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

Sonae Sierra Brasil S.A. and Subsidiaries

Interim Financial Information - ITR for the Second Quarter of 2012 and Report on Review of Interim Financial Information

Deloitte Touche Tohmatsu Auditores Independentes

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of
Sonae Sierra Brasil S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Sonae Sierra Brasil S.A. (the "Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information - ITR for the quarter ended June 30, 2012, which comprises the balance sheet as of June 30, 2012 and the related statements of income for the three- and six-month periods then ended and the statement of changes in shareholders' equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Interim Financial Information - ITR. Our responsibility is to express a conclusion 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 of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might 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 Interim Financial Information - ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Interim Financial Information - ITR and presented in accordance with the standards issued by the CVM.

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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 Interim Financial Information - ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of Interim Financial Information - ITR and presented in accordance with the standards issued by the CVM.

Other matters

Interim statements of value added

We have also reviewed the individual and consolidated interim statements of value added ("DVA"), for the six-month period ended June 30, 2012, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information - ITR and is considered as supplemental information for IFRS that does not require the presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information, in accordance with CPC 21, taken as a whole.

Convenience translation

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, August 3, 2012

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Marcelo Magalhães Fernandes
Engagement Partner

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

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF JUNE 30, 2012 AND DECEMBER 31, 2011
(In thousands of Brazilian reais - R$)

		Company		Consolidated	
ASSETS	Note	06/30/12	12/31/11	06/30/12	12/31/11
CURRENT ASSETS					
Cash and cash equivalents	4	407,827	125,834	635,372	390,918
Trade receivables, net	5	-	-	26,637	24,690
Recoverable taxes	6	3,578	4,150	15,926	16,765
Prepaid expenses		63	13	199	505
Other receivables	5	-	-	5,114	4,971
Total current assets		411,468	129,997	683,248	437,849
NONCURRENT ASSETS					
Restricted investments	29	-	-	3,105	2,171
Trade receivables, net	5	-	-	12,082	10,815
Loans to condominiums	7	-	-	284	328
Deferred income tax and social contribution	22	256	690	256	690
Escrow deposits	16	1,933	1,879	9,945	3,729
Other receivables	5	-	-	833	833
Investments	8	1,955,293	1,827,185	27,522	26,157
Investment property	10	-	-	3,161,944	2,776,050
Property and equipment	9	-	-	4,749	5,972
Intangible assets	11	-	-	2,061	1,582
Total noncurrent assets		1,957,482	1,829,754	3,222,781	2,828,327
TOTAL ASSETS		2,368,950	1,959,751	3,906,029	3,266,176

		Company		Consolidated	
LIABILITIES AND EQUITY	Note	06/30/12	12/31/11	06/30/12	12/31/11
CURRENT LIABILITIES					
Loans and financing	12	-	-	36,643	17,619
Debentures	13	11,869	-	11,869	-
Domestic trade accounts payable		13	7	26,856	13,512
Taxes payable	17	-	262	7,130	8,700
Personnel, payroll taxes, benefits, and rewards		-	-	8,796	8,396
Key money	15	-	-	8,825	5,540
Dividends payable	18	-	13,977	-	13,977
Earnings payable		-	-	4,809	24,243
Payables for purchase of asset	14	-	-	43,266	25,000
Other payables		507	228	7,168	8,343
Total current liabilities		12,389	14,474	155,362	125,330
NONCURRENT LIABILITIES					
Loans and financing	12	-	-	374,718	333,272
Debentures	13	293,603	-	293,603	-
Payables for purchase of asset	14	-		38,591	-
Key money	15	-	-	20,784	20,486
Deferred income tax and social contribution	22	-	-	389,582	346,219
Accrual for civil, tax, labor, and social security services risks	16	1,933	1,879	10,144	10,285
Accrual for variable compensation	27	-	-	483	189
Total noncurrent liabilities		295,536	1,879	1,127,905	710,451
EQUITY	18				
Capital		997,866	997,866	997,866	997,866
Capital reserves		80,115	80,115	80,115	80,115
Earnings reserves		854,938	865,417	854,938	865,417
Retained earnings		128,106	-	128,106	-
Equity attributable to owners of the Company		2,061,025	1,943,398	2,061,025	1,943,398
Noncontrolling interests		-	-	561,737	486,997
Total equity		2,061,025	1,943,398	2,622,762	2,430,395
TOTAL LIABILITIES AND EQUITY		2,368,950	1,959,751	3,906,029	3,266,176

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

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

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

INCOME STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011
(In thousands of Brazilian reais - R$, except earnings per share)

		Company				Consolidated			
	Note	Three-Month Period Ended 06/30/12	Six-Month Period Ended 06/30/12	Three-Month Period Ended 06/30/11	Six-Month Period Ended 06/30/11	Three-Month Period Ended 06/30/12	Six-Month Period Ended 06/30/12	Three-Month Period Ended 06/30/11	Six-Month Period Ended 06/30/11
NET OPERATING REVENUE FROM RENTALS, SERVICES, AND OTHER	19	-	-	-	-	65,269	121,895	53,196	102,909
COST OF RENTALS AND SERVICES	20	-	-	-	-	(11,385)	(20,983)	(9,647)	(18,203)
GROSS PROFIT		-	-	-	-	53,884	100,912	43,549	84,706
OPERATING (EXPENSES) INCOME									
General and administrative expenses	20	(916)	(1,670)	(235)	(758)	(5,800)	(11,251)	(3,174)	(7,230)
Tax expenses		(37)	(236)	(26)	(34)	(198)	(1,056)	(308)	(563)
Equity in investees	8	106,248	128,108	52,027	112,678	1,551	2,413	859	2,204
Changes in fair value of investment property	10	-	-	-	-	173,127	173,127	71,745	142,832
Other operating income (expenses), net		45	45	-	-	1,168	729	730	986
Total income (expenses) from operations, net		105,340	126,247	51,766	111,886	169,848	163,962	69,852	138,229
OPERATING INCOME BEFORE FINANCIAL INCOME (EXPENSES)		105,340	126,247	51,766	111,886	223,732	264,874	113,401	222,935
FINANCIAL INCOME (EXPENSES), NET	21	756	3,241	10,228	12,667	(1,982)	538	7,791	7,675
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		106,096	129,488	61,994	124,553	221,750	265,412	121,192	230,610
INCOME TAX AND SOCIAL CONTRIBUTION									
Current	22	(23)	(948)	-	-	(7,038)	(16,884)	(4,106)	(7,548)
Deferred	22	(13)	(434)	(2,833)	(2,833)	(42,316)	(43,797)	(26,269)	(46,007)
Total		(36)	(1,382)	(2,833)	(2,833)	(49,354)	(60,681)	(30,375)	(53,555)
NET INCOME		106,060	128,106	59,161	121,720	172,396	204,731	90,817	177,055
NET INCOME ATTRIBUTABLE TO:									
Owners of the Company						106,060	128,106	59,161	121,720
Noncontrolling interests						66,336	76,625	31,656	55,335
BASIC AND DILUTED EARNINGS PER SHARE - R$		1.39	1.68	0.77	1.71	1.39	1.68	0.77	1.71

The Company does not present a statement of comprehensive income for the current and prior period.

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

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

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (COMPANY AND CONSOLIDATED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011
(In thousands of Brazilian reais - R$, except dividends)

		Capital reserves		Earnings reserve					Total equity		
	Capital	Share Issuance costs	Share subscription premium	Legal reserve	Earnings retention reserve	Unrealized earnings	Proposed additional dividends	Retained earnings	attributable to owners of the parent	Noncontrolling interests	Total consolidated equity
BALANCE AS OF DECEMBER 31, 2010	532,845	-	96,198	9,463	608,761	30,120	-	-	1,277,387	394,410	1,671,797
Capital increase	465,021	-	-	-	-	-	-	-	465,021	-	465,021
Net income	-	-	-	-	-	-	-	121,720	121,720	55,335	177,055
Share issuance costs	-	(15,949)	-	-	-	-	-	-	(15,949)	-	(15,949)
Dividends arising from operation of Fundo de Investimento Imobiliário Shopping Paque D. Pedro and Fundo de Investimento Parque D. Pedro Shopping Center	-	-	-	-	-	-	-	-	-	(19,153)	(19,153)
BALANCE AS OF JUNE 30, 2011	997,866	(15,949)	96,198	9,463	608,761	30,120	-	121,720	1,848,179	430,592	2,278,771
BALANCE AS OF DECEMBER 31, 2011	997,866	(16,083)	96,198	21,016	762,904	71,018	10,479	-	1,943,398	486,997	2,430,395
Net income	-	-	-	-	-	-	-	128,106	128,106	76,625	204,731
Dividends paid in the period	-	-	-	-	-	-	(10,479)	-	(10,479)	-	(10,479)
Dividends arising from operation of Fundo de Investimento Imobiliário Shopping Paque D. Pedro and Fundo de Investimento Parque D. Pedro Shopping Center	-	-	-	-	-	-	-	-	-	(1,885)	(1,885)
BALANCE AS OF JUNE 30, 2012	997,866	(16,083)	96,198	21,016	762,904	71,018	-	128,106	2,061,025	561,737	2,622,762

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

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

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011
(In thousands of Brazilian reais - R$)

	Company		Consolidated	
	06/30/12	06/30/11	06/30/12	06/30/11
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	128,106	121,720	204,731	177,055
Adjustments to reconcile net income to				
net cash (used in) provided by operating activities:				
Depreciation and amortization	-	-	831	762
Residual value of property and equipment sold and/or written off and others	-	-	55	-
Unbilled revenue from rentals	-	-	(1,463)	(1,993)
Reversal of the allowance for doubtful accounts	-	-	1,890	332
Reserve for (reversal of) civil, tax, labor, and social security contingencies	54	62	(141)	(795)
Accrual for variable compensation	-	-	875	466
Deferred income tax and social contribution	434	2,833	43,797	46,007
Income tax and social contribution	948		16,884	7,548
Interest on borrowings, financing, debentures and property acquired	12,179	-	27,572	8,764
Interest, inflation adjustments and exchange rate changes on intercompany loans and borrowings	-	2,516	-	2,516
Changes in fair value of investment property	-	-	(173,127)	(142,832)
Gain on disposal of investment property	-	-	325	-
Equity in investees	(128,108)	(112,678)	(2,413)	(2,204)
(Increase) decrease in operating assets:				
Trade receivables	-	-	(3,641)	3,746
Loans to condominiums	-	-	44	(46)
Recoverable taxes	572	(1,324)	839	(4,212)
Advances to suppliers	-	-	-	183
Prepaid expenses	(50)	(54)	306	(163)
Escrow deposits	(54)	(62)	(6,216)	24
Other	-	134	(143)	3,624
Increase (decrease) in operating liabilities:				
Domestic trade payables	6	259	(2,875)	(5,628)
Taxes payable	(1,210)	136	(10,258)	(3,490)
Personnel, payroll taxes, benefits, and rewards	-	-	(181)	(228)
Key money	-	-	3,583	5,371
Other payables	279	59	(1,175)	2,585
Cash provided by operating activities	13,156	13,601	100,099	97,392
Interest paid	-	-	(14,910)	(7,823)
Income tax and social contribution paid	-	-	(8,196)	(4,889)
Net cash provided by operating activities	13,156	13,601	76,993	84,680
CASH FLOW FROM INVESTING ACTIVITIES				
Restricted investments	-	-	(934)	(768)
Acquisition or construction of investment property	-	-	(138,319)	(122,849)
Purchase of property and equipment	-	-	(142)	(707)
Increase in intangible assets	-	-	-	(149)
Capital increase in investees	-	(91,000)	-	-
Proceeds from the sale of investment properties	-	-	11,514	-
Dividends received	-	-	1,048	250
Net cash used in investing activities	-	(91,000)	(126,833)	(124,223)
CASH FLOW FROM FINANCING ACTIVITIES				
Capital increase	-	465,021	-	465,021
Debentures issued	300,000	-	300,000	-
Debentures issuance costs	(6,707)	-	(6,707)	-
Borrowings and financing raised	-	-	60,361	94,972
Borrowings and financing paid - principal	-	-	(4,677)	(779)
Trade accounts payable - purchase of assets	-	-	(8,908)	-
Distributed earnings of real estate funds - noncontrolling interests	-	-	(21,319)	(18,401)
Dividends paid	(24,456)	(2,939)	(24,456)	(2,939)
Share issuance costs	-	(24,164)	-	(24,164)
Related parties	-	(76,153)	-	(77,717)
Net cash provided by financing activities	268,837	361,765	294,294	435,993
INCREASE IN CASH AND CASH EQUIVALENTS, NET	281,993	284,366	244,454	396,450
CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at end of period	407,827	287,164	635,372	458,016
Cash and cash equivalents at beginning of period	125,834	2,798	390,918	61,566
INCREASE IN CASH AND CASH EQUIVALENTS, NET	281,993	284,366	244,454	396,450

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

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

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012 AND 2011
(In thousands of Brazilian reais - R$)

	Company		Consolidated	
	06/30/12	06/30/11	06/30/12	06/30/11
REVENUE				
Revenue from rentals and services	-	-	131,360	111,530
Other income	-	-	1,320	572
Changes in fair value of investment property	-	-	173,127	142,832
Revenues related to the construction of investment properties and property, plant and equipment	-	-	224,748	127,852
Allowance for doubtful accounts	-	-	(1,890)	(332)
	-	-	528,665	382,454
SERVICES AND SUPPLIES PURCHASED FROM THIRD PARTIES				
Cost of rentals and services	-	-	(7,383)	(6,795)
Supplies, power, outside services and other	(1,526)	(733)	(224,554)	(130,025)
	(1,526)	(733)	(231,937)	(136,820)
GROSS VALUE ADDED	(1,526)	(733)	296,728	245,634
DEPRECIATION AND AMORTIZATION	-	-	(831)	(764)
WEALTH CREATED BY THE COMPANY	(1,526)	(733)	295,897	244,870
WEALTH RECEIVED IN TRANSFER				
Equity in earnings (loss) of subsidiaries	128,108	112,678	2,413	2,204
Financial income	15,492	15,183	28,827	18,989
	143,600	127,861	31,240	21,193
DISTRIBUTION OF WEALTH	142,074	127,128	327,137	266,063
WEALTH DISTRIBUTED				
Personnel:				
Salaries and wages	74	20	10,745	7,982
Benefits	-	-	893	866
Severance pay fund (FGTS)	-	-	733	540
	74	20	12,371	9,388
Taxes and fees:				
Federal	1,643	2,872	72,488	63,091
Municipal	-	-	1,264	1,689
	1,643	2,872	73,752	64,780
Lenders and lessors:				
Interest	12,251	2,516	34,656	13,499
Rentals	-	-	1,627	1,341
	12,251	2,516	36,283	14,840
Interest on capital:				
Retained earnings	128,106	121,720	128,106	121,720
Noncontrolling interests	-	-	76,625	55,335
	128,106	121,720	204,731	177,055
Total	142,074	127,128	327,137	266,063

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

1. GENERAL INFORMATION

Sonae Sierra Brasil S.A. (the "Company"), headquartered at Avenida Doutor Cardoso de Melo, 1.184 - 13º andar, in the City of São Paulo, State of São Paulo, was established on June 18, 2003 and is primarily engaged in: (a) planning, developing, implementing and investing in real estate, namely shopping malls and related activities, as developer, builder, lessor and advisor; (b) managing own and/or third-party properties and stores and providing related services; and (c) holding equity interest in other companies and/or real estate investment funds, directly or indirectly through subsidiaries and associates.

The Company trades its shares on BM&FBovespa (São Paulo Stock Exchange), under the tickersymbol "SSBR3".

The Company`s immediate parent is Sierra Brazil 1 BV, a company headquartered in Netherlands while its ultimate parents are Sonae Sierra SGPS S.A., headquartered in Portugal, and DDR Corp., headquartered in the United States of America.

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

a) Sierra Investimentos Brasil Ltda. ("Sierra Investimentos") - primarily engaged in: (a) planning, developing, implementing and investing in real estate, namely shopping malls and related activities, as developer, builder, lessor and advisor; (b) operating and managing own properties and stores and providing related services; and (c) holding equity interest in other companies. As at June 30, 2012, this company is the parent company of Sierra Enplanta Ltda. ("Sierra Enplanta"), Pátio Boavista Shopping Ltda. ("Pátio Boavista"), Pátio Penha Shopping Ltda. ("Pátio Penha"), Pátio São Bernardo Shopping Ltda. ("Pátio São Bernardo"), Pátio Sertório Shopping Ltda. ("Pátio Sertório"), Pátio Uberlândia Shopping Ltda. ("Pátio Uberlândia"), Fundo de Investimento Imobiliário Shopping Parque D. Pedro ("Fundo de Investimento Imobiliário I"), Fundo de Investimento Imobiliário - FII Parque Dom Pedro Shopping Center ("Fundo de Investimento Imobiliário II"), Pátio Londrina Empreendimentos e Participações Ltda. ("Pátio Londrina"), and Pátio Goiânia Shopping Ltda. ("Pátio Goiânia").

   (i) Fundo de Investimento Imobiliário I - engaged in holding long-term investment properties, basically to earn income by renting and leasing properties of its real estate assets. As at June 30, 2012, Fundo de Investimento Imobiliário I holds a trust equivalent to 85% of the undivided interest in Shopping Parque D. Pedro.

(ii) Fundo de Investimento Imobiliário II - engaged in holding long-term investment properties, basically to earn income by renting and leasing properties of its real estate assets. Established on June 30, 2009 through the partial spin-off of Fundo de Investimento Imobiliário I's operations, Fundo de Investimento Imobiliário II holds a trust equivalent to 15% of the undivided interest in Shopping Parque D. Pedro.

Sierra Enplanta, Pátio Boavista, Pátio Penha, Pátio São Bernardo, Pátio Sertório, Pátio Uberlândia, Pátio Londrina and Pátio Goiânia are engaged mainly in investing in the real estate segment, in particular in shopping malls and related activities.

b) Unishopping Administradora Ltda. ("Unishopping Administradora") - engaged in planning, installing, developing and managing shopping malls, leasing, operating and managing car park areas, managing properties and related services. As at June 30, 2012, in addition to managing the developments in which the Group holds interests, Unishopping Administradora is the parent company of Unishopping Consultoria Imobiliária Ltda. ("Unishopping Consultoria").

c) Unishopping Consultoria - engaged in planning, installing, developing and managing shopping malls, leasing, operating and managing car park areas, managing properties and related services. As at June 30, 2012, Unishopping Consultoria is responsible for selling development stores in which the Group holds interests.

As at June 30, 2012 and 2011, and December 31, 2011, the Company's subsidiaries and associates held the following interests in shopping malls:

		Undivided interest - %		
Developer	Shopping mall	06/30/12	12/31/11	06/30/11
Fundos de Investimento Imobiliário I e II	Shopping Parque D. Pedro	100.00	100.00	100.00
Pátio Penha	Shopping Center Penha	51.00	73.18	73.18
Pátio Penha	Shopping Plaza Sul	30.00	-	-
Pátio Boavista	Shopping Center Metrópole	100.00	100.00	100.00
Pátio Boavista	Boavista Shopping	100.00	100.00	100.00
Sierra Enplanta	Tivoli Shopping	30.00	30.00	30.00
Sierra Enplanta	Pátio Brasil Shopping	10.42	10.42	10.42
Sierra Enplanta	Franca Shopping	67.42	67.42	67.42
Pátio São Bernardo	Shopping Plaza Sul	30.00	30.00	30.00
Campo Limpo	Shopping Campo Limpo	20.00	20.00	20.00
Pátio Sertório	Shopping Manauara	100.00	100.00	100.00
Pátio Uberlândia	Uberlândia Shopping (**)	100.00	100.00	100.00
Pátio Londrina	Boulevard Londrina (*)	84.48	84.48	84.48
Pátio Goiânia	Goiânia Shopping (*)	100.00	100.00	100.00

(*) The development is being implemented.

(**) Opened on March, 27 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Declaration of conformity

Interim financial information included in the Company's Interim Financial Information - ITR comprises:

- Consolidated interim financial information prepared in accordance with IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board - IASB, and CPC 21 - Interim Financial Statements and are presented in accordance with the standards established by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information - ITR.

- Individual interim financial information prepared in accordance with CPC 21 - Interim Financial Statements and are presented in accordance with the standards established by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information - ITR.

The accounting practices adopted in Brazil comprise the policies set out in the Brazilian Corporate Law and the pronouncements, guidance, and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM").

The individual interim financial information present the valuation of investments in subsidiaries and associates under the equity method, pursuant to prevailing Brazilian statutes. Accordingly, these individual financial statements are not considered as in accordance with IFRSs, which require the measurement of such investments in separate financial statements of the parent, at their fair values or at cost.

As there is no difference between the consolidated shareholders' equity and the consolidated net income attributable to the owners of the Company, disclosed in the consolidated interim financial information prepared in accordance with IAS 34 and CPC 21, and the Company's shareholders' equity and net income, disclosed in the individual financial statements prepared in accordance with accounting practices adopted in Brazil, the Company opted for presenting these individual and consolidated financial statements is a single set, side by side.

2.2. Basis of preparation

The interim financial information have been prepared based on the historical cost and adjusted to reflect the fair values of the investment properties and certain financial instruments against net income for the period. The historical cost is generally based on the fair value of the consideration paid in exchange for assets.

As of January 1, 2012, the Company changed the period for measurement at fair value of investment properties from quarterly basis to semiannual basis.

The summary of the main accounting policies adopted by the Company in preparing this individual and consolidated interim financial information is in line with those included in the financial statements for the year ended December 31, 2011 and, therefore, they should be analyzed together.

2.3. New standards, changes and interpretations

In the first half of 2012, some new standards issued by the International Accounting Standards Board ("IASB") became effective, as well as other standards issued will become effective in 2012 and 2013. Management assessed these new standards and does not expect any significant impacts on the reported amounts.

CPC has not issued certain pronouncements that were or would be effective on or after June 30, 2012. However, because of CPC's commitment to keep the set of standards issued by IASB up-to-date, it is expected that these pronouncements and/or amendments issued by IASB are approved for mandatory adoption.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The following are the main judgments and accounting estimates that the Company's Management understands as critical for the preparation of the individual and consolidated financial statements:

a) Amount of investment properties: Investment property value: the fair value of investment property is determined by valuating the cash flows of each property at present value, as determined by independent valuers. The Company's Management uses its judgment to choose the method and define assumptions, which are mainly based on market conditions. As of January 1, 2012, the Company changed the period for measurement at fair value of investment properties from quarterly basis to semiannual basis.

b) Accrual for civil, tax, labor and social security risks: the accrual for risks is recognized for lawsuits assessed by the legal counsel and Management of the Company and its subsidiaries as probable losses, considering the nature of the lawsuits and the legal counsel and Management's experience in similar cases. Reserves have been recognized for matters classified as legal obligations, regardless of the expected final outcome of lawsuits.

c) Projections prepared for the realization of deferred income tax and social contribution balances: based on analyses of the multiyear operating projections, the Company recognized tax credits related to prior year tax loss carryforwards and temporary differences.

Maintenance of tax credits from tax loss carryforwards - deferred income tax and social contribution tax loss carryforwards is supported by future earnings projections prepared by the Company's Management and periodically reviewed, for the next ten years, to determine the recoverability of tax loss carryforwards and temporary differences.

4. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	06/30/12	12/31/11	06/30/12	12/31/11
Cash	2	5	85	191
Banks	99	51	52	1,550
Short-term investments (*)	407,726	125,778	635,235	389,177
Total	407,827	125,834	635,372	390,918

(*) As at June 30, 2012, the short-term investments are highly liquid and earn yield at the weighted average interest rate of 102.5% of the interbank deposit rate (CDI) (102.2% as at December 31, 2011).

5. TRADE RECEIVABLES, NET AND OTHER RECEIVABLES

Trade receivables

	Consolidated	
	06/30/12	12/31/11
Rentals	37,341	34,025
Assignment of rights receivable (a)	1,393	399
Total trade receivables billed	38,734	34,424
Unbilled revenue from rentals (b)	11,602	10,808
Total trade receivables billed and unbilled	50,336	45,232
Allowance for doubtful accounts	(11,617)	(9,727)
Total	38,719	35,505
Current	(26,637)	(24,690)
Noncurrent	(12,082)	10,815

(a) Represent receivables from lease of commercial spaces in shopping malls, also known as “key money”,

(b) Represent the effect of unbilled revenue from rentals recognized on a straight-line basis according to agreement terms,

The aging list of trade receivables billed as at June 30, 2012 and December 31, 2011 is as follows:

	Consolidated	
	06/30/12	12/31/11
Current	22,179	24,233
Past-due:		
Up to 30 days	1,524	714
31 to 60 days	1,051	497
61 to 90 days	830	413
91 to 180 days	1,646	1,115
Over 180 days	11,504	7,452
Subtotal	16,555	10,191
Total	38,734	34,424

Allowance for doubtful accounts

Change in allowance for doubtful accounts in the six-month period ended June 30, 2012 is as follows:

	Consolidated
Balance as at December 31, 2011	(9,727)
Allowances recognized in the period	(1,890)
Balance as at June 30, 2012	(11,617)

	Consolidated
Balance as at December 31, 2010	(9,985)
Allowances recognized in the period	(332)
Balance as at June 30, 2011	(10,317)

Other receivables

Additionally, as at June 30, 2012 and December 31, 2011, the balance of "Other receivables" is broken down as follows:

	Consolidated	
	06/30/12	12/31/11
Receivables of Banco Ourinvest S.A. (a)	833	833
Loan agreement with a storeowner (b)	89	592
Other receivables from condominiums	899	1,231
Receivables from parking operations ("Sem Parar")	1,145	1,748
Vacations, 13th salaries, and other advances to employees	204	189
Other	2,777	1,211
Total	5,947	5,804
Current	(5,114)	(4,971)
Noncurrent	833	833

(a) As at June 30, 2012, subsidiary Sierra Investimentos Brasil Ltda. has R$833 in receivables from Banco Ourinvest S.A., as a result from the commitment entered into on October 29, 2009 (see note 29).

(b) Refers to the loan agreement with a storeowner. The loan amount bears interest equivalent to the annual fluctuation of the CDI, plus spread of 2.44% per year. This loan is being repaid in 24 monthly installments, since August 2010. As at June 30, 2012, the subsidiary Pátio Sertório Shopping Ltda. has 1 installment receivable remaining related to this agreement.

6. RECOVERABLE TAXES

	Company		Consolidated	
	06/30/12	12/31/11	06/30/12	12/31/11
Withholding income tax (IRRF)	3,558	4,136	14,892	15,980
Social contribution - Law 10833/03	11	13	634	667
Other	9	1	400	118
Total	3,578	4,150	15,926	16,765

Recoverable taxes were generated from the operations of the Company and its subsidiaries and do not depend on court or administrative decisions to be realized,

7. LOANS TO CONDOMINIUMS

Represent advances to condominiums of the shopping malls to cover cash shortages, notably arising from default. The amounts will be recovered as the common area maintenance fees are received and according to the condominiums' cash availability.

		Consolidated	
Subsidiary	Condominium	06/30/12	12/31/11
Pátio Boavista	Condomínio Shopping Boavista	2	8
Pátio São Bernardo	Condomínio Shopping Center Plaza Sul	125	125
Pátio Penha	Condomínio Shopping Center Penha	157	195
Total		284	328

These loans are considered related-party transactions.

The Company has been receiving the amounts prepaid according to the condominiums' cash and Management does not expect problems on the realization of these amounts.

8. INVESTMENTS

June 30, 2012	Number of shares held	Capital - equity interest - %	Equity	Net income for the period	Equity in investees	Investment balance
Company						
Subsidiaries:						
Sierra Investimentos Brasil Ltda.	938,762,172	100	1,946,821	127,593	127,593	1,946,821
Unishopping Administradora Ltda.	10,910,860	100	8,472	515	515	8,472
Total			1,955,293	128,108	128,108	1,955,293
Consolidated						
Associate-						
Campo Limpo Empreendimentos e Participações Ltda.	41,537,062	20	137,612	12,065	2,413	27,522

December 31, 2011	Number of shares held	Capital - equity interest - %	Equity	Net income for the year	Equity in investees	Investment balance
Company						
Subsidiaries:						
Sierra Investimentos Brasil Ltda.	936,912,172	100	1,819,228	211,058	211,058	1,819,228
Unishopping Administradora Ltda.	10,910,860	100	7,957	6,015	6,015	7,957
Total			1,827,185	217,073	217,073	1,827,185
Consolidated						
Associate-						
Campo Limpo Empreendimentos e Participações Ltda.	41,537,062	20	130,784	38,871	7,774	26,157

Changes in investments for the six-month periods ended June 30, 2012 and 2011

	Company	Consolidated
Balance at December 31, 2011	1,827,185	26,157
Equity in investees	128,108	2,413
Dividends received	-	(1,048)
Balance at June 30, 2012	1,955,293	27,522

	Company	Consolidated
Balance at December 31, 2010	1,352,695	19,033
Capital increase	91,000	-
Equity in investees	112,678	2,204
Dividends received	-	(250)
Balance at June 30, 2011	1,556,373	20,987

9. PROPERTY, PLANT AND EQUIPMENT

		06/30/12		
		Consolidated		
	Annual depreciation rate - %	Cost	Accumulated depreciation	Net
Facilities	10	2,747	(2,747)	-
Furniture and fixtures	10	922	(443)	479
Machinery and equipment	10	657	(251)	406
IT equipment	20	2,643	(1,755)	888
Vehicles	20	2,077	(697)	1,380
Other	20	42	(40)	2
Subtotal		9,088	(5,933)	3,155
Construction in progress	-	1,127	-	1,127
Advances to suppliers	-	467	-	467
Total		10,682	(5,933)	4,749

	Annual depreciation rate - %	12/31/11 Consolidated Cost	Accumulated depreciation	Net
Facilities	10	2,747	(2,540)	207
Furniture and fixtures	10	920	(402)	518
Machinery and equipment	10	623	(219)	404
IT equipment	20	2,501	(1,631)	870
Vehicles	20	2,166	(634)	1,532
Other	20	41	(38)	3
Subtotal		8,998	(5,464)	3,534
Construction in progress	-	1,979	-	1,979
Advances to suppliers	-	459	-	459
Total		11,436	(5,464)	5,972

Changes in property, plant and equipment in operation for the six-month periods ended June 30, 2012 and 2011

	Facilities	Furniture and fixtures	Machinery and equipment	IT equipment	Vehicles	Other	Total
Balances at December 31, 2011	207	518	404	870	1,532	3	3,534
Additions	-	2	34	142	103	1	282
Disposals	-	-	-	-	(55)	-	(55)
Depreciation	(207)	(41)	(32)	(124)	(200)	(2)	(606)
Balances at June 30, 2012	-	479	406	888	1,380	2	3,155

	Facilities	Furniture and fixtures	Machinery and equipment	IT equipment	Vehicles	Other	Total
Balances at December 31, 2010	583	411	265	446	1,601	5	3,311
Additions	15	45	165	181	14	287	707
Depreciation	(304)	(33)	(25)	(99)	(160)	(31)	(652)
Balances at June 30, 2011	294	423	405	528	1,455	261	3,366

10. INVESTMENT PROPERTY

Under CPC 28, properties held to earn rentals or for capital appreciation or both can be recognized as investment property, Investment property was initially measured at cost. The Company's Management adopted the fair value method to reflect better its business, from January 1, 2009.

The measurement at and change in fair value of property are made at the date of the interim financial statements.

	Consolidated 06/30/12	12/31/11
Constructed investment property	2,812,217	2,338,796
Investment property under construction	349,727	437,254
Total	3,161,944	2,776,050

Changes in investment property for the six-month periods ended June 30, 2012 and 2011

	Consolidated		
	Constructed properties	Properties under construction	Total
Balance at December 31, 2011	2,338,796	437,254	2,776,050
Additions	76,566	148,040	224,606
Disposal - sale of interest and swap in Shopping Penha - items (c) and (d)	(11,839)	-	(11,839)
Transfers (e)	231,222	(231,222)	-
Gain from the change in fair value of properties	177,472	(4,345)	173,127
Balance at June 30 2012	2,812,217	349,727	3,164,944

	Consolidated		
	Constructed properties	Properties under construction	Total
Balance at December 31, 2010	1,983,960	197,452	2,181,412
Additions	28,026	99,118	127,144
Gain from the change in fair value of properties	140,022	2,810	142,832
Balance at June 30, 2011	2,152,008	299,380	2,451,388

Notes:

(a) The certificates of title of some properties part of the Shopping Center Penha and Shopping Boavista projects are not registered with the Registry of Deeds Office, As at June 30, 2012 and December 31, 2011, the total amount carried as investment property is R$180,623 and 234,466, respectively.

(b) On September 13, 2010, subsidiary Pátio Londrina Shopping Ltda. acquired 77,6% of the land located in Londrina for the future construction of the Boulevard Londrina Shopping real estate project, in the amount of R$25,000. The subsidiary agreed to transfer undivided interest equivalent to 11.36% of the project in consideration for the land.

(c) On January 27, 2012, subsidiary Pátio Penha and CSHG Brasil Shopping FII entered into an exchange agreement with cash consideration, whereby Pátio Penha acquired an additional 30% (thirty percent) interest in Shopping Plaza Sul, in exchange for a noncontrolling interest in Shopping Penha and another portion in cash in the amount of R$63,701 (original value), to be paid in 42 equal, consecutive installments of R$1,522 (original value), adjusted based on the interbank deposit rate (CDI), beginning February 27, 2012.

As a result of said transaction, subsidiary Pátio Penha recognized a loss of R$807, which is recorded in caption “Other operating income (loss), net”, in the income statement.

On the account of the transaction, the Company reduced its equity interest in Shopping Penha from 73.18% to 56.06% and continued to hold the controlling interest in such shopping mall.

(d) On February 6, 2012, subsidiary Pátio Penha sold its noncontrolling interest of 5.06% in Shopping Penha to CSHG Brasil Shopping FII for the amount of R$11,514, received in cash, On account of the transaction, subsidiary Pátio Penha reduced its equity interest in Shopping Penha from 56.06% to 51.0% but continued to hold the controlling interest in such shopping mall.

As a result of said transaction, subsidiary Pátio Penha recognized a gain of R$482, recorded in caption "Other operating income (loss), net", in the income statement.

(e) Uberlândia Shopping, the 11th shopping mall in the Company's portfolio, was inaugurated on March 28, 2012, It has 45,3 thousand sqm of Gross Leasable Area (GLA) and 201 stores and is the third largest real estate development in the Company's portfolio.

Fair value measurement methodology

The fair value of each investment property in operation and in construction was determined based on a valuation reported at the time, prepared by an independent external appraiser (Cushman & Wakefield).

The valuation of these investment properties is prepared semiannually since January 1 , 2012 in accordance with the practice statements of the RICS Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors (Red Book), based in the United Kingdom. The methodology adopted to calculate the market value (fair value) of investment property in operation involves developing making related to ten-year projections of gains and losses for each shopping mall, added to the residual value, which corresponds to a perpetuity calculated based on the net earnings of the 11th year and a market yield rate (exit yield or cap rate), For the calculation of the perpetuity we considered a real growth rate of 0,0%, These projections are discounted at the measurement date using a market discount rate, The projections are not forecasts but simply reflect the best estimate of the appraiser regarding the current view of the market with respect to the future revenue and cost of each property, The yield rate and the discount rate are set according to the local investment and institutional market and the reasonableness of the market value obtained according to the methodology above, equally tested in terms of the initial yield rate obtained based on net yield estimated for the first year of the projections.

In the valuation of the investment properties, some assumptions were taken into consideration that, according to the Red Book classification, are considered special, namely with respect to recently opened shopping malls, for which possible still due investment expenses have not been taken into account as such amounts are duly recognized in the financial statements.

The assumptions used as at June 30, 2012 and December 31, 2011 for the measurement at fair value described above are as follows:

06/30/2012				12/31/2011			
10-year discount rate		Exit yield		10-year discount rate		Exit yield	
Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
12.50%	14.00%	8.00%	9.50%	12.75%	14.00%	8.25%	9.50%

11. INTANGIBLE ASSETS

	Annual amortization rate - %	Consolidated 06/30/12	Consolidated 12/31/11
Software	20	2,857	2,153
Accumulated amortization (*)		(796)	(571)
Total		2,061	1,582

(*) In the six-month period ended June 30, 2012, the amortization expense of the cost of purchase of software, amounting to R$225 (R$110 as at June 30, 2011), is recognized in line item “General and administrative expenses”, in the statement of income.

Changes in intangible assets for the six-month periods ended June 30, 2012 and 2011

	Consolidated		
	Cost	Amortization	Total, net
Balance at December 31, 2011	2,153	(571)	1,582
Additions	704	(225)	479
Balance at June 30, 2012	2,857	(796)	2,061
Balance at December 31, 2010	1,206	(333)	873
Additions	149	(110)	39
Balance at June 30, 2011	1,355	(443)	912

12. LOANS AND FINANCING

		Consolidated	
Domestic	Maturity	06/30/12	12/31/11
Banco do Amazonas S.A. - BASA (a)	12/10/2020	133,198	130,073
Banco Itaú BBA S.A. (b)	10/21/2015	15,283	17,532
Banco Itaú BBA S.A. (c)	10/17/2016	22,599	24,362
Banco Bradesco S.A. (d)	10/27/2025	54,838	53,842
Banco Bradesco S.A. (e)	10/26/2025	78,142	71,767
Banco Itaú BBA S.A. (f)	05/10/2018	52,651	53,315
Banco Santander S.A. (g)	06/22/2023	54,650	-
Total		411,361	350,891
Current		(36,643)	(17,619)
Noncurrent		374,718	333,272

(a) On December 17, 2008, subsidiary Pátio Sertório raised a loan of R$90,315 with Banco do Amazonas S.A. - BASA to finance the construction of the mall Shopping Manaura. In the year ended December 31, 2009, the subsidiary raised new borrowings totaling R$21,985. These borrowings bear fixed interest of 10% per year, with possible discount of 15% if payments are made on the maturity date, and have a grace period of 48 months, during which only 50% of interests incurred are paid. The remaining balance of accrued interest will be paid after the grace period together with the principal repayment installments, The loan is collateralized by the Shopping Manauara property, The Company and subsidiary Sierra Investimentos are guarantors of this transaction.

(b) On November 16, 2010, subsidiary Sierra Investimentos Brasil Ltda. raised R$20,000 with Banco Itaú BBA S.A. to finance working capital. This loan is subject to average interest linked to CDI plus 2.85% per year. The Company is the guarantor of this transaction, The loan is collateralized by: (i) the Shopping Metrópole property; (ii) net receivables of Shopping Metrópole. This loan has a six-month grace period for the payment of the first installment of principal.

(c) On November 16, 2010, subsidiary Pátio Boavista Shopping Ltda. raised R$27,000 with Banco Itaú BBA S.A. to finance working capital. This loan is subject to average interest linked to CDI plus 3,3% per year. The Company is the guarantor of this transaction, The loan is collateralized by: (i) the Shopping Metrópole property; and (ii)net receivables of Shopping Metrópole. This loan has a six-month grace period for the payment of the first installment of principal.

(d) Between June 2011 and June 2012, subsidiary Pátio Londrina Shopping Ltda. raised R$54,375 with Banco Bradesco S.A. to finance the construction of Shopping Londrina, This loan, in the total amount of R$120,000, bears a fixed rate equivalent to the TR (a managed prime rate) plus 10,90% per year, The agreement is effective for 15 years, with a two-year grace period for repaying the principal, After this period, the outstanding balance will be paid in 155 monthly consecutive installments. The loan is collateralized by Shopping Londrina property, The Company is the guarantor of this transaction.

(e) Between August 2010 and June 2012, subsidiary Pátio Uberlândia Shopping Ltda. raised R$77,152 with Banco Bradesco S.A. to finance the constructions of Shopping Uberlândia, This loan, in the total amount of R$81,200, bears a fixed rate equivalent to the TR (a managed prime rate) plus 11,30% per year. The agreement is effective for 15 years, with a two-year grace period for repaying the principal. After this period, the outstanding balance will be paid in 156 monthly consecutive installments, The loan is collateralized by Shopping Uberlândia property. The Company is the guarantor of this transaction.

(f) On June 29, 2011, subsidiary Pátio Boavista Shopping Ltda. raised R$52,651 with Banco Itaú BBA S.A. to finance the expansion of Shopping Metrópole. This loan bears a fixed rate equivalent to TR (a managed prime rate) plus 10.30% per year, The agreement is effective for 7 years, with a 12-month grace period for repaying the principal, After this period, the outstanding balance will be paid in 72 monthly consecutive installments. The Company is the guarantor of this transaction, The loan is collateralized by: (i) Shopping Metrópole property; and (ii) Shopping Metrópole's net receivables.

(g) Between March 2012 and June 2012, subsidiary Pátio Goiânia Shopping Ltda. raised R$53,209 with Banco Santander (Brasil) to finance the construction of Shopping Goiânia, This loan, in the total amount of R$200,000, bears a fixed rate equivalent to the TR (a managed prime rate) plus 11,00% per year, The agreement is effective for 12 years, with a 24-month grace period for repaying the principal, After this period, the outstanding balance will be paid in 111 monthly, consecutive installments. The loan is collateralized by Shopping Goiânia property. The Company is the guarantor of this transaction.

Covenants

The loan agreements entered by the Company and its subsidiaries, described above, do not provide for compliance with any financial ratios such as debt ratios, expenses coverage with interests, etc.

Changes in loans and financing for the six-month periods ended June 30, 2012 and 2011

Balance at December 31, 2011	350,891
New borrowings	60,361
Payments - principal	(4,677)
Interest payments	(14,741)
Interest capitalized in investment property under construction	6,367
Interest allocated to net income	13,160
Balance at June 30, 2012	411,361

Balance at December 31, 2010	201,848
New borrowings	94,972
Payments - principal	(779)
Payments - interest	(7,823)
Interest capitalized in investment property under construction	2,185
Interest allocated to net income	8,764
Balance at June 30, 2011	299,167

The noncurrent portion, as at June 30, 2012, matures as follows:

Year	
From 7/1/2013	23,621
2014	49,090
2015	50,158
2016	45,675
2017	41,175
2018 - 2022	133,381
2023 - 2025	31,618
Total	374,718

13. DEBENTURES

Debentures	Final maturity	Parent and Consolidated 06/30/12	12/31/11
Securities - Series 1	02/15/17	96,901	-
Securities - Series 2	02/15/19	208,571	-
Total		305,472	-
Current		(11,869)	-
Noncurrent		293,603	-

On February 15, 2012, the Company issued 30,000 (thirty thousand) nonconvertible debentures, in two series, with a par value of R$10 (ten thousand Brazilian reais) each, totaling R$300,000 (three hundred million Brazilian reais). After the bookbuilding procedure carried out on March 2, 2012, which defined the debenture interest, the series can be summarized as follows:

- Series 1: 9,550 debentures, in the total amount of R$95,500, yielding a floating annual rate equivalent of CDI + 0.96%, with final maturity within five years. Compensation will be paid semiannually.

- Series 2: 20,450 debentures, in the total amount of R$204,500, yielding a floating annual rate equivalent of IPCA + 6.25% with final maturity within seven years. Compensation will be paid annually.

Changes in debentures, recorded in current and noncurrent liabilities, are broken down as follows:

	R$
Principal	300,000
Amortizable borrowing costs	(6,707)
Amortized borrowing costs	310
Interest allocated to net income	11,869
	305,472

The debenture principal, classified in noncurrent liabilities, will be repaid as follows:

	R$
2016 (repayment of 50% of Series 1)	47,750
2017 (repayment of 50% of Series 1)	47,750
2018 (repayment of 50% of Series 2)	102,250
2019 (repayment of 50% of Series 2)	102,250
Total	300,000

Covenants

The debenture indenture subjects the Company to covenants, which are related mainly to financial ratios, As at June 30, 2012, all covenants were fully met by the Company.

14. TRADE ACCOUNTS PAYABLE - ACQUISITION OF ASSETS

	Consolidated	
	06/30/12	12/31/11
Acquisition of equity interest in shopping mall (a)	56,857	-
Acquisition of land (b)	25,000	25,000
Total	81,857	25,000
Current	(43,266)	(25,000)
Noncurrent	38,591	-

Changes in trade accounts payable - acquisition of assets are as follows:

Balance at December 31, 2011	25,000
Acquisition of equity interest in shopping mall (a)	63,701
Payment of principal	(8,908)
Financial charges allocated to profit or loss	2,233
Financial charges paid	(169)
Balance at June 30, 2012	81,857

(a) As mentioned in note 10.c), the balance payable refers to an asset barter transaction with cash consideration. Such account payables will be settled in 42 equal, consecutive installments of R$1,522 (original value), adjusted based on the interbank deposit rate (CDI). As at June 30, 2012, 36 installments are outstanding.

(b) As mentioned in note 10.b), the amount payable refers to the plot of land located in the city of Londrina, In consideration for the land, an undivided interest equivalent to 11.36% in the Boulevard Londrina project will be transferred.

15. KEY MONEY - CONSOLIDATED

		Consolidated	
Subsidiary	Shopping mall	06/30/12	12/31/11
Pátio Boavista	Boavista	2,273	2,280
Pátio Sertório	Manauara	9,135	11,062
Pátio Uberlândia	Uberlândia Shopping	8,751	6,292
Pátio Londrina	Boulevard Londrina	5,849	3,994
Pátio Goiânia	Passeio das Águas	1,184	365
Fundo de Investimento Imobiliário I	Parque D. Pedro	2,103	1,725
Fundo de Investimento Imobiliário II	Parque D. Pedro	314	308
Total		29,609	26,026
Current		(8,825)	(5,540)
Noncurrent		20,784	20,486

Refers to the lease agreements for the use of property space, payable by tenants from the time the point of sales lease agreement is executed. Mainly on the launching of new projects, expansions or when a store is returned, the new tenants pay for the right to use commercial locations in the shopping malls. These amounts are negotiated based on the market value of the locations.

The key money amounts are billed according to the lease term, in up to 60 months, and are recognized on a straight-line basis in the income statement over the lease agreement period.

16. ACCRUAL FOR CIVIL, TAX, LABOR AND SOCIAL SECURITY SERVICES RISKS

The Company and its subsidiaries are parties to civil, tax, labor and social security lawsuits at different courts and levels. Based on the opinion of its legal counsel, the Company's Management recorded an accrual for lawsuits whose likelihood of an unfavorable outcome is considered probable. Accrual for risks is broken down as follows:

	Company		Consolidated	
	06/30/12	12/31/11	06/30/12	12/31/11
Labor and social security (a)	-	-	5,084	5,375
Tax (b)	1,933	1,879	3,541	3,455
Civil (c)	-	-	1,519	1,455
Total	1,933	1,879	10,144	10,285

Changes in the accrual for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Consolidated			
	Labor and social security (a)	Tax (b)	Civil (c)	Total
Balance at December 31, 2011	5,375	3,455	1,455	10,285
Constitution	764	-	232	996
Monetary Adjustment	216	86	54	356
Reversal/payments	(1,271)	-	(222)	(1,493)
Balance at June 30, 2012	5,084	3,541	1,519	10,144
Balance at December 31, 2010	6,306	3,982	618	10,906
Constitution	-	-	532	532
Monetary Adjustment	89	101	7	197
Reversal/payments	(754)	(733)	(37)	(1,524)
Balance at June 30, 2011	5,641	3,350	1,120	10,111

(a) Labor and social security

As of June 30, 2012, the Company was not a party to any labor lawsuits, However, some subsidiaries were parties to 8 labor lawsuits (11 labor lawsuits as at December 31, 2011), whose contingency in the amount of R$1,175 (R$562 as at December 31, 2011) was assessed as probable loss by the legal counsel.

The Company recorded an accrual of R$3,909 as of June 30, 2012 (R$4,813 as at December 31, 2011) according to the legal counsel's opinion, which estimated that the likelihood of loss on these lawsuits is probable.

(b) Tax

(b.1) IRRF, CIDE, CPMF, and CADE

The Company is claiming the suspension of the payment of IRRF, economic intervention contribution (CIDE), and tax on banking transaction (CPMF) on payments made abroad, The historical amounts of such lawsuits correspond to the total amount of R$3,131 (R$3,045 as at December 31, 2011), which are deposited in escrow and accrued, considering that the likelihood of loss on these lawsuits is probable.

The CIDE and IRRF lawsuits await ruling at lower court and appellate court, respectively.

In the year ended December 31, 2010 there was a final and unappealable decision on the lawsuit challenging the CPMF levied on foreign payments unfavorable decision to subsidiary Sierra Investimentos Brasil Ltda. This decision will not require disbursements since the court costs have already been paid and the subsidiary was not sentenced to pay attorney's fees to prevailing party arising from the injunction. Presently, subsidiary Sierra Investimentos waits the settlement of the escrow deposit, which amounts to R$1,198, in order to write off the tax credit.

Additionally, Sierra Investimentos recognizes an accrual for contingencies and made an escrow deposit of R$410, corresponding to the administrative fine imposed by the CADE (Brazilian antitrust agency), As at June 30, 2012, this lawsuit had already obtained a final and unappealable decision, Presently, Sierra Investimentos is awaiting the withdrawal of said of escrow deposits by the CADE to settle said fine, with no impact on net income.

(c) Civil

The Company's subsidiaries are defendants in several lawsuits arising from their regular business activities, especially involving compensation, contract termination and shopping mall rental renewal and revision lawsuits.

The Company's subsidiaries are plaintiffs in lawsuits mostly related to evictions (due to default and contractual breaches), executions and collections, in general.

The Company and its subsidiaries are parties to other tax, civil, labor and social security lawsuits arising from the normal course of their business and whose likelihood of loss is possible, These lawsuits amount to R$27,750 as at June 30, 2012 (R$27,946 as at December 31, 2011).

The most material lawsuit is an action started on July 3, 2009 by subsidiary Pátio Sertório Shopping Ltda. against R.D. Comércio e Engenharia Ltda. It refers to an action involving rescission of contract combined with indemnity for pain and suffering claiming the payment of compensation due to non-performance and irregularities in the construction of Manauara Shopping, Currently the lawsuit is in the fact finding phase, with the need to obtain evidence from an expert being determined. The amount involved has not been quantified.

Additionally, subsidiary Pátio Sertório Shopping Ltda. is a defendant in a lawsuit started by R.D. Comércio e Engenharia Ltda., claiming the payment of R$11,112 (R$14,306 adjusted for inflation through June 30, 2012) related to the execution of the construction of Manauara Shopping.

Both lawsuits were assessed by the Company's legal counsel as possible loss.

Escrow deposits

Breakdown of escrow deposits:

	Company		Consolidated	
	06/30/12	12/31/11	06/30/12	12/31/11
Labor and social security	-	-	70	53
Tax	1,933	1,879	3,542	3,455
Civil	-	-	6,333	221
Total	1,933	1,879	9,945	3,729

On March 5, 2012, subsidiary Pátio Sertório made an escrow deposit in the amount of R$6,112, relating to the lawsuit filed by R.D. Comércio e Engenharia Ltda.

17. TAXES PAYABLE

	Company		Consolidated	
	06/30/12	12/31/11	06/30/12	12/31/11
Income tax and social contribution	-	232	3,009	4,829
IRRF	-	30	1,364	1,122
COFINS	-	-	849	1,373
PIS	-	-	184	298
ISS	-	-	1,084	1,066
Other	-	-	640	12
Total	-	262	7,130	8,700

18. EQUITY - COMPANY

18.1. Capital

As at June 30, 2012 and December 31, 2011, the Company's subscribed and paid-in capital was R$997,866, represented by 76,423,831 common shares without par value.

According to its bylaws, the Company is authorized to increase the capital regardless of any amendment to said bylaws up to a cap of R$1,500,000 (one billion and five hundred million of Brazilian reais) by decision of the Board of Directors, which will set in each case the number of shares to be issued, the issue price, and the terms and conditions for the capital subscription and payment.

18.2. Share premium reserve

As at June 30, 2012, the Company had R$96,198 registered as share premium reserve that represents the premium paid by shareholders on issuance of shares.

The amount will remain in line item “Capital reserve” until its capitalization, Such amount will be capitalized proportionately to the interest held by each shareholder.

18.3. Legal reserve

As provided for by Article 193 of Law 6.404/76, 5% of net income for the year must be used to recognize a legal reserve, which cannot exceed 20% of capital. As at June 30 2012. the Company recognizes a legal reserve in the amount of R$21,016.

18.4. Unrealized earnings reserve

In years when mandatory dividends, calculated as prescribed by the Company’s bylaws, exceed the realized portion of net income, the Shareholders’ Meeting can, as proposed by Management bodies, allocate net income surplus to the unrealized earnings reserve.

It is considered realized the portion of net income for the year that exceeds the sum of the following amounts.

As at June 30, 2012, the Company had R$71,018 related to the portion of unrealized net income.

18.5. Profit retention reserve

The earnings retention reserve has the main objective of funding the budgeted investment plans for expansion, renewal and maintenance of shopping malls.

As at June 30, 2012, the Company had R$762,904 related to the profit retention reserve.

18.6. Dividends

Under the bylaws, shareholders are entitled to minimum dividends of 25% of net income adjusted according to Brazilian Corporate Law.

On May 15, 2012, the Company paid R$24,456, R$13,977 relating to mandatory dividends and R$10,479 related to additional dividends approved at the Annual General Meeting. - AGO/E, April 15, 2012.

18.7. Earnings per share

As required by IAS 33, equivalent to technical pronouncement CPC 41 - Earnings per Share below is the reconciliation of net income to the amounts used to calculate the basic and diluted earnings per share.

The Company has no debt convertible into shares neither stock options granted; therefore, no diluted earnings per share were calculated.

	Company and Consolidated	
	06/30/12	06/30/11
Net income for the quarter attributable to the Company´s owners	128,106	121,720
Weighted average of outstanding common shares (thousand shares)	76,424	71,334
Basic per share - R$	1.68	1.71

18.8. Share issuance costs

On February 2, 2011 the Company completed an initial public offering and the related shares issuance costs in the amount of R$16,083 net of taxes, were accounted for as a reduction to the capital reserves, These costs are comprised mainly by commissions, attorney's fees, audit fees, registration fee, printing, publications and other expenses.

19. NET REVENUE

	Consolidated	
	06/30/12	06/30/11
Gross revenue:		
Rentals	104,349	87,027
Revenue from services	8,288	8,090
Parking revenue	12,673	11,492
Key money	6,050	4,921
Other income	1,320	445
Total	132,680	111,975
Deductions:		
Taxes on rentals and services	(8,344)	(6,682)
Discounts and abatements	(2,441)	(2,384)
Total	(10,785)	(9,066)
Net revenue	121,895	102,909

20. EXPENSES BY NATURE

	Company		Consolidated	
	06/30/12	06/30/11	06/30/12	06/30/11
Depreciation and amortization	-	-	831	762
Personnel	100	24	14,443	12,886
Outsourced services	1,310	693	5,623	4,158
Cost of occupancy (vacant stores)	-	-	2,765	1,825
Costs of contractual agreements with tenants	-	-	787	611
Allowance for doubtful lease receivables	-	-	1,890	332
Rentals	-	-	1,627	1,341
Others	260	41	4,268	3,518
Total	1,670	758	32,234	25,433
Classified as:				
Cost of rentals and services	-	-	20,983	18,203
General and administrative expenses	1,670	758	11,251	7,230

21. FINANCIAL INCOME (EXPENSES), NET

	Company		Consolidated	
	06/30/12	06/30/11	06/30/12	06/30/11
Financial income:				
Interest from short-term investments	15,469	15,138	27,686	17,431
Other	23	45	1,141	1,558
	15,492	15,183	28,827	18,989
Financial expenses:				
Interest on loans and financing	-	-	(13,160)	(8,764)
Interest on debentures	(12,179)	-	(12,179)	-
Interest on Account - fixed asset acquisition	-	-	(2,233)	-
Interest on intercompany	-	(400)	-	(400)
Monetary and exchange variations	-	(2,116)	(127)	(2,034)
Other	(72)	-	(590)	(116)
	(12,251)	(2,516)	(28,289)	(11,314)
Total, net	3,241	12,667	538	7,675

22. INCOME TAX AND SOCIAL CONTRIBUTION

a) Income tax and social contribution expense

	Company		Consolidated	
	06/30/12	06/30/11	06/30/12	06/30/11
Income before income tax and social contribution	129,488	124,553	265,412	230,610
Statutory rate	34%	34%	34%	34%
Expected income tax and social contribution charge, at statutory rate	(44,026)	(42,348)	(90,240)	(78,408)
Effect of income tax and social contribution on permanent differences:				
Equity in investees	43,557	38,311	820	749
Other permanent differences	(5)	-	(588)	(398)
Effect of income tax and social contribution on prior periods' temporary differences and tax loss carryforwards that had not been accrued since their realization was not reasonably assured:				
Temporary differences	(908)	-	(512)	729
Tax loss carryforwards	-	1,204	514	1,350
Effect of taxation of subsidiaries taxed based on deemed income	-	-	1,889	2,470
Effect of different taxation of Fundos de Investimento Imobiliário I and II (*)	-	-	27,436	19,953
Income tax and social contribution expense at effective rate	(1,382)	(2,833)	(60,681)	(53,555)
Effective rate - %	1	2	23	23

(*) Fundos de Investimento Imobiliário I and II are tax exempt.

b) Deferred income tax and social contribution

Based on analyses of the multiyear operating projections, the Company recognized tax credits related to tax loss carryforwards and temporary differences in prior years.

Maintenance of tax credits from tax loss carryforwards - deferred income tax and social contribution tax loss carryforwards - is supported by future earnings projections prepared by the Company's Management and periodically reviewed, for the next ten years, to determine the recoverability of tax loss carryforwards and temporary differences.

Deferred income tax and social contribution are broken down as follows:

	Company		Consolidated	
	06/30/12	12/31/11	06/30/12	31/12/11
Tax loss carryforward	256	690	3,037	2,535
Accrual for civil, tax, labor, and social security risks	-	-	576	553
Allowance for doubtful accounts	-	-	1,991	1,764
Other temporary reserves	-	-	1,107	1,063
Change in fair value of investment property	-	-	(396,037)	(351,444)
Total deferred income tax and social contribution	256	690	(389,326)	(345,529)
In noncurrent assets	256	690	256	690
In noncurrent liabilities	-	-	(389,582)	(346,219)

Recognized noncurrent tax credits totalling R$256 (Company) and R$6,711 (Consolidated) as of June 30, 2012 should be realized within up to two years, as shown below:

Year	Company	Consolidated
2012	256	1,736
2013	-	3,474
2014	-	1,501
Total	256	6,711

23. RELATED-PARTY TRANSACTIONS

In the course of the Company's business, controlling shareholders, subsidiaries, the associate, and condominiums (related parties) carry out commercial and financial intercompany transactions. These commercial transactions include mainly management of shopping malls (common charges and promotion fund).

Balances and transactions with related parties as at June 30, 2012 and December 31, 2011 are as follows:

		Company		Consolidated	
Balance sheet	Purpose	06/30/12	12/31/11	06/30/12	12/31/11
Current assets-					
Affiliates:					
Condomínio Franca Shopping Center	(a)	-	-	4	6
Condomínio Parque Dom Pedro Shopping	(a)	-	-	5	5
Total (*)		-	-	9	11
Current liabilities-					
Affiliates-					
Parque D. Pedro I BV/SARL	(b)	-	-	2,150	13,673
Total		-	-	2,150	13,673

Income (loss)

Balance sheet	Purpose	Company 06/30/12	Company 12/31/11	Consolidated 06/30/12	Consolidated 12/31/11
Operating revenue-					
Affiliates:					
Condomínio Shopping Center Penha	(a)	-	-	573	556
Condomínio Civil Center Shopping São Bernardo	(a)	-	-	474	415
Condomínio Tivoli Shopping Center	(a)	-	-	201	222
Condomínio Shopping Pátio Brasil	(a)	-	-	132	500
Condomínio Franca Shopping Center	(a)	-	-	174	176
Condomínio Boavista Shopping	(a)	-	-	402	409
Condomínio Shopping Center Plaza Sul	(a)	-	-	692	602
Condomínio Parque Dom Pedro Shopping	(a)	-	-	1,315	1,275
Condomínio Campo Limpo Shopping	(a)	-	-	343	328
Condomínio Manauara Shopping	(a)	-	-	813	807
Condomínio Uberlândia Shopping	(a)	-	-	216	-
Total		-	-	5,335	5,290
Financial income (expenses)-					
Affiliates-					
Sierra Brazil 1 BV	(c)	-	(2,516)	-	(2,434)
Total		-	(2,516)	-	(2,434)
Grand total		-	(2,516)	5,335	2,856

(*) Included in the balance of receivables, net, and other receivables,

(a) Refers to revenue from services provided by subsidiary Unishopping Administradora Ltda. related to the management of common charges and the promotion fund of said condominiums. This revenue is recognized in line item “Service revenue”, as disclosed in note 19.

(b) Yield payable to Fundos de Investimento Imobiliário I and II. Related company Parque D. Pedro I BV/SARL holds 27.6% and 15.9% of the units of these funds, respectively. This balance is recorded as “Earnings payable”.

(c) Refers to interest and exchange rate changes on a loan agreement entered into with related party Sierra Brazil 1 BV (controlling shareholder of the Company). This loan was settled on February 8, 2011.

24. OPERATING SEGMENTS REPORTING

Segment reporting is used by the Company’s Top Management to make decisions about resources to be allocated to a segment and assess its performance. Assets and liabilities by segment are not presented as they are not analyzed for strategic decision-making by the Top Management.

Therefore, the Company’s segments reportable pursuant to IFRS 8 and CPC 22 are follows:

a) Development and management

Refer to the provision of asset and property management services to shopping malls’ storeowners and owners, brokerage services, and development of project for a new shopping mall.

b) Development and management

Refers to the rental of store space to storeowners and other commercial space, such as sales stands; rental of commercial space for advertising and promotion; operation of parking lots; and the property space (key money) lease fee.

	Consolidated	
	06/30/12	06/30/11
Shopping mall gross revenue by segment:		
Development and management	21,705	19,484
Investment	124,392	103,885
Elimination of intersegment revenue	(13,417)	(11,394)
Total	132,680	111,975
Deductions:		
Taxes	(8,344)	(6,682)
Discounts and rebates	(2,441)	(2,384)
Total	(10,785)	(9,066)
Net operating revenue	121,895	102,909
Shopping mall costs by segment:		
Development and management	(19,126)	(14,743)
Investment	(26,524)	(22,083)
Elimination of intersegment revenue	13,416	11,393
	(32,234)	(25,433)
Adjusted operating profit	89,661	77,476

25. FINANCIAL INSTRUMENTS

The Company and its subsidiaries conduct transactions involving financial instruments, all of which recorded in balance sheet accounts, which are intended to meet their operating and financial needs.

These financial instruments are managed based on policies, definition of strategies, and establishment of control systems, which are duly monitored by the Management of the Company and its subsidiaries, with a view to maximize shareholder value and achieve a balance between debt and equity capital.

The Company's and its subsidiaries' main financial instruments are represented by:

a) Cash and cash equivalents: are classified as loans and receivables and recorded at the contracted amounts, which approximate market.

b) Trade accounts receivable: are classified as loans and receivables and recorded at the contracted amounts, which approximate market.

c) Loans and financing: are classified as other financial liabilities.

As at June 30, 2012 and December 31, 2011, the carrying amounts and fair values of the Company's and its subsidiaries' financial instruments are as follows:

Company

		06/30/12		12/31/11	
Type	Classification	Carrying amount	Fair value	Carrying amount	Fair value
Assets-					
Cash and cash equivalents	Loans and receivables	407,827	407,827	125,834	125,834
Escrow deposits	Loans and receivables	1,933	1,933	1,879	1,879

Consolidated

		06/30/12		12/31/11	
Type	Classification	Carrying amount	Fair value	Carrying amount	Fair value
Assets:					
Cash and cash equivalents	Loans and receivables	635,372	635,372	390,918	390,918
Trade receivables	Loans and receivables	26,637	26,637	24,690	24,690
Restricted investments	Loans and receivables	3,105	3,105	2,171	2,171
Escrow deposits	Loans and receivables	9,945	9,945	3,729	3,729
Liabilities:					
Loans and financing	Other financial liabilities	411,361	411,361	350,891	350,891
Debentures	Other financial liabilities	305,472	311,869	-	-
Payables for purchase of asset	Other financial liabilities	56,857	56,857	-	-
Domestic trade accounts payable	Other financial liabilities	26,856	26,856	13,512	13,512

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

25.1. Credit risk

The Company has a large customer base and constantly monitors trade receivables using internal controls, which limit the risk of default. The allowance for doubtful accounts is recognized in an amount considered by Management as sufficient to cover probable losses on the collection of receivables, based on the following criterion: allowance of 100% for receivables past due over 120 days.

The credit risk related to cash and cash equivalents is limited as the counterparties are represented by banks with a high rating assigned by international credit rating.

25.2. Price fluctuation risk

The Company's revenue consists basically of rentals received from shopping malls' storeowners. In general, rentals are adjusted based on the annual fluctuation of consumer price index (IPCA), as provided in the lease agreements. Management monitors these risks in order to minimize impacts on its business.

25.3. Interest rate risk

Results from the portion of debt contracted with interest linked to the CDI and involves the risk of increase in financial expenses as a result of unfavorable rates.

25.4. Currency risk

Trade receivables and trade payables are denominated in Brazilian reais and are not exposed to exchange fluctuations.

25.5. Capital risk

The Company and its subsidiaries manage their capital to ensure regular business continuity and, at the same time, maximize return for all stakeholders or parties involved in their operations, by optimizing debt and equity balance.

The Company's and its subsidiaries' equity structure consists of net debt (loans and financing and debentures are detailed in notes 12 and 13, less cash and cash equivalents) and consolidated shareholders' equity (including capital and reserves, as mentioned in note 18).

Indebtedness level

As of December 31, 2011 and 2010, the indebtedness level is as follows:

	Consolidated	
	06/30/12	12/31/11
Debt (a)	716,833	350,891
Cash and cash equivalents	(635,372)	(390,918)
Net debt (net cash)	81,461	(40,027)
Shareholders' equity (b)	2,061,025	1,943,398
Net debt-to-equity ratio	3.95%	(2.06%)

(a) Debt is defined as short- and long-term borrowings, financing and debentures, as detailed in notes 12 and 13.

(b) Shareholders' equity includes the Company's total capital and reserves, managed as capital.

25.6. Liquidity risk management

The Company and its subsidiaries manage the liquidity risk by maintaining proper reserves, bank and other credit facilities to raise new borrowings that they consider appropriate, based on the continuous monitoring of budgeted and actual cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

Liquidity risk and interest tables

The tables below detail the remaining contractual maturity of the Company's financial liabilities and the contractual payment periods. These tables were prepared in accordance with non-discounted cash flows of financial liabilities based on the closest date when the Company and its subsidiaries should settle the corresponding obligations. The tables include interest and principal cash flows. As interest flows are based on floating rates, the undiscounted amount was based on the interest curves at the end of the period. Contractual maturity is based on the most recent date when the Company and its subsidiaries should settle the related obligations,

June 30, 2012	Weighed average effective interest rate	Less than 1 month	From one to three months	From to three months to one year	Between one and five years	More than five years	Total
Loans and financin	10.72%	1,839	3,719	46,709	330,635	172,010	554,912
Debentures	10.75%	-	-	34,725	232,645	243,555	510,925

Supplementary sensitivity analysis on financial instruments, pursuant to CVM 475/08

Considering the financial instrument previously described, the Company has developed a sensitivity analysis, according to the CVM Instruction 475/08, which requires the presentation of two additional scenarios based on 25% and 50% fluctuations in the risk variable taken into consideration, These scenarios may impact the Company's and its subsidiaries' net income and/or future cash flows, as described below:

- Base scenario: maintenance of interest in the same levels as those as of June 30, 2012.
- Adverse scenario: a 25% fluctuation of the main risk factor of the financial instrument compared to the level as of June 30, 2012.
- Remote scenario: a 50% fluctuation of the main risk factor of the financial instrument compared to the level as of June 30 2012.

Assumptions

As described above, the Company believes that it is exposed mainly to the risks of fluctuation of the interbank deposit rate (CDI) and TR, which is the basis to adjust a substantial portion of short-term investments and loans and financing. Accordingly, the table below shows the indices and rates used to prepare the sensitivity analysis:

Assumptions	Base scenario	Adverse scenario	Remote scenario
CDI fluctuation:			
Short-term investments	8.35%	6.26%	4.18%
Loans and financing	8.35%	10.44%	12.53%
TR fluctuation-			
Loans and financing	0.91%	1.14%	1.37%
IPCA fluctuation-			
Debentures	4.81%	6.01%	7.22%

Management analysis

			Consolidated		
Risk factor	Financial instrument	Risk	Base scenario (*)	Adverse scenario	Remote scenario
Short-term investments	Interest rate	Decrease in CDI rate	53,054	39,790	26,527
Loans	Interest rate	Increase in CDI rate	3,163	3,954	4,745
Loans	Interest rate	Increase in TR rate	2,195	2,744	3,293
Debentures	Interest rate	Increase in CDI rate	7,974	9,968	11,961
Debentures	Inflation index	Increase in IPCA rate	9,836	12,296	14,755

(*) The Company's base scenario is comprised of interest estimated for the next twelve-month period.

The Company's Management understands that the market risks originated from other financial instruments are immaterial.

25.7. Derivatives

The Company and its subsidiaries did not conduct derivative transactions for the six-month period ended June 30, 2012 and for the year ended December 31, 2011.

26. INSURANCE

As of June 30, 2012, insurance is as follows:

Line	Insured amount - R$
Civil liability (shopping mall operations)	96,460
Fire	1,114,032
Loss of profits	251,307
Windstorm/smoke	36,486

The Company's and its subsidiaries' Board of Directors' members and Executive Officers are covered by a directors and officers liability insurance (D&O) which is valid nationwide. Said insurance is payable to cover damages or defense costs in case Management suffers losses as a result of a lawsuit while acting in their capacity as directors and officers for the Company. The D&O insurance premium amounts to R$30,000.

27. MANAGEMENT COMPENSATION

During the six-month periods ended June 30, 2012 and 2011, expenses on management compensation are broken down as follows:

	Consolidated	
	06/30/12	06/30/11
Payroll and related taxes	1,964	1,594
Variable compensation	875	466
Benefits	190	90
Total	3,029	2,150

These amounts are recorded in line item "Cost of rentals and services", in the period income statement.

The amounts referring to the compensation of key management personnel are represented by short- and long-term benefits, substantially corresponding to management fees and sharing profit (including performance bonuses). The Company does not pay postemployment benefits or share-based compensation.

As at June 30, 2012, the balance of line item "Accrual for variable compensation", totaling R$483 (R$189 as at December 31, 2011), stated in noncurrent liabilities, includes only variable compensation (performance bonuses) awarded to Company officers.

Additionally, as approved at the Annual and Extraordinary Shareholders' Meetings held on April 25, 2012, the overall compensation to Company's directors and officers in 2012 is R$10,000.

28. ADDITIONAL DISCLOSURES ON CASH FLOWS

The Company conducted the following noncash transaction:

	Consolidated	
	06/30/12	06/30/11
Capitalized interest in properties for investment in construction	6,367	2,185
Purchase of land (see note 10)	63,701	-
Increase in trade payable due to properties for investment in construction	16,219	2,110
Transfer of construction in progress and advances to suppliers to property, plant and equipment and intangible assets	844	-

29. COMMITMENTS

a) The Shareholders' Meeting of Fundo de Investimento Imobiliário - FII Parque Dom Pedro Shopping Center held on June 24, 2009 authorized the issuance of 288,672 shares, totaling R$25,302, equivalent to 50.1% of its capital, fully subscribed by Sierra Investimentos, to be paid in within up to 40 months after the date of said Shareholders' Meeting.

Management plans to pay in capital with proceeds from the sale of 288,672 shares in the total amount of R$25,302 of Fundo de Investimento Imobiliário FII Shopping Parque D. Pedro. Management's intention is that these shares be acquired by Fundo de Investimento Imobiliário - FII Parque Dom Pedro Shopping Center.

b) With the enactment of Law 12,024, of August 27, 2009, which prescribes the tax treatment applicable to income earned by real estate investment funds, the administrator of Fundo de Investimento Imobiliário I, Banco Ourinvest S.A. stopped retain IRRF on income paid to a certain shareholder headquartered in Brazil, In view of the inquiry made by Banco Ourinvest S.A. to the Federal Revenue Service on the content and scope of this Law, Sierra Investimentos committed in an agreement entered into with this bank, dated October 29, 2009, to make a short-term investment under custody to cover a possible collection of the tax that is not being withheld. At the same date, Parque D. Pedro 1 BV/SARL (a Luxembourg company belonging to the same corporate group of the Company) and Sierra Investimentos entered into an agreement under which Parque D. Pedro 1 BV/SARL agrees to reimburse Sierra Investimentos for any type of risk arising from the nonpayment of said tax by Banco Ourinvest S.A.

On January 13, 2010, Banco Ourinvest S.A. obtained the reply to its inquiry to the Federal Revenue Service, which concludes for the need to continue retaining IRRF on income paid to shareholders established as real estate investment funds whose interests exceed 10% of the units of a fund.

In order to avoid the mandatory withholding of IRRF, Banco Ourinvest S.A. filed an injunction with federal courts to stay the withholding of income tax on income paid to Fundo de Investimento Imobiliário I and other real estate investment funds. Accordingly, all income tax amounts not withheld until January 13, 2010, which were part of the short--term investments under the custody of Sierra Investimentos, were redeemed and transferred to Banco Ourinvest S.A. and subsequently deposited in escrow.

On April 9, 2010, Banco Ourinvest S.A. obtained from a federal lower court a decision awarding the injunction described above. A federal lower court issued a decision favorable to the claim for not withholding income tax on earnings distributed by real estate investment funds, whose units are traded exclusively on stock exchanges or the over--the-counter market, to another real estate investment fund. The decision also establishes that after a final and unappealable decision is issued, the plaintiff will have the right to withdraw the voluntary deposits made in court.

As of May 13, 2010, the federal government filed an appeal against the federal lower court decision, On June 11, 2010, Banco Ourinvest S.A. filed its counterarguments and currently awaits the appellate court decision.

As of June 30, 2012, subsidiary Sierra Investimentos has R$833 receivable from Banco Ourinvest S.A. as a result of the agreement entered into on October 29, 2009, These receivables are classified in item “Other receivables”, in noncurrent assets (see note 5), In addition, subsidiary Sierra Investimentos has a balance of R$3,105 (R$2,171 as of December 31, 2011) in restricted investments, stated in noncurrent assets,

30. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved by the executive committee and authorized for issue on August 3, 2012.