Quarterly Information - ITR

BR Malls Participações S.A.

March 31, 2012
With Independent Auditor’s Report on Quarterly Information

BR Malls Participações S.A.

Quarterly information

Contents

A free translation from Portuguese into English of Independent Auditor's Review Report on interim financial information in accordance with Brazilian and International Standards on Review Engagements

Report on review of quarterly information

The Shareholders, Board of Directors and Officers
BR Malls Participações S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of BR Malls Participações S.A. ("Company"), contained in the Quarterly Information Form (ITR) as of March 31, 2012, comprising the balance sheet at March 31, 2012 and the related statements of income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the interim individual financial statements in accordance with CPC 21 - Interim Financial Reporting and the interim consolidated financial statements pursuant to CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the fair presentation of such information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários - CVM) applicable to the preparation of Quarterly Financial Statements (ITR). Our responsibility is to express an opinion on this interim financial information based on our review.

Scope of review

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

Conclusion on individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.

Conclusion on consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.

Other matters

Interim statements of value added

We have also reviewed the individual and consolidated interim statement of value added (SVA) for the three-month period ended March 31, 2012, which were prepared by the Company’s management and the presentation of which in the interim financial information is required by rules issued by the Brazilian Securities and Exchange Commission (CVM), and as supplementary information by IFRS, which do not require SVA presentation. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not presented fairly, in all material respects, in relation to the overall accompanying individual and consolidated interim financial information.

Amounts corresponding to the previous quarter and to the balance sheet at December 31, 2011

The amounts corresponding to the quarter ended March 31, 2011 were reviewed by another auditor who expressed an unqualified conclusion on the Quarterly Information (ITR) for the quarter ended March 31, 2011 in his report dated April 29, 2011. The amounts presented in the individual and consolidated balance sheets at December 31, 2011 were audited by another auditor who expressed an unqualified opinion on the individual and consolidated balance sheets at December 31, 2011 in his report dated February 27, 2012.

Rio de Janeiro, April 26, 2012

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ

Mauro Moreira
Accountant - CRC - 1RJ 072.056/O-2

Roberto Martorelli
Accountant - CRC - 1RJ 106.103/O-0

BR Malls Participações S.A.

Balance sheets
March 31, 2012 and December 31, 2011
(In thousands of reais)

	Parent Company		Consolidated	
	2012	**2011**	**2012**	**2011**
Assets				
Current assets				
Cash and cash equivalents	**225**	866	**43,017**	37,063
Marketable securities (Note 5)	**316,981**	257,190	**576,118**	414,962
Trade accounts receivable (Note 7)	**59,734**	57,576	**215,642**	242,317
Derivative instruments (Note 4.1(e))	**62,662**	78,571	**63,238**	79,008
Taxes recoverable (Note 8)	**17,856**	23,592	**66,387**	78,198
Prepayments	**6,829**	7,305	**23,533**	25,930
Other amounts receivable	**29,304**	29,284	**27,950**	20,898
Prepaid expenses	**5,507**	1,335	**21,504**	16,886
	499,098	455,719	**1,037,389**	915,262
Non-current				
Trade accounts receivable (Note 7)	**10,631**	9,009	**151,756**	143,220
Deposits and guarantees	**33**	32	**32,828**	29,170
Marketable securities (Note 5)	**15,065**	15,065	**-**	-
Deferred income tax and social contribution (Note 9)	**55,997**	40,733	**289,348**	308,628
Derivative instruments (Note 4.1(e))	**31,501**	68,828	**53,899**	71,276
Advance for future capital increase (Note 10)	**46,175**	453,436	**-**	-
Subsidiary and associated companies' debts	**75,011**	30,897	**-**	-
Financial Instruments	**1**	1	**467**	467
Other accounts receivable (Note 7)	**-**	-	**7,446**	7,346
	234,414	618,001	**535,744**	560,107
Investments (Note 11)	**7,063,469**	6,511,378	**-**	-
Investment properties (Note 12)	**952,995**	868,944	**12,456,634**	12,582,924
Property and equipment (Note 13)	**11,043**	11,166	**11,043**	11,166
Intangible assets (Note 14)	**8,506**	8,753	**9,800**	12,258
Deferred	**2,769**	3,268	**-**	-
	8,038,782	7,403,509	**12,477,477**	12,606,348
	8,273,196	8,021,510	**13,013,221**	13,166,455
Total assets	**8,772,294**	8,477,229	**14,050,610**	14,081,717

	Parent Company		Consolidated	
	2012	**2011**	**2012**	**2011**
Equity and liabilities				
Current liabilities				
Trade payables (Note 15)	**4,087**	4,478	**70,384**	57,082
Borrowings and financings (Note 16)	**38,772**	228,440	**208,371**	382,856
Taxes and contributions payable (Note 17)	**309**	247	**63,937**	76,196
Salaries and social charges	**8,752**	17,384	**44,099**	66,815
Dividends payable (Note 22(g))	**48,728**	48,728	**48,728**	48,728
Taxes and contributions - payment in installments (Note 18)	**-**	-	**1,559**	1,486
Advances from clients	**1,581**	1,460	**8,997**	26,281
Liabilities payable for acquisition of shopping malls (Note 19)	**52,630**	36,853	**269,445**	251,803
Derivative instruments (Note 4.1(e))	**-**	-	**109,322**	112,901
Deferred revenue (Note 21)	**-**	-	**18,868**	16,983
Other amounts payable	**591**	35	**-**	7,932
	155,450	337,625	**843,710**	1,049,063
Non-current				
Trade payables (Note 16)	**5,483**	5,335	**5,483**	5,335
Borrowings and financings (Note 17)	**880,316**	473,644	**3,163,600**	2,821,131
Provision for contingencies (Note 21)	**641**	641	**107,302**	108,821
Taxes and contributions - payment in installments (Note 18)	**-**	-	**75,955**	76,309
Deferred taxes (Note 9)	**-**	-	**2,295,584**	2,406,248
Liabilities payable for acquisition of shopping malls (Note 20)	**102,657**	113,814	**207,582**	216,225
Derivative instruments (Note 4.1(e))	**-**	602	**12,929**	31,371
Deferred revenue (Note 21)	**3,207**	2,714	**110,095**	121,398
Loans to related parties (Note 10)	**760,385**	825,145	**-**	-
Other amounts payable	**96,066**	97,068	**6,308**	3,089
	1,848,755	1,518,963	**5,984,838**	5,789,927
Total liabilities	**2,004,205**	1,856,588	**6,828,548**	6,838,990
Equity (Note 23)				
Share capital	**3,454,345**	3,424,181	**3,454,345**	3,424,181
Costs of raising funds	**(50,727)**	(50,727)	**(50,727)**	(50,728)
Capital reserve	**31,020**	27,004	**41,318**	37,302
Revenue reserves	**3,220,183**	3,220,183	**3,213,702**	3,213,702
Accumulated profit and loss	**113,268**	-	**113,520**	-
Treasury shares	**-**	-	**(12)**	(9)
	6,768,089	6,620,641	**6,772,146**	6,624,448
Non-controlling interests	**-**	-	**449,916**	618,279
	6,768,089	6,620,641	**7,222,062**	7,242,727
Total liabilities and equity	**8,772,294**	8,477,229	**14,050,610**	14,081,717

See accompanying notes.

BR Malls Participações S.A.

Statements of operations
Quarters ended March 31, 2012 and 2011
(In thousands of reais, except basic and diluted earnings per share, in reais)

	Parent Company		Consolidated	
	2012	**2011**	**2012**	**2011**
Net income from rent and services (Note 24)	**17,590**	5,218	**243,565**	179,083
Cost of rent and services (Note 25)	**(687)**	(119)	**(22,279)**	(19,015)
Gross profit from rent and services	**16,903**	5,099	**221,286**	160,068
Operating income (expenses)				
Trade expenses	**(2,031)**	(1,179)	**(3,800)**	(2,328)
Administrative expenses (Note 26)	**(5,628)**	(4,858)	**(34,280)**	(25,074)
Other operating income	**(287)**	1,168	**16,243**	3,481
Equity accounting result (Note 11)	**109,348**	91,614	**-**	-
Profit before financial result and taxes	**118,305**	91,844	**199,449**	136,147
Financial result (Note 27)				
Finance income	**130,484**	34,708	**208,037**	73,286
Finance costs	**(151,927)**	(77,913)	**(276,298)**	(150,278)
	(21,443)	(43,205)	**(68,261)**	(76,992)
Profit before taxes on profit	**96,862**	48,639	**131,188**	59,155
Income tax and social contribution (Note 17)				
For the year	**-**	-	**(30,655)**	(18,167)
Deferred taxes	**16,406**	8,585	**21,416**	21,901
	16,406	8,585	**(9,239)**	3,734
Profit for the year	**113,268**	57,224	**121,949**	62,889
Profit attributable to				
Owners of the Company	**113,268**	57,224	**113,520**	57,224
Non-controlling interests	**-**	-	**8,429**	5,665
Profit for the year	**113,268**	57,224	**121,949**	62,889
Earnings per share attributable to the shareholders of the Company during the year (expressed in R$ per share)				
Basic earnings per share - R$	**0,25**	0,14		
Diluted earnings per share - R$	**0,25**	0,14		

See accompanying notes.

BR Malls Participações S.A.

Statements of changes in shareholders equity of the Company and Consolidated
Quarters ended March 31, 2012 and 2011
(In thousands of reais)

	Parent Company							
		Costs of		Revenue reserves				
	Share capital	raising funds	Capital reserve	Legal	Retention of profits	Unrealized profits	Retained earnings	Total
At December 31, 2010	2,561,195	(39,879)	9,987	74,344	2,611,219	276,177	-	5,493,043
Increase and payment of capital	6,422	-	-	-	-	-	-	6,422
Stock option premium	-	-	4,277	-	-	-	-	4,277
Profit for the year	-	-	-	-	-	-	57,224	57,224
At March, 31, 2011	**2,567,617**	**(39,879)**	**14,264**	**74,344**	**2,611,219**	**276,177**	**57,224**	**5,560,966**
At December 31, 2011	**3,424,181**	**(50,727)**	**27,004**	**97,895**	**2,822,453**	**299,835**	**-**	**6,620,641**
Increase and payment of capital	**30,164**	**-**	**-**	**-**	**-**	**-**	**-**	**30,164**
Expenses with the issuance of shares	**-**	**-**	**4,016**	**-**	**-**	**-**	**-**	**4,016**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**113,268**	**113,268**
At March 31, 2012	**3,454,345**	**(50,727)**	**31,020**	**97,895**	**2,822,453**	**299,835**	**113,268**	**6,768,089**

See accompanying notes.

BR Malls Participações S.A.

Statements of changes in shareholders equity of the Company and Consolidated(Continued)
Quarters ended March 31, 2012 and 2011
(In thousands of reais)

	Consolidated										
		Costs of		Revenue reserves							
	Share Capital	raising funds	Capital reserve	Legal	Retention of profits	Unrealized profits	Retained earnings	Treasury shares	Total	Minority interest	Total Equity
At December 31, 2010	2,561,195	(39,879)	20,276	74,344	2,604,842	276,177	-	(14,784)	5,482,171	307,227	5,789,398
Increase and payment of capital	6,422	-	-	-	-	-	-	-	6,422	-	6,422
Recognized granted options	-	-	4,277	-	-	-	-	-	4,277	-	4,277
Investment of own shares	-	-	-	-	-	-	-	14,784	14,784	-	14,784
Profit for the year	-	-	-	-	-	-	57,224	-	57,224	(8,749)	48,475
At March 31,2011	**2,567,617**	**(39,879)**	**24,553**	**74,344**	**2,604,842**	**276,177**	**57,224**	**-**	**5,564,878**	**298,478**	**5,863,356**
At December 31, 2011	**3,424,181**	**(50,727)**	**37,302**	**97,895**	**2,815,972**	**299,835**	**-**	**(12)**	**6,624,446**	**618,279**	**7,242,725**
Increase and payment of capital	**30,164**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30,164**	**-**	**30,164**
Recognized granted options	**-**	**-**	**4,016**	**-**	**-**	**-**	**-**	**-**	**4,016**	**-**	**4,016**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**113,520**	**-**	**113,520**	**8,429**	**121,949**
Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(176,792)**	**(176,792)**
At March 31, 2012	**3,454,345**	**(50,727)**	**41,318**	**97,895**	**2,815,972**	**299,835**	**113,520**	**(12)**	**6,772,146**	**499,916**	**7,222,062**

See accompanying notes.

BR Malls Participações S.A.

Statement of cash flows
Quarters ended March 31, 2012 and 2011
(In thousands of reais)

	2012		2011	
	Parent Company	**Consolidated**	**Parent Company**	**Consolidated**
Cash flows from operating activities				
Net income for the period	**113,268**	**113,520**	57,224	57,224
Adjustments for:				
Depreciation and amortization	**204**	**2,286**	240	4,682
Charges on borrowings and financing	**22,054**	**66,623**	12,967	65,227
Earnings on marketable securities	**(3,914)**	**(14,222)**	(1,129)	18,068
Adjustment of linearization of revenue and adjustment to present value	**(734)**	**(9,065)**	(504)	(4,961)
Stock-option-based remuneration	**4,016**	**4,016**	4,277	4,277
Adjustment at fair value and result with derivatives	**5,043**	**13,540**	28,254	25,580
Income and social contribution taxes	**(16,406)**	**9,239**	(8,585)	(3,734)
Adjustment at fair value of investment properties	**-**	**17,070**	-	-
Equity accounting	**(109,348)**	**-**	(91,614)	-
Deferred tax assets	**-**	**-**	-	(2,131)
Non-controllers` interests	**-**	**8,429**	-	5,665
Others	**-**	**(104,372)**	-	3,361
Net adjusted income	**14,183**	**107,064**	1,130	173,258
Changes in working capital				
Changes in operating assets and liabilities				
Trade Accounts Receivable	**(2,553)**	**30,793**	365	9,128
Taxes recoverable	**5,736**	**11,810**	5,201	9,148
Prepayments	**475**	**2,397**	123	(1,338)
Prepaid expenses	**(4,173)**	**(4,617)**	(337)	(10,059)
Deposits and guarantees	**(1)**	**(3,658)**	-	(840)
Subsidiary and associated companies' debts	**(44,114)**	**-**	-	-
Financial Instruments	**48,192**	**33,147**	-	-
Other amounts receivable	**(20)**	**(6,991)**	-	-
Trade payables	**(243)**	**13,450**	1,611	8,373
Taxes and contributions payable	**62**	**(12,540)**	(1,493)	(30,592)
Salaries and social charges	**(8,632)**	**(22,716)**	(5,432)	416
Liabilities payable for acquisition of shopping malls	**4,620**	**8,999**	1,486	(535,814)
Advances from clients	**121**	**(17,284)**	28	(3,400)
Credits of associated companies	**(64,759)**	**-**	-	-
Deferred revenue	**-**	**(9,418)**	-	-
Derivative instruments	**(602)**	**(35,560)**	-	-
Provision for contingencies	**-**	**(1,519)**	-	-
Other amounts payable	**1,197**	**(4,715)**	6,781	(50,620)
Cash flows generated by operating activities	**(50,511)**	**88,642**	9,463	(432,339)
Cash flows from investing activities				
Purchase of marketable securities	**(540,073)**	**(831,692)**	(387,605)	(2,961,970)
Sale of marketable securities	**484,197**	**684,758**	270,956	2,526,109
Increase (reduction) of intangible assets	**246**	**2,458**	552	(369)
Increase (reduction) on sale of investment property	**(84,132)**	**107,056**	(1,627)	(147,335)
Advance for future capital increase	**407,261**	**-**	(412,371)	-
Disposal of investments	**-**	**-**	154,867	-
Loans granted to subsidiaries and associated companies	**-**	**-**	(10,856)	-
Capital increase of subsidiaries	**(448,743)**	**-**	-	-
Interest on own capital received	**6,000**	**-**	-	-
Cash flows generated by investing activities	**(175,244)**	**(37,420)**	(386,084)	(583,565)
Cash flows from financing activities				
Proceeds from borrowings	**403,444**	**419,714**	370,091	1,054,440
Repayments of borrowings	**(208,494)**	**(318,353)**	-	(61,508)
Sale of treasury shares	**-**	**-**	-	14,784
Capital increase	**30,164**	**30,164**	6,422	6,422
Non-controllers` interests	**-**	**(176,793)**	-	(8,749)
Cash flows generated by financing activities	**225,114**	**(45,268)**	376,513	1,005,389
Cash flow	**(641)**	**5,954**	(108)	(10,515)
Cash and cash equivalents at the beginning of the period	**866**	**37,063**	180	19,843
Cash and cash equivalents at the end of the period	**225**	**43,017**	72	9,328
Changes in cash	**(641)**	**5,954**	(108)	(10,515)

See accompanying notes.

BR Malls Participações S.A.

Statement of value added
Quarters ended March 31, 2012 and 2011
(In thousands of reais)

	2012		2011	
	Parent Company	**Consolidated**	**Parent Company**	**Consolidated**
Revenue	**26,523**	**382,509**	7,459	297,705
Income from rent and services	**19,294**	**262,159**	5,699	193,895
Provision for impairment of trade receivables - reversal (constitution)	**446**	**1,707**	98	927
Other operating income (expenses)	**(253)**	**16,244**	1,212	3,481
Income related to the construction of own assets	**7,036**	**102,399**	450	99,402
Inputs acquired from third parties	**(8,571)**	**(122,206)**	(293)	(127,168)
Inputs and outsourced services for the construction of own assets	**(5,957)**	**(98,618)**	204	(98,308)
Services cost	**(687)**	**(15,753)**	(119)	(23,028)
Materials, energy, outsourced services and others	**(1,927)**	**(7,835)**	(378)	(5,832)
Gross value added	**17,951**	**260,303**	7,166	170,537
Retentions	**(204)**	**(2,540)**	(240)	(3,126)
Depreciation, amortization and depletion	**(204)**	**(2,540)**	(240)	(3,126)
Net value added generated by the entity	**17,748**	**257,763**	6,926	167,411
Value added received through transfer	**239,832**	**199,608**	126,322	67,621
Equity in the results of investees	**109,348**	**-**	91,614	-
Finance income	**130,484**	**208,037**	34,708	73,286
Minority interest	**-**	**(8,429)**	-	(5,665)
Total value added to distribute	**257,580**	**457,371**	133,248	235,032
Distribution of value added	**257,580**	**457,371**	133,248	235,032
Personnel and payroll charges	**7,087**	**37,015**	6,115	16,451
Salaries and social charges	**1,325**	**16,568**	722	3,798
Officers' fees	**18**	**645**	5	531
Direct remuneration	**1,210**	**5,849**	694	4,675
Benefits	**20**	**727**	5	601
Social security contributions	**59**	**2,148**	14	1,448
FGTS	**17**	**608**	4	454
Rescission	**2**	**66**	-	102
Personnel - shopping malls	**-**	**6,526**	-	(4,013)
Sales commissions	**1,535**	**1,959**	1,116	1,407
Profit-sharing	**210**	**14,471**	-	6,969
Granted options	**4,016**	**4,016**	4,277	4,277
Taxes and contributions	**(14,701)**	**30,537**	(8,004)	11,078
Interest on debts	**151,927**	**276,298**	77,913	150,278
Capitalized interest	**-**	**-**	-	1
Retained earnings				
Retained earnings for the year	**113,268**	**113,521**	57,224	57,224

See accompanying notes.

1. General information

The main activities of BR Malls Participações S.A., its subsidiary companies and jointly-controlled subsidiaries (jointly referred to as "Company" or “BR Malls”), which are integral components of these quarterly information, are: (i) holding shares in and managing shopping malls, (ii) holding shares in other companies of the real estate sector as a stockholder or member, (iii) promotion and management of their own real estate enterprises of any kind, or for third parties, and (iv) interest and management in parking operations.

The Company is a Corporation with headquarters in the city of Rio de Janeiro, RJ, and has stock traded on the BM&FBovespa Stock Exchange (BRML3). In addition, the Company has adhered to the level of corporate governance of BM&FBovespa's New Market ("Novo Mercado"). BR Malls is included in the BM&FBovespa Index (IBOVESPA) portfolio and in the Brazil Index 50 (IBRX 50).

The issue of these individual and consolidated quarterly information of the Company was authorized by its Board of Directors on April 25, 2012.

At March 31, 2012, the Company had holdings in 45 shopping malls in different regions of Brazil: NorteShopping (State of Rio de Janeiro), Shopping Iguatemi Caxias (State of Rio Grande do Sul), Shopping Villa Lobos (State of São Paulo), Shopping Del Rey (State of Minas Gerais), Shopping Independência (State of Minas Gerais), Shopping Recife (State of Pernambuco), Shopping Campo Grande (State of Mato Grosso do Sul), Goiânia Shopping (State of Goiás), Shopping Estação (State of Paraná), Araguaia Shopping (State of Goiás), Shopping ABC (State of São Paulo), Amazonas Shopping Center (State of Amazonas), Shopping Center Iguatemi Belém (State of Pará), Shopping Curitiba (State of Paraná), Shopping Center Iguatemi Maceió (State of Alagoas), Shopping Center Piracicaba (State of São Paulo), Natal Shopping (State of Rio Grande do Norte), Fashion Mall (State of Rio de Janeiro), Ilha Plaza (State of Rio de Janeiro), Plaza Niterói (State of Rio de Janeiro), Rio Plaza (State of Rio de Janeiro), Minas Shopping (State of Minas Gerais), Big Shopping (State of Minas Gerais), Shopping Center Tamboré (State of São Paulo), Shopping Mueller (State of Santa Catarina), Shopping São Luis (State of Maranhão), Shopping Metrô Tatuapé (State of São Paulo), Osasco Plaza (State of São Paulo), Top Shopping (State of Rio de Janeiro), West Shopping (State of Rio de Janeiro), Center Shopping Rio (State of Rio de Janeiro), Campinas Shopping (State of São Paulo), Metrô Santa Cruz (State of São Paulo), Crystal Plaza (State of Paraná), Center Shopping Uberlandia (State of Minas Gerais), Shopping Sete Lagoas (State of Minas Gerais), Shopping Granja Vianna(State of São Paulo), Shopping Tijuca (State of Rio de Janeiro), Shopping Via Brasil (State of Rio de Janeiro), Shopping Paralela (State of Bahia), Catuaí Shopping Londrina (State of Paraná), Cautaí Shopping Maringá (State of Paraná), Mooca Plaza Shopping (State of São Paulo),Shopping Jardim Sul (State of São Paulo) and Itaú Power (State of Minas Gerais).

(In thousands of reais, unless otherwise stated)

1. General information (Continued)

The Company's investments are shown below:

Interests held in companies

	Interest - %	
	March 31, 2012	**December 31, 2011**
Direct subsidiaries		
Ecisa Engenharia, Comércio e Indústria Ltda. ("Ecisa Engenharia")	**100.00**	100.00
Ecisa Participações Ltda. ("Ecisa Participações")	**100.00**	100.00
BR Malls International Finance Ltd. ("BR Malls Finance")	**100.00**	100.00
BR Malls Desenvolvimento e Participações Ltda. ("BR Malls Desenvolvimento")	**100.00**	100.00
BR Malls Serviços Compartilhados Ltda. ("BR Malls CSC")	**100.00**	100.00
SPE Fortuna Gestão e Participações Ltda. ("BR Malls Fortuna")	**100.00**	100.00
SPE Sfida Gestão e Participação Ltda. ("SPE Sfida")	**79.10**	79.10
Crystal Administradora de Shopping Centers Ltda. ("Crystal")	**100.00**	100.00
Special-purpose partnership Crystal Parking ("Crystal Parking")	**66.50**	66.50

	Interest - %	
	March 31, 2012	**December 31, 2011**
Indirect subsidiaries (through Ecisa Engenharia Ltda., Ecisa Participações Ltda. and BR Malls International Finance Ltd.)		
L5 Corporate LLC.	**100.00**	100.00
BR Malls Administração e Comercialização Ltda. ("BR Malls Administração")	**100.00**	100.00
Proffito Holding Participações S.A. ("Proffito")	**100.00**	100.00
Nattca 2006 Participações S.A. ("Nattca")	**100.00**	100.00
SPE Indianápolis Participações Ltda. ("SPE Indianápolis")	**100.00**	100.00
Empresa Patrimonial Industrial IV Ltda. ("EPI")	**100.00**	100.00
SDR Empreendimentos Imobiliários Ltda. ("SDR")	**100.00**	100.00
Empresa Cogeradora de Energia Ltda. ("Emce")	**100.00**	100.00
Campo Grande Parking Ltda. ("Campo Grande Parking")	**68.81**	68.81
GS Shopping Center S.A. ("GS Shopping")	**50.00**	65.45
SPE Xangai Participações S.A. ("SPE Xangai")	**75.00**	75.00
SPE Monza Participações Ltda. ("SPE Monza")	**100.00**	100.00
SPE Classic Participações Ltda. ("SPE Classic")	**100.00**	100.00
Fashion Mall S.A. ("Fashion Mall")	**100.00**	100.00
Rai Rhodes Administração de Imóveis Ltda. ("Rai Rhodes")	**100.00**	100.00
COFAC - Companhia Fluminense de Administração e Comércio ("COFAC")	**100.00**	100.00
KGM37 Empreendimentos Ltda. ("KGM37")	**100.00**	100.00
Shopping Center Mooca Empreendimento Imobiliários. S.A. ("Shopping Center Mooca")	**100.00**	60.00
Exímia Comercial e Empreendimentos Ltda. ("Exímia")	**100.00**	100.00
Cuiabá Participações S.A. ("Cuiabá")	**-**	78.65
Special-purpose partnership Fortuna JLN-2 (Niterói Plaza)	**97.00**	97.00
Special-purpose partnership Fortuna JLN-2 (Rio Plaza)	**96.00**	96.00
Special-purpose partnership Fortuna Centro Oeste Parking	**70.99**	70.99
Special-purpose partnership Fortuna Campinas Parking	**96.00**	96.00
Special-purpose partnership Fortuna Estação Parking	**95.40**	95.40
Special-purpose partnership Fortuna Fashion Parking	**81.00**	81.00
Special-purpose partnership Fortuna Independência Parking	**96.00**	96.00
Special-purpose partnership Fortuna Shopping llha Parking	**94.80**	94.80

(In thousands of reais, unless otherwise stated)

1. General information (Continued)

Interests held in companies (Continued)

	Interest - %	
	March 31, 2012	**December 31, 2011**
Indirect subsidiaries (through Ecisa Engenharia Ltda., Ecisa Participações Ltda. and BR Malls International Finance Ltd.)		
Special-purpose partnership Mooca	**90.00**	90.00
Special-purpose partnership Shopping Granja Vianna	**96.00**	96.00
Companhia Santa Cruz	**100.00**	100.00
SAS Sociedade Administradora de Centros Comerciais Ltda. ("SAS Administradora")	**100.00**	100.00
Lesbos Participações Ltda.	**100.00**	100.00
Sociedade Independência Imóveis ("SISA")	**83.44**	83.44
Mídia Central Ltda. ("Mídia Central")	**100.00**	100.00
Center Shopping S.A. ("Center Shopping")	**51.00**	51.00
CIMA Empreendimentos do Brasil S.A. ("CIMA")	**100.00**	100.00
Piracicaba Malls Participações Ltda.	**100.00**	100.00
Special-purpose partnership Tijuca Parking	**97.80**	97.80
Special-purpose partnership Park Center	**100.00**	100.00
CG Participações Ltda.	**85.95**	85.95
EDRJ113 Participações Ltda. ("EDRJ113")	**100.00**	100.00
Spinacia Participações S.A. ("Spinacia")	**100.00**	100.00
SPE Azione Gestão e Participação Ltda. ("SPE Azione")	**60.00**	60.00
BR Malls Administração e Comercialização Rio/Minas Ltda.	**100.00**	100.00
Alvear Participações S.A ("Alvear")	**70.00**	70.00
Proeste S.A. ("Proeste")	**97.00**	97.00
Special-purpose partnership Uberlândia Parking	**96.50**	96.50
BR Malls Administração e Comercialização Sul/SP Ltda.	**100.00**	100.00
Catuaí Maringá Parking	**95.00**	95.00
Catuaí Londrina Parking	**89.30**	89.30
BR Malls Premium Outlet Empreendimentos Imobiliários e Participações Ltda	**100.00**	-
Jointly-controlled subsidiaries		
Administradora Shopping Center Recife Ltda. ("ASCR")	**32.46**	32.46
Recife Parking Ltda. ("Recife Parking")	**32.46**	32.46
Recife Locadora de Equipamentos para Autogeração Ltda. ("Recife Locadora")	**32.46**	32.46
Villa Lobos Parking Ltda. ("Villa Lobos Parking")	**26.85**	26.85
SPE Mônaco Participações S.A. ("SPE Mônaco") (i)	**50.00**	50.00
Christaltur Empreendimentos e Participações S.A.	**49.99**	49.99
B. Sete Participações S.A.	**39.60**	39.60
Special-purpose partnership Center Parking (i)	**28.50**	28.50
Special-purpose partnership West Parking ("West Parking") (i)	**28.50**	28.50
Special-purpose partnership Shopping Via Brasil	**46.80**	46.80
Affiliates		
EDRJ100 Participações Ltda.	**8.00**	8.00
Pró-Parking Participações Ltda.	**10.51**	10.51

(i) Direct investment of BR Malls.

(In thousands of reais, unless otherwise stated)

1. General information (Continued)

Holding in shopping malls (recorded as investment properties):

	Interest - %	
	March 31, 2012	**December 31, 2011**
NorteShopping	**74.50**	74.50
Shopping Iguatemi Caxias	**45.50**	45.50
Shopping Villa Lobos	**39.72**	39.72
Shopping Del Rey	**65.00**	65.00
Shopping Independência	**83.44**	83.44
Shopping Recife	**31.10**	31.10
Shopping Campo Grande	**68.70**	68.70
Goiânia Shopping	**50.00**	50.00
Shopping Estação	**100.00**	100.00
Pantanal Shopping	**-**	10.00
Araguaia Shopping	**50.00**	50.00
Natal Shopping	**50.00**	50.00
Shopping ABC	**1.28**	1.28
Shopping Curitiba	**49.00**	49.00
Shopping Center Iguatemi Belém	**13.30**	13.30
Shopping Center Iguatemi Maceió	**34.20**	34.20
Shopping Center Piracicaba	**36.88**	36.88
Amazonas Shopping Center	**17.90**	17.90
Ilha Plaza	**100.00**	100.00
Fashion Mall	**100.00**	100.00
Plaza Niterói	**100.00**	100.00
Rio Plaza	**100.00**	100.00
Shopping Center Tamboré	**100.00**	100.00
Big Shopping	**13.00**	13.00
Minas Shopping	**2.13**	2.13
Shopping Mueller	**10.41**	10.41
Shopping São Luis	**15.00**	15.00
Shopping Metrô Tatuapé	**3.15**	3.00
Osasco Plaza	**39.59**	39.59
Top Shopping	**35.00**	35.00
West Shopping	**30.00**	30.00
Center Shopping Rio	**30.00**	30.00
Campinas Shopping	**100.00**	100.00
Shopping Metrô Santa Cruz	**100.00**	100.00
Crystal Plaza	**70.00**	70.00
Center Shopping Uberlândia	**51.00**	51.00
Shopping Granja Vianna	**75.00**	75.00
Shopping Sete Lagoas	**70.00**	70.00
Shopping Tijuca	**100.00**	100.00
Shopping Via Brasil	**49.00**	49.00
Shopping Paralela	**95.00**	95.00
Shopping Jardim Sul	**100.00**	100.00
Catuaí Shopping Londrina	**93.00**	93.00
Catuaí Shopping Maringa	**100.00**	100.00
Mooca Plaza Shopping	**60.00**	60.00

1. General information (Continued)

a) Directly controlled subsidiaries

Ecisa Engenharia Comércio e Indústria Ltda. and Ecisa Participações Ltda.

The Company holds all the capital stock of Ecisa Engenharia and Ecisa Participações, (jointly referred to as "Ecisas") whose objectives are (i) to operate shopping malls and other business enterprises, of their own or third-parties'; (ii) to perform economic planning, develop, market, manage and implement shopping malls and other business enterprises; (iii) to operate parking lots; (iv) to provide technical support for the implementation, organization and operation of business or service companies; and (v) to invest in the capital of other companies as a stockholder or member.

BR Malls International Finance Ltd. ("BR Malls Finance")

A BR Malls Finance with its head office in the Cayman Islands, was set up with the specific purpose of issuing perpetual bonds in the international market and does not have its own business operations (Note 16(v)).

BR Malls Desenvolvimento

The Company holds all the shares of BR Malls Desenvolvimento, whose objectives are to operate, prepare business plans, develop, market, manage and establish shopping malls and operate parking lots.

BR Malls Serviços Compartilhados Ltda.

The objective of this company is the rendering of financial, accounting and legal services, related to information technology and human resources for the implementation, organization and operation of commercial or other types of companies, as well as shopping malls.

SPE Fortuna Gestão e Participações Ltda.

The objective of this company is the operation, economic planning, development and management of Top Shopping. SPE Fortuna holds 35% of the real estate shares in Top Shopping (RJ).

1. General information (Continued)

a) Directly controlled subsidiaries (Continued)

SPE Sfida Gestão e Participação Ltda.

BR Malls holds 79.10% of SPE Sfida's capital. The objective of this company is the operation of shopping malls and commercial buildings, economic planning, development, marketing, management and implementation of shopping malls and the operation of parking lots SPE Sfida holds 88.5% of the real estate shares of Shopping Center Sete Lagoas.

Crystal Administradora de Shopping Centers Ltda.

The objective of Crystal is to render services, manage, consult, plan and organize trade and real estate enterprises, mainly Shopping Malls. The company is responsible for the management of Shopping Center Crystal.

Special-purpose partnership - Crystal Parking

BR Malls holds 66.50% of the capital of the company whose objective is to develop, execute, operate and manage parking lots for all kinds of motor vehicles in the Shopping, and can include paid parking, valet parking and similar ("Parking lot").

L5 Corporate LLC.

L5 Corporate, with its head office in the State of Delaware - United States of America, was set up with the specific purpose of obtaining funds in the international markets. It does not have its own operations.

BR Malls Administração e Comercialização Ltda.

Ecisa Participações and Ecisa Engenharia hold the total capital of BR Malls Administração e Comercialização Ltda. ("BR Malls Administração"), a company that provides services related to the planning, management, implantation and operation of shopping malls and commercial ventures of any nature, owned or of third parties, as well as coordinating the acquisition and rental of real estate for commercial use.

1. General information (Continued)

b) Indirectly controlled subsidiaries

Proffito and GS Shopping

Proffito has the specific purpose of investing in the capital of GS Shopping. Proffito holds an interest of 50.00% in the capital of GS Shopping, which is a company whose objective is to invest in shopping malls and which holds 100.00% of the real estate shares in Goiânia Shopping.

Proffito holds 100% of all the ideal fractions and improvements that comprise Shopping Tamboré in Alphaville - São Paulo.

Spinacia Participações S.A.

The objective of Spinacia is to operate shopping malls and parking lots, develop, market, manage and implement shopping malls. Spinacia Participações acquired 60% of a piece of land located in the Municipality of São Bernardo do Campo in the State of São Paulo where it plans to develop a shopping mall. It acquired 70% of Alvear Participações S.A., which holds real estate interests of: 93% in Catuaí Shopping Londrina, 100% in Catuaí Shopping Maringá, 100% of a piece of land located in the Municipality of Londrina in the State of Paraná where it plans to develop the Shopping Londrina Norte, 97% in Proeste S.A., 89.3% in Catuaí Londrina Parking and 95% in Catuaí Maringa Parking.

EDRJ113 Participações Ltda.

The objective of Spinacia is to operate shopping malls and parking lots, develop, market, manage and implement shopping malls. EDRJ113 holds 49% of the Via Brasil shopping mall located in Irajá in the Municipality of Rio de Janeiro.

SPE Azione

EDRJ 113 holds 60% of the company's capital. The objective of this company is the operation of shopping malls and commercial buildings, economic planning, development, marketing, management and implementation of shopping malls and the operation of parking lots. SPE Azione develops the project of the Shopping Estação BH.

1. General information (Continued)

b) Indirectly controlled subsidiaries (Continued)

Nattca

The Ecisas hold 100% of the capital of Nattca, a company established with the specific objective of holding shares in Shopping Estação - it is the sole owner of 100% of the aforementioned shopping mall.

SPE Indianápolis, Cuiabá and Exímia

Ecisa Participações holds the total capital of SPE Indianápolis, which is a company whose objectives are, amongst others, to operate and develop shopping malls and to invest in the capital of other companies. SPE Indianápolis holds an interest of 78.65% in the capital of Cuiabá Participações S.A., which in turn holds 12.72% of the shares in the real estate segment of Pantanal Shopping. Upon consolidation of these holdings, SPE Indianápolis indirectly will hold approximately 10% of Pantanal Shopping.

In March 2012, we sold our interest in Pantanal Shopping (10%).

Furthermore, SPE Indianápolis also owns debentures issued by Maia e Borba S.A, which ensures that SPE Indianápolis receives remuneration corresponding to 50% of the net income of Araguaia Shopping, which is a business enterprise operated by that company.

SPE Indianápolis holds 99.9% of the shares in the capital of Exímia, which is a company whose objective is to rent its own real estate property and invest in other companies. Exímia's assets comprise the following investments: (i) 13% of the enterprise known as Big Shopping and (ii) 2.13% of the enterprise known as Minas shopping..

1. General information (Continued)

b) Indirectly controlled subsidiaries (Continued)

Center Shopping, Mídia Central, Uberlândia, Center Parking and special-purpose partnership Uberlândia Parking

SPE Indianápolis holds 51% of the capital of Center Shopping S.A., the purpose of which, amongst others, are to operate, prepare business plans, develop, market, administer, manage and implement shopping malls. The company has 100% of the investments in real estate of Shopping Center Uberlândia.

Center Shopping S.A. holds the whole of the capital of Mídia Central Ltda. The objective of the company is the exploration of the media placement activity and 100.00% of the capital of Uberlândia Center Parking whose objective is to develop, execute, operate and manage parking lots for all kinds of motor vehicles in the Shopping, and can include paid parking, valet parking and similar ("Parking lot"). In August 2011, a special-purpose partnership was established in order to replace Uberlândia Center Parking. Center Shopping S.A. holds an interest of 96.5% in this entity.

EPI, SPE Classic and Piracicaba Malls

Ecisa Engenharia holds an interest of approximately 100% in the capital of EPI, which is a company whose main objective is to invest in real estate enterprises, amongst other objectives. EPI holds the following holdings: (i) 21.54% of the enterprise known as Shopping Center Piracicaba, (ii) 12.20% of the enterprise known as Shopping Center Iguatemi Belém (iii) 17.90% of the enterprise known as Amazonas Shopping Center and (iv) 34.20% of the enterprise known as Shopping Center Iguatemi Maceió. EPI holds 100% of the quotas of the capital stock in SPE Classic Participações Ltda., which in turn has a 3% share in an enterprise known as Shopping Metrô Tatuapé and a 15% share in an enterprise known as Shopping São Luis. EPI holds 100% of the quotas of the capital stock in Piracicaba Malls Participações Ltda., which in turn has a 15.34% share in Shopping Center Piracicaba.

1. General information (Continued)

b) Indirectly controlled subsidiaries (Continued)

Fashion Mall and Rai Rhodes

Ecisa Participações holds 100% of the capital of Fashion Mall S.A., the purposes of which, amongst others, are to operate, prepare business plans, develop, market, administer, manage and implement shopping malls. The company holds (i) 100% of the shares in Rio Plaza Shopping; and (ii) 100% of the shares in São Conrado Fashion Mall (iii) 100% of the shares in Niterói Plaza and (iv) 100% of the shares in Shopping Ilha Plaza.

Fashion Mall holds the total capital of Rai Rhodes, which provides administration, leasing and other services related to the real estate business, including shopping malls, as well as the purchase and sale of real estate.

COFAC

Ecisa Participações holds an interest of 100% in the capital of COFAC whose objectives, amongst others are to operate, prepare business plans, develop, market, manage and implement shopping malls.

SPE Monza and Shopping Center Mooca

Ecisa Engenharia holds an interest of 100% in the capital of SPE Monza, whose objective, is to operate, prepare business plans, develop, market, administer, manage and implement shopping malls and operate parking lots.

SPE Monza holds an interest of 60% in the Capital of Shopping Center Mooca. Shopping Center Mooca has the objective to promote, develop and operate exclusively upon the sale, purchase or lease of space for enterprises. SPE Monza started to operate in the Shopping Center Mooca with the specific purpose of developing a shopping mall located in the Mooca area of São Paulo.

1. **General information** (Continued)

b) Indirectly controlled subsidiaries (Continued)

SPE Xangai

Ecisa holds an interest of 75% in the capital of SPE Xangai, which is a company whose objectives, amongst others, are to operate, prepare business plans, develop, market, administer, manage and implement shopping malls as well as operate parking lots. SPE Xangai holds 100% of Shopping Granja Vianna, located in the Municipality of Cotia, in the metropolitan area of São Paulo.

Emce

The objective of this company is to lease equipment which allows for cogeneration of electric power. Its main client is Norte Shopping.

KGM37

Ecisas hold an interest of 100% in the capital of KGM37, which is a company whose objective is to operate, prepare business plans, develop, commercialize, administer, manage and implement shopping malls. KGM37 holds 10.41% of the capital of Shopping Mueller.

SDR

This company's objective is to undertake real estate projects, notably shopping malls, and investing in the capital stock of other companies. SDR has 30% of the investments in the real estate of Shopping Del Rey Together with Ecisa Engenharia Ltda., BR Malls holds 65% of the real estate investment in shopping Del Rey.

Campo Grande Parking

The objective of this company is to operate paid parking lots in Shopping Campo Grande.

1. General information (Continued)

b) Indirectly controlled subsidiaries (Continued)

Special-purpose partnership JLN 2

The objective of JLN2 is to develop, execute, operate and manage the parking lot at Plaza Niterói and Shopping Rio Plaza.

Special-purpose partnership Centro Oeste Parking

The objective of this company is to develop, execute, operate and manage the parking lot at Goiânia Shopping.

Special-purpose partnership Campinas Parking

The objective of this company is to develop, execute, operate and manage the parking lot at Campinas Shopping.

Special-purpose partnership Fashion Parking

The objective of this company is to develop, execute, operate and manage the parking lot at São Conrado Fashion Mall.

Special-purpose partnership Estação Parking

The objective of this company is to develop, execute, operate and manage the parking lot at Shopping Estação.

Companhia Santa Cruz and SAS Administradora

The Ecisas have a 100% share of the capital of Companhia Santa Cruz, whose specific purpose is to hold a share in the Shopping Metro Santa Cruz and is the exclusive owner of 100% of that shopping mall.

Companhia Santa Cruz has a 100% share of the capital of SAS Administradora whose objective is to provide financial administration, planning, coordination and organizational services to Shopping Metro Santa Cruz.

1. General information (Continued)

b) Indirectly controlled subsidiaries (Continued)

Lesbos Participações Ltda.

The Ecisas have a 100% share of the capital of Lesbos whose objective is to develop, execute, operate and manage the parking lot at Metro Santa Cruz.

Sociedade Independência Imóveis ("SISA")

Ecisa Engenharia holds an interest of 83.44% in the capital of SISA, which is a company whose objective is to organize, implement and manage movable and fixed assets as well as business enterprises, notably shopping malls. SISA holds the whole of the investment in the real estate of Shopping Independência, located in Juiz de Fora, in the State of Minas Gerais.

Special-purpose partnership Independência Parking

SISA holds 96% of the capital of the company whose objective is to develop, execute, operate and manage parking lots for all kinds of motor vehicles in the Shopping, and can include paid parking, valet parking and similar ("Parking lot").

Special-purpose partnership Ilha Parking

A Fashion Mall S.A. holds 94.8% of the capital of the company whose objective is to develop, execute, operate and manage parking lots for all kinds of motor vehicles in the Shopping, and can include paid parking, valet parking and similar ("Parking lot").

Special-purpose partnership Granja Vianna

SPE Xangai Participações S.A. holds 96% of the capital of the company whose objective is to develop, execute, operate and manage parking lots for all kinds of motor vehicles in the Shopping, and can include paid parking, valet parking and similar ("Parking lot").

1. General information (Continued)

b) Indirectly controlled subsidiaries (Continued)

CIMA

Ecisa Engenharia holds an interest of 100% in the capital of CIMA, which is a company whose objective is to organize, implement and manage movable and fixed assets as well as business enterprises, notably shopping malls. CIMA holds the total real estate shares of Shopping Tijuca and 50% of the trade towers that belong to the shopping mall.

CG Participações

Ecisa Participações holds an interest of 100% in the capital of CG Participações Ltda., which is a company whose objective is to organize, implement and manage movable assets and property and equipment items as well as business enterprises, notably shopping malls. CG Participações holds the following holdings: 10.5% of the real estate shares of Shopping Campo Grande and 4.13% of Campo Grande Parking.

Special-purpose partnership Tijuca Parking

CIMA holds 97.8% of the capital of the company whose objective is to develop, execute, operate and manage parking lots for all kinds of motor vehicles in the Shopping, and can include paid parking, valet parking and similar ("Parking lot").

Hills RJ Participações Ltda.

The objective of the company is to render services, manage, consult, plan and organize trade and real estate enterprises, mainly Shopping Malls.

Lorraine RJ Participações Ltda.

The objective of the company is to render services, manage, consult, plan and organize trade and real estate enterprises, mainly Shopping Malls.

1. General information (Continued)

b) Indirectly controlled subsidiaries (Continued)

Special-purpose partnership Shopping Mooca

Shopping Center Mooca holds 90.0% of the capital of the company whose objective is to develop, execute, operate and manage parking lots for all kinds of motor vehicles in the Shopping, and can include paid parking, valet parking and similar ("Parking lot").

BR Malls Premium Outlet Empreendimentos Imobiliários e Participações Ltda.

The company is engaged in operating shopping malls and/or own commercial buildings or of third parties, developing, trading, managing and implementing shopping malls and commercial buildings, operating parking lots, as well as providing consulting and advisory services, and services involving business management, business planning and related activities, in relation to shopping malls and/or other business of similar nature; and acquiring, selling and leasing real estate properties for commercial exploration, in Brazil and abroad.

c) Joint ventures

ASCR

This company provides administrative services related to the operation of Shopping Center Recife.

Recife Parking

The objective of this company is to operate paid parking lots in Shopping Center Recife.

Recife Locadora

This company has the objective of leasing equipment for the generation of electric or thermal power, related to the operations of Shopping Center Recife.

1. General information (Continued)

c) Joint ventures (Continued)

Villa Lobos Parking

This company has the objective of operating a paid parking lot for cars in Shopping Center Villa Lobos.

SPE Mônaco

BR Malls holds an interest of 50% in the capital of SPE Mônaco, which is a company whose objectives, amongst others, are to operate, prepare business plans, develop, market, administer, manage and implement shopping malls as well as operate parking lots. SPE Mônaco holds 100% of Natal Shopping Center.

B. Sete Participações S.A.

BR Malls holds an interest of 39.59% in the capital of B. Sete Participações S.A., which is a company whose objectives are to operate, prepare business plans, develop, market, administer, manage and implement shopping malls as well as operate parking lots. B. Sete Participações S.A. holds 100% of Shopping Center Osasco Plaza and 100% of Administradora Osasco Plaza, the company that is responsible for the shopping mall management.

Christaltur Empreendimentos e Participações S.A.

Ecisa Engenharia holds an interest of 49.99% in the capital of Christaltur, which has as its main objective performing real estate mergers, as well as investing in other companies as a stockholder or interest holder. After the purchase of Christaltur, BR Malls became the holder of 39.72% of the gross leaseable area of Shopping Villa-Lobos, increasing its investment in that enterprise.

Special-purpose partnership West Parking and Center Parking

BR Malls has a 28.5% share of the capital of the companies whose objectives are to develop, execute, operate and manage the parking lot at West Shopping and Center Shopping.

1. General information (Continued)

c) Joint ventures (Continued)

Special-purpose partnership Via Brasil Parking

BR Malls holds 95.5% of the capital of SCP whose objective is to develop, execute, operate and manage parking lots for all kinds of motor vehicles in the Shopping, and can include paid parking, valet parking and similar ("Parking lot").

d) Financial investments

EDRJ100 Participações Ltda.

Ecisa Engenharia holds an 8% interest in the capital of EDRJ100, which is a company whose main objective is to invest in other companies and holdings in real estate enterprises.

Pró-Parking Participações Ltda.

BR Malls Participações S.A. holds a 10.51% share in Pró-Parking Participações Ltda., whose objective is to operate the paid parking lot at Shopping Center Mueller.

2. Summary of significant accounting practices

The principal accounting policies applied in the preparation of these individual and consolidated quarterly information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation and presentation

These quarterly information were based on the historical cost and adjusted to reflect the fair value estimates of investment properties, financial instruments, derivatives and certain financial instruments against P&L for the year.

The preparation of the quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated quarterly information are disclosed in Note 3.

2. Summary of significant accounting practices (Continued)

2.1. Basis of preparation and presentation (Continued)

The individual quarterly information were prepared and are presented in accordance with CPC 21 - Interim Financial Reporting and the interim consolidated financial statements pursuant to CPC 21 and IAS 34 - Interim Financial Reporting, issued by the *International Accounting Standards Board* - IASB, as well as for the fair presentation of such information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários - CVM) applicable to the preparation of Quarterly Information (ITR).

In the individual quarterly information, subsidiaries, jointly-controlled subsidiaries and affiliates are recorded under the equity pickup method. Same adjustments are made both in individual and consolidated quarterly information in order to achieve the same income and equity attributable to the company's shareholders. For BR Malls, accountings practices adopted in Brazil and applied in the individual quarterly information differ from IFRS applicable to individual quarterly information solely due to assessment of investments in jointly-controlled subsidiaries and affiliates under the equity pickup method, whereas IFRS would require assessment at cost or fair value, and due to maintenance of deferred assets balance at December 31, 2008, which has been amortized.

The Company did not record any other comprehensive income for the quarters ended March 31, 2012 and 2011. Consequently, the respective statements of comprehensive income are not presented. In addition, some balances related to the balance sheet at December 31, 2011, which were presented for comparison purposes, were reclassified.

2.2. Consolidation

The following accounting policies are applied in the preparation of the consolidated quarterly information:

(i) Subsidiaries, jointly-controlled subsidiaries and affiliates

Subsidiaries are all entities (including special purpose entities and partnerships) over which the Company has the power to determine the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

2. Summary of significant accounting practices (Continued)

2.2. Consolidation (Continued)

(i) Subsidiaries, jointly-controlled subsidiaries and affiliates (Continued)

The existence and effect of possible voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The consolidated quarterly information also comprises the financial information of its jointly-controlled subsidiaries, the situation in which the control and management of the companies are shared with the other shareholders. The consolidation includes asset, liability and statement of income accounts proportionally to the total holding in the capital of the respective companies.

Affiliates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights and are initially recognized at cost. The Company's investment in affiliates includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.6.5 for the impairment of non-financial assets, including goodwill.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries, jointly-controlled subsidiaries and affiliates have been changed where necessary to ensure consistency with the policies adopted by the Company.

(ii) Transactions and non-controlling interests

The Company treats transactions with non-controlling interests as transactions with equity owners of the Company. For purchases from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. Summary of significant accounting practices (Continued)

2.2. Consolidation (Continued)

(ii) Transactions and non-controlling interests (Continued)

When the Company ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an affiliate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This means that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Jointly-controlled assets

Most shopping malls wherein the Company holds interest by means of a structure called pro-indiviso condominium (Condomínio "Pro Indiviso" - CPI). Shopping malls are not companies, but entities operated based on a convention, in which owners (venturers) divide all revenue, costs and expenses.

As regards its interest in jointly-controlled assets, the Company's financial statements recognize its share in assets, liabilities, revenue and expenses in the subsidiary, similarly to the proportional consolidation method; therefore, no other consolidation adjustment is necessary.

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the top management responsible for the Company's strategic decisions.

2. Summary of significant accounting practices (Continued)

2.4. Foreign currency translation

a) Functional currency and reporting currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The annual consolidated information is presented in Brazilian reais (R$), which is the Company's functional currency, and also the Company's reporting currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currency at exchange rates at the end of each period are recognized in the statement of income.

Foreign exchange gains and losses that relate to borrowings, perpetual notes and cash and cash equivalents are presented in the statement of income within "finance income or cost". All other foreign exchange gains and losses are presented in the statement of income within "financial income/expenses - net".

Assets and liabilities of subsidiaries abroad are translated into Reais at the exchange rate at the balance sheet date, and the corresponding income statements are translated by the exchange rate at the transaction date. Foreign exchange differences resulting from the referred to translation are recorded separately in equity, as other comprehensive income.

2.5. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other near term highly liquid investments with original maturities of three months or less, with immaterial risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2. Summary of significant accounting practices (Continued)

2.6. Financial assets

2.6.1. First-time recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, investments held to maturity, financial assets available for sale, or derivatives classified as efficient hedging instruments, as the case may be. The Company determines classification of financial assets at the moment of its initial recognition, when it becomes part of contractual provisions.

Financial assets are firstly recognized at fair value plus transaction costs directly imputable to the respective financial asset acquisition, in case of investments not stated at fair value through profit or loss.

Purchase and sale of financial assets requiring delivery of assets within a preset schedule, under market regulation or convention (regular purchase), are recognized on the transaction date, i.e. when the Company undertakes to purchase or sell an asset.

The Company's financial assets include cash and cash equivalents, marketable securities, accounts receivable, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

The Company classifies its financial assets according to the following categories: measured at fair value through profit or loss and loans and receivables.

2. Significant accounting practices (Continued)

2.6. Financial assets (Continued)

2.6.2. Subsequent measurement

Subsequent measurement of financial assets is contingent on their classification, as follows:

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon first-time recognition as fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold within short term. This category includes derivative financial instruments taken out by the Company that do not meet the hedge accounting criteria defined by CPC 38. The Company does not apply hedge accounting. Derivatives, including embedded derivatives that are not closely related to the host contract and that must be separated, are also classified as held for trading, unless they are classified as effective hedge instruments. Financial assets at fair value through profit or loss are presented in the balance sheet at fair value, with the related gains and losses recognized in income statements.

The Company valued its financial assets at fair value through profit or loss, because it intends to trade them in a short period of time. In the event the Company is unable to negotiate such financial assets due to inactive markets, and management intention to sell them in the near future changes significantly, the Company may reclassify such financial assets in some circumstances. Reclassification for loans and trade accounts receivable available for sale or held to maturity depend on the type of asset. Such assessment does not affect any financial assets deemed at fair value through profit or loss, and using fair value upon presentation.

2. Significant accounting practices (Continued)

2.6. Financial assets (Continued)

2.6.2. Subsequent measurement (Continued)

a) Financial assets at fair value through profit or loss (Continued)

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of income within "Financial income/expenses - net" for each period. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of income within "Other operating gains" when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. Financial assets at fair value through profit or loss include marketable securities and derivative instruments.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with prefixed or determinable payments, which are not quoted in an active market. After first-time measurement, such financial assets are recorded at amortized cost, under the effective interest rate method (effective interest rate), less loss due to impairment. The amortized cost is computed based on any discount or “premium” upon acquisition, as well as fees or costs incurred. Amortization of effective interest rate method is recorded under financial income in income statements. Impairment losses are recognized as financial expenses in income statements.

2. Significant accounting practices (Continued)

2.6. Financial assets (Continued)

2.6.2. Subsequent measurement (Continued)

b) Loans and receivables (Continued)

Except where applicable, those assets with maturities over 12 months after the balance sheet date are recorded under current assets, which are classified as non-current assets. The Company's loans and receivables comprise loans to affiliates and subsidiaries, trade accounts receivable, other receivables and cash and cash equivalents.

2.6.3. Derecognition (write-off)

A financial asset is written off when:

- The right to receive cash flows from an asset expires;
- The Company transfers its right to receive cash flows from an asset or undertakes the obligation to fully pay cash flows received, without significant delay, to a third party by virtue of a "pass-through" agreement; and (a) the Company substantially transfers all the asset's risks and benefits, or (b) the Company neither transferred nor substantially retained all risks and benefits related to an asset, but transferred the control over such asset.

When the Company had transferred the right to receive cash flows from an asset or had executed a pass-through agreement, but did not substantially transfer or retain all such asset's risks and benefits, it is recognized to the extent of the Company's involvement in such asset.

2. Significant accounting practices (Continued)

2.6. Financial assets (Continued)

2.6.3. Derecognition (write-off) (Continued)

In this case, the Company also recognizes a related liability. The transferred asset and the related liability are measured based on rights and obligations that the Company kept. Continuous involvement such as of a guarantee on a transferred asset is measured by the lower of the original carrying amount of the asset or the maximum amount that may be required from the Company.

2.6.4. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.6.5. Impairment of financial assets

Assets carried at amortized cost

The Company assesses at the end of each month whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2. Significant accounting practices (Continued)

2.6. Financial assets (Continued)

2.6.5. Impairment of financial assets (Continued)

Assets carried at amortized cost (Continued)

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

(i) Significant financial difficulties of the issuer or obligor;

(ii) A breach of contract, such as a default or delinquency in interest or principal payments;

(iii) The Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

(iv) It becomes probable that the supplier will enter bankruptcy or other financial reorganization;

(v) The disappearance of an active market for that financial asset because of financial difficulties; or

(vi) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- ► Adverse changes in the payment status of borrowers in the portfolio; and
- ► National or local economic conditions that correlate with defaults on the assets in the portfolio.

2. Significant accounting practices (Continued)

2.6. Financial assets (Continued)

2.6.5. Impairment of financial assets (Continued)

Assets carried at amortized cost (Continued)

The Company first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated statement of income.

2.7. Trade accounts receivable

These include rents receivable, as well as management fees and assignment of usage rights fees granted to tenants of stores of the shopping malls. They are stated at their realization value. An allowance for doubtful accounts (impairment) was set up in an amount deemed sufficient by management to cover identified losses.

The present value of significant long-term trade accounts receivable is calculated based on the effective interest rate of assignment of usage rights. This rate is compatible with the nature, term and risks of similar transactions under normal market conditions. The average rate (restated by the General Market Price Index - IGP-M) at March 31, 2012 corresponds to 3.24% per annum (p.a.) (December 31, 2011 - 5.10% p.a.).

2. Significant accounting practices (Continued)

2.8. Non-current assets held for sale

Assets of the disposal group are classified as held for sale when their carrying value is recoverable, particularly in the case of a sale and when the completion of such sale is practically certain. These assets are stated at the lower of the carrying value and fair value, less sales cost, if the carrying value can be recovered, particularly by means of a sale transaction and not due to continuing use.

2.9. Intangible assets

Intangible assets refer to licenses for computer programs, which are capitalized and amortized during the estimated useful life according to the rates disclosed in Note 15.

2.10. Deferred (only for the company's quarterly information)

Deferred charges, up to December 31, 2007 were made up mostly of pre-operating and reorganization expenses, being amortized in up to ten years. In accordance with CPC 13, the Company chose to maintain the balance of recorded deferred charges, made up until 2007, until the end of its amortization and there has been no new capitalization after January 2008.

2.11. Property and equipment

These are stated at cost less the corresponding accumulated depreciation. Depreciation is calculated on the straight-line method at annual rates considered compatible with the useful and economic lives of the assets, as disclosed in Note 13.

Residual values and useful lives of the assets are reviewed annually and adjusted, if appropriate.

2. Significant accounting practices (Continued)

2.12. Investment properties

Investment properties are represented by land and buildings in shopping malls held for rental income and/or capital gains as disclosed in Note 12.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes replacement cost of part of an investment property existing at the time when such cost is incurred, provided that recognition criteria are met; excluding daily service costs of such investment property. After first-time recognition, investment properties are stated at fair value, except for investment properties under construction ("greenfields"), which reflect market conditions at the balance sheet date. Gains or losses resulting from investment properties fair value variation are included in income statements for the period when they are incurred.

Investment properties under construction ("Greenfields") are recognized at their construction costs up to the date they enter into operation or when the Company can reliably determine the asset's fair value.

Fair value of investment properties does not reflect future capital expenditures that increase property values nor does it consider related future benefits derived from these expenditures.

Investment properties are written off when sold or when they cease to be permanently used, and no future economic benefit inflow is expected from their disposal. The difference between the asset net amount obtained in a selling transaction and its carrying amount is recognized in income statements for the write-off period.

Transfers are made to or from the investment property account only in the event of a change in its use. If a property used by the ower becomes an investment property, the Company records the referred to property according to the policy described in the property and equipment section, up to the date its use is changed.

2.13. Cost of loan

Cost of loan directly related to acquisition or construction of investment properties, which necessarily takes a significant period of time to be completed, is capitalized as a part of corresponding asset cost. All other costs of loan are stated as expense for the period they are incurred. Cost of loan comprises interest and other loan-related costs incurred by the Company.

2. Significant accounting practices (Continued)

2.14. Impairment of assets

Property and equipment and other non-current assets, including intangible assets, are reviewed at least annually to identify indicators of non-recoverable losses, or, any time events or changed circumstances indicate that a book value may not be recoverable. When this is the case, the recoverable value is calculated in order to see if there is any loss. Whenever there is a loss, it is recognized at the amount by which the book value exceeds its recoverable value, which is the higher between the net asset sale price and its value in use. For purposes of valuation, assets are grouped into the smallest group of assets for which there are cash flows which can be identified separately. No loss resulting from the reduction of the recoverable value of assets was identified for the three-month periods ended March 31, 2012 and 2011.

2.15. Trade accounts payable

Trade accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.16. Borrowings and financing

Borrowings and financings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the settlement value is recognized in the statement of income over the period of the borrowings and financings using the effective interest method.

Borrowings and financing costs are attributed on a straight-line basis by the respective contractual terms.

Financial instruments, including perpetual notes, which are mandatorily redeemable on a specific date are classified as liabilities.

Borrowings and financings are classified as current liabilities unless the Company has an unconditional right to define settlement of the liability for at least 12 months after the balance sheet date.

2. Significant accounting practices (Continued)

2.17. Provisions

The restructuring costs and lawsuits (labor, civil and indirect taxes) are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance costs.

2.18. Deferred and current income and social contribution taxes

The current income tax and social contribution are calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken by the Company in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. Significant accounting practices (Continued)

2.18. Deferred and current income and social contribution taxes (Continued)

These are recorded on a monthly basis under the annual taxable profit based on accounting records method, except for certain subsidiaries and joint subsidiaries, where taxes are calculated based on taxable profit based on percentage of gross sales. The social contribution tax is calculated at the rate of 9% on the income adjusted according to the provisions of the law currently in effect. The provision for income tax is recorded at the gross amount, applying the base rate of 15%, plus an additional of 10%. For the companies that chose the taxable profit based on percentage of gross sales method, the calculation base for the income tax is calculated at the rate of 32% for income arising from rents and rendering of services and 100% for financial income; the social contribution on the net profit is calculated at the rate of 32% on the gross revenue, on which the nominal rates are applied.

Deferred income tax and social contribution are recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the quarterly information. Deferred income tax and social contribution are determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The currently defined tax rates of 25% for income tax and 9% for social contribution tax are used to calculate deferred credits.

Deferred income and social contribution taxes assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for the case of a deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. Significant accounting practices (Continued)

2.19. Taxes on income

For the companies which use the annual taxable profit based on accounting records method system, the Social Contribution Tax on Gross Revenue for Social Integration Program ("Programa de Integração Social - PIS") is calculated at the rate of 1.65%, applied to the whole of the operating income, adjusted in accordance by deductions and exclusions established in the prevailing legislation.

The Social Contribution Tax on Gross Revenue for Social Security Financing ("Contribuição para Financiamento de Seguridade Social - COFINS") is calculated at the rate of 7.60%, applicable to the same calculation basis as for the PIS.

For the companies that choose the presumed profit method, the PIS is calculated at the rate of 0.65%, applied to the whole of the operating and financial income. The COFINS is calculated at the rate of 3%, applicable to the same calculation basis as for the PIS. The ISS on services is calculated at a 5% rate.

2.20. Employee benefits

a) Share-based payment

The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2. Significant accounting practices (Continued)

2.20. Employee benefits (Continued)

a) Share-based payments (Continued)

At the balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of income, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

b) Profit-sharing

The Company recognizes a liability and an expense for profit-sharing based on a formula that takes into consideration the profit attributable to the Company's stockholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.21. Capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as specific reserve, net of tax.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's stockholders until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax and social contribution effects, is included in equity attributable to the Company's stockholders.

2. Significant accounting practices (Continued)

2.22. Revenue recognition

Revenue is recognized to the extent that it is likely that economic benefits will flow to the Company and where it may be reliably measured. Revenue is measured at the fair value of the consideration received, excluding deductions, rebates and taxes or duties on sales. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent, and eventually concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

a) Revenue from rent

Lessees of mall units generally pay a rent corresponding to the higher of the monthly minimum amount adjusted annually by the General Price Index - Domestic Availability (IGP-DI), and the amount obtained from application of a percentage rate on gross revenue of each lessee's sales.

The Company records its mall units lease transactions as operating lease. The minimum rent, including periodical prefixed increases provided for by agreements, and excluding inflation adjustments, is recognized proportionally to the Company's interests in each business venture, on a straight-line basis, over the respective agreements validity, and regardless of payment conditions.

The difference between the minimum amount and the amount after application of the referred to percentage rates on gross revenue from sales is considered as contingent payments and recognized in income statements as incurred.

b) Revenue from right of use assignment

Revenue from right of use assignment is recorded as deferred revenue in liabilities upon the respective agreement execution, and is recognized in P&L on a straight-line basis, based on the mall unit lease agreement validity, as from the respective lease start off.

2. Significant accounting practices (Continued)

2.22. Revenue recognition (Continued)

c) Revenue from parking operations

It refers to operation of shopping malls parking lots. These revenues are recognized in income statements on an accrual basis and stated net of any transfers to shopping malls.

d) Revenue from provision of services

It refers to (i) rendering of management and consulting services performed through the subsidiaries BR Malls Administração, Hills RJ Participações Ltda, and Lorraine RJ Participações Ltda; (ii) provision of services for the marketing of shops and "Mall and Merchandising" spaces, through the BR Malls Administração subsidiary; and (iii) provision of services related to the preparation of business plans and development carried out through the BR Malls Desenvolvimento subsidiary. Revenue from service provision is recognized on an accrual basis.

Regarding items (i) and (ii) above, BR Malls Administração, Hills Administração and Lorraine render management and trading services to shopping malls of the Company and of third parties, accruing the following income on a monthly basis: (a) fee paid by the entrepreneurs, which is calculated through the application of a percentage on the net income of the shopping mall, less their operating expenses (excluding the management fee) of the gross operating income; (b) fees paid by the storekeeper, which are defined based on a monthly fixed amount or on a percentage on the total condominium expenses and on the promotion fund; and (c) trade revenue, which, in general, corresponds to a percentage of the rental agreements of stores, kiosks and spaces for merchandising, as well as right assignment, transfer fees of traded real estate.

e) Revenue from transfer fee and others

These are recognized under the accrual method of accounting.

2. Significant accounting practices (Continued)

2.22. Revenue recognition (Continued)

f) Financial income

Financial income is recognized according to the elapsed term, using the effective interest method. When a loan and receivable instrument is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument. Subsequently, as time goes by, interest is incorporated into loans and receivables against financial income. This financial income is calculated at the same effective interest rate used to determine the recoverable amount, i.e., the original rate of loans and receivables.

g) Dividend income

Dividend income is recognized when the right to receive payment is established.

2.23. Payment of dividends and interest on equity

Dividends and interest on equity paid to the Company shareholders are recognized as liabilities in the Company's financial statements, pursuant to its articles of incorporation. Any amount that exceeds the minimum required is only provided on the date it is approved by the stockholders at the general meeting.

The tax benefit of interest on equity is recognized in income statements.

2. Significant accounting practices (Continued)

2.24. Investments in subsidiaries and jointly-controlled subsidiaries

Investments in subsidiaries and jointly-controlled subsidiaries are evaluated based on the equity pickup method (Note 11) in the individual financial statements.

According to this method, the Company's share in the increase or decrease in equity of subsidiaries, jointly-controlled subsidiaries and affiliates after the acquisition, due to the determination of the net income or loss for the year or due to gains or losses in capital reserves, is recognized as income (or expense). For effects of the equity accounting calculation, gains or transactions that took place between the Company, subsidiaries, jointly-controlled subsidiaries and affiliates are eliminated in the proportion of the Company's participation; unrealized losses are also eliminated, unless the transaction provides evidence of permanent loss (impairment) of the asset transferred.

When the Company's shares in accumulated losses of subsidiaries and affiliates becomes equal to or exceeds the amount of the investment, the Company does not recognize additional losses unless it has taken on obligations or made payments on behalf of these companies.

2.25. Costs incurred with raising of funds

The recognition of the transaction costs incurred with the raising of equity funding is recorded in a reduction equity account, less any tax effect.

2.26. Leases

Leases in which a significant portion of the risks and rewards of ownership retained by lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are debited to the statement of income on the straight-line method over the period of the lease. Leases in which the Company is the lessor are recognized as mentioned in Note 2.22.

2. Significant accounting practices (Continued)

2.27. Standards, amendments and interpretations to existing standards that are not yet effective

The following standards, amendments and interpretations to standards issued by IASB are not effective for the three-month period ended March 31, 2012. The early adoption of these standards, although encouraged by IASB, was not permitted in Brazil by the Brazilian Accounting Pronouncements Committee (CPC).

(a) 19 - "Employee benefits" amended in June 2011. The main effects of the amendments are as follows: (i) elimination of the corridor approach, (ii) recognition of the actuarial gains and losses in other comprehensive income as they occur, (iii) immediate recognition of the costs of the past services in the result, and (iv) substitution of the cost of interest and expected return on the plan's assets for a net interest amount, calculated through the use of the discount rate to the asset (liability) of the net defined benefit. Management is evaluating the total impact of these amendments on the Company. The standard is applicable as from January 1, 2013.

(b) IFRS 9 - "Financial Instruments", covers the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in November 2009 and October 2010 and it substitutes parts of IAS 39 related to the classification and measurement of financial instruments. IFRS 9 requires the classification of financial assets into two categories: measured at fair value and measures at amortized cost. It is determined upon initial recognition. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial instruments. Regarding the financial liability, the standard maintains most of the requirements established by IAS 39. The main change is that in the cases in which the option of fair value is adopted for financial liabilities, the portion of the change in fair value due to the entity's credit risk is recorded in other comprehensive income, not in the statement of income, except when it gives rise to accounting mismatch. The Company is assessing IFRS 9's full impact. The standard is applicable as from January 1, 2013.

2. Significant accounting practices (Continued)

2.27. Standards, amendments and interpretations to existing standards that are not yet effective (Continued)

(c) IFRS 10 - "Consolidated Financial Statements" is based on existing principles, identifying the control concept as the prevailing factor to determine whether an entity should be included or not in the parent company's consolidated financial statements. The standard gives additional orientations for the control determination. The Company is assessing IFRS 10's full impact. The standard is applicable as from January 1, 2013.

(d) IFRS 11 - "Joint Arrangements", issued in May 2011. The standard provides a more realistic approach for joint arrangements when focusing on the rights and obligations of the agreement instead of its legal form. There are two types of joint arrangements: (i) joint operations - which occurs when an operator has rights on the assets and contract obligations and, as a consequence, will account its portion in assets, liabilities, revenues and expenses; and (ii) shared control - occurs when an operator has rights on the liquid assets of the control and accounts for the investment by the equity method of accounting. The proportional consolidation method will not be allowed anymore with joint control. The standard is applicable as from January 1, 2013.

(e) IFRS 12 - "Disclosure of Interests in Other Entities" handles the disclosure requirements for all the forms of interest in other entities, including joint arrangements, joint ventures, special-purpose partnership and other interest not recorded in the books. The Company is assessing IFRS 12's full impact. The standard is applicable as from January 1, 2013.

(f) IFRS 13 - "Fair Value Measurement", issued in May 2011. The objective of IFRS 13 is to improve the consistency and reduce the complexity of fair value measurement, providing a more precise definition and a sole source of fair value measurement and its disclosure requirements for use in IFRS. The requirements, which are aligned between IFRS and US GAAP, do not widen the use of the accountability at fair value, but provides orientations on how to apply it when its use is already required or allowed by other IFRS or US GAAP standards. The Company is assessing IFRS 13's full impact. The standard is applicable as from January 1, 2013.

There are no other IFRS standards or IFRIC interpretations that are not yet effective that could significantly impact the Company.

3. Critical accounting estimates and judgments

Critical accounting estimates are those which are both (a) important to demonstrate the financial condition or entity results and which (b) require more difficult, subjective or complex judgment by management, frequently as a result of the need to make estimates which have an impact on inherently uncertain questions. As the number of variables and assumptions which affect the possible solution of these uncertainties increase, these judgments become even more subjective and complex. The following estimates were considered to be the most complex at the time this quarterly information report were prepared:

(i) Value of investment properties - Fair value of investment properties is determined using a proprietary model to calculate the present value of projected cash flows for each property, which uses market assumptions, updated on a semi-annual basis. On a quarterly basis, the Company applies a process to monitor events that could indicate that fair value estimates must be reviewed, such as greenfield projects launch, acquisition of additional interest or disposal of interest in shopping malls, significant variations in shopping malls performance as compared to budgets, changes in the macroeconomic scenario. If such events are identified, the Company adjusts its estimates so as to reflect variations, if any, in the P&L for each period.

(ii) Fair value of derivative financial instruments - The fair value of derivative financial instruments is determined using valuation techniques. Company Management uses its judgment to choose several methods and define assumptions that are principally based on market conditions at the date of the balance sheet.

In preparing the quarterly information, the Company adopted estimates and assumptions derived from past experience and several other factors which it understands to be reasonable and relevant under certain conditions.

4. Financial risk management

The Company has a policy for monitoring risk management. Management analyzes the matters that relate to cash, cash equivalents, marketable securities, management of debts and risk management, sending the matters for the approval of the Supervisory Board. In accordance with internal policy, the Company's financial result should be a result of the generation of operating cash and not gains in the financial market. The results obtained by the application of internal controls for the management of risks were satisfactory for the proposed purposes.

4.1. Financial risk factors

a) Credit risk

Company operations include administration of shopping malls (projects) and rental of stores which are the object of the projects.

The Company is subject to credit risk related to trade accounts receivable (store owners) and financial investments. Company financial policy limits its associated risk with these financial instruments, allocating them in financial institutions, as described in Note 4.2.

The lease contracts are governed by the applicable legislation. It is appropriate to point out that the choice of a diverse portfolio and control and evaluation of the balances are procedures that the Company undertakes in order to minimize losses resulting from default. Concentration of credit risk in accounts receivable is minimized due to the large number of customers, as the Company does not have any customer or company which represents more than 2.5% of its consolidated sales.

b) Price risk

Revenues depend directly on the Company's capacity to lease space available in the enterprises in which the Company has invested. Adverse conditions may reduce the number of leases, as well as the possibility to increase lease prices. The following factors, amongst others, can affect revenue generation:

(In thousands of reais, unless otherwise stated)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

b) Price risk (Continued)

- Periods of recession and increase in vacancy levels in the enterprises.
- Negative perception of tenants with respect to security, convenience and attractiveness of areas where the enterprises are located.

Management constantly controls and assesses these risks so as to minimize the impacts on the business.

c) Exchange rate risk

The associated risk is a result of the possibility that the Company incurs losses due to the fluctuations in the exchange rate of the US dollar and the Japanese yen that increases the amounts obtained or decreases the amounts transferred to the market.

d) Liquidity risk

Cash flow projections are made individually in the Company's subsidiaries. The Company monitors the continuous forecasts for liquidity requirements of its subsidiaries to assure that they have sufficient cash to meet its operating needs.

The table below shows the main liabilities financial instruments by maturity, fully represented by non-derivative financial liabilities (non discounted cash flows).

	2012	2013	2014	2015	Over 5 years	Total
Borrowings and financing	**129,270**	**270,527**	**279,999**	**374,164**	**2,318,011**	**3,371,971**

(In thousands of reais, unless otherwise stated)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

(e) Analysis of the responsiveness required by the Marketable Securities Commission (Deliberation 550)

On October 17, 2008, the Brazilian Securities Commission (CVM) issued Resolution No. 550, which deals with the presentation of information on financial instruments. The required information applicable to the Company is as follows:

Transaction	Assets /liabilities	Entity	Maturity (dd/mm/yy)	Reference value (notional)	Receiving position	Paying position	Differential fair value receivable/ (payable)	Differential curve receivable/ (payable)
March 31, 2012								
CCB Unibanco	13.77% p.a. x IGP-M + 9.70% p.a.	Ecisa Participações Ltda.	14.02.2019	**23,026**	**36,251**	**40,817**	**(8,657)**	**(4,566)**
CCB Unibanco	13.77% p.a. x IGP-M + 9.70% p.a.	Ecisa Engenharia Ltda.	14.02.2019	**17,270**	**27,188**	**30,613**	**(6,493)**	**(3,425)**
							(15,150)	**(7,991)**
Financing Itaú BBA	TR +11.16% x IGP-M + 7.75%	Proffito Holding	15.10.2021	**92,500**	**116,692**	**123,542**	**(18,919)**	**(6,850)**
Financing Santander	TR + 11% p.a x IGP-M + 8.30 % p.a.	SPE Xangai Participações	01.08.2019	**94,643**	**1,434**	**1,439**	**(22,301)**	**(5)**
Financing Itaú BBA	TR +9.94% x IPCA + 6.25%	SPE Monza	28.12.2012	**39,439**	**76,748**	**77,735**	**(1,471)**	**(987)**
Financing BTG Pactual	TR + 10% p.a. x 93.95 % DI	SPE Sfida	23.12.2019	**32,000**	**30,474**	**29,982**	**3,168**	**492**
							(39,523)	**(7,350)**
Perpetual bonds	USD + 9.75% p.a. x JPY + 6.90% p.a.	L5 Corporate LLC	05.11.2012	**232,558**	**254,849**	**315,731**	**(58,969)**	**(60,881)**
Perpetual bonds	USD + 8.5% p.a. x JPY + 6.20% p.a.	BR Malls Inter. Finance	15.01.2016	**382,605**	**426,207**	**426,123**	**14,365**	**85**
Perpetual bonds	JPY + 6.9% p.a. x USD + 9.87% p.a.	BR Malls Participações S.A.	05.11.2012	**232,558**	**315,910**	**255,101**	**58,460**	**60,809**
Perpetual bonds	USD + 11.25% p.a. x 109.3% DI	BR Malls Participações S.A.	05.11.2012	**232,558**	**4,473**	**3,663**	**4,731**	**810**
Perpetual bonds	JPY + 1.22% p.a. x USD + 1.378% p.a.	BR Malls Participações S.A.	05.11.2012	**232,558**	**603**	**548**	**261**	**55**
Perpetual bonds	USD + 9.75% p.a. x 95.50% DI	BR Malls Participações S.A.	05.11.2012	**64,505**	**1,076**	**887**	**1,112**	**188**
Perpetual bonds	LBUSD + 1.78% x 105% CDI-C	BR Malls Participações S.A.	08.12.2014	**100,000**	**103,748**	**103,337**	**78**	**411**
Perpetual bonds	JPY + 1.0941% p.a. x USD + 1.25% p.a.	BR Malls Participações S.A.	15.01.2016	**382,605**	**921**	**1,048**	**(2,081)**	**(126)**
Perpetual bonds	JPY + 6.2% p.a. x USD + 8.5% p.a.	BR Malls Participações S.A.	15.01.2016	**382,605**	**426,123**	**427,207**	**(14,365)**	**(85)**
Perpetual bonds	USD + 9.75% x 99.15% DI p.a.	BR Malls Participações S.A.	14.01.2016	**382,605**	**8,328**	**7,727**	**26,596**	**601**
Perpetual bonds	USD + 11.47% x 100.3% DI p.a.	BR Malls Participações S.A.	05.11.2015	**69,137**	**81,321**	**65,559**	**15,762**	**15,762**
Perpetual bonds	USD + 9.75% x 86% DI p.a.	BR Malls Participações S.A.	05.11.2015	**249,258**	**19,173**	**15,564**	**3,609**	**3,609**
							49,559	**21,238**
							(5,114)	**5,897**

BR Malls Participações S.A.

Notes to quarterly information (Continued)
March 31, 2012
(In thousands of reais, unless otherwise stated)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

(e) Analysis of the responsiveness required by the Marketable Securities Commission (Deliberation 550) (Continued)

Transaction	Assets /liabilities	Entity	Maturity (dd/mm/yy)	Reference value (notional)	Receiving position	Paying position	Differential fair value receivable (payable)	Differential curve receivable / (payable)
December 31, 2011								
CCB Unibanco	13.77% p.a. x IGP-M + 9.70% p.a.	Ecisa Participações Ltda.	14.02.2019	23,026	37,006	42,020	(5,014)	(5,014)
CCB Unibanco	13.77% p.a. x IGP-M + 9.70% p.a.	Ecisa Engenharia Ltda.	14.02.2019	17,270	27,755	31,515	(3,760)	(3,760)
							(8,774)	(8,774)
Financing Itaú BBA	TR +11.16% x IGP-M + 7.75%	Proffito Holding	15.10.2021	92,500	116,629	124,569	(13,739)	(7,940)
Financing Santander	TR + 11% p.a x IGP-M + 8.30 % p.a.	SPE Xangai Participações	01.08.2019	94,643	1,635	1,661	(17,878)	(26)
Financing Itaú BBA	TR +9.94% x IPCA + 6.25%	SPE Monza	28.12.2012	39,439	74,783	75,426	(3,379)	(643)
Financing BTG Pactual	TR + 10% p.a. x 93.95 % DI	SPE Sfida	23.12.2019	32,000	31,075	30,637	2,885	438
							(32,111)	(8,171)
Perpetual bonds	USD + 9.75% p.a. x JPY + 6.90% p.a.	L5 Corporate LLC	05.11.2012	232,558	256,985	338,217	(80,993)	(81,233)
Perpetual bonds	USD + 8.5% p.a. x JPY + 6.20% p.a.	BR Malls Inter. Finance	15.01.2016	382,605	438,768	466,549	(18,907)	(27,781)
Perpetual bonds	JPY + 6.9% p.a. x USD + 9.87% p.a.	BR Malls Participações S.A.	05.11.2012	232,558	342,185	261,142	78,994	81,044
Perpetual bonds	USD + 11.25% p.a. x 109.3% DI	BR Malls Participações S.A.	05.11.2012	232,558	4,737	4,399	4,245	338
Perpetual bonds	JPY + 1.22% p.a. x USD + 1.378% p.a.	BR Malls Participações S.A.	05.11.2012	232,558	675	580	591	95
Perpetual bonds	USD + 9.75% p.a. x 95.50% DI	BR Malls Participações S.A.	05.11.2012	64,505	1,139	1,065	985	74
Perpetual bonds	LBUSD + 1.78% x 105% CDI-C	BR Malls Participações S.A.	08.12.2014	100,000	105,355	100,733	2,124	4,622
Perpetual bonds	JPY + 1.0941% p.a. x USD + 1.25% p.a.	BR Malls Participações S.A.	15.01.2016	382,605	1,008	1,079	(602)	(70)
Perpetual bonds	JPY + 6.2% p.a. x USD + 8.5% p.a.	BR Malls Participações S.A.	15.01.2016	382,605	466,549	438,768	18,907	27,781
Perpetual bonds	USD + 9.75% x 99.15% DI p.a.	BR Malls Participações S.A.	14.01.2016	382,605	5,085	8,560	25,435	(3,475)
Perpetual bonds	USD + 11.47% x 100.3% DI p.a.	BR Malls Participações S.A.	05.11.2015	69,137	81,090	67,958	13,132	13,132
Perpetual bonds	USD + 9.75% x 86% DI p.a.	BR Malls Participações S.A.	05.11.2015	249,258	19,118	16,132	2,986	2,986
							46,897	17,513
							6,012	568

All the swap contracts are recorded and held in custody in CETIP S.A. - Mercado Organizado.

(In thousands of reais, unless otherwise stated)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

e) Analysis of the responsiveness required by the Marketable Securities Commission (Deliberation 550) (Continued)

The table below shows the sensitivity analysis of the Company's management and the cash effects of the open operations at March 31, 2012:

Scenario - increase in the CDI rate

Transaction	Risk	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
US dollar x CDI	Increase in CDI rate	49,559	22,750	(3,200)
Pre x IGP-M	Increase in IGP-M rate	(15,150)	(18,986)	(23,153)
TR x IGP-M	Increase in IGP-M rate	(41,220)	(53,480)	(66,825)
TR x CDI	Increase in CDI rate	3,168	(1,155)	(3,299)
TR x IPCA	Increase in IPCA rate	(1,471)	(10,255)	(16,477)
		(5,114)	(61,126)	(112,954)

Transaction	Maturity (months)	Current market (%)	Possible market (%)	Remote market (%)
US dollar x CDI	29	14.70	11.03	7.35
Pre x IGP-M	30	6.35	4.76	3.18
TR x IGP-M	52	6.00	4.50	3.00
TR x CDI	49	98.00	73.50	49.00
TR x IPCA	72	5.60	4.20	2.80

The Company does not have derivative financial instruments with leverage, guarantee margin transactions, nor limits to determine gains or losses from appreciation or devaluation of the US dollar in relation to the Brazilian real.

Valuation of financial instruments

The main financial asset and liability instruments of the Company, at March 31, 2012 are described as follows, as well as the criteria for their valuation and assessment:

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

e) Analysis of the responsiveness required by the Marketable Securities Commission (Deliberation 550) (Continued)

(i) Cash, cash equivalents and marketable securities

The amounts recorded are adjusted to fair value. The fair value is estimated based on contract market rates and comparable operations or future cash flows, discounted for the investment risk.

(ii) Accounts receivable, other assets and accounts payable

The values of the accounts receivable and accounts payable recorded in the balance sheet approximate their respective fair values. For assignment of use rights which represent accounts receivable of more than 360 days, adjustments to present value of these assets are calculated.

(iii) Investments

The investments are mainly in closed capital companies, which are mostly consolidated and which are of strategic interest to the Company's operations. Information on market value of the quotas held is not applicable.

(iv) Borrowings and financing

These are subject to interest at the usual market rates at the date the operations were contracted, as described in Note 16. Estimated market value was calculated based on the current value of future cash disbursements, using interest rates that are available for the Company to issue debts with similar maturity dates and terms according to the current terms and conditions (2012). The use of different market methodologies may have differing effects on the estimated realization values.

(In thousands of reais, unless otherwise stated)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

e) Analysis of the responsiveness required by the Marketable Securities Commission (Deliberation 550) (Continued)

(iv) Borrowings and financing (Continued)

Management of these instruments is effected through operating strategies aiming at their protection, security and liquidity. The control policy consists of a permanent follow-up of the rates contracted versus those prevailing in the market.

The market value of these loans and financing operations is as follows:

Company	Bank	Accounting balance	Contracted rate	Maturity	Market rate	Net present value	Unrealized gain (loss)
BR Malls International Finance	Perpetual Bond	**323,358**	USD + 9.75% p.a.	No maturity date	USD + 9.36%	**336,487**	**13,129**
BR Malls International Finance	Perpetual Bond	**425,911**	USD + 8.50% p.a.	No maturity date	USD + 8.036%	**444,102**	**18,191**
BR Malls Participações S.A.	Debentures 1st issuance, 1st series	**15,208**	CDI + 0.5% p.a.	July 15, 2014	CDI + 1.60%	**15,006**	**(202)**
BR Malls Participações S.A.	Debentures 1st issuance, 2nd series	**367,502**	IPCA + 7.9% p.a.	July 15, 2016	IPCA + 6.54%	**366,603**	**(899)**
BR Malls Participações S.A.	Debentures 2nd issuance, 1st series	**167,869**	CDI + 0.94% p.a.	February 15, 2017	CDI + 1.60%	**167,425**	**(444)**
BR Malls Participações S.A.	Debentures 2nd issuance, 2nd series	**242,458**	IPCA + 6.4% p.a.	February 15, 2019	IPCA + 8%	**233,854**	**(8,604)**
Ecisa Engenharia Ltda	Unibanco S.A.	**58,871**	13.77% p.a.	February 14, 2019	12,35%	**26,881**	**(31,990)**
Ecisa Participações Ltda.	Unibanco S.A.	**4,566**	13.77% p.a.	February 14, 2019	12,35%	**35,841**	**31,275**
Nattca S.A.	Itaú S.A.	**82,247**	IGP-M + 9.75% p.a.	February 15, 2019	7,08%	**89,151**	**6,904**
Fashion Mall S.A.	CRI Itaú S.A.	**491,387**	TR + 10.15% p.a.	March 27, 2020	11,17%	**463,760**	**(27,627)**
Proffito	CRI Itaú S.A.	**250,928**	TR + 11.16% p.a.	October 15, 2021	11,14%	**243,716**	**(7,212)**
SPE Xangai	Santander	**89,878**	TR + 11% p.a.	October 1, 2019	11,15%	**87,224**	**(2,654)**
SPE Sfida	Santander	**30,033**	TR + 10% p.a.	December 21, 2019	11,15%	**28,763**	**(1,270)**
SISA	Finame Bradesco	**299**	TJLP + 3.85% p.a.	March 15, 2013	TJLP + 4.8%	**298**	**(1)**
SISA	Finame Banco do Brasil	**9,599**	TJLP + 3.35% p.a.	November 15, 2014	TJLP + 4.8%	**9,472**	**(127)**
CIMA	CRI Bradesco	**565,201**	TR + 10.70% p.a.	March 25, 2025	TR + 11% p.a.	**535,640**	**(29,561)**
Alvear	Itaú S.A.	**55,184**	TR + 11.52% p.a.	June 1, 2017	TR + 11.2% p.a.	**51,767**	**(3,417)**
Mooca	CRI Bradesco	**71,398**	TR + 9.8% p.a.	June 28, 2022	TR + 11.1% p.a.	**64,862**	**(6,536)**
BRMalls Participações S.A. - Line 4131	Citibank	**834**	Libor 6M + 1.78% p.a.	June 9, 2014	Libor 6M + 1.70% p.a.	**103,204**	**102,370**
Spinácia Participações	Santander	**119,240**	CDI + 0.7% p.a.	June 4, 2012	CDI + 1.10%	**15,415**	**(103,825)**
		3,371,971				**3,319,471**	**(52,500)**

(In thousands of reais, unless otherwise stated)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

e) Analysis of the responsiveness required by the Marketable Securities Commission (Deliberation 550) (Continued)

(v) Interest and exchange rate swap contracts

The fair value of interest rate contracts (U.S. dollars) were estimated based on market quotations for similar contracts. Actual cash liquidation of the contracts occurs at the effective maturity dates. The Company has no intention of liquidating these contracts before maturity.

4.2. Investment policy

The Company has an investment policy with the objective of establishing standards for cash management and minimizing risks.

According to this policy, conservative investments are allowed, and the investments in Bank Deposit Certificates (CDBs), committed operations, public bonds and national investment funds are allowed. For international funds, investments in time deposits and other conservative alternatives with fixed or floating remuneration are permitted.

The rule to allocate funds will obey three independent risks (counter party risk, liquidity risk and market risk) and a specific risk of each one of the financial investments, which cannot exceed the nominal risk.

- Counterparty risk

Minimum equity of the financial institution	Limit	Risk level
14,000	30% of cash individually	1
5,000	20% of cash or R$ 200 million Individually (whichever is higher)	2
Indifferent	R$ 100 million or 10% of cash (whichever is lower) For the entire group of banks. Besides, we will not be able to concentrate more than 30% of total amount In one of these banks individually.	3

(In thousands of reais, unless otherwise stated)

4. Financial risk management (Continued)

4.2. Investment policy (Continued)

- Liquidity risk

Maturity	Amount	Risk level
Daily liquidity	At least 60% of cash	1
Up to 60 days of vesting period	At least 25% of cash	2
Over 60 days of vesting period	Maximum 15% of cash	3

- Market risk

Transactions	Risk level
CDB, committed and long over	1
Fixed-income with and without private credit	2

The investment funds are approved by the Company's management. Up to now, the following funds were approved:

- BTG Pactual Yield DI.
- Votorantim Vintage DI.
- Itaú Corp Plus Referenciada DI.

<u>Aggregate risk of each short-term investment</u>

In the risks above, each kind of financial investment was associated to a "Risk Level". For each financial investment carried out by BR Malls, an aggregated risk level will be computed, i.e., counterparty, liquidity and market, the arithmetic average of which cannot exceed 2 for each investment.

The maximum limit for the allocation of resources in a single bank is 25%. The liquidity restriction is as follows:

Minimum of 60%	Daily liquidity
Maximum of 25%	Maximum liquidity - 60 days
Maximum of 15%	Liquidity - more than 60 days

(In thousands of reais, unless otherwise stated)

4. Financial risk management (Continued)

4.3. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, BR Malls may adjust the amount of dividends paid to stockholders, issue new shares or sell assets to reduce, for instance, indebtedness.

Consistent with others in the industry, BR Malls continuously monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current, as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated balance sheet plus net debt.

	March 31, 2012	December 31, 2011
Total borrowings and financings (Note 16)	**3,371,971**	3,203,987
Less: cash and cash equivalents	**(43,017)**	(37,063)
Less: marketable securities - current and non-current (Note 5)	**(576,118)**	(414,962)
Net debt (a)	**2,752,836**	2,751,962
Total equity (b)	**7,222,062**	7,242,727
Total capital (a) + (b)	**9,974,898**	9,994,689
Gearing ratio - %	**29.6**	27.5

Capital is managed considering the consolidated position, not only the parent entity.

(In thousands of reais, unless otherwise stated)

5. Marketable securities

Financial investments correspond to the operations carried out with premium domestic and international financial institutions, through bank deposit certificates ("Certificado de Depósito Bancário - CDB") and fixed income operations having debentures as a guarantee, as well as government bonds issued by the Brazilian Federal Government. They are usually remunerated based on the variation of the Interbank Deposit Certificate ("Certificado de Depósito Interfinanceiro - CDI") rate, at normal market conditions and rates and for which there are no fines or restrictions whatsoever for immediate redemption, as follows:

Company

Investment	Rate	Institution		March 31, 2012	December 31, 2011
Fixed-income (ii)	101.90% CDI	Banco BTG Pactual S.A.	(i)	**187,642**	145,993
	106.4% CDI	Banco Itaú BBA	(ii)	**121,322**	101,263
	101.8% CDI	Itaú Unibanco S.A.		**-**	1,115
	DI + 0.50% p.a.	Debentures	(iii)	**8,017**	8,819
Current				**316,981**	257,190
Non-current				**15,065**	15,065

Consolidated

Investment	Rate	Institution		March 31, 2012	December 31, 2011
Fixed-income (ii)	101.90% CDI	Banco BTG Pactual S.A.	(i)	**267,336**	205,539
	106.4% CDI	Banco Itaú BBA	(ii)	**241,550**	157,643
	100% CDI	Banco Bradesco S.A.		**42,545**	34,765
	101.78% CDI	Banco Itaú Unibanco S.A.		**13,014**	3,383
	100% CDI	Banco Santander S.A.		**8,267**	5,621
	100% CDI	Banco HSBC S.A.		**1,682**	950
	106.0% CDI	Banco Mercantil Brasil		**-**	6,878
	100.80% CDI	Banco Alfa S.A.		**6**	6
	96% CDI	Banco BTG Pactual S.A.		**1,718**	177
Current				**576,118**	414,962

(iii) Debentures issued by the Company which were repurchased in December 2009.

The average remuneration for the year ended March 31, 2012 of marketable securities was 102.10% of CDI (December 31, 2011 - 101.24% of CDI).

(In thousands of reais, unless otherwise stated)

5. Marketable securities (Continued)

All the securities are for trade.

(i) The investment administrated by Banco BTG Pactual S.A. refers to an exclusive Interbank Deposit (DI) investment fund, which invests in government securities and bank deposit certificates of Brazilian top tier financial institutions with immediate liquidity. The statement of the fund's portfolio is shown below:

Investment - Consolidated	March 31, 2012	December 31, 2011
Committed operations - private bonds (*)	**145,359**	96,793
Floating government bonds	**3,203**	4,305
Bank Deposit Receipt - DI (**)	**101,614**	85,441
Investment fund - Pactual Yield DI	**17,192**	19,027
Expenses with audit and administrative fees	**(32)**	(27)
	267,336	205,539

(*) Correspond to operations backed by debentures.

(**) Correspond to RDBs of Banco Bradesco, Safra and Votorantim.

(ii) The investment administrated by Banco Itaú BBA refers to an exclusive Interbank Deposit (DI) investment fund, which invests in government securities and bank deposit certificates of Brazilian top tier financial institutions and financial bills of top tier banks. The investment managed by Banco Itaú BBA began in 2011. The statement of the fund's portfolio is shown below:

Investment - Consolidated	March 31, 2012	December 31, 2011
Committed operations - private bonds	**33,966**	45,650
Floating government bonds	**114,709**	40,936
Financial bills	**23,325**	22,489
Bank deposit certificate - DI	**56,849**	36,301
Investment fund - Itau Corp Plus	**12,721**	12,279
Expenses with audit and administrative fees	**(20)**	(12)
	241,550	157,643

6. Financial instruments

Operations related to derivative financial investments

The Company contracted non-speculative derivative financial instruments with the purpose of protecting its exposure to the fixed interest rates, referential rate (TR) and exchange variation of the U.S. dollar, and its only objective is equity protection, minimizing the effects of the changes in the interest rates and in the exchange rates of the U.S. dollar. The derivative interest and exchange rate contracts were realized with contra-parties represented by the banks Itaú Unibanco, Citibank, Itaú BBA, Morgan Stanley, Deutsche Bank and BTG Pactual.

Interest rate swap

On March 31, 2012, Ecisa Engenharia and Ecisa Participações had interest rate swap transactions with the objective of protection with regard to the bank credit certificate ("Certificado de Crédito Bancário - CCB") obtained from Unibanco (Note 16), in order to replace the original fixed interest rate of the loan in question (fixed rate of 13.77% p.a.) by a floating rate (General Market Price Index ("Índice Geral de Preços do Mercado - IGPM") + 9.70% p.a.).

On March 31, 2012, SPE Xangai Participações had a synthetic interest rate swap for the purpose of hedging its financing to build the Granja Vianna Shopping Center obtained from Santander. The purpose is to replace the original interest rate of the financing in question (TR rate + 11.0% p.a.) with a floating rate (IGPM + 8.30% p.a.).

On March 31, 2012, Proffito had a synthetic interest rate swap for the purpose of hedging the CRI issued to build the Expansion of Tamboré Shopping Center obtained from Itaú BBA. The objective is to replace the original interest rate of the financing in question (TR rate + 11.16% p.a.) with a floating rate (IGPM +7.75% p.a).

On March 31, 2012, SPE SFIDA had an interest rate swap transaction for the purpose of hedging its financing to build the Sete Lagoas Shopping Center obtained from Banco BTG Pactual. The objective is to replace the original interest rate of the referred to financing (TR + 10% per annum) with the floating rate (93.95% DI).

On March 31, 2012, SPE Monza had a synthetic interest rate swap transaction for the purpose of hedging its financing to build Mooca Shopping Center obtained from Banco Itaú BBA. The objective is to replace the original interest rate of the financing in question (TR+ 9.94% p.a.) with a floating rate (IPC-A + 6.25% p.a.).

6. **Financial instruments** (Continued)

Exchange swap

On April 18, 2008, part of the financial investments in foreign currency (time deposits) maintained by BR Malls Finance were converted to local currency and the Company holds the perpetual bonds recorded in the long-term liabilities indexed at the exchange variation (Note 16). So as to minimize possible effects of the exchange variations between asset and liability positions, the Company contracted with Citibank an exchange swap transaction of 19 quarterly payments (fixed rate of 9.75% per annum plus the exchange variation of the US dollar) for a floating rate (109.30% of the certificate of interbank deposit), maturing on November 8, 2012.

In order to extend the exchange hedging mentioned above, the Company contracted in the first quarter of 2010 two forward exchange swap operations with Deutsche Bank, from a flow of 13 payments. The first swap has the notional base value of US$ 38,000 (the Company has an asset position in US dollar plus 9.75%, and a liability position in 88% of CDI), and the second swap has the notional base value of US$ 137,000 (the Company has an asset position in US dollar plus 11.47%, and a liability position in 100.3% of CDI).

Both operations begin in November 2012 and end in November 2015.

The purpose of these transactions was currency hedging, so that the Company's cash is not exposed to the exchange variation of the US dollar. The principal amount of the perpetual bond is not hedged due to the fact that this is a transaction without a maturity date, i.e. a perpetual debt. Up to March 31, 2012, the Company had made 15 quarterly payments of the interest on the perpetual bonds and 14 of the exchange swaps of Citibank (the swap began in April 2008 with the entry of the funds from issuance of the perpetual bonds into Brazil, after the first payment of the debt coupon in February 2008).

On February 23, 2011, part of the financial investments in foreign currency (time deposits) in the amount of U$ 230,000 maintained by BR Malls Finance were converted to local currency and the Company holds the perpetual bonds recorded in the long-term liabilities indexed at the exchange variation (Note 16). So as to minimize possible effects of the exchange variations between asset and liability positions, the Company contracted with Deustche bank an exchange swap operation of 20 quarterly payments (fixed rate of 8.50% per annum plus the exchange variation of the US dollar) for a floating rate (99.15% of the certificate of interbank deposit), maturing on January 14, 2016.

(In thousands of reais, unless otherwise stated)

6. Financial instruments (Continued)

Exchange swap (Continued)

At March 31, 2012, the Company settled two quarterly payments of the perpetual note interest and two of the perpetual note funding operation.

Due to Law No. 11,638/07, the Company assessed its assets and liabilities at fair value, through information available in the active market and appraisal methodologies established by management. This adjustment was made based on fair value of early liquidation of all remaining quarterly swap flow payments, generating a gain for the three-month period ended March 31, 2012 of R$ 5,114 (December 31, 2011 - gain of R$ 6,012).

However, both the interpretation of the market data and the choice of appraisal methods require considerable judgment and reasonable estimates to produce the more appropriate realizable value. Consequently, the estimates presented do not necessarily indicate the amounts which could be realized in the current market. The use of different market assumptions and/or methodologies for estimates could have a material effect on the estimated realizable values.

At December 7, 2011, the Company fully hedged the US$ 56 million US dollars raised by the line 4131 on that same date. The swap has a flow exactly equal to the debt and the final rate was 105% of CDI.

6.1. Financial instruments by category

	Consolidated		
	Loans and receivables	Assets at fair value through profit or loss	Total
March 31, 2012			
Assets as per balance sheet			
Derivative financial instruments	-	117,137	117,137
Tarde accounts receivable and other receivables, less prepayments	402,794	-	402,794
Financial assets measured at fair value through profit or loss	-	576,118	576,118
Cash and cash equivalents	43,017		43,017
	445,811	693,255	1,139,066

(In thousands of reais, unless otherwise stated)

6. Financial instruments (Continued)

6.1. Financial instruments by category (Continued)

	Borrowings and financing	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
March 31, 2012				
Liabilities as per balance sheet				
Borrowings and financing (Note 17)	**3,371,971**	**-**	**-**	**3,371,971**
Derivative financial instruments	**-**	**122,251**	**-**	**122,251**
Trade accounts payable and other payables, excluding legal obligations	**-**	**-**	**559,204**	**559,204**
	3,371,971	**122,251**	**559,204**	**4,053,426**

	Consolidated		
	Loans and receivables	Assets at fair value through profit or loss	Total
December 31, 2011			
Assets as per balance sheet			
Derivative financial instruments	**-**	**150,284**	**150,284**
Trade accounts receivable and other receivables,	**-**	**-**	**-**
less prepayments	**413,781**	**-**	**413,781**
Financial assets measured at fair value	**-**	**-**	**-**
through profit or loss	**-**	**414,962**	**414,962**
Cash and cash equivalents	**37,063**	**-**	**37,063**
	450,844	**565,246**	**1,016,090**

	Borrowings and financing	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
December 31, 2011				
Liabilities as per balance sheet				
Borrowings and financing (Note 17)	**3,203,987**	**-**	**-**	**3,203,987**
Derivative financial instruments	**-**	**144,272**	**-**	**144,272**
Trade accounts payable and other payables, excluding legal obligations	**-**	**-**	**541,467**	**541,467**
	3,203,987	**144,272**	**541,467**	**3,889,726**

(In thousands of reais, unless otherwise stated)

6. Financial instruments (Continued)

6.1. Financial instruments by category (Continued)

	Company		
	Loans and receivables	Assets at fair value through profit or loss	Total
March 31, 2012			
Assets as per balance sheet			
Derivative financial instruments	**-**	**94,163**	**94,163**
Trade accounts receivable and other receivables,	**-**	**-**	**-**
less prepayments	**174,679**	**-**	**174,679**
Financial assets measured at fair value through profit or loss	**-**	**332,046**	**332,046**
Cash and cash equivalents	**225**	**-**	**225**
	174,904	**426,209**	**601,113**

	Borrowings	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
March 31, 2012				
Liabilities as per balance sheet				
Borrowings and financing (Note 17)	**1,679,473**	**-**	**-**	**1,679,473**
Derivative financial instruments	**-**	**-**	**-**	**-**
Trade accounts payable and other payables, excluding legal obligations	**-**	**-**	**261,511**	**261,511**
	1,679,473	**-**	**261,511**	**1,940,984**

	Company		
	Loans and receivables	Assets at fair value through profit or loss	Total
December 31, 2011			
Assets as per balance sheet			
Derivative financial instruments	-	147,399	147,399
Trade accounts receivable and other receivables,	-	-	-
less prepayments	126,766	-	126,766
Financial assets measured at fair value	-	-	-
through profit or loss	-	272,255	272,255
Cash and cash equivalents	866	-	866
	127,632	419,654	547,286

(In thousands of reais, unless otherwise stated)

6. Financial instruments (Continued)

6.1. Financial instruments by category (Continued)

	Borrowings	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
December 31, 2011				
Liabilities as per balance sheet				
Borrowings and financing (Note 17)	1,527,229	-	-	1,527,229
Derivative financial instruments	-	602	-	602
Trade accounts payable and other payables, excluding	-	-	-	-
legal obligations	-	-	257,583	257,583
	1,527,229	602	257,583	1,785,414

7. Trade accounts receivable and other receivables

7.1. Trade accounts receivable

	Consolidated	
	March 31, 2012	December 31, 2011
Rentals (i)	**277,765**	271,139
Rendering of accounts CPI	**24,193**	47,027
Right of use assignment fee (ii)	**87,641**	93,004
Adjustment to present value (iii)	**(1,069)**	(66)
Other (iv)	**6,753**	566
	395,283	411,670
Allowance for doubtful accounts	**(27,885)**	(26,133)
	367,398	385,537
Current	**215,642**	242,317
Non-current	**151,756**	143,220
	367,398	385,537

(i) Represents trade receivables from storekeepers related to minimum rent and percentage rent, adjusted by the linearization of the 13th rent and the contract stages.

(ii) Represents accounts receivable related to the assignment of usage rights granted to tenants of stores and other areas in the shopping malls.

(iii) The adjustment to present value of accounts receivable of R$ 1,069 (December 31, 2011 - R$ 66) was calculated according to receipt cash flow, based on IGP-M.

(iv) This represents the income of BR Malls Administração e Comercialização from the rendering of services and income of BR Malls Desenvolvimento from developing.

(In thousands of reais, unless otherwise stated)

7. Trade accounts receivable and other receivables (Continued)

7.1. Trade accounts receivable (Continued)

The balance of trade accounts receivable (gross of the adjustment to present value) matures as follows:

	Consolidated	
	March 31, 2012	**December 31, 2011**
Falling due	**344,002**	364,643
Overdue up to 60 days	**2,759**	2,758
Overdue from 61 to 90 days	**2,623**	1,937
Overdue from 91 to 180 days	**6,950**	5,475
Overdue from 181 to 360 days	**12,133**	11,790
Overdue for more than 361 days	**27,885**	25,133
	396,352	411,736

The allowance of doubtful accounts (impairment) takes into consideration the amounts past due for more than one year and the amounts receivable from the same customers overdue for less than this period. At March 31, 2012, the allowance for doubtful accounts was R$ 27,885 (R$ 26,133 at December 31, 2011).

7.2. Other receivables

These refer mainly to the right related to the sale of the holding in the trade towers of Shopping Tijuca of R$ 9,204 (December 31, 2011 - R$ 8,366) and to loans receivable from customers amounting to R$ 12,072 (December 31, 2011 - R$ 12,376). These balance is updated by the CDI.

(In thousands of reais, unless otherwise stated)

7. Trade accounts receivable and other receivables (Continued)

7.3. Leases

The Company maintains agreements as lessor of mall stores, as mentioned in Note 2.22. The table below shows the nominal values of the minimum payments of leases that cannot be canceled in which the Company is lessor:

	Consolidated	
	March 31, 2012	**December 31, 2011**
Up to one year	**435,279**	385,889
Between 2 and 5 years	**885,537**	842,309
Over 5 years	**168,647**	155,273
	1,489,463	1,383,471

8. Taxes recoverable

	Company	
	March 31, 2012	**December 31, 2011**
Corporate income tax (IRPJ) and social contribution tax (CSLL) to be offset (negative balance) (i)	**13,645**	8,620
Withholding income tax (IRRF) (ii)	**3,761**	14,521
Taxes recoverable - direct	**17,406**	23,141
PIS and COFINS	**312**	312
Other	**138**	139
Taxes recoverable - indirect	**450**	451
	17,856	23,592

(In thousands of reais, unless otherwise stated)

8. Taxes recoverable (Continued)

	Consolidated	
	March 31, 2012	**December 31, 2011**
Prepaid IRPJ and CSLL	**6,968**	15,910
IRPJ and CSLL to be offset (negative balance) (i)	**45,101**	24,591
Withholding income tax (IRRF) (ii)	**1,780**	25,476
Taxes recoverable - direct	**53,849**	65,977
PIS and COFINS	**5,978**	5,645
Other	**6,560**	6,576
Taxes recoverable - indirect	**12,538**	12,221
	66,387	78,198

(i) IRPJ negative balance has been used through E-Request for Federal Tax Recovery, Refund or Offset (PERD/COMP) to offset other federal taxes.

(ii) For the most part, this corresponds to IRRF on marketable securities. These taxes, according to current legislation, may be offset against other federal taxes in the following calendar year, as a negative balance. The Company has a tax offsetting plan, through taxes due on shopping malls operations, on remittances of interest abroad and other amounts withheld at source. The IRRF balance for the calendar year 2011 was transferred to the IRPJ account to offset IRPJ negative balance for the year 2012 (tax year 2011).

9. Deferred income and social contribution taxes

Most companies in the BR Malls Group adopt the taxable profit based on percentage of gross sales system, according to which income and social contribution taxes are calculated based on pre-established percentages of revenue from rent, services and finance-related items (Note 2.18). The companies BR Malls Participações, Ecisa Engenharia, Ecisa Participações, Proffito, Nattca, Fashion Mall S.A., SPE Indianápolis Alvear Participações, BR Malls Administração, Spe Sfida and Spinacia Participações adopted the taxable profit based on accounting records system.

For the purpose of calculating income tax and social contribution on net income for 2009, the companies had the option of choosing the Transitional Tax System ("Regime Tributário de Transição - RTT"), which allows a legal entity to eliminate the accounting effects of Law No. 11638/07 and Provisional Measure ("Medida Provisória - MP") No. 449/08, which became Law No. 11941 dated May 27, 2009, through the recording of adjustments in the Taxable Income Control Register (Livro de Apuração do Lucro Real - LALUR") or by supplementary controls, without any changes in commercial accounting. The option to use this regime was made when the Corporate Income Tax Return ("Declaração de Imposto de Renda Pessoa Jurídica - DIPJ") for calendar year 2008 was filed.

(In thousands of reais, unless otherwise stated)

9. Deferred income and social contribution taxes (Continued)

a) Breakdown (Continued)

Deferred balances are as follows:

	Consolidated	
	March 31, 2012	**December 31, 2011**
Income tax losses (i)	**13,287**	11,577
Social contribution tax losses (i)	**17,648**	15,623
Temporary differences:		
Provision for contingencies	**7,156**	7,344
Stock options	**12,754**	11,388
Linearization	**17,165**	23,149
Allowance for doubtful accounts	**3,730**	3,059
Deferred expenses on the issuance of stock	**26,132**	26,132
Provision for financial instruments losses	**10,732**	-
Deferred tax assets (ii)	**37,731**	39,862
Investment properties (iii)	**195,741**	194,278
Other temporary differences	**3,734**	3,579
Total deferred credits	**345,810**	335,990
Investment properties	**(2,352,046)**	(2,424,789)
Provision for financial instruments gains	**-**	(8,822)
Total deferred debts	**(2,352,046)**	(2,433,611)
Total	**(2,006,236)**	(2,097,620)
Non-current assets	**289,348**	308,628
Non-current liabilities	**(2,295,584)**	(2,406,248)

(i) Deferred income tax and social contribution of subsidiaries Ecisa Engenharia Ltda., Ecisa Participações Ltda., Fashion Mall S.A., Proffito Spe Indianápolis, Spinacia and Nattca, shown above correspond to income and social contribution taxes losses.

In addition to the deferred taxes, BR Malls Participações also shows in its tax records the amount of approximately R$ 127,904 of income tax loss (December 31, 2011 - R$ 102,721) and R$ 213,347 of social contribution tax loss (December 31, 2010 - R$ 183,656), which may be offset against future taxable profit. In 2009, BR Malls Participações recorded a deferred tax asset of R$ 4,549 on the tax loss based on management's estimates of taxable income for the next 5 years. This estimate takes into consideration a study prepared by the Company's management, which states the realization of this loss.

9. Deferred income and social contribution taxes (Continued)

a) Breakdown (Continued)

(ii) At the end of 2006 Company GP and Equity International acquired stockholdings in Ecisa Engenharia and Ecisa Participações. These acquisitions were carried out through two companies with holding company characteristics (Licia and Dylpar) and generated goodwill, initially accounted for by these holding companies. In December 2006 these holdings were merged into the operating companies Ecisa Engenharia and Ecisa Participações.

Pursuant to CVM Instruction Nos.349 and 319, the goodwill merged into Ecisa Engenharia was reduced by 66%, as a contra entry to the Capital Reserve in that company, so as to show only the tax benefit to be generated by the amortization of the goodwill. At March 31, 2012, the balance corresponds to R$ 15,405 (December 31, 2011 - R$ 16,275).

Until June 30, 2007, the goodwill related to Ecisa Participações was fully provided, considering that this company's tax regime was that of presumed profit. Upon the change of the tax regime to taxable income, starting in the second quarter of 2007, this provision was reversed, and R$ 47,916 recorded as a contra entry to the Capital Reserve in this company, so as to solely reflect the tax benefit generated by amortization of the goodwill. At December 31, 2012, the balance corresponds to R$ 22,326 (December 31, 2011 - R$ 23,587).

The Company expects to realize the tax credit in a period of ten years, which is the same period for the amortization of the goodwill. Annual realization is approximately R$ 8,524.

(iii) Refer substantially to deferred tax on write-off of goodwill on acquisition of interest in real estate.

Since the income and social contribution taxes base on net profit results from not only the profit that can be made, but also the existence of non-taxable income, non-deductible expenses and other variables, there is no immediate correlation between the Company's net profit and the result of income and social contribution taxes. Therefore, the expectation of the use of tax credits should not be considered the only indication of the future P&L of the Company.

(In thousands of reais, unless otherwise stated)

9. Deferred income and social contribution taxes (Continued)

b) Estimated period of realization

It is expected that deferred tax assets will be realized as follows:

	Consolidated	
Year	**March 31, 2012**	December 31, 2011
2012	**38,632**	37,766
2013	**40,749**	39,597
2014	**42,304**	40,942
2015	**43,885**	42,309
From 2016 to 2019 (i)	**180,240**	175,376
	345,810	335,990

(i) The realization of credits on temporary differences calculated on provisions for contingencies was classified in a period longer than five years given the nature of these provisions.

10. Related parties

Accounts receivable (company)

At March 31, 2012, the Company has accounts receivable with its subsidiaries Ecisa Participações and Ecisa Engenharia which refer to interest on equity amounting to R$ 55,335 (at December 31, 2011 - R$ 50,235).

(In thousands of reais, unless otherwise stated)

10. Related parties (Continued)

Advance for future capital increase (AFAC) (company)

At March 31, 2012, the Company has AFACs amounting to R$ 46,175 (at December 31, 2011 - R$ 453,436) with its subsidiaries, as follows:

	Company	
	March 31, 2012	**December 31, 2011**
Ecisa Engenharia (i)	**32,170**	335,949
Ecisa Participações (ii)	**10,000**	92,950
BR Malls Desenvolvimento	**-**	3,767
SPE Sfida (iv)	**1,600**	15,275
BR Malls Int. Finance (iv)	**1,163**	1,172
SPE Monaco	**600**	1,245
Others	**642**	3,078
	46,175	453,436

(i) AFAC amounts stated by Ecisa Engenharia are related to the acquisition of Alvear Participações S.A. (Shopping Catuaí) by Spinacia and Shopping Jardim Sul by Proffito.

(ii) AFACs in Ecisa Participações refer to the settlement of the debt of Shopping Uberlândia.

(iii) AFAC amounts stated by SPE Sfida are related to the capital subscription for the Sete Lagoas construction.

(iv) AFAC amounts stated by Br Malls Finance are for the payment of debt related to the Bond.

As it has been happening in the last years, the advances are considered to be of a permanent character and are not remunerated or subject to monetary restatement. The Company plans to capitalize the remaining balance by December 31, 2012.

10. Related parties (Continued)

Loans to associated companies

This transaction was carried out with the objective of internment of the raising of the perpetual bonus in Brazil and is related mainly to the loan agreements with specific conditions with the Group's companies, as follows:

L5 Corporate LLC has a loan agreement in the amount of R$ 759,646 at March 31, 2012 (December 31, 2011 - R$ 825,145) adjusted by the exchange variation of US dollar and interest rate of 9.75% per annum, equivalent to US$ 137,000 thousand. The Company has other loans with related companies in the amount of R$ 739, totaling R$ 760,385 at March 31, 2012.

Revenue/costs of the administration and commercialization services of shopping malls

BR Malls Administração, Hills Administração and Lorraine Administração provide services related to the planning, management, implantation and operation of shopping malls and commercial ventures of any nature, owned or of third parties, as well as coordinating the acquisition and rental of real estate for commercial use. For the three-month period ended March 31, 2012, the income from own shopping malls, in the amount of R$ 5,130 (March 31, 2011 - R$ 3,974) was eliminated in the consolidated.

Key management compensation

The compensation of key management, which includes directors and officers, refers to short-term benefits and corresponds to the board of directors' fees, amounted to R$ 603 (March 31, 2011 - R$ 489), and their profit-sharing amounted to R$ 12,561 (March 31, 2011 - R$ 5,696).

Key management and the employees elected to the board of directors have shares option plan. The Company recognized, as the services were provided in payment transactions based on shares, the amount of R$ 4,016 for the year ended March 31, 2012 (March 31, 2011 - R$ 4,277). Key management shares option plan is better detailed in Note 30.

(In thousands of reais, unless otherwise stated)

11. Investments (Company)

	Balances at December 31, 2011	Payment of capital	Disposals	Dividends	Interest on equity	Equity pickup	Balances at March 31, 2012
Ecisa Engenharia	3,112,620	**335,947**	-	-	**(3,000)**	**35,345**	**3,480,912**
Ecisa Participações	3,157,250	**92,950**	-	-	**(3,000)**	**48,085**	**3,295,285**
Br Malls Finance	22,185	**1,642**	-	-	-	**17,227**	**41,054**
SPE Mônaco	66,195	**1,245**	-	-	-	**1,211**	**68,651**
SPE Sfida	10,239	**13,154**	-	-	-	**625**	**24,018**
SPE Fortuna	123,531	-	-	-	-	**1,531**	**125,062**
BR Malls CSC	7,944	-	-	-	-	**1,428**	**9,372**
BR Malls	-	-	-	-	-	-	-
Desenvolvimento	7,288	**3,805**	-	-	-	**3,180**	**14,273**
Center Parking	799	-	-	-	-	**124**	**923**
West Parking	1,871	-	-	-	-	**277**	**2,148**
Crystal Administradora	852	-	-	-	-	**218**	**1,070**
Crystal Parking	604	-	-	-	-	**97**	**701**
	6,511,378	**448,743**	-	-	**(6,000)**	**109,348**	**7,063,469**

The main balances at March 31, 2012 of the Company's direct subsidiaries are as follows:

	Assets			**Liabilities**			
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Equity (*)**	**Total**
Ecisa Engenharia	**82,913**	**3,837,249**	**3,920,162**	**(200,370)**	**(238,880)**	**(3,480,912)**	**(3,920,162)**
Ecisa Participações	**58,796**	**3,823,122**	**3,881,918**	**(118,777)**	**(467,855)**	**(3,295,285)**	**(3,881,918)**
BR Malls Finance	**11,339**	**786,029**	**797,368**	**(18,729)**	**(737,585)**	**(41,054)**	**(797,368)**
SPE Mônaco	**4,767**	**81,023**	**85,790**	**(480)**	**(16,659)**	**(68,651)**	**(85,790)**
SPE Sfida	**2,759**	**53,594**	**56,353**	**(3,378)**	**(28,957)**	**(24,018)**	**(56,353)**
SPE Fortuna	**6,790**	**148,339**	**155,129**	**(204)**	**(29,863)**	**(125,062)**	**(155,129)**
BR Malls CSC	**5,847**	**5,875**	**11,722**	**349**	**(2,699)**	**(9,372)**	**(11,722)**
BR Malls Desenvolvimento	**5,486**	**9,522**	**15,008**	**(710)**	**(25)**	**(14,273)**	**(15,008)**
Center Parking	**41**	**894**	**935**	**(12)**	**-**	**(923)**	**(935)**
West Parking	**91**	**2,084**	**2,175**	**(27)**	**-**	**(2,148)**	**(2,175)**
Crystal Administradora	**15,865**	**10,531**	**26,396**	**(5,960)**	**(19,366)**	**(1,070)**	**(26,396)**
Crystal Parking	**171**	**686**	**857**	**(168)**	**12**	**(701)**	**(857)**
Total	**194,865**	**8,758,948**	**8,953,813**	**(348,466)**	**(1,541,878)**	**(7,063,469)**	**(8,953,813)**

(In thousands of reais, unless otherwise stated)

11. Investments (Company) (Continued)

Subsidiaries' income statements for the quarter

	Net revenue	Costs of rentals and services	Operating expenses	Net financial income (expenses)	Equity pickup	Other revenue	Income and social contribution taxes	Non-controlling interests	Net profit (loss) for the quarter (*)
Ecisa Engenharia	**114,663**	**(12,812)**	**(13,882)**	**(46,366)**	**(19,432)**	**32,636**	**(15,576)**	**(3,886)**	**35,345**
Ecisa Participações	**101,983**	**(12,970)**	**(15,299)**	**(16,143)**	**242**	**14,453**	**(19,918)**	**(4,264)**	**48,085**
Br Malls Finance	**1,780**	**(245)**	**-**	**15,972**	**-**	**-**	**(280)**	**-**	**17,227**
SPE Mônaco	**1,736**	**(354)**	**(5)**	**42**	**-**	**6**	**(214)**	**-**	**1,211**
SPE Sfida	**1,346**	**(234)**	**(160)**	**(375)**	**-**	**-**	**48**	**-**	**625**
SPE Fortuna	**1,935**	**(138)**	**(47)**	**48**	**-**	**-**	**(267)**	**-**	**1,531**
BR Malls CSC	**2,462**	**-**	**(902)**	**69**	**-**	**-**	**(201)**	**-**	**1,428**
BR Malls Desenvolvimento	**3,332**	**-**	**(31)**	**31**	**-**	**-**	**(152)**	**-**	**3,180**
Center Parking	**166**	**(24)**	**-**	**-**	**-**	**-**	**(18)**	**-**	**124**
West Parking	**370**	**(51)**	**-**	**-**	**-**	**-**	**(42)**	**-**	**277**
Crystal Administradora	**248**	**-**	**(8)**	**-**	**-**	**-**	**(22)**	**-**	**218**
Crystal Parking	**264**	**(135)**	**(5)**	**-**	**-**	**-**	**(27)**	**-**	**97**
Total	**230,285**	**(26,963)**	**(30,339)**	**(46,722)**	**(19,190)**	**47,095**	**(36,669)**	**(8,150)**	**109,348**

(*) The amounts shown represent the investment reflected in the quarterly information for the quarter ended March 31, 2012, considering the elimination of balances and intercompany transactions within the group.

The main balances at December 31, 2011 of the Company's direct subsidiaries are as follows:

	Assets			Liabilities			
	Current	Non-current	Total	Current	Non-current	Equity (*)	Total
Ecisa Engenharia	55,402	3,802,158	3,857,560	(182,696)	(562,244)	(3,112,620)	(3,857,560)
Ecisa Participações	54,843	3,774,773	3,829,616	(453,097)	(219,269)	(3,157,250)	(3,829,616)
BR Malls Finance	6,523	823,756	830,279	(23,438)	(784,656)	(22,185)	(830,279)
SPE Mônaco	3,695	79,928	83,623	(15,785)	(1,643)	(66,195)	(83,623)
SPE Sfida	3,067	50,961	54,028	(8,205)	(35,584)	(10,239)	(54,028)
SPE Fortuna	5,935	148,305	154,240	(29,731)	(978)	(123,531)	(154,240)
BR Malls CSC	3,769	5,867	9,636	259	(1,951)	(7,944)	(9,636)
BR Malls Desenvolvimento	2,767	9,081	11,848	(575)	(3,985)	(7,288)	(11,848)
Center Parking	45	772	817	(18)	-	(799)	(817)
West Parking	101	1,817	1,918	(47)	-	(1,871)	(1,918)
Crystal Administradora	14,831	7,869	22,700	(4,829)	(17,019)	(852)	(22,700)
Crystal Parking	140	586	726	(122)	-	(604)	(726)
Total	151,118	8,705,873	8,856,991	(718,284)	(1,627,329)	(6,511,378)	(8,856,991)

(In thousands of reais, unless otherwise stated)

11. Investments (company) (Continued)

Subsidiaries' income statements for the year

	Net revenue	Costs of rentals and services	Operating expenses	Net financial income (expenses)	Equity pickup	Other revenue	Income And social contribution taxes	Net profit (loss) for the year (*)
Ecisa Engenharia	78,807	(7,571)	(27,980)	(19,899)	254,178	(49,764)	132,750	360,521
Ecisa Participações	97,829	(10,417)	(23,675)	5,791	233,393	20,996	(46,754)	277,163
Br Malls Finance	-	-	(215)	6,919	(24,018)	1	-	(17,313)
SPE Mônaco	6,397	(1,545)	(16)	99	-	708	(1,440)	4,203
SPE Azione	180	-	(4)	66	-	-	51	293
SPE Sfida	5,590	(1,746)	(203)	(980)	-	(19,105)	4,171	(12,273)
SPE Fortuna	7,562	(456)	45	457	-	1,913	(2,629)	6,892
BR Malls CSC	8,217	-	(2,253)	463	-	(16)	(1,113)	5,298
BR Malls Desenvolvimento	6,095	(5)	(191)	154	-	-	(718)	5,335
SPE Spinacia	-	-	(1)	38	-	-	(1)	36
Center Parking	673	(88)	-	-	-	-	(71)	514
West Parking	1,544	(210)	-	-	-	-	(177)	1,157
EDRJ 113	62	(2,182)	-	-	-	-	21	(2,099)
Crystal Administradora	852	(16)	13	(6)	-	-	(73)	770
Crystal Parking	1,101	(438)	-	-	-	-	(116)	547
Total	214,909	(24,674)	(54,480)	(6,898)	463,553	(45,267)	83,901	631,044

(*) The amounts shown represent the investment reflected in the financial statements for the year ended 2011, considering the elimination of balances and intercompany transactions within the group.

12. Investment properties

Consolidated

	In operation	"Greenfield" projects under construction (ii)	Total
Balances at January 1, 2011	9,454,483	221,632	9,676,115
Acquisitions (i)	1,693,777	446,948	2,140,725
Transfers (ii)	327,091	(327,091)	-
Disposal (iii)	(10,131)	-	(10,131)
Adjustment at fair value (iv)	776,215	-	776,215
Balances at December 31, 2011	**12,241,435**	**341,489**	**12,582,924**
Acquisitions (i)	**146,966**	**71,956**	**218,922**
Disposal (iii)	**(345,212)**	**-**	**(345,212)**
Balances at March 31, 2012	**12,043,189**	**413,445**	**12,456,634**

(i) The acquisitions of investment properties in operation refer basically to the acquisition of Shopping Itaú Power and the increase in real estate shares in Shopping Metrô Tatuapé.

(ii) In 2011, the Greenfield projects Via Brasil and Mooca were concluded, and as from this conclusion, they were transferred to investment properties in operations and the fair value evaluation was carried out. In 2012, the Greenfield projects under construction refer to the acquisition of land for BR Malls Premium (Outlet) and expenses incurred from construction of shopping malls São Bernardo do Campo, Estação BH and Londrina Norte.

(iii) Disposal of total interest in Cuiabá Participações S.A. (Shopping Pantanal) for R$ 45,000, generating income of R$ 14,554 and diluting interest in GS Shopping (Shopping Goiania), which was consolidated on a pro rata basis, generating an investment property write-off equivalent to the non-controlling interest.

(iv) Fair value adjustments of investment properties directly recognized in P&L for the period.

(In thousands of reais, unless otherwise stated)

12. Investment properties

Company

	In operation	"Greenfield" projects under construction (ii)	Total
Balances at January 1, 2011	324,785	-	324,785
Acquisitions (i)	545,530	-	545,530
Adjustment at fair value (iv)	998	-	998
Balances at December 31, 2011	**871,314**	**-**	**871,314**
Acquisitions (i)	**81,681**	**-**	**81,681**
Balances at March 31, 2012	**952,995**	**-**	**952,995**

(i) Acquisitions in 2011 refer basically to shopping malls Paralela, Jardim Sul and Crystal Plaza.
(ii) Acquisition in 2012 refers basically to Shopping Itaú Power.
(iii) Amounts recognized in P&L for the year.

The Company's management adopted the fair value method to best reflect its business and because it understands that its competitors also use the same accounting practice.

Fair value appraisal of investment properties was performed using a proprietary method supported by market rates and evidence. Thus, fair value of investment properties was based on internal assessment by professionals with experience in the assessed properties.

The assumptions used in 2012 and 2011 for the fair value evaluation by the discounted cash flow method of these properties are as follows:

Fair value evaluation assumptions	
Annual inflation	4.50%
Growth in perpetuity (actual)	1.50%
CAPEX - maintenance/gross revenue	3%
Number of years considering cash flow	10 years
Actual growth rate of cash flows previous to perpetuity	2%
Actual discount rate - managed shopping malls	9%
Actual discount rate - non-managed shopping malls	11%

Assumptions used in fair value evaluation of investment properties did not change in the first quarter of 2012.

Investment properties given as collateral for borrowings and financings are described in Note 16.

(In thousands of reais, unless otherwise stated)

13. Property and equipment (Company and Consolidated)

	Buildings and improvements (i)	Equipment and facilities	Total
December 31, 2011			
Total cost	11,000	2,229	13,229
Accumulated depreciation	(1,831)	(232)	(2,063)
Net book value	9,169	1,997	11,166
Annual depreciation rates	4%	2%	
March 31, 2012			
Total cost	**11,000**	**2,229**	**13,229**
Accumulated depreciation	**(1,941)**	**(245)**	**(2,186)**
Net book value	**9,059**	**1,984**	**11,043**
Annual depreciation rates	**4%**	**2%**	

(i) This refers to the Company's corporate headquarters in Rio de Janeiro.

14. Intangible assets (Consolidated)

	Consolidated
	Computer software acquired and others
Balances at December 31, 2010	11,172
Acquisition	2,745
Amortization	(1,659)
Balances at December 31, 2011	**12,258**
Acquisition	**1,798**
Amortization	**(4,256)**
Balances at March 31, 2012	**9,800**
Annual amortization rates	**20%**

(In thousands of reais, unless otherwise stated)

15. Trade accounts payable

Breakdown by Company

	Consolidated	
	March 31, 2012	**December 31, 2011**
BR Malls (i)	**9,397**	9,640
CIMA	**8,592**	8,911
Spe Xangai	**4,069**	4,414
Ecisa Engenharia (iv)	**15,153**	15,750
SPE Mooca (ii)	**18,425**	8,368
SAS	**732**	757
Alvear	**2,375**	2,466
Spinacia (iii)	**4,009**	336
Ecisa Engenharia (iv)	**15,153**	15,750
Others (v)	**13,115**	11,775
Current	**70,384**	57,082
Non-current	**5,483**	5,335
	75,867	62,417

(i) These refer to liabilities assumed by BRMalls Participações S.A. related to the acquisition of the corporate headquarters of the Company in Rio de Janeiro. The original amount of R$ 10,246 will be paid in 10 years grace period of six months) starting in December 2008, restated at the TR rate plus 10.50% per annum

(ii) The balance refers mainly to the amount payable for the spin-off of SPE Mooca Empreendimento Imobiliário S.A.

(iii) The balance corresponds to trade accounts payable referring to São Bernardo Greenfield project.

(iv) The balance refers mainly to the amount payable for the acquisition of land for expansion of shopping mall Plaza Niterói.

(v) These correspond mainly to trade accounts payable referring to Estação B.H. Greenfield project.

(vi) These refer to the expenditures with the expansion of Shopping Tijuca.

(In thousands of reais, unless otherwise stated)

16. Borrowings and financing (Consolidated)

	Consolidated		
	Charges	March 31, 2012	December 31,2011
Local currency			
Unibanco - CCB (i)	IGPM + 9.70% p.a.	**10,718**	12,756
Itaú - CCB (ii)	IGPM + 9.75% p.a.	**12,398**	15,335
Itaú - CRI (iii)	TR + 10.15% p.a.	**70,679**	69,758
Debentures - Series 1 (interest) (iv)	CDI + 0.50% p.a.	**5,273**	5,774
Debentures - Series 2 (interest) (iv)	IPCA + 7.90% p.a.	**19,322**	12,235
Banco Santander (vi)	TR + 11% p.a.	**8,748**	8,206
Banco Santander (viii)	TR + 10% p.a.	**2,821**	2,826
Banco Santander (xvi)	TR + 10.65% p.a.	**16,304**	-
Itaú (vii)	TR + 11.16% p.a.	**13,823**	13,270
Itaú (vii)	TR + 11.00% p.a.	**18,590**	18,401
Itaú (xiii)	CDI + 0.70% p.a.	**-**	100,790
Banco do Brasil - Finame (ix)	TJLP + 3.85% p.a.	**4,730**	4,758
Banco Bradesco - Finame (ix)	TJLP + 3.35 % p.a.	**299**	449
Banco Bradesco (x)	TR + 9.80% p.a.	**5,950**	5,785
Banco Bradesco (xi)	TR + 10.70% p.a.	**3,214**	-
Banco BTG Pactual (xiii)	CDI + 0.70% p.a.	**-**	100,790
Debentures 2nd issuance 1st series(xv)	CDI + 0.94% p.a.	**2,119**	-
Debentures 2nd issuance 2ndseries(xv)	IPCA + 6.4% p.a.	**3,208**	-
		198,196	371,133
Foreign currency			
Perpetual bonds (interest) (v)	US$ Dollar + 9.75% p.a.	**2,513**	4,623
Perpetual bonds (interest) (v)	US$ Dollar + 8.5% p.a.	**6,828**	7,027
Citibank (xiv)	6 month Libor + 1.78% p.a.	**834**	73
		10,175	11,723
Current		**208,371**	382,856
Local currency			
Unibanco - CCB (i)	IGPM + 9.70% p.a.	**52,719**	52,004
Itaú - CCB (ii)	IGPM + 9.75% p.a.	**69,849**	69,526
Itaú - CRI (iii)	TR + 10.15% p.a.	**420,708**	430,538
Itaú - CRI (vii)	TR + 11.16% p.a.	**103,014**	103,444
Itaú - CRI (vii)	TR + 11.00% p.a.	**115,502**	116,514
Itaú - CRI (xii)	TR + 11.00% p.a.	**55,183**	53,587
Banco Bradesco (xi)	TR + 10.70% p.a.	**561,987**	549,821
Banco Bradesco (x)	TR + 9.80% p.a.	**65,448**	109,913
Banco Bradesco (xvi)	TJLP + 3.25% p.a.	**-**	19
Debentures - Series 1 (iv)	DI + 0.50% p.a.	**9,935**	9,935
Debentures - Series 2 (iv)	IPCA + 7.90% p.a.	**348,180**	343,498
Banco Santander (vi)	TR + 11% p.a.	**81,130**	82,970
Banco Santander (viii)	TR + 10% p.a.	**28,012**	28,570
Banco Bradesco - Finame (ix)	TJLP + 3.85 % p.a.	**-**	-
Banco do Brasil - Finame (ix)	TJLP + 3.35% p.a.	**4,869**	5,947
Debentures 2nd issuance 1st series(xv)	CDI + 0.94% p.a.	**165,750**	-
Debentures 2nd issuance 2nd series(xv)	IPCA + 6.4% p.a.	**239,250**	-
		2,321,536	1,956,286
Foreign currency			
Perpetual bonds (v)	US$ Dollar + 9.75% p.a.	**320,845**	328,265
Perpetual bonds (v)	US$ Dollar + 8.5% p.a.	**419,083**	431,434
Citibank (xiv)	6 month Libor + 1.78% p.a.	**102,136**	105,146
		842,064	864,845
Non-current		**3,163,600**	2,821,131
		3,371,971	3,203,987

In the parent company BR Malls Participações, the loans and financings correspond to transactions with debentures series 1 and 2 and CRI transactions.

16. Borrowings and financing (Consolidated) (Continued)

Loans and financing in foreign currency are restated by the US dollar exchange variation.

(i) In February 2007, Ecisa Participações and Ecisa Engenharia issued two bank credit certificates amounting to R$ 70,000, whose creditor is Unibanco, falling due in February 2019. The payment of the principal and interest began in March 2008 after a grace period of one year.

(ii) In February 2007, Nattca issued two bank credit certificates for the acquisition of property amounting to R$ 70,000, having Itaú BBA as creditor. These certificates are payable in 132 consecutive monthly installments after a one-year grace period. The first installment matured on March 17, 2008 and the last one will be due on February 15, 2019.

(iii) In February 2008, the Company signed a structured operation of securitization of receivables with Banco Itaú BBA, which will result in the issuing of receivable credits - (CRIs) secured and guaranteed by Plaza Niterói, Fashion Mall and Ilha Plaza amounting to R$ 470,000 for 12 years (one-year grace period) at a cost equivalent to TR + 10.15% per annum.

(iv) In July 2007, the Company issued 32,000 debentures not convertible into shares at the par value of R$ 10, each amounting to R$ 320,000. The issuance was carried out in two series. The first series, composed of 5,000 debentures with the principal falling due on July 15, 2014, will be amortized in four equal, annual and successive installments as from July 15, 2011. The second series, composed of 27,000 debentures with the principal falling due on July 15, 2016, will be amortized in four equal, annual and successive installments as from July 15, 2013. According to the deed of public distribution of debentures, 20% of the funds raised were mandatorily for the expansion of the operations of the shopping malls in which the Company holds an interest. The financial charges resulting from financings obtained from third parties and to be used in the expansion of shopping centers were capitalized.

16. Borrowings and financing (Consolidated) (Continued)

(v) In November 2007, the Company issued US$ 175,000 thousand in perpetual bonds through its subsidiary company BR Malls International Finance Ltd. The bonds are denominated in U.S. dollars with quarterly payments of interest of 9.75% per annum. BR Malls International Finance Ltd. has the option to repurchase the bonds as from November 8, 2012. According to the perpetual bonds issuance prospects, a portion of the funds raised will be allocated to the expansion of the operations of the shopping malls in which the Company holds an interest.

In January 2011, the Company issued US$ 230 million in perpetual bonds through its subsidiary BR Malls International Finance Ltd. The bonds are denominated in U.S. dollars with quarterly payments of interest of 8.5% per annum. BR Malls International Finance Ltd. has the option to repurchase the bonds as from January 12, 2016. According to the issuance prospectus of the perpetual bond, the raised funds will be used for: (i) conception, incorporation and management of new shopping malls; (ii) acquisition of more shares in the shopping malls in which it already has interests; (iii) acquisition of shares in shopping malls of third parties and companies that operate in the same sector; (iv) expansion of the operations of the shopping malls in which it has interests; and (v) amortization or settlement of financings.

(vi) In October 2009, a financing contract was signed by SPE Xangai Participações S.A. amounting to R$ 94,643 for the purpose of raising funds for construction of the Granja Vianna Shopping Center. Release of the funds occurs based on the project's physical and financial schedule. Total term for this financing is 120 months (10 years) and debt service costs are TR + 11% per annum. The amortization of interest and principal began in May 2011.

(vii) In November 2009, Proffito signed a structured receivable securitization operation with Banco Itaú BBA which led to the issuing of real estate receivable certificates - CRIs backed and guaranteed by Shopping Tamboré and Expansão do Tamboré amounting to R$ 92,500 for 12 years (grace period of two years) at a cost of TR + 11.16% per annum.

In February 2011, Proffito signed with Banco Itaú BBA a new issuing of real estate receivable certificates - CRIs backed and guaranteed by Shopping Tamboré and Expansão do Tamboré amounting to R$ 134,949 for 12 years at a cost of TR + 11.00% per annum.

16. Borrowings and financing (Consolidated) (Continued)

(viii) In December 2009 a financing contract was signed by SPE Sfida S.A. amounting to R$ 32,000 with the purpose of raising funds to build Shopping Center Sete Lagoas. Total term for this financing is 120 months (10 years) and debt service costs are TR + 10% per annum. The amortization of interest and principal began in June 2011.

(ix) In June 2010, with the acquisition of SISA, the financings regarding the construction of Shopping Independência were incorporated by BR Malls.

(x) In June 2010, Shopping Center Mooca Empreendimento Imobiliário S.A. entered into a financing agreement amounting to R$ 115,000 in order to raise funds for the construction of Shopping Center Mooca. Release of the funds will occur based on the project's physical and financial schedule. Total term for this financing is 144 months (12 years) and debt service costs are TR + 9.8% per annum. The amortization will begin in June 2012.

(xi) In February 2011, CIMA signed a receivable securitization with Banco Bradesco which led to the issuing of real estate receivable certificates - CRIs, backed by the receivables of Shopping Tijuca in the amount of R$ 500,000 for 168 months (with a 24-month grace period) at a cost of TR + 10.70%.

(xii) In the acquisition of Alvear Participações, the Company assumed with it a CRI of R$ 50 million, with a 12-year term and grace period of 2 years. The debt began on February 24, 2011 and falls due on February 16, 2023. The CRI rate is TR + 11.52% p.a.

(xiii) On December 7, 2011, BR Malls Participações issued 80 promissory notes with par value of R$ 2,500 each, amounting to R$ 200,000. These notes were divided into 50% for the bank Itaú BBA and 50% for the bank BTG Pactual. The interest rate of these notes is CDI + 0.70% p.a. and the term is for 6 months.

(xiv) At December 7, 2011, BR Malls Participações contracted a borrowing with Citibank of US$ 56,050 thousand. The term is for 3 years and the maturity is on December 8, 2014. The financing rate is 6 month LIBOR + 1.78% p.a. and the payments will take place every 6 months as from June 8, 2012. This debt was fully hedged with a perfect swap with Citibank, in which the final rate is 105% CDI p.a.

(In thousands of reais, unless otherwise stated)

16. Borrowings and financing (Consolidated) (Continued)

(xv) In February 2012, the Company issued 40,500 debentures not convertible into shares at the par value of R$ 10 each, amounting to R$ 405,000. The issuance was carried out in two series. The first series, comprising 16,575 debentures with a principal maturing on February 15, 2017, will be amortized in two equal annual installments as from February 15, 2016. The second series, comprising 23,925 debentures with a principal maturing on February 15, 2019, will be amortized in two equal annual installments as from February 15, 2018. According to the debenture public issuance deed, the funds were used mainly in the early redemption of total Commercial Papers corresponding to 80 commercial promissory notes issued by the Company on December 7, 2011, in a single series, with a nominal unit value of R$ 2,500, totaling R$ 200,000, and the remaining balance was recorded as the Company's cash.

(xvi) In May 2011, Spinácia Participações S.A. entered into a financing agreement amounting to R$ 131,000 for the purpose of raising funds to build Shopping Center São Bernardo. Release of the funds occurs based on the project's physical and financial schedule. Total term for this financing is 144 months (12 years) and debt service costs are TR + 10.65% per annum. The amortization of principal will begin in May 2013.

Loans and financing have the following maturity terms:

	Consolidated	
	March 31, 2012	**December 31, 2011**
2012	**129,270**	359,688
2013	**270,527**	264,971
2014	**279,999**	381,565
2015	**374,164**	268,738
2016 onwards	**2,318,011**	1,929,025
	3,371,971	3,203,987

According to CPC 12, debentures raising costs are capitalized on debt costs.

16. Borrowings and financing (Consolidated) (Continued)

Covenants

Some of the Company's financing includes clauses determining the highest level of indebtedness and leverage, as well as the minimum levels to cover installments falling due and the maintenance of minimum balances receivable in a current account. One of the Company's contractual clauses for the first and second debentures issuance (Series 1 and Series 2) is the indicator of (i) EBITDA (operating profit or loss, plus depreciation and amortization and financial result)/net financial expenses, relating to the four quarters should be equal to or higher than 1.75 times and (ii) net debt (loans and financing less cash and cash equivalents)/EBITDA (operating profit or loss, plus depreciation and amortization and financial result), with the quarter EBITDA multiplied by 4 equals or is lower than 3.8 times.

At March 31, 2012, calculation of the first Series 1 debenture covenant indicator, for the first issuance, was 2.32 times and Series 2 indicator, for the first issuance, as well as series 1 and 2 of second issuance, 3.89 times (excluding exchange variation) and for the second covenant for series 1 and 2, for the first and second issuance, was 2.62 times. Therefore, the covenants requirements are being complied with.

On January 25, 2009, 1st public issuance 2nd series debenture holders approved an enhanced wording of "Net financial result" appearing in the deed of issue, to read as follows: The difference between financial expenses and financial income as presented in the Company's statement of income for the quarter, excluding (i) any monetary or exchange rate variations not disbursed by the Company in the last 12 months, (ii) the non-recurring financial expenses relating to the issuance of securities in the domestic or international capital market.

In October 2010, a General Meeting of Debenture Holders of Series 1 and 2 was held, and the following issues were discussed:

(i) Change of the financial index established as from the third quarter of 2010, in order to be annualized net debt/Ebitda equal to or less than 3.80 times as from the third quarter of 2010.

16. Borrowings and financing (Consolidated) (Continued)

Covenants (Continued)

(ii) Improvement of the definition text of "Net Debt" in the sub-item XVII of the Clause 6.22 of the Issuance Deed, in order for it to be in force with the following text:

"Net Debt": the sum of the onerous debts of the Company, except the perpetual debts (without a defined maturity date), on consolidated bases, except cash and banks (cash plus marketable securities).

(iii) Inclusion, in the Issuance Deed, of provision on the option of redemption of the whole of the Debentures of the First Series and/or Debentures of the Second Series by the Issuer if an Event of Default occurs, as defined in the Issuance Deed, without the enactment of anticipated maturity.

(iv) Authorization for the trustees to enter into an amendment to the Issuance Deed, reflecting the decisions approved by the debenture holders.

(v) Furthermore, it was approved the payment of an amount equivalent to 0.55% on the unit price to be paid on October 29, 2010, as a premium for the renegotiation approved in the Company's General Meeting of Debenture Holders of the 1st and 2nd series amounting to R$ 1,895.

According to the debenture issuance deed, the Company may not comply with the covenants clauses for up to two consecutive quarters or for up to three non-qualifying periods.

Guarantees

The Company has given the following assets as collateral for its borrowings and financing:

(i) Unibanco - CCB

First degree mortgage of the fractions held in Shopping Center Piracicaba, Amazonas Shopping and Shopping Center Iguatemi Caxias and fiduciary assignment of credit rights held against store owners in Norte Shopping.

16. Borrowings and financing (Consolidated) (Continued)

Guarantees (Continued)

(ii) Itaú - CCB

Chattel mortgage of the land of Shopping Estação and of Estação Convention Center. Mortgage of movable assets, installations and improvements. Fiduciary assignment of credit rights held against store owners of Shopping Estação and endorsement of insurance as guarantee against physical damage to the structure of the shopping mall.

(iii) Itaú - CRI

In February 2008, the Company signed a structured receivable securitization operation with Banco Itaú BBA which led to the issuing of real estate receivable certificates - CRIs with the following guarantees: chattel mortgage of the real estate of Shopping Fashion Mall, Ilha Plaza Shopping and Niterói Plaza Shopping and of the shares of Fashion Mall S.A., fiduciary assignment of receivables of the shopping centers aforementioned and endorsement of insurance as guarantee against physical damage to the structure of the shopping malls, putting the securitizing company as the beneficiary in case of any event.

(iv) Debentures

Unsecured guarantee.

(v) Perpetual bonds

Unsecured guarantee.

(vi) Santander - Granja Vianna financing

In October 2009, SPE Xangai entered into a real estate financing contract with Santander to build Shopping Granja Viana with the following guarantees: chattel mortgage of the land and the shopping mall opened in October 2010, and fiduciary assignment of BR Malls Administração receivables. This transfer of receivables will be replaced by the receivables of Shopping Granja Viana.

16. Borrowings and financing (consolidated) (Continued)

Guarantees (Continued)

(vii) Itaú - CRI Tamboré

In November 2009, Profitto signed a structured receivable securitization operation with Banco Itaú BBA which led to the issuing of real estate receivable certificates - CRIs with the following guarantees: chattel mortgage of the real estate Tamboré, fiduciary assignment of receivables of the aforementioned shopping malls and endorsement of insurance as guarantee against physical damage to the structure of the shopping malls, putting the securitizing company as the beneficiary in case of any event.

(viii) Santander - Sete Lagoas financing

In December 2009, SPE Sfida entered into a real estate financing contract with Santander to build Shopping Sete Lagoas with the following guarantees: chattel mortgage of the land and the shopping center opened in November 2010, and fiduciary transfer of BR Malls Administração receivables (guarantee shared with the financing of Shopping Granja Viana). This transfer of receivables will be replaced by receivables of the shopping mall.

(ix) Bradesco - Mooca financing

In June 2010, SPE Mooca entered into a real estate financing contract with Bradesco to build Shopping Center Mooca with the following guarantees: chattel mortgage of the land and the shopping center to be constructed, and fiduciary transfer of credit rights of the shopping.

(x) Bradesco - CIMA

In February 2011, CIMA signed a structured receivable securitization operation with Banco Bradesco which led to the issuing of real estate receivable certificates - CRIs with the following guarantees: chattel mortgage of the real estate of Shopping Campinas, fiduciary transfer of the receivables of Shopping Tijuca.

(In thousands of reais, unless otherwise stated)

16. Borrowings and financing (consolidated) (Continued)

Guarantees (Continued)

(xi) Santander - Spinacia Participações

In March 2011, Spinacia Participações S.A. entered into a real estate financing contract with Santander to build Shopping São Bernardo with the following guarantees: 51,41% of the land to be used in the construction of the shopping mall.

(xii) Itaú - Alvear Participações S.A.

With the acquisition of Alvear Participações, the Company assumed a CRI of R$ 50 million. As a collateral, 25% of Londrina Norte was granted to Banco Itaú.

17. Taxes and contributions payable

	Consolidated	
	March 31, 2012	**December 31, 2011**
Income tax	**25,613**	31,150
Social contribution tax	**9,391**	12,435
PIS and COFINS on operating income (i)	**14,833**	19,050
PIS and COFINS on rents (ii)	**11,745**	11,628
Service Tax (ISS)	**747**	211
Other	**1,608**	1,623
	63,937	76,196

(i) In November 2009, Ecisa Engenharia adhered to the Program to Pay Fiscal Debts in Installments provided by Law No. 11941/2009 to pay in 30 monthly installments the COFINS debt, related to the non-cumulative period introduced by Law No. 10833/2003, as specified in the Assessment Notice that gave rise to the administrative suit No. 184710010492007-83 (see Note 18).

(ii) Ecisa Engenharia filed a civil suit against the National Treasury in order not to pay COFINS on revenue from leasing, refund of amounts paid with this respect and granting of preliminary protection order to discontinue the enforceability of the tax of R$ 8,979, based on the understanding of unconstitutionality of the Law No. 9718/98 and on the interpretation that the leasing cannot be classified as rendering of service.

(In thousands of reais, unless otherwise stated)

17. Taxes and contributions payable (Continued)

Reconciliation of income and social contribution taxes expenses - Consolidated

The reconciliation between the income and social contribution tax expenses at the nominal and effective rate is shown below:

	March 31, 2012
Profit before income and social contributions taxes	131,188
Nominal combined income tax and social contribution rate - %	34
Income and social contributions taxes at statutory rates	(44,604)
Tax effects on	
Amortization of goodwill	(10,755)
Expenses from indeductible compensation	(4,271)
Credited interest on equity	
Exchange variation	6,506
Tax credits not made up of income and social contribution losses	12,271
Difference in tax base for companies under the taxable profit based on percentage of gross sales	31,173
Other	440
Income and social contribution tax on income for the year	(9,239)
Current	(30,655)
Deferred	21,416
Total	(9,239)
Effective rate	7.04%

(In thousands of reais, unless otherwise stated)

18. Taxes and contributions - payment in installments

	Consolidated	
	March 31, 2012	**December 31, 2011**
Income tax (i)	**61**	82
Social contribution tax (i)	**22**	30
COFINS (i)	**632**	852
IPTU (ii)	**844**	522
Current	**1,559**	1,486
Income tax (i)	**2,349**	2,361
Social contribution tax (i)	**299**	303
COFINS (i)	**8,460**	8,585
IPTU (ii)	**6,962**	6,962
REFIS (iii)	**57,715**	57,928
Other	**170**	170
Non-current	**75,955**	76,309

(i) In November 2009, the Company joined the new Program to Pay Fiscal Debts in Installments provided by Law No. 11941/2009, for the purpose of evening out and settling the tax liabilities through a special payment system and payment in installments of its tax and social liabilities, noting all the tax legislation that regulated the mentioned program. According to Joint Ordinance PGFN/RFB No. 3/2010, the companies Ecisa Engenharia and Fashion Mall manifested for the non-inclusion of the whole of the debts in the payment in installments provided by Law 11941/2009, thus, according to the Joint Ordinance PGFN/RFB No. 11/2010, the companies will have to inform, up to August 16, 2010, in detail, the debts to be paid by installments, upon the filling out and filing of the forms contained in the attachments of the Joint Ordinance PGFN/RFB No. 3/2010. In June 2011, according to Joint Ordinance PGFN/RFB No. 2/2011, the debts were consolidated.

The debts described below were the object of installment plans with the conditions indicated below.

18. Taxes and contributions - payment in installments (Continued)

a) Installment plans of up to 30 months

Administrative proceedings

Ecisa Engenharia joined the new Program to Pay Fiscal Debts in Installments of up to 30 monthly installments for amounts of IRPJ, CSLL and COFINS due disclosed in the administrative proceedings described below, with the benefits of Law No. 11941/2009 for this case, whereby reductions of 90% and 40% in fines and interest penalties respectively are granted. According to the lawyers who sponsored these cases, chances of loss are classified as probable. Consequently, the Company agreed to installment plans of up to 30 months for: (i) IRPJ and CSLL due on supplementary monetary correction of the balance sheet based on the difference between the IPC and BTNF indexes, demonstrated in the Tax Assessment Notice which initiated the administrative proceeding No. 1076801940195-50. Regarding this suit, as from June 2011, according to Joint Ordinance PGFN/RFB No. 2/2011, the debts were consolidated. The Company pays a monthly installment of R$ 36 (Principal), plus an update by the SELIC rate.

b) Installment plans of up to 180 months

Administrative proceedings

Ecisa Engenharia joined the new Program to Pay Fiscal Debts in Installments of up to 180 monthly installments for amounts of IRPJ, CSLL and COFINS due disclosed in the administrative proceedings described below, with the benefits of Law No. 11941/2009 for this case, whereby reductions of 60% and 25% in fines and interest penalties respectively are granted. According to the lawyers who sponsored these cases, chances of loss are classified as probable. Consequently, the Company agreed to installment plans of up to 180 months for: (i) IRPJ and CSLL due on expenses considered as non-deductible by the Tax Authorities, demonstrated in the Tax Assessment Notice which gave rise to the administrative proceeding No. 1537400222700-10; (ii) COFINS due, related to the non-cumulative period from Law 10833/2003, demonstrated in the Tax Assessment Notice which gave rise to the administrative proceeding No. 184710010492007-83. Regarding these suits, as from June 2011 (Consolidated), the Company pays monthly installments of R$ 70 (principal), plus an update by the SELIC rate.

18. Taxes and contributions - payment in installments (Continued)

b) Installment plans of up to 180 months (Continued)

New installment plan for unpaid balances on previous ordinary installment plans

Ecisa Engenharia joined the new Plan to Pay Taxes in Installments for (i) definition of new installment plan in 180 months of the remaining balance of Income Tax and Social Contribution debt, which had been included in the normal installment plan which had been approved in 2005; (ii) definition of a new installment program in 180 months of the COFINS debt related to the non-cumulative period arising from Law No. 10833/2003, which had been included in the normal installment plan in 2007. With regard to these cases, the Company pays monthly a minimum installment of R$ 209, which ended in June 2011.

(ii) When Nattca acquired Shopping Estação, it became responsible for payment of an IPTU (Urban Property Tax) debt with the Curitiba Municipal Government. The installment plan on this debt was extended until 2014 and Nattca has been paying it since February 2007. The amount of the installment plan was adjusted against the acquisition cost of the shopping center and is adjusted based on the TJLP (Long-term Interest Rate).

(iii) CIMA enrolled in the Tax Recovery Program ("Programa de Recuperação Fiscal - REFIS"), provided by Law No. 9964/2000 (REFIS 1), to promote the regularization of Union credits, arising from corporate debts related to taxes and contributions, managed by the Federal Revenue Secretariat and by the National Institute of Social Security ("Instituto Nacional do Seguro Social - INSS"), falling due up to February 29, 2000, constituted or not, inscribed or not in the active debt register, filed or to file, with suspended liabilities or not, including the ones arising from lack of payment of the withheld amounts. The Company pays monthly and successive installments, falling due on the last working day of each month, being the value of each installment determined on a percentage basis of 0.6% of the gross revenue of the immediately previous month. In order to include the debts in REFIS, the Company granted as a collateral lands located in the States of Paraná, Maranhão and Espírito Santo.

(In thousands of reais, unless otherwise stated)

19. Liabilities payable for acquisition of shopping malls

	Consolidated	
	March 31, 2012	**December 31, 2011**
BR Malls (i)	**52,630**	36,853
Ecisa Engenharia (ii)	**6,965**	10,127
Spinacia (iii)	**209,850**	204,823
Current	**269,445**	251,803
BR Malls (i)	**102,657**	113,814
Spinacia (iii)	**104,925**	102,411
Non-current	**207,582**	216,225
	477,027	468,028

(i) These refer to liabilities undertaken by BR Malls for the purchase of 40% of the real estate shares of the Shopping Crystal Plaza. The first installment was paid immediately and the second, amounting to R$ 30,000, will be amortized within 12 months as from the acquisition date (September 2010). At December 30, 2010, BR Malls acquired a further 30% of the real estate shares of Shopping Crystal. The first installment was paid immediately, and the amount of R$ 28,700 will be amortized in the 12th and 24th months. All the installments are adjusted by the IGPM.

On April 29, 2011, the Company acquired 95% of the Shopping Paralela in Salvador (BA) for a total price of R$ 285 million and, within 30 days, it became responsible for its management and trade. The price to be paid for the shopping mall and management of the asset is R$ 237.5 million, 40% paid in cash and the remaining in 4 annual and equal installments, adjusted by IPCA, and the shopping was given as guarantee of the pending installments. The acquisition also involves the payment of R$ 47.5 million for 95% of the parking lot operation to be paid in the same way as the acquisition of the shopping mall, however the beginning of the payment is conditioned to the charge of the tariffs in the city.

(ii) At December 31, 2010, this refers to the acquisition of ASB Administração e Incorporação (company incorporated by Ecisa Participações on May 31, 2009), which holds a 100% share in the Campinas Shopping real estate development. The installment plan referred to an annual installment, restated monetarily based on 55% of the variation in the CDI rate, due on February 6, 2011, which was settled on the same date.

(iii) At December 31, 2010, this referred to liabilities undertaken by Ecisa Engenharia for the purchase of 100% of Shopping Tijuca. The first installment was paid immediately, and the remaining balance of R$ 500,000 was settled in March. The Ecisa Engenharia balance referred to the acquisition of an additional fraction of Shopping Curitiba for R$ 34,650, being R$ 14,650 paid on demand and the remaining in 20 monthly installments of R$ 1,000, adjusted by the INPC + 7% p.a., the first one being paid in February 2011.

(iv) These refer to liabilities undertaken by Spinacia for the purchase of 70% of Alvear Participações S.A. totaling R$ 294,000 with a three-year term and adjusted by 100% of Interbank Deposit Certificate (CDI).

(In thousands of reais, unless otherwise stated)

20. Provision for contingencies (Consolidated)

The Company is exposed to tax, labor and civil contingencies. Contingency losses are classified as "probable", "possible" or "remote" according to the risk of becoming a loss for the Company. Contingencies deemed by management as probable losses, based on internal and external legal counsels are subject to provisions.

	Consolidated	
	March 31, 2012	**December 31, 2011**
Tax (i)	**49,195**	49,369
Labor and social security (ii)	**8,112**	8,846
Civil (iii)	**49,995**	50,606
Non-current	**107,302**	108,821

(i) Correspond mainly to:

Ecisa Engenharia questioned the legality of the laudemium charge on the purchase of Shopping Recife, and classified as probable loss by the lawyers. The amount recorded as a contingency corresponds to R$ 3,744.

Tax contingency, recorded in fiscal year 2008, related to the tax assessment notice issued by the Municipality of Rio de Janeiro, through which it claimed Property Transfer Tax (Imposto sobre Transmissão de Bens Imóveis - ITBI) on the capital subscription of Fashion Mall S.A. with property in 2001 in the amount of R$ 6,936.

Assessment notice drawn up for the constitution of ISS tax credits regarding services of management and trade of shopping malls provided in other municipalities, in which the tax is withheld at source by the takers, in the amount of R$ 2,788.

Tax contingencies of the company Cima, amounting to R$ 33,117, correspond basically to Real Estate Tax ("Imposto Predial e Territorial Urbano - IPTU") debt of Shopping Tijuca of R$ 18,723 and of PIS and COFINS credits on the non-cumulative calculation basis of R$ 10,500 and IOF collection on intercompany loans of R$ 1,663.

(In thousands of reais, unless otherwise stated)

20. Provision for contingencies (Consolidated) (Continued)

(ii) The legal suits related to social security labor charges refer to services rendered by individuals and the contracting of legal entities.

(iii) Civil contingencies of Cima, R$ 49,995, which correspond to civil suits of storekeepers related to the sale and purchase agreement on the recording of the real estate of Shopping Tijuca.

	Civil	Labor and social security	Tax	Total
Balances at January 1, 2011	51,581	11,964	46,985	110,530
Restatement	-	635	1,320	1,955
Payments	(975)	(929)	(644)	(2,548)
Set-up	-	11	2,788	2,799
Reversal	-	(2,835)	(1,080)	(3,915)
Balances at December 31, 2011	**50,606**	**8,846**	**49,369**	**108,821**
Restatement	**-**	**278**	**83**	**361**
Payments	**(611)**	**(1,012)**	**(257)**	**(1,880)**
Balances at March 31, 2012	**49,995**	**8,112**	**49,195**	**107,302**

At March 2012, the Company recorded the amount of R$ 2,111 referring to tax contingencies (December 31, 2011 - R$ 1,103), R$ 17,423 referring to tax contingencies (December 31, 2011 - R$ 17,038) and R$ 19,626 referring to civil contingencies (December 31, 2011 - R$ 19,626) classified as a possible loss by management based on its legal counsels. The contingencies relate mainly to:
(a) injunction filed by Geral de Turismo Ltda. due to the alleged non-compliance with an agreement that established the procedure for garbage removal from Shopping Niterói Plaza; (b) supplemental severance pay; and (c) assessment notices issued to charge COFINS debts on the leasing revenue; (d) assessment of IPTU carried out based on the gathering of municipal enrollments; and (e) charge for ISS debts by the Municipality of Recife.

(In thousands of reais, unless otherwise stated)

21. Deferred revenue

	Consolidated	
	March 31, 2012	**December 31, 2011**
Current	**18,868**	16,983
Non-current	**110,095**	121,398
Total	**128,963**	138,381

(i) Deferred income basically refers to the recognition of assignment of use rights (CDU) under the straight-line method in its statement of income for the period based on the rental term (average of 60 months) of the respective stores to which it refers.

22. Equity

a) Capital

At March 31, 2012, the Company's capital is R$ 3,454,346 (December 31, 2011 - R$ 3,424,181) divided into 452,912,154 (December 31, 2011 - 449,541,943) common, nominative shares with no par value.

At a meeting of the Supervisory Board held on January 26, 2011, a capital increase was approved, as a result of the exercising of the purchase of stock options related to the 1st Program of the Stock Option Plan approved at the Extraordinary Meeting of February 9, 2007 (Note 30), through a private subscription of 564,482 shares, at an issue price of R$ 10.81, totaling R$ 6,102.

At a meeting of the Supervisory Board held on March 28, 2011, a capital increase was approved, as a result of the exercising of the purchase of stock options related to the 4th and 5th Programs of the Stock Option Plan approved at the Extraordinary Meeting of April 14, 2009 (Note 31), through a private subscription of 32,232 shares, at an issue price of R$ 6.67, totaling R$ 215 and 9,571 shares, at an issue price of R$ 11.00, totaling R$ 105.

22. Equity (Continued)

a) Capital (Continued)

At the Extraordinary and Ordinary General Meetings held on April 29, 2011, the capital increase of R$ 124,367 was approved, without the issuance of new shares, upon capitalization of a portion of the Company's revenue reserves.

At a meeting of the Supervisory Board on May 10, 2011, a capital increase was approved, upon the issuance of 37,400,000 common shares, nominative, non-issued and with no par value, for R$ 17.20 per share in the amount of R$ 643,280 by public offer of shares.

At a meeting of the Supervisory Board on May 20, 2011, a capital increase was approved, upon the issuance of 5,100,000 common shares, nominative, non-issued and with no par value, for R$ 17.20 per share in the amount of R$ 87,720 by public offer of shares.

At a meeting of the Supervisory Board held on July 1, 2011, a capital increase was approved, as a result of the exercising of the purchase of stock options related to the 4th and 5th Programs of the Stock Option Plan approved at the Extraordinary Meeting of April 14, 2009 and October 5, 2010 respectively (Note 30), through a private subscription of 94,970 shares, at an issue price of R$ 6.64, totaling R$ 630 and 20,305 shares, at an issue price of R$ 10.98, totaling R$ 223.

At a meeting of the Supervisory Board held on November 17, 2011, the capital increase was approved, due to private issuance, within the limit of authorized capital, of: (i) 29,690 common, nominative shares, with no par value, at an issuance price of R$ 6.81 per share totaling R$ 203; (ii) 12,705 common, nominative shares, with no par value, at an issuance price of R$ 11.15 per share totaling R$ 141.

A capital increase was approved at a meeting of the Board of Directors held on January 31, 2012, due to private issuance within the authorized capital limit of (i) 452,572 common, nominative shares with no par value at 4.54 per share, amounting to R$ 2,055; (ii) 820,078 common, nominative shares with no par value at 6.88 per share, amounting to R$ 5,642; (iii) 934,596 common, nominative shares with no par value at 11.19 per share, amounting to R$ 10,458; (iv) 15,972 common, nominative shares with no par value at 16.11 per share, amounting to R$ 257,309.

(In thousands of reais, unless otherwise stated)

22. Equity (Continued)

a) Capital (Continued)

A capital increase was approved at a meeting of the Board of Directors held on March 9, 2012, due to private issuance within the authorized capital limit of (i) 265,978 common, nominative shares with no par value at 6.88 per share, amounting to R$ 1,830; (ii) 868,105 common, nominative shares with no par value at 11.19 per share amounting to R$ 9,714; (iii) 12,910 common, nominative shares with no par value at 16.11 per share amounting to R$ 207,980.

The Company's shareholding structure at March 31, 2012 is as follows:

	Number of shares	Capital (%)
New Market	**290,211,114**	**64.07%**
Fidelity	**37,437,790**	**8.26%**
Wellington	**24,325,743**	**5.37%**
Blackrock	**22,107,100**	**4.88%**
Valia	**18,870,200**	**4.17%**
Dodge & Cox	**17,872,700**	**3.95%**
Hsbc	**17,559,717**	**3.88%**
Richard Paul Matheson	**20,140,136**	**4.45%**
Employees (only Board of Directors' members)	**2,319,687**	**0.51%**
Carlos Medeiros	**2,065,395**	**0.46%**
Ecisa Participações Ldta.	**2,572**	**0.00%**
	452,912,154	**100.00%**

The Company's shareholding structure at December 31, 2011 is as follows:

	Number of shares	Capital (%)
New Market	276,072,180	61.40
Fidelity	33,860,790	7.50
Blackrock	22,391,700	5.00
Richard Paul Matheson	20,140,136	4.50
Valia	18,908,700	4.20
Dodge & Cox	18,881,900	4.20
HSBC	17,754,707	3.90
Schroder Asset	17,304,091	3.80
Equity Internacional	10,934,016	2.40
Vanguard Investiments	9,520,054	2.10
Carlos Medeiros Silva Neto	1,919,763	0.40
Employees	1,851,334	0.40
Ecisa Participações Ldta.	2,572	0.20
	449,541,943	100.00

(In thousands of reais, unless otherwise stated)

22. Equity (Continued)

b) Fund raising costs

Costs incurred with raising funds through issuing of equity securities in the amount of R$ 50,727 net of tax effect (December 31, 2011 - R$ 50,727) are shown as a reduction account in equity, less tax effects.

c) Capital reserve

This represents the amount recorded in the books of the stock option plan for employees and management amounting to R$ 41,320 (December 31, 2011 - R$ 37,302) (Note 30).

d) Legal reserve

Legal reserve was set up pursuant to the Corporation Law and the Articles of Incorporation, at 5% of the net income of each year up to 20% of the capital. The purpose of the legal reserve is to ensure the integrity of the capital and may only be used to offset losses and increase capital.

e) Reserve of unrealized profits

In years when the amount of the mandatory dividend, calculated pursuant to the Company's articles of incorporation exceeds the portion of the actual net income realized for the year, the Stockholders' General Meeting may, if proposed by management, apply the excess to form the reserve for unrealized profits.

The portion of net income for the year is deemed to be realized if it exceeds the sum of the following amounts:

(i) Positive net income from equity pickup.
(ii) Profit, earnings or net gains on operations or booking of assets, liabilities and equity accounts at fair value, having financial realization term occurs after the year end (investment properties).

	Unrealized revenue
Balance of unrealized revenue for 2010	**276,177**
Complement of dividends for 2010	**(39,481)**
Realized net income for 2011	**(48,728)**
Set-up of unrealized revenue for 2011	**111,867**
Balance of unrealized revenue reserve at December 31, 2011 and March 31, 2012	**299,835**

22. Equity (Continued)

e) Reserve of unrealized profits (Continued)

At December 31, 2011, the Company constituted R$ 111,867 regarding the portion of unrealized revenue for the year, reverted a portion of the realized revenue for 2011 in the amount of R$ 48,728 and paid dividends regarding 2010 in the amount of R$ 39,481. At March 31, 2012, the unrealized revenue balance corresponds to R$ 299,835.

f) Retained earnings reserve

According to Article 196 of the Brazilian Corporation Law, the Stockholders' General Meeting may, if proposed by management, decide to withhold part of net income for the year considered in its previously approved capital budget. Based on the cash flow projection, included in the Company's capital budget for the next 5 years, it is necessary to withhold an amount of retained earnings, calculated through December 31, 2009, amounting to R$ 2,505,931. On September 23, 2010, the amount of R$ 248,440 was paid up, thus, reducing the amount of the retention of profit reserves to R$ 2,257,491. At December 31, 2010, the Company carried out the retention of part of the retained earnings amounting to R$ 335,601.

At the Extraordinary and Ordinary General Meetings held on April 29, 2011, the capital increase of R$ 124,367 was approved, without the issuance of new shares, upon capitalization of a portion of the Company's revenue reserves.

At December 31, 2011, the Company carried out the retention of part of the retained earnings amounting to R$ 33,497. Consequently, the Company's management proposed that the portion of calculated earnings be withheld by the Company in order to cover the investment projects planned in its capital budget.

As established by Article 199 of the Brazilian Corporation Law, the balance of the revenue reserves (except reserves for contingent liabilities, tax incentives and unrealized profits) cannot exceed the Company's capital stock at March 31, 2012, which corresponds to R$ 3,454,345.

22. Equity (Continued)

g) Dividends

According to the bylaws, stockholders are entitled to a minimum dividend corresponding to 25% of the net income determined in each year, adjusted pursuant to the legislation in force.

The Company's management proposed by referendum of the Ordinary General Meeting - AGO, the distribution of complementary dividends in the amount of R$ 19,506 related to the year ended December 31, 2011.

In 2011, the realized minimum mandatory dividends and the proposed complementary dividends amounted to R$ 68,234, but as mentioned in Note 2.34, the amount recorded in the financial statements at March 31, 2012 is the minimum mandatory realized dividend of R$ 48,728 (same amount at December 31, 2011).

h) Treasury shares

At the meeting of the Supervisory Board held on November 17, 2008, repurchase plan of shares issued by the Company was approved through the wholly-owned subsidiary Ecisa Participações Ltda., up to the limit established by Article 30 of Law No. 6404. The final deadline for the purchase of the shares in question was 365 days from that date, ending on November 17, 2009. For purposes of consolidation of the financial quarterly information, the treasury shares are recorded within "treasury shares" in equity.

At March 31, 2012, the value of the Company's treasury stock is R$ 12 (December 31, 2011 - R$ 12), divided into 2,572 ordinary shares after share-split (December 31, 2011 – 2,572).

(In thousands of reais, unless otherwise stated)

23. Earnings per share

a) Basic

Basic earnings per share is calculated by dividing the profit attributable to stockholders of the Company by the weighted average number of common shares issued over the year excluding common shares purchased by the Company and held as treasury shares (Note 22 (h)).

	March 31, 2012	March 31, 2011
Profit attributable to stockholders of the Company	**113,268**	57,224
Weighted average number of common shares issued (after share-split - treasury shares)	**452,909,582**	406,881,704
Basic earnings per share - R$	**0.25**	0.14

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company has only one category of dilutive potential common shares: share options, subject to a calculation to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	March 31, 2012	March 31, 2011
Net profit attributable to stockholders of the Company	**113,268**	57,224
Weighted average number of common shares issued (a)	**452,912,154**	406,881,704
Adjustments of share options unexercised (b) (Note 30)	**7,301,137**	11,011,658
Weighted average number of common shares for diluted earnings per share (a) + (b)	**460,213,291**	417,893,362
Diluted earnings per share	**0.25**	0.14

(In thousands of reais, unless otherwise stated)

24. Net revenue from rental and services

	Consolidated	
	March 31, 2012	March 31, 2011
Rentals	**191,811**	138,574
Fees from right of use assignment (i)	**9,452**	7,520
Parking lots	**37,779**	26,898
Transfer fees	**701**	1,779
Provision of services	**21,593**	16,552
Other	**824**	2,572
	262,160	193,895
Taxes and contributions	**(18,595)**	(14,812)
Net revenue from rental and services	**243,565**	179,083

25. Rental and service costs

	Consolidated	
	March 31, 2012	March 31, 2011
Personnel	**(6,526)**	(4,013)
Services contracted	**(2,867)**	(4,814)
Condominium fees	**(7,079)**	(3,942)
Cost of fund for promotions	**(2,418)**	(1,135)
Financial	**(325)**	(270)
Tax	**(1,026)**	(969)
Commercial	**(641)**	(1,911)
Other	**(3,296)**	(3,136)
PIS and COFINS credits	**1,899**	1,175
	(22,279)	(19,015)

(In thousands of reais, unless otherwise stated)

26. Administrative expenses

	Consolidated	
	March 31, 2012	**March 31, 2011**
Personnel (i)	**(27,451)**	(18,237)
Depreciation and amortization	**(2,540)**	(2,853)
Services provided	**(1,450)**	(2,323)
Use and consumption material	**(19)**	(26)
Other administrative expenses (ii)	**(2,820)**	(1,672)
Reversal (set-up) of provision for contingencies (iii)	**-**	37
	(34,280)	(25,074)

(i) These correspond to salaries, charges, stock options and profit-sharing of employees and management.

(ii) These basically correspond to the expenses with traveling, legal expenditures, technical consulting, publishing and insurance premiums.

(iii) This basically corresponds to the reversal of labor and tax contingencies due to lapse of term.

27. Financial income and expenses

Financial income

	Consolidated	
	March 31, 2012	**March 31, 2011**
Short-term investment income	**14,222**	18,068
Gains on derivatives	**108,770**	32,256
Exchange variation (i)	**83,181**	20,433
Other	**1,864**	2,529
	208,037	73,286

(In thousands of reais, unless otherwise stated)

27. Financial income and expenses (Continued)

Financial expenses

	Consolidated	
	March 31, 2012	March 31, 2011
Charges on loans and financing	**(96,813)**	(79,994)
Exchange variation (i)	**(52,991)**	(7,616)
Losses on derivatives	**(122,310)**	(61,202)
Less: amounts capitalized on qualifying assets		
Other	**(4,184)**	(1,466)
	(276,298)	(150,278)
Financial income (expenses), net	**(68,261)**	(76,992)

(i) These correspond to the exchange variations on the perpetual bonds, explained by the valuation of the Brazilian currency in relation to the US dollar. The Company contracted swaps as part of its strategy to protect this liability.

28. Information by segment

Company's management uses information by business segment to make strategic decisions. The performance of each segment is extracted from the Company's accounting records and segregated as below. Assets and liabilities by business segment are not presented, as they are not the object of analysis for strategic decision making on the part of management:

	March 31, 2012				
	High	Medium/high	Medium	Medium/low	Total
Shopping malls income per segment (i)					
Rentals	14,808	80,872	74,322	21,809	191,811
Assignment fees	567	3,138	5,529	218	9,452
Parking lots	3,357	13,494	16,062	4,866	37,779
Transfer fees	34	106	456	105	701
Services (ii)		-	-	-	21,593
Other	112	317	386	8	824
	18,878	97,927	96,755	27,006	262,160
Taxes and contributions	(1,372)	(7,665)	(6,821)	(2,736)	(18,595)
Shopping malls costs per segment					
Personnel	(599)	(2,624)	(2,587)	(716)	(6,526)
Services - sundry	(537)	(460)	(1,559)	(311)	(2,867)
Condominium fees	(851)	(3,714)	(1,544)	(970)	(7,079)
Cost of promotion fund	(464)	(957)	(856)	(141)	(2,418)
Amortization	-	-	-	-	-
Other	(671)	(869)	(1,801)	(48)	(3,389)
	(3,122)	(8,624)	(8,347)	(2,186)	(22,279)
Gross profit	14,384	81,638	81,587	22,084	221,286

(In thousands of reais, unless otherwise stated)

28. Information by segment (Conrinued)

	March 31, 2011				
	High	**Medium/high**	**Medium**	**Medium/low**	**Total**
Shopping malls income per segment (i)					
Rentals	14,038	46,402	58,163	19,971	138,574
Assignment fees	611	2,610	4,066	233	7,520
Parking lots	2,210	7,536	13,152	4,000	26,898
Transfer fees	5	838	498	438	1,779
Services (ii)	-	-	-	-	16,552
Other	54	1,797	763	(42)	2,572
	16,918	59,183	76,642	24,600	193,895
Taxes and contributions	(1,413)	(4,943)	(6,401)	(2,055)	(14,812)
Shopping malls costs per segment					
Personnel	(334)	(1,230)	(1,905)	(545)	(4,014)
Services - sundry	(409)	(2,440)	(1,448)	(518)	(4,815)
Condominium fees	(501)	(1,467)	(1,275)	(700)	(3,943)
Cost of promotion fund	(185)	(253)	(571)	(123)	(1,132)
Other	(846)	(672)	(3,455)	(138)	(5,111)
	(2,275)	(6,062)	(8,654)	(2,024)	(19,015)
Gross profit	13,230	48,178	61,587	20,521	160,068

(i) Division by social class follows a survey performed in shopping centers with consumers by a known market research organization according to the "Brazilian Criteria". The "Brazilian Criteria" is related to urban individual and family purchasing power in Brazil, aimed at classifying the population into economic classes.

(ii) Refers to administrative and trade revenues of shopping malls which were not allocated by segment.

Social class	**Monthly income (in umber of minimum wages)**
High	More than 22 minimum wages
Medium/High	12 to 21 minimum wages
Medium	7 to 11 minimum wages
Medium/Low	2 to 6 minimum wages

(In thousands of reais, unless otherwise stated)

28. Information by segment (Continued)

	March 31, 2012				
	South	**Southeast**	**Northeast**	**North/ midwest**	**Total**
Shopping malls income by region					
Rentals	**26,236**	**136,740**	**17,636**	**11,199**	**191,811**
Assignment fees	**1,039**	**6,919**	**1,302**	**192**	**9,452**
Parking lots	**5,159**	**28,026**	**2,169**	**2,425**	**37,779**
Transfer fees	**59**	**468**	**121**	**53**	**701**
Services (ii)	**-**	**-**	**-**	**-**	**21,593**
Other	**205**	**428**	**113**	**77**	**824**
	32,698	**172,581**	**21,341**	**13,946**	**262,160**
Taxes and contributions	**(2,380)**	**(14,808)**	**(1,124)**	**(282)**	**(18,595)**
Shopping malls costs by region					
Personnel	**(1,109)**	**(4,591)**	**(360)**	**(466)**	**(6,526)**
Services - sundry	**(262)**	**(1,885)**	**(323)**	**(397)**	**(2,867)**
Condominium fees	**(1,557)**	**(4,701)**	**(584)**	**(237)**	**(7,079)**
Cost of promotion fund	**(443)**	**(1,392)**	**(421)**	**(162)**	**(2,418)**
Amortization					
Other	**(179)**	**(2,693)**	**(324)**	**(193)**	**(3,389)**
	(3,550)	**(15,262)**	**(2,012)**	**(1,455)**	**(22,279)**
Gross profit	**26,768**	**142,511**	**18,205**	**12,209**	**221,286**

	March 31, 2011				
	South	**Southeast**	**Northeast**	**North/ midwest**	**Total**
Shopping malls income by region					
Rentals	10,959	107,155	9,692	10,768	138,574
Assignment fees	97	6,988	367	68	7,520
Parking lots	2,471	19,983	1,792	2,652	26,898
Transfer fees	169	1,463	106	41	1,779
Services (ii)	-	-	-	-	16,552
Other	106	2,202	226	38	2,572
	13,802	137,791	12,183	13,567	193,895
Taxes and contributions	(1,413)	(4,943)	(6,401)	(2,055)	(14,812)
Shopping malls costs by region					
Personnel	(495)	(2,907)	(219)	(393)	(4,014)
Services - sundry	(427)	(3,880)	(240)	(268)	(4,815)
Condominium fees	(359)	(3,196)	(150)	(238)	(3,943)
Cost of promotion fund	(68)	(716)	(172)	(178)	(1,132)
Other	228	(4,231)	(1,018)	(90)	(5,111)
	(1,121)	(14,930)	(1,799)	(1,167)	(19,015)
Gross profit	11,268	117,918	3,983	10,345	160,068

(In thousands of reais, unless otherwise stated)

29. Insurance

The Company has a risk management program in order to limit risks, seeking insurance coverage that are compatible with its business size and operations in the market. Insurance coverage was contracted for amounts shown as follows and considered sufficient by management to cover possible claims, considering the nature of the business, the risks involved with the operations and the advice of their insurance consultants.

On March 31, 2012, the Company had the following main insurance policies contracted with third parties:

Lines	Insured amounts
Named risks - basic coverage	295,617
Loss of profit	125,264
Civil liability	28,100

30. Stock option plans

Within the scope of the Option Plan, during a meeting of the Supervisory Board held on February 9, 2007 the First Option Plan was approved ("1st Program Plan"), which granted options to the main executive officers of the Company ("Options of 1st Program"). The Options of the 1st Program can be exercised as from January 1, 2008, as follows: (i) 2,056,962 (after split of shares on September 23, 2010) shares into five annual lots of approximately 20% of the total lot of shares. In case these executive officers leave the Company during the period to exercise the Options of the 1st Program, automatically all the options whose exercise terms had not passed will expire. As from January 1, 2012, the program may be fully exercised.

(In thousands of reais, unless otherwise stated)

30. Stock option plans (Continued)

At a meeting of the Option Plan Committee held on April 14, 2009, the following items were approved:

(i) Inauguration of the 4th Purchase Option Program for Shares issued by the Company, observing the Purchase Option Plan which calls for a total of 5,459,318 common shares (after split of shares on September 23, 2010), which will be exercised for a price of R$ 5.72 per share, plus the correction index of the plan in question.

(ii) The determination was that the participants who join the 4th Option Plan will have their ties to previous plans immediately revoked to which they were affiliated (2nd and 3rd programs), making them invalid. With the formalization of the 4th Purchase Option Program for Shares issued by the Company which took place on July 1, 2009, the 2nd and 3rd programs were canceled and the benefits migrated to the new plan.

The table below shows the total of shares which are the object of the 4th Program Plan:

Beneficiary	Total shares object of purchase option agreement	Exercise price per share at March 31, 2012 (in reais, annually restated by the IGP-M FGV plus spread of 3%)
Members of management and employees appointed to the Board of Directors	4,931,389	6.96

At the Board of Directors Meeting, on October 1, 2010, the opening of the 5th Purchase Option Program for Shares issued by the Company was approved (i), which calls for a total of 7,380,000 shares, in 5 annual lots of approximately 20% of the total lot of shares.

The table below shows the total shares involved in the 5th Program Plan:

Beneficiary	Total shares object of purchase option agreement	Exercise price per share at March 31, 2012 (in reais, annually restated by the IGP-M FGV)
Members of management and employees appointed to the Board of Directors	7,380,000	11.26

(In thousands of reais, unless otherwise stated)

30. Stock option plans (Continued)

At the Board of Directors Meeting, on August 31, 2011, the opening of the 6th Purchase Option Program for Shares issued by the Company was approved (i), which calls for a total of 195,486 shares, in 5 annual lots of approximately 20% of the total lot of shares.

The table below shows the total shares involved in the 6th Program Plan:

Beneficiary	Total shares object of purchase option agreement	Exercise price per share at March 31, 2012 (in reais, annually restated by the IGP-M FGV)
Employees appointed by the Board of Directors	195,486	16.21

As determined by CPC Technical Pronouncement 10 - Share-based payments, approved by CVM Deliberation No. 562 of 2008, the Company recognized, to the extent that the services were rendered on payment transactions based on shares, the effect on the results of the year ended March 31, 2012 amounted to R$ 4,016 (December 31, 2011 - R$ 17,018).

Premiums on the share options were calculated based on the fair value at the date the option was granted, in accordance with each program of the Company, based on their respective market price. Based on the evaluation techniques of Black - Scholes and financial models, the Company estimated the accounting effects with a reasonable level of accuracy. The Company periodically reviews the amount of financial equity instruments that it expects to grant since the expected numbers of financial instruments to be granted is different from the initial estimation.

	1st Program A	1st Program B	4th Program	5th Program	6th Program	Total
Options granted	4,746,826	2,056,962	5,231,846	7,380,000	195,486	19,611,120
Exercised options	(4,746,826)	(1,604,387)	(1,860,128)	(640,246)	-	(8,851,587)
Cancelled options	-	-	(160,481)	(88,000)	-	(248,481)
Suspended options	-	-	(139,976)	-	-	(139,976)
Unexercised options until December 31, 2011	-	452,575	3,071,261	6,651,754	195,486	10,371,076
Exercised options		(452,757)	(925,575)	(1,802,701)	(28,882)	(3,209,915)
Cancelled options returnable options (previously suspended)	-	-	139,976	-	-	139,976
Unexercised options until March 31, 2012	**-**	**-**	**2,285,662**	**4,849,053**	**166,604**	**7,301,137**

(In thousands of reais, unless otherwise stated)

30. Stock option plans (Continued)

Programs	4th Program	5th Program	6th Program
Price for the year in R$	6.51	10.81	15.86
Market price in R$ (*)	5.72	10.58	17.75
Fair value of the options in R$	5.19	7.63	7.89
Price volatility of the share	76.04%	38.97%	34.04%
Return rate free of risk	3.95%	5.77%	5.81%
Fair value (*)	5,433	11,264	1,543
Accrual basis 1st quarter of 2012	**-**	**-**	**4,016**

For the 1st Option Program B, the exercise price used was based on the latest actual negotiation at the time, which took place in November of 2006.

(*) Original amounts, on the dates of the granting of the option programs. For the 1st Program, the latest Company negotiation in the market was used, as the Company was not listed on the stock exchange.

31. Other information

a) On February 16, 2012, BR Malls acquired 33% of interest in Itaú Power Shopping in Contagem, for R$ 87,500, achieving a Gross Leasable Area (GLA) of 214.0 thousand m^2 in Minas Gerais State, where the referred to shopping mall is ranked 7th, and became the largest shopping mall venturer in the state.

b) On March 2, 2012, BR Malls disclosed the greenfield project in Guarujá city. The Company will bear 75.6% of total investment and hold 65% interest in the shopping mall, which will spread over 25.2 thousand m^2 in its initial phase, and increases the Company's total number of greenfield projects to seven.

32. Subsequent events

a) On April 3, 2012, BR Malls acquired 50% interest in Rio Anil Shopping in São Luis. On the same date, the Company bought 50% interest in the future expansion project for the shopping mall, which is scheduled to open in the fourth quarter of 2013. Taking that acquisition into account, the Company holds now interest in 46 shopping malls.

b) On April 9, 2012, BR Malls and Simon Property Group entered into an agreement to develop outlets in Brazil. The Brazilian entity in charge of developing and controlling outlets in Brazil will be jointly controlled by BR Malls and Simon Property Group.

32. Subsequent events (Continued)

c) On April 17, 2012, a violation notice was issued against Ecisa Participações, a subsidiary of BRMalls. Such violation notice refers to deductible reverse merger goodwill of companies Lycia and Dylpar, for base periods 2007 and 2008, amounting to R$ 23,950, including fine and interest. The Company, in conjunction with its legal advisers, is currently assessing the referred to violation notice and is preparing to challenge it. As a result, it is still not possible to rate the likelihood of an unfavorable outcome therefor.