundação Escola de Comércio Álvares Penteado in 1993. He is an auditor with over 20 years of experience, including accounting and operations in several industries. Mr. Flores specializes in the operational auditing and accounting areas.

Camila de Cassia Satin Briola. Ms. Briola received a degree in accounting from Faculdades Metropolitanas Unidas in 2002. She works in accounting focusing on federal taxes. Between 2005 and 2008, Ms. Briola worked in financial statement auditing. Ms. Briola is an alternate member of the fiscal council, representing members Paulo Alves Flores and Antonio Carlos Pereira Fernandes Lopes.

Bruno Piacentini. Mr. Piacentini received a degree in business administration from Fundação Getulio Vargas in 2005. He began his career at Banco ABN Amro as a financial assistant in the infrastructure sector, focusing on the financing and feasibility of hydroelectric projects and railroad concessions. He joined FAMA Investimentos management team in March 2006. He is a member of the board of Grazziotin S.A. and in 2009 was a member of the fiscal councils of General Shopping, Metisa S.A. and SEB S.A. Mr. Piacentini is an alternate member of the fiscal council representing Ms. Prince.

Compensation

According to our bylaws, and subject to the limits imposed by the applicable legislation, our shareholders are responsible for establishing, at the shareholders' meeting, the compensation to be paid as profit sharing to the members of our board of directors and executive officers of up to 10% of the results for the period, but in any event no greater than their annual compensation established by the shareholders' meeting, after deducting accumulated losses and provisions for income tax and social contribution, and based on the criterion established by our board of directors. The payment of profit sharing to member of our management may only be made after payment of the mandatory dividend to our shareholders. If an aggregate amount is set for the directors and executive officers, a meeting of our board of directors should decide on the allocation of this amount between these two corporate bodies.

The general shareholders' meeting held on April 19, 2010 approved an aggregate compensation of up to R$5.9 million to be paid to the members of our board of directors and executive officers during 2010, and our board of directors will decide on the allocation of this amount among our directors and executive officers.

Stock Option Plans

We do not have and do not plan to have a stock option plan for our employees or members of our management.

Agreements with Our Directors and Executive Officers

We are not party to any agreement or obligations involving the members of our board of directors and board of executive officers. Our director and executive officer Alessandro Poli Veronezi is a guarantor of banking credit certificates issued by partnerships in our group which guarantees were provided with no consideration. For a description of our agreements with our directors and executive officers, see "Related Party Transactions."

PRINCIPAL SHAREHOLDERS

The table below sets forth the number of shares issued by us and held directly by our directors as of the date of this offering memorandum:

Name	Title	Number of shares	%
Alessandro Poli Veronezi	Chairman and investor relations officer	2,895	(1)
Victor Poli Veronezi	Vice-Chairman and expansions and planning officer	2,895	(1)
Ana Beatriz Poli Veronezi	Director	2,895	(1)
Antonio Dias Neto	Director	1	(1)
Francisco José Ritondaro	Director	1	(1)
Edgard Antonio Pereira	Independent director	1	(1)
Júlio Sérgio Gomes de Almeida	Director	1	(1)
Total		**8,689**	**(1)**

(1) Less than 0.01%.

Golf Participações

Our principal shareholder is Golf Participações, a non-operating holding company incorporated on June 2, 1997, which holds 59.4% of our capital stock.

The table below sets forth the capital stock of Golf Participações, our principal shareholder:

Shareholder[1]	Amount of shares and interest in Golf Participações	
	Shares	(%)
Alessandro Poli Veronezi	1,633,191[2]	33.4%
Victor Poli Veronezi	1,633,191[3]	33.3%
Ana Beatriz Poli Veronezi	1,633,190[4]	33.3%
Total	**4,899,572**	**100.0%**

(1) Alessandro, Victor and Ana Beatriz Poli Veronezi are siblings.
(2) Of the total shares, 315,000 were donated to Alessandro Poli Veronezi as beneficial owner, with property being held by his mother, Maria Dirce Poli Veronezi, and 315,000 were donated to Alessandro Poli Veronezi as beneficial owner, with property being held by his father, Antonio Veronezi.
(3) Of the total shares, 315,000 were donated to Victor Poli Veronezi as beneficial owner, with property being held by his mother, Maria Dirce Poli Veronezi, and 315,000 were donated to Victor Poli Veronezi as beneficial owner, with property being held by his father, Antonio Veronezi.
(4) Of the total shares, 315,000 were donated to Ana Beatriz Poli Veronezi as beneficial owner, with property being held by her mother, Maria Dirce Poli Veronezi and 315,000 were donated to Ana Beatriz Poli Veronezi as beneficial owner, with property being held by her father, Antonio Veronezi.

Fama Investimentos Ltda.

Fama Investimentos Ltda. holds 6.1% of our capital stock.

RELATED PARTY TRANSACTIONS

In the normal course of our business, our controlling shareholders, our subsidiaries, and our condominiums conduct commercial and financial transactions among themselves on an arm's-length basis following customary market practice, except for certain financial transactions further explained below. Our management negotiates related-party agreements, individually, analyzing their terms and conditions under the usual market practice in our industry.

Our related party transactions include: (i) rendering consulting and operational assistance services related to the supply of water, electrical installations and energy supply; (ii) management of shopping centers; (iii) management of shopping center parking lots; (iv) commercial lease agreements; and (v) agreements and decisions made in the context of condominium agreements.

In conducting our business, we and our subsidiaries enter into loan transactions that are frequently not subject to finance charges. These transactions could generate a different result if they had been entered into with unrelated companies. Most outstanding balances between related parties are in regard to these loan transactions. As of June 30, 2010, the total balance of our transactions with related parties registered in non-current assets was R$18.7 million and the balance of our transactions with related parties registered in current and non-current liabilities was R$15.0 million.

In addition, our financial contracts normally include guarantees given by our controlling shareholders or by other companies they control, except with respect to the balance of borrowings not bearing financial charges. Currently, we do not pay our controlling shareholders for those guarantees. However, we cannot ensure that new guarantees such as these will continue to be given in the future at no cost to us.

We present below a summary of the agreements between us and related parties. In addition to the agreements described below, we have entered into various financial agreements among related parties or involving guarantees provided by related parties. See "Business—Material Agreements—Financing Agreements."

Lease Agreements

On November 26, 2003, Energy Comércio, as lessor, entered into a Real Estate Lease Agreement with the Internacional Shopping Guarulhos owners' association, as lessee of an electrical power substation unit and equipment. The minimum monthly price is R$170,000, indexed to the IGP-DI. The term of the agreement expires on November 25, 2013.

On January 2, 2006, Levian and ABK, as lessees, entered into a Commercial Lease Agreement with IPark, as lessor of the Internacional Shopping Guarulhos parking area, as amended. Monthly rent is R$89,432, adjusted annually in accordance with the IGP-M, which is issued by the Fundação Getulio Vargas. The agreement expired on December 31, 2008, but the term of the lease may be extended indefinitely.

On March 1, 2006, Nova União, as lessor, entered into a lease agreement with IPark, as lessee, related to the Internacional Shopping Guarulhos parking area. Monthly rent is R$238,692, adjusted annually in accordance with the IGP-M. The agreement required Nova União to assign credits to CSA – Companhia Securitizadora de Ativos (for more information regarding the securitization, see "Business—Material Agreements—Financing Agreements"). Pursuant to the agreement, IPark is required to maintain liability insurance for the operation of the parking lot in the amount of R$250,000. In addition, IPark has the right to market the advertising space in the parking area. IPark posted a bond of R$207,500 as a guarantee in favor of Nova União. The term of the agreement expires on February 28, 2026.

On March 1, 2007, Levian and ABK, as lessees, entered into a Commercial Lease Agreement with IPark, as lessor, of the Auto Shopping parking area. Monthly rent is R$1,070, adjusted annually in accordance with the IGP-M. The agreement expired on December 31, 2008, but the term of the lease may be extended indefinitely.

On July 1, 2007, Internacional Guarulhos Auto Shopping owners' association, as lessee, entered into a Real Estate Lease Agreement with Energy Comércio, as lessor, for the use of an electrical power substation unit along with equipment. The monthly price is calculated by the demand of energy of the shopping center considering the price spread between the A4 consumer fare (sell price for the retailers) and the A2 fare (cost). The agreement expires on November 25, 2013.

Service Agreements

On August 1, 2005, the Condomínio Civil do Internacional Guarulhos Shopping Center entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the IGP-DI. The term of the agreement expires on September 1, 2027, when possession of the wells, facilities and equipment will be transferred to the principal.

On January 30, 2006, ABK and Levian, on behalf of the Internacional Shopping Guarulhos owners' association, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the rendering of services such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Internacional Shopping Guarulhos; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) conservation, security and cleaning of stores/spaces and entering into and terminating agreements for the provision of routine services at Internacional Shopping Guarulhos, among others. The contractor's monthly fee is R$75,000. The agreement has expired, but the term of the lease may be extended indefinitely.

On August 28, 2006, ABK and Levian, on behalf of the Internacional Guarulhos Auto Shopping owners' association, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Internacional Guarulhos Auto Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Internacional Guarulhos Auto Shopping, among others. The contractor's monthly fee is R$9,000. The agreement has expired, but the term of the lease may be extended indefinitely

On October 1, 2006, ASG Adm. entered into a Service Agreement with IPark, as the contractor and lessee of the land where the parking lot for Auto Shopping is located, to manage Auto Shopping's parking area. As we currently charge customers with a parking fee, there is no longer a contractor's monthly fee under this agreement. The agreement has expired, but the term of the lease may be extended indefinitely.

On August 6, 2007, Delta, the owner of Suzano Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services including: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Suzano Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Suzano Shopping, among others. The contractor's monthly fee is R$10,000. The term of the agreement expires two years from the date it was entered into and can be automatically renewed.

On August 31, 2007, the Auto Shopping owners' association entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the IGP-DI. The term of the agreement expires on September 1, 2027, when possession of the wells, facilities and equipment will be transferred to the principal.

On August 31, 2007, GSB Adm. entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells at Suzano Shopping. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the highest inflation index between the IGP-DI and the IPC/FIPE, among others. The term of the agreement expires on September 1, 2027, when possession of the wells, facilities and equipment will be transferred to the principal.

On August 31, 2007, the Santana Parque Shopping owners' association entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the IGP-

DI. The term of the agreement expires on September 1, 2027, when possession of the wells, facilities and equipment will be transferred to the principal.

On October 30, 2007, Delta, the owner of Suzano Shopping, entered into a Service Agreement with IPark, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Suzano Shopping. The management fee paid to IPark is 8% of the gross revenues or the total expenses, whichever s greater, plus taxes. The agreement is valid for an indeterminate period of time. This Agreement was assigned by Delta to Zuz on December 8, 2008.

On October 31, 2007, the Shopping Light owners' association entered into a Service Agreement with IPark, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Shopping Light. The management fee paid for I Park is 6% of the gross revenues. The term of the agreement is 36 months and can be renewed indefinitely.

On November 12, 2007, Intesp, the owner of Poli Shopping Osasco, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Poli Shopping Osasco; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Shopping Americanas Osasco, among others. The contractor's monthly fee is 5% of all condominium expenses. The agreement is valid for an indeterminate period of time.

On November 22, 2007, the Shopping Light owners association entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Shopping Light; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Shopping Light, among others. The contractor's monthly fee is 4% of all condominium expenses, rent revenues and key money received and 12% of all mall and merchandising revenue received. The agreement expires on November 21, 2012.

On November 29, 2007, Sale Empreendimentos, the owner of Shopping do Vale, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Shopping do Vale; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Shopping do Vale, among others. The contractor's monthly fee is 10% of all condominium expenses. The agreement is valid for an indeterminate period of time.

On December 26, 2007, Poli Empreendimentos, the owner of Poli Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Poli Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Poli Shopping, among others. The contractor's monthly fee is 10% of all condominium expenses. The agreement is valid for an indeterminate period of time.

On December 26, 2007, Uniplaza, the owner of Unimart Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Unimart Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Unimart Shopping, among others. The contractor's monthly fee is 10% of all condominium expenses. The agreement is valid for an indeterminate period of time.

On December 27, 2007, Send, the owner of Cascavel JL Shopping Center, entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.31. Payments are made on a monthly basis and are indexed to the IGP-DI. The agreement expires on January 1, 2028, when possession of the wells, facilities and equipment will be transferred to the principal. The agreement is valid for 20 years, from January 1, 2008 to January 1, 2028.

On December 27, 2007, Sale, the owner of Shopping do Vale, entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.68. Payments are made on a monthly basis and are indexed to the IGP-DI. The agreement expires on January 1, 2028, when possession of the wells, facilities and equipment will be transferred to the principal.

On December 28, 2007, the Shopping Light owners' association entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made monthly and are indexed to the IGP-DI. The agreement expires on January 1, 2028, when possession of the wells, facilities and equipment will be transferred to the principal.

On January 29, 2008, PP Administradora, the owner of Prudente Parque Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Prudente Parque Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Prudente Parque Shopping, among others. The contractor's monthly fee is 5% of all condominium expenses. The agreement is valid for an indeterminate period of time.

On January 31, 2008, the Cascavel JL Shopping store owners' association entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Cascavel JL Shopping; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Cascavel JL Shopping, among others. The contractor's monthly fee is 5% of all condominium expenses and 5% of all rent revenues received. The agreement expires on January, 31, 2010.

On February 1, 2008, the Cascavel JL Shopping store owners' association entered into a Service Agreement with I Park, as the contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Cascavel JL Shopping. The management fee paid for I Park is 10% of the gross revenues. The agreement is valid for an indeterminate period of time.

On March 31, 2008, Paulis Shopping, the owner of Top Center Shopping, entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Top Center; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Top Center Shopping, among others. The contractor's monthly fee is 5% of all condominium expenses. The agreement is valid for an indeterminate period of time. This Agreement was assigned to Fundo de Investimento Imobiliário – FII Top Center by Top Center on March 25, 2010, who, in turn, assigned the Agreement to General Shopping on August 1, 2010.

On April 25, 2008, the Shopping Light owners' association entered into a Service Agreement with Energy, as the contractor, for the rendering of technical assistance and maintenance services for managing the energy supply of Shopping Light. The management fee is calculated based on the demand of energy of the shopping considering the price spread between the A4 regular fare (sell price for the retailers) and the A4 open market fare (cost). The agreement is valid for an indeterminate period of time.

On April 25, 2008, Energy entered into a service agreement with Consórcio Shopping Light whereby Energy renders services relating to the management of energy consumption and its contracting with companies belonging to energy free market to Consórcio Shopping Light. Payments are made upon and based on success of such management. The agreement expires upon agreement by the parties.

On April 29, 2008, GSB entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells at Prudente Parque Shopping. The price per cubic meter of water consumed will be R$3.31. Payments are made on a monthly basis and are indexed to the highest inflation index between the IGP-DI and the IPC/FIPE, among others. The agreement expires on May 1, 2028, when possession of the wells, facilities and equipment will be transferred to the principal.

On May 30, 2008, Poli Shopping, the owner of Poli Shopping, entered into a Service Agreement with Wass, as the contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be R$3.50. Payments are made on a monthly basis and are indexed to the highest inflation index between the IGP-DI and the IPC/FIPE, among others. The agreement expires on June 1, 2028, when possession of the wells, facilities and equipment will be transferred to the principal.

On June 24, 2008 Manzanza entered into a Private Instrument for the Rendering of Property Management Services with GSB Adm., as contractor, for the provision of services, such as: (i) marketing and publicity; (ii) maintenance of the mix of stores and spaces at Outlet Premium; (iii) entering into lease agreements for stores/spaces and collecting rent; (iv) accounting; (v) technical guidance for store owners; (vi) seeing to the conservation, security and cleanliness of stores/spaces and entering into and terminating agreements for the provision of routine services at Outlet Premium, among others. The contractor’s monthly fee is 3% of all condominium expenses. The agreement is valid for 3 years counted from its execution date.

On December 28, 2008, as emended on May 20, 2009, the Outlet Premium shopping center owners’ association entered into a Service Agreement with Wass, as contractor, for the rendering of technical assistance and maintenance services for water wells. The price per cubic meter of water consumed will be the same price as the price of the public administration company that works on the city of Itupeva. Payments are made monthly and are indexed to the IGP-DI. The term of the agreement is valid for an indeterminate period of time, when possession of the wells, facilities and equipment will be transferred to the principal. This agreement was assigned on May 20, 2009 by Manzanza Consultoria e Administração to Condomínio Civil Voluntário do Outlet Premium.

On March 31, 2009, Energy entered into service agreement with ZUZ whereby Energy renders services relating to the management of energy consumption at Suzano Shopping and its contracting with companies belonging to energy free market to ZUZ. Payments are made upon and based on success of such management. The agreement is valid for 20 year counted from its execution. This agreement is further assigned to GSB Adm.

On June 25, 2009, ASG Adm., Condomínio Civil Voluntário do Outlet Premium, entered into a Service Agreement with IPark, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Outlet Premium. The monthly management fee paid to IPark is R$3,000 plus taxes. The agreement is valid for an indeterminate period of time.

On November 13, 2009, Uniplaza entered into a Service Agreement with IPark, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Shopping Unimart. The monthly management fee paid to IPark is a mimimum of R$48.307,24 or 10% of the gross revenues, whichever is greater, plus taxes. The agreement is valid for an indeterminate period of time.

On January 28, 2010, Energy entered into service agreement with Condomínio do Shopping do Vale whereby Energy renders services relating to the management of energy consumption and its contracting with companies belonging to energy free market to Condomínio do Shopping do Vale. Payments are made upon and based on success of such management. The agreement expires December 21, 2016.

On May 28, 2010 Condominio Civil Shopping do Vale, entered into a Service Agreement with IPark, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Shopping do Vale. The monthly management fee paid to IPark is 10% of the gross revenues plus the total expenses and taxes. The agreement is valid for an indeterminate period of time.

On July 22, 2010, Intesp, the owner of Poli Shopping Osasco, entered into a Service Agreement with IPark, as contractor, for the rendering of technical assistance and maintenance services for the management of parking lots at Poli Shopping Osasco. The management fee paid to IPark is 5% of the gross revenues or the total expenses, plus taxes. The agreement is valid for an indeterminate period of time.

Guarantee Agreements

On September 14, 2006, SAS Ventures LLC entered into a bank financing agreement, with a mortgage guarantee and other agreements, with Banif Mortgage Company, in the amount of US$10 million. The contract has a five-year term, and is to be amortized in 10 semiannual installments, with the first of which is due on March 14, 2007, and the last, on September 14, 2011. The interest rate is 8.5% a year. The loan was originally guaranteed by mortgages on three pieces of land owned by Park Shopping Administradora, Send, Sulishopping and Acapurana Participações Ltda., where Santana Parque Shopping is located. The mortgage was substituted by a promissory note, a security over certain bank certificates (CDB) issued in favor of the Company, a guarantee by Alessandro Poli Veronezi and a mortgage on Shopping Light, which was not dully registered before the competent real estate registry and, therefore, not perfected. Additionally, SAS Ventures LLC has undertaken to give Banif Mortgage Company a security interest on receivables it owns from private lease agreements signed for autonomous units of Internacional Shopping Guarulhos in the amount of R$500,000 per month. The agreement has the usual acceleration clauses for this type of transaction. The agreement has the usual acceleration clauses for this type of transaction. As of June 30, 2010, the outstanding balance was R$12.7 million.

***Pro Indiviso* Condominium Agreements**

On January 31, 1997, Levian and ABK, as co-owners of the land where Internacional Shopping Guarulhos and Internacional Guarulhos Auto Shopping were built, entered into *pro indiviso* condominium agreements for Internacional Shopping Guarulhos and Internacional Guarulhos Auto Shopping. Each of the properties owned in *pro indiviso* condominiums is made up of fractions of land, autonomous units, buildings, common areas and other facilities of Internacional Shopping Guarulhos and Internacional Guarulhos Auto Shopping, respectively. Each property owned in *pro indiviso* condominiums is divided into 100,000 equal quotas, with 50% owned by Levian and 50% by ABK. The net monthly revenue (rent, co-participation, the result of financial investments, etc.) for each of the shopping centers will be distributed pro rata to the owners in proportion to their quotas. Levian and ABK can freely sell, assign or transfer their fractional ownership interest to third parties without a right of first refusal for the other owners. Each property can be managed by Levian and ABK, jointly or separately, or by contracted third parties chosen by at a general shareholders' meeting. The approval of owners who hold an 80% ownership interest is required to: (i) amend the *pro indiviso* condominium agreement; (ii) replace the manager without just cause; (iii) distribute results in a manner different than that provided for in the agreement; (iv) extinguish the *pro indiviso* condominium, and (v) appoint a joint attorney-in-fact for the owners.

DESCRIPTION OF THE BONDS

The following summary describes certain provisions of the Indenture, the Bonds and the Guarantees. This summary is subject to and qualified in its entirety by reference to the provisions of the Indenture, the Bonds and the Guarantees. Capitalized terms used in the following summary and not otherwise defined herein will have the meanings specified in the Indenture.

The Bonds were issued under an Indenture (the "Indenture"), dated as of November 9, 2010, among General Shopping Finance Limited, as issuer, General Shopping Brasil S.A. and the Subsidiary Guarantors, as guarantors, The Bank of New York Mellon, as Trustee, registrar, transfer agent and principal paying agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg paying agent and transfer agent. The following summary of certain provisions of the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture. Copies of the Indenture are available for inspection during normal business hours at the corporate trust office of the Trustee in New York City. Wherever defined terms of the Indenture are referred to, such defined terms are incorporated herein by reference. Certain terms used in this "Description of the Bonds" section are defined under "—Definitions."

For purposes of this "Description of the Bonds" section, the term "GS Finance" means General Shopping Finance Limited and its successors under the Indenture; the term "Company" means General Shopping Brasil S.A. and its successors under the Indenture, in each case excluding its Subsidiaries; and the term "Bonds" means the 10.00% Perpetual Bonds offered by this offering memorandum.

The covenants in the Indenture will be subject to significant exceptions. Prospective investors in the Bonds should carefully review the terms of the Bonds, including the covenants and exceptions thereto set forth under "—Covenants", including the exceptions to the covenants and the related definitions under "—Definitions" (which definitions may also include exceptions to the covenants).

General

The Indenture does not limit the aggregate principal amount of the debt securities that may be issued under the Indenture, although the issuance of Bonds in this offering will initially be limited to US$200,000,000.00. The Company may, without the consent of the holders, issue an unlimited principal amount of additional bonds having identical terms and conditions as the Bonds (the "Additional Bonds"). The Company will only be permitted to issue Additional Bonds if at the time of such issuance the Company is in compliance with the covenants contained in the Indenture. Any Additional Bonds will be part of the same series as the Bonds that the Company is offering hereby and will vote on all matters with the holders of the Bonds.

The Bonds will be issued in fully registered form in denominations of US$2,000 and integral multiples of US$1,000 in excess thereof and will be issued as one or more Global Bonds. The Bonds will be transferable and exchangeable at the Company's office or agency maintained for such purposes in New York City, which initially will be the corporate trust office of the Trustee; *provided* that the Global Bonds will be exchangeable only in the manner and to the extent set forth under "Form of Bonds." The Bonds may be transferred, combined or divided without payment of any charge other than taxes or other governmental charges.

The Bonds will bear interest at the rate per annum of 10.00% from November 9, 2010 (the date of original issuance), or from the most recent interest payment date to which interest has been paid or provided for. Interest on the Bonds will be payable quarterly on February 9, May 9, August 9 and November 9 of each year, commencing on February 9, 2011 to the Persons in whose names Bonds are registered at the close of business on the preceding January 25, April 24, July 25 and October 25 (each, a "Record Date"), as the case may be. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Except as described under "Form of Bonds," payments of principal of and premium, if any, and interest on the Bonds will be made as set forth below under "—Payments."

The principal of and premium, if any, and interest on the Bonds will be payable in U.S. dollars or in such other coin or currency of the United States as at the time of payment is legal tender for the payment of public and private debts.

Guarantees

The Company and the Subsidiary Guarantors will fully and unconditionally guarantee the due and punctual payment of the principal of and premium, if any, and interest and Additional Amounts, if any, on the Bonds, as well as any other amounts whatsoever owed under the Indenture.

The Subsidiary Guarantors will consist of substantially all of the existing and future Subsidiaries of the Company, other than the Unrestricted Subsidiaries.

Ranking

The Bonds will be GS Finance's senior unsecured obligations. The Bonds will rank equal in right of payment with any other existing and future senior unsecured debt of GS Finance, subject to certain statutory preferences under applicable law (including labor and tax claims).

The Guarantees of each Guarantor will be its senior unsecured obligations, ranking:

- equal in right of payment to its other existing and future senior unsecured debt, subject to certain statutory preferences under applicable law (including labor and tax claims);
- senior in right of payment to its subordinated debt; and
- effectively subordinated to its secured debt to the extent of such security.

As of June 30, 2010, the Company and its Subsidiaries had R$334.7 million of total indebtedness. Approximately R$308.7 million of this total amount is secured debt of the Company's Subsidiaries and structurally senior to the Bonds being sold in this offering.

Future Subsidiary Guarantors

If, after the Closing Date, (A) the Company or any Subsidiary acquires or creates another Subsidiary other than an Unrestricted Subsidiary or (B) an Unrestricted Subsidiary becomes a Significant Subsidiary, the Company will cause such Subsidiary to:

(1) execute and deliver to the Trustee (a) a supplemental indenture in the form attached as an exhibit to the Indenture pursuant to which such Subsidiary will unconditionally guarantee all of GS Finance's obligations under the Bonds and the Indenture and (b) a notation of guarantee in respect of its guarantee; and

(2) deliver to the Trustee one or more opinions of counsel that such supplemental indenture (a) has been duly authorized, executed and delivered by such Subsidiary and (b) constitutes a valid and legally binding obligation of such Subsidiary in accordance with its terms.

Notwithstanding the foregoing, such Subsidiary will not be required to guarantee GS Finance's obligations under the Bonds and the Indenture if the provision of such a guarantee would result in a breach or default of an agreement binding on such Subsidiary (other than an agreement entered into for the purpose of avoiding the obligation to enter into a guarantee) that may not be amended or otherwise modified using commercially reasonable efforts to avoid such breach or default.

References herein and in the Indenture to "the Guarantor" will, unless the context requires otherwise, be deemed to include each such new Subsidiary that becomes a guarantor under the Indenture. The obligations of each Guarantor will be limited to the extent necessary to prevent such Guarantor from constituting a fraudulent conveyance under applicable law.

The Luxembourg Stock Exchange will be notified by the Company in the event that a Subsidiary of the Company becomes a Subsidiary Guarantor.

Redemption

The Bonds will not be redeemable except as described below.

Optional Redemption

The Bonds will be redeemable, at the option of GS Finance, in whole or in part, on any interest payment date on or after November 9, 2015 at 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date; *provided, however*, that if GS Finance does not so redeem the Bonds in whole, then after giving effect to such redemption at least US$150.0 million aggregate principal amount of the Bonds (including Additional Bonds, if any) shall remain outstanding.

Tax Redemption

The Bonds will be redeemable, at the option of GS Finance, in whole but not in part, at a price equal to 100% of the principal amount thereof, together with accrued and unpaid interest and Additional Amounts, if any, to the redemption date, if, as a result of any generally applicable change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the Cayman Islands or Brazil or any political subdivision or taxing authority thereof or therein, or any generally applicable change in the official application, administration or interpretation of such laws, regulations or rulings in the Cayman Islands or Brazil, which change or amendment is first announced on or after the Closing Date, GS Finance or any Guarantor has or will become obligated to pay Additional Amounts on the Bonds (i) in respect of any deduction or withholding of Cayman Taxes (as defined below in "—Additional Amounts") or (ii) in respect of any deduction or withholding of Brazilian Taxes (as defined below in "—Additional Amounts") in excess of the Additional Amounts that GS Finance or any Guarantor would pay if payments in respect of the Bonds were subject to deduction or withholding at a rate of (A) 15% generally in case of any taxes imposed by Brazil, or (B) 25% in case of taxes imposed by Brazil on amounts paid to residents of countries which do not impose any income tax or which impose it at a maximum rate lower than 20% or which do not provide access to information related to shareholding composition, ownership of assets and rights or economic transactions carried out (each determined without regard to any interest, fees, penalties or other additions to tax), and such obligation cannot be avoided by GS Finance or any Guarantor taking reasonable measures available to it; *provided, however*, that (1) for the avoidance of doubt, reasonable measures will not include changing the jurisdiction of incorporation or organization of GS Finance or any Guarantor, or the incurrence of material out-of-pocket costs by GS Finance or any Guarantor or an Affiliate thereof and (2) no such notice of redemption will be given earlier than 60 days prior to the earliest date on which GS Finance or any Guarantor would be obligated to pay such Additional Amounts were a payment in respect of the Bonds then due.

General Provisions for Optional or Tax Redemption

GS Finance will mail, or cause to be mailed, a notice of redemption to each holder (which, in the case of the Global Bonds, will be DTC) at least 30 days and not more than 60 days prior to the redemption date, to the address of each holder as it appears on the register maintained by the registrar. Notices of redemption will also be published as set forth under "—Notices." A notice of redemption will be irrevocable.

A partial redemption of the Bonds may be effected by such method as the Trustee deems fair and appropriate and may provide for the selection for redemption of a portion of the principal amount of Bonds held by a holder equal to an authorized denomination. If GS Finance redeems less than all of the Bonds and the Bonds are then held in book-entry form, the redemption will be made in accordance with DTC's customary procedures. GS Finance has been advised that it is DTC's practice to determine by the lot the amount of each participant in the securities to be redeemed.

Prior to the giving of notice of redemption of such Bonds pursuant to the Indenture, GS Finance will deliver to the Trustee an Officers' Certificate and a written opinion of recognized Cayman Islands or Brazilian counsel, independent of GS Finance and the Company, to the effect that all governmental approvals necessary for GS Finance to effect such redemption, including any required approvals from the Central Bank, have been or at the time of redemption will be obtained and be in full force and effect and that the Company is entitled to effect such a redemption pursuant to the Indenture, and setting forth, in reasonable detail, the circumstances giving rise to such right of redemption.

Except in the case of a default in payment of the applicable redemption price, on and after the redemption date interest will cease to accrue on the Bonds.

GS Finance may enter into an arrangement under which the Company or any Subsidiary of the Company may, in lieu of redemption by GS Finance, purchase any Bond to be redeemed pursuant to provisions described under "—Optional Redemption" or "—Tax Redemption." In the event that the price paid by the Company or any such Subsidiary is less than the full redemption amount, GS Finance will pay, or cause one of the Subsidiaries of the Company to pay, the amount of such shortfall directly to the holder of the Bond being so purchased on the redemption date.

Open Market Purchases

GS Finance, the Company or any of their Affiliates may at any time purchase Bonds in the open market or otherwise at any price.

Repurchase at Option of Holders of Bonds Upon Change of Control Triggering Event

If a Change of Control Triggering Event occurs, each holder of Bonds will have the right to require GS Finance to repurchase all or any part (equal to US$2,000 and integral multiples of US$1,000 in excess thereof) of that holder's Bonds pursuant to a Change of Control Offer (as defined below) on the terms set forth in the Indenture. No such purchase in part will reduce the outstanding principal amount of the Bonds held by any holder to below US$2,000. In the Change of Control Offer, GS Finance will offer a payment (the "Change of Control Payment") equal to 101% of the aggregate principal amount of Bonds being repurchased plus accrued and unpaid interest and Additional Amounts, if any, to the repurchase date (subject to the right of the holders of record on the relevant Record Date to receive interest and Additional Amounts, if any, on the relevant interest payment date).

Within 30 days following the date upon which the Change of Control Triggering Event occurred, GS Finance will make an offer (the "Change of Control Offer") by notice to each holder of Bonds as set forth under "—Notices," describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase Bonds on the purchase date specified in the notice (the "Change of Control Payment Date"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, except to the extent otherwise required by applicable law, pursuant to the procedures required by the Indenture and described in such notice.

On the Change of Control Payment Date, GS Finance will, to the extent lawful:

(1) accept for payment all Bonds or portions of Bonds properly tendered and not withdrawn pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Bonds or portions of Bonds properly tendered and not withdrawn; and

(3) deliver or cause to be delivered, if applicable, to the Trustee the Bonds properly accepted together with an Officers' Certificate stating the aggregate principal amount of Bonds or portions of Bonds being purchased by GS Finance.

The paying agent will promptly mail to each holder of Bonds properly tendered the Change of Control Payment for such Bonds, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Bond equal in principal amount to any unpurchased portion of the Bonds surrendered, if any; *provided* that each new Bond will be in a principal amount of US$2,000 and integral multiples of US$1,000 in excess thereof. GS Finance will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require GS Finance to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the holders of the Bonds to require that GS Finance repurchase or redeem the Bonds in the event of a takeover, recapitalization or similar transaction.

GS Finance will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Bonds pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, GS Finance and the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

GS Finance will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements, set forth in the Indenture, that are applicable to a Change of Control Offer made by GS Finance and such third party purchases all Bonds properly tendered and not withdrawn under the Change of Control Offer, or (2) a notice of redemption has been given pursuant to the Indenture as described under the caption "—Optional Redemption," unless and until there is a default in payment of the applicable redemption price.

Other existing and future indebtedness of the Company and its Subsidiaries may contain prohibitions on the occurrence of events that would constitute a Change of Control or require indebtedness to be repurchased upon a Change of Control Triggering Event. In addition, the exercise by the holders of their right to require GS Finance to repurchase the Bonds upon a Change of Control Triggering Event may cause a default under such indebtedness even if the Change of Control Triggering Event itself does not.

If a Change of Control Offer occurs, GS Finance may not have available funds sufficient to make the Change of Control Payment for all the Bonds that might be delivered by holders seeking to accept the Change of Control Offer. In the event GS Finance is required to purchase outstanding Bonds pursuant to a Change of Control Offer, GS Finance expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations. However, GS Finance may not be able to obtain necessary financing.

Holders will not be entitled to require GS Finance to purchase their Bonds in the event of a takeover, recapitalization, leveraged buyout or similar transaction which does not result in a Change of Control Triggering Event.

Subject to applicable law, a Change of Control Offer may be made in advance of a Change of Control Triggering Event and conditioned upon the occurrence of such Change of Control if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

Payments

All payments on the Bonds and Guarantees will be made exclusively in U.S. dollars or such other coin or currency of the United States as at the time of payment as is legal tender for the payment of public and private debts.

Payments of principal of and premium, if any, and interest and Additional Amounts, if any, on the Bonds or the Guarantees will be made to the principal paying agent, which will pass such funds to any other paying agents or to the holders.

Payments of principal will be made upon surrender of the relevant Bonds at the specified office of the Trustee or any paying agent. Principal on the Bonds will be paid to the Persons in whose name the Bonds are registered as of the close of business on the fifteenth day before the due date for payment. Payments of principal, premium, if any, and interest and Additional Amounts, if any, in respect of each Bond will be made by the paying agents by U.S. dollar check drawn on a bank in New York City and mailed to the holder of such Bond at its registered address. Upon application by the holder to the specified office of any paying agent not less than 15 days before the due date for any payment in respect of a Bond, such payment may be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of "—Additional Amounts." No commissions or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the Trustee and the paying agents will pay to, or as directed by, GS Finance upon request any monies held by them for the payment of principal, interest, premium, if any, and Additional Ammounts, if any, that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to GS Finance or the Guarantors for payment as general creditors. After the return of such monies by the Trustee or the paying agents to, or as directed by, GS Finance, neither the Trustee nor the paying agents will be liable to the holders in respect of such monies.

Covenants

Limitation on Liens

The Company will not, and will not permit any of its Subsidiaries to, create or suffer to exist any Lien (except for Permitted Liens) upon any of its property or assets now owned or hereafter acquired by it, or any proceeds therefrom, or on any Capital Stock of the Company or any of its Subsidiaries, securing any Debt unless contemporaneously therewith effective provision is made to secure the Bonds equally and ratably with such obligation for so long as such obligation is so secured.

Limitation on Sale and Lease-Back Transactions

The Company will not, and will not permit any of its Subsidiaries to, enter into any Sale and Lease-Back Transaction with respect to any of its property or assets, unless either:

(1) the Company or such Subsidiary would be entitled pursuant to the covenant described under "—Limitation on Liens" to secure Debt by a Lien on such property or assets without equally and ratably securing the Bonds; or

(2) the Company or such Subsidiary apply or cause to be applied, in the case of a sale or transfer for cash, an amount equal to the net proceeds thereof and, in the case of a sale or transfer otherwise than for cash, an amount equal to the fair market value (as determined in good faith by the Board of Directors of the Company) of the property or assets so leased, (A) to the retirement, within 180 days after the effective date of the Sale and Lease-Back Transaction, of (i) Debt of the Company ranking at least on a parity with the Bonds or (ii) Debt of any Subsidiary of the Company, in each case owing to a Person other than the Company or any of its Affiliates or (B) to the acquisition, construction or improvement of any property or assets used by the Company or any of its Subsidiaries in the ordinary course of business.

The above limitation on Sale and Lease-Back Transactions will not apply to (1) transactions providing for a lease term, including any renewal, of not more than three years or (2) arrangements between the Company and its Subsidiaries or between the Company's Subsidiaries.

Limitation on Transactions with Affiliates

The Company will not, and will not permit any of its Subsidiaries to, enter into any transaction or series of related transactions (including any Investment or any purchase, sale, lease or exchange of any property or the rendering of any service) with or with respect to any Affiliate of the Company (other than a Subsidiary of the Company) (an "Affiliate Transaction") unless such Affiliate Transaction is as favorable to the Company or such Subsidiary as terms that would be obtainable at the time for a comparable transaction or series of related transactions in arm's-length dealings with an unrelated third person; *provided, however*, that the foregoing limitation will not apply to:

(a) Affiliate Transactions with or among the Company and any of its Subsidiaries;

(b) fees and compensation paid to, and any indemnity provided on behalf of, directors, officers, employees, consultants or agents of the Company or any Subsidiary, in the ordinary course of business and in line with previous practice of the Company or the industry, as determined in good faith by the Company' Board of Directors;

(c) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Closing Date and any amendment, modification or replacement of such agreement (so long as such amendment, modification or replacement is not materially more disadvantageous to the holders of the Bonds, taken as a whole, than the original agreement as in effect on the Closing Date); and

(d) loans and advances to officers, directors and employees of the Company or any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding US$1.0 million at any time.

Limitation on Consolidation, Merger or Transfer of Assets

The Company will not, and will not permit GS Finance or any of the Subsidiary Guarantors to, consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person or Persons (if not GS Finance, the Company or such Subsidiary Guarantor) will be a Person or Persons organized and existing under the laws of Brazil, the Cayman Islands, the United States, any State thereof or the District of Columbia, any other country that is a member country of the European Union or of the OECD, or any other country the laws of which would not permit the resulting, surviving or transferee Person or Persons to avoid the obligations of GS Finance, the Company or such Subsidiary Guarantor, as applicable, under the Bonds and the Indenture, and such Person or Persons expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee all the obligations of GS Finance, the Company or such Subsidiary Guarantor, as applicable, under the Bonds and the Indenture;

(2) the resulting, surviving or transferee Person or Persons (if not GS Finance, the Company or such Subsidiary Guarantor), if not organized and existing under the laws of Brazil or the Cayman Islands, undertakes, in such supplemental indenture, to pay such additional amounts in respect of principal and interest as may be necessary in order that every net payment made in respect of the Bonds after deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges imposed by the country in which the transferee is organized or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal and interest then due and payable on the Bonds, subject to the same exceptions set forth under clauses (a) through (i) under "Additional Amounts" but adding references to the country in which the transferee is organized to the existing references in such clauses to Brazil or the Cayman Islands;

(3) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(4) GS Finance, the Company or such Subsidiary Guarantor, as applicable, will have delivered to the Trustee an Officers' Certificate and an opinion of legal counsel of recognized standing, each stating that such consolidation, merger, conveyance, transfer or lease complies with the Indenture and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture is enforceable and complies with the Indenture.

The Trustee is authorized to accept such Officers' Certificate and opinion of counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

Conduct of Business

The Company and its Subsidiaries, taken as a whole, will remain primarily engaged in Related Businesses.

Reporting Requirements

The Company will provide or make available to the Trustee the following reports (and will also provide the Trustee with electronic versions or, in lieu thereof upon request by the Trustee, sufficient copies of the following reports referred to in clauses (1) through (3) below for distribution, at the expense of the Company, to all holders of the Bonds):

(1) an English language version of its annual audited consolidated financial statements prepared in accordance with Brazilian GAAP promptly upon such financial statements becoming available but not later than 120 days after the close of its fiscal year;

(2) an English language version of its unaudited quarterly financial statements prepared in accordance with Brazilian GAAP (including, as supplementary information, an unaudited condensed consolidated balance sheet and an unaudited condensed consolidated statement of operations, in each case, prepared in accordance with Brazilian GAAP), promptly upon such financial statements becoming available but not later than 60 days after the close of each fiscal quarter (other than the last fiscal quarter of its fiscal year);

(3) simultaneously with the delivery of each set of financial statements referred to in clauses (1) and (2) above, an Officers' Certificate stating whether a Default or Event of Default exists on the date of such certificate and, if a Default or Event of Default exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(4) without duplication, English language versions or summaries of such other reports or notices as may be filed or submitted by (and promptly after filing or submission by) the Company or any of the Guarantors with (a) the CVM, (b) the Luxembourg Stock Exchange or any other stock exchange on which the Bonds may be listed or (c) the SEC (in each case, to the extent that any such report or notice is generally available to its security holders or the public in Brazil or elsewhere and, in the case of clause (c), is filed, submitted or posted pursuant to Rule 12g3-2(b) under, or Section 13 or 15(d) of, the Exchange Act, or otherwise); and

(5) upon any director or executive officer of the Company becoming aware of the existence of a Default or Event of Default, an Officers' Certificate setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto.

Delivery of the above reports to the Trustee is for informational purposes only and the Trustee's access to, or receipt of, such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including GS Finance's, the Company's and each of the Subsidiary Guarantor's compliance with any of its covenants in the Indenture (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

In addition, at any time when the Company is not subject to Section 13 or 15(d) of the Exchange Act or is exempt from the reporting requirements thereunder pursuant to Rule 12g3-2(b) of the Exchange Act, the Company will make available, upon request, to the Trustee the information required pursuant to Rule 144A(d)(4) under the Securities Act.

Events of Default

An "Event of Default" occurs if:

(1) GS Finance, the Company or any Subsidiary Guarantor defaults in any payment of interest (including any related Additional Amounts) on any Bond when the same becomes due and payable, and such default continues for a period of 30 days;

(2) GS Finance, the Company or any Subsidiary Guarantor defaults in the payment of the principal (including any related Additional Amounts), or premium, if any, of any Bond when the same becomes due and payable upon redemption, upon repurchase, upon declaration of acceleration or otherwise;

(3) GS Finance, the Company or any Subsidiary Guarantor fails to comply with any of its covenants or agreements in the Bonds or the Indenture (other than those referred to in (1) and (2) above), and such failure continues for a period of 60 consecutive days after the notice specified below;

(4) GS Finance, the Company or any of the Subsidiary Guarantors defaults under any agreement, mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt by GS Finance, the Company or any such Subsidiary Guarantor (or the payment of which is guaranteed by GS Finance, the Company or any such Subsidiary Guarantor) whether such Debt or guarantee now exists, or is created after the Closing Date, which default (a) is caused by failure to pay principal of or premium, if any, or interest (or Additional Amounts, if any) on such Debt after giving effect to any applicable grace period ("Payment Default") or (b) results in the acceleration of such Debt prior to its Stated Maturity and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a

Payment Default or the maturity of which has been so accelerated, totals US$20.0 million (or the equivalent thereof at the time of determination) or more in the aggregate;

(5) one or more final judgments or decrees for the payment of money of US$20.0 million (or the equivalent thereof at the time of determination) or more in the aggregate are rendered against GS Finance, the Company or any of the Subsidiary Guarantors and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged and, in the case of each such judgment or decree, either (a) an enforcement proceeding has been commenced by any creditor upon such judgment or decree and is not dismissed within 30 days following commencement of such enforcement proceedings or (b) there is a period of 60 days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed;

(6) any guarantee of the Bonds ceases to be in full force and effect (other than in accordance with the terms of the Bonds) or is declared null and void or any Guarantor denies or disaffirms its obligations under its guarantee of the Bonds; or

(7) certain events of bankruptcy, insolvency or reorganization of GS Finance, the Company or any Subsidiary Guarantor.

A Default under clause (3) above will not constitute an Event of Default until the Trustee or the holders of at least 25% in principal amount of the Bonds outstanding notify GS Finance and the Guarantors of the Default and GS Finance or a Guarantor, as the case may be, does not cure such Default within the time specified after receipt of such notice.

The Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless either (i) an authorized officer of the Trustee with direct responsibility for the Indenture has actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default by the Company or any holder has been received by the Trustee.

If an Event of Default (other than an Event of Default specified in clause (7) above) occurs and is continuing, the Trustee or the holders of not less than 25% in principal amount of the Bonds then outstanding may declare all unpaid principal of and accrued interest on all Bonds, and Additional Amounts, if any, to be due and payable immediately, by a notice in writing to GS Finance and the Company, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clause (7) above occurs and is continuing, then the principal of and accrued interest on all Bonds will become and be immediately due and payable without notice or any declaration or other act on the part of the Trustee or any holder. In this case, the Company will comply with any and all then applicable regulations of the Central Bank for remittance of funds outside of Brazil.

Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless such holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee. Subject to such provision for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the outstanding Bonds will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

Additional Amounts

All payments by GS Finance in respect of the Bonds or by the Guarantors pursuant to the Guarantees, will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or Brazil or any political subdivision or taxing authority of or in the Cayman Islands or Brazil ("Cayman Taxes" or "Brazilian Taxes", respectively), unless such withholding or deduction is required by law. In the event of any such withholding or deduction, GS Finance or the Guarantors, as the case may be, will pay to holders of the Bonds in U.S. dollars such additional amounts ("Additional Amounts") as will result in the payment to each holder of the U.S. dollar amount that would otherwise have been receivable by such holders in the absence of such withholding or deduction, except that no such Additional Amounts will be payable:

(a) in respect of any tax that would not have been so withheld or deducted but for the existence of any present or former connection, including a permanent establishment, between the holder or beneficial owner of the Bond and any payment in respect of such Bond (or, if the holder or beneficial owner is an estate, nominee, trust, partnership or corporation, between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the holder or beneficial owner) in the Cayman Islands or Brazil, other than the mere receipt of such payment or the mere holding or ownership of such Bond or beneficial interest or enforcement of rights thereunder;

(b) in respect of any tax that would not have been so withheld or deducted if the Bond had been presented for payment within 30 days after the Relevant Date (as defined below);

(c) in respect of any tax that would not have been so withheld or deducted but for the failure by the holder or the beneficial owner of the Bond to (i) make a declaration of non-residence, or any other claim or filing for exemption, to which it is entitled or (ii) comply with any reasonable certification, identification, information, documentation or other reporting requirement concerning its nationality, residence, identity or connection with the Cayman Islands or Brazil, if in either case such declaration or compliance is required or imposed by law as a precondition to exemption from all or part of such tax and at least 30 days prior to the date on which the Company or any Guarantor will apply this clause (c), the Company or such Guarantor, as the case may be, will have notified all holders of Bonds that some or all holders of Bonds will be required to comply with such requirement;

(d) in respect of any estate, inheritance, gift, value added, sales, use, excise, transfer, personal property or similar taxes, duties, assessments or other governmental charges;

(e) in respect of any tax, assessment or other governmental charge payable other than by withholding or deduction;

(f) in respect of any payment to a holder of a Bond that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment or Bond, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or Bond would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Bond;

(g) in respect of any withholding or deduction imposed on a payment to an individual that is required to be made pursuant to the European Union Directive on the taxation of savings income (the "2003/48/EC or any other Directive") implementing the conclusions of the ECOFIN Council meetings of November 26 and 27, 2000, December 13, 2001 and January 31, 2003 (or any law implementing or complying with, or introduced in order to conform to, such Directive);

(h) in respect of any taxes imposed in connection with a Bond presented for payment by or on behalf of a holder thereof who would have been able to avoid such tax by presenting the relevant Bond to another paying agent in a member state of the European Union to whom presentation could have been made if the holder of the Bond is a resident of the European Union for tax purposes; or

(i) in respect of any combination of (a) through (h) above.

"Relevant Date" means, with respect to any payment due from GS Finance or any Guarantor, whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in New York City by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect will have been given to the holders of the Bonds in accordance with the Indenture.

All references to principal, premium, if any, and interest in respect of the Bonds will be deemed also to refer to any Additional Amounts, unless the context requires otherwise, which may be payable as set forth in the Indenture or in the Bonds.

GS Finance or the Company will furnish to the Trustee the official receipts (or a certified copy of the official receipts) evidencing payment of any tax. Copies of such receipts will be made available to holders of the Bonds upon request.

GS Finance or the Company will promptly pay when due any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery, registration or the making of payments in respect of the Bonds or any other document or instrument referred to herein or therein, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of Brazil or the Cayman Islands and taxes, charges or similar levies resulting from certain registration of transfer or exchange of the Bonds. For the avoidance of doubt, the Company will pay in all events any taxes, charges or similar levies resulting from, or required to be paid in connection with, the enforcement of the Bonds following the occurrence of any Default or Event of Default.

Amendments and Modifications

The Indenture contains provisions permitting GS Finance, the Company, the Subsidiary Guarantors and the Trustee, with the consent of the holders of a majority in aggregate in principal amount of the outstanding Bonds to modify the Indenture or any supplemental indenture or the rights of the holders of the Bonds; *provided, however*, that no such modification will without the consent of the holder of each outstanding Bond affected thereby:

- change the stated maturity upon which the principal of or the interest on any Bond is due and payable;
- reduce the principal amount thereof or the rate of interest thereon including Additional Amounts, if any, or any premium payable upon the redemption thereof;
- change any place of payment or the currency in which, any Bond or any premium or the interest thereon is payable;
- impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after redemption date); or
- reduce the percentage of the principal amount of the outstanding Bonds whose holders' consent is required for any waiver (of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences) provided for in the Indenture;
- amend or modify any provision of the Guarantees that would adversely affect holders of the Bonds; or
- modify certain other provisions of the Indenture.

The Indenture provides that Bonds owned by the Company or any of its Affiliates will be deemed not to be outstanding for, among other purposes, consenting to any modification.

The Indenture also contains provisions permitting GS Finance, the Company, the Subsidiary Guarantors and the Trustee to amend the Indenture, without the consent of the holders of the Bonds, for the following purposes:

- cure any ambiguity, omission, defect or inconsistency or to correct a manifest error (including, without limitation, any inconsistency between the Indenture, the Bonds and the Guarantees and the descriptions thereof in this offering memorandum);
- comply with the covenant described under "—Limitation on Consolidation, Merger or Transfer of Assets";
- add collateral, guarantors or guarantees with respect to the Bonds;
- add to the covenants of GS Finance, the Company or the Subsidiary Guarantors for the benefit of holders of the Bonds;
- surrender any right conferred upon GS Finance, the Company or the Subsidiary Guarantors;
- evidence and provide for the acceptance of an appointment by a successor Trustee;
- provide for the issuance of Additional Bonds; and

- to make any changes that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under the Indenture of any such Holders.

No Personal Liability of Directors, Officers, Employees and Shareholders

No past, present or future director, officer, partner, employee, incorporator, shareholder or member of the Company, or any Subsidiary of the Company will have any liability for any obligations of GS Finance, the Company or any Subsidiary Guarantor under the Indenture, the Bonds or the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of the Bonds, by accepting a Bond, waives and releases all such liability. Such waivers and releases are part of the consideration for issuance of the Bonds. The waivers may not be effective to waive liabilities under the U.S. federal securities laws or under the Brazilian Corporation Law.

Enforceability of Judgments

Since GS Finance is incorporated in the Cayman Islands and the Company and the Subsidiary Guarantors are incorporated in Brazil, and all their respective assets may be outside the United States, any judgment obtained in the United States against GS Finance, the Company or any Subsidiary Guarantor, including judgments with respect to the payment of principal of and premium, if any, interest and Additional Amounts, if any, on the Bonds, may not be collectable within the United States. See "Service of Process and Enforceability of Judgments."

Luxembourg Listing

Application has been made to list the Bonds on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF market of the Luxembourg Stock Exchange, GS Finance and the Company will each use commercially reasonable efforts to obtain and maintain the listing of the Bonds on the Official List of the Luxembourg Stock Exchange; however, the Bonds are not yet listed and GS Finance and the Company cannot assure the holders of the Bonds that they will be accepted for listing.

In the event that any Subsidiary becomes a Guarantor or is released from its obligations as a Guarantor at a time when the Bonds are listed on the Official List of the Luxembourg Stock Exchange, GS Finance will, to the extent required by the rules of the Luxembourg Stock Exchange, publish notice of the granting or release of such guarantee in the Luxemburger Wort, send a copy of such notice to the Luxembourg Stock Exchange and, in the case of a new Guarantor, deposit a copy of the relevant instrument evidencing such guarantee pursuant to the Indenture with the Luxembourg Stock Exchange and the Luxembourg paying agent and execute a supplemental indenture and inform the Luxembourg Stock Exchange of such execution.

The Bank of New York Mellon (Luxembourg) S.A. is the Luxembourg Listing Agent, Luxembourg Paying Agent and Luxembourg Transfer Agent in respect of the Bonds. The Company will maintain such agencies so long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and the rules of the exchange so require. The address of the Luxembourg Listing Agent, the Luxembourg Paying Agent and the Luxembourg Transfer Agent are set forth on the inside back cover of this offering memorandum.

Notices

All notices will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to the holders of the Bonds at their registered addresses as recorded in the Bonds register not later than the latest date, and not earlier than the earliest date, prescribed in the Bonds for the giving of such notice.

As long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and its rules so require, GS Finance will also give notices to the holders of the Bonds by publication in a daily newspaper of general circulation in Luxembourg (which is expected to be the Luxemburger Wort). Notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If publication in Luxembourg is impracticable, GS Finance will make the publication elsewhere in Western Europe. By "daily newspaper", GS Finance means a newspaper that is published on each day, other than a Saturday, Sunday or holiday, in Luxembourg or, when applicable, elsewhere in Western Europe. The holders of the Bonds will be presumed to have received these notices on the date on which GS Finance first publishes them. If GS Finance is unable to give notice as described in this paragraph because the publication of any newspaper is suspended or it is otherwise impractical for GS Finance and the Company to publish the notice, then the Company or the Trustee acting on its instructions and at its expense, will give the holders of the Bonds notice in another form. That alternate form of notice will be sufficient notice to the holders of the Bonds.

Neither the failure to give any notice to a particular holder of the Bonds, nor any defect in a notice given to a particular holder of the Bonds, will affect the sufficiency of any notice given to another holder of the Bonds.

Satisfaction and Discharge

The Indenture will be discharged and, together with any Guarantees, will cease to be of further effect as to all Bonds issued thereunder, when:

(1) (a) all Bonds that have been authenticated, except lost, stolen or destroyed Bonds that have been replaced or paid and Bonds for whose payment money has been deposited in trust and thereafter repaid to GS Finance, have been delivered to the Trustee for cancellation; or

(b) all Bonds that have not been delivered to the Trustee for cancellation have become due and payable and GS Finance, the Company or any Subsidiary Guarantor has irrevocably deposited or caused to be deposited with the Trustee as funds in trust solely for the benefit of the holders, cash in U.S. dollars, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Bonds not delivered to the Trustee for cancellation for principal, premium, if any, interest and Additional Amounts, if any, to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other material instrument to which GS Finance, the Company or any Subsidiary Guarantor is a party or by which GS Finance, the Company or any Subsidiary Guarantor is bound;

(3) GS Finance, the Company or any Subsidiary Guarantor has paid or caused to be paid all other sums payable by it under the Indenture; and

(4) GS Finance or the Company have delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Bonds at maturity or the redemption date, as the case may be.

In addition, GS Finance or the Company must deliver an Officers' Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Defeasance

GS Finance, the Company and the Subsidiary Guarantors, at the option of GS Finance or the Company:

(1) will be discharged from any and all obligations in respect of the Bonds and the guarantees (except in each case for certain obligations, including to register the transfer or exchange of Bonds, replace stolen, lost or mutilated Bonds, maintain paying agencies and hold moneys for payment in trust); and

(2) need not comply with certain covenants of the Indenture,

if GS Finance or the Company irrevocably deposits with the Trustee, in trust:

- money; or
- U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount; or
- a combination thereof,

in each case, sufficient to pay and discharge the principal and interest, if any, on the outstanding Bonds on the dates such payments are due, in accordance with the terms of the Bonds, to and including the redemption date irrevocably designated by GS Finance or the Company pursuant to the final sentence of this section on the day on which payments are due and payable in accordance with the terms of the Indenture and of the Bonds; and no Default or Event of Default (including by reason of such deposit) will have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date.

To exercise any such option, GS Finance or the Company is required to deliver to the Trustee:

(a) an opinion of recognized U.S. counsel independent of GS Finance and the Company to the effect:

- that the holders of the Bonds will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, which in the case of clause (1) above must be based on a change in law or a ruling by the U.S. Internal Revenue Service; and
- that the defeasance trust is not, or is registered as, an investment company under the U.S. Investment Company Act of 1940, as amended;

(b) an opinion of recognized Brazilian counsel independent of GS Finance and the Company to the effect that the holders of the Bonds will not recognize income, gain or loss for Brazilian federal income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, and that payments from the defeasance trust to any such holder will not be subject to withholding payments under Brazilian law;

(c) an opinion of recognized Cayman Islands counsel independent of GS Finance and the Company to the effect that the holders of the Bonds will not recognize income, gain or loss for Cayman Islands income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, and that payments from the defeasance trust to any such holder will not be subject to withholding payments under Cayman Islands law; and

(d) an opinion of counsel and an Officers' Certificate as to compliance with all conditions precedent provided for in the Indenture relating to the satisfaction and discharge of the Bonds.

If GS Finance or the Company has deposited or caused to be deposited money or U.S. Government Obligations to pay or discharge the principal of and premium, if any, and interest and Additional Amounts, if any, on the outstanding Bonds to and including a redemption date on which all of the outstanding Bonds are to be redeemed, such redemption date will be irrevocably designated by a resolution of the Board of Directors and the management of GS Finance and the Company delivered to the Trustee on or prior to the date of deposit of such money or U.S. Government Obligations, and such resolutions will be accompanied by an irrevocable request from GS Finance or the Company that the Trustee give notice of such redemption in the name and at the expense of GS Finance or the Company not less than 30 nor more than 60 days prior to such redemption date in accordance with the Indenture.

Governing Law; Consent to Jurisdiction; Service of Process and Currency Indemnity

The Indenture, the Bonds and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. GS Finance, the Company and the Subsidiary Guarantors have consented to the non-exclusive jurisdiction of the New York state courts and the U.S. federal courts located in the Borough of Manhattan, New York City, with respect to any action that may be brought in connection with the Indenture or the Bonds and have irrevocably appointed National Registered Agents, Inc. as agent for service of process.

If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the holder of a Bond from U.S. dollars into another currency, GS Finance, the Company and the Subsidiary Guarantors have agreed, and each holder by holding such Bond will be deemed to have agreed, to the fullest extent that GS Finance, the Company, the Subsidiary Guarantors and they may effectively do so, that the rate of exchange used will be that at which in accordance with normal banking procedures such holder could purchase U.S. dollars with such other currency in New York City, on the day two Business Days preceding the day on which final judgment is given.

The obligations of GS Finance, the Company and the Subsidiary Guarantors in respect of any sum payable by it to the holder of a Bond will, notwithstanding any judgment in a currency (the "judgment currency") other than U.S. dollars, be discharged only to the extent that on the Business Day following receipt by the holder of such Bond of any sum adjudged to be so due in the judgment currency, the holder of such Bond may, in accordance with normal banking procedures, purchase U.S. dollars with the judgment currency; if the amount of the U.S. dollars so purchased is less than the sum originally due to the holder of such Bond in the judgment currency (determined in the manner set forth in the preceding paragraph), each of GS Finance, the Company and the Subsidiary Guarantors agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the holder of such Bond against such loss, and if the amount of the U.S. dollars so purchased exceeds the sum originally due to the holder of such Bond, such holder agrees to remit to GS Finance, the Company or the relevant Subsidiary Guarantor such excess, *provided* that such holder will have no obligation to remit any such excess as long as GS Finance, the Company or the relevant Subsidiary Guarantor have failed to pay such holder any obligations due and payable under such Bond, in which case such excess may be applied to such obligations of GS Finance, the Company or such Subsidiary Gurantor under such Bond in accordance with the terms thereof.

Definitions

The following is a summary of certain defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all such terms as well as any other capitalized terms used herein for which no definition is provided.

Unless the context otherwise requires, an accounting term not otherwise defined has the meaning assigned to it under and in accordance with Brazilian GAAP. All accounting-based determinations to be made under the Indenture will be made based upon the most recent annual or quarterly consolidated financial statements issued and released, and provided in accordance with "—Reports", by the Company.

"Additional Amounts" has the meaning specified under "—Additional Amounts."

"Additional Bonds" has the meaning specified under "—General."

"Affiliate" means, with respect to any specified Person, any other Person, directly or indirectly, controlling or controlled by, or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" means when used with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the beneficial ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Attributable Value" means, as to any particular lease under which the Company or any Subsidiary Guarantor is at any time liable as lessee and any date as of which the amount thereof is to be determined, the total net obligations of the lessee for rental payments during the remaining term of the lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended) discounted from the respective due dates thereof to such date at a rate per annum equivalent to the interest rate inherent in such lease (as determined in good faith by the Company in accordance with generally accepted financial practice).

"beneficial ownership" means, with respect to any Capital Stock, having or sharing, directly or indirectly, the power to (i) vote, or to direct the voting of, such Capital Stock and/or (ii) dispose, or direct the disposition of, such Capital Stock. A Person will also be deemed to have beneficial ownership of any Capital Stock if that Person has the right to acquire beneficial ownership (as defined in the previous sentence) of such Capital Stock within 60 days, including, without limitation, any right to acquire (a) through the exercise of any option, warrant or right, (b) through the conversion of another security, (c) pursuant to the power to revoke a trust, discretionary account or similar arrangement or (d) pursuant to the automatic termination of a trust, discretionary account or similar arrangement. The term "beneficially own" has a meaning correlative thereto.

"BNDES" means the Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social).

"Board of Directors" means, with respect to any Person, the board of directors of such Person or any committee thereof duly authorized to act on behalf of the board of directors of such Person, or similar governing body of such Person, including any managing partner or similar entity of such Person.

"Brazil" means the Federative Republic of Brazil and any branch of power, ministry, department, authority or statutory corporation or other entity (including a trust) owned or controlled directly or indirectly by it or any of the foregoing or created by law as a public entity.

"Brazilian GAAP" means generally accepted accounting principles in Brazil as in effect from time to time.

"Business Day" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York City, New York or São Paulo, Brazil are authorized or required by law to close.

"Capitalized Lease Obligation" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes and the amount of Debt represented by such obligation will be the capitalized amount of such obligation; and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means, with respect to, any Person, any and all quotas, shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock and partnership interests, but excluding any debt securities convertible into such equity.

"Central Bank" means the Brazilian Central Bank (Banco Central do Brasil).

"Change of Control" means any Person (other than Golf Participações Ltda., Alessandro Poli Veronezi, Victor Poli Veronezi or Ana Beatriz Veronezi, or any of their spouses and descendants (whether natural or adopted), any of his, her or their legal heirs (or similar legal successors upon death), or any Affiliate or Affiliates of any of the foregoing Persons (*provided* that, in the case of any such Affiliate, the foregoing Persons, directly or indirectly, beneficially own a majority of the Voting Stock of such Affiliate)), directly or indirectly, beneficially owns a majority of the Voting Stock of the Company.

"Change of Control Offer" has the meaning specified under "—Repurchase at Option of Holders of Bonds Upon Change of Control Triggering Event."

"Change of Control Payment" has the meaning specified under "—Repurchase at Option of Holders of Bonds Upon Change of Control Triggering Event."

"Change of Control Payment Date" has the meaning specified under "—Repurchase at Option of Holders of Bonds Upon Change of Control Triggering Event."

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Decline.

"Clearstream" means Clearstream Banking, société anonyme.

"Closing Date" means November 9, 2010.

"Company" means General Shopping Brasil S.A.

"Consolidated Net Tangible Assets" means total consolidated assets less goodwill and other intangible assets and less current liabilities, each as set forth on the Company's most recent consolidated balance sheet.

"CVM" means the Brazilian Securities Commission (Comissão de Valores Mobiliários).

"Debt" means, with respect to any Person, without duplication:

(a) the principal of and premium, if any, in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(b) all Capitalized Lease Obligations of such Person;

(c) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable or other short-term obligations to suppliers payable within 180 days, in each case arising in the ordinary course of business);

(d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(e) all Hedging Obligations of such Persons;

(f) all obligations of the type referred to in clauses (a) through (e) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other Persons that are customers or suppliers of such Person for which such Person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such Person does not, or is not required to, make payment in respect thereof);

(g) all obligations of the type referred to in clauses (a) through (e) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured; and

(h) any other obligations of such Person which are required to be, or are in such Person's financial statements, recorded or treated as debt under Brazilian GAAP.

"Default" means any event which is an Event of Default or which, after notice or passage of time or both, would be an Event of Default.

"Euroclear" means Euroclear Bank, S.A./N.V.

"Event of Default" has the meaning specified under "—Events of Default."

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Fitch" means Fitch Ratings, Ltd. and its successors.

"Global Bonds" has the meaning specified under "Form of Bonds."

"Greenfield Project" means a project involving the acquisition of vacant or undeveloped land or unfinished or uncompleted buildings and the design, development and construction of a shopping center or other commercial retail-oriented property or property with use complementary to shopping center activities thereon together with facilities reasonably ancillary thereto (including, for example, parking facilities, transportation services and electricity, heating and cooling, water and sewage systems).

"guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and any obligation, direct or indirect, contingent or otherwise, of any Person:

(1) to pay or purchase (or advance or supply funds for the payment or purchase of) such Debt or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided*, *however*, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee", when used as a verb, has a correlative meaning, and the term "guarantor" means any Person guaranteeing any obligation. The terms "guarantee" and "guarantor" are subject to the following two definitions.

"Guarantees" means the Guarantees of the respective Guarantors in respect of the Bonds.

"Guarantors" means, when used with respect to the Bonds, the Company and the Subsidiary Guarantors.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under any agreement relating to any swap, option, forward sale, forward purchase, index transaction, cap transaction, floor transaction, collar transaction or any other similar transaction, in each case, for purposes of hedging or capping against inflation, interest rates, currency or commodities price fluctuations.

"Indenture" has the meaning specified in the introductory paragraphs of this "Description of the Bonds" section.

"Interest Payment Date" means February 9, May 9, August 9 and November 9 of each year, commencing on February 9, 2011.

"Investment" means, with respect to any Person, any direct or indirect advance, loan (other than advances to customers or suppliers in the ordinary course of business that are recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the applicable lender) or other extension of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Debt or other similar instruments issued by, such Person.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Moody's" means Moody's Investors Service, Inc. and its successors.

"OECD" means the Organization for Economic Co-operation and Development, or its successor.

"Officers' Certificate" means a certificate signed by two Officers (as defined in the Indenture) or by an Officer and the Chief Financial Officer of GS Finance, the Company or any Subsidiary Guarantor, as the case may be.

"Permitted Liens" means:

(a) any Lien existing on the Closing Date;

(b) any landlord's, workmen's, carriers', warehousemen's, mechanics', materialmen's, repairmen's or other Liens arising in the ordinary course of business (excluding, for the avoidance of doubt, Liens in connection with any Debt);

(c) any Lien on any property or assets (including Capital Stock of any Person) securing Debt incurred solely for purposes of financing all or part of the cost of the acquisition, construction, improvement or expansion of such property or assets after the date of the Indenture; provided that (i) the aggregate principal amount of Debt secured by the Liens will not exceed (but may be less than) the cost (i.e., purchase price) of the property or assets so acquired, constructed or improved and (ii) the Lien is incurred before, or within 360 days after the completion of, such acquisition, construction, improvement or expansion and does not encumber any other property or assets of GS Finance, the Company or any Subsidiary Guarantor; and provided, further, that to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the Person so acquired;

(d) any Lien securing Debt for the purpose of financing all or part of the cost of the acquisition, construction, development or expansion of a part of or consisting of a real estate project or other project; provided that the Liens in respect of such Debt are limited to assets (including Capital Stock of the project entity) and/or any current and future revenues of such project; and provided, further, that the Lien is incurred before, or within 360 days after the completion of, that acquisition, construction or development and does not apply to any other property or assets of GS Finance, the Company or any Subsidiary Guarantor;

(e) pledges or deposits in connection with workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits, letters of credit and performance, surety, appeal or similar bonds in connection with bids, tenders, contracts (other than for payment of Debt) or leases to which the Company or any of its Subsidiaries is a party, or deposits for the payment of rent, in each case incurred in the ordinary course of business;

(f) easements, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Company;

(g) any Lien arising solely by virtue of any statutory or common law provision relating to bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; *provided, however* that such deposit account is not a dedicated cash collateral account and is not intended by the Company or any Subsidiary to provide collateral to such depository institution;

(h) any Lien with respect to Debt of the Company or its Subsidiaries incurred in connection with financing provided by BNDES, directly or through agents, solely for the development of Greenfield Projects; provided that such Lien will not extend to cover any property or assets other than such items of property or assets and any improvements on such items comprising the Greenfield Projects;

(i) any Lien on the property or assets of the Company or any of its Subsidiaries arising in the ordinary course of business to secure performance of obligations with respect to performance or return-of-money bonds, surety bonds or other obligations of a similar nature, in each case, which are not incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Company and its Subsidiaries, taken as a whole;

(j) any Lien in favor of GS Finance, the Company or any Subsidiary Guarantor;

(k) any Lien on any property or asset existing thereon at the time of acquisition of such property or asset, including any Lien on any property or assets acquired from a Person which is merged with or into the Company or any of its Subsidiaries, or any Lien on the property or assets of any Person or other entity existing at the time such Person or other entity becomes a Subsidiary, and not created in connection with such acquisition;

(l) any Lien securing an extension, renewal or refunding of Debt secured by any Lien referred to in (a), (c), (d), (h), (j) or (k) above; provided that such new Lien is limited to the property which was subject to the prior Lien immediately before such extension, renewal or refunding; provided further that the principal amount of Debt secured by the prior Lien immediately before such extension, renewal or refunding is not increased;

(m) (i) any inchoate Lien for taxes, assessments or governmental charges or levies not yet due (including any relevant extensions), (ii) any Lien arising or incurred in connection with judgments or assessments under circumstances not constituting an Event of Default or (iii) any Lien in the form of a tax or other statutory Lien or any other Lien arising by operation of law; provided that any such Lien will be discharged within 90 days after the date it is created or arises (unless contested in good faith);

(n) Liens arising in connection with Receivables Transactions; provided that the aggregate principal amount of Debt incurred that is secured by receivables that will fall due in any calendar year shall not exceed 50% of the Company's consolidated gross revenues for the immediately preceding calendar year; or

(o) any other Lien on the assets of the Company or of any of its Subsidiaries created, incurred or assumed after twenty four (24) months from the Closing Date; provided that on the date of the creation, incurrence or assumption of such Lien, the Debt secured by such Lien, together with all of the Company's Debt secured by any Lien under this clause (o) and together with the Attributable Value of all Sale and Lease-Back Transactions of the Company and its Subsidiaries, will have an aggregate principal amount outstanding of no greater than 15% of the Company's total Consolidated Net Tangible Assets at the time any such Debt is secured by the Company or any of its Subsidiaries and/or any such Sale and Lease-Back Transaction is entered into by the Company or any of its Subsidiaries.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock" means, with respect to the Capital Stock of any Person, Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Rating Agency" means Moody's, S&P or Fitch; provided that if any of Moody's, S&P or Fitch ceases to provide rating services to issuers or investors, the Company may appoint a replacement therefor, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by GS Finance shall be substituted for Moody's, S&P or Fitch or any or all of them, as the case may be.

"Rating Decline" will be deemed to have occurred if any of the Rating Agencies assigns a local or international rating in respect of the Bonds, on any date during the period (the "Trigger Period") commencing 60 days prior to the first public announcement by the Company of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of such Change of Control for so long as any Rating Agency has publicly announced that it is considering a possible ratings change), that is lower than its rating on the Bonds as of commencement of the Trigger Period.

"Real," "reais" or "R$" means the lawful currency of Brazil.

"Receivables Transaction" means any securitization, factoring, discounting or similar financing transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to any Person, or may grant a security interest in, any receivables (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such receivables, all contracts and all guarantees or other obligations in respect of such receivables, the proceeds of such receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with securitization, factoring or discounting involving receivables.

"Regulation S Global Bond" has the meaning specified under "Form of Bonds—Form and Registration."

"Related Business" means any business conducted by the Company and its Subsidiaries on the Closing Date and any business related, ancillary or complementary thereto (including, without limitation, any shopping center business).

"Relevant Date" has the meaning specified under "—Additional Amounts."

"Restricted Global Bond" has the meaning specified under "Form of Bonds—Form and Registration."

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies Inc., and its successors.

"Sale and Lease-Back Transaction" means any transaction or series of related transactions pursuant to which the Company or any Subsidiary Guarantor sells or transfers any property or asset to any person and takes back, or intends to take back, a lease of that property or asset pursuant to which the rental payments are calculated to amortize the purchase price of that property or asset substantially over the useful life thereof and that property or asset is in fact so leased.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC (but after replacing the references in such rule to "10 percent" with "5 percent").

"Stated Maturity" means, with respect to any Debt, the date specified in such Debt as the fixed date on which the final payment of principal of such Debt is due and payable, including, with respect to any principal amount which is then due and payable pursuant to any mandatory redemption provision, the date specified for the payment thereof (but excluding any provision providing for the repurchase of any such Debt upon the happening of any contingency unless such contingency has occurred).

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with Brazilian GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity:

(1) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held; or

(2) that is, as of such date, otherwise controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary Guarantors" means, when used with respect to the Bonds, (a) each of ABK do Brasil Empreendimentos e Participações Ltda., Ast Administradora e Incorporadora Ltda., Atlas Participações Ltda., Bac Administradora e Incorporadora Ltda., BR Outlet Administradora e Incorporadora Ltda., Brassul Shopping Administradora e Incorporadora Ltda., Bud Administradora e Incorporadora Ltda., Cly Administradora e Incorporadora Ltda., Delta Shopping Empreendimentos Imobiliários Ltda., Energy Comércio e Serviços de Energia Ltda., Fonte Administradora e Incorporadora Ltda., Intesp Shopping Administradora e Incorporadora Ltda., I Park Estacionamentos Ltda., Jud Administradora e Incorporadora Ltda., Levian Participações e Empreendimentos Ltda., Lumen Shopping Administradora e Incorporadora Ltda., Lux Shopping Administradora e Incorporadora Ltda., Manzanza Consultoria e Administração de Shopping Centers Ltda., Nova União Administradora e Incorporadora S.A., Park Shopping Administradora Ltda., Paulis Shopping Administradora e Incorporadora Ltda., Poli Shopping Center Empreendimentos Ltda., PP Administradora e Incorporadora Ltda., Premium Outlet Administradora e Incorporadora Ltda., Sale Empreendimentos e Participações Ltda., Securis Administradora e Incorporadora Ltda., Send Empreendimentos e Participações Ltda., Sulishopping Empreendimentos Ltda., Uniplaza Empreendimentos, Participações e Administração de Centros de Compra Ltda., Vide Serviços e Participações Ltda., Vul Administradora e Incorporadora Ltda., Wass Comércio e Serviços de Águas Ltda. and Zuz Administradora e Incorporadora Ltda. and (b) each other Person that is required to become a Subsidiary Guarantor pursuant to the provision described under "—Future Subsidiary Guarantors" by the terms of the Indenture after the Closing Date.

"Trustee" means the trustee named in the introductory paragraphs of this "Description of Bonds" section or its successor as trustee under the Indenture.

"United States" means the United States of America.

"Unrestricted Subsidiaries" means (a) Internacional Guarulhos Auto Shopping Center Ltda. and General Shopping Brasil Administradora e Serviços Ltda.; provided that, in either case, such company is not a Significant Subsidiary at any time of determination and (b) any Subsidiary of either such company that is not a Significant

Subsidiary and that has as its corporate purpose the management of its own and third party-owned properties, office space management services, building management services and other complementary services.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States is pledged and that are not callable or redeemable at the issuer's option.

"Voting Stock" means, with respect to a Person, all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding that are entitled (without regard to the occurrence of any contingency) to vote in the election of the directors of such Person, but excluding such classes of Capital Stock or other interests that are entitled, as a group in a separate cast, to appoint one director of such Person as representative of the minority shareholders.

FORM OF BONDS

Form and Registration

The bonds will be represented by Regulation S Global Bonds (as defined below) and Restricted Global Bonds (as defined below) (each sometimes referred to herein as a "Global Bond" and together referred to herein as the "Global Bonds").

Bonds sold outside the United States in reliance on Regulation S will be represented by one or more Global Bonds in definitive, fully registered form without interest coupons (collectively, the "Regulation S Global Bond") and will be deposited with the Trustee, as custodian for DTC, and registered in the name of DTC or its nominee for the accounts of Euroclear and Clearstream (as indirect participants in DTC).

Bonds sold in reliance on Rule 144A under the Securities Act initially will be represented by one or more Global Bonds in definitive, fully registered form without interest coupons (collectively, the "Restricted Global Bond") and will be deposited with the Trustee, as custodian for DTC and registered in the name of DTC or its nominee. The Bonds will be subject to certain restrictions on transfer and will bear a legend to that effect as described under "Notice to Investors."

Beneficial interests in the Regulation S Global Bond may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Bond only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a person that the transferor reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Beneficial interests in the Restricted Global Bond may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Bond only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.

Any beneficial interest in one of the Global Bonds that is transferred to a person who takes delivery in the form of an interest in the other Global Bond will, upon transfer, cease to be an interest in such Global Bond and become an interest in the other Global Bond and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Bond for as long as it remains such an interest.

Global Bonds

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them. None of GS Finance, the Company, any Subsidiary Guarantor or the initial purchasers take any responsibility for these operations and procedures and urge investors to contact the systems or their participants directly to discuss these matters.

Upon the issuance of the Regulation S Global Bond and the Restricted Global Bond, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Global Bond to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a Global Bond will be limited to persons who have accounts with DTC ("DTC Participants") or persons who hold interests through DTC Participants. Ownership of beneficial interests in the Global Bonds will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

So long as DTC or its nominee is the registered owner or holder of a Global Bond, DTC, or such nominee, as the case may be, will be considered the sole owner or holder of the bonds represented by such Global Bond for all purposes under the Indenture. No beneficial owner of an interest in a Global Bond will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture.

Investors may hold their interests in the Regulation S Global Bond directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold interests in the Regulation S Global Bond on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which in turn will hold such interests in the Regulation S Global Bond in customers' securities accounts in the depositaries' names on the books of DTC. Investors that are qualified institutional buyers may hold their interests in the Restricted Global Bond directly through DTC if they are DTC Participants, or indirectly through organizations that are DTC Participants.

Payments of the principal and interest and any Additional Amounts on individual bonds represented by a Global Bond registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the Global Bond representing such bonds. None of GS Finance, the Company, any Subsidiary Guarantor, the initial purchasers, the Trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Bonds or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests. Such persons expect that DTC or its nominee, upon receipt of any payment of principal, interest, Additional Amounts, if any, or premium, if any, in respect of a Global Bond representing any bonds held by it or its nominee, will credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Bond as shown on the records of DTC or its nominee. Such persons also expect that payments by DTC Participants to owners of beneficial interests in such Global Bond held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC rules and procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and procedures.

The laws of some states require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a Global Bond to such persons may be limited because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks. Accordingly, the ability of a person having a beneficial interest in a Global Bond to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of each interest, may be affected by the lack of a physical certificate for such interest.

Subject to compliance with the transfer restrictions applicable to the bonds described above and under "Notice to Investors", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules and procedures on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels, Belgium time).

In order to ensure the availability of Rule 144 under the Securities Act, the Indenture will provide that all bonds which are purchased or otherwise acquired by GS Finance or any of its Affiliates may not be resold or otherwise transferred.

DTC has advised that it will take any action permitted to be taken by a holder of bonds (including, without limitation, the presentation of bonds for transfer, exchange or conversion as described below) only at the direction of one or more DTC Participants to whose account with DTC interests in the Global Bonds are credited and only in respect of such portion of the aggregate principal amount of the bonds as to which such Participant or Participants has or have given such direction. However, in the limited circumstances described herein, DTC will exchange the Global Bonds for certificated bonds in definitive form, which it will distribute to DTC Participants and which, if representing interests in the Restricted Global Bond, will be legended as set forth under "Notice to Investors." See "—Certificated Bonds."

DTC has further advised as follows: DTC will act as the depositary for the bonds. The bonds will be issued as fully registered senior bonds registered in the name of Cede & Co., which is DTC's partnership nominee. Fully registered Global Bonds will be issued for the bonds, in the aggregate principal amount of the issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes to participants' accounts, thereby eliminating the need for physical movement of certificates. Direct participants of DTC include securities brokers and dealers, including the initial purchasers of the bonds, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to indirect participants, which includes securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

To facilitate subsequent transfers, all Global Bonds representing the bonds which are deposited with, or on behalf of, DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of Global Bonds with, or on behalf of, DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Global Bonds representing the bonds; DTC's records reflect only the identity of the direct participants to whose accounts the bonds are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Global Bonds representing the bonds. Under its usual procedure, DTC mails an omnibus proxy to GS Finance as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the bonds are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

DTC may discontinue providing its services as securities depositary with respect to the bonds at any time by giving reasonable notice to GS Finance or the Trustee. Under such circumstances, in the event that a successor securities depositary is not obtained, certificated bonds are required to be printed and delivered. See "—Certificated Bonds."

Under certain circumstances, GS Finance may decide to discontinue use of the system of book-entry transfers through DTC or a successor securities depositary. In that event, certificated bonds will be printed and delivered. See "—Certificated Bonds."

Although DTC, Euroclear and Clearstream have agreed to the procedures described above in order to facilitate transfers of interests in the Global Bonds among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. Neither the Trustee nor GS Finance will have any liability or responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated Bonds

If (i) DTC is at any time unwilling or unable to continue as a depositary for the Global Bonds and a successor depositary is not appointed by GS Finance within 90 days or (ii) an Event of Default will have occurred and be continuing and the beneficial holder of a bond will have requested that GS Finance issue to such beneficial holder its proportionate interest in a Global Bond, GS Finance will issue certificated bonds which may bear the legend referred to under "Notice to Investors," in exchange for the Global Bonds. Holders of an interest in a Global Bond may receive certificated bonds, which may bear the legend referred to under "Transfer Restrictions," in accordance with DTC's rules and procedures in addition to those provided for under the Indenture; *provided, however*, that if GS Finance is issuing certificated bonds pursuant to clause (ii) above, GS Finance will only be required to issue certificated bonds to the beneficial owners of the bonds who request certificated bonds.

The holder of a definitive bond may transfer such bond by surrendering it at the office or agency maintained by GS Finance for such purpose in the Borough of Manhattan, New York City, which initially will be the corporate trust office of the Trustee. Upon the transfer, exchange or replacement of definitive bonds bearing the legend, or upon specific request for removal of the legend on a definitive bond, GS Finance will deliver only definitive bonds that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to GS Finance such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by GS Finance, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Neither the Trustee nor any paying agent, registrar or transfer agent will be required to register the transfer of or exchange definitive bonds for a period from the record date to the due date for any payment of principal of, or interest on, the bonds or register the transfer of or exchange any bonds for 15 days prior to selection for redemption through the date of redemption. For so long as the bonds are listed on the Official List of the Luxembourg Stock Exchange and the rules of such exchange so require, in the case of a transfer or exchange of definitive registered bonds, a holder thereof may effect such transfer or exchange by presenting and surrendering such bonds at, and obtaining new definitive registered bonds from the office of the Luxembourg Transfer Agent. In the case of a transfer of only part of a definitive registered bond, a new definitive bond in respect of the balance of the principal amount of the definitive registered bond transferred will be delivered at the office of the Luxembourg Transfer Agent, and in the case of any lost, stolen, mutilated or destroyed definitive registered bond, a holder thereof may obtain a new definitive registered bonds from the Luxembourg Transfer Agent.

Prior to presentment of a bond for registration of transfer (including a Global Bond), GS Finance, the Trustee and any agent of GS Finance or the Trustee may treat the person in whose name such bond is registered as the owner or holder of such bond for the purpose of receiving payment of principal, interest and any Additional Amounts on such Bond and for all other purposes whatsoever, whether or not such Bond is overdue, and none of GS Finance, the Trustee or any agent of GS Finance will be affected by notice to the contrary.

NOTICE TO INVESTORS

The bonds (including the guarantees) have not been registered, and will not be registered, under the U.S. Securities Act or any other applicable securities laws, and the bonds may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the bonds are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A under the Securities Act; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of bonds (other than the initial purchasers in connection with the initial issuance and sale of bonds) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

1. It is purchasing the bonds for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non-U.S. person that is outside the United States and (c) is not (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, or (c) any entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan's investment in such entity (each of (a), (b) and (c), an "ERISA Plan").

2. It acknowledges that the bonds have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

3. It understands and agrees that bonds initially offered in the United States to qualified institutional buyers will be represented by one or more global bonds and that bonds offered outside the United States in reliance on Regulation S will also be represented by one or more global bonds.

4. It will not resell or otherwise transfer any of such bonds except (a) to General Shopping, (b) within the United States to a qualified institutional buyer that is not an ERISA Plan in a transaction complying with Rule 144A under the Securities Act to a person that is not an ERISA Plan, (c) outside the United States in compliance with Rule 903 or 904 under the Securities Act, (d) pursuant to an exemption from registration (if available) to a person that is not an ERISA Plan or (e) pursuant to an effective registration statement under the Securities Act.

5. It agrees that it will give to each person to whom it transfers the bonds notice of any restrictions on transfer of such bonds.

6. It acknowledges that prior to any proposed transfer of bonds (other than pursuant to an effective registration statement or in respect of bonds sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such bonds may be required to provide certifications relating to the manner of such transfer as provided in the indenture.

7. It acknowledges that the trustee, registrar or transfer agent for the bonds will not be required to accept for registration transfer of any bonds acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar or transfer agent that the restrictions set forth herein have been complied with.

8. It acknowledges that we, the initial purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the

bonds are no longer accurate, it will promptly notify us and the initial purchasers. If it is acquiring the bonds as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations, and agreements on behalf of each account.

Legends

The following is the form of restrictive legend which will appear on the face of the Rule 144A global bond, and which will be used to notify transferees of the foregoing restrictions on transfer:

"This Bond has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this Bond, agrees that this Bond or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (i) to General Shopping Finance Limited or General Shopping Brasil S.A., (ii) so long as this Bond is eligible for resale pursuant to Rule 144A under the Securities Act ("Rule 144A"), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (iii) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction.

The foregoing legend or any portion thereof may be removed from this Bond solely in the discretion and at the direction of General Shopping Finance Limited or General Shopping Brasil S.A."

The following additional paragraph will appear on the face of the Rule 144A global bond and will be used to notify transferees of the foregoing restrictions on transfer:

"This Bond may not be purchased by or transferred to (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, or (c) any entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan's investment in such entity, in the absence of registration of the Bond under the U.S. Securities Act of 1933, as amended (the "Securities Act").

The holder hereof, by purchasing this Bond, represents and agrees that it will notify any purchaser of this Bond from it of the resale restrictions referred to above.

The foregoing legend or any portion thereof may be removed from this Bond solely in the discretion and at the direction of General Shopping Finance Limited or General Shopping Brasil S.A."

The following is the form of restrictive legend which will appear on the face of the Regulation S global bond and which will be used to notify transferees of the foregoing restrictions on transfer:

"This Bond has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this Bond, agrees that neither this Bond nor any interest or participation herein may be offered, resold, pledged or otherwise transferred in the absence of such registration unless such transaction is exempt from, or not subject to, such registration.

The foregoing legend or any portion thereof may be removed from this Bond after 40 days beginning on and including the later of (a) the date on which the Bonds are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and (b) the original issue date of this Bond."

The following additional paragraph will appear on the face of the Regulation S global bond and will be used to notify transferees of the foregoing restrictions on transfer:

"This Bond may not be purchased or transferred to (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, or (c) any entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan's investment in such entity, in the absence of registration of the Bond under the U.S. Securities Act of 1933, as amended (the "Securities Act").

The foregoing legend may be removed from this Bond solely in the discretion and at the direction of General Shopping Finance Limited or General Shopping Brasil S.A."

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interest in global bonds and certificated bonds, see "Form of Bonds."

TAXATION

The following discussion summarizes certain Brazilian, U.S. federal income, European Union and Cayman Islands tax considerations that may be relevant to the ownership and disposition of the bonds. This summary is based on laws and regulations now in effect in Brazil, the United States and the Cayman Islands, and a Directive of the European Union, each of which may change (possibly on a retroactive basis). This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of investing in and holding the bonds, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

There currently are no income tax treaties between Brazil and the United States. Although the tax authorities of Brazil and the United States have had discussions that may culminate in such a treaty, we cannot assure you as to whether or when a treaty will enter into force or how such a treaty would affect holders of the bonds.

Brazilian Tax Considerations

There currently are no income tax treaties between Brazil and the United States. Although the tax authorities of Brazil and the United States have had discussions that may culminate in such a treaty, we cannot assure you as to whether or when a treaty will enter into force or how such a treaty would affect holders of the bonds.

Brazilian Tax Considerations

The following discussion is a summary of the Brazilian tax considerations relating to an investment in the bonds by an individual, entity, trust or organization considered as resident or domiciled outside Brazil for tax purposes ("Non-Resident Holder"). The discussion is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in Brazilian law that may come into effect after such date. The information set forth below is intended to be a general discussion only and does not address all possible tax consequences relating to an investment in the bonds and does not address any tax consequences under the tax laws of any state or locality of Brazil. Prospective investors should consult their own tax advisers as to the consequences of purchasing the bonds, including, without limitation, the consequences of the receipt of interest and the sale, redemption or repayment of the bonds.

Payments on the bonds made by GS Finance and gains on the bonds

Generally, a holder that is a Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil. Therefore, based on the fact that GS Finance is considered for tax purposes as domiciled abroad, any income (including interest and original issue discount) paid by GS Finance in respect of the bonds issued by it in favor of Non-Resident Holders should not be subject to withholding or deduction in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by such entity outside of Brazil.

According to article 26 of Law No. 10,833, enacted on December 29, 2003, capital gains realized on the disposition of assets located in Brazil by a Non-Resident Holder to another non-Brazilian resident made outside Brazil, are subject to taxation in Brazil. Based on the fact that the bonds are issued by a company located abroad we believe that the bonds will not fall within the definition of assets located in Brazil for the purposes of Law No. 10,833, and that gains on the sale or other disposition of the bonds made outside Brazil by a Non-Resident Holder to another non-Brazilian resident would not be subject to Brazilian taxes. Nevertheless, considering the general and unclear scope of Law No. 10,833 and the absence of judicial guidance in respect thereof, we cannot guarantee prospective investors that this interpretation will ultimately prevail in the Brazilian courts.

Gains recognized by a Non-Resident Holder from the sale or other disposition of the bonds to (i) a non-resident in Brazil in case the bonds are deemed to be located in Brazil or (ii) a resident in Brazil may be subject to income tax in Brazil at a rate of 15%, or 25%, if such Non-Resident is located in a country which does not impose any income tax or which impose it at a maximum rate lower than 20% ("Low or Nil Tax Jurisdiction") or in a country or location where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents), unless a lower rate is provided for in an applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled.

Payments on the bonds made from the Guarantors

If, by any chance a Brazilian source is required, as a guarantor, to assume the obligation to pay any amount in connection with the bonds to a Non-Resident Holder, Brazilian tax authorities could attempt to impose withholding income tax at the rate of 15% or 25%, the rate being variable depending on the nature of the payment and the location of the respective Non-Resident Holder. In this circumstance, another income tax rate may be provided for in an applicable tax treaty between Brazil and the country of residence of the beneficiary. There is some uncertainty regarding the applicable tax treatment to payments of the principal amount by the guarantor to a Non-Resident Holder. Although there is an argument according to which such payments made by the guarantor do not convert the nature of the payment from principal into taxable income, there are no precedents from Brazilian courts endorsing that position and it is not possible to assure that such argument would prevail in court.

Discussion on Low or Nil Tax Jurisdictions

On June 4, 2010 Brazilian tax authorities enacted Normative Ruling No. 1,037 of June 4, 2010 listing all such Low or Nil Tax Jurisdictions. As Brazilian tax laws change, we cannot assure you whether subsequent legislation will extend such concept to the tax treatment of a Non-Resident Holder described above. We advise you to seek a tax expert and be assure of the tax consequences when investing in the bonds.

Other Tax considerations

Tax on Foreign Exchange Transactions (Imposto sobre Operaçõs de Crédito, Câmbio e Seguro, ou Relativas a Títulos e Valores Mobiliários), or IOF/ Exchange, may apply in case payments are made from Brazil. Pursuant to Decree No. 6,306, of December 14, 2007, the conversion of foreign currency into Brazilian reais and the conversion of Brazilian reais into foreign currency are subject to the IOF/Exchange, including foreign exchange transactions in connection with payments made by a Brazilian guarantor under the guarantee to Non-Resident Holders.

Currently, the IOF/Exchange rate is 0.38% for most foreign exchange transactions. Additionally, the rate is 5.38% for the conversion of foreign loans with a term of 90 days or less into Brazilian currency. Other rates may apply to specific transactions. In any case, the federal Government may increase the current IOF/Exchange rate at any time, up to a maximum rate of 25%. Any such new rate would only apply to future foreign exchange transactions.

Generally, there is no stamp, transfer or other similar tax in Brazil with respect to the transfer, assignment or sale of any debt instrument outside Brazil (including the bonds) nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the bonds, except for gift and inheritance taxes imposed in some states of Brazil on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such Brazilian states.

THE ABOVE DESCRIPTION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

U.S. Federal Income Taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THE OFFERING MEMORANDUM OR ANY DOCUMENT REFERRED TO HEREIN IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY PROSPECTIVE HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

General

The following discussion summarizes the material U.S. federal income tax consequences of the purchase, ownership and disposition of the bonds. It applies only to U.S. Holders (as defined below) that acquire bonds in this offering and hold the bonds as capital assets (generally, for investment purposes). This section does not apply to a member of a special class of holders subject to special rules, including:

- A dealer in securities or currencies,
- A trader in securities that elects to use a mark-to-market method of accounting for securities holdings,
- A tax-exempt organization,
- A life insurance company,
- A financial institution,
- A person liable for alternative minimum tax,
- A person that owns, or has owned, directly, indirectly or constructively 10.0% or more (by vote or value) of the equity (including bonds treated as equity for U.S. federal income tax purposes) of GS Finance,
- A person that holds the bonds as part of a straddle or a hedging or conversion transaction, or
- A U.S. Holder (as defined below) whose functional currency is not the U.S. dollar.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations, and published rulings and court decisions, all as in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect.

A “U.S. Holder” is a beneficial owner of the bonds who is:

- A citizen or individual resident of the United States,
- A corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States or any State thereof (including the District of Columbia),
- An estate whose income is subject to United States federal income tax regardless of its source, or
- A trust (i) if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust, or (ii) that validly elects to be treated as a United States person for U.S. federal income tax purposes.

If a partnership or other pass-thru entity holds the bonds, the United States federal income tax treatment of a partner, beneficiary, or other stakeholder will generally depend on the status of that person and the tax treatment of the pass-thru entity. A partner, beneficiary, or other stakeholder in a pass-thru entity holding the bonds should consult its own tax adviser with regard to the United States federal income tax treatment of its investment in the bonds.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS TAX ADVISERS AS TO THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

Classification of the Bonds

Under applicable law, the tax characterization of an instrument, such as the bonds, as debt or equity for U.S. federal income tax purposes is based on the facts and circumstances existing when the instrument is issued. Although no single factor is dispositive, instruments that are perpetual in duration generally are treated as equity for U.S. federal income tax purposes. Based on the application of the applicable law to the facts and circumstances existing with respect to the bonds, GS Finance intends to treat the bonds as equity interests for U.S. federal income tax purposes. Accordingly, the indenture requires the holders of the bonds, and each holder by its purchase of the bonds will acknowledge and agree, to treat the bonds as equity interests for all U.S. federal, state and local income tax purposes. The balance of this discussion assumes that the bonds will be so treated, and refers to interest payments on the bonds as distributions. If, as intended, the bonds are treated as equity for U.S. federal income tax purposes, the following U.S. federal income tax treatment will apply.

Distributions on Bonds

In general, subject to the passive foreign investment company ("PFIC") rules discussed below, a distribution on the bonds (and any Additional Amounts) will constitute a dividend for U.S. federal income tax purposes to the extent that it is made from GS Finance's current or accumulated earnings and profits as determined under U.S. federal income tax principles. If a distribution exceeds the amount of GS Finance's current and accumulated earnings and profits, it will be treated as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in the bonds on which it is paid, and to the extent it exceeds that basis it will be treated as capital gain. Because GS Finance does not intend to compute earnings and profits under U.S. federal income tax principles, all distributions on the bonds generally will be presumed to be taxable dividends for U.S. federal income tax purposes.

A distribution on the bonds generally will be foreign source income for U.S. foreign tax credit purposes, and should generally constitute "passive category income." The rules with respect to the application of the foreign tax credit to a U.S. Holder are complex, and U.S. Holders are urged to consult their own tax advisers regarding the availability of the foreign tax credit under their particular circumstances and particular limitations that may be applicable to them.

Under current law, dividends received in taxable years beginning on or after January 1, 2011 by individual United States investors will be subject to U.S. federal income tax as ordinary income. Distributions on the bonds will not be eligible for the dividends received deduction generally available to U.S. Holders that are corporations.

Sale, Redemption, or other Disposition of Bonds

In general, a U.S. Holder will recognize gain or loss upon the sale, redemption, or other disposition of the bonds equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in its bonds. Subject to the PFIC rules discussed below, a U.S. Holder's tax basis will equal the amount paid for its bonds. Gain or loss recognized by a U.S. Holder generally will be treated as U.S. source gain or loss, as the case may be. Subject to the PFIC rules discussed below, gain or loss on the disposition of bonds will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder held the bonds for more than one year. Generally, an individual U.S. Holder may be entitled to preferential rates of taxation for net long-term capital gains; however, the deductibility of capital losses is limited under the Code.

Passive Foreign Investment Company

A non-U.S. corporation will be considered a PFIC for any taxable year in which (1) 75% or more of its gross income is "passive income" under the PFIC rules or (2) 50% or more of the average quarterly value of its assets produce (or are held for the production of) "passive income." For this purpose, "passive income" generally includes interest, dividends, rents, royalties and certain gains, but an exception is provided under U.S. Treasury regulations under which certain "active rental income" is not considered passive income for purposes of determining whether a non-U.S. corporation is a PFIC. Moreover, if the non-U.S. corporation owns, directly or indirectly, at least 25%, by value, of the shares of another corporation, it will be treated as if it holds directly its proportionate share of the assets and receives directly its proportionate share of the income of such other corporation.

The determination as to whether a non-U.S. corporation is a PFIC is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and the determination will depend on the composition of the income, expenses and assets of the non-U.S. corporation from time to time and the nature of the activities performed by its officers and employees. In particular, our PFIC status for any taxable year will likely depend upon the extent to which lease revenue from our shopping malls is considered "active rental income," an analysis that raises uncertainties in application and interpretation. For this reason, it is possible that we may be treated as a PFIC during the current taxable year. However, our actual PFIC status for any taxable year is not determinable until after the end of such taxable year. Because of the above described uncertainties, it is also possible that we may be a PFIC in a future taxable year.

As described below, adverse tax consequences could apply to a U.S. Holder owning an equity interest in a PFIC unless the holder makes a timely "qualified electing fund" election (a "QEF election") with respect to its interest in the PFIC. Consequently, if GS Finance were to be classified as a PFIC, it would be likely advantageous for a U.S. Holder to elect to treat GS Finance as a "qualified electing fund" (a "QEF") with respect to such U.S. Holder in the first year in which it holds the bonds. If a U.S. Holder makes a timely QEF election with respect to GS Finance, the electing U.S. Holder would be required in each taxable year to include in gross income (i) as ordinary income, the U.S. Holder's pro rata share of the ordinary earnings of GS Finance and (ii) as capital gain, the U.S. Holder's pro rata share of the net capital gain (if any) of GS Finance, whether or not the ordinary earnings or net capital gain are distributed. An electing U.S. Holder's basis in the bonds will be increased to reflect the amount of any taxed but undistributed income. Distributions of income that had previously been taxed will result in a corresponding reduction of basis in the bonds and will not be taxed again as distributions to the U.S. Holder.

GS Finance does not expect to have material earnings for these purposes that are not distributed currently on the bonds. Thus, were it to be classified as a PFIC, U.S. Holders that make QEF elections with respect to GS Finance would generally be expected to have taxable income on the bonds in materially the same amount and at materially the same time as if GS Finance were not a PFIC. A U.S. Holder could, however, experience some acceleration of income as a result of making a QEF election if the holder's taxable year differs from a calendar year.

We intend to provide, upon request, all information and documentation that a U.S. Holder is required to obtain to make a QEF election, as well as a "PFIC Annual Information Statement" that provides information with respect to a U.S. Holder's pro rata share of GS Finance's ordinary earnings and net capital gain for the taxable year.

If GS Finance were to be classified as a PFIC, a U.S. Holder that does not make a timely QEF election would be required to report any gain on the disposition of any bonds as ordinary income, rather than as capital gain, and to compute the tax liability on the gain and any "Excess Distribution" (as defined below) received in respect of the bonds as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a portion thereof) for the bonds. The U.S. Holder would be subject to tax on such items at the highest ordinary income tax rate for each taxable year, other than the current year (for which the U.S. Holder would be subject to tax at its regular ordinary income tax rate), in which the items were treated as having been earned, regardless of the rate otherwise applicable to the U.S. Holder. Further, the U.S. Holder would also be liable for a non-deductible interest charge as if the income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of the bonds as security for a loan may be treated as a taxable disposition of the bonds. An "Excess Distribution" is the amount by which distributions during a taxable year in respect of a bond exceed 125% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the bonds).

The U.S. federal income tax on any gain on disposition or receipt of Excess Distributions may be substantially greater than the tax if a timely QEF election is made. It is recommended that, if GS Finance were to be classified as a PFIC, a U.S. Holder make a QEF election with respect to the bonds.

Recently enacted legislation creates an additional annual filing requirement for U.S. persons who are shareholders in a PFIC. The legislation does not describe what information will be required to be included in the additional annual filing, but rather grants the Secretary of the U.S. Treasury authority to decide what information must be included in such annual filing. U.S. Holders should consult their own tax advisers concerning annual filing requirements.

Alternatively, if GS Finance were to be classified as a PFIC, a U.S. Holder can also avoid the rules described above by making a mark-to-market election (instead of a QEF election), provided the bonds are treated as regularly traded on a qualified exchange or other market within the meaning of the applicable Treasury regulations. U.S. Holders should consult their own tax advisers regarding the potential availability and consequences of a mark-to-market election, as well as the advisability of making a protective QEF election in case GS Finance is classified as a PFIC in any taxable year.

Information Reporting and Backup Withholding

Dividends paid on, and proceeds from the sale or other disposition of, the bonds to a U.S. Holder, generally may be subject to information reporting requirements and may be subject to backup withholding at the appropriate rate unless the U.S. Holder provides an accurate taxpayer identification number and complies with applicable certification requirements, or otherwise demonstrates that it is exempt. The amount of any backup withholding collected from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that certain required information is submitted to the Internal Revenue Service in a timely manner.

Recent Legislative Developments

For taxable years beginning after 18 March 2010, new legislation requires certain U.S. Holders who are individuals to report information relating to an interest in the bonds, subject to certain exceptions (including an exception for bonds held in accounts maintained by certain financial institutions). U.S. Holders are urged to consult their own tax advisers regarding the effect, if any, of new U.S. federal income tax legislation on their ownership and disposition of the bonds.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES APPLICABLE TO THEIR PARTICULAR SITUATIONS.

European Union Directive on Taxation of Savings Income

The European Union has adopted a Directive regarding the taxation of savings income (EC Council Directive 2003/48/EC; the "EU Tax Directive"). Countries that are member states of the European Union ("Member States") are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria and Luxembourg have instead opted to impose a withholding system for a transitional period unless during such period they elect otherwise.

In certain circumstances, the withholding tax provisions of the EU Tax Directive may apply to payments on bonds that are made or received in Austria or Luxembourg. Holders may be able to take steps to keep payments from being subject to such withholding tax, for example, by authorizing their paying agent to report the payments and/or by presenting a certificate issued by the competent authority of their Member State of residence for tax purposes (as provided by the EU Tax Directive), or by receiving payments from a paying agent within the European Union but outside Austria and Luxembourg, although we cannot preclude the possibility that withholding tax will eventually be levied in some situations. In any event, details of payments made on bonds from a Member State will likely have to be reported to tax or other relevant authorities under the EU Tax Directive or local law, including, for example, to Member States in cases where recipients are located in the jurisdiction where payments are actually made.

Cayman Islands Taxation

The following is a discussion of certain Cayman Islands income tax consequences of an investment in the bonds. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws:

1.1 Payments of interest and principal on the bonds will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the bonds nor will gains derived from the disposal of the bonds be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

1.2 No stamp duty is payable in respect of the issue of the bonds. An instrument of transfer in respect of a bond is stampable if executed in or brought into the Cayman Islands.

GS Finance has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law

1999 Revision

Undertaking as to Tax Concessions

In accordance with the provision of section 6 of The Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with General Shopping Finance Limited ("the **Company**").

1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

2.1 On or in respect of the shares, debentures or other obligations of the Company;

OR

2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

3. These concessions shall be for a period of twenty years from the date of this undertaking.

CERTAIN ERISA CONSIDERATIONS

General

The Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975 of the Code impose certain restrictions on (a) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (b) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans, (c) any entities whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan's investment in such entities (each of (a), (b) and (c), an "ERISA Plan") and (d) persons who have certain specified relationships to ERISA Plans ("Parties in Interest" under ERISA and "Disqualified Persons" under the Code). Moreover, based on the reasoning of the United States Supreme Court in John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank, 510 U.S. 86 (1993), an insurance company's general account may be deemed to include assets of the ERISA Plan investing in the general account (e.g., through the purchase of an annuity contract), and such insurance company might be treated as a Party in Interest with respect to an ERISA Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of ERISA Plans subject to ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions between an ERISA Plan and Parties in Interest or Disqualified Persons with respect to such ERISA Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

ERISA Plan Assets Regulation

The United States Department of Labor has issued a regulation, 29 C.F.R. 2510.3-101 that was modified by Section 3(42) of ERISA (the "Plan Assets Regulation"), that provides, under specified circumstances, that the assets of GS FInance would be treated as "plan assets" of an ERISA Plan for purposes of ERISA and Section 4975 of the Code if an ERISA Plan acquires an equity interest in GS Finance and if no exceptions apply. Under the Plan Assets Regulation, if an ERISA Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the 1940 Act, the ERISA Plan's assets are deemed to include both the equity interest itself and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation by "benefit plan investors" is not "significant."

If for any reason the assets of GS Finance were deemed to be "plan assets" of an ERISA Plan, certain transactions that GS Finance might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded and other provisions of ERISA could be implicated as well.

No ERISA Plans will be Permitted to Acquire a Bond

The bonds will likely constitute "equity interests" in GS Finance for purposes of the Plan Assets Regulation and there can be no assurance that any of the exceptions to the Plan Assets Regulation will apply. Therefore, in order to avoid the treatment of the assets of GS Finance as assets of any ERISA Plan, ERISA Plans, including without limitation as applicable, an insurance company general account, will not be allowed to acquire or hold any bonds.

Accordingly, each purchaser of a bond (or an interest therein) will be deemed, by its acquisition of any such interest, to have represented and warranted that it is not, and that it is not acting on behalf of, an ERISA Plan, including without limitation as applicable, an insurance company general account. Any purchase or transfer that violates the aforementioned shall be null and void ab initio.

Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), are not subject to the requirements of Title I of ERISA or Section 4975 of the Code. Accordingly, assets of such plans may be invested in the bonds without regard to the ERISA considerations described herein, subject to the provisions or other applicable federal and state law. However, any such plan that is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code is subject to the prohibited transaction rules set forth in Section 503 of the Code.

PLAN OF DISTRIBUTION

GS Finance is offering the bonds through the initial purchasers. Subject to the terms and conditions contained in a purchase agreement among GS Finance, General Shopping, the subsidiary guarantors and the initial purchasers, GS Finance has agreed to sell to the initial purchasers, and the initial purchasers have agreed to purchase from GS Finance, all of the bonds being sold pursuant to the purchase agreement.

GS Finance, General Shopping and the subsidiary guarantors have agreed, jointly and severally, to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the bonds, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their U.S. and Brazilian counsel, including the validity of the bonds, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officers' certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The expenses of the offering, not including the initial purchasers' discount, are estimated to be US$2 million and are payable by us.

No Registration of Bonds

The initial purchasers propose to offer the bonds for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A or Regulation S. The initial purchasers will not offer or sell the bonds except:

- to persons they reasonably believe to be qualified institutional buyers; or
- pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S.

Bonds sold pursuant to Regulation S may not be offered or resold in the United States or to U.S. persons (as defined in Regulation S), except under an exemption from the registration requirements of the Securities Act or under a registration statement declared effective under the Securities Act.

Each purchaser of the bonds will be deemed to have made acknowledgments, representations and agreements as described under "Notice to Investors."

Sales outside the United States

Each initial purchaser has represented and agreed that it has not offered or sold, and will not offer or sell any bonds in Brazil, except in circumstances that do not constitute a public offering or distribution under Brazilian laws and regulations. The bonds and the guarantees have not been, and will not be, registered with the CVM or publicly offered in Brazil.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each a "Relevant Member State," each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, or the "Relevant Implementation Date," it has not made and will not make an offer of bonds which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than £50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of bonds shall require GS Finance, General Shopping, the subsidiary guarantors or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purposes of this paragraph, the expression an "offer of bonds to the public" in relation to any bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the bonds to be offered so as to enable an investor to decide to purchase or subscribe the bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each initial purchaser has represented, warranted and agreed that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000, as amended, or the "FSMA") received by it in connection with the issue or sale of any bonds included in this offering in circumstances in which Section 21(1) of the FSMA does not apply to us; and it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the bonds included in this offering in, from or otherwise involving the United Kingdom.

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the bonds which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

The bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended, or the "FIEL," and, accordingly, the bonds may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the bonds are offered by GS Finance pursuant to exemptions invoked under Section 274 and Section 275 of the Securities and Futures Act, Chapter 289 of Singapore ("Securities and Futures Act"). Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the bonds will not be circulated or distributed, nor will the bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act. Where the bonds are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the bonds under Section 275 of the Securities and Futures Act except:

(1) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1) or Section 275(1A) of the Securities and Futures Act respectively, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;

(2) where no consideration is given for the transfer; or

(3) by operation of law.

This offering memorandum as well as any other material relating to the bonds which are the subject of the offering contemplated by this offering memorandum does not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The bonds will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the bonds, including, but not limited to, this offering memorandum, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The bonds are being offered in Switzerland by way of a private placement, without any public offer and only to investors who do not purchase the bonds with the intention to distribute them to the public. The investors will be individually approached by GS Finance or General Shopping from time to time. This offering memorandum as well as any other material relating to the bonds is personal and confidential and does not constitute an offer to any other person. This offering memorandum may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

No Sale of Similar Securities

GS Finance and General Shopping have agreed in the purchase agreement that we and our subsidiaries will not offer or sell any U.S. dollar-denominated debt securities in capital markets outside Brazil having a maturity in excess of one year prior to or on the 60th day following the original issuance date of the bonds, without the prior written consent of the initial purchasers.

New Issue of Bonds

The bonds are a new issue of securities with no established trading market. The initial purchasers have advised us that they presently intend to make a market in the bonds after completion of this offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice.

Application has been made to list the bonds on the Luxembourg Stock Exchange. However, none of GS Finance, General Shopping or the initial purchasers can assure you that a liquid or active public trading market for the bonds will develop. If an active trading market for the bonds does not develop, the market price and liquidity of the bonds may be adversely affected. If the bonds are traded, they may trade at a discount from their offering price, depending on prevailing interest rates, the market for similar securities, our financial performance and other factors.

Price Stabilization and Short Positions

In connection with the offering, the initial purchasers may engage in transactions that stabilize the market price of the bonds. These transactions consist of bids or purchases to peg, fix or maintain the price of the bonds. If the initial purchasers create a short position in the bonds in connection with the offering, (i.e., if they sell more bonds than are listed on the cover page of this offering memorandum), the initial purchasers may reduce that short position by purchasing bonds in the open market. Purchases of bonds to stabilize the market price or to reduce short positions may cause the market price of the bonds to be higher than they might be in the absence of such purchases.

The initial purchasers do not make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the market price of the bonds. In addition, the initial purchasers do not make any representation that they will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

The initial purchasers have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with General Shopping and its affiliates. The initial purchasers have received or will receive customary fees and commissions for these transactions.

Stamp Taxes

Purchasers of any bonds sold outside the United States may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price paid by such purchasers for such bonds.

Settlement of Offering

The bonds were delivered against payment therefor on the date specified on the cover of this offering memorandum, which is the third business day following the date of pricing of the bonds (such settlement cycle being referred to as “T+3”). You should note that trading of the bonds on the date of pricing or the next three succeeding business days may be affected by the T+3 settlement. See “Plan of Distribution.”

LEGAL MATTERS

Skadden, Arps, Slate, Meagher & Flom LLP, our U.S. counsel, Souza, Cescon Avedissian, Barrieu e Flesch Advogados, our Brazilian counsel, and Maples and Calder, our Cayman Islands counsel, will pass on the validity of the bonds and the guarantees for us. Simpson Thacher & Bartlett LLP, U.S. counsel to the initial purchasers, and Mattos Filho Veiga Filho Marrey Jr. e Quiroga Advogados, Brazilian counsel to the initial purchasers, will pass on the validity of the bonds and the guarantees for the initial purchasers.

INDEPENDENT ACCOUNTANTS

The individual and consolidated balance sheets of General Shopping Brasil S.A. as of December 31, 2009, 2008 and 2007, and the individual and consolidated statements of operations, changes in shareholders' equity, cash flows and value added for the years ended December 31, 2009 and 2008 and for the period from March 6 to December 31, 2007, all expressed in Brazilian *reais* and prepared in accordance with Brazilian GAAP, included elsewhere in this offering memorandum, have been audited by Touche Tohmatsu Auditores Independentes in accordance with audit standards applicable in Brazil, as stated in their independent auditor's reports appearing herein, which includes the following explanatory paragraphs:

- The fact that General Shopping S.A. and its subsidiaries conducted significant transactions with related parties and a portion of intercompany receivables and payables as of December 31, 2007 was not subject to financial charges. The results might be different had these transactions been conducted with unrelated parties.
- The fact that, as mentioned in note 8 to the financial statements, as of March 31, 2007, General Shopping S.A. and its subsidiaries changed the accounting practice for recognition of certain property and equipment items (land, buildings, and installations related to the shopping mall operations), which started to be accounted for based on revaluation amounts, rather than based on acquisition cost.
- The fact that the audits were conducted for the purpose of forming an opinion on the basic financial statements referred to in paragraph 1, taken as a whole. The combined statements of operations for the years ended December 31, 2007 and 2006, included in note 27, and the statements of cash flows for the period from March 6 to December 31, 2007 were presented for purposes of additional analysis and were not a required part of the basic financial statements, in conformity with Brazilian accounting practices. Such information had been submitted to the audit procedures and, in our opinion, it was fairly stated, in all material respects, in relation to the basic financial statements for the period from March 6 to December 31, 2007, taken as a whole.
- The fact that the purpose of the combined statement of operations for the years ended December 31, 2007 and 2006 was to present the results of General Shopping Brasil S.A., established on March 6, 2007, as if it had existed since January 1, 2006. Accordingly, the combined statements of operations were prepared to present the combined results of operations of the Companies and are not necessarily indicative of the financial position that would have been obtained or the results of operations of General Shopping Brasil S.A. and its subsidiaries for the reported years.
- The fact that, as mentioned in note 28, the financial statements were being restated to include the individual and consolidated statements of cash flows for the period from March 6 to December 31, 2007.
- The fact that the Company is taking actions to complete the registration of certain acquired properties with the proper Registry of Deeds Offices, as mentioned in note 9 to the financial statements.
- The fact that as mentioned in note 2 to the statement of cash flows for the years ended December 31, 2008 and 2009 has been restated.

With respect to the individual and consolidated balance sheets of General Shopping Brasil S.A. as of June 30, 2010 and the consolidated statements of operations, changes in shareholders' equity, and cash flows for the six-month periods ended June 30, 2010 and 2009, included elsewhere in this offering memorandum, Deloitte Touche Tohmatsu Auditores Independentes have applied limited procedures in accordance with specific guidance established by IBRACON – Instituto dos Auditores Independentes do Brasil and CFC – Conselho Federal de Contabilidade, for a review of such information. However, as stated in their report appearing herein, they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Their report includes the following explanatory paragraphs:

- The fact that during 2009, the CVM approved new Technical Pronouncements, Interpretations and Instructions issued by the CPC , mandatory for adoption beginning 2010, that introduced changes in Brazilian accounting practices and as permitted by CVM Resolution nº 603/09, the Company's management opted not to adopt these new Standards and prepared its interim financial statements in accordance with Brazilian accounting practices in effect through December 31, 2009, and

- The fact that the Company is taking actions to complete the registration of certain acquired properties with the proper Registry of Deeds Offices, as mentioned in note 9 to the financial statements.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

GS Finance is incorporated with limited liability under the laws of the Cayman Islands. Each of the Guarantors is a corporation organized under the laws of Brazil. Substantially all of the Company's directors and officers and independent accountants and substantially all of the directors and officers and independent accountants of the Guarantors, and some of the advisors named herein, reside in Brazil or elsewhere outside the United States, and all or a significant portion of the assets of such persons may be, and substantially all of the assets of the Guarantors are located outside the United States. As a result, it may not be possible for investors to affect service of process within the United States or other jurisdictions outside Brazil and the Cayman Islands upon such persons, or to enforce against them or against GS Finance judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions.

In the terms and conditions of the bonds, GS Finance and the Guarantors will (i) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, The City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the bonds and, for such purposes, irrevocably submit to the jurisdiction of such courts and (ii) name an agent for service of process in the Borough of Manhattan, The City of New York. See "Description of the Bonds."

We have been advised by our Cayman Islands legal counsel, Maples and Calder, that there is no statutory enforcement in the Cayman Islands of judgments obtained in New York or Brazil. However, a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, *provided* such judgment (i) is given by a foreign court of competent jurisdiction; (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given; (iii) is final; (iv) is not in respect of taxes, a fine or a penalty; and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

The Company and the Guarantors have been advised by their Brazilian counsel, that judgments of non-Brazilian courts for civil liabilities predicated upon the securities laws of countries other than Brazil, including the U.S. securities laws, subject to certain requirements described below, may be enforced in Brazil. A judgment against either the Company or any Guarantor or any of their respective directors, officers, independent auditors or advisors obtained outside Brazil would be enforceable in Brazil against it or any such person without reconsideration of the merits, upon confirmation of that judgment by the Brazilian Superior Court of Justice (*supreme tribunal de justiça*) ("STJ"). That confirmation, generally, will occur if the foreign judgment:

- fulfills all formalities required for its enforceability under the laws of the country where the foreign judgment is granted;
- is issued by a competent court after proper service of process is made in accordance with Brazilian legislation if made in Brazil, or after sufficient evidence of the parties' absence has been given, as required by applicable law;
- is not subject to appeal;
- is for a sum certain;
- is authenticated by a Brazilian consular office in the country where the foreign judgment is issued and is accompanied by a sworn translation into Portuguese; and
- is not contrary to Brazilian national sovereignty, public policy or public morality.

Notwithstanding the foregoing, no assurance can be given that such ratification would be obtained, that the process described above could be conducted in a timely manner or that the Brazilian court would enforce a monetary judgment for the violation of the U.S. securities laws with respect to the guarantee.

We have also been advised that:

- civil actions may be brought before Brazilian courts based on the federal securities laws of the United States and that, subject to applicable law, Brazilian courts may enforce such liabilities in such actions against us (*provided* that provisions of the federal securities laws of the United States do not contravene Brazilian public policy, good morals or national sovereignty and *provided further* that Brazilian courts can assert jurisdiction over the particular action), and

- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant in Brazil is governed and limited by provisions of Brazilian law.

In addition, a plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of the litigation in Brazil and who does not own real property in Brazil must post a bond to guarantee the payment of the defendant's legal fees and court expenses in connection with court procedures for the collection of payments under the bonds and the guarantee except in the case of claims for collection on a commercial paper (an instrument which may be enforced in Brazilian courts without a review on the merits) or counterclaims as established under Article 836 of the Brazilian Code of Civil Procedure or in the case of the enforcement of foreign judgments that have been duly confirmed by the Superior Court of Justice of Brazil.

We have been advised that, if the bonds or the indenture were to be declared void by a court applying the laws of the State of New York, a judgment obtained outside of Brazil seeking to enforce the guarantee granted by us may not be confirmed by STJ.

LISTING AND GENERAL INFORMATION

The bonds have been accepted for clearance through DTC, Euroclear and Clearstream Luxembourg. The CUSIP, ISIN and Common Code numbers for the bonds are as follows:

	Restricted Global Bond	Regulation S Global Bond
CUSIP..	370835AB6	G3812BAB6
ISIN	US370835AB62	USG3812BAB65
Comon Code………………………………………….	055876193	055873976

Copies of our latest audited annual financial statements and unaudited quarterly financial statements, in English, may be obtained during normal business hours at our executive offices, the offices of the trustee and any paying agent, including the Luxembourg special paying agent and principal paying agent. Copies of our bylaws (*estatuto social*) and the bylaws (*estatuto social*) of the Company, as well as the indenture (including forms of the bonds), will be available during normal business hours for inspection at our executive offices, the offices of the trustee and any other paying agent, including the Luxembourg special paying agent and principal paying agent.

Except as disclosed in this offering memorandum, there has been no material adverse change in GS Finance financial position since its incorporation and in the Company financial position since June 30, 2010, the date of the latest audited financial statements included in this offering memorandum.

Except as disclosed in this offering memorandum, GS Finance is not or has not been involved in any governmental, legal or arbitration proceedings since its incorporation that had or may reasonably be expected to have any material adverse effect on its financial position and results of operations.

Except as disclosed in this offering memorandum, the Company is not or has not been involved in any governmental, legal or arbitration proceedings during the 12 months period immediately preceding the date of this offring memorandum that had or may reasonably be expected to have any material adverse effect on its financial position and results of operations.

Application has been made to the Luxembourg Stock Exchange for the bonds to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

The creation and issuance of the bonds were authorized pursuant to written resolutions of GS Finance's board of directors, dated November 4, 2010. The execution of the guarantees was authorized by the board of directors of General Shopping at its board meeting held on November 4, 2010.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN BRAZILIAN GAAP AND IFRS (NON-AUDITED)

General Information

This Offering Memorandum contains financial information relating to us, which has been prepared in accordance with Brazilian GAAP. Brazilian GAAP is based on Brazilian Corporate Law; the rules and regulations issued by the CVM; and certain accounting standards issued by the Brazilian Institute of Independent Auditors (Instituto dos Auditores Independentes do Brasil) (IBRACON), the CFC and the CPC. As of January 1, 2008, Brazilian GAAP has included the amendments to the Brazilian Corporate Law introduced by Law No. 11,638, and as of January 1, 2009, Brazilian GAAP has also included the amendments to the Brazilian Corporate Law introduced by Provisional Measure No. 449, converted into Law No. 11,941, which amended and supplemented certain of the provisions of Law No. 11,638. Brazilian GAAP differs in certain significant respects from IFRS.

New accounting guidelines were issued for mandatory implementation starting in 2010. The CVM requires that publicly-listed companies, present individual and consolidated financial statements prepared in accordance with new accounting guidelines as of and for the year ending December 31, 2010, with comparative figures for 2009. These accounting standards modify Brazilian GAAP to align Brazilian GAAP more closely with IFRS. As such, when we present our financial statements as of and for the year ending December 31, 2010, our financial statements as of and for the year ended December 31, 2009, and for interim periods within 2010 and the respective comparative figures will be restated in accordance with new accounting guidelines. The implementation of new guidelines will affect our results of operations and therefore can affect the basis for calculating our dividends paid to our shareholders.

Therefore, when we restate the financials statements of 2009 and 2010 to incorporate the new accounting standards, the majority of the differences described bellow will no longer be applicable. A new assessment will need to be performed to identify the conceptual differences between the accounting practices adopted by us and IFRS.

There are certain differences between Brazilian GAAP used to prepare the financial information included in this Offering Memorandum and IFRS that are relevant to the financial information presented herein. The following is a summary of some of these principal differences; however, this summary does not purport to be complete and should not be construed as exhaustive. In reading this summary, prospective investors in the Notes should also have regard to the following considerations:

Future differences between Brazilian GAAP and IFRS resulting from future changes in accounting standards or from transactions or events that may occur in the future have not been taken into account in this summary and no attempt has been made to identify any such future events, ongoing work and decisions of the regulatory bodies that promulgate the Brazilian GAAP and IFRS; which can affect future comparisons between Brazilian GAAP and IFRS, including the current differences disclosed in this summary. This summary does not purport to be complete and is subject to, and qualified in its entirety by, reference to the respective pronouncements of the Brazilian and International accounting professional bodies. Prospective investors should also consult their own professional advisors for an understanding of the differences between Brazilian GAAP and IFRS and how those differences might impact the financial information presented herein.

Inflation Accounting Principles

Under Brazilian GAAP, because of the highly inflationary conditions that historically existed in Brazil, a form of inflation accounting, referred to as monetary correction, has been in use for many years to minimize the impact of distortions in financial statements caused by inflation.

Inflation accounting adjustments were required from 1977 until December 31, 1995. Therefore, the financial statements prepared in accordance with Brazilian GAAP for periods after December 31, 1995 do not include the effects of inflation accounting, except for effects on depreciation and the amortization of assets that were monetarily corrected prior to January 1, 1996, and any gains or losses resulting from the sale or other disposition of such assets.

Under IFRS, inflation accounting following the methodology prescribed by IAS 29 (Financial Reporting in Hyperinflationary Economies) is required for companies which report in local currency and which operate in hyperinflationary economies in which cumulative inflation has exceeded 100% over the preceding three years. However, other indicators prescribed by IAS 29 can be taken into consideration along with the 100% three year inflation limit. As a result, considering this quantitative limit for IFRS purposes, financial statements should be adjusted for the effects of inflation to the date on which the Brazilian economy was no longer deemed to be hyper-inflationary, which was as from July 1, 1997. However, in practice considering all other factors January 1, 1997 is also an acceptable date.

Consolidation and Proportional Consolidation

Under Brazilian GAAP, as per CVM Instruction No. 247 of March 27, 1996, as amended, for fiscal years ending after December 1, 1996, inclusive, financial statements should consolidate the following entities: (a) entities in which the company has voting rights that provide it with the ability to have the majority on the social decisions and to elect the majority of the members of the board of directors; (b) overseas branches; and (c) companies under common control or controlled by shareholders' agreements irrespective of the participation in voting stock. Joint ventures, including investees in which the company exerts significant influence through its participation in a shareholders' agreement in which such group controls the investee, are to be accounted for under the proportional consolidation method. Under Brazilian GAAP, before August 2004 there were no specific pronouncements in relation to the consolidation of special purpose entities, ("SPEs"). In August 2004, the CVM issued Instruction 408, which requires companies subject to the regulation of CVM to consolidate SPEs when the nature of their relationship with the reporting company indicates that the activities of the SPEs are controlled by the reporting company. Instruction 408 provides guidelines as to when the reporting company should be considered to control or jointly-control the activities of the SPEs.

Under IFRS (IAS 27-Revised), the usual condition for consolidation is to have control, which is generally presumed to exist when the parent company owns, directly or indirectly through subsidiaries more than half of the voting power of the entity. Joint ventures are permitted to be consolidated proportionally. Also the standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses.

Under IAS 31, joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions regarding the activities require unanimous consent of the joint ventures. Joint ventures are either carried at the equity method or proportionate consolidated.

Under IFRS, specific guidance is provided with respect to the consolidation of SPEs. A SPE may be created to accomplish a narrow and well-defined objective. Such a special purpose entity may take the form of a corporation, trust, partnership or unincorporated entity and are often created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their governing board, trustee or management.

The sponsor frequently transfers assets to the SPE, obtains rights to use assets held by the SPE or performs services for the SPE, while other parties may provide funding. An entity that engages in transactions with the SPE (frequently the creator or sponsor) may in substance control the SPE.

Business Combinations, Purchase Accounting and Goodwill

Under Brazilian GAAP, accounting standards do not specifically address business combinations and purchase accounting, however, a purchase method is generally applied based on book values. Goodwill or negative goodwill on the acquisition of a company is computed as the difference between the cost of the acquisition and its underlying book value. The excess of cost over the net book value of an acquired company is recorded as goodwill in accordance with one of the following classifications: step-up basis of the assets due to differences in the carrying values and fair values of the assets, future profitability and others. Such goodwill is amortized as follows, depending on its classification:

- Step-up basis of the assets: Goodwill or negative goodwill should be amortized proportionally over the remaining estimated useful lives of the corresponding assets of the acquired company;

- Future profitability: Since January 1st, 2009 the goodwill classified as future profitability is no longer amortized but evaluated for impairment annually; and

- Others (non-justified goodwill based on the economic factors): Goodwill should be expensed immediately. Negative goodwill should not be amortized to income until the related investment is sold or written-off.

For tax purposes, the amortization of goodwill or negative goodwill is generally not included in the determination of taxable income for the period. However, pursuant to certain tax strategies relating to corporate restructurings, the amortization of goodwill and negative goodwill are included in the determination of taxable income. The minimum amortization period accepted is five years, depending on how the goodwill is classified.

IFRS 3 (Business Combinations) requires, among other things, that all business combinations, except those involving entities under common control be accounted for by a single method – the purchase method. The acquiring company records identifiable assets and liabilities acquired at their fair values. The shares issued in exchange for shares of other companies are accounted for at fair value based on the market price.

In addition, IFRS 3 sets out detailed guidelines as to the recognition of intangible assets. Under IFRS 3 and IAS 38, "Goodwill and Other Intangible Assets", goodwill and other intangible assets with indefinite lives are no longer amortized. Under IFRS 3, the amount of goodwill will be evaluated for impairment annually, and in the case of impairment, the recorded value will be adjusted accordingly. If assets other than cash are distributed as part of the purchase price, such assets should be valued at fair value. Finite-lived intangible assets are generally amortized on a straight-line basis over the estimated period benefited. The client deposit and relationship portfolio intangible asset is recorded and amortized over a period in which the asset is expected to contribute directly or indirectly to the future cash flows. Negative goodwill is recognized as a gain in the statement of operations.

Marketable Securities

Under Brazilian GAAP, marketable securities are classified based on the investment strategy of the financial institution as either trading securities, available-for-sale or held-to-maturity and defines the recognition of the fair market value of such securities as the basis for its presentation in the financial statements, except in the case where the investment strategy is to hold the investment until maturity. Recognition of changes in fair market value for trading securities is in income, while for available-for-sale securities is directly in shareholders' equity. The rules to account for securities are stated more generally and are less comprehensive than the standards to account for securities under IFRS.

Under IFRS, financial assets including debt and equity securities can be categorized and accounted for as follows:

(i) financial assets at fair value through profit or loss including both financial assets held for trading and any financial assets designated within this category at their inception;

(ii) held-to-maturity investments held with a positive intent and ability to be held to maturity and are recorded at amortized cost. Equity securities cannot be classified as held-to-maturity investments;

(iii) loans and receivables that correspond to financial assets with fixed or determinable payments not quoted in an active market and are measured at amortized costs; and

(iv) available-for-sale financial assets including debt and equity securities designated as available-for-sale, except those equity securities classified as held for trading and those not covered in the above categories which are measured at fair value. Changes in fair value are recognized in equity and recognized in the statement of income when realized.

Income Taxes

Under Brazilian GAAP, the recognition of tax credits derived from temporary differences and tax losses is an area that requires considerable judgment. In general, tax credits are recognized when there is evidence of future realization, in a continuous operation. Generally, tax credits can be accounted for only if (i) the loss has been caused by identified and unusual events and the probability of new and similar events is unlikely; (ii) there is an expectation of generating positive results for subsequent periods, as well as generation of tax liabilities to permit the realization of tax credits, properly verified through a technical analysis, and (iii) there are tax obligations accounted for as liabilities, up to the limit and corresponding to the same period, in order to apply the tax credit. Tax credit recognition rules prohibit maintaining the tax credit whenever there has been a tax loss for the last three-years or available evidence indicates that realization is unlikely. Also, some additional requirements should be met for a public company, such as (i) additional supporting analysis to recognize deferred tax assets, (ii) the condition to recognize deferred tax assets based on a history of profitability, presenting taxable income in three out of the past five fiscal years (including the year being reported), and (iii) the prohibition of recognizing deferred tax assets if it is expected that they will be realized in more than 10 years as from the reporting date.

Under IFRS, the liability method is used to calculate the income tax provision, as specified in IAS 12, "Income Taxes." Under the liability method, deferred tax assets or liabilities are recognized with a corresponding charge or credit to income for differences between the financial and tax basis of assets and liabilities at each year/period end. Deferred taxes are computed based on the enacted tax rate of income taxes. Net operating loss carry forwards arising from tax losses are recognized as assets. The deferred tax asset shall be recognized to the extent that it is probable that future taxable profit will result in the realization of such deferred tax asset.

Earnings Per Share

Under Brazilian GAAP, earnings per share are normally computed on the number of shares outstanding at the end of the year.

Under IFRS, in accordance with IAS 33 "Earnings per Share (EPS)", the presentation of earnings per share must be disclosed on the face of the income statement by enterprises with publicly traded ordinary shares (as defined) or potential ordinary shares (as defined), or those in the process of issuing such instruments. The EPS data do be presented is basic EPS and diluted EPS for each class of ordinary share. EPS based on alternative measures of earnings also may be presented if required. Computations of basic and diluted earnings per share data should be based on the weighted average number of common shares outstanding during the period and all potentially dilutive common shares outstanding during each period presented, respectively.

Segment Reporting

Under accounting practices adopted in Brazil, there is no requirement for financial reporting of operating segments.

Under IFRS, publicly held companies should report both financial and descriptive information about their reportable segments. Reportable segments are defined as those about which separate financial information is available and is regularly evaluated by the chief executive officers. Segment information is given about any operating segment that broadly accounts for 10% or more of all segment revenue, results of operating activities, or total assets. Generally, companies will report financial information on the basis used internally for evaluating segment performance. Financial information to be disclosed include segment profit or loss, certain specific revenue and expense items and segment assets as well as reconciliation of total segment revenues, profit or loss and assets to the corresponding amounts in the financial statements.

Investment Property

There is no guidance under BR GAAP on accounting for investment property. Investment property is accounted for in the same way as PP&E — at historical cost (or revaluated cost) less accumulated depreciation and any accumulated impairment losses.

Under IAS 40, an entity must make an accounting policy choice to adopt either the fair value model or the cost model to account for investment property. With two limited exceptions (see IAS 40.32A and 34), the policy that is elected must be applied to all investment property. Under the fair value model, the gain or loss due to a change in the fair value of the investment property is recognized in the statement of comprehensive income. The asset is not depreciated. Under the cost model, investment property is measured at historical cost less accumulated depreciation and any accumulated impairment losses.