Multiplan Empreendimentos Imobiliários S.A.

Financial statements
December 31, 2017 and 2016
(A free translation of the original report in Portuguese containing financial statements prepared in accordance with accounting practices adopted in Brazil)

KPDS 214419

Contents

MANAGEMENT’S DISCUSSION AND ANALYSIS

In compliance with legal requirements and in accordance with the Brazilian Corporate Laws, Multiplan Empreendimentos Imobiliários S.A. (“Company”) presents, as follows, its Management Discussion and Analysis for the financial and operational results for the year ended on December, 31, 2017.

Multiplan Empreendimentos Imobiliários S.A., a real estate company that manages, develops and owns shopping centers and office towers for lease, as well as mixed-use projects for sale, ended the fiscal year 2017 with resilient operating and financial results, coming from the consolidation of its shopping centers and office towers portfolio and minority stake acquisitions in two of its shopping centers. The Company's primary revenue source, rental revenue, increased 8.5% in 2017, benefiting from the continuous performance improvement in consolidated shopping centers, acquisitions and the rental revenue growth in office towers.

Operating Performance

	2017	2016	2017 x 2016
(R$ million)			
Total Tenants Sales	**14,657.2**	**13.726.4**	**6.8%**
Rental revenue	987.2	909.7	8.5%
Parking revenue	185.4	187.2	(0.9%)
Others	111.3	139.3	(20.1%)
Gross Operating Revenues	**1,283.8**	**1,236.2**	**3.9%**
Taxes and contributions on sales and services	(127.5)	(126.2)	1.0%
Net Operating Revenues	**1,156.4**	**1,110.0**	**4.2%**
Cost os services rendered and properties sold	(273.3)	(261.1)	4.7%
Administrative expenses - head office	(130.3)	(136.3)	(4.4%)
Administrative expenses - properties	(30.9)	(27.4)	13.1%
New projects for lease expenses	(21.2)	(11.1)	89.9%
New projects for sale expenses	(5.8)	(2.6)	121.6%
Other expenses	(59.1)	(17.3)	(242,7%)
Operating Income Before Financial Income	**635.7**	**654.2**	**(2.8%)**
Net financial income (loss)	(197.1)	(211.9)	(7.0%)
Income and social contribution taxes	(70.1)	(130.5)	(46.3%)
Net Income	**368.5**	**311.8**	**18,2%**
NOI	**1,031.3**	**951.4**	**8.4%**
EBITDA	**818.1**	**810.8**	**0.9%**

Total Tenants Sales: Tenants sales in Multiplan’s shopping centers reached R$14.7 billion in 2017, an increase of 6.8% over 2016. The largest growth in the year were at ParkShoppingCampoGrande, BarraShopping and ParkShoppingBarigüi, with increases of 16.8%, 10.3% and 10.2%, respectively.

Gross Revenue: reached R$1,283.8 million in the fiscal year, representing a 3.9% increase over 2016, mainly due to an increas of 8.5% in rental revenue, which represented 76.9% of total gross revenue. The increase of gross revenue was partially offset by a 16.2% decrease in services revenue.

Rental Revenues: totaled R$987.2 million, a 8.5% increase over 2016, including the straight-line effect (adjustment of the seasonality and contractual rent increases of base rental revenues). The performance and acquisitions of some shopping centers, such as ParkShoppingBarigüi, BarraShopping and MorumbiShopping, in addition to the growth in Morumbi Corporate rental revenue, were determinants for the period’s rental revenue growth.

Parking Revenues: presented a slight drop of 0.9% over 2017, totaling R$ 185.4 million. In 2017, parking fees were not adjusted, which led to a nearly stable parking revenue compared to the previous year.

Service Revenues: reached R$100.6 million in 2017, 16.2% lower than in 2016, due to the impact of minority stake acquisitions in BarraShopping, MorumbiShopping and ParkShoppingBarigüi, which reduced the management and brokerage fees of these shopping centers in 2017.

Cost of Services Rendered and Properties Sold: totaled R$273.3 million, a 4.7% increase when compared to 2016. This growth was mainly due to a 16.9% increase in depretiation and amortization, as a result of the increase in the Company's investment properties after acquisitions of participations made between the fourth quarter of 2016 and the first quarter of 2017.

Administrative Expenses - Head Office: decreased 4.4% when compared to 2016, totaling R$130.3 million. As a percentage of net revenues, Head Office expenses represented 11.3%.

Administrative Expenses - Properties: totaled R$30.9 million in the fiscal year, up 13.1% compared to 2016.

New Projects for Lease Expenses: decreased from R$11.1 million in 2016 to R$21.2 million in 2017, due to marketing events and the opening of ParkShopping Canoas and the expansions of PátioSavassi, RibeirãoShopping and VillageMall, as well as expenses related to the beginning of the development of ParkShoppingJacarepaguá.

New Projects for Sale Expenses: reached R$5.8 million in 2017, from R$2.6 million in 2016. These expenses were composed mainly of brokerage fees and property taxes (IPTU) of Company's land bank.

Net Operating Income (NOI): reached R$1,031.3 million in 2017, 8.4% higher than the previous year, mainly driven by a increase in rental revenue.

EBITDA: totaled R$818.1 million in 2017, a 0.9% increase over 2016, mainly due to a 4.2% increase in net revenue (+R$46.4 million), partially offset by expenses on share-based compensation growth, which increased due to the appreciation of the value of the share in the year.

Net Income: increased 18.2%, from R$368.5 million in 2017, mainly due to the improvement in the financial result and a lower effective income tax rate, resulting from the higher Interest on Capital announced by the Company in 2017 compared to 2016.

Net Cash Position: the Company ended the year with cash, cash equivalents and financial investments of R$896.0 million, and a gross debt of R$2,797.4 million. As a result, the Company had a net debt of R$1,901.4 million, equivalent to 2.32x EBITDA in 2017.

Projects developed: The year 2017 ended with a new shopping center, ParkShopping Canoas, in addition to three mall expansions, located in RibeirãoShopping (Medical Center), Pátio Savassi (2nd phase of Expansion II), and at VillageMall (1st phase of Expansion I). Company's Gross Leasable Area (GLA) increased by 57,200 sq.m in 2017, equivalent to a 7.8% growth in own GLA compared to 2016.

Independent auditors

In 2017, the Company contracted the following services:

(i) auditing of the individual and consolidated financial statements for the year ended December 31, 2017, and review of the quarterly information - individual and consolidated quarterly information for the three-month periods ended March 31, June 30 and September 30, 2017 , in the amount of R$782,444.00 (value in Reais); and

(ii) auditing with specific purpose opinion (NBC TA 805) on the fair value of the Company's Investment Properties on September 30, 2017, in the amount of R$154,000.00 (value in Reais).

According to CVM Instruction No. 381 of January 14, 2003, ratified by the Circular Letter / CVM / SNC / SEP / No. 01 January, 2007, the Company informs that its independent auditors did not provide services unrelated to the independent auditing in 2017.

Human Resources

The Human Resources management in Multiplan involves employees hired directly by the head office - 331 in 2017 and 329 in 2017 - and approximately 8,500 direct and indirect employees in the company's assets. The company has constant concern to retain its talents and, therefore, promotes a pleasant and motivating work environment with opportunities for training and attractiveness for the construction of a career: in addition to benefits such as transport, health and food aids, the company promotes educational programs (ELOS, ESTUDA RH and V.O.C.Ê. FAZ A DIFERENÇA) and awards (FUNCIONÁRIO NOTA 10). Multiplan also holds regular meetings with the tenants' sales teams, through lectures and short courses, to assist in their training (RETAIL CLUB).

Environmental

Multiplan is constantly seeking the use of available technologies to minimize the environmental impact of its projects and operations. Besides complying with current legislation - laws, rules and resolutions - the company uses industry best practices to ensure that its asset consume fewer natural resources and produce the least amount of waste. Company's projects use efficient equipment, such as LED lighting, automation in air-conditioning and lighting systems, the presence sensor on escalators or taps, and Low-E glasses in the large mall skylights that allow the incidence of light, but reflect heat. The company also uses waste recycling processes, predominantly the disposal of paper, and use water recycling and reuse systems for its shopping center activities that do not involve human consumption. In recent years, Multiplan has begun to implement the recycling of organic waste in the food court and the use of solar energy pannels to supply part of its real estate developments and reduce maintenance costs. These are some examples that allow Multiplan to reduce consumption, avoid inefficient waste and collaborate with the environment as well as to generate financial savings in the management of its assets.

Management

KPMG Auditores Independentes
Rua do Passeio, 38 - Setor 2 - 17º andar - Centro
20021-290 - Rio de Janeiro/RJ - Brasil
Caixa Postal 2888 - CEP 20001-970 - Rio de Janeiro/RJ - Brasil
Telefone +55 (21) 2207-9400, Fax +55 (21) 2207-9000
www.kpmg.com.br

Independent auditors' report on the financial statements individual and consolidated

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission - CVM, prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and the International Financial Reporting Standards - IFRS)

To
Board Members and Shareholders of
Multiplan Empreendimentos Imobiliários S.A.
Rio de Janeiro - RJ

Opinion

We have audited the individual and consolidated financial statements of Multiplan Empreendimentos Imobiliários S.A. ("The Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as of December 31, 2017 and the related statements of operations, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of Multiplan Empreendimentos Imobiliários S.A. as of December 31, 2017, and of its financial performance and its cash flows for the year then ended, in accordance with Accounting Practices Adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Multiplan Empreendimentos Imobiliários S.A. as of December 31, 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards - IFRS applicable to real estate companies in Brazil and approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities Commission (CVM) and the Federal Accounting Council (CFC).

Basis for Opinion
We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of Investment Properties
(Notes 2.11 and 10 to the individual and consolidated financial statements)

The Company has a portfolio of investment properties that includes shopping centers, office towers and projects in development that represent the largest category of assets in the balance sheet, measured at cost, deducted from accumulated depreciation calculated using the straight-line method and impairment losses (when applicable). For the purposes of analysis of recoverable amount and disclosure in the notes to the financial statements, the Company calculates the fair value of the investment property by projecting discounted cash flows based on its judgment and supported by its business plan and budget. Such estimates are prepared and reviewed internally in accordance with the Company's governance structure since they involve a degree of judgment. The Company annually evaluates the assumptions and estimates, the profitability of investment properties, growth rates, discount rates and cash flow projections, since there are often changes in the markets, whether economic or regulatory. Any change in these estimates may materially impact the value of these assets and, consequently, the financial statements as a whole and, as a result, we identify this matter as significant for the audit.

How our audit conducted this matter
Our audit procedures included evaluation of the design and implementation of the relevant internal controls for the internal process of preparing and reviewing of the business plan, budget, technical studies, and analyzes of the fair value and impairment test of investment properties made available by the Company. In addition, with the technical support of our corporate finance specialists, we evaluated the reasonableness and consistency of the data and assumptions used in the preparation of these studies, such as growth rates, discount rates and cash flow projections. We analyzed the reasonableness of the mathematical calculations included in these studies, as well as we evaluated the sensitivity analysis prepared by the Company, considering alternative scenarios on the main assumptions. We also analyzed whether the disclosures made in the financial statements are in accordance with applicable standards.

Based on the evidence obtained through the auditing procedures outlined above, we believe that the assumptions and methodologies used in determining the recoverable value of investment properties and the fair value disclosures in the context of the financial statements taken as a whole are acceptable.

Allowance for doubtful accounts (Recoverable amounts of lease receivables)
(Notes 2.20 and 4 to the individual and consolidated financial statements)

The Company has as its main operation the commercial exploration and shopping centers planning, the provision of management services for regional shopping centers and real estate complexes. The Company establishes allowance for doubtful accounts based on the estimate of credit collection, periodically reassessing this estimate. The determination of the allowance for doubtful accounts is documented through a study prepared by the Company and requires by its nature the use of judgments and assumptions that include analyzes of external factors such as general economic conditions and internal ones, such as the debtor's payment history and considerations on guarantees. Due to the relevance and level of uncertainty for the determination of the Allowance for doubtful accounts that may impact the value of these assets in the individual and consolidated financial statements, we consider this matter significant for the audit.

How our audit conducted this matter
We evaluated the design, implementation and operational effectiveness of key internal controls related to the identification, evaluation, measurement and disclosure of receivable accounts. Regarding to the recoverable value of the balances, we evaluated the assumptions of the methodology for the determination of losses adopted by the Company in comparison with historical data and recalculated the provision for losses based on the methodology adopted by the Company, which takes into account historical losses, involved guarantees, credit and loss prospects. Additionally, we evaluated whether the percentage of allowance for doubtful accounts constituted is in accordance with the study performed. We also evaluate whether the disclosures made in the financial statements are in accordance with the applicable standards and provide information about the nature, disclosure and amounts provided by the Company.

Based on the evidence obtained through the audit procedures outlined above, we consider the assumptions and methodologies used in determining the estimates for the allowance for doubtful accounts in the context of the financial statements as a whole to be acceptable.

Other matters

Statements of added value
The individual and consolidated statements of value added (DVA) for the year ended December 31, 2017, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report
Management is responsible for the other information the comprising the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Brazilian accounting practices and consolidated in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), applicable to real estate development entities in Brazil and approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities Commission (CVM) and the Federal Accounting Council (CFC), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, february 19, 2018

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ
Original in Portuguese signed by
Marcelo Luiz Ferreira
Accountant CRC RJ-087095/O-7

Multiplan Empreendimentos Imobiliários S.A.

Balance sheets at December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Parent company	
	12/31/2017	**12/31/2016**
Assets		
Current assets		
Cash and cash equivalents (Note 3)	28,341	50,541
Financial Instruments (Note 3)	709,620	357,944
Accounts receivable (Note 4)	188,197	199,452
Land and properties for sale (Note 6)	11,292	5,972
Accounts receivable from related parties (Note 5)	2,938	6,177
Taxes and Social Contributions	23,063	3,051
Sundry advances	1,990	14,913
Deferred costs (Note 18)	22,215	24,080
Other	8,933	9,322
Total current assets	996,589	671,452
Non-current assets		
Accounts receivable (Note 4)	25,024	39,578
Land and properties for sale (Note 6)	17,076	58,702
Accounts receivable from related parties (Note 5)	9,847	10,427
Judicial deposits (Note 17.2)	22,150	15,096
Deferred costs (Note 18)	36,356	43,522
Other	11,424	10,499
	121,877	177,824
Investments (Note 8)	2,983,458	2,575,569
Investment properties (Note 9)	3,447,710	3,332,753
Property, plant and equipment (Note 10)	22,066	25,006
Intangible assets (Note 11)	353,422	347,092
Total non-current assets	6,928,533	6,458,244
Total assets	7,925,122	7,129,696

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Balance sheets at December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Consolidated	
	12/31/2017	**12/31/2016**
Assets		
Current assets		
Cash and cash equivalents (Note 3)	39,786	105,647
Financial Instruments (Note 3)	856,245	361,721
Accounts receivable (Note 4)	277,047	297,249
Land and properties for sale (Note 6)	35,959	47,222
Accounts receivable from related parties (Note 5)	3,537	6,169
Taxes and Social Contributions	27,281	6,560
Sundry advances	3,235	19,699
Deferred costs (Note 18)	38,384	33,381
Other	18,026	20,297
Total current assets	1,299,500	897,945
Non-current assets		
Accounts receivable (Note 4)	79,164	114,982
Land and properties for sale (Note 6)	272,880	247,120
Accounts receivable from related parties (Note 5)	11,440	10,806
Judicial deposits (Note 17.2)	25,755	17,765
Deferred income and social contribution taxes (Note 7)	17,782	14,468
Deferred costs (Note 18)	93,766	75,812
Other	18,629	19,344
	519,416	500,297
Investments (Note 8)	129,504	128,947
Investment properties (Note 9)	6,314,517	6,049,155
Property, plant and equipment (Note 10)	27,573	30,453
Intangible assets (Note 11)	353,892	347,649
Total non-current assets	7,344,902	7,056,501
Total assets	8,644,402	7,954,446

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Balance sheets at December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Parent company	
	12/31/2017	**12/31/2016**
Liabilities		
Current liabilities		
Loans and financing (Note 12)	184,611	279,778
Accounts payable (Note 13)	54,243	52,898
Property acquisition obligations (Note 15)	269	269
Taxes and contributions payable (note 16)	18,305	18,825
Interest on shareholders' equity (Note 19.g)	206,262	81,341
Payables to related parties (Note 5)	20,266	-
Deferred income (Note 18)	18,561	23,427
Debentures (Note 14)	8,238	11,977
Other	4,112	4,963
Total current liabilities	514,867	473,478
Non-current liabilities		
Loans and financing (Note 12)	917,075	1,290,066
Debentures (Note 14)	982,528	688,638
Provision for risks (Note 17.1)	5,964	7,165
Deferred income and social contribution taxes (Note 7)	174,021	169,308
Payables to related parties (Note 5)	81,066	-
Deferred income (Note 18)	28,582	43,594
Phantom Stock Options (Nota 20.b)	35,930	7,277
Total non-current liabilities	2,225,166	2,206,048
Shareholders' equity (Note 19)		
Capital	2,988,062	2,388,062
Share issuance costs	(43,548)	(39,004)
Capital reserves	994,390	983,540
Profit reserves	1,400,232	1,270,179
Shares in treasury	(64,051)	(62,611)
Effects on capital transaction	(89,996)	(89,996)
Total shareholders' equity	5,185,089	4,450,170
Total shareholders' equity and liabilities	7,925,122	7,129,696

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Balance sheets at December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Consolidated	
	12/31/2017	**12/31/2016**
Liabilities		
Current liabilities		
Loans and financing (Note 12)	257,539	368,801
Accounts payable (Note 13)	102,199	147,526
Property acquisition obligations (Note 15)	59,721	28,866
Taxes and contributions payable (note 16)	38,011	39,381
Interest on shareholders' equity (Note 19.g)	206,262	81,341
Deferred income (Note 18)	22,033	33,336
Debentures (Note 14)	8,238	11,977
Other	5,361	5,796
Total current liabilities	699,364	717,024
Non-current liabilities		
Loans and financing (Note 12)	1,485,408	1,812,873
Property acquisition obligations (Note 15)	3,956	11,954
Debentures (Note 14)	982,528	688,638
Provision for risks (Note 17.1)	12,932	13,211
Deferred income and social contribution taxes (Note 7)	181,544	176,080
Deferred income (Note 18)	42,427	71,029
Phantom Stock Options (Nota 20.b)	35,930	7,277
Total non-current liabilities	2,744,725	2,781,062
Shareholders' equity (Note 19)		
Capital	2,988,062	2,388,062
Share issuance costs	(43,548)	(39,004)
Capital reserves	994,390	983,540
Profit reserves	1,400,232	1,270,179
Shares in treasury	(64,051)	(62,611)
Effects on capital transaction	(89,996)	(89,996)
	5,185,089	4,450,170
Non-controlling interests	15,224	6,190
Total shareholders' equity	5,200,313	4,456,360
Total shareholders' equity and liabilities	8,644,402	7,954,446

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of income

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Parent company	
	12/31/2017	**12/31/2016**
Net operating revenue (Note 21)	868,156	855,529
Cost of services rendered and properties sold (Note 22)	(164,426)	(162,553)
Gross income	703,730	692,976
Operating income (expenses):		
Administrative expenses - Headquarters (Note 22)	(126,685)	(131,827)
Administrative expenses - Properties (Note 22)	(12,899)	(7,005)
Expenses on projects for lease (Note 22)	(3,078)	(630)
Expenses on projects for sale (Note 22)	(1,511)	(1,667)
Expenses on share-based compensation (Note 20)	(44,852)	(13,585)
Share of profit of equity-accounted investees (loss) (Note 8)	62,412	56,121
Depreciation and amortization	(12,579)	(11,248)
Other operating income (expenses), net	(7,636)	5,764
Operating income before financial income	556,902	588,899
Net financial income (loss) (Note 23)	(148,060)	(174,123)
Income before income and social contribution taxes	408,842	414,776
Income and social contribution taxes (Note 7)		
Current	(34,074)	(90,847)
Deferred assets	(4,713)	(12,387)
Total current and deferred income and social contribution taxes	(38,787)	(103,234)
Net income for the year	370,055	311,542
Income attributable to:		
Owners of the parent company	370,055	311,542
Non-controlling interest	-	-
Basic earnings per share (Note 26)	1.8733	1.6542
Diluted earnings per share (Note 26)	1.8724	1.6541

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of income

Years ended December 31, 2017 and 2016

(In thousands of Reais, except basic and diluted earnings per share, in Reais)

	Consolidated	
	12/31/2017	**12/31/2016**
Net operating revenue (Note 21)	1,156,379	1,109,950
Cost of services rendered and properties sold (Note 22)	(273,321)	(261,064)
Gross income	883,058	848,886
Operating income (expenses):		
Administrative expenses - Headquarters (Note 22)	(130,317)	(136,259)
Administrative expenses - Properties (Note 22)	(30,940)	(27,359)
Expenses on projects for lease (Note 22)	(21,168)	(11,147)
Expenses on projects for sale (Note 22)	(5,818)	(2,626)
Expenses on share-based compensation (Note 20)	(44,852)	(13,585)
Share of profit of equity-accounted investees (loss) (Note 8)	5,952	5,501
Depreciation and amortization	(12,911)	(11,581)
Other operating income (expenses), net	(7,323)	2,412
Operating income before financial income	635,681	654,242
Net financial income (loss) (Note 23)	(197,057)	(211,927)
Income before income and social contribution taxes	438,624	442,315
Income and social contribution taxes (Note 7)		
Current	(67,938)	(119,931)
Deferred assets	(2,150)	(10,582)
Total current and deferred income and social contribution taxes	(70,088)	(130,513)
Net income for the year	368,536	311,802
Income attributable to:		
Owners of the parent company	369,401	311,941
Non-controlling interest	(865)	(139)
Basic earnings per share (Note 26)	1.8700	1.6563
Diluted earnings per share (Note 26)	1.8691	1.6562

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statement of comprehensive income

Years ended December 31, 2017 and 2016

(In thousands of Reais – R$)

	Parent company	
	12/31/2017	**12/31/2016**
Net income for the year	370,055	311,542
Other comprehensive income	-	-
Total comprehensive income for the year	370,055	311,542
Total comprehensive income attributable to:		
Non-controlling interest	-	-
Owners of the parent company	370,055	311,542

	Consolidated	
	12/31/2017	**12/31/2016**
Net income for the year	368,536	311,802
Other comprehensive income	-	-
Total comprehensive income for the year	368,536	311,802
Total comprehensive income attributable to:		
Non-controlling interest	(865)	(139)
Owners of the parent company	369,401	311,941

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in shareholders’ equity - Parent company

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Capital			Capital reserves			Profit reserves					
	Capital	Capital to be paid-up	Share issuance costs	Stock options granted	Special goodwill reserve - merger	Goodwill reserve on issuance of shares	Legal reserve	Expansion reserve	Shares in treasury	Effects on capital transactions	Retained earnings	Total
Balances at December 31, 2015	2,388,062	-	(39,003)	90,072	186,548	696,253	106,576	947,061	(104,314)	(89,996)	-	4,181,259
Share issuance costs	-	-	(1)	-	-	-	-	-	-	-	-	(1)
Exercise of stock options	-	-	-	-	-	3,475	-	-	41,703	-	-	45,178
Stock options granted	-	-	-	7,192	-	-	-	-	-	-	-	7,192
Net income for the year	-	-	-	-	-	-	-	-	-	-	311,542	311,542
Allocation of net income for the year												
Formation of legal reserve (Note 19.b)	-	-	-	-	-	-	15,577	-	-	-	(15,577)	-
Anticipation of Interest on shareholders’ equity (Note 19.g)	-	-	-	-	-	-	-	-	-	-	(95,000)	(95,000)
Formation of expansion reserve (Note 19.c)	-	-	-	-	-	-	-	200,965	-	-	(200,965)	-
Balances at December 31, 2016	2,388,062	-	(39,004)	97,264	186,548	699,728	122,153	1,148,026	(62,611)	(89,996)	-	4,450,170
Stock issuance	600,000	-	-	-	-	-	-	-	-	-	-	600,000
Share issuance costs	-	-	(4,544)	-	-	-	-	-	-	-	-	(4,544)
Exercise of stock options	-	-	-	-	-	7,663	-	-	61,233	-	-	68,896
Repurchase of shares to be held in treasury	-	-	-	-	-	-	-	-	(62,675)	-	-	(62,675)
Stock options granted	-	-	-	3,187	-	-	-	-	-	-	-	3,187
Net income for the year	-	-	-	-	-	-	-	-	-	-	370,055	370,055
Allocation of net income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Formation of legal reserve (Note 19.b)	-	-	-	-	-	-	18,503	-	-	-	(18,503)	-
Anticipation of Interest on shareholders’ equity (Note 19.g)	-	-	-	-	-	-	-	-	-	-	(240,000)	(240,000)
Formation of expansion reserve (Note 19.c)	-	-	-	-	-	-	-	111,552	-	-	(111,552)	-
Balances at December 31, 2017	2,988,062	-	(43,548)	100,451	186,548	707,391	140,656	1,259,578	(64,053)	(89,996)	-	5,185,089

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in shareholders’ equity - Consolidated

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Capital			Capital reserves			Profit reserves							
	Capital	Capital to be paid-up	Share issuance costs	Stock options granted	Special goodwill reserve - merger	Goodwill reserve on issuance of shares	Legal reserve	Expansion reserve	Effects on capital transactions	Shares in treasury	Retained earnings	Total	Non-controlling interest	Total
Balances at December 31, 2015	2,388,062	-	(39,003)	90,072	186,548	696,253	106,576	947,061	(89,996)	(104,314)	-	4,181,259	6,142	4,187,401
Equity in net income of subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	-	(399)	(399)	-	(399)
Share issuance costs	-	-	(1)	-	-	-	-	-	-	-	-	(1)	-	(1)
Exercise of stock options	-	-	-	-	-	3,475	-	-	-	41,703	-	45,178	-	45,178
Stock options granted	-	-	-	7,192	-	-	-	-	-	-	-	7,192	-	7,192
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	187	187
Net income for the year	-	-	-	-	-	-	-	-	-	-	311,941	311,941	(139)	311,802
Allocation of net income for the year														
Formation of legal reserve (Note 19.b)	-	-	-	-	-	-	15,577	-	-	-	(15,577)	-	-	-
Anticipation of Interest on shareholders’ equity	-	-	-	-	-	-	-	-	-	-	(95,000)	(95,000)	-	(95,000)
Formation of expansion reserve (Note 19.c)	-	-	-	-	-	-	-	200,965	-	-	(200,965)	-	-	-
Balances at December 31, 2016	2,388,062	-	(39,004)	97,264	186,548	699,728	122,153	1,148,026	(89,996)	(62,611)	-	4,450,170	6,190	4,456,360
Equity in net income of subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	-	654	654	-	654
Stock issuance	600,000	-	-	-	-	-	-	-	-	-	-	600,000	-	600,000
Share issuance costs	-	-	(4,544)	-	-	-	-	-	-	-	-	(4,544)	-	(4,544)
Exercise of stock options	-	-	-	-	-	7,663	-	-	-	61,233	-	68,896	-	68,896
Repurchase of shares to be held in treasury	-	-	-	-	-	-	-	-	-	(62,675)	-	(62,675)	-	(62,675)
Stock options granted	-	-	-	3,187	-	-	-	-	-	-	-	3,187	-	3,187
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	9,899	9,899
Net income for the year	-	-	-	-	-	-	-	-	-	-	369,401	369,401	(865)	368,536
Allocation of net income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Formation of legal reserve (Note 19.b)	-	-	-	-	-	-	18,503	-	-	-	(18,503)	-	-	-
Anticipation of Interest on shareholders’ equity	-	-	-	-	-	-	-	-	-	-	(240,000)	(240,000)	-	(240,000)
Formation of expansion reserve (Note 19.c)	-	-	-	-	-	-	-	111,552	-	-	(111,552)	-	-	-
Balances at December 31, 2017	2,988,062	-	(43,548)	100,451	186,548	707,391	140,656	1,259,578	(89,996)	(64,053)	-	5,185,089	15,224	5,200,313

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Parent company	
	12/31/2017	**12/31/2016**
Cash flows from operating activities		
Income (loss) before taxes	408,842	414,776
Adjustments in:		
Depreciation and amortization	109,687	109,615
Share of profit of equity-accounted investees (loss)	(62,412)	(56,121)
Share-based compensation	44,852	13,585
Recognition of repurchases of points of sale	8,532	8,822
Deferred income and cost	(12,342)	(7,161)
Inflation adjustment on debentures	83,313	58,318
Interest on loans and financings	144,898	167,914
Interest on related party transactions	(1,424)	(2,221)
Allowance for doubtful accounts	14,616	19,549
Other	1,956	92
	740,518	727,168
Changes in operating assets and liabilities		
Land and properties held for sale	36,306	(4,318)
Accounts receivable	11,193	(22,762)
Judicial deposits	(8,139)	(5,015)
Deferred costs	(8,155)	13,480
Sundry advances	12,923	(13,758)
Other assets	(536)	3,164
Accounts payable	1,345	3,362
Taxes and contributions payable	(39,919)	(40,750)
Income and social contribution taxes paid	(47,791)	(70,587)
Deferred income	9,574	(10,216)
Other liabilities	(13,866)	(920)
Net cash generated by operating activities	693,513	578,848

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Parent company	
	12/31/2017	**12/31/2016**
Cash flows from investment activities		
Increase of Investments	(357,196)	(753,568)
Write-off of investments		-
Dividends received	11,088	29,650
Receipt in related-party transactions	5,243	3,194
Written-off of property investments	816	756
Additions in property, plant and equipment	(2,781)	(5,405)
Additions in investment property	(112,523)	(61,215)
Additions to intangible assets	(13,208)	(2,990)
Financial Instruments	(351,676)	(194,350)
Net cash used in investment activities	(820,237)	(983,928)
Cash flows from financing activities		
Loans and financing	-	405,000
Payment of loans and financing	(461,580)	(82,076)
Payment of interests on loans and financing	(161,070)	(143,876)
Cash from stock option exercise	68,896	45,178
Repurchase of shares to be held in treasury	(62,675)	-
Share issuance costs	(4,544)	1
Funding of debentures	293,889	290,415
Stock issuance	600,000	-
Payment of charges on debentures	(87,051)	(58,372)
Dividends and Interest on shareholders' equity paid	(81,341)	(115,786)
Net cash invested in financing activities	104,524	340,484
Increase in cash and cash equivalents	(22,200)	(64,596)
Cash and cash equivalents at the beginning of the year	50,541	115,137
Cash and cash equivalents at the end of year	28,341	50,541
Increase in cash and cash equivalents	(22,200)	(64,596)

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Consolidated	
	12/31/2017	**12/31/2016**
Cash flows from operating activities		
Income (loss) before taxes	438,624	442,315
Adjustments in:		
Depreciation and amortization	182,372	156,556
Share of profit of equity-accounted investees (loss)	(5,952)	(5,501)
Share-based compensation	44,852	13,585
Non-controlling interest	865	139
Recognition of repurchases of points of sale	9,341	9,096
Deferred income and cost	(14,789)	(12,398)
Inflation adjustment on debentures	83,313	58,318
Interest on loans and financings	183,166	216,669
Interest to Property acquisition obligations	6,618	-
Interest on related party transactions	(1,498)	(2,356)
Allowance for doubtful accounts	19,096	26,803
Other	3,935	5,193
	949,943	908,419
Changes in operating assets and liabilities		
Land and properties held for sale	(14,135)	(8,996)
Accounts receivable	36,924	(36,030)
Judicial deposits	(9,111)	(5,244)
Deferred costs	(50,728)	(1,116)
Sundry advances	16,464	(11,631)
Other assets	2,986	3,425
Accounts payable	(45,327)	9,662
Property acquisition obligations	(37,636)	(60,015)
Taxes and contributions payable	(41,769)	(41,916)
Income and social contribution taxes paid	(81,993)	(95,614)
Deferred income	2,655	(8,666)
Other liabilities	(13,453)	(1,364)
Net cash generated by operating activities	714,820	650,914

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Consolidated	
	12/31/2017	**12/31/2016**
Cash flows from investment activities		
Decrease (or increase) in investments	(2,824)	-
Dividends received	8,219	3,951
Receipt (payment) on related-party transactions	3,496	1,911
Additions in property, plant and equipment	(3,089)	(5,405)
Additions in investment property	(361,924)	(895,919)
Written-off of property investments	56	984
Additions to intangible assets	(13,205)	(2,998)
Financial Instruments	(494,524)	(148,409)
Net cash used in investment activities	(863,795)	(1,045,885)
Cash flows from financing activities		
Loans and financing	80,190	520,039
Payment of loans and financing	(538,655)	(157,028)
Payment of interests on loans and financing	(194,630)	(182,877)
Cash from stock option exercise	68,896	45,178
Repurchase of shares to be held in treasury	(62,675)	-
Non-controlling interest	9,034	48
Share issuance costs	(4,544)	1
Funding of debentures	293,890	290,415
Stock issuance	600,000	-
Payment of charges on debentures	(87,051)	(58,372)
Dividends and Interest on shareholders' equity paid	(81,341)	(115,786)
Net cash invested in financing activities	83,114	341,618
Increase in cash and cash equivalents	(65,861)	(53,353)
Cash and cash equivalents at the beginning of the year	105,647	159,000
Cash and cash equivalents at the end of year	39,786	105,647
Increase in cash and cash equivalents	(65,861)	(53,353)

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of added value

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Parent company	
	12/31/2017	**12/31/2016**
Income:		
Net income from sales and services	958,807	947,595
Other income	5,216	21,324
Allowance for doubtful accounts	(14,616)	(19,549)
	949,407	949,370
Inputs acquired from third parties		
Costs of sales and services	(57,601)	(55,797)
Power, outsourced services and other	(52,989)	(39,869)
	(110,590)	(95,666)
Gross added value	838,817	853,704
Retentions		
Depreciation and amortization	(109,687)	(109,615)
Net added value produced by the Entity	729,130	744,089
Added value received as transfer		
Share of profit of equity-accounted investees (loss)	62,412	56,121
Financial income	88,514	57,711
	150,926	113,832
Total added value payable	880,056	857,921
Distribution of added value		
Personnel		
Direct remuneration	(108,773)	(83,776)
Benefits	(8,105)	(7,147)
FGTS	(3,310)	(3,320)
	(120,188)	(94,243)
Taxes, duties and contributions		
Federal	(151,789)	(209,916)
State	(103)	(77)
Municipal	(5,820)	(6,802)
	(157,712)	(216,795)
Third-party capital remuneration		
Interest, exchange rate changes and inflation adjustment	(224,913)	(228,128)
Rental expenses	(7,188)	(7,213)
	(232,101)	(235,341)
Remuneration of own capital		
Dividends/Interest on shareholders' equity	(240,000)	(95,000)
Retained earnings	(130,055)	(216,542)
	(370,055)	(311,542)
Distributed added value	(880,056)	(857,921)

See the accompanying notes to the financial statements.

Multiplan Empreendimentos Imobiliários S.A.

Statements of added value

Years ended December 31, 2017 and 2016

(Amounts expressed in thousands of Reais – R$)

	Consolidated	
	12/31/2017	12/31/2016
Income:		
Net income from sales and services	1,283,835	1,236,173
Other income	6,472	22,424
Allowance for doubtful accounts	(19,096)	(26,803)
	1,271,211	1,231,794
Inputs acquired from third parties:		
Costs of sales and services	(314,873)	(299,000)
Power, outsourced services and other	(82,205)	(65,618)
	(397,078)	(364,618)
Gross added value	874,133	867,176
Retentions:		
Depreciation and amortization	(182,372)	(156,556)
Net added value produced by the Entity	691,761	710,620
Added value received as transfer:		
Share of profit of equity-accounted investees (loss)	5,952	5,501
Financial income	99,859	80,330
	105,811	85,831
Total added value payable	797,572	796,451
Distribution of added value:		
Personnel		
Direct remuneration	(113,381)	(94,316)
Benefits	(8,334)	(7,418)
FGTS	(3,435)	(3,397)
	(125,150)	(105,131)
Taxes, duties and contributions		
Federal	(209,202)	(260,165)
State	(166)	(206)
Municipal	(27,604)	(33,568)
	(236,972)	(293,939)
Third-party capital remuneration		
Interest, change in exchange rate and inflation adjustment	(283,956)	(287,347)
Rental expenses	217,042	201,768
	(66,914)	(85,579)
Remuneration of own capital:		
Dividends/Interest on shareholders' equity	(240,000)	(95,000)
Non-controlling interest in retained earnings	865	139
Retained earnings	(129,401)	(216,941)
	(368,536)	(311,802)
Distributed added value	(797,572)	(796,451)

See the accompanying notes to the financial statements.

Notes to the financial statements

(In thousands of Reais - R$, unless otherwise stated)

1 Company's General information

The individual and consolidated financial statements of Multiplan Empreendimentos Imobiliários S.A. ("Company", "Multiplan" or "Multiplan Group" when referred to jointly with its subsidiaries) as of December 31, 2017 were authorized for issuance by Management on February 19, 2018. The Company was established as a publicly-traded entity headquartered in Brazil, whose shares are traded on the São Paulo Stock Exchange (BM&FBovespa). The Company is located at Avenida das Américas, 4.200 - Bloco 2 - 5° andar - Barra da Tijuca - Rio de Janeiro - RJ.

The Company is a public company with registered office in the city and state of Rio de Janeiro, and has shares traded at BM&FBovespa (MULT3). Additionally, the Company adheres to the Level 2 corporate governance of BM&FBovespa. Multiplan makes up the portfolios of the Bovespa Index (IBOVESPA) and the Brazil Index 50 (IBRX 50), among others.

The Company was established on December 30, 2005 and is engaged in
(a) the planning, construction, development and sale of real estate projects of any nature, either residential or commercial, including mainly urban shopping centers and areas developed based on these real estate projects; (b) the purchase and sale of real estate and the acquisition and disposal of real estate rights, and their operation, in any mean, including through lease; (c) the provision of management and administrative services for its own shopping centers, or those of third parties; (d) the provision of technical advisory and support services concerning real estate issues; (e) civil construction, the execution of construction works and provision of engineering and similar services in the real estate market; (f) development, promotion, management, planning and intermediation of real estate projects; (g) the import and export of goods and services related to its activities; (h) generation of electric power for own consumption, and may, however, trade the electricity surplus; and (i) the acquisition of ownership interest and share control in other entities, as well as joint ventures with other entities, where it is authorized to enter into shareholders' agreements in order to attain or supplement its business purpose.

As of December 31, 2017 and 2016, the Company holds direct and indirect interests in the following joint ventures:

			Interest - %	
Joint venture	**Location**	**Start-up of operations**	**12/31/2017**	**12/31/2016**
Shopping Malls				
BH Shopping	Belo Horizonte	1979	80.0	80.0
RibeirãoShopping	Ribeirão Preto	1981	81.6	80.0
BarraShopping (i)	Rio de Janeiro	1981	65.8	65.8
MorumbiShopping (i)	São Paulo	1982	73.7	73.7
ParkShopping	Brasília	1983	61.7	61.7
DiamondMall	Belo Horizonte	1996	90.0	90.0
New York City Center	Rio de Janeiro	1999	50.0	50.0
Shopping Anália Franco	São Paulo	1999	30.0	30.0
ParkShopping Barigui (ii)	Curitiba	2003	93.3	84.0
Pátio Savassi	Belo Horizonte	2004	96.5	96.5

			Interest - %	
Joint venture	**Location**	**Start-up of operations**	**12/31/2017**	**12/31/2016**
Shopping Malls				
Shopping Santa Úrsula	Ribeirão Preto	1999	62.5	62.5
BarraShopping	Porto Alegre	2008	100.0	100.0
Shopping Vila Olímpia	São Paulo	2009	60.0	60.0
ParkShoppingSãoCaetano	São Caetano	2011	100.0	100.0
JundiaíShopping	Jundiaí	2012	100.0	100.0
ParkShoppingCampoGrande	Rio de Janeiro	2012	90.0	90.0
VillageMall	Rio de Janeiro	2012	100.0	100.0
Parque Shopping Maceió	Maceió	2013	50.0	50.0
Parkshopping Canoas	Canoas	2017	80.0	0.0

(i) As of September 1, 2016, the Company acquired an interest equivalent to 10.3% of GLA from Barra Shopping and 8.0% of GLA from Morumbi Shopping by the amounts of R$ 311,122 and R$ 184,790, respectively, with Fundação Sistel de Seguridade Social. On the same date, the Company indicated Multiplan Barra 1 Empreendimentos Imobiliários Ltda and Multiplan Morumbi 1 Empreendimentos Imobiliários Ltda to purchase these shares, respectively.

On November 9, 2016, the Company acquired an interest equivalent to 4.5% of ABL do Barra Shopping for the amount of R$ 143,877, with Carvalho Hosken S.A. On the same date, the Company indicated Multiplan Barra 1 Real Empreendimentos Imobiliários Ltda for acquisition of this interest.

(ii) On January 11, 2017, the Company acquired, through its subsidiary Multiplan Greenfield XI Empreendimento Imobiliário Ltda, 9.333% of the ideal fraction of ParkShopping Barigui held by Invest Bens Administradora de bens S/A for the price of R$ 91,000. Such amount will be settled in 24 consecutive monthly installments, bearing interest at the CDI rate from the execution date until the actual due date of each installment.

As of December 31, 2017, the Company is the legal representative and manager of all above mentioned shopping malls, except for Parque Shopping Maceió.

The activities performed by the major investees are summarized below (see information on Company’s equity interest in these investees in Note 2.3):

a. Multiplan Administradora de Shopping Centers Ltda.

Works in management of own shopping malls’ parking lots and in provision of related services.

b. SCP Royal Green Península

On February 15, 2006, a Special Partnership Organization Agreement (SCP) wad formed between the Company and its parent company, Multiplan Planejamento, Participações e Administração S.A. (“MTP”) to build a residential real estate project named “Royal Green Península”.

c. MPH Empreendimento Imobiliário Ltda.

The Company has an interest of 100% in MPH Empreendimento Imobiliário Ltda., and 50% is direct and 50% by means of its subsidiary Morumbi Business Center Empreendimento Imobiliário Ltda. MPH Empreendimento Imobiliário Ltda. was established on September 1, 2006 and is specifically engaged in developing, interest, and exploring Shopping Center Vila Olímpia, which is located in São Paulo city and state; it holds 60% interest.

d. Manati Empreendimentos e Participações S.A.
It is engaged in commercially exploring own parking lot and that of Shopping Center Santa Úrsula located in the city of Ribeirão Preto, São Paulo State. Control over Manati Empreendimentos e Participações S.A. is shared by the Company and Aliansce Shopping Centers S.A. ("Aliansce").

e. Parque Shopping Maceió S.A.
It is engaged in commercial exploration of Parque Shopping Maceió and surrounding real estate projects, all of them located in the city of Maceió, Alagoas State, as well as in managing own parking lots and garages. The interest of Parque Shopping Maceió S.A. is shared by the Company and Aliansce.

f. Danville SP Empreendimento Imobiliário Ltda.
It is engaged in developing real estate project located in the city of Ribeirão Preto, São Paulo State.

g. Multiplan Greenfield I Empreendimento Imobiliário Ltda.
It is engaged in developing and trading real estate commercial project "Diamond Tower", located in the city of Porto Alegre, Rio Grande do Sul State.

h. BarraSul Empreendimento Imobiliário Ltda.
It is engaged in developing and trading real estate home project "Résidence du Lac", located in the city of Porto Alegre, Rio Grande do Sul State.

i. Ribeirão Residencial Empreendimento Imobiliário Ltda.
It is engaged in developing and trading real estate home developments located in the city of Ribeirão Preto, São Paulo State.

j. Morumbi Business Center Empreendimento Imobiliário Ltda.
It is engaged in developing and trading real estate project commercial MorumbiBusinessCenter, located in the city and state of São Paulo, and has indirect interest of 30% in Shopping Vila Olímpia through interest of 50% held in MPH Empreendimento Imobiliário Ltda., which, on its turn, holds 60% of said shopping mall. The Company has 100.0% of interest in Morumbi Business Center Empreendimento Imobiliário Ltda.

k. Multiplan Greenfield II Empreendimento Imobiliário Ltda.
It is engaged in developing and trading real estate project "Morumbi Golden Tower", located in the city and state of São Paulo.

l. Multiplan Greenfield IV Empreendimento Imobiliário Ltda.
It is engaged in developing and trading real estate project "Morumbi Diamond Tower", located in the city and state of São Paulo.

m. Jundiaí Shopping Center Ltda.
It is engaged in exploring Shopping Center Jundiaí, located in the municipality of Jundiaí, São Paulo State, holding 100% of interest in it.

n. Pátio Savassi Administração de Shopping Center Ltda.
It is engaged in managing parking lot of Shopping Pátio Savassi, located in the city of Belo Horizonte, Minas Gerais State.

o. ParkShopping Campo Grande Ltda.
It is engaged in exploring ParkShopping Campo Grande, located in the city of Rio de Janeiro, Rio de Janeiro State, holding 90% of interest. The Company currently has 100.0% of interest in ParkShopping Campo Grande Ltda.

p. ParkShopping Corporate Empreendimento Imobiliário Ltda.
It is engaged in developing and trading real estate project commercial "ParkShopping Corporate", located in Brasília, Distrito Federal.

q. ParkShopping Canoas Ltda.
It is engaged in exploring ParkShopping Canoas, located in the city of Canoas, in the State of Rio Grande do Sul, holding 84.5%. The Company has 94.67% of interest in ParkShopping Canoas Ltda.

r. ParkShopping Global Ltda.
It is engaged in developing and trading real estate project located in the city and state of São Paulo.

s. ParkShopping Jacarepaguá Ltda.
It is engaged in developing and trading of ParkShopping Jacarepaguá located in the city and state of Rio de Janeiro.

t. Multiplan Greenfield XI Empreendimento Imobiliário Ltda.
It operates in the development and trading of ParkShopping Barigui located in Curitiba, Paraná.

u. Multiplan Barra 1 Empreendimento Imobiliário Ltda.
It is engaged in developing and trading of Barra Shopping located in the city and state of Rio de Janeiro.

v. Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.
It is engaged in developing and trading of Morumbi Shopping located in the city and state of Rio de Janeiro.

w. Other investees

The investees Multiplan Greenfield III Empreendimento Imobiliário Ltda., Multishopping Shopping Center Ltda., Multiplan Greenfield XII Empreendimento Imobiliário Ltda., Multiplan Greenfield XIII Empreendimento Imobiliário Ltda., Multiplan XVI Empreendimento Imobiliário Ltda., Multiplan XVII Empreendimento Imobiliário Ltda., Multiplan XVIII Empreendimento Imobiliário Ltda., Multiplan XIX Empreendimento Imobiliário Ltda., Multiplan XX Empreendimento Imobiliário Ltda., Multiplan Golden I Empreendimento Imobiliário Ltda., Multiplan Golden II Empreendimento Imobiliário Ltda., Multiplan Golden III Empreendimento Imobiliário Ltda., Multiplan Golden IV Empreendimento Imobiliário Ltda., Multiplan Golden V Empreendimento Imobiliário Ltda., Multiplan Golden VI Empreendimento Imobiliário Ltda., Multiplan Golden VII Empreendimento Imobiliário Ltda., Multiplan Golden VIII Empreendimento Imobiliário Ltda., Multiplan Golden IX Empreendimento Imobiliário Ltda., Multiplan Golden X Empreendimento Imobiliário Ltda., Multiplan Golden XI Empreendimento Imobiliário Ltda., Multiplan Golden XII Empreendimento Imobiliário Ltda., Multiplan Golden XIII Empreendimento Imobiliário Ltda., Multiplan Golden XIV Empreendimento Imobiliário Ltda., Multiplan Golden XV Empreendimento Imobiliário Ltda., Multiplan Golden XVI Empreendimento Imobiliário Ltda., Multiplan Golden XVII Empreendimento Imobiliário Ltda. and Multiplan Golden XVIII Empreendimento Imobiliário Ltda. have the following business purpose: (i) planning, implementation, development and trading of real estate projects of any nature; (ii) purchase and sale of real estate and acquisition and disposal of real estate rights and their operation; (iii) the provision of management and administrative services for shopping centers; (iv) the provision of technical advisory and support services concerning real estate issues; (v) civil construction, the execution of construction works and rendering of engineering and similar services in the real estate market; and (vi) development, promotion, management and planning of real estate projects.

2 Presentation of financial statements and accounting policies

2.1 Statement of conformity regarding the IFRS and Accounting Pronouncement Committee - CPC standards

These financial statements include:

a. The consolidated financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil (BRGAAP), and taking into consideration OCPC 4 guidance on the application of Technical Interpretation ICPC 02 to Brazilian real estate development companies, issued by the Accounting Pronouncement Committee (CPC) and approved by the Securities Commission (CVM) and the Federal Accounting Council (CFC);

b. The parent company's financial statements, prepared in accordance with the accounting practices adopted in Brazil, which comprise the CVM standards and the pronouncements, interpretations and guidance issued by CPC, CVM and CFC, including OCPC 04 - Guidance on the application of Technical Interpretation ICPC 02 to Brazilian Real Estate Development Entities.

In addition, the Company considered the guidelines provided for in Technical Guideline OCPC 07, issued by CPC in November 2014, in the preparation of its financial statements. Accordingly, relevant information of the financial statements is being evidenced and corresponds to the information used by management when administrating.

In the parent company financial statements, jointly-owned subsidiaries and operations, with or without a legal personality, are accounted for under the equity method and adjusted in proportion to the interest held in the Group’s contractual rights and obligations. The same adjustments are made both in individual financial statements, in order to arrive at the same net income and equity attributable to the Parent company's shareholders. In the case of Multiplan Empreendimento Imobiliários S.A., the accounting practices adopted in Brazil applicable to the parent company financial statements differ from IFRS applicable to separate financial statements only in relation to the measurement of investments in subsidiaries, joint ventures and associated companies based on the equity accounting method, instead of cost or fair value in accordance with IFRS.

Since the differences between consolidated shareholders' equity and consolidated income (loss) attributable to the parent company's shareholders, included in consolidated financial statements prepared in accordance with IFRS and Brazilian accounting practices, and shareholders' equity and parent company result, included in individual financial statements prepared in accordance with Brazilian accounting practices are not material and are detailed in Note 2.31.b, the Company opted to present these individual and consolidated financial statements in a single set, side by side.

2.2 Measuring basis

The consolidated financial statements have been prepared based on the historical cost, except for certain financial instruments measured at fair value, as described in the note 25 below.

2.3 Basis of consolidation

As of December 31, 2017 and 2016, the consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, as follows:

	Interest %			
	December 31, 2017		December 31 2016	
Corporate name	**Direct**	**Indirect**	**Direct**	**Indirect**
RENASCE - Rede Nacional de Shopping Centers Ltda.	99.99	-	99.99	-
County Estates Limited	-	99.00	-	99.00
Embassy Row Inc.	-	99.00	-	99.00
Embraplan Empresa Brasileira de Planejamento Ltda.	99.99	-	99.99	-
CAA Corretagem e Consultoria Publicitária Ltda.	99.00	-	99.00	-
Multiplan Administradora de Shopping Centers Ltda.	99.00	-	99.00	-
CAA Corretagem Imobiliária Ltda.	99.61	-	99.61	-
MPH Empreendimento Imobiliário Ltda.	50.00	50.00	50.00	50.00
Danville SP Empreendimento Imobiliário Ltda.	99.99	-	99.99	-
Multiplan Holding S.A.	100.00	-	100.00	-
Multiplan Greenfield I Empreendimento Imobiliário Ltda.	99.99	-	99.99	-
Barrasul Empreendimento Imobiliário Ltda.	99.99	-	99.99	-
Ribeirão Residencial Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Morumbi Business Center Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Pátio Savassi Administração de Shopping Center Ltda.	99.90	-	99.90	-
Jundiaí Shopping Center Ltda.	99.90	-	99.90	-
ParkShopping Campo Grande Ltda.	99.90	-	99.90	-
ParkShopping Corporate Empreendimento Imobiliário Ltda	99.90	-	99.90	-

	Interest %			
	December 31, 2017		December 31 2016	
Corporate name	**Direct**	**Indirect**	**Direct**	**Indirect**
Multiplan Arrecadadora Ltda.	99.90	-	99.90	-
ParkShopping Global Ltda.	87.00	-	87.00	-
ParkShopping Canoas Ltda.	94.67	-	94.67	-
Multishopping Shopping Center Ltda.	99.90	-	99.90	-
ParkShopping Jacarepaguá Ltda.	99.90	-	99.90	-
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden I Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden II Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden III Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden IV Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan XVI Empreendimento Imobiliário Ltda.	99.90	-	-	-
Multiplan XVII Empreendimento Imobiliário Ltda.	99.90	-	-	-
Multiplan XVIII Empreendimento Imobiliário Ltda.	99.90	-	-	-
Multiplan XIX Empreendimento Imobiliário Ltda.	99.90	-	-	-
Multiplan XX Empreendimento Imobiliário Ltda.	99.90	-	-	-

The financial statements of subsidiaries are prepared for the same reporting period that the parent company, using consistent accounting policies.

All intragroup balances, income and expenses are fully eliminated.

The reconciliation between the net income for the years ended December 31, 2017 and 2016 between the parent company and consolidated is as follows:

	Net income for the year	
	12/31/2017	**12/31/2016**
Parent company	370,055	311,542
Equity in the earnings of County's profit or loss for the period (a)	(654)	400
Consolidated	369,401	311,942

(a) Subsidiary Renasce holds 100% in the County's capital, whose main activity is the investment in subsidiary Embassy. In order to properly prepare the Multiplan's individual and consolidated balances, the Company adjusted the Renasce's capital and the investment calculation for consolidation purposes only. Adjustment relating to the Company's equity in the earnings of County not reflected on equity in the earnings of Renasce.

2.4 Significant accounting policies

a. Subsidiaries

Subsidiaries are all entities (including structured entities) that the Company controls. Multiplan Group controls an entity when it is exposed or is entitled to variable returns deriving from its involvement with the entity and has the capacity of interfering in these returns due to the power it has over the entity. The subsidiaries are fully consolidated as of the date control is transferred to the Group. Consolidation is interrupted beginning as of the date in which the Group no longer holds control.

Multiplan's investments in its subsidiaries are accounted for under the equity method.

The statement of income reflects the share of gains or losses arising from the subsidiaries' transactions. When a change is directly recognized in the subsidiaries' equity, the Company will recognize its share in the changes and report such fact in the statement of changes in statements of changes in shareholders' equity, when applicable. Unrealized gains and losses arising from transactions between the Company and its subsidiaries are eliminated based on the interest held in the subsidiaries.

b. Joint ventures

Investments in joint ventures are accounted for at the equity method and initially recognized at cost. The Group's investment in associated companies and joint-ventures includes goodwill identified in acquisition, net of any accumulated impairment losses.

The Group's interest in income or losses of its joint ventures is recognized in the statement of income, and interest in changes in reserves is recognized in the Group's reserves. When the Group's interest in losses of a joint venture is equal to or higher than investment book value, including any other receivables, the Group does not recognize additional losses unless it has incurred obligations or made payments on behalf of the jointly-controlled subsidiary.

Unrealized gains from transactions between the Group and its joint-ventures are eliminated proportionately to the Group's interest. Non-realized losses are also eliminated, unless the transaction shall provide evidence of a loss (impairment) of the asset transferred. The accounting policies of associated companies are amended as required, to ensure compliance with policies adopted by the Group.

2.5 Functional and presentation currency

The functional currency of the Company and its subsidiaries in Brazil and abroad is the Brazilian real, the same currency used to prepare and present the parent company and consolidated financial statements. All financial information presented in BRL has been rounded to the nearest value, except otherwise indicated.

2.6 Income recognition

Income is recognized to the extent it is likely that economic benefits will be generated for the Company and when it can be measured reliably. The income is measured based on the fair value of the consideration received, excluding discounts, rebates, taxes or charges over sales. The Company assesses income transactions according to the specific criteria to determine whether it is acting as agent or principal and, at the end, concluded that it is acting as principal in all its income contracts. Also, the following specific criteria shall be addressed before the income recognition:

Stores leased

The tenants of commercial units generally pay a rent corresponding to the higher of a minimum monthly amount, adjusted annually based on the General Price Index - Internal Availability - IGP-DI fluctuation or the amount arising from the application of a percentage on each tenant's gross sales income.

The Company records store lease transactions as operating leases. Minimum rent value, including periodic fixed increases provided for in contracts and excluding inflation adjustments, are recognized in proportion to the Company's interest in each enterprise, at the straight-line basis over respective contracts' periods, regardless of receipt form.

Operations of the Company, its subsidiaries and jointly-controlled subsidiaries are seasonal. Historically, celebration days and holidays, such as Christmas, Mother's Day and others, have a positive impact on our shopping malls' sales.

Key money

Contracts for the concession of rights (key-money or granting of shopping malls' technical structure) are accounted for as deferred income in liabilities, at the time it is signed. Income from Key money, including income from Key money, inverted key money (transfer of funds given by the entrepreneur to the storeowner to encourage participation in the shopping mall) and brokerage expenses are recognized at the straight-line method, based on term of rent contract for the store to which they refer, beginning as of start of rent period.

Sale of properties

For installment sales of a completed unit, income is recognized at the time the sale is performed, regardless of the term for receipt of the amount established by contract.

Fixed-rate interest is recognized in profit or loss on the accrual basis, irrespective of whether it is actually received or not.

Regarding sales of incomplete units, the Company recognizes income and corresponding costs of real estate transactions based on OCPC 01 (R1), that is, based on percentage of construction work progress. In accordance with provisions of OCPC 04, a contract for the construction of property may be classified in CPC 17 Construction Contracts or in CPC 30 Income. In case contract is classified in CPC 17, income will be recognized according to construction work progress. Assuming the hypothesis of classification in CPC 30, discussion goes to the issue of transferring significant control, risks and benefits continuously or in a single event ("keys delivery"). In case transfer is continuous, income must be recognized according to construction work progress. Otherwise, it will occur only upon delivery of keys. Procedures carried out by the Company are as follows:

Incurred costs are accumulated in caption "Inventories" and fully recognized in income when units are sold. After sale, costs to be incurred for completion of the unit under construction are recognized in income as they occur.

(i) Percentage of cost incurred for units sold is calculated in relation to total budgeted cost and foreseen up to completion of construction work. Found percentage is applied to sold units' sales price adjusted by selling expenses and other contract conditions. Found result is recorded as income in contra-entry to accounts receivable or possible advances that have been received.

Thereafter and until the construction work is completed, the unit's sale price will be recognized in profit or loss as income proportionately to the costs incurred to complete the unit, in relation to total budgeted cost.

Alterations in project execution and conditions, as well as in the estimated profitability, including changes arisen from penalty covenants and contractual settlements, which may result in cost and income reviews, are recognized in the period in which such reviews are carried out.

(ii) Sales revenues, including inflation adjustment, less installments received, are recorded as accounts receivable or advances from clients, as applicable.

Parking

Refers to income from the operation of parking lots in shopping malls, recognized in profit or loss on an accrual basis.

Services

Refers to income from rendering of brokerage services and advisory of promotional and publicity nature to rent and/or trade commercial spaces (merchandise), income from rendering of specialized brokerage services and advisory on real estate businesses in general, income from management of construction work and income from administration of shopping malls. The accrual basis is adopted for recording income of the company.

2.7 Expense recognition

Expenses are recognized on an accrual basis.

2.8 Financial instruments

Financial instruments are recognized only as from the date the Company becomes a party to their provisions. Upon recognition, they are initially recorded at fair value plus any transaction costs directly assignable to its acquisition or issuance, expect for financial assets and liabilities classified into the category at fair value through profit or loss, in which such costs are directly charged to income for the year. They are then measured at the end of each reporting period, in accordance with the standards established for each type of classification of financial assets and liabilities.

(i) Financial assets

Initial recognition and measurement

The main financial assets recognized by the Company are: Cash and cash equivalents, restricted short-term investments (recorded in line item “Other - Non-current assets”), trade accounts receivable and accounts receivable from related parties.

Financial assets measured at fair value through profit or loss

Include financial assets held for trading and assets stated at fair value through profit or loss on initial recognition. They are classified as held for trading in case they have been originated for the purpose of sale or repurchase in the short term. At each balance sheet date are measured at fair value and their fluctuations are recognized in income. Any interest, inflation adjustment, exchange-rate change and any changes from evaluation at fair value are recognized in income when incurred in the financial income or expenses line.

Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intention and ability to hold to maturity. After the initial recognition they are measured at the amortized cost by based on the effective interest rate method, less possible impairments. This method uses a discount rate that, when applied to estimated future receivables, along the expected financial instrument duration, results in net book value. Any interest, inflation adjustment, and exchange-rate change, less impairment losses, when applicable, are recognized in income when incurred in the financial income or expenses line.

Financial assets available for sale

Financial assets available for sale correspond to non-derivative financial assets that are designated as “available-for-sale” or are not classified as: (a) loans and receivables, (b) investments held-to-maturity, or (c) financial assets at fair value through profit or loss.

After the initial recognition, they are measured at fair value, and changes, except those due to impairment losses, are recognized in other comprehensive income and presented in shareholders’ equity. When an investment is written off, the accumulated income (loss) in other comprehensive income is transferred to the income statement.

Loans and receivables
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any transaction costs directly assignable. After the initial recognition they are measured at the amortized cost by based on the effective interest rate method, less any impairment. Any interest, inflation adjustment, and exchange-rate change, less impairment losses, when applicable, are recognized in income when incurred in the financial income or expenses line.

(ii) Financial liabilities
Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and financing or derivatives classified as hedge instrument, as the case may be. The Company determines classification of its financial liabilities upon initial recognition, on date of negotiation in which the Company becomes one of the instrument’s contract provisions. The Company writes off a financial liability when its contractual obligations are identified, canceled or expire.

Financial liabilities are initially stated at fair value and, in the case of loans and financing, are increased by directly related transaction costs.

Main financial liabilities recognized by the Company are: loans and financing, debentures and obligations from acquisition of assets.

Financial liabilities at fair value through profit or loss
They include financial liabilities usually traded before maturity, liabilities designated in the initial recognition at fair value through profit or loss. They are measured at fair value at every balance sheet date. Interest, inflation adjustment, exchange-rate change and changes from measurement at fair value, when applicable, are recognized in income when incurred.

Financial liabilities not measured at fair value through profit or loss
The other financial liabilities (including loans, suppliers and other accounts payable) are measured at the amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating its interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the financial liability or, when appropriate, over a shorter period, to the net book value of the financial asset or financial liability.

Financial assets and liabilities are offset and the net value reported in the balance sheet only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Company’s financial assets and liabilities are described in detail in Note 25.

2.9 Adjustment to present value of assets and liabilities

Long-term monetary assets and liabilities are adjusted for inflation and, therefore, adjusted to their present value. The adjustment to present value of short-term monetary assets and liabilities is calculated, and only recognized, if it is considered as relevant with respect to the financial statements taken as a whole. For recognition and materiality determination purposes, the adjustment to present value is calculated taking into consideration the contractual cash flows and the explicit interest rate, and, in certain cases, the implicit interest rate of the related assets and liabilities.

2.10 Shares in treasury

Own equity instruments that are bought back (Shares in treasury) and recognized at cost, and deducted from shareholders' equity. No gain or loss is recognized in the income statement on the purchase, sale, issuance or cancellation of the Company's equity instruments.

2.11 Investment properties

Investment properties are stated at the cost of acquisition or construction, net of the related accumulated depreciation, calculated on the straight-line basis at rates which take into consideration the estimated useful lives of the assets. Possible costs incurred on the maintenance and repair of investment property are accounted for only when the economic benefits associated to these items are probable and the amounts can be reliably measured, while other costs are directly allocated to profit or loss when incurred. The recovery of investment properties through future transactions, as well as their useful lives and residual value are monitored on an ongoing basis and adjusted prospectively, if necessary. Fair values of investment properties are determined in December quarterly, only for disclosure purposes.

Investment property is a property held to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of business, supply of services or for administrative purposes. Buildings and improvements classified as property for investment are measured at cost for initial recognition and depreciated over the useful life period from of 30 to 50 years.

Following CPC 28, the Company and its subsidiaries record Shopping Malls in operation and under development as investment property, since these commercial undertakings are kept for the purposes of operational lease.

Goodwill from the fair value in subsidiaries are recorded as investment property and depreciated using the straight-line basis. Cost includes expenses directly attributable to the acquisition of an investment property. In the event an owner builds an investment property, cost is considered as the capitalized interest on loans, the material used, direct labor, or any other cost directly attributable to bringing the investment property to a working condition for its intended purpose.

The interest capitalized refers to loans taken by the Company to the pre-operating stage or enterprises under revitalization or expansion, and may also refer to fund the joint ventured under construction.

Costs referring to repurchase of commercial spot are added to the value of respective investment properties. Recognition of commercial spot repurchases are carried out according to rent term of leased asset.

2.12 Property, plant and equipment

Property, plant and equipment is recorded by the acquisition, formation or construction cost, less accumulated depreciation and impairment losses, calculated using the straight-line method based on rates determined by the assets' estimated useful life. Expenses incurred with repairs and maintenance are only accounted for if the economic benefits associated with these items are probable and the amounts are measured in a reliable manner, while the other expenses are recorded directly in income/loss when incurred. The recovery of fixed assets by means of future operations as well as the useful lives and the residual value of this property are monitored, reviewed periodically and adjusted prospectively, if necessary.

The useful estimated lives for the current and comparative periods are as follows:

	12/31/2017 and 12/31/2016
Machinery and equipment, Furniture and fixtures, and Facilities.	10 years
Buildings and improvements	25 years
Other components	5-10 years

2.13 Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the 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 a straight-line basis over the period of the lease. Lease contracts entered into by the Company as the lessor are recognized as mentioned in Note 4.

2.14 Borrowing costs

Interest and financial charges on loans for investment in construction in progress are capitalized until assets start to operate and are depreciated based on the same criteria and useful life determined for the property, plant and equipment item or investment property in which they were included and capitalized. All other loan costs are accounted for as expenses when incurred.

2.15 Intangible assets

Intangible assets acquired separately are stated at cost on initial recognition and, subsequently, are stated less accumulated amortization and impairment losses, where applicable.

Intangible assets with defined useful life are amortized over their estimated useful-economic lives of the assets and, when indications of impairment are identified, submitted to impairment test. Intangible assets with undefined useful lives are not amortized but subject to annual test of impairment losses.

The goodwill arising from the acquisition of subsidiaries and grounded on future profitability is recorded as intangible asset in accordance with CPC 04 (R1) - Intangible assets, supported by Securities Commission Resolution No. 644 of December 2, 2010.

2.16 Land and properties held for sale

Evaluated at acquisition or construction cost, which does not exceed its realizable net value. The Company considers in current assets those projects that have already been launched and are, therefore, available for sale. Other projects are classified in non-current assets.

2.17 Property acquisition obligations

Obligations established in contract for land acquisition are recorded at the original value plus, when applicable, corresponding charges and pecuniary restatements.

2.18 Impairment loss for non-financial assets

Management reviews annually the net book value of assets to assess events or changes in economic, operating or technological circumstances that might indicate an impairment of assets. If these evidences are detected and the net book value exceeds recoverable value, a deterioration provision is created to adjust net book value to recoverable value.

The recoverable value of an asset or a certain cash-generating unit is defined as the higher of the fair value less sales expenses.

In estimating the value in use of an asset, estimated future cash flows are discounted to their present values, using a pretax discount rate that reflects the weighted average cost of capital in the industry where the cash-generating unit operates. The net sales value is determined, whenever possible, based on a firm sales agreement at arm’s length, entered into among knowledgeable, willing buyers and knowledgeable, willing sellers, adjusted by expenses attributable to the sale of the asset, or, in case of lack of a firm sales agreement, based on the fair value in an active market or the most recent price of the transaction carried out with similar assets.

In case of goodwill paid upon acquisition of investments, recoverable value is estimated on an annual basis. Impairment losses are recorded when the book value of the goodwill allocated in the “UGC - cash-generating unit” exceeds its recoverable value. Goodwill recoverable value is determined by comparing it with fair value of investment properties that originated goodwill. Assumptions used to determine fair value of investment properties are detailed in note 9.

Impairment losses are recognized in profit or loss. Losses on the “UGCs” are initially allocated in the reduction of any goodwill related to such “UGC” and, subsequently, in the reduction of other assets of this “UGC’.

An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the book value that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company did not identify in any of presented years impairment losses to be recognized.

2.19 Cash and cash equivalents

These include cash, positive balances in current accounts and short-term investments readily convertible into known amounts of cash and subject to insignificant risk of change in value. Short-term investments included in cash equivalents are classified as “financial assets measured at fair value through profit or loss”.

2.20 Accounts receivable

Presented at contract values including, when applicable, earnings and earned inflation adjustments. Allowance for doubtful accounts is recognized at an amount considered sufficient by Management to cover probable losses upon realization of accounts receivable, considering criteria described in note 4.

2.21 Provisions

Provisions are recognized for present (legal or presumed) obligations resulting from past events, for which it is possible to reliably estimate amounts and whose settlement is probable. The amount recognized as reserve is the best estimate of the expenditure required to settle the obligation at the end of each reporting period, considering the risks and uncertainties inherent to such obligation.

When a provision is measured based on the estimated cash flows to settle an obligation, its book value corresponds to the present value of such cash flows (where the effect of the time value of money is material).

The Company is a party to several judicial and administrative proceedings. Provisions are recognized for all lawsuits and administrative proceedings for which a disbursement to settle contingency/obligation is probable and may be fairly estimated. The likelihood assessment includes assessing available evidences, the hierarchy of laws, available previous decisions, most recent court decisions and their relevance within the legal system, and the assessment of the outside legal counsel. Provisions are reviewed and adjusted so as to consider changes in circumstances, such as applicable statute of limitations, conclusions of tax audits or additional exposures identified based on new matters or court rulings.
The contingencies whose risks were assessed as possible are disclosed in the Note 17.

2.22 Other liabilities and assets

A liability is recognized in the balance sheet when the Company has a legal obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. Some liabilities involve uncertainties as to the term and amount and are estimated as incurred and recorded through a provision. Reserves are recognized based on the best estimates of the risk involved.

An asset is recognized in the balance sheet when it is probable that its future economic benefits will flow to the Company and its cost or amount can be measured reliably.

Assets and liabilities are classified as current when their realization or settlement is likely to occur within the next twelve months. Otherwise, they are presented as non-current.

2.23 Taxation

Sales and service income is subject to the following taxes and contributions, and the following basic rates:

		Rates - Parent company and subsidiaries	
Tax	Acronym	Taxable income	Deemed profit
Contribution to Social Integration Program	PIS	1.65%	0.65%
Contribution for Social Security Funding	COFINS	7.6%	3.0%
Service tax	ISS	2-5%	2-5%

These taxes are presented as sales deductions in the income statement. Credits deriving from PIS/COFINS non-cumulativeness are presented in caption taxes and contributions on sales and services in the statement of income.

Taxes on income comprise income tax and social contribution. Income tax is calculated on taxable income at the rate of 25% and social contribution at the rate of 9%, and recognized at the accrual system.

As permitted by tax law, some companies of Multiplan Group with annual income lower than R$78,000 in immediately prior year opted for deemed profit basis. In this case, income tax calculation basis was determined considering the application of deemed percentages of 8%, 32% and 100%, depending on income nature, as provided for in tax law. Social contribution calculation basis, in this scenario, was determined based on the application of deemed rates of 12%, 32% and 100%, also depending on the nature of income.

Current corporate income tax and social contribution on net income represent taxes payable. Deferred income tax and social contribution are recognized on temporary differences and tax losses. Note that deferred tax credits are recognized to the extent of the existence of future positive bases.

Income tax and social contribution expenses include both current and deferred effects.

Current taxes are stated in assets/liabilities at net values when taxes payable and taxes to offset have the same nature.

Accordingly, deferred income tax and social contribution are also stated at their net effects on assets/liabilities, as required by CPC 32.

2.24 Employee benefits

Employee short-term benefits are measured on a non-discounted basis and incurred as expenses as the related service is rendered.

The liability is recognized at the amount expected to be paid under the cash bonus plans or short-term profit sharing if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

2.25 Share-based payments

a. *Stock option plan*

The Company granted to officers, employees and service providers of the Company or other companies under its control that were elected as participants of the program, a stock option plan that may be settled in shares, which may only be exercised after specific grace periods. These options are measured at fair value determined by the Black-Scholes pricing method on the dates stock option plans are granted, and are recorded in operating income (expenses) under "Expenses on share-based compensation", on a straight-line basis after the vesting periods, as a balancing item to "stock options granted" in capital reserves in shareholders' equity. See details in note 20 a.

b. *Long-term incentive plan*

The Company granted to officers, employees and service providers of the Company or other companies under its control that were elected as participants of the program, purchase options of investment units referred to in valuation of the Company's shares and that may be settled in cash, and redeemable after specific grace periods. These investment units are measured at fair value determined by the "Black-Scholes" evaluation method at the end of each accounting period, and are recognized in operating income at the straight-line method based on grace periods, as a contra-entry in liabilities. See details in note 20 b.

2.26 Earnings per share

The basic earnings per share are calculated based on the result for the financial year attributable to the Company's shareholders and the weighted average of outstanding common shares in the respective period. The diluted earnings per share are calculated based on the mentioned average of outstanding shares, adjusted by instruments that can potentially be converted into shares, with a dilution effect, in the years presented, pursuant to CPC 41/IAS 33.

2.27 Segment information

An operating segment is a component of the Company which engages in business activities from which it may earn income and incur expenses, including income and expenses relating to transactions with other components of the Company. All operating results of the operating segments are frequently reviewed by the Company management for decisions regarding the resources to be allocated to the segment to be taken and to assess their performance, for which individual financial information is available.

Segment results that are reported to Management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The unallocated items include mostly office expenses and income and social contribution tax assets and liabilities.

2.28 Statement of added value ("DVA")

The purpose of this statement is to evidence wealth created by the Company and its distribution during a certain period, and is presented by the Company as part of its individual and consolidated financial statements, whose presentation is required by the Brazilian corporate law for publicly-held companies and as supplementary information by IFRS's that do not require presentation of the statement of value added.

The statement of added value was prepared based on information obtained in the accounting records that serve as basis for the preparation of financial statements and in accordance with the provisions of CPC 09 - Statement of Added Value. The first part of the SAV presents the wealth created by the Company, represented by income (gross sales income, including taxes on sales, other income and the effects of the allowance for doubtful accounts), inputs purchased from third parties (cost of sales and purchases of materials, electric power, outside services, including taxes on purchases, effects of impairment and recovery of assets, and depreciation and amortization) and the value added received from third parties (share of profits (losses) of subsidiaries, financial income and other income). The second part of the DVA presents the distribution of wealth among employees, taxes and contributions, compensation to third parties and shareholders.

2.29 Statements of cash flows

The Company classifies in the statement of cash flows the interest paid as financing activities and the dividends received as investing activities since it understands that interest represent costs from its financial resources obtained and dividends represent the return on its investments.

2.30 Significant accounting estimates

These are realized for measurement and recognition of some assets and liabilities of the financial statement of the Company and its subsidiaries. These estimates were determined based on past and current events, assumptions about future events, and other objective and subjective factors. Significant items subject to estimates include selection of useful lives of property, plant and equipment and intangible assets, allowance for doubtful accounts, estimate of costs to be incurred, total budgeted cost of real estate projects, provision for losses in investments, analysis of recovery of fixed and intangible asset values, analysis of deferred income tax and social contribution realization, rates and terms applied to determine adjustment to present value of certain assets and liabilities, provision for lawsuits and administrative proceedings, measurement of share-based remunerations and financial instruments fair values, estimates for disclosure of sensitivity analysis chart of derivative financial instruments according to Securities Commission (CVM) Instruction no. 475/08, and calculation of fair value of investment properties. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the uncertainties inherent in the estimation process. Estimates and assumptions are based on the Company's management current expectations, projections of future events, and financial trends that affect or may affect the Company's businesses and, therefore, its financial statements.

These estimates and assumptions are prepared based on currently available information known by the Company' s management. Many important factors may adversely impact the Company's income; considering these risks and uncertainties, estimates and perspectives for the future may not become real. The Company reviews its estimates and assumptions at least on a quarterly basis, except for fair value of properties for investment that are reviewed on an annual basis.

2.31 New standards, amendments and interpretations

Several new standards will become effective for the years started after January 1, 2017. The Group did not adopt these amendments for preparation of these financial statements. The Group does not plan to adopt these standards in advance.

(a) **IFRS 9 *Financial instruments* -** In July 2014, the IASB issued the final version of IFRS 9, which replaces IAS 39 - Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. This pronouncement brings new approaches related to: (i) classification and measurement, (ii) impairment loss and (iii) hedge accounting. This pronouncement shall apply for annual periods beginning on or after January 1, 2018. This pronouncement became effective as of January 1, 2018 and the Company concluded that this pronouncement will not materially impact the financial statements.

(b) **IFRS 15 *Revenue from contracts with customers*** - In May 2014, the IASB issued IFRS 15, which replaces IAS 18 Revenue and related interpretations. This pronouncement establishes a five-stage model in which revenue is recognized as the performance obligations contained in the contract are met. The fundamental principle of this pronouncement is that revenue should only be recognized at the time of transfer of control of the goods and services promised to the customer and for an amount that reflects the consideration that the entity expects to be entitled to receive in exchange for these goods or services. This pronouncement became effective as of January 1, 2018 and the Company concluded that this pronouncement will not significantly impact the financial statements, since the Company does not have any real estate project for sale under construction on December 31, 2017.

(c) **IFRS 16 - *Leases* -** In January 2016, the IASB issued IFRS 16, replaces existing leasing standards, including CPC 06 (IAS 17) Leasing Operations and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) Complementary Aspects of Leasing Operations. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 introduces a single model for the accounting of leases in the balance sheet for lessees. A lessee recognizes a right of use asset that represents his right to use the leased asset and a lease liability that represents his obligation to make lease payments. It should be noted that no significant changes are expected in the lessor’s view. The Company performed an evaluation of the potential impacts of IFRS 16 on its financial statements and the significant impact identified for the initial period of application will be related to the Diamond Mall lease agreement. Currently, this agreement is treated as an operating lease, but will need to be accounted in the Company's balance sheet, in accordance with IFRS 16, as a right of use for the leased party, since this will be treated as a finance lease.

(d) **Other changes**: The following amended standards and interpretations should not have a material impact on the consolidated financial statements of the Group.

- Annual improvement cycle for IFRS 2014-2016 - Amendments to IFRS 1 and IAS 28.
- Amendments to CPC 10 (IFRS 2) Share-based compensation related to the classification and measurement of certain share-based compensation transactions.
- Transfers of Investment Property (Amendments to CPC 28 / IAS 40).
- Amendments to CPC 36 Consolidated Statements (IFRS 10) and CPC 18 Investments in Associates (IAS 28) related to sales or contributions of assets between an investor and its associated company or its jointly controlled entity.

- ICPC 21 / IFRIC 22 Foreign currency transactions and advance consideration.
- IFRIC 23 Uncertainty over Income Tax Treatments.

The Accounting Pronouncements Committee has not yet issued an accounting pronouncement or amendment to the current pronouncements corresponding to all new IFRS. Therefore, the early adoption of these IFRSs is not permitted for entities that disclose their financial statements in accordance with accounting practices adopted in Brazil.

3 Cash and cash equivalents and Financial Instruments

	December 31, 2017		December 31, 2016	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
Cash and cash equivalents				
Cash and banks	23,640	33,599	27,412	57,538
Financial Instruments - Bank Deposit Certificates (CDBs)	4,687	6,173	6,261	9,150
Financial Instruments - Purchase and sale commitments	14	14	16,868	38,959
Total cash and cash equivalents	28,341	39,786	50,541	105,647

These short-term investments are made with prime financial institutions, at market price and terms.

The short-term investments presented as cash and cash equivalent may be redeemed at any time without affecting earnings recognized or with no risk of significant change in value.

The Fixed Income Investment Funds - DI are non-exclusive funds classified by the Brazilian Financial and Capital Markets Association (ANBIMA) as short-term, low-risk funds. The funds' portfolios are managed by Bradesco Asset Management, Santander Asset, Itaú Asset and by the bank Banco do Brasil DTVM. The Company does not interfere with or influence the management of the portfolios or the acquisition and sale of the securities included in the portfolios.

	December 31, 2017		December 31, 2016	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
Financial Instruments - daily liquidity				
Investment fund DI - fixed income securities	709,620	856,245	357,944	361,721
Total Financial Instruments	709,620	856,245	357,944	361,721

The Company's exposure to interest rate risks, credit, liquidity and market risks, and sensitivity analysis of financial assets and liabilities are disclosed in Note 25.

4 Accounts receivable

	December 31, 2017		December 31, 2016	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
Rental	153,957	196,587	149,414	187,837
Straight line effect	22,452	39,446	23,075	42,342
Key money	21,354	30,639	27,219	46,675
Parking	12,326	22,145	10,805	19,957
Management fees (a)	8,891	8,891	9,115	9,115
Sales	1,428	1,428	1,463	1,463
Advertising	1,436	1,436	1,253	1,253
Sales of properties	22,031	97,758	36,776	133,243
Other	6,969	9,307	6,813	9,442
	250,844	407,637	265,933	451,327
Allowance for doubtful accounts (b)	(37,622)	(51,426)	(26,903)	(39,096)
	213,221	356,210	239,030	412,231
Non-current	(25,024)	(79,164)	(39,578)	(114,982)
Current	188,197	277,047	199,452	297,249

(a) Refer to the management fees receivable by the Company, charged the business or store owners of the shopping centers which it administrates, corresponding to a percentage of the store rent, the common charges of store owners, the financial management, and the promotion fund.

(b) The Company recognized an allowance for doubtful accounts based on the following criteria:

(i) **Store leases** - past due balance over than 180 days and amounts in excess of R$15 are individually analyzed, independently of the due date for all storeowners that already are considered in the allowance for doubtful accounts. In case of debt acknowledgments of rent, the Company records a provision for all balances overdue notwithstanding the maturity term;

(ii) **Key money** - All past due balance over 180 days and independent individual analysis regardless of the due date for all storeowners that already are considered in the estimated allowance for doubtful accounts. In case of debt acknowledgments of Key money, the Company records a provision for all balances overdue notwithstanding the maturity term;

It should be emphasized that the Company understands that there is a low risk relating to the property sales accounts receivable since such amounts are guaranteed by the property sold.

Breakdown of accounts receivable is by maturity age as follows:

		Balance past-due, but without impairment loss						
		Days:						
Parent company	**Balance due and without impairment loss**	**< 30**	**30-60**	**61-90**	**91-120**	**121-180**	**>180**	**Total**
12/31/2017	205,882	3,263	2,657	2,100	1,711	2,386	32,843	250,842
12/31/2016	226,459	4,829	2,224	1,838	1,660	2,869	26,054	265,933

		Balance past-due, but without impairment loss						
		Days:						
Consolidated	**Balance due and without impairment loss**	**< 30**	**30-60**	**61-90**	**91-120**	**121-180**	**>180**	**Total**
12/31/2017	336,105	8,404	3,466	3,703	2,727	3,488	49,743	407,636
12/31/2016	384,702	8,544	3,227	4,569	3,051	4,932	42,302	451,327

The changes in the allowance for doubtful accounts are as follows:

	Parent company	Consolidated
Balances at December 31, 2016	(26,903)	(39,096)
Adições	(11,307)	(14,106)
Write-off	588	1,776
Balances at December 31, 2017	(37,622)	(51,426)

Breakdown of aging of trade accounts receivable included in the allowance for doubtful accounts:

	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated
Days:				
< 60	(6,694)	(8,456)	(4,087)	(5,187)
60-120	(1,671)	(2,331)	(1,400)	(1,955)
120-180	(1,539)	(2,104)	(1,647)	(2,220)
180-240	(1,438)	(1,704)	(1,433)	(1,727)
>240	(26,280)	(36,831)	(18,336)	(28,007)
	(37,622)	(51,426)	(26,903)	(39,096)

The Company has operating lease agreements with the tenants of shopping mall stores (lessee) with a standard term of 5 years. Exceptionally, there may be agreements with differentiated terms and conditions.

For the years ended December 31, 2017 and 2016, the Company had billings of R$ 846,250 and R$ 680,184, respectively, from minimum rent in the Company’s interest only in relation to contracts prevailing at the end of each period, these presented the following renewal schedule:

	Consolidated	
	December 31, 2017	December 31, 2016
2016	-	3.7%
2017	-	14.6%
2018	14.4%	16.6%
2019	17.9%	18.9%
>2019	56.1%	39.1%
Undetermined (*)	11.6%	7.1%
Total	100.0%	100.0%

(*) Non-renewed agreements in which the parties may request termination via a prior legal notice (30 days).

5 Related party transactions

5.1 The main balances and transactions with related parties are as follow:

	December 31, 2017		December 31, 2016	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
Current assets:				
Sundry loans and advances				
Advances on shopping center chargers (a)	22,211	32,245	18,471	26,540
Shopping Center Associations (b)	1,555	1,742	3,150	3,334
Parkshopping Canoas (f)	246	-	152	-
Parkshopping Jacarepaguá (l)	70	-	40	-
Shopping Center Condominiums (c)	988	1,716	2,766	2,766
Loans - Other (d)	79	79	69	69
Subtotal	25,149	35,782	24,648	32,709
Provision for losses (a)	(22,211)	(32,245)	(18,471)	(26,540)
Total sundry loans and advances - current	2,938	3,537	6,177	6,169
Accounts receivable				
Multiplan Administradora de Shopping Centers Ltda. (e)	12,326	-	10,805	-
Total accounts receivable - current	12,326	-	10,805	-
Total current assets	15,264	3,537	16,982	6,169
Non-current assets:				
Sundry loans and advances				
Shopping Center Condominiums (c)	1,452	2,861	2,119	2,119
Shopping Center Associations (b)	8,395	8,579	8,308	8,687
Total sundry loans and advances - non-current	9,847	11,440	10,427	10,806
Current liabilities:				
Sundry loans and advances				
Multiplan Greenfield III Ltda (h)	20,266	-	-	-
Total sundry loans and advances - current	20,266	-	-	-
Non-current liabilities:				
Sundry loans and advances				
Multiplan Greenfield III Ltda (h)	81,066	-	-	-
Total sundry loans and advances - non-current	81,066	-	-	-

	Parent company	
	12/31/2017	**12/31/2016**
Statement of income:		
Income from services		
Multiplan Administradora de Shopping Centers Ltda. (e)	100,941	91,319
Income from rental Hot Zone (g)	738	612
Tantra Comércio de Artigos Orientais Ltda. - Morumbi Shopping (m)	-	61
Headquarters expenses		
Rental expense (i)	13	49
Shopping Mall expenses		
Multiplan Arrecadadora Ltda (j)	1,044	1,044
Services agreement		
Peres - Advogados, Associados S/C (k)	1,335	1,205
Net financial income (loss)		
Interest on loans and sundry advances (n)	1,424	2,221

	Consolidated	
	12/31/2017	**12/31/2016**
Statement of income:		
Income from rental Hot Zone (g)	1,045	1,335
Tantra Comércio de Artigos Orientais Ltda. - Morumbi Shopping (m)	-	61
Headquarters expenses		
Rental expense (i)	13	49
Services agreement		
Peres - Advogados, Associados S/C (k)	1,335	1,205
Net financial income (loss)		
Interest on loans and sundry advances (n)	1,498	2,356

(a) Prepayments of charges granted to condominiums of shopping malls owned by Multiplan Group, in light of the default of storeowners with the condominiums. An allowance for loan losses was set up for these advances in light of the probable risk of non-collection.

(b) Refer to advances granted to the Storeowners Association of the following Shopping Centers: BarraShopping Sul, ParkShoppingBarigui, BarraShopping, RibeirãoShopping and JundiaíShopping. These advances have interests based on the changes in the CDI rate, and will be fully settled between 2018 and 2022.

(c) These refer to loans made with the condominiums of VillageMall and BarraShopping that have interests based on the CDI change, and will be fully settled up to 2020.

(d) Refers to loans granted to employees, which are being repaid in annual installments.

(e) Refers to the portion of accounts receivable and income (loss) that the Company has with subsidiary Multiplan Administradora de Shopping Centers Ltda. manages the shopping malls' parking lots and transfer from 93% to 97.5% of net income to the Company. Note that whenever total expenses exceed the income generated, the Company is required to reimburse such difference to Multiplan Administradora de Shopping Centers Ltda plus 3% of monthly gross income. These amounts are billed and received on a monthly basis.

(f) These are amounts recoverable from the subsidiary ParkShopping Canoas Ltda., referring to the sharing of payroll expenses.

(g) Refers to amount billed as Hot Zone store leases entered into with Divertplan Comércio e Indústria Ltda, (lessee), where Multiplan Planejamento Participações e Administração S/A, a Company shareholder, holds 99% of the capital.

(h) Refers to the Public Purchase and Sale Deed dated March 29, 2017, between the subsidiary Multiplan Greenfied III Empreendimento Imobiliário LTDA (Grantor) and the Company Renasce Rede Nacional de Shopping Centers LTDA and its subsidiary (Grantees) whereas the Grantees acquired 37.23% of the property comprised by Prédio 3,650 at Av. das Américas, lote 2 of PAL 44,725. The purchase price was R$ 120,112 and will be paid as follows: (i) R$ 17,997 was paid in cash by the Company; (ii) R$ 101,986 will be paid by the Company in 5 annual and consecutive promissory notes, monetary updated by the General Market Price Index (IGP-M) plus interest of 2% per annum, and (iii) R$ 129 was paid in cash by Renasce.

(i) Refers to the lease agreement entered into with close family member of the Company's controlling shareholder of an office located in Centro Empresarial Barra Shopping, dated March 04, 2015. The agreement was effective for 24-month period, starting April 1, 2015 and lease payments were adjusted using the IPCA. The lease of the property was closed on March 31, 2017.

(j) Refers to rental collection services, common and specific charges, income from promotion fund and other income deriving from the operation and sale of office spaces of the Company and/or its subsidiaries.

(k) Refers to the addendum to the legal service agreement entered into by the Company and Peres - Advogados, Associados S/C, owned by a close family member of the Company's controlling shareholder, dated May 1st, 2011. The contract has an indefinite term of duration and establishes a monthly remuneration of R$ 50, adjusted by the Consumer Price Index (IPC) on an annual basis. Additionally, on April 20, 2017, the amounts of R$400 and R$ 180 on August 22, 2017, were paid as bonus.

(l) These are amounts recoverable from the subsidiary ParkShopping Jacarepaguá Ltda, referring to the sharing of payroll expenses.

(m) Refers to the lease agreement entered into with close family member of the Company's controlling shareholder of a kiosk located in MorumbiShopping. The contract had been in force since June 13, 2007, with annual adjustment by the IGP-DI (General Price Index), and on February 29, 2016, the area was returned and the kiosk contract terminated.

(n) It refers to the net financial income of interest on the various loans granted to related parties.

5.2 Remuneration of key management personnel

Remuneration of key personnel

The executive officers and directors, which have the decision power and the Company's operations control, are elected by the Board and considered key management personnel in accordance with the Company's Bylaws.

The key management personnel compensation accounted for in the statement of income by category is as follows:

	12/31/2017	**12/31/2016**
Short-term benefits	22,343	22,166
Stock option plan (to be settled in shares)	1,586	3,449
(*) Stock-based compensations (may be settled in cash - Phantom Stock Options)	18,266	2,616
	42,195	28,231

(*) The amount refers to the grant of investment units referred to in valuation of the Company's shares and that may be settled in cash, and redeemable after specific grace periods. These investment units, including the ones not yet exercisable, are marked to market on quarterly basis based on the market price of the share, and may affect the result upwards or downwards, as contra entry to liabilities, with no cash effect, by the beneficiaries, and the last one falls due in September 2020. See further details in Note 20 (b).

In year 2017, the investment units exercised by Management had an effect of R$ 6,853 on the Company's cash, although the effect on the result was R$ 18,266 due to the legal requirement of recording at fair value. There was no cash effect in 2016, since there was no tranche exercisable on this date.

In 2016, 1,311,000 investment units were granted to Management. In year 2017, there was no granting of investment units.

As of December 31, 2017, the key management personnel consisted of: 7 members of the Board of Directors and five directors.

The Company does not grant to the executive officers and directors benefits relating to the labor contract rescission beyond the ones foreseen in the applicable law.

6 Land and properties held for sale

	December 31, 2017		**December 31, 2016**	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
Land	17,076	272,880	58,702	247,120
Properties concluded	11,292	35,959	5,972	47,222
	28,368	308,839	64,674	294,342
Current	11,292	35,959	5,972	47,222
Non-current	17,076	272,880	58,702	247,120
	28,368	308,839	64,674	294,342

The Company reclassifies part of its inventories into non-current assets, according to launches scheduled for subsequent years, into the heading of "land for future development" or based on the completion schedule of its constructions, into the heading "construction in progress".

7 Income and social contribution taxes

The origin of deferred income and social contribution taxes is presented below:

	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated
Assets:				
Provision for legal and administrative proceedings	5,964	6,257	7,166	7,484
Allowance for doubtful accounts	35,711	42,697	24,834	30,795
Provision for losses on advances of charges	22,211	22,211	18,471	18,471
Accrued annual bonus (a)	29,482	29,482	36,357	36,357
Phantom Stock Options	35,930	35,930	7,277	7,277
Deferred assets (f)	4,019	4,019	4,160	4,160
Tax loss and negative basis of social contribution	-	117,928	-	81,653
Deferred tax asset base	133,317	258,524	98,265	186,197
Deferred income tax asset (c)	28,246	59,889	18,298	40,273
Deferred social contribution assets (c)	11,175	22,569	7,828	15,742
Subtotal	39,421	82,458	26,126	56,015
Liabilities:				
Unamortized goodwill on future earnings (d)	(316,845)	(316,845)	(316,845)	(316,845)
Straight-line income (e)	(4,849)	(5,184)	(9,160)	(13,047)
Income on real estate projects (f)	-	(61,838)	-	(81,798)
Depreciation (g)	(258,536)	(309,373)	(208,277)	(243,796)
Compound interest	(47,541)	(87,125)	(40,524)	(58,920)
Deferred tax liabilities base	(627,771)	(780,365)	(574,806)	(714,406)
Deferred income tax liabilities (c)	(156,944)	(180,881)	(143,703)	(159,804)
Deferred social contribution liabilities (c)	(56,498)	(65,339)	(51,731)	(57,823)
Subtotal	(213,442)	(246,220)	(195,434)	(217,627)
Deferred income and social contribution taxes, net	(174,021)	(163,762)	(169,308)	(161,612)

(a) For the calculation of deferred income tax, only the share of employee profit sharing was considered.

(b) The Company recognized deferred income tax by fully derecognizing deferred charges.

(c) In the consolidated, the basis for the deferred assets and liabilities are composed also by entities subject to the calculation of IRPJ and CSLL by the presumed income regime. For this reason, the effect of the taxes rates includes the taxes rates used in the income presumption, according to the federal law, and may vary depending on the income nature.

(d) Goodwill on acquisition of Multishopping Empreendimentos Imobiliários S.A., Bozano Simonsen Centros Comerciais S.A. and Realejo Participações S.A. based on expected future earnings. Such companies were then merged and the respective goodwill reclassified to intangible assets. These companies were subsequently merged and the related goodwill was reclassified to intangible assets. Pursuant to the new accounting standards, beginning January 1, 2009 such goodwill is no longer amortized and deferred income tax liabilities on the difference between the tax base and the book value of the related goodwill was accounted for. For tax purposes, the amortization of goodwill was terminated on November 2014.

(e) The Company formed income tax and social contribution on deferred taxation of straight-line income during the term of the contract, regardless of the receipt term. As of 2015, with the enactment of Law 12,973, of May 13, 2014, this income started being taxed on an accrual basis. Thus, the deferred balance up to December 31, 2014 will be subjected to taxation upon its realization.

(f) According to the tax criterion, the income (loss) on the sale of real estate units is determined based on the financial realization of income (cash basis) while for accounting purposes such transactions are accounted for on the accrual basis.

(g) The Company recognized deferred income tax liabilities on differences between the amounts calculated based on accounting method and criteria, as prescribed in Law No. 12.973 dated May 13, 2014.

The basis of deferred income and social contribution taxes will be realized based on Management's expectation, as follows:

	December 31, 2017		**December 31, 2016**	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
2018	23,147	41,452	18,322	26,734
2019	83,559	84,720	56,956	69,622
2020	20,647	57,738	15,822	35,765
2021-2022	4,057	49,823	5,272	36,545
2023-2024	1,907	24,791	1,893	17,530
	133,317	258,524	98,265	186,197

Reconciliation of income and social contribution tax expense

The reconciliation between the tax expense as calculated by the combined nominal rates and the income and social contribution tax expense charged to income is presented below:

	Parent company			
	December 31, 2017		December 31, 2016	
	Income tax	**Social contribution**	**Income tax**	**Social contribution**
Description				
Income before income and social contribution taxes	408,841	408,841	414,776	414,476
Rate	25%	9%	25%	9%
Nominal rate	(102,210)	(36,796)	(103,694)	(37,330)
Permanent additions and exclusions				
Share of profit of equity-accounted investees (loss)	15,603	5,617	14,030	5,051
Gifts and tributes	(78)	(28)	(80)	(29)
Contributions, donations and sponsorship	(1,335)	(481)	(800)	(288)
Interest on shareholders’ equity approved	60,000	21,600	23,750	8,550
Interest on shareholders’ equity received	(1,050)	(378)	(838)	(302)
Amortization of goodwill on asset appreciation	(20)	(7)	(20)	(7)
Compensation expenses (stock option plan)	(797)	(287)	(1,798)	(647)
Executive Board bonuses and 13th salary	(3,144)	-	(2,971)	-
Tax benefits	1,286	-	2,436	-
Recognition of IRPJ (corporate income tax) and CSLL (social contribution on net income) credits of prior periods	-	-	-	-
Income from real estate projects	736	265	(2,384)	(858)
Other	1,038	1,679	(2,778)	(2,228)
Total additions and exclusions	72,239	27,980	28,547	9,242
Current income and social contribution taxes in income (loss)	(26,678)	(7,396)	(65,899)	(24,948)
Deferred income and social contribution taxes no profit or loss	(3,293)	(1,420)	(9,247)	(3,140)
Total	(29,971)	(8,816)	(75,146)	(28,088)

	Consolidated			
	December 31, 2017		December 31, 2016	
Description	**Income tax**	**Social contribution**	**Income tax**	**Social contribution**
Income before income and social contribution taxes	438,624	438,624	442,315	442,315
Rate	25%	9%	25%	9%
Nominal rate	(109,656)	(39,476)	(110,579)	(39,808)
Permanent additions and exclusions				
Share of profit of equity-accounted investees (loss)	1,488	536	1,375	495
Gifts and tributes	(78)	(28)	(80)	(29)
Contributions, donations and sponsorship	(1,473)	(530)	(809)	(291)
Amortization of goodwill on asset appreciation	(20)	(7)	(20)	(7)
Compensation expenses (stock option plan)	(797)	(287)	(1,798)	(647)
Executive Board bonuses and 13th salary	(3,144)	-	(3,074)	-
Interest on shareholders' equity	60,000	21,600	23,750	8,550
Interest on shareholders' equity received	(1,050)	(378)	(838)	(302)
Tax benefits	1,659	-	2,608	-
Recognition of IRPJ (corporate income tax) and CSLL (social contribution on net income) credits of prior periods	-	-	-	-
Income from real estate projects	736	265	(2,384)	(858)
Current losses without tax credit	(1,464)	(527)	(2,686)	(967)
Difference in the calculation basis for companies taxed by the presumed profit	15,176	5,463	12,981	4,673
Income and social contribution taxes in companies taxed by the deemed profit system	(13,153)	(4,735)	(9,845)	(3,544)
Other	240	(449)	(4,567)	(1,812)
	58,120	20,923	14,613	5,261
Current income and social contribution taxes in income (loss)	(49,955)	(17,983)	(88,185)	(31,746)
Deferred income and social contribution taxes no profit or loss	(1,581)	(569)	(7,781)	(2,801)
Total	(51,536)	(18,552)	(96,966)	(34,547)

8 Investments

Significant information on investees:

				December 31, 2017		December 31, 2016	
Investees	**Number of quotas/shares**	**Interest %**	**Capital**	**Net income (loss) for the year**	**Shareholders' equity**	**Net income (loss) for the year**	**Shareholders' equity**
CAA-Corretagem e Consultoria Publicitária Ltda.	40,000	99.00	400	422	1,437	234	1,015
RENASCE - Rede Nacional de Shopping Centers Ltda.	1,320,500	99.99	13,205	(1,101)	3,631	129	1,870
CAA-Corretagem Imobiliária Ltda.	182,477	99.61	1,825	(4)	6	(6)	11
MPH Empreendimento Imobiliário Ltda. (*)	154,940,898	100.00 (*)	154,941	11,980	173,470	8,365	168,490
Multiplan Administr. Shopping Center Ltda	20,000	99.00	20	9,238	21,633	9,032	12,395
Pátio Savassi Administração de Shopping Center Ltda.	7,370,800	100.00	74	(17)	172	131	179
Royal Green Península	-	98.00	51,582	(50)	2,732	(79)	2,703
Manati Empreendimentos e Participações S.A.	42,885,388	50.00	71,283	(3,710)	65,561	(1,736)	63,623
Parque Shopping Maceió S.A	182,505,268	50.00	182,505	15,713	189,145	12,940	188,832
Danville SP Empreendimento Imobiliário Ltda.	48,573,073	99.99	48,573	(649)	45,054	(385)	45,153
Multiplan Holding S.A.	1,000	100.00	2,393	25	2,349	(97)	2,124
Embraplan Empresa Brasileira de Planejamento Ltda.	5,110,438	99.99	5,110	10	242	8	232
Multiplan Greenfield I Emp Imob Ltda.	35,943,556	99.99	35,944	(1,170)	59,862	5,049	61,032
Barrasul Empreendimento Imobiliário Ltda.	27,520,443	99.99	27,520	658	43,516	3,017	42,858
Ribeirão Residencial Emp Imob. Ltda.	15,826,056	99.90	15,826	(420)	13,634	(402)	13,204
Morumbi Business Center Empreendimento Imobiliário Ltda.	125,852,380	99.99	125,852	7,104	147,464	3,380	140,360
Multiplan Greenfield II Empr.Imob.Ltda.	112,024,966	99.99	112,025	13,033	121,083	7,579	107,850
Multiplan Greenfield IV Empr.Imob.Ltda.	103,876,853	99.90	103,877	12,509	108,703	6,383	96,093
Multiplan Greenfield III Empr.Imob.Ltda.	350,160,474	99.90	350,160	(3,460)	332,342	(3,342)	326,822
ParkShopping Campo Grande Ltda	321,752,797	99.90	321,753	9,112	351,837	6,837	340,375
Jundiaí Shopping Center Ltda	258,875,987	99.90	258,876	15,551	307,601	10,008	289,750
ParkShopping Corporate Empr.Imob. Ltda	50,593,251	99.90	50,593	(1,271)	41,972	(1,583)	42,768
Multiplan Arrecadadora Ltda.	1,000	99.90	1	732	3,616	793	2,884
ParkShopping Global Ltda.	26,276,470	87.00	26,276	(1,826)	20,734	(1,628)	19,227
ParkShopping Canoas Ltda.	249,968,514	94.67	249,969	(13,592)	230,719	(383)	66,715
Multishopping Shopping Center Ltda.	16,979	99.99	17	(1)	8	(2)	9
ParkShopping Jacarepagua Ltda.	102,545,731	99.90	102,546	(210)	102,013	(47)	86,923
Multiplan Greenfield XI Empr.Imob.Ltda.	43,573,755	99.90	43,574	(915)	42,653	(3)	8
Multiplan Greenfield XII Empr.Imob.Ltda.	12,881	99.90	13	(2)	6	(2)	8
Multiplan Greenfield XIII Empr.Imob.Ltda.	12,881	99.90	13	(1)	7	(3)	8
Multiplan Barra 1 Empr.Imob.Ltda.	463,135,848	99.99	463,136	10,297	481,685	8,257	421,388
Multiplan Morumbi 1 Empr.Imob.Ltda.	190,332,604	99.99	190,333	4,932	198,169	2,910	193,237
Multiplan Golden I Empr.Imob.Ltda.	12,586,559	99.90	12,587	(126)	12,448	(13)	4,137
Multiplan Golden II Empr.Imob.Ltda.	21,000	99.90	21	(1)	20	-	-
Multiplan Golden III Empr.Imob.Ltda.	11,000	99.90	11	(2)	9	-	1
Multiplan Golden IV Empr.Imob.Ltda.	21,000	99.90	21	(2)	19	-	1

Investees	Number of quotas/shares	Interest %	Capital	December 31, 2017 Net income (loss) for the year	December 31, 2017 Shareholders' equity	December 31, 2016 Net income (loss) for the year	December 31, 2016 Shareholders' equity
Multiplan Golden V Empr.Imob.Ltda.	5,651,930	99.90	5,652	(61)	5,585	(6)	2,002
Multiplan Golden VI Empr.Imob.Ltda.	6,136,152	99.90	6,136	(66)	6,063	(7)	2,181
Multiplan Golden VII Empr.Imob.Ltda.	6,206,152	99.90	6,206	(60)	6,133	(7)	2,181
Multiplan Golden VIII Empr.Imob.Ltda.	5,507,252	99.90	5,507	(60)	5,441	(6)	1,948
Multiplan Golden IX Empr.Imob.Ltda.	1,824,796	99.90	1,825	(24)	1,799	(2)	627
Multiplan Golden X Empr.Imob.Ltda.	3,687,004	99.90	3,687	(43)	3,640	(4)	1,286
Multiplan Golden XI Empr.Imob.Ltda.	3,819,533	99.90	3,820	(45)	3,771	(4)	1,328
Multiplan Golden XII Empr.Imob.Ltda.	2,593,184	99.90	2,593	(32)	2,558	(3)	899
Multiplan Golden XIII Empr.Imob.Ltda.	6,477,471	99.90	6,477	(68)	6,402	(7)	2,286
Multiplan Golden XIV Empr.Imob.Ltda.	5,651,930	99.90	5,652	(61)	5,585	(6)	2,002
Multiplan Golden XV Empr.Imob.Ltda.	5,507,252	99.90	5,507	(59)	5,443	(6)	1,948
Multiplan Golden XVI Empr.Imob.Ltda.	6,457,471	99.90	6,457	(68)	6,382	(7)	2,286
Multiplan Golden XVII Empr.Imob.Ltda.	7,363,199	99.90	7,363	(77)	7,279	(8)	2,586
Multiplan Golden XVIII Empr.Imob.Ltda.	7,246,747	99.90	7,247	(76)	7,163	(8)	2,549
MultiplanXVI Empr.Imob.Ltda	1,000	99.90	1	-	1	-	-
MultiplanXVII Empr.Imob.Ltda	1,000	99.90	1	(1)	5	-	-
MultiplanXVIII Empr.Imob.Ltda	1,000	99.90	1	-	1	-	-
MultiplanXIX Empr.Imob.Ltda	1,000	99.90	1	-	1	-	-
MultiplanXX Empr.Imob.Ltda	1,000	99.90	1	-	1	-	-

(*) 50.00% direct and 50.00% indirect through subsidiary Morumbi Business Center Empreendimento Imobiliário Ltda.

8.1 Changes in investments of the parent company

Investees	12/31/2016	Additions	Transfers	Dividends	Share of profit of equity-accounted investees (loss)	Capital gain/loss	12/31/2017
Investments							
CAA Corretagem e Consultoria Publicitária Ltda.	1,005	-	-	-	417	-	1,422
CAA Corretagem Imobiliária Ltda.	11	-	-	-	(4)	-	7
RENASCE - Rede Nacional de Shopping Centers Ltda.	1,870	-	2,800	-	(448)	(590)	3,632
Royal Green Península	2,566	-	-	(519)	(49)	-	1,998
Multiplan Admin. Shopping Center Ltda	12,271	-	-	-	9,146	-	21,417
MPH Empreendimento Imobiliário Ltda	84,245	-	-	(3,500)	5,991	-	86,736
Manati Empreendimentos e Participações S.A.	31,812	-	2,824	-	(1,856)	-	32,780
Parque Shopping Maceió S.A.	94,416	-	-	(7,700)	7,857	-	94,573
Pátio Savassi Administração de Shopping Center Ltda.	179	-	10	-	(17)	-	172
Danville SP Empreendimento Imobiliário Ltda.	59,596	-	550	-	(649)	-	59,497
Multiplan Holding S.A.	2,124	-	200	-	26	-	2,350
Embraplan Empresa Brasileira de Planejamento Ltda.	232	-	-	-	10	-	242
Ribeirão Residencial Emp Im Ltda.	15,691	-	850	-	(419)	-	16,122
Morumbi Business Center Empreendimento Imobiliário Ltda.	140,220	-	-	-	7,097	-	147,317
Barrasul Empreendimento Imobiliário Ltda.	46,843	-	-	-	(3,326)	-	43,517
Multiplan Greenfield I Emp.Imobiliario Ltda.	66,079	-	-	-	(6,217)	-	59,862
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	107,742	-	200	-	13,020	-	120,962
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	326,497	-	8,970	-	(3,456)	-	332,011
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	95,997	-	100	-	12,497	-	108,594
ParkShopping Campo Grande Ltda.	340,034	-	2,348	-	9,103	-	351,485
Jundiaí Shopping Center Ltda.	289,460	-	2,298	-	15,535	-	307,293
ParkShopping Corporate Empreendimento Imobiliário Ltda.	42,726	-	474	-	(1,269)	-	41,931
Multiplan Arrecadadora Ltda	2,881	-	-	-	731	-	3,612
ParkShopping Global Ltda.	16,729	-	2,899	-	(1,588)	-	18,040
ParkShopping Canoas Ltda.	63,159	-	168,130	-	(12,867)	-	218,422
Multishopping Shopping Center Ltda	8	-	-	-	-	-	8
ParkShopping Jacarepagua Ltda.	86,834	-	15,285	-	(209)	-	101,910
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	8	-	43,517	-	(914)	-	42,611
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	8	-	-	-	(2)	-	6
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda.	8	-	-	-	(1)	-	7
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	420,966	-	49,950	-	10,287	-	481,203
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	193,044	-	-	-	4,927	-	197,971
Multiplan Golden I Empreendimento Imobiliário Ltda.	4,132	-	8,430	-	(126)	-	12,436
Multiplan Golden II Empreendimento Imobiliário Ltda.	1	-	20	-	(1)	-	20
Multiplan Golden III Empreendimento Imobiliário Ltda.	1	-	10	-	(3)	-	8

Investees	**12/31/2016**	**Additions**	**Transfers**	**Dividends**	**Share of profit of equity-accounted investees (loss)**	**Capital gain/loss**	**12/31/2017**
Multiplan Golden IV Empreendimento Imobiliário Ltda.	1	-	20	-	(1)	-	20
Multiplan Golden V Empreendimento Imobiliário Ltda.	2,000	-	3,640	-	(62)	-	5,578
Multiplan Golden VI Empreendimento Imobiliário Ltda.	2,178	-	3,945	-	(67)	-	6,056
Multiplan Golden VII Empreendimento Imobiliário Ltda.	2,178	-	4,015	-	(67)	-	6,126
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	1,946	-	3,550	-	(60)	-	5,436
Multiplan Golden IX Empreendimento Imobiliário Ltda.	626	-	1,195	-	(24)	-	1,797
Multiplan Golden X Empreendimento Imobiliário Ltda.	1,284	-	2,395	-	(43)	-	3,636
Multiplan Golden XI Empreendimento Imobiliário Ltda.	1,327	-	2,485	-	(45)	-	3,767
Multiplan Golden XII Empreendimento Imobiliário Ltda.	898	-	1,690	-	(32)	-	2,556
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	2,284	-	4,180	-	(68)	-	6,396
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	2,000	-	3,640	-	(62)	-	5,578
Multiplan Golden XV Empreendimento Imobiliário Ltda.	1,946	-	3,550	-	(59)	-	5,437
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	2,284	-	4,160	-	(68)	-	6,376
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	2,583	-	4,765	-	(76)	-	7,272
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	2,546	-	4,685	-	(76)	-	7,155
Multiplan XVI Empreendimento Imobiliário Ltda	-	1	-	-	-	-	1
Multiplan XVII Empreendimento Imobiliário Ltda	-	1	-	-	(1)	-	-
Multiplan XVIII Empreendimento Imobiliário Ltda	-	1	-	-	-	-	1
Multiplan XIX Empreendimento Imobiliário Ltda	-	1	-	-	-	-	1
Multiplan XX Empreendimento Imobiliário Ltda	-	1	-	-	-	-	1
Other	93	1	-	-	-	-	93
Subtotal - Investment	2,575,569	6	357,780	(11,719)	62,412	(590)	2,983,458

Investees	12/31/2016	Additions	Transfers	Dividends	Share of profit of equity-accounted investees (loss)	Capital gain/loss	12/31/2017
Advance for future capital increase							
Renasce - Rede Nacional de Shopping Centers Ltda.	-	2,800	(2,800)	-	-	-	-
Danville SP Empreendimento Imobiliário Ltda.	-	550	(550)	-	-	-	-
Patio Savassi Administração de Shopping Center Ltda.	-	10	(10)	-	-	-	-
Manati Empreendimentos e Participações S.A.	-	2,824	(2,824)	-	-	-	-
Ribeirão Residencial Emp Imobiliário Ltda.	-	850	(850)	-	-	-	-
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	-	7,379	(7,379)	-	-	-	-
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	-	8,970	(8,970)	-	-	-	-
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	-	100	(100)	-	-	-	-
Parkshopping Campo Grande Ltda.		2,348	(2,348)			-	
Jundiaí Shopping Center Ltda	-	2,298	(2,298)	-	-	-	-
ParkShopping Global Ltda.	-	2,899	(2,899)	-	-	-	-
ParkShopping Canoas Ltda.	-	168,130	(168,130)	-	-	-	-
ParkShopping Jacarepagua Ltda.	-	15,285	(15,285)	-	-	-	-
Multiplan Greenfield XI Empreendimento Imobiliário Ltda	-	43,517	(43,517)	-	-	-	-
ParkShopping Corporate Empreendimento Imobiliário Ltda	-	474	(474)	-	-	-	-
Multiplan Barra 1 Empreendimento Imobiliário Ltda	-	49,950	(49,950)	-	-	-	-
Multiplan Holding S.A.	-	200	(200)	-	-	-	-
Multiplan Golden I Empreendimento Imobiliário Ltda.	-	1,271	(1,271)	-	-	-	-
Multiplan Golden III Empreendimento Imobiliário Ltda.	-	10	(10)	-	-	-	-
10Multiplan Golden IV Empreendimento Imobiliário Ltda.	-	20	(20)	-	-	-	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	3,640	(3,640)	-	-	-	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	3,945	(3,945)	-	-	-	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	4,015	(4,015)	-	-	-	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	3,550	(3,550)	-	-	-	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	1,195	(1,195)	-	-	-	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	2,395	(2,395)	-	-	-	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	2,618	(2,618)	-	-	-	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	1,557	(1,557)	-	-	-	-
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	4,180	(4,180)	-	-	-	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	3,640	(3,640)	-	-	-	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	3,550	(3,550)	-	-	-	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	4,160	(4,160)	-	-	-	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	4,765	(4,765)	-	-	-	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	4,685	(4,685)	-	-	-	-
Subtotal - advances for future capital increase	-	357,780	(357,780)	-	-	-	-
Total net investments	2,575,569	357,786	-	(11,719)	62,412	(590)	2,983,458

Investees	12/31/2015	Additions	Transfers	Dividends	Capital gain/loss	Share of profit of equity-accounted investees (loss)	12/31/2016
Investments							
CAA Corretagem e Consultoria Publicitária Ltda.	774	-	-	-	-	231	1,005
CAA Corretagem Imobiliária Ltda.	17	-	-	-	-	(6)	11
RENASCE - Rede Nacional de Shopping Centers Ltda.	876	-	1,650	-	(385)	(271)	1,870
Royal Green Península	2,643	-	-	-	-	(77)	2,566
Multiplan Admin. Shopping Center Ltda	8,279	-	-	(4,950)	-	8,942	12,271
MPH Empreendimento Imobiliário Ltda	86,812	-	-	(6,750)	-	4,183	84,245
Manati Empreendimentos e Participações S.A.	32,680	-	-	-	-	(868)	31,812
Parque Shopping Maceió S.A.	92,521	-	-	(4,551)	-	6,446	94,416
Pátio Savassi Administração de Shopping Center Ltda.	(5)	-	53	-	-	131	179
Danville SP Empreendimento Imobiliário Ltda.	59,331	-	650	-	-	(385)	59,596
Multiplan Holding S.A.	71	-	2,150	-	-	(97)	2,124
Embraplan Empresa Brasileira de Planejamento Ltda.	224	-	-	-	-	8	232
Ribeirão Residencial Emp Im Ltda.	12,067	-	4,026	-	-	(402)	15,691
Morumbi Business Center Empreendimento Imobiliário Ltda.	136,044	-	799	-	-	3,377	140,220
Barrasul Empreendimento Imobiliário Ltda.	56,760	-	-	(8,999)	49	(967)	46,843
Multiplan Greenfield I Emp.Imobiliario Ltda.	71,016	-	-	(5,000)	61	2	66,079
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	98,772	-	1,398	-	-	7,572	107,742
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	301,852	-	27,983	-	-	(3,338)	326,497
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	79,580	-	10,040	-	-	6,377	95,997
ParkShopping Campo Grande Ltda.	323,313	-	9,890	-	-	6,831	340,034
Jundiaí Shopping Center Ltda.	263,977	-	15,485	-	-	9,998	289,460
ParkShopping Corporate Empreendimento Imobiliário Ltda.	43,308	-	1,000	-	-	(1,582)	42,726
Multiplan Arrecadadora Ltda	2,089	-	-	-	-	792	2,881
ParkShopping Global Ltda.	17,635	-	510	-	-	(1,416)	16,729
ParkShopping Canoas Ltda.	60,593	-	2,929	-	-	(363)	63,159
Multishopping Shopping Center Ltda	10	-	-	-	-	(2)	8
ParkShopping Jacarepagua Ltda.	44,751	-	42,130	-	-	(47)	86,834

Investees	**12/31/2015**	**Additions**	**Transfers**	**Dividends**	**Capital gain/loss**	**Share of profit of equity-accounted investees (loss)**	**12/31/2016**
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	-	-	11	-	-	(3)	8
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	-	-	10	-	-	(2)	8
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda.	1	-	10	-	-	(3)	8
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	9	-	412,709	-	-	8,248	420,966
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	9	-	190,129	-	-	2,906	193,044
Multiplan Golden I Empreendimento Imobiliário Ltda.	-	1	4,144	-	-	(13)	4,132
Multiplan Golden III Empreendimento Imobiliário Ltda.	-	1	-	-	-	-	1
Multiplan Golden IV Empreendimento Imobiliário Ltda.	-	1	-	-	-	-	1
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	1	2,005	-	-	(6)	2,000
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	1	2,184	-	-	(7)	2,178
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	1	2,184	-	-	(7)	2,178
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	1	1,951	-	-	(6)	1,946
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	1	627	-	-	(2)	626
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	1	1,287	-	-	(4)	1,284
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	1	1,330	-	-	(4)	1,327
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	1	900	-	-	(3)	898
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	1	2,290	-	-	(7)	2,284
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	1	2,005	-	-	(6)	2,000
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	1	1,951	-	-	(6)	1,946
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	1	2,290	-	-	(7)	2,284
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	1	2,590	-	-	(8)	2,583
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	1	2,553	-	-	(8)	2,546
Other	94	-	-	-	-	-	94
Subtotal - Investment	1,796,103	17	753,853	(30,250)	(275)	56,121	2,575,569

Investees	12/31/2015	Additions	Transfers	Dividends	Capital gain/loss	Share of profit of equity-accounted investees (loss)	12/31/2016
Advance for future capital increase							
Renasce - Rede Nacional de Shopping Centers Ltda.	-	1,650	(1,650)	-	-	-	-
Pátio Savassi Administração de Shopping Center Ltda	26	27	(53)	-	-	-	-
Danville SP Empreendimento Imobiliário Ltda.	-	650	(650)	-	-	-	-
Ribeirão Residencial Emp Imobiliário Ltda.	-	4,026	(4,026)	-	-	-	-
Morumbi Business Center Empreendimento Imobiliário Ltda	-	799	(799)	-	-	-	-
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	-	1,398	(1,398)	-	-	-	-
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	-	27,983	(27,983)	-	-	-	-
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	-	10,040	(10,040)	-	-	-	-
Parkshopping Campo Grande Ltda.	-	9,890	(9,890)	-	-	-	-
Jundiaí Shopping Center Ltda.	-	15,485	(15,485)	-	-	-	-
ParkShopping Global Ltda.	-	510	510	-	-	-	-
ParkShopping Canoas Ltda.	-	2,929	(2,929)	-	-	-	-
ParkShopping Jacarepagua Ltda.	-	42,130	(42,130)	-	-	-	-
Multiplan Greenfield XI Empreendimento Imobiliário Ltda	1	10	(11)	-	-	-	-
ParkShopping Corporate Empreendimento Imobiliário Ltda	-	1,000	(1,000)	-	-	-	-
Multiplan Greenfield XII Empreendimento Imobiliário Ltda	-	10	(10)	-	-	-	-
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda	-	10	(10)	-	-	-	-
Multiplan Barra 1 Empreendimento Imobiliário Ltda	-	412,709	(412,709)	-	-	-	-
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda	-	190,129	(190,129)	-	-	-	-
Multiplan Holding S.A.	-	2,150	(2,150)	-	-	-	-
Multiplan Golden I Empreendimento Imobiliário Ltda.	-	4,144	(4,144)	-	-	-	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	2,005	(2,005)	-	-	-	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	2,184	(2,184)	-	-	-	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	2,184	(2,184)	-	-	-	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	1,951	(1,951)	-	-	-	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	627	(627)	-	-	-	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	1,287	(1,287)	-	-	-	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	1,330	(1,330)	-	-	-	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	900	(900)	-	-	-	-
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	2,290	(2,290)	-	-	-	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	2,005	(2,005)	-	-	-	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	1,951	(1,951)	-	-	-	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	2,290	(2,290)	-	-	-	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	2,590	(2,590)	-	-	-	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	2,553	(2,553)	-	-	-	-
Subtotal - advances for future capital increase	27	753,826	(753,853)	-	-	-	-
Total net investments	1,796,130	753,843	-	(30,250)	(275)	56,121	2,575,569

8.2 Changes in consolidated investments

Investees	12/31/2016	Addition	Transfer	Dividends	Share of profit of equity-accounted investees (loss)	12/31/2017
SCP - Royal Green Península (*)	2,566	-		(519)	(49)	1,998
Manati Empreendimentos e Participações S.A.	31,812	-	2,824	-	(1,856)	32,780
Parque Shopping Maceió S.A.	94,416	-	-	(7,700)	7,857	94,573
Other	153	-	-		-	153
Subtotal - Investment	128,947	-	2,824	(8,219)	5,952	129,504
Advances for future capital increase						
Manati Empreendimentos e Participações S.A.	-	2,824	(2,824)	-	-	-
Subtotal - Advance for future capital increase	-	2,824	(2,824)	-	-	-
Total net investments	128,947	2,824	-	(8,219)	5,952	129,504

Investees	12/31/2015	Dividends	Share of profit of equity-accounted investees (loss)	12/31/2016
SCP - Royal Green Península (*)	2,643	-	(77)	2,566
Manati Empreendimentos e Participações S.A.	32,680	-	(868)	31,812
Parque Shopping Maceió S.A.	92,521	(4,551)	6,446	94,416
Other	153	-	-	153
Total investment	127,997	(4,551)	5,501	128,947

(*) Shareholder Multiplan Planejamento conducts the material activities that and have the ability to affect the return on Royal Green operations; therefore, the investment is not consolidated, since financial information of shareholder Multiplan Planejamento. includes records of SCP operations.

8.3 Financial information of the subsidiaries

The main information on the Company's subsidiaries' financial statements is as follows:

	December 31, 2017				
	Current assets	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Net income**
CAA Corretagem e Consultoria Publicitária Ltda. (a)	1,441	-	5	-	421
RENASCE - Rede Nacional de Shopping Centers Ltda.	783	6,806	3,886	73	360
CAA Corretagem Imobiliária Ltda. (a)	6	-	-	-	-
MPH Empreendimento Imobiliário Ltda.	21,036	154,720	1,922	363	25,220
Multiplan Administr. Shopping Center Ltda	55,717	45	34,079	51	261,230
Pátio Savassi Administração de Shopping Center Ltda.	6	167	1	-	-
Danville SP Empreendimento Imobiliário Ltda. (c)	73	45,837	856	-	-
Multiplan Holding S.A.	11	2,339	-	-	-
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	245	-	3	-	-
Multiplan Greenfield I Emp Imob Ltda.	37,282	27,900	2,130	3,190	(1,824)
Barrasul Empreendimento Imobiliário Ltda.	25,793	24,453	1,823	4,907	3,086
Ribeirão Residencial Emp Imob. Ltda. (c)	282	14,458	1,106	-	-
Morumbi Business Center Empr. Imob. Ltda. (d)	4,754	142,963	253	-	840
Multiplan Greenfield II Empr. Imob.Ltda. (c)	38,119	241,721	25,871	132,885	40,980
Multiplan Greenfield IV Empr. Imob.Ltda. (c)	27,509	244,508	26,712	136,602	43,641
Multiplan Greenfield III Empr. Imob.Ltda. (c)	24,795	312,586	5,039	-	(52)
ParkShopping Campo Grande Ltda	16,114	370,995	28,468	6,804	41,915
Jundiaí Shopping Center Ltda	14,513	309,980	16,364	528	39,490
ParkShopping Corporate Empr.Imob.Ltda.	1,025	41,211	264	-	1,520
Multiplan Arrecadadora Ltda.	250,883	8,845	256,112	-	955
ParkShopping Global Ltda.	323	21,428	1,016	-	-
ParkShopping Canoas Ltda.	20,783	542,632	25,640	307,056	3,941
Multishopping Shopping Center Ltda	8	-	-	-	-
Parkshopping Jacarepaguá Ltda	282	110,050	8,319	-	-
Multiplan Greenfield XI Empr.Imob.Ltda.	3,353	91,189	47,771	4,118	9,120
Multiplan Greenfield XII Empr.Imob.Ltda.	6	-	-	-	-
Multiplan Greenfield XIII Empr.Imob.Ltda.	7	-	-	-	-
Multiplan Barra 1 Empr.Imob.Ltda.	36,058	450,891	1,996	3,269	36,929
Multiplan Morumbi 1 Empr.Imob.Ltda.	17,056	182,692	800	779	16,588
Multiplan Golden I Empr.Imob.Ltda.	346	12,317	215	-	-
Multiplan Golden II Empr.Imob.Ltda	20	-	-	-	-
Multiplan Golden III Empr.Imob.Ltda.	9	-	-	-	-
Multiplan Golden IV Empr.Imob.Ltda.	19	-	-	-	-
Multiplan Golden V Empr.Imob.Ltda.	161	5,498	74	-	-
Multiplan Golden VI Empr.Imob.Ltda.	156	5,988	81	-	-
Multiplan Golden VII Empr.Imob.Ltda.	226	5,988	81	-	-
Multiplan Golden VIII Empr.Imob.Ltda.	165	5,349	72	-	-

	December 31, 2017				
	Current assets	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Net income**
Multiplan Golden IX Empr.Imob.Ltda.	103	1,719	23	-	-
Multiplan Golden X Empr.Imob.Ltda.	158	3,530	48	-	-
Multiplan Golden XI Empr.Imob.Ltda.	174	3,646	49	-	-
Multiplan Golden XII Empr.Imob.Ltda.	125	2,467	33	-	-
Multiplan Golden XIII Empr.Imob.Ltda.	208	6,279	85	-	-
Multiplan Golden XIV Empr.Imob.Ltda.	161	5,498	74	-	-
Multiplan Golden XV Empr.Imob.Ltda.	166	5,349	72	-	-
Multiplan Golden XVI Empr.Imob.Ltda.	188	6,279	85	-	-
Multiplan Golden XVII Empr.Imob.Ltda.	274	7,101	96	-	-
Multiplan Golden XVIII Empr.Imob.Ltda.	256	7,001	95	-	-
Multiplan XVI Empreendimento Imob.Ltda	1	-	-	-	-
Multiplan XVII Empreendimento Imob Ltda	5	-	-	-	-
Multiplan XVIII Empreendimento Imob Ltda	1	-	-	-	-
Multiplan XIX Empreendimento Imob Ltda	1	-	-	-	-
Multiplan XX Empreendimento Imob.Ltda	1	-	-	-	-
Balances at December 31, 2017	601,187	3,432,425	491,619	600,625	524,360

	December 31, 2016				
	Current assets	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Net income**
CAA Corretagem e Consultoria Publicitária Ltda. (a)	1,047	-	33	-	200
RENASCE - Rede Nacional de Shopping Centers Ltda.	708	6,625	5,386	77	370
CAA Corretagem Imobiliária Ltda. (a)	11	-	-	-	-
MPH Empreendimento Imobiliário Ltda.	10,986	159,745	1,642	600	22,370
Multiplan Administr. Shopping Center Ltda	46,744	127	34,195	282	263,840
Pátio Savassi Administração de Shopping Center Ltda.	13	167	1	-	-
Danville SP Empreendimento Imobiliário Ltda. (c)	174	44,981	2	-	-
Multiplan Holding S.A.	50	2,092	18	-	4
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	234	-	3	-	-
Multiplan Greenfield I Emp Imob Ltda.	27,542	39,098	2,443	3,166	1,343
Barrasul Empreendimento Imobiliário Ltda.	18,203	31,596	2,032	4,908	1,198
Ribeirão Residencial Emp Imob. Ltda. (c)	74	13,128	(2)	-	-
Morumbi Business Center Empr. Imob. Ltda. (d)	3,469	140,040	3,099	49	589
Multiplan Greenfield II Empr. Imob.Ltda.	36,620	242,322	24,451	146,640	37,097
Multiplan Greenfield IV Empr. Imob.Ltda.	17,419	256,286	26,870	150,742	38,580

	December 31, 2016				
	Current assets	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Net income**
Multiplan Greenfield III Empr. Imob.Ltda. (c)	159	346,014	14,629	4,723	(1)
ParkShopping Campo Grande Ltda	18,065	382,431	35,814	24,308	43,289
Jundiaí Shopping Center Ltda	14,515	319,522	30,914	13,372	38,048
ParkShopping Corporate Empr.Imob.Ltda.	887	42,099	219	-	1,578
Multiplan Arrecadadora Ltda.	342,282	5,261	344,659	-	954
ParkShopping Global Ltda.	51	20,776	1,600	-	-
ParkShopping Canoas Ltda.	18,621	280,336	18,357	213,885	165
Multishopping Shopping Center Ltda	9	-	-	-	-
Parkshopping Jacarepaguá Ltda	76	104,786	10,709	7,231	-
Multiplan Greenfield XI Empr.Imob.Ltda.	8	-	-	-	-
Multiplan Greenfield XII Empr.Imob.Ltda.	8	-	-	-	-
Multiplan Greenfield XIII Empr.Imob.Ltda.	8	-	-	-	-
Multiplan Barra 1 Empr.Imob.Ltda.	14,592	463,996	53,174	4,026	16,658
Multiplan Morumbi 1 Empr.Imob.Ltda.	4,935	190,271	964	1,005	5,869
Multiplan Golden I Empr.Imob.Ltda.	321	3,815	-	-	-
Multiplan Golden III Empr.Imob.Ltda.	1	-	-	-	-
Multiplan Golden IV Empr.Imob.Ltda.	1	-	-	-	-
Multiplan Golden V Empr.Imob.Ltda.	156	1,846	-	-	-
Multiplan Golden VI Empr.Imob.Ltda.	170	2,011	-	-	-
Multiplan Golden VII Empr.Imob.Ltda.	170	2,011	-	-	-
Multiplan Golden VIII Empr.Imob.Ltda.	152	1,796	-	-	-
Multiplan Golden IX Empr.Imob.Ltda.	49	577	-	-	-
Multiplan Golden X Empr.Imob.Ltda.	100	1,185	-	-	-
Multiplan Golden XI Empr.Imob.Ltda.	104	1,224	-	-	-
Multiplan Golden XII Empr.Imob.Ltda.	71	828	-	-	-
Multiplan Golden XIII Empr.Imob.Ltda.	178	2,109	-	-	-
Multiplan Golden XIV Empr.Imob.Ltda.	156	1,846	-	-	-
Multiplan Golden XV Empr.Imob.Ltda.	152	1,796	-	-	-
Multiplan Golden XVI Empr.Imob.Ltda.	178	2,109	-	-	-
Multiplan Golden XVII Empr.Imob.Ltda.	201	2,385	-	-	-
Multiplan Golden XVIII Empr.Imob.Ltda.	198	2,351	-	-	-
Balances at December 31, 2016	579,868	3,119,588	611,212	575,014	472,151

(a) In 2007, these companies' operations were transferred to the Company.

(b) Dormant company since 2003.

(c) Companies which have buildings under construction.

(d) The result of the subsidiary Morumbi Bussiness Center Empr. Imob. Ltda., is basically the equity income for the participation of 50% in the subsidiary MPH Empreendimentos Imobiliários Ltda.

8.4 Information on jointly-controlled subsidiaries

As prescribed by CPC 19 (R2), jointly-controlled subsidiaries Manati Empreendimentos e Participações S.A. and Parque Shopping Maceió S.A., in whose shareholders agreements the parties agree to share control over the activities, they were proportionally consolidated.

The main information on the financial statements of Company's jointly-controlled subsidiaries are as follow:

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A	
	December 31, 2017	**December 31, 2016**	**December 31, 2017**	**December 31, 2016**
Assets				
Current				
Cash and cash equivalents	1,142	2,040	19,493	22,677
Accounts receivable	3,378	2,350	8,639	8,671
Taxes and Social Contributions	175	257	642	816
Deferred costs	1,468	896	-	-
Sundry advances	-	-	428	-
Other	-	-	631	799
	6,163	5,543	29,833	32,963
Non-current:				
Judicial deposits	1,240	1,240	21	21
Accounts receivable	14	-	-	-
Deferred income and social contribution taxes	4,008	2,097	1,256	2,006
Deferred costs	3,911	2,543	-	-
Other	-	-	-	1,127
Investment property	50,928	52,815	247,949	252,789
Intangible assets	1,811	1,875	4	10
	61,912	60,570	249,230	255,953
Total assets	68,075	66,113	279,063	288,916
Liabilities and shareholders' equity				
Current				
Accounts payable	1,021	1,024	450	604
Loans and financing	-	-	10,675	9,594
Taxes and contributions payable	120	118	658	380
Dividends payable	-	-	-	1,020
Deferred income and costs	96	119	-	-
Other	-	92	474	496
	1,237	1,353	12,257	12,094

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A	
	December 31, 2017	**December 31, 2016**	**December 31, 2017**	**December 31, 2016**
Non-current				
Loans and financing	-	-	63,448	74,028
Deferred income and social contribution taxes	-	-	11,442	8,859
Provision for risks	1,240	1,240	-	-
Deferred income and costs	37	(104)	2,770	5,103
	1,277	1,136	77,660	87,990
Shareholders' equity:				
Capital	71,283	65,636	182,505	182,506
Reserve for new investments	-	-	6,328	2,486
Anticipation of Interest on shareholders' equity	-	-	(15,400)	
Retained earnings (loss)	(2,012)	(2,012)		3,840
Income (loss) for the year	(3,710)	-	15,713	-
	65,561	63,624	189,146	188,832
Total liabilities and shareholders' equity	68,075	66,113	279,063	288,916

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A	
	December 31, 2017	**December 30, 2016**	**December 31, 2017**	**December 30, 2016**
Statement of income				
Net income	5,412	5,386	36,783	35,422
Cost of services rendered	(10,078)	(7,833)	(10,464)	(12,473)
Gross income (loss)	(4,666)	(2,447)	26,319	22,949
Administrative expenses - Headquarters	(89)	(92)	-	-
Administrative expense - shopping malls	(1,244)	(848)	(359)	(157)
Parking lot	-	-	(751)	(849)
Other operating income	22	8	(46)	45
Income before financial income	(5,977)	(3,379)	25,164	21,988
Financial income (loss)	356	749	(5,842)	(5,576)
Income before income and social contribution taxes	(5,621)	(2,630)	19,322	16,412
Income and social contribution taxes				
Current	-	-	(277)	29
Deferred assets	1,911	894	(3,332)	(3,501)
Net income (loss) for the year	(3,710)	(1,736)	15,713	12,940

The financial information referring to the jointly-controlled subsidiaries was based on the trial balances presented by the Companies on the closing date of the period.

As of December 31, 2017, the Company has no commitments assumed with its jointly-controlled subsidiaries. Additionally, these jointly-controlled subsidiaries have no contingent liabilities, other comprehensive income and other disclosures required by CPC 45 - Disclosure of Interests in Other Entities (IFRS 12) beside the ones abovementioned.

9 Investment properties

Multiplan measured internally its investment properties at fair value based on the Discounted Cash Flow (DCF) method. The Company calculated the present value by using a discount rate following the Capital Asset Pricing Model (CAPM) model. Risk and return assumptions were considered based on studies published by Mr. Damodaran (New York University professor) relating to the stock market performance of the Company (beta), in addition to market prospects (Central Bank) and data on the risk premium of the domestic market (country risk). Based on these assumptions, the Company used a nominal, unlevered weighted average discount rate of 13.58% as of December 31, 2017, resulting from a basic discount rate of 13.20% calculated in accordance with the CAPM model, and, based on internal analyses, a spread from 0 to 150 basis points was added to this rate, resulting in an additional weighted average spread of 38 basis points in the valuation of each shopping mall, office building and project.

Cost of own capital	**December 2017**	**December 2016**
Risk free rate	3.39%	3.42%
Market risk premium	6.26%	6.11%
Adjusted beta	0.82	0.79
Country risk	287 b.p.	270 b.p.
Additional spread	38 b.p.	38 b.p.
Cost of own capital - US$	11.78%	11.30%

Inflation assumptions	**December 2017**	**December 2016**
Inflation (BR) - (i)	4.05%	4.59%
Inflation (USA)	2.40%	2.40%
Cost of own capital - R$	13.58%	13.69%

(i) Inflation (BR) December 2017 refers to the weighted average for the period between January 2018 and December 2021. Inflation (BR) December 2016 refers to the weighted average for the period between January 2017 and December 2020.

The investment properties valuation reflects the market participant concept. Thus, the Company does not consider in the discounted cash flows calculation taxes, income and expenses relating to management and sales services.

The future cash flow of the model was estimated based on the shopping centers' individual cash flows, expansions and office buildings, including the Net Operating Income (NOI), recurring Key money (based only on mix changes, except for future projects), Income from Transferring Charges, investments in revitalization, and construction in progress. Perpetuity was calculated considering a real growth rate of 2.0% for shopping centers and of 0.0% for office buildings.

The Company classified its investment properties in accordance with their statuses. The table below describes the amount identified for each category of property and presents the amount of assets in the Company's share:

	Parent company	
	December 2017	**December 2016**
Valuation of investment properties		
Shopping malls and office buildings in operation (ii)	12,244,195	12,562,871
Projects in progress (not advertised)	140,081	31,012
Total	12,384,276	12,593,883

	Consolidated	
	December 2017	**December 2016**
Valuation of investment properties		
Shopping malls and office buildings in operation (ii)	16,378,887	16,116,361
Projects in progress (advertised)	109,776	295,075
Projects in progress (not advertised)	161,496	156,395
Total	16,650,159	16,567,831

(ii) Increases of interest of 14.8% in BarraShopping and 8.0% in MorumbiShopping, occurred in the fourth quarter of 2016, are considered in the line Shopping Centers and commercial towers in operation of the Consolidated, without effect on the Parent Company, as well as the increase in the interest of 9.3% in ParkShoppingBarigui, carried out in the 1Q17.

The interest of 37.5% in the Shopping Santa Úrsula and 50.0% in the Parque Shopping Maceió project through the jointly-controlled subsidiaries were not considered in the consolidated valuation.

Due to several works and expansions recently held in June 2016 the Company reviewed the useful lives of certain joint ventures lease and investment properties:

The effect of this review in the Company's depreciation expense in 2017 totaled R$ 6,270 (R$ 5,426 in 2016), a decrease in both cases.

The following shopping malls and joint ventures had their useful life reassessed:

Shopping mall	**Remaining useful life prior to revaluation**	**Remaining useful life after revaluation**
MorumbiShopping	32 years and 1 month	43 years
New York City Center	37 years and 1 month	48 years
Shopping Vila Olímpia	43 years and 3 months	52 years
ParkShoppingCampoGrande	46 years and 5 months	57 years
VillageMall	46 years and 6 months	57 years
Joint venture for lease		
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	47 years and 2 months	48 years
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	47 years and 3 months	48 years

Changes in investment property are as follows:

	Depreciation average rate (%)	December 31, 2016	Additions	Write-offs	Compound interest	Allocation	Depreciation	Transfer	December 31, 2017
					Parent company				
Cost									
Land		525,206	137,531	(760)	818	-	-	-	662,795
Buildings and improvements	2.25	2,878,651	15,896	(65)	-	-	-	33,493	2,927,975
(-)Accumulated depreciation		(508,353)	-	5	-	-	(56,536)	-	(564,884)
Net value		2,370,298	15,896	(60)	-	-	(56,536)	33,493	2,363,091
Facilities	15.88	416,629	2,244	(56)	-	-	-	4,906	423,723
(-)Accumulated depreciation		(206,467)	-	-	-	-	(36,111)	-	(242,578)
Net value		210,162	2,244	(56)	-	-	(36,111)	4,906	181,147
Machinery, equipment, furniture and fixtures	10	44,675	844	-	-	-	-	113	45,632
(-)Accumulated depreciation		(20,485)	-	-	-	-	(4,019)	-	(24,504)
Net value		24,190	844	-	-	-	(4,019)	113	21,128
Other	10	7,240	-	-	-	-	-	-	7,240
(-)Accumulated depreciation		(3,823)	-	-	-	-	(442)	-	(4,265)
Net value		3,417	-	-	-	-	(442)	-	2,975
Works in progress		146,214	55,890	-	6,147	-	-	(38,512)	169,739
Repurchases of points of sale		53,266	2,103	-	-	(8,532)	-	-	46,837
		3,332,753	214,508	(876)	6,965	(8,532)	(97,108)	-	3,447,710

(a) Of the total additions of the period, only R$ 112,523 were realized with cash disbursements, and the remaining balance is financed and was recorded in the caption Related Parties.

					Parent company				
	Depreciation weighted average rate (%)	**December 31, 2015**	**Additions**	**Write-offs**	**Compound interest**	**Allocation**	**Depreciation**	**Transfer**	**December 31, 2016**
Cost									
Land		523,048	419	(319)	2,058	-	-	-	525,206
Buildings and improvements	2.10	2,849,295	13,762	-	-	-	-	15,594	2,878,651
(-)Accumulated depreciation		(450,770)	-	-	-	-	(57,583)	-	(508,353)
Net value		2,398,525	13,672	-	-	-	(57,583)	15,594	2,370,298
Facilities	14.47	413,615	742	(393)	-	-	-	2,665	416,629
(-)Accumulated depreciation		(170,143)	-	-	-	-	(36,324)	-	(206,467)
Net value		243,472	742	(393)	-	-	(36,324)	2,665	210,162
Machinery, equipment, furniture and fixtures	10	43,685	942	-	-	-	-	48	44,675
(-)Accumulated depreciation		(16,507)	-	-	-	-	(3,978)	-	(20,485)
Net value		27,178	942	-	-	-	(3,978)	48	24,190
Other	10	5,108	2,132	-	-	-	-	-	7,240
(-)Accumulated depreciation		(3,343)	-	-	-	-	(480)	-	(3,823)
Net value		1,765	2,132	-	-	-	(480)	-	3,417
Works in progress		119,481	41,100	(169)	4,109	-	-	(18,307)	146,214
Repurchases of points of sale		60,145	2,118	(175)	-	(8,822)	-	-	53,266
		3,373,614	61,215	(1,056)	6,167	(8,822)	(98,365)	-	3,332,753

	Depreciation weighted average rate (%)	December 31, 2016	Additions	Consolidated Write-off	Compound interest	Allocation	Depreciation	Transfer	December 31, 2017
Cost									
Land		1,331,764	191,555	-	2,898	-	-	(121,773)	1,404,444
Buildings and improvements	2.23	4,321,369	111,769	(65)	-	-	-	344,062	4,777,135
(-)Accumulated depreciation		(586,366)		5	-	-	(90,271)	-	(656,632)
Net value		3,735,003	111,769	(60)	-	-	(90,271)	344,062	4,120,503
Facilities	15.04	720,359	15,961	(66)	-	-	-	91,781	828,035
(-)Accumulated depreciation		(302,319)		-	-	-	(71,760)	-	(374,079)
Net value		418,040	15,961	(66)	-	-	(71,760)	91,781	448,767
Machinery, equipment, furniture and fixtures	10	65,343	3,964	-	-	-	-	4,651	73,958
(-)Accumulated depreciation		(26,107)		-	-	-	(6,422)	-	(32,529)
Net value		39,236	3,964	-	-	-	(6,422)	4,651	41,429
Other	10	10,563	43	-	-	-	-	-	10,606
(-)Accumulated depreciation		(5,607)	-	-	-	-	(1,008)	-	(6,615)
Net value		4,956	43	-	-	-	(1,008)	-	3,991
Works in progress		459,884	214,901	-	27,383	-	-	(446,287)	255,881
Repurchases of points of sale		60,272	3,382	-	-	(9,341)	-	-	54,313
		6,049,155	536,386	(126)	30,281	(9,341)	(169,461)	(127,566)	6,314,517

(a) Of the total additions of the period, only R$ 361,924 were realized with cash disbursements, and the remaining balance refers to financings recorded in the caption Liabilities for acquisitions of assets and transfers shown in this note.

	Depreciation weighted average rate (%)	December 31, 2015	Additions	Consolidated Write-off	Compound interest	Allocation	Depreciation	Transfer	December 31, 2016
Cost									
Land		1,196,710	126,133	(319)	9,240	-	-	-	1,331,764
Buildings and improvements	2.21	3,815,086	490,689	-	-	-	-	15,594	4,321,369
(-)Accumulated depreciation		(508,275)	-	-	-	-	(78,091)	-	(586,366)
Net value		3,306,811	490,689	-	-	-	(78,091)	15,594	3,735,003
Facilities	15.26	642,480	75,835	(621)	-	-	-	2,665	720,359
(-)Accumulated depreciation		(241,560)	-	-	-	-	(60,759)	-	(302,319)
Net value		400,920	75,835	(621)	-	-	(60,759)	2,665	418,040
Machinery, equipment, furniture and fixtures	10	56,258	9,037	-	-	-	-	48	65,343
(-)Accumulated depreciation		(20,689)	-	-	-	-	(5,418)	-	(26,107)
Net value		35,569	9,037	-	-	-	(5,418)	48	39,236
Other	10	7,163	3,400	-	-	-	-	-	10,563
(-)Accumulated depreciation		(4,901)	-	-	-	-	(706)	-	(5,607)
Net value		2,262	3,400	-	-	-	(706)	-	4,956
Works in progress		224,446	235,268	(169)	18,646	-	-	(18,307)	459,884
Repurchases of points of sale		63,986	5,557	(175)	-	(9,096)	-	-	60,272
		5,230,704	945,919	(1,284)	27,886	(9,096)	(144,974)	-	6,049,155

10 Property, plant and equipment

	Parent company					
	Annual depreciation rates (%)	**December 31, 2016**	**Additions**	**Write-off**	**Depreciation**	**December 31, 2017**
Cost						
Land	-	2,015	-	-	-	2,015
Buildings and improvements	4	5,134	11	-	-	5,145
(-)Accumulated depreciation		(1,554)	-	-	(202)	(1,756)
Net value		3,580	11	-	(202)	3,389
Facilities	10	3,818	75	-	-	3,893
(-)Accumulated depreciation		(2,035)	-	-	(369)	(2,404)
Net value		1,783	75	-	(369)	1,489
Machinery, equipment, furniture and fixtures	10	9,697	603	-	-	10,300
(-)Accumulated depreciation		(5,686)	-	-	(912)	(6,598)
Net value		4,011	603	-	(912)	3,702
Vehicles	10	19,464	205	(301)	-	19,368
(-)Accumulated depreciation		(11,656)	-	281	(3,784)	(15,159)
Net value		7,808	205	(20)	(3,784)	4,209
Other	10	6,969	1,884	-	-	8,853
(-)Accumulated depreciation		(1,160)	-	-	(434)	(1,594)
Net value		5,809	1,884	-	(434)	7,259
Construction in progress		-	3	-	-	3
		25,006	2,781	(20)	(5,701)	22,066

		Parent company				
	Annual depreciation rates (%)	**December 31, 2015**	**Additions**	**Depreciation**	**Transfer**	**December 31, 2016**
Cost						
Land	-	2,015	-	-	-	2,015
Buildings and improvements	4	4,925	209	-	-	5,134
(-)Accumulated depreciation		(1,354)	-	(200)	-	(1,554)
Net value		3,571	209	(200)	-	3,580
Facilities	10	3,687	131	-	-	3,818
(-)Accumulated depreciation		(1,671)	-	(364)	-	(2,035)
Net value		2,016	131	(364)	-	1,783
Machinery, equipment, furniture and fixtures	10	7,920	1,777	-	-	9,697
(-)Accumulated depreciation		(4,853)	-	(833)	-	(5,686)
Net value		3,067	1,777	(833)	-	4,011
Vehicles	10	19,464	-	-	-	19,464
(-)Accumulated depreciation		(7,869)	-	(3,787)	-	(11,656)
Net value		11,595	-	(3,787)	-	7,808
Other	10	3,299	3,140	-	530	6,969
(-)Accumulated depreciation		(798)	-	(362)	-	(1,160)
Net value		2,501	3,140	(362)	530	5,809
Construction in progress		382	148	-	(530)	-
		25,147	5,405	(5,546)	-	25,006

	Annual depreciation rates (%)	Consolidated				
		December 31, 2016	**Additions**	**Write-off**	**Depreciation**	**December 31, 2017**
Cost						
Land	-	4,134	308	-	-	4,442
Buildings and improvements	4	11,508	11	-	-	11,519
(-)Accumulated depreciation		(4,691)	-	-	(451)	(5,142)
Net value		6,817	11	-	(451)	6,377
Facilities	10	5,078	75	-	-	5,153
(-)Accumulated depreciation		(3,239)	-	-	(369)	(3,608)
Net value		1,839	75	-	(369)	1,545
Machinery, equipment, furniture and fixtures	10	11,384	603	-	-	11,987
(-)Accumulated depreciation		(7,399)	-	-	(911)	(8,310)
Net value		3,985	603	-	(911)	3,677
Vehicles	10	19,464	205	(301)	-	19,368
(-)Accumulated depreciation		(11,657)	-	281	(3,784)	(15,160)
Net value		7,807	205	(20)	(3,784)	4,208
Other	10	7,575	1,884	-	-	9,459
(-)Accumulated depreciation		(1,704)	-	-	(434)	(2,138)
Net value		5,871	1884	-	(434)	7,321
Construction in progress		-	3	-	-	3
		30,453	3,089	(20)	(5,949)	27,573

		Consolidated				
	Annual depreciation rates (%)	**December 31, 2015**	**Additions**	**Depreciation**	**Transfer**	**December 31, 2016**
Cost						
Land	-	4,134	-	-	-	4,134
Buildings and improvements	4	11,299	209	-	-	11,508
(-)Accumulated depreciation		(4,246)	-	(445)	-	(4,691)
Net value		7,053	209	(445)	-	6,817
Facilities	10	4,947	131	-	-	5,078
(-)Accumulated depreciation		(2,875)	-	(364)	-	(3,239)
Net value		2,072	131	(364)	-	1,839
Machinery, equipment, furniture and fixtures	10	9,607	1,777	-	-	11,384
(-)Accumulated depreciation		(6,564)	-	(835)	-	(7,399)
Net value		3,043	1,777	(835)	-	3,985
Vehicles	10	19,464	-	-	-	19,464
(-)Accumulated depreciation		(7,868)	-	(3,789)	-	(11,657)
Net value		11,596	-	(3,789)	-	7,807
Other	10	3,903	3,142	-	530	7,575
(-)Accumulated depreciation		(1,342)	-	(362)	-	(1,704)
Net value		2,561	3,142	(362)	530	5,871
Construction in progress		382	148	-	(530)	-
		30,841	5,407	(5,795)	-	30,453

11 Intangible assets

Intangible assets comprise system licenses and goodwill recorded by the Company on the acquisition of new interests during 2007 and 2008; a portion of these interests was subsequently merged. The goodwill presented below has an indefinite useful life.

		Parent company			
	Annual rates of amortization	**December 31, 2016**	**Additions**	**Amortization**	**December 31, 2017**
Goodwill of merged companies (a)					
Bozano		118,610	-	-	118,610
Realejo		51,966	-	-	51,966
Multishopping		84,095	-	-	84,095
		254,671	-	-	254,671
Goodwill on acquisition of equity interests (b)					
Brazilian Realty LLC.		33,202	-	-	33,202
Indústrias Luna S.A.		4	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	2,970
		48,759	-	-	48,759
System licenses					
Software license (c)	20	81,362	13,208	-	94,570
Accumulated amortization		(37,700)	-	(6,878)	(44,578)
		43,662	13,208	(6,878)	49,992
		347,092	13,208	(6,878)	353,422

	Annual rates of amortization	Parent company			
		December 31, 2015	**Additions**	**Amortization**	**December 31, 2016**
Goodwill of merged companies (a)					
Bozano		118,610	-	-	118,610
Realejo		51,966	-	-	51,966
Multishopping		84,095	-	-	84,095
		254,671	-	-	254,671
Goodwill on acquisition of equity interests (b)					
Brazilian Realty LLC.		33,202	-	-	33,202
Indústrias Luna S.A.		4	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	2,970
		48,759	-	-	48,759
System licenses					
Software license (c)	20	78,372	2,990	-	81,362
Accumulated amortization		(31,996)	-	(5,704)	(37,700)
		46,376	2,990	(5,704)	43,662
		349,806	2,990	(5,704)	347,092

	Annual rates of amortization	Consolidated			
		December 31, 2016	**Additions**	**Amortization**	**December 31, 2017**
Goodwill of merged companies (a)					
Bozano		118,610	-	-	118,610
Realejo		51,966	-	-	51,966
Multishopping		84,095	-	-	84,095
		254,671	-	-	254,671
Goodwill on acquisition of equity interests (b)					
Brazilian Realty LLC.		33,202	-	-	33,202
Indústrias Luna S.A.		4	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	2,970
		48,759	-	-	48,759
System licenses					
Software license (c)	20	82,254	13,205	-	95,459
Accumulated amortization		(38,035)	-	(6,962)	(44,997)
		44,219	13,205	(6,962)	50,462
		347,649	13,205	(6,962)	353,892

		Consolidated			
	Annual rates of amortization	**December 31, 2015**	**Additions**	**Amortization**	**December 31, 2016**
Goodwill of merged companies (a)					
Bozano		118,610	-	-	118,610
Realejo		51,966	-	-	51,966
Multishopping		84,095	-	-	84,095
		254,671	-	-	254,671
Goodwill on acquisition of equity interests (b)					
Brazilian Realty LLC.		33,202	-	-	33,202
Indústrias Luna S.A.		4	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	2,970
		48,759	-	-	48,759
System licenses					
Software license (c)	20	79,256	2,998	-	82,254
Accumulated amortization		(32,247)	-	(5,788)	(38,035)
		47,009	2,998	(5,788)	44,219
		350,439	2,998	(5,788)	347,649

(a) The goodwill recorded has its origin in the acquisitions made in the year 2006. Such goodwill was based on the expected future earnings from these investments and were amortized until December 31st, 2008.

(b) The goodwill recorded has its origin in the acquisitions made in the year 2007, were based on the expected future return on these investments, and amortized until December 31, 2008.

(c) In order to strengthen its internal control system while sustaining a solid growth strategy, the Company started implementing SAP ECC System. To make this implementation viable, the Company entered with SAP Brasil Ltda., into two software license and maintenance contracts, dated June 24, 2008. Additionally, the Company entered into a service agreement with IBM Brasil - Indústria, Máquinas e Serviços Ltda, on June 30, 2008 for the deployment of such tool. From then, the Company has commissioned services of evaluation and implementation of new SAP functionalities, aimed at promoting greater efficiency, transparency, and autonomy to the managers of the company.

The goodwill based on future returns do not have a calculable useful life, and hence are not amortized. The Company tests these assets' recoverable value annually by mean of an impairment test.

The others intangible assets with defined useful life are amortized by the straight-line method based on the table above.

Impairment test for goodwill validation was carried out considering the projected cash flow in the shopping malls that presented goodwill upon their establishment. The assumptions used to prepare this cash flow are described in Note 9. In case of changes in the main assumptions used to determine recoverable value of cash generating units, goodwill with indefinite useful life allocated to the cash generating units plus book values of investment properties (cash generating units) would be substantially lower than fair value of investment properties, that is, there are no signs of impairment losses in the cash generating units since the last evaluation conducted on presentation of financial statements for the year ended December 31, 2017.

12 Loans and financing

					December 31, 2017		December 31, 2016	
			Index	Average annual interest rate December 31, 2017	Parent company	Consolidated	Parent company	Consolidated
Current								
Santander	BHS Exp. V	(a)	Ref. rate	8.70%	15,848	15,848	15,145	15,145
	Multiplan Greenfield IV	(b)	Ref. rate	8.70%	-	21,214	-	20,342
	Multiplan Greenfield II	(b)	Ref. rate	8.70%	-	20,637	-	19,789
Banco Itaú	São Caetano	(c)	Ref. rate	9.35%	10,504	10,504	10,450	10,450
	VillageMall	(d)	Ref. rate	9.35%	26,866	26,866	26,727	26,727
	CCB 100	(e)	% CDI	108.50%	103,205	103,205	5,665	5,665
	CCB 325	(f)	% CDI	108.00%	545	545	13,114	13,114
	CCB 80	(g)	% CDI	106.00%	-	-	80,778	80,778
Banco do Brasil	CCB 175	(h)	% CDI	110.00%	6,164	6,164	6,881	6,881
	CCB 50	(i)	% CDI	110.00%	2,767	2,767	3,089	3,089
	CCB 150	(j)	% CDI	110.00%	8,301	8,301	9,267	9,267
	BarraShopping VII	(k)	Ref. rate	8.90%	11,307	11,307	11,254	11,254
Banco Bradesco	CCB 300	(l)	% CDI	1.00%	2,838	2,838	104,820	104,820
	Canoas	(m)	Ref. rate	9.25%	-	-	-	2,763
BNDES	JDS subcredit A	(n)	TJLP	3.38%	-	12,149	-	24,039
	JDS subcredit B	(n)	TJLP	1.48%	-	127	-	1,083
	JDS subcredit C	(n)	TJLP	-	-	548	-	251
	CGS subcredit A	(o)	TJLP	3.32%	-	13,356	-	15,856
	CGS subcredit B	(o)	IPCA	7.27%	-	5,700	-	5,547
	CGS subcredit C	(o)	TJLP	-	-	172	-	204
	CGS subcredit D	(o)	TJLP	1.42%	-	325	-	386
Other	Cia Real de Distribuição	(p)			53	53	53	53
	Funding costs				(3,787)	(5,087)	(7,465)	(8,702)
	Sub-total of current				184,611	257,539	279,778	368,801

					December 31, 2017		December 31, 2016	
			Index	Average annual interest rate December 31, 2017	Parent company	Consolidated	Parent company	Consolidated
Non-current								
Santander	BHS Exp. V	(a)	Ref. rate	8.70%	11,886	11,886	26,505	26,505
	Multiplan Greenfield IV	(b)	Ref. rate	8.70%	-	139,659	-	154,263
	Multiplan Greenfield II	(b)	Ref. rate	8.70%	-	135,859	-	150,066
Banco Itaú	São Caetano	(c)	Ref. rate	9.35%	70,027	70,027	80,115	80,115
	VillageMall	(d)	Ref. rate	9.35%	185,823	185,823	211,590	211,590
	CCB 100	(e)	% CDI	108.50%	-	-	100,000	100,000
	CCB 325	(f)	% CDI	108.00%	25,000	25,000	325,000	325,000
	CCB 80	(g)	% CDI	106.00%	-	-	-	-
Banco do Brasil	CCB 175	(h)	% CDI	110.00%	100,227	100,227	105,795	105,795
	CCB 50	(i)	% CDI	110.00%	45,000	45,000	47,500	47,500
	CCB 150	(j)	% CDI	110.00%	135,000	135,000	142,500	142,500
	BarraShopping VII	(k)	Ref. rate	8.90%	63,130	63,130	74,091	74,091
Banco Bradesco	CCB 300	(l)	% CDI	1.00%	300,000	300,000	200,000	200,000
	Canoas	(m)	Ref. rate	9.25%	-	305,454	-	199,023
BNDES	JDS subcredit A	(n)	TJLP	3.38%	-	-	-	12,019
	JDS subcredit B	(n)	TJLP	1.48%	-	-	-	542
	JDS subcredit C	(n)	TJLP	-	-	-	-	125
	CGS subcredit A	(o)	TJLP	3.32%	-	-	-	13,213
	CGS subcredit B	(o)	IPCA	7.27%	-	-	-	5,547
	CGS subcredit C	(o)	TJLP	-	-	-	-	170
	CGS subcredit D	(o)	TJLP	1.42%	-	-	-	322
Other	Cia Real de Distribuição	(p)	-	-	351	351	404	404
	Funding costs		-	-	(19,369)	(32,008)	(23,434)	(35,917)
	Sub-total of non-current				917,075	1,485,408	1,290,066	1,812,873
	Overall total				1,101,686	1,742,947	1,569,844	2,181,674

(a) On November 19, 2009, the Company entered into with Banco ABN AMRO Real S.A., later merged into Banco Santander, a loan agreement to finance the renovation and expansion of BH Shopping, in the amount of R$102,400. Such financing bore interest of 10% p.a. plus the Referential Rate (TR), and will be amortized in 105 monthly, consecutive installments beginning December 15, 2010. The loan is collateralized by the chattel mortgage of 35.31% of the financed property, which results in an amount of R$153,599 (contract execution date) for the collateralized portion, and assigned the receivables from lease contracts and the rights on the financed property, which correspond, at least, to a minimum volume equivalent to 120% of one monthly installment until the debt is fully settled. On August 28, 2013, the 1st amendment to the financing agreement was signed, changing: (i) the financial covenant of total bank debt / EBITDA less than or equal to 4 times to "net bank debt" / EBITDA less than or equal to 4 times, (ii) the rate of operation of TR + 10% p.a. to TR + 8.70% p.a.

Financial Covenants of the contract:
Total debt/ shareholders' equity less than or equal to 1.
Net debt/ EBITDA less than or equal to 4x.

Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(b) On August 07, 2013, the subsidiaries Multiplan Greenfield II Empreendimento Imobiliário Ltda and Multiplan Greenfield IV Empreendimento Imobiliário Ltda signed with Banco Santander S.A. a loan agreement to finance the construction of the project Morumbi Corporate, located in São Paulo. The total contracted amount was R$ 400,000, and each company was responsible for its interest in the project, as follows: 49.3104% to Multiplan Greenfiled II and 50.6896% to Multiplan Greenfiled IV. This financing bears interest of 8.70% p.a., plus the Referential Rate (TR), and has been amortized in 141 monthly installments beginning November 15, 2013. As of December 31, 2015, the financing had been fully released. As a collateral for the loan, the subsidiaries collateralized the fraction of 0.4604509 of financed property. Such fraction is represented by a number of independent units, and assigned the receivables from lease contracts and the rights on the financed property, which shall correspond, at least, to a minimum volume equivalent to 120% of the amount of one monthly installment until the debt is fully settled. In addition to these guarantees, the Parent Company Multiplan Empreendimentos Imobiliários was the guarantor of the subsidiaries. There are no financial covenants herein.

(c) On August 10, 2010, the Company entered into a bank credit bill with Banco Itaú BBA S.A. for the construction of ParkShopping SãoCaetano, amounting to R$140,000. This credit note bore interest based on the Referential Rate (TR) plus 9.75% p.a. and it will be amortized in 99 consecutive, monthly installments, the first maturing on June 15, 2012. All financing amount was released through December 31, 2015. As collateral for the loan, the Company assigned the receivables from lease agreements and store rights in the financed developments, which should correspond, at least, to a minimal movement equivalent to 120% of one monthly installment, since the inauguration of Park Shopping São Caetano, until the debt is fully settled. On September 30, 2013, the 1st amendment to the financing agreement was signed, changing: (i) the contract's adjustment rate from Referential Rate (TR) + 9.75% per year to TR + 9.35% per annum, and (ii) the final amortization deadline from August 15, 2020 to August 15, 2025.

(d) On November 30, 2010, the Company entered into a bank credit bill with Banco Itaú BBA S.A. for the construction of Shopping Village Mall, amounting to R$270,000. Such financing bears interest based on the Referential Rate (TR) plus 9.75% p.a. and it will be amortized in 114 consecutive, monthly installments, the first maturing on March 15, 2013. All financing amount was released through December 31, 2015, including the additional amount of R$50,000, signed on July 4, 2012. The credit note is collateralized by mortgage on the land and all accessions, constructions, facilities and improvements therein, which were assessed at the amount of R$370,000 as at that date. Additionally, the Company assigned the receivables from lease agreements and rights on the stores in the financed development, which correspond, at least, to a minimal movement equivalent to 100% of the amount of one monthly installment, beginning January 2015, until the debt is fully settled. On July 4th, 2012, the Company signed an amendment to the bank credit bill for the construction of Shopping Village Mall, changing the following: (i) the total amount contracted from R$270,000 to R$320,000, (ii) The covenant of net debt to EBITDA from 3.0x to 3.25x, and (iii) The starting date for checking the restricted account from January 30, 2015 to January 30, 2017. On September 30, 2013, the 2nd amendment to the financing agreement was signed, changing: (i) the contract's adjustment rate from Referential Rate (TR) + 9.75% per annum to TR + 9.35% per year, (ii) the final amortization deadline from November 15, 2022 to November 15, 2025, and (iii) the net debt covenant from 3.25 times the EBITDA to 4.0 times the EBITDA.

All other terms of the original contract remain unchanged.
Financial Covenants of the contract:
Net debt/ EBTIDA less than or equal to 4.0 x.
EBITDA/ net financial expenses greater than or equal to 2x.
Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(e) On August 6, 2012, the Company contracted eight credits notes (CCB), with Banco Itaú BBA, in total amount of R$100,000 in order to consolidate its cash position. No guarantee was formed for such instruments. The interests will be paid semiannually and principal in 1 installment to be paid on August 8, 2016. On October 20, 2015, the Company agreed-upon an amendment with the bank to change maturity to September 15, 2018 and rate to 108.50% of CDI.

Start date	Closing date	Amount	Interest rate
08/06/2012	09/15/2018	100,000	108.50% CDI

Financial Covenants of the contract:
Net debt/ EBTIDA less than or equal to 4.0 x
EBITDA/ interest expense net>= 2x
Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(f) On September 19, 2016, the Company contracted eight credits notes (CCB), with Banco Itaú BBA, in total amount of R$ 325,000 in order to consolidate its cash position. No guarantee was formed for such instruments. The interest will be paid semiannually and principal in 1 installment to be paid on September 19, 2019. On June 16, 2017, the Company settled in advance the amount of R$ 300,000 and the corresponding interest so that only one of the CCBs in the amount of R$ 25,000 remained outstanding. This settlement was made on the contract curve, without penalties, as provided for in the transaction instruments.

Start date	Closing date	Amount	Interest rate
09/19/2016	09/19/2019	25,000	108.00% CDI

Financial Covenants of the contract:
Net debt/ EBTIDA less than or equal to 4.0 x
EBITDA/ interest expense net>= 2x
Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(g) On December 2, 2016, the Company contracted ten credits notes (CCB), with Banco Itaú BBA, in total amount of R$ 80,000 in order to consolidate its cash position. No guarantee was formed for such instruments. Bank credit bills were fully settled on the maturity date on December 06, 2017.

Start date	Closing date	Amount	Interest rate
12/02/2016	12/06/2017	80,000	106.00% CDI

Financial Covenants of the contract:
Net debt/ EBTIDA less than or equal to 4.0 x
EBITDA/ interest expense net>= 2x
Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(h) On January 19, 2012, the Company entered into a bank credit bill with Banco do Brasil in the total amount of R$175,000, in order to strengthen its cash position. No guarantee was granted. On December 8, 2015, CCB was amended and main debt maturity on that date was renegotiated, as well as financial covenants. New maturity schedule is shown below. Interest will be paid quarterly and principal as follows:

Start date	Closing date	Amount	Interest rate	Status
01/19/2012	12/01/2017	5,568	110.0% CDI	Settled
01/19/2012	12/01/2018	5,568	110.0% CDI	Falling due
01/19/2012	12/01/2019	22,273	110.0% CDI	Falling due
01/19/2012	12/01/2020	33,409	110.0% CDI	Falling due
01/19/2012	12/01/2021	44,545	110.0% CDI	Falling due

Financial Covenants of the contract:
Net debt/ EBTIDA less than or equal to 4.0 x.

Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(i) As of October 31, 2012, the Company contracted a bank credit bill (CCB), with Banco do Brasil S/A, in total amount of R$50,000 in order to consolidate its cash position. No guarantee was granted. Interest will be paid quarterly and principal in 1 installment to be paid on October 30, 2017. As of December 8, 2015, CCB was amended and main debt maturity on that date was renegotiated. New maturity schedule is shown below. Interest will be paid quarterly and principal as follows:

Start date	**Closing date**	**Amount**	**Interest rate**	**Status**
10/31/2012	12/01/2017	2,500	110.0% CDI	Settled
10/31/2012	12/01/2018	2,500	110.0% CDI	Falling due
10/31/2012	12/01/2019	10,000	110.0% CDI	Falling due
10/31/2012	12/01/2020	15,000	110.0% CDI	Falling due
10/31/2012	12/01/2021	20,000	110.0% CDI	Falling due

Financial Covenants of the contract:
Net debt/ EBTIDA less than or equal to 4.0 x.

Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(j) As of December 23, 2015, the Company contracted a bank credits bill (CCB), with Banco do Brasil S/A, in total amount of R$ 150,000 in order to consolidate its cash position. No guarantee was granted. Interest will be paid on a quarterly basis and principal according to maturity schedule shown below. Interest will be paid on a quarterly basis.

Start date	**Closing date**	**Amount**	**Interest rate**	**Status**
10/31/2015	12/01/2017	7,500	110.0% CDI	Settled
10/31/2015	12/01/2018	7,500	110.0% CDI	Falling due
10/31/2015	12/01/2019	30,000	110.0% CDI	Falling due
10/31/2015	12/01/2020	45,000	110.0% CDI	Falling due
10/31/2015	12/01/2021	60,000	110.0% CDI	Falling due

Financial Covenants of the contract:

Net debt/ EBTIDA less than or equal to 4.0 x.

Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(k) On October 16, 2014, the Company entered into a credit facility agreement with Banco do Brasil S/A, for the construction of the seventh expansion of the BarraShopping, located in the city of Rio de Janeiro, which was concluded in 2014. The total amount contracted was R$ 100,000. This financing bears interest of 8.90% p.a., plus the Referential Rate (TR), and will be amortized in 108 monthly installments beginning August 15, 2015. As collateral for the loan, the Company provided a Bank Deposit Certificate (CDB) corresponding to 120% of the amount of a monthly installment up to the full settlement of the debt.

Financial Covenants of the contract:
Net debt/ EBTIDA less than or equal to 4.0 x.
Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

(l) On December 11, 2012, the Company entered into a bank credit bill with Banco Bradesco S/A in the total amount of R$300,000, in order to strengthen its cash position. No guarantee was granted. On July 31, 2017, there was an amendment to the agreement postponing the payment terms of the principal as shown in the table below. Interest continued with semi-annual periodicity.

Start date	**Closing date**	**Amount**	**Interest rate**
12/11/2012	11/09/2020	R$ 100,000	CDI + 1.0% p.a.
12/11/2012	11/09/2021	R$ 200,000	CDI + 1.0% p.a.

There are no financial covenants herein.

(m) On May 25, 2015, the subsidiary ParkShopping Canoas Ltda entered into a credit facility agreement with Banco Bradesco S.A., collateralized by a mortgage, for construction of the ParkShopping Canoas mall in the city of Canoas, State of Rio Grande do Sul. The total amount contracted was R$ 280,000 and financing bears interest of 9.25% p.a., plus the Referential Rate (TR), and will be amortized in 144 monthly installments beginning April 25, 2019. As collateral for the borrowing, the subsidiary provided a mortgage on 80% of the property for which the financing was obtained, and assigned 80% of the receivables from the lease agreements of this property, which shall correspond to at least 120% of the amount of one monthly installment until the full settlement of the debt. In addition to these guarantees, the Parent Company Multiplan Empreendimentos Imobiliários was the guarantor of the subsidiary. As of December 31, 2017, the amount of R$ 266,090 regarding such financing was released.

(n) On June 6, 2011, the Company entered into loan agreement 11.2.0365.1 with the Brazilian Development Bank (BNDES) to finance the construction of Jundiaí Shopping. The aforementioned credit was subdivided as follows: R$ 117,596 referring to subcredit “A”, R$ 5,304 to subcredit “B” and R$ 1,229 to subcredit "C". Tranche “A” will bear long-term interest 2.38% (TJLP) plus 1.00% p.a., tranche “B”, which will be used to purchase machinery and equipment, will bear TJLP plus 1.48% p.a. and tranche “C”, which will be used to invest in social projects in the municipality of Jundiaí, will bear TJLP without spread. All tranches have been amortized in 60 consecutive, monthly installments, the first maturing on July 15, 2013. No guarantee was granted for this instrument.

Financial Covenants of the contract:

Total debt/Total assets less than or equal to 0.50

EBITDA margin greater than or equal to 20%

(o) On October 4, 2011, the Company entered into financing agreement 11.2.0725.1 with the National Bank for Economic and Social Development - BNDES to finance the construction of ParkShopping Campo Grande. The aforementioned credit was subdivided as follows: R$ 77,567 referring to subcredit“A”, R$ 19,392 to subcredit “B”, R$ 1,000 to subcredit C, and R$ 1,891 to subcredit "D". Tranche “A” bears interest of 2.32% p.a. above the Long-Term Interest Rate (TJLP) plus interest of 1% p.a. Tranche “B” bears interest of 2.32% p.a. above the referential rate informed by BNDES based on the rate of return of NTN-B. Tranche “C”, which will be used to invest in social projects in the municipality of Rio de Janeiro, bears TJLP. Tranche “D”, which will be used to purchase machinery and equipment, bears interest of 1.42% p.a. above the TJLP. Tranches "A", "C" and "D" will be repaid in 60 monthly, consecutive installments, the first maturing on November 15, 2013, and tranche "B" will be repaid in 5 annual, consecutive installments, the first maturing on October 15, 2014. No guarantee was granted for this instrument.

Financial Covenants of the contract:
Total debt/Total assets less than or equal to 0.50
EBITDA margin greater than or equal to 20%

(p) The balance payable to Companhia Real de Distribuição arises from the intercompany loan with merged subsidiary Multishopping to finance the construction of BarraShopping Sul, to be settled in 516 monthly installments of R$4, as from the hypermarket inauguration date in November 1998, with no interest or inflation adjustment.

As of December 31, 2017, the Company satisfied all covenants of loan and financing agreements in effect.

Loans and financings classified in noncurrent will follow the settlement schedule below:

	December 31, 2017		**December 31, 2016**	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
Loans and financing				
2018	-	-	279,198	359,556
2019	147,888	200,648	547,117	599,860
2020 onwards	788,556	1,316,768	487,186	889,376
Subtotal - Loans and financing	936,444	1,517,416	1,313,501	1,848,792
Funding costs				
2018	-	-	(6,813)	(8,020)
2019	(3,459)	(4,880)	(6,520)	(7,849)
2020 onwards	(15,910)	(27,128)	(10,102)	(20,050)
Subtotal Funding costs	(19,369)	(32,008)	(23,435)	(35,919)
Total - Loans and financing	917,075	1,485,408	1,290,066	1,812,873

Reconciliation of assets and liabilities to cash flows from financing activities

Parent Company

	Loans and financing	Debentures	Interest on shareholders' equity	Capital	Total
Balances at December 31, 2016	**1,569,844**	**700,615**	**81,341**	**4,450,170**	**6,801,970**
Variation from financing activities					
Payment of loans and financing	(461,580)	-	-	-	(461,580)
Payment of interests on loans and financing	(161,071)	-	-	-	(161,071)
Funding of debentures costs	-	(6,110)	-	-	(6,110)
Payment of charges on debentures		(87,051)	-	-	(87,051)
Stock issuance	-	-	-	600,000	600,000
Cash from stock options exercise	-	-	-	68,896	68,896
Share issuance costs	-	-	-	(4,544)	(4,544)
Repurchase of shares to be held in treasury	-	-	-	(62,675)	(62,675)
Funding of debentures	-	300,000	-	-	300,000
Dividends and interest on shareholders' equity paid	-	-	(81,341)	-	(81,341)
Total of Variation from financing activities	**(622,651)**	**206,839**	**(81,341)**	**601,677**	**104,524**
Others variations					
Interest on loans and financings	144,899	-	-	-	144,899
Interest capitalization	7,618	-	-	-	7,618
Recognition of funding costs	1,976	-	-	-	1,976
Inflation adjustment on debentures	-	83,312	-	-	83,312
Capital Reserve	-	-	-	18,503	18,503
Profit Reserve	-	-	-	111,552	111,552
Exercise of stock options	-	-	-	3,187	3,187
Interest on shareholders' equity	-	-	206,262	-	206,262
Total of other variations	**154,493**	**83,312**	**206,262**	**133,242**	**577,309**
Balances at December 31, 2017	**1,101,686**	**990,766**	**206,262**	**5,185,089**	**7,483,803**

Consolidated

	Loans and financing	Debentures	Interest on shareholders' equity	Capital	Non-controlling interest	Total
Balances at December 31, 2016	**2,181,674**	**700,615**	**81,341**	**4,450,170**	**6,190**	**7,419,990**
Variation from financing activities						
Funding of loans and financing	80,190	-	-	-	-	80,190
Payment of loans and financing	(538,655)	-	-	-	-	(538,655)
Payment of interests on loans and financing	(194,630)	-	-	-	-	(194,630)
Funding of debentures costs	-	(6,110)	-	-	-	(6,110)
Payment of charges on debentures		(87,051)	-	-	-	(87,051)
Stock issuance	-	-	-	600,000	-	600,000
Cash from stock options exercise	-	-	-	68,896	-	68,896
Share issuance costs	-	-	-	(4,544)	-	(4,544)
Repurchase of shares to be held in treasury	-	-	-	(62,675)	-	(62,675)
Funding of debentures	-	300,000	-	-	-	300,000
Non-controlling interest	-	-	-	-	9,034	9,034
Interest on shareholders' equity paid	-	-	(81,341)	-	-	(81,341)
Total of Variation from financing activities	**(653,095)**	**206,839**	**(81,341)**	**601,677**	**9,034**	**83,114**
Others variations						
Interest on loans and financings	183,166	-	-	-	-	183,166
Interest capitalization	28,853	-	-	-	-	28,853
Recognition of funding costs	2,349	-	-	-	-	2,349
Inflation adjustment on debentures	-	83,312	-	-	-	83,312
Capital Reserve	-	-	-	18,503	-	18,503
Profit Reserve	-	-	-	111,552	-	111,552
Exercise of stock options	-	-	-	3,187	-	3,187
Interest on shareholders' equity	-	-	206,262	-	-	206,262
Total of other variations	**214,368**	**83,312**	**206,262**	**133,242**	**-**	**637,184**
Balances at December 31, 2017	**1,742,947**	**990,766**	**206,262**	**5,185,089**	**15,224**	**8,140,288**

13 Accounts payable

	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated
Suppliers	9,293	43,763	8,251	39,922
Accounts payable from acquisition of interest	-	-	-	50,000
Contractual retentions	3,044	9,869	3,725	10,070
Compensations payable	3,315	4,515	1,273	1,304
Labor obligations	38,591	44,052	39,649	46,230
	54,243	102,199	52,898	147,526

14 Debentures

3rd issuance of debentures for primary public distribution

On October 15, 2014, the Company completed the 3rd issue of debentures for primary public distribution, in the amount of R$400,000. 40,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with par value of R$10. The transaction will be repaid in two equal installments at the end of the fifth and sixth year with bear semi-annual interest. The final issuance price was set on September 25, 2014 through a book building procedure with remuneration set at 100% of the accumulated change in average daily DI rates increased on a compounded basis by a spread or surcharge of 0.87% p.a. The total estimated debentures transaction cost was R$ 1,777. The net proceeds obtained by the Company with the Issuance will be fully used to (i) perform the early redemption of the total simple, non-convertible, unsecured, single-series debentures of the Company's second issuance; And (ii) the remaining balance to defray general expenses and settle short- and long-term debts and/or reinforce the working capital of the Company and/or its subsidiaries. The financial covenants of these debentures are: (i) net debt/ EBITDA less than or equal to 4.0; (ii) EBITDA/ net interest expense greater than or equal to 2.

We list interest payment events: (i) On April 15, 2015, interest installment amounting to R$24,491 was paid, (ii) on October 15, 2015, an installment amounting to R$28,307 was paid; (iii) on April 15, 2016, an installment amounting to R$28,950 was paid (iv) on October 17, 2016 an installment amounting to R$ 29,421 was paid, as of April 17, 2017 an installment amounting to R$ 20,677 was paid and (vi) an interest installment amounting to R$ 20,677 was paid on October 16, 2017.

As of December 31, 2017, the Company presents the financial ratios within the limits pre-established in the indenture.

Ebtida used to calculate financial covenants follow the definition set forth in the loan agreements.

Any change or renegotiation of terms or conditions in the aforementioned Indenture should be approved by debentureholders, subject to the rules and quorum set forth therein.

Fourth issuance for private distribution of debentures for investment and issuance of CRI

On December 13, 2016, the Company completed the 4th issuance of debentures for primary private distribution, in the amount of R$300,000. 300,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued, as tangible guarantee, in a single series. The fourth issuance debentures were subscribed and paid up on December 29, 2016 by the subsidiary Multiplan Greenfield XII for the nominal issuance value. The subsidiary Multiplan Greenfield XII, in turn, issued Real Estate Credit Bill and fully granted the credit bills to Cibrasec (Securitization Company) which performed public distribution, on a firm guarantee basis, with unit nominal value of R$ 1. The transaction will have a single amortization at the end of the sixth year and be paid with semi-annual interest. The final issuance price was set on December 08, 2016 through a book building procedure with remuneration set at 95% of the accumulated change in average daily DI rates. The total estimated debentures transaction cost was R$ 10,421.

The Company's net proceeds from the Issuance will be fully used directly or through its subsidiaries, to the maturity date of the Debentures, for acquisition, and/or construction, and/or expansion, and/or revitalization, and/or development of the following shopping centers and/or real estate developments, as described in the Indenture of Issuance of Debentures: ParkShoppingJacarepaguá, BarraShopping, VillageMall, Village Corporate, RibeirãoShopping, Pátio Savassi and Residencial Porto Alegre.

There is collateral corresponding to the ideal fraction of 39.77% of enrollment number 37.850 of the Real Estate Registration Office of the 5th zone of Porto Alegre, this number includes the sub-condominium BarraShoppingSul. For this operation no other collaterals have been recognized and no financial covenants have been established.

We list interest payment events: (i) On June 13, 2017, an installment in the amount of R$ 15,182 was paid and (ii) on December 13, 2017 an installment in the amount of R$ 12,070 was paid.

As of December 31, 2017, the Company presents the financial ratios within the limits pre-established in the indenture.

Any change or renegotiation of terms or conditions in the aforementioned Indenture should be approved by debentureholders, subject to the rules and quorum set forth therein.

Fifth issuance for private distribution of debentures for investment and issuance of CRI

On June 6, 2017, the Company completed the 5th issuance of debentures for primary private distribution, in the amount of R$300,000. 300,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued, as tangible guarantee, in a single series. The fifth issuance of debentures were subscribed and paid-in up on June 14, 2017 by the subsidiary Multiplan Greenfield XII for the nominal issuance value. The subsidiary Multiplan Greenfield XII, in turn, issued Real Estate Credit Bill and fully granted the credit bills to Cibrasec (Securitization Company) which performed public distribution, on a firm guarantee basis, with unit nominal value of R$ 1. The transaction will have a single amortization at the end of the sixth year and be paid with semi-annual interest. The final issuance price was set on June 02, 2017 through a book building procedure with remuneration set at 95% of the accumulated fluctuation of average daily DI rates. The total estimated debentures transaction cost was R$ 5,946.

The Company's net proceeds from the Issuance will be fully used directly or through its subsidiaries, to the maturity date of the Debentures, for acquisition, and/or construction, and/or expansion, and/or revitalization, and/or development of the following shopping centers and/or real estate developments, as described in the Indenture of Issuance of Debentures: ParkShoppingJacarepaguá, BarraShopping, VillageMall, Village Corporate, ParkShoppingBariguí, ParkShoppingCanoas, DiamondMall and MorumbiShopping.

There is collateral corresponding to the ideal fraction of 39.77% of enrollment number 37.850 of the Real Estate Registration Office of the 5th zone of Porto Alegre, this number includes the sub-condominium BarraShoppingSul. For this operation no other collaterals have been recognized and no financial covenants have been established.

We list interest payment events: (i) On December 12, 2017, an installment in the amount of R$ 12,105 was paid.

As of December 31, 2017, the Company presents the financial ratios within the limits pre-established in the indenture.

Any change or renegotiation of terms or conditions in the aforementioned Indenture should be approved by debentureholders, subject to the rules and quorum set forth therein.

15 Property acquisition obligations

	December 31, 2017		**December 31, 2016**	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
Current				
Land São Caetano - Quadra H	-	-	-	2,911
Land Canoas	-	-	-	1,686
Land Jacarepaguá (a)	-	7,233	-	9,658
Construction Potential - Barra (b)	-	4,743	-	14,342
PKB acquisitions of Interest (c)	-	47,476	-	-
Other	269	269	269	269
	269	59,721	269	28,866
Non-current				
Land Jacarepaguá (a)	-	-	-	7,231
Construction Potential - Barra (b)	-	-	-	4,723
PKB acquisitions of Interest (c)	-	3,956	-	-
	-	3,956	-	11,954
Total	269	63,677	269	40,820

(a) On July 8, 2015, the final deed of purchase of land was signed, ratifying all the terms of the purchase and sale agreement. Through the Deed of Purchase and Sale signed on May 29, 2015, the Company, through its subsidiary ParkShopping Jacarepaguá Ltda, agreed to acquire from CCISA05 Incorporadora LTDA, 91% of a plot of land of 94,936.02 square meters, located in the municipality of Rio de Janeiro, from CCISA05 Incorporadora LTDA., for R$ 96,798. That amount will be settled as follows: (i) R$ 34,107 by assuming the obligation to build a shopping mall in that location (which will include the 9% fraction retained by the land seller) and (ii) R$ 62,691 in cash. The cash portion, in turn, will be settled as follows: (i) R$ 20,322 was paid upon the execution of the deed, and; (ii) R$ 32,136 in 40 consecutive monthly installments, the first of which totaling R$ 803 and falling due 30 days from the date of execution of the deed, and the remaining installments on the same day of the subsequent months, and (iii) R$ 10,232 within 180 days from the date of execution of the deed. Items (ii) and (iii) above shall be subject to restatement from the date of execution of the deed until the due dates by the change in the CDI rates (100%).

(b) By means of a Public Agreement for Assignment of Transferable Construction Potential entered into on April 06, 2015, the Company, through its subsidiary Multiplan Greenfield III Empreendimento Imobiliário Ltda, acquired 12,000 square meters of construction potential from J.J. Coimbra Participações LTDA, for R$ 65,400. This amount will be settled as follows: (i) R$ 22,890 on the execution date; (ii) R$ 42,510 in 36 consecutive monthly installments of R$ 1,181, bearing interest at the CDI rate from the execution date until the actual due date of each installment.

(c) By means of a Private Purchase and Sale Commitment Instrument signed on January 11, 2017, the Company acquired, through its subsidiary Multiplan Greenfield XI Empreendimento Imobiliário Ltda, 9.333% of the ideal fraction of ParkShopping Barigui held by Invest Bens Administradora de bens S/A for the fixed and adjusted price of R$ 91,000, with payment in 24 monthly and consecutive installments, with the first due 30 days after the signing of said instrument. Installments will bear interests calculated by the change in the Interbank Deposit Certificate (CDI) rates (100%).

The non-current portion for Property acquisition obligations matures as follow:

	December 31, 2017	December 31, 2016
	Consolidated	**Consolidated**
2018	-	11,954
2019	3,956	-
	3,956	11,954

16 Taxes and contributions payable

	December 31, 2017		December 31, 2016	
	Parent company	**Consolidated**	**Parent company**	**Consolidated**
INSS payable	-	557	-	533
PIS and COFINS payable	9,219	11,659	9,164	11,546
Service tax payable	-	2,259	-	2,092
Income and social contribution taxes payable	-	5,256	9,229	15,260
IRRF on Interest on shareholders' equity (JCP) payable	9,086	9,086	-	-
Other	-	9,194	432	9,950
	18,305	38,011	18,825	39,381

17 Provision for risks and judicial deposits

17.1 Provision for risks

	Parent company			
Provision for risks	**December 31, 2016**	**Additions**	**Write-off**	**December 31, 2017**
PIS and COFINS (a)	1,244	-	(1,244)	-
Civil lawsuits (b)	2,805	234	(831)	2,208
Labor lawsuits	2,876	731	(91)	3,516
Tax lawsuits	240	-	-	240
	7,165	965	(2,166)	5,964

	Consolidated			
Provision for risks	**December 31, 2016**	**Additions**	**Write-offs**	**December 31, 2017**
PIS and COFINS (a)	1,244	-	(1,244)	-
Civil lawsuits (b)	8,416	2,389	(2,197)	8,608
Labor lawsuits	3,247	1,384	(611)	4,020
Tax lawsuits	304	-	-	304
	13,211	3,773	(4,052)	12,932

Provisions for administrative proceedings and lawsuits processes were recognized to cover probable losses on administrative proceedings and lawsuits related to civil, tax and labor issues, in an amount considered sufficient by Management, based on the opinion of its legal advisors, as follows:

(a) The Company was a party to lawsuits involving the collection of PIS (Social Integration Program contribution) and COFINS (Social Contribution on Income) on lease income and other income that does not meet the definition of gross income, pursuant to Law No. 9,718/98, referring to the period from 1999 to 2004. The payments of these taxes were calculated in accordance with prevailing tax laws and deposited with the courts.

The provision comprised only the PIS amounts levied on lease income, considering final favorable court decisions obtained in these lawsuits disputing the levy of these contributions on other income. The Company requested in court the conversion into income of the deposits referring to the accrued portion and the release of the other amounts and the request was settled in March 2017. Accordingly, the provision was written-off against the portion of the amount deposited.

(b) The legal advisors rated as probable the likelihood of losses in some lawsuits related to real estate contract rescissions, which totaled R$ 6,193.

The remaining balance of the provisions for civil contingencies consists of various claims in insignificant amount filed against the shopping malls in which the Company holds equity interest.

Contingencies with possible likelihood of loss

The Company is a defendant in several other tax, labor and civil lawsuits and administrative proceedings, whose likelihood of loss is assessed by its legal counsel as possible and estimated amount is R$ 57,583 as of December 31, 2017 (R$ 53,438 as of December 31, 2016), as shown below:

	Consolidated	
	December 31, 2017	**December 31, 2016**
Tax	29,214	19,997
Civil and administrative	10,443	13,136
Labor	17,926	20,305
Total	57,583	53,438

Tax

ITBI (Property Transfer Tax) collection arising from full merges of companies which owned properties. The disputes regarding the levy of this tax are concentrated in the Municipalities of São Paulo (R$ 6,249) and Belo Horizonte (R$ 5,494) and in Brasília (R$ 1,708), in all cases, the Company requests the acknowledgment of the non-applicability of ITBI (Property Transfer Tax) based on the provisions of Article 37, paragraph 4, of the Brazilian Tax Code.

The disputes in Brasília obtained unfavorable decisions in the first and second instances. In October 2017, the full deposit of the tax credit related to this debit was made, so as to maintain the suspension of the requirement of the tax credit during the proceedings of Tax Foreclosures while the decision of the STF is pending.

In São Paulo, four tax collection proceedings have been filed and are still pending judgment.

In Belo Horizonte, of the four discussions, three are at administrative level awaiting analysis of the appeals filed at the first level of trial. In December 2016, the Company obtained unfavorable decision at the second level of trial in one of its lawsuits, and filed court decision and still in the stage of appeal.

The Company also has a discussion in administrative instance as for social security contributions. The Inspection issued a deficiency notice requesting social security contributions on amounts referring to the Company's stock option plan. First instance decision was unfavorable and the Company filed a voluntary appeal. Currently, decision of the appeal is being awaited.

Civil, administrative and labor

The Company is party to several civil lawsuits, administrative and labor claims, none of which is considered individually material.

Contingent assets

On June 26, 1995, the Consortium comprising the Company (successor of Multishopping Empreendimentos Imobiliários S.A.) and Bozano, Simonsen Centros Comerciais S.A., Pinto de Almeida Engenharia S.A., and In Mont Planejamento Imobiliário e Participações Ltda. advanced the amount of R$6,000 to Clube de Regatas do Flamengo to be deducted from the income earned by the Club after the opening of the shopping center located in Gávea, which was the object of the Consortium. However, the project was canceled, and Clube de Regatas do Flamengo did not return the amount advanced. The Consortium members decided to file a lawsuit claiming the Club's reimbursement of the amount advanced.

On March 18, 2016, the Consortium signed a Private Transaction Instrument with Clube de Regatas do Flamengo, which was dully authorized by its Advisory Board on April 15, 2016. According to this Instrument, Clube agreed to pay the consortium the amount of R$ 61,500, which was fully settled in the second quarter of 2016.
Consequently, a petition was filed in the proceeding informing about the fulfillment of the agreement, and requiring the extinguishment of the foreclosure, granted by the Judge on June 1, 2016.

The Company is currently waiting the internal procedures of the notary's office to be concluded to once for all file both cases.

17.2 Judicial deposits

	Parent company			
Judicial deposits	**December 31, 2016**	**Additions**	**Write-offs**	**December 31, 2017**
PIS and COFINS (a)	5,007	-	(3,191)	1,816
ITBI (b)	-	4,695	-	4,695
Civil deposits	5,139	5,633	(67)	10,705
Labor deposits	4,503	-	(16)	4,487
Other	447	-	-	447
	15,096	10,328	(3,274)	22,150

	Consolidated			
Judicial deposits	**December 31, 2016**	**Additions**	**Write-offs**	**December 31, 2017**
PIS and COFINS (a)	5,728	-	(3,191)	2,537
ITBI (b)	-	4,695	-	4,695
Civil deposits	6,210	6,532	(46)	12,696
Labor deposits	4,824	57	(57)	4,824
Other	1,003	-	-	1,003
	17,765	11,284	(3,294)	25,755

(a) In March 2017, settlement of requests for conversion into income and collection of judicial deposits from the discussion reported in note 17.1, item a, representing a write-off of R$ 3,191 were carried out. The remaining balance primarily refers to a deposit made to suspend the payment of PIS and COFINS debts and to obtain the Debt Clearance Certificate. Currently, the issue is awaiting distribution and judgment by Federal Supreme Court (STF).

(b) In October 2017, the full deposit of the tax credit related to the ITBI under discussion in Brasília was made, as mentioned in the item tax lawsuits in note 17.1.

18 Deferred income and costs

	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated
Income from Key money	45,873	63,190	65,698	103,043
Unallocated cost of sales (a)	(58,571)	(132,150)	(67,602)	(109,195)
Other income	1,270	1,270	1,323	1,323
	(11,428)	(67,690)	(581)	(4,828)
Current assets	(22,215)	(38,384)	(24,080)	(33,381)
Non-current assets	(36,356)	(93,766)	(43,522)	(75,812)
Current liabilities	18,561	22,033	23,427	33,336
Non-current liabilities	28,582	42,427	43,594	71,029

(a) Refers to cost related to brokerage of key money and tenant allowance. The tenant allowance is an incentive offered by the Company to a few storeowners for them to establish in a property of Multiplan Group.

19 Shareholders' equity

a. Capital

On January 9, 2017, the Board of Directors approved the Company's capital increase, observing the limit of authorized capital, through private subscription, in the amount of R$ 600,000, by means of issuance of 10,256,411 common shares, all nominative, book-entry and with no par value of issuance by the Company ("Shares"), at the issue price of R$ 58.50 per share ("Capital Increase"). Capital increase was carried out at March 8, 2017.

As of December 31, 2017, the Company's capital is represented by 200,253,625 common and preferred shares (189,997,214 common and preferred shares as at December 31, 2016) registered and book-entry, with no par value, distributed as follows:

	Number of shares					
	December 31, 2017			December 31, 2016		
Shareholder	Common	Preferred	Total	Common	Preferred	Total
Multiplan Planejamento. Participações e Administração S.A.	42,123,783	-	42,123,783	42,123,783	-	42,123,783
1700480 Ontário Inc.	42,947,201	11,858,347	54,805,548	42,947,201	11,858,347	54,805,548
José Isaac Peres	9,745,691	-	9,745,691	9,745,691	-	9,745,691
FIM Multiplus Investimento no Exterior Credito Privado	536,680	-	536,680	194,100	-	194,100
Maria Helena Kaminitz Peres	2,459,756	-	2,459,756	2,459,756	-	2,459,756
Outstanding shares	89,573,949	-	89,573,949	79,367,486	-	79,367,486
Board of directors and Executive Board	157	-	157	157	-	157
Total outstanding shares	187,387,217	11,858,347	199,245,564	176,838,174	11,858,347	188,696,521
Shares in treasury	1,008,061	-	1,008,061	1,300,693	-	1,300,693
	188,395,278	11,858,347	200,253,625	178,138,867	11,858,347	189,997,214

b. Legal reserve

The legal reserve is calculated based on 5% of net income as prescribed by the prevailing laws and the Company's bylaws, limited to 20% of capital.

c. Expansion reserve

As set forth in the Company's bylaws article 39, 100% of the remaining portion of the net income, after absorbing accumulated losses, to recognize the legal reserve and distribute dividends is allocated to the expansion reserve. Such reserve is intended to secure funds for new investments in capital expenditures, current capital, and expansion of social activities. If the balance of reserve exceeds the Capital, the General Meeting will decide on the application of the excess in integralization or increase of Capital or, even, in distribution of additional dividends to shareholders.

d. Special goodwill reserve - merger

With the merger of Bertolino into the parent company, the goodwill recorded on Bertolino's balance sheet arising from the acquisition of interest in Multiplan, less the provision for maintenance of integrity of shareholders' equity, was recorded on the Company's books, after said merger, in a specific line item of deferred income tax and social contribution in assets, as a balancing item to a special goodwill reserve on merger, pursuant to article 6, paragraph 1 of CVM Instruction 319/99.

e. Effect on capital transactions

As mentioned in Note 9, on February 9, 2012, the subsidiary Morumbi Business Center Empreendimentos Imobiliários Ltda. acquired 77,470,449 quotas of MPH Empreendimento Imobiliário Ltda. representing 41.958% of total capital, for R$175,000 fully paid up front. Subsequently, a shareholder withdrew from the MPH Empreendimentos Imobiliários Ltda., thought a capital decrease equivalent to 16.084%, through cancellation of all quotas and return of the net assets resulting in a reduction of R$128,337 in non-controlling interest in the consolidated financial statements. Therefore, Morumbi Business Center Empreendimentos Imobiliarios Ltda. and Multiplan Empreendimentos Imobiliários S.A now own, each, 50% of total equity of MPH Empreendimentos Imobiliários Ltda. The result of the effects of the acquisition made by Morumbi Business Center Empreendimento Imobiliário Ltda. and the reduction of capital of MPH Empreendimentos Imobiliários S.A., in the amount of R$89,996 was accounted for in the Company's equity.

f. Shares in treasury

The Company acquired 7,514,500 common shares up to December 31, 2017 (6,608,500 up to December 31, 2016). Up to December 31, 2017, 6,506,439 shares were used to settle the exercise of stock options. As of December 31, 2017, Shares in treasury totaled 1,008,061 shares (1,300,693 shares as of December 31, 2016). See note 20 for further details.

As of December 31, 2017, the percentage of outstanding shares (outstanding and Board of Directors and Executive Board shares) is 44.73% (41.77% as of December 31, 2016). The Shares in treasury were acquired at a weighted average cost of R$ 63.54 (value in reais), a minimum cost of R$ 9.80 (value in reais) and a maximum cost of R$ 73.95 (value in reais). The share trading price calculated based on the last price quotation before period end was R$ 70.93 (value in reais).

g. Dividends and Interest on shareholders' equity

Under the article 39, item (c) of the Company's bylaws, the minimum annual compulsory dividend corresponds to 25% of net income, as adjusted pursuant to the Brazilian Corporate Law. Distribution of dividends or Interest on shareholders' equity is specifically approved by the Company's Board of Directors, as set forth in the laws and article 22 item (g) of the Company's Bylaws.

Under article 39, §3 of the Company's Bylaws, the minimum compulsory dividend will not be paid in the year in which the Company's bodies inform to the Annual Shareholders' Meeting that such payment is incompatible with the Company's financial condition, it being understood that the Supervisory Board, if any, will issue an opinion thereon. Dividends so retained will be paid when the financial condition permits.

Interest on shareholders' equity approved in 2017

On June 21, 2017, the Board of Directors approved the payment of Interest on shareholders' equity on the gross amount of R$ 110,000 assigned to the Company's shareholders registered as such on June 26, 2017, corresponding to R$ 0.55205752114 per share, before the withholding of 15% of withholding income tax, except for those shareholders who are tax-exempt or tax-immune as set forth in the applicable laws. Such amount was paid to the Company's shareholders as of January 29, 2018.

On September 21, 2017, the Board of Directors approved the payment of Interest on shareholders' equity on the gross amount of R$ 65,000 assigned to the Company's shareholders registered as such on September 26, 2017, corresponding to R$ 0.32574766582 per share, before the withholding of 15% of withholding income tax, except for those shareholders who are tax-exempt or tax-immune as set forth in the applicable laws. Such amount was paid to the Company's shareholders as of January 29, 2018.

On December 21, 2017, the Board of Directors approved the payment of Interest on shareholders' equity on the gross amount of R$ 65,000 assigned to the Company's shareholders registered as such on December 27, 2017, corresponding to R$ 0.32623060055 per share, before the withholding of 15% of withholding income tax, except for those shareholders who are tax-exempt or tax-immune as set forth in the applicable laws. Such amount was paid to the Company's shareholders as of January 29, 2018.

	2017
Net income for the year	370,055
Allocation to legal reserve	(18,503)
Net income after deduction of the legal reserve	351,552
Interest on shareholders' equity approved, net of taxes	206,262

Interest on shareholders' equity approved in 2016

On June 27, 2016, the Board of Directors approved the payment of Interest on shareholders' equity on the gross amount of R$ 95,000 assigned to the Company's shareholders registered as such on June 30, 2016, corresponding to R$ 0.50483030940 per share, before the withholding of 15% of income tax, except for those shareholders who are tax-exempt or tax-immune as set forth in the applicable laws. Such amount was paid to the Company's shareholders as of May 2, 2017.

The total amount of Interest on shareholders' equity is within the limits set forth in Paragraph 1, Article 9 of Law No. 9.249/95.

	2016
Net income for the year	311,542
Allocation to legal reserve	(15,577)
Net income after deduction of the legal reserve	295,965
Minimum compulsory dividends	73,991
Interest on shareholders' equity approved, net of taxes	81,343

20 Share-based payments

a. Stock option plan (to be settled in membership certificates)

The Special Shareholders' Meeting held on July 6, 2007 approved a Stock Option Plan to its management, employees and service providers or those of other entities under the Company's control.

Such plan is managed by the Board of Directors, and the Chief Executive Officer is responsible for determining the holders of the stock options.

Options granted, under the Stock Option Plan approved in 2007, do not confer on their holders the right to buy shares based on a number of shares exceeding 7% of the Company's capital at any time. The dilution corresponds to the percentage represented by the number of stock options divided by the total number of shares issued by the Company.

The issuance of our shares through the exercise of stock options under the Stock Option Plan would result in a dilution for our shareholders since the stock options to be granted under the Stock Option Plan can confer acquisition rights on a volume of shares of up to 5% of our capital, not considering the options of the CEO or 7% considering it.

As of December 31, 2017, the percentage of stock options granted is 4.7430% of capital, without considering the CEO's options, and 5.7945% when the CEO's options are considered.

The beneficiaries eligible to the Stock Option Plan can exercise their options within up to four years as from the grant date. Each stock option granted can be converted into a Company common share at the time of exercise of the option or settled in cash. The vesting period will be of up to two years, with redemption of 33.4% after the second anniversary, 33.3% after the third anniversary, and 33.3% after the fourth anniversary.

The option price shall be based on the average price of the Company's shares of the same class and type over the last 20 (twenty) trading sessions on the São Paulo Stock Exchange (Bovespa) immediately prior to the option grant date, weighted by the trading volume, adjusted for inflation based on the IPCA, or based on any other index determined by the Board of Directors, through the option exercise date.

The Company offered nine stock option grants from 2007 to December 31, 2017, which satisfy the maximum limit of 7% provided for in the plan:

(i) **Plan 1** - on July 6, 2007, the Company's Board of Directors approved the first Stock Option Plan and granting of 1,497,773 share options, exercisable after 180 days counted as of realization of first public offering of shares by the Company. Despite the Plan's general provision, as previously described, these shares exercise price is R$9.80, adjusted for inflation at IPCA or another index that may be chosen by the Board of Directors.

(ii) **Plan 2** - on November 21, 2007, the Company's Board of Directors approved the second Stock Option Plan and granting of 114,000 stock options. Of this total, 16,000 shares were granted to an employee that left the Company before minimum period for exercising the option. Exercise price of these options is R$22.84, adjusted for inflation at IPCA, beginning as of the date in which grant was executed up to stock option exercise date.

(iii) **Plan 3** - On June 4, 2008, was approved and on August 12, 2008, rectified by the Company's Board of Directors approved the 3rd Stock Option Plan and the grant of options for 1,003,400 shares. Of this total, 68,600 shares were granted to employees that left the Company before minimum period for exercising the option. Exercise price of these options is R$ 20.25, adjusted for inflation at IPCA, beginning as of the date in which grant was executed up to stock option exercise date.

(iv) **Plan 4** - On April 13, 2009, the Company's Board of Directors approved the 4th Stock Option Plan and the grant of options for 1,300,100 shares. Of this total, 44,100 shares were granted to employees that left the Company before minimum period for exercising the option. Exercise price of these options is R$ 15.13, adjusted for inflation at IPCA, beginning as of the date in which grant was executed up to stock option exercise date.

(v) **Plan 5** - On March 4, 2010, the Company's Board of Directors approved the 5th Stock Option Plan and the grant of options for 966,752 shares. Of this total, 5,655 shares were granted to employees that left the Company before minimum period for exercising the option. Exercise price of these options is R$ 30.27, adjusted for inflation at IPCA, beginning as of the date in which grant was executed up to stock option exercise date.

(vi) **Plan 6** - On March 23, 2011, the Company's Board of Directors approved the 6th Stock Option Plan and the grant of options for 1,297,110 shares. Of this total, 23,310 shares were granted to employees that left the Company before minimum period for exercising the option. Exercise price of these options is R$ 33.13, adjusted for inflation at IPCA, beginning as of the date in which grant was executed up to stock option exercise date.

(vii) **Plan 7** - On March 7, 2012, the Company's Board of Directors approved the 7th Stock Option Plan and the grant of options for 1,347,960 shares. Of this total, 39,980 shares were granted to employees that left the Company before minimum period for exercising the option. Exercise price of these options is R$ 39.60, adjusted for inflation at IPCA, beginning as of the date in which grant was executed up to stock option exercise date.

(viii) **Plan 8** - On May 14, 2013, the Company's Board of Directors approved the 8th Stock Option Plan and the grant of options for 1,689,550 shares. Of this total, 144,550 shares were granted to employees that left the Company before minimum period for exercising the option. Exercise price of these options is R$56.24, adjusted for inflation at IPCA, beginning as of the date in which grant was executed up to stock option exercise date.

(ix) **Plan 9** - On April 15, 2014, the Company's Board of Directors approved the 9th Stock Option Plan and the grant of options for 2,214,550 shares. Of this total, 79,550 shares were granted to employees that left the Company before minimum period for exercising the option. Exercise price of these options is R$ 48.03, adjusted for inflation at IPCA, beginning as of the date in which grant was executed up to stock option exercise date.

No stock option plan was granted in 2015, 2016 and 2017.

Distributions described in items (ii), (iii), (iv), (v), (vi), (vii), (viii) and (ix) follow parameters defined in the Stock Option Plan previously described. Plan 1 follows parameters described in item (i).

As of January 7, 2010, were exercised 1,497,773 options to purchase shares by the CEO Mr. Jose Isaac Peres. Also, during 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017, 6,506,439 stock options related to Plans 2, 3, 4, 5, 6, 7 and 9 were exercised by some beneficiaries. Settlement of all exercised options occurred with delivery of the Company's common shares. Accordingly, as of December 31, 2017, total amount of shares comprising the balance of options granted and not exercised by the Company became 3,005,160 shares, which represent 1.50% of total shares.

The vesting periods to exercise the options are as follows:

Grace periods counted as of grant date	**% of options released to be exercised**	**Maximum number of shares (1)**	**Quantity of options exercised as of December 31, 2017**
Plan 1			
180 days after the Initial Public Offering - 01/26/2008	100%	1,497,773	1,497,773
Plan 2			
As from the second anniversary - 12/20/2009	33.4%	32,732	32,732
As from the third anniversary - 12/20/2010	33.3%	32,634	32,634
As from the fourth anniversary - 12/20/2011	33.3%	32,634	32,634
Plan 3			
As from the second anniversary - 06/04/2010	33.4%	312,217	312,217
As from the third anniversary - 06/04/2011	33.3%	311,288	311,288
As from the fourth anniversary - 06/04/2012	33.3%	311,295	311,295
Plan 4			
As from the second anniversary - 04/13/2011	33.4%	419,494	419,494
As from the third anniversary - 04/13/2012	33.3%	418,246	418,246
As from the fourth anniversary - 04/13/2013	33.3%	418,260	418,258
Plan 5			
As from the second anniversary - 03/04/2012	33.4%	322,880	322,879
As from the third anniversary - 03/04/2013	33.3%	321,927	321,926
As from the fourth anniversary - 03/04/2014	33.3%	316,290	316,288
Plan 6			
As from the second anniversary - 03/23/2013	33.4%	433,203	433,203
As from the third anniversary - 03/23/2014	33.3%	425,254	425,254
As from the fourth anniversary - 03/23/2015	33.3%	415,271	415,271
Plan 7			
As from the second anniversary - 03/07/2014	33.4%	443,532	414,308
As from the third anniversary - 03/07/2015	33.3%	432,220	403,083
As from the fourth anniversary - 03/07/2016	33.3%	432,228	383,779
Plan 8			
As from the second anniversary - 05/14/2015	33.4%	516,030	-
As from the third anniversary - 05/14/2016	33.3%	514,485	-
As from the fourth anniversary - 05/14/2017	33.3%	514,485	-
Plan 9 (2)			
As from the second anniversary - 04/16/2016	33.4%	713,090	429,090
As from the third anniversary - 04/16/2017	33.3%	710,955	337,575
As from the fourth anniversary - 04/16/2018	33.3%	710,955	14,985

(1) Net value of shares canceled due to the termination of the Company's employees before the minimum option exercise term.

(2) In relation to the Program 9, it was approved the change in the grace period of 84,550 options.

The average weighted fair value of call options on grant dates, as described below, was estimated using the Black-Scholes option pricing model, based on the assumptions listed below:

	Strike price (R$)	Price on the grant date (1)	Index of adjustment	Quantity
Plan 1	9.80	R$ 25.00 (2)	IPCA	1,497,773
Plan 2	22.84	R$ 20.00	IPCA	114,000
Plan 3	20.25	R$ 18.50	IPCA	1,003,400
Plan 4	15.13	R$ 15.30	IPCA	1,300,100
Plan 5	30.27	R$ 29.65	IPCA	966,752
Plan 6	33.13	R$ 33.85	IPCA	1,297,110
Plan 7	39.60	R$ 39.44	IPCA	1,347,960
Plan 8	56.24	R$ 58.80	IPCA	1,689,550
Plan 9	48.03	R$ 48.90	IPCA	2,214,550

(1) Closing price on the last day used in the pricing of the stock option plan.

(2) Issue price upon the Company's going public on June 27, 2007

	Volatility	Risk-free rate	Average maturity	Fair value
Plan 1	48.88%	12.10%	3.25 years	R$ 16.40
Plan 2	48.88%	12.50%	4.50 years	R$ 7.95
Plan	48.88%	12.50%	4.50 years	R$ 7.57
Plan 4	48.79%	11.71%	4.50 years	R$ 7.15
Plan 5	30.90%	6.60%	3.00 years	R$ 7.28
Plan 6	24.30%	6.30%	3.00 years	R$ 7.03
Plan 7	23.84%	3.69-4.40%	3.00 years	R$ 6.42
Plan 8	20.58%	2.90-3.39%	3.00 years	R$ 9.95
Plan 9	18.15%	5.22-6.09%	3.00 years	R$ 8.55

The volatility used in the model was based on the standard deviation of historical MULT3, or in a panel of companies of the sector, in accordance with the stock fluctuation availability and consistency presented in the market and in the appropriate period. The dividend yield was based on Company's internal models considering the maturity of each option. The Company did not consider the option's anticipated exercise and any market condition other than the assumptions above.

Addition information on the stock option plan:

	Quantity (1)	Price (2) (R$)
Total expired stock options		
December 31, 2012	7,398,395	23.76
December 31, 2013	9,028,970	34.99
December 31, 2014	11,133,550	39.45
December 31, 2015	11,133,550	43.72
December 31, 2016	11,009,443	46.40
December 31, 2017	11,009,372	47.54
Options granted in 2012	1,347,960	41.34
Options granted in 2013	1,669,550	57.76
Options granted in 2014	2,174,550	49.73
Options granted in 2015	-	-
Options granted in 2016	-	-
Options granted in 2017	-	-
Total stock options exercised		
December 31, 2012	3,514,828	18.01
December 31, 2013	4,274,179	20.00
December 31, 2014	5,283,715	23.42
December 31, 2015	5,890,153	25.25
December 31, 2016	6,805,580	28.83
December 31, 2017	8,004,212	33.12
Stock options exercised in 2012	1,083,556	24.80
Stock options exercised in 2013	759,351	29.23
Stock options exercised in 2014	1,009,536	37.89
Stock options exercised in 2015	606,438	41.15
Stock options exercised in 2016	915,427	51.88
Stock options exercised in 2017	1,198,632	57.48
Total stock options exercised		
December 31, 2012	3,704,313	18.36
December 31, 2013	4,868,254	21.45
December 31, 2014	6,049,707	25.68
December 31, 2015	7,531,446	31.95
December 31, 2016	9,103,018	37.68
December 31, 2017	10,313,402	41.30
Options expired stock options in the year - 2012	1,039,140	25.89
Options expired stock options in the year - 2013	1,163,941	31.53
Options expired stock options in the year - 2014	1,181,453	42.87
Options expired stock options in the year - 2015	1,481,739	56.47
Options expired stock options in 2016	1,616,618	62.34
Options expired stock options in 2017	1,210,455	66.34
Total not exercised		
December 31, 2012	3,883,567	35.50
December 31, 2013	4,754,791	45.83
December 31, 2014	5,849,835	50.85
December 31, 2015	5,243,397	57.76
December 31, 2016	4,203,863	63.30
December 31, 2017	3,005,160	67.49

(1) Net value of shares canceled due to the termination of the Company's employees before the minimum option exercise term.

(2) Price set by the end of the period or the date of exercise.

For share options exercised during 2013, the weighted average market price of shares was R$ 58.21. In 2014, the weighted average market price of the shares was R$ 53.21. In 2015, the weighted average market price of the shares was R$ 55.79. In 2016, the weighted average market price of the shares was R$ 58.81. In 2017, the weighted average market price of the shares was R$ 71.03.

The effect of the recognition of the payment based on shares in the Shareholders' equity and in Income (loss), in the year ended December 31, 2017, was R$3,187 (R$ 7,192 as of December 31, 2016) of which R$ 1,586 (R$ 3,449 in 2016) refers to the management's portion.

b. Phantom Stock Options

In Board of Directors' meeting held on July 29, 2015, the Company's Long-Term Incentive Plan was approved; it establishes the terms and conditions for payment of a cash premium referred to valuation of shares issued by the Company to certain managers, employees and service providers or other companies under its control. Right to receive this premium is represented by units of investment, and the Board of Directors is responsible for electing participants and for authorizing the granting of investment units.

Phantom 1 - As of July 29, 2015, the Board of Directors approved the granting, in 2015, of 2,500,983 units of investment to elected participants. Of this total, 16,000 investment units were granted to employees that left the Company before minimum period for redeeming investment units.

Phantom 2 - As of September 21, 2016, the Board of Directors approved the granting, in 2016, of 2,500,750 units of investment to elected participants.

In year 2017, there was no granting of investment units.

These units of investment may be redeemed by participants in three distinct tranches, within maximum period of six years as from respective grant date. The vesting period for the redemption of investment units is two years, with redemption of 33.4% after the second anniversary, 33.3% after the third anniversary, and 33.3% after the fourth anniversary.

Cash value to be disbursed in relation to investment units is based on the increase in share price of the Company between the grant date and redemption period.

Details of liabilities deriving from units of investment are as follows:

	Consolidated
In thousands of reais	**2017**
Book value of liabilities from units of investment	35,930

(i) Measurement of fair value

Weighted average fair value of units of investment was estimated using options pricing model Black-Scholes. The dividend yield was based on Company's internal models considering the maturity of each unit of investment. The Company did not consider the option's anticipated investment units and any market condition other than the assumptions below.

Fair value in the grant date was calculated considering the following assumptions:

Fair value in the grant date

	Reference value (R$) (1)	Share price (R$) (2)	Index of adjustment	Quantity	Volatility MULT3 (3)	Risk-free rate	Average maturity	Fair value
Phantom 1	46.71	46.27	IPCA	2,500,983	5.5%-5.8%	11.3%-12.3%	3.00 years	R$ 5.68
Phantom 2	61.38	61.47	IPCA	2,500,750	5.9%-6.5%	10.7%-11.5%	3.00 years	R$ 7.85

(1) Investment units' reference value on grant date corresponds to average quotation of the Company's shares in BM&FBOVESPA, calculated by division of financial volume by the number of traded shares accumulated in 20 trading sessions immediately prior to their calculation base date.

(2) Share price corresponds to average of 20 sessions prior to the closing date of the quarter.

(3) Volatility used in this model was based on MULT3 historic standard deviation in proper period.

The fair value on the date of the financial statements was calculated assuming the following assumptions:

Fair value as of December 31, 2017

	Reference value (R$) (4)	Share price (R$)	Index of adjustment	Quantity	Volatility MULT3	Risk-free rate	Average maturity	Fair value
Phantom 1	53.90-56.11	69.46	IPCA	2,484,983	4.4%-5.0%	6.8%-7.2%	1.07 years	R$ 17.32
Phantom 2	65.28-70.76	69.46	IPCA	2,500,750	4.8%-5.9%	6.8%-7.5%	1.72 years	R$ 7.81

(4) The reference value of the investment units on the granting date adjusted by the expectation of IPCA until the end of the term.

Additional information to investment units' Long-Term Incentive Plan:

	Quantity	Price (1) (R$)
Grant		
Total balance of units of investment granted on December 31, 2017	4,985,733	58.39
Investment units granted in 2017	-	-
Year		
Total balance of units of investment canceled on December 31, 2017	860,276	52.33
Investment units exercised in 2017	814,793	52.38
Expired		
Total balance of units of investment expired on December 31, 2017	890,568	52.35
Investment units expired in 2017	845,085	53.17
Not redeemed		
Total balance of units of investment not redeemed on December 31, 2017	4,125,457	59.48

(1) Price set by the end of the period or the date of exercise.

(ii) Expense recognized in income (loss)

As of December 31, 2017, amount recognized in income (loss) was R$ 41,666.

21 Net operating revenue

	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated
Gross operating income from sales and services:				
Stores leased	745,168	987,189	723,535	909,723
Parking lots	100,941	185,420	91,319	187,163
Services	107,901	100,635	123,481	120,087
Key money	3,810	5,448	7,161	12,398
Sale of properties	(1,965)	(712)	(3,289)	(724)
Other	2,953	5,855	5,388	7,526
	958,808	1,283,835	947,595	1,236,173
Taxes and Contributions on sales and services	(90,652)	(127,456)	(92,066)	(126,223)
Net operating revenue	868,156	1,156,379	855,529	1,109,950

22 Breakdown of costs and expenses by nature

During the years ended December 31, 2017 and 2016, the Company incurred in the following costs and expenses:

Costs: arising from the interest in the civil condominiums of shopping malls in operation, costs on depreciation of investment properties and cost of properties sold.

	Cost of services rendered and properties sold			
	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated
Services	(2,708)	(2,469)	(3,037)	(2,682)
Parking	-	(7,244)	(475)	(16,280)
Leases	(8,084)	(8,124)	(7,806)	(7,845)
Properties (charges, IPTU, rental, common area maintenance)	(30,232)	(41,881)	(23,689)	(33,264)
Occupancy cost	(16)	(43)	-	(29)
Other costs	(31,597)	(50,429)	(31,634)	(58,036)
Cost of properties sold	5,319	6,330	2,453	2,046
Depreciation and amortization	(97,108)	(169,461)	(98,365)	(144,974)
Total	(164,426)	(273,321)	(162,553)	(261,064)
Costs:				
Services rendered	(169,745)	(279,651)	(165,006)	(263,110)
Properties sold	5,319	6,330	2,453	2,046
Total	(164,426)	(273,321)	(162,553)	(261,064)

The breakdown of these expenses in their main categories is as follows:

- **Headquarters:** Expenses on personnel (administrative, operational and development) of the Multiplan group's Headquarters and branches, in addition to expenditures on corporate marketing, outsourcing and travel.

- **Properties:** expenses on civil condominium of properties in operation.

- **Lease projects:** Pre-operating expenses linked to real estate projects and shopping malls' expansion.

- **Projects for sale:** Pre-operating expenses arising from real estate projects for sale.

	Administrative and project expenses			
	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated
Payroll	(71,448)	(72,425)	(75,983)	(77,911)
Services	(23,855)	(28,699)	(24,479)	(28,887)
Parking	-	(49)	-	(218)
Marketing	(16,229)	(36,809)	(9,830)	(14,350)
Travels	(4,095)	(4,245)	(4,525)	(4,833)
Properties (charges, IPTU, rental, common area maintenance)	(2,509)	(14,453)	(1,977)	(21,079)
Occupancy cost	(8,565)	(10,238)	(8,618)	(10,215)
Other	(17,472)	(21,325)	(15,717)	(19,898)
Total	(144,173)	(188,243)	(141,129)	(177,391)
Expenses on:				
Administrative expenses - Headquarters	(126,685)	(130,317)	(131,827)	(136,259)
Administrative expense - Properties	(12,899)	(30,940)	(7,005)	(27,359)
Expenses on projects for lease	(3,078)	(21,168)	(630)	(11,147)
Expenses on projects for sale	(1,511)	(5,818)	(1,667)	(2,626)
Total	(144,173)	(188,243)	(141,129)	(177,391)

23 Net financial income (loss)

	December 31, 2017		December 31, 2016	
	Parent company	Consolidated	Parent company	Consolidated
Yield on Financial Instruments	79,690	86,513	35,786	42,593
Interest and inflation adjustment on loans, financing and debentures	(221,604)	(268,380)	(224,238)	(281,604)
Interest on real estate projects	(479)	5,068	3,771	13,581
Bank fees and other charges	(13,481)	(15,796)	(6,256)	(8,637)
Changes in exchange rates	-	-	(11)	27
Holding gain	(2,134)	(8,145)	2,073	4,025
Fines and interest on lease and key money - shopping mall	6,854	8,454	7,987	9,383
Fines and interest on tax assessment notices	(131)	(140)	(149)	(274)
Interest on related party transactions	1,424	1,498	2,221	2,356
Interest and inflation adjustment on obligations to purchase goods	-	(6,619)	-	-
Other	1,801	490	4,693	6,623
Total	(148,060)	(197,057)	(174,123)	(211,927)

24 Segment information

For management purposes, the Company recognizes four business segments that account for its income and expenses. Segment reporting is required since margins, income and expense recognition and deliverables are different among them. Profit or loss was calculated considering only the Company's external clients.

Properties for lease

This refers to the Company's share in the civil condominium of shopping malls and their respective parking lots, as well like real estates for rental. This is the Company's major income-generating segment, accounting for 91.34% of its gross operating income recognized during the year ended December 31, 2017. The determining factor for the amount of income and expenses in this segment is the company's share in each venture. The income and expenses are described below:

Rental income

This refers to amounts collected by mall owners (the Company and its shareholders) in connection with the areas leased in their shopping malls and commercial projects. The income includes four types of rental: minimum Rental (based on a commercial agreement indexed to the IGP-DI), Supplementary Rental (percentage of sales made by storeowners), Merchandising (rental of an area in the mall) and straight-line rental income (exclude the volatility and seasonality of minimum rental income).

Parking income

Income from payments made by clients for the time their vehicles are parked in the parking lot.

Expenses

Include expenses on vacant areas, contributions to the promotion fund, legal fees, lease, parking, brokerage fees, and other expenses arising from the interest held in the projects.

As owners of the properties in which they are the shopping malls in which the Company owns (or situations which ownership of the property stems from the lease), the Company is subject to the payment of any extraordinary expenses that are not routine and therefore, condominium liability. The Company is also subject to costs and costs of legal actions necessary for the collection of past due rents, lawsuits in general (eviction, lease renewal, revisional, among others). The expenses on the maintenance and operation expenses (common condominium expenses) of the project will be borne by the storeowners.

Other

Includes depreciation expenses.

The shopping mall assets substantially comprise investment properties of operational shopping centers and commercial towers operating and rental receivable and parking lots.

Real estate for sale

Real estate operations include income and expenses from the sale of properties normally built in the surroundings of the shopping mall. As previously mentioned, this activity contributes to generating client flows to the shopping mall, thus increasing its income. Additionally, the appreciation and convenience brought by a shopping mall to its neighborhood enable the Company to minimize risks and increase income from properties sold. Income derives from the sale of real estate and their related construction costs. Both are recognized based on the percentage of completion (POC) of the construction work. Expenses arise mainly from brokerage and marketing activities.

Finally, the "Other" mainly concerns a real estate project that has been recognized in the balance sheet and income (loss) by "Investment" and " Share of profit of equity-accounted investees (loss)" respectively.

Assets of this segment are concentrated in the inventory of land and property completed and under construction of the Company and in accounts receivable.

Projects

The operation of projects includes income and expenses arising from the development of shopping mall and real estate project for lease. Development costs are recorded in the balance sheet, but expenses on marketing, brokerage, property taxes, feasibility studies and other items are recorded to the Company's income (loss). In the same way, the company believes that most of its income from Key money derives from projects initiated over the last 5 years (average period to recognize income from key money), thus resulting from the lease of stores during the construction process.

By developing its own projects, the company is able to ensure the quality of the properties that will compose its portfolio.

Project assets mainly comprise investment properties that have a construction in progress and accounts receivable (Key money) from leased stores.

Management and other

The Company provides management services to its shareholders and storeowners in consideration for a service fee. Additionally, the Company charges brokerage fees from its shareholders for the lease of stores. The management of its shopping malls is essential for the Company's success and is a major area of concern in the company. On the others hand, the Company incurs in expenses on the Headquarters for these services and others, which are considered in this segment. This also includes taxes, financial income and expenses and others income and expenses that depend on the company's structure and not only on the operation of each segment previously described. For this reason this segment presents loss.

This segment's assets mainly comprise the Company's cash, deferred taxes and intangible assets.

	2017 (Consolidated)				
	Properties for lease	**Real estate**	**Projects**	**Management and other**	**Total**
Gross income	1,172,609	(712)	5,448	106,490	1,283,835
Costs	(279,802)	6,330	-	-	(273,472)
Expenses	(31,002)	(5,819)	(20,954)	(175,168)	(232,943)
Other	(112,579)	15,186	(38,294)	(203,110)	(338,797)
Income before income and social contribution taxes	749,226	14,986	(53,800)	(271,789)	438,624
Operating assets	6,487,619	632,674	418,621	1,154,849	8,693,763

	2016 (Consolidated)				
	Properties for lease	**Real estate**	**Projects**	**Management and other**	**Total**
Gross income	1,096,886	(724)	12,398	127,614	1,236,174
Costs	(263,110)	2,046	-	-	(261,064)
Expenses	(27,359)	(2,628)	(11,146)	(149,844)	(190,977)
Other	(102,547)	21,359	(34,267)	(226,363)	(341,818)
Income before income and social contribution taxes	703,870	20,053	(33,015)	(248,593)	442,315
Operating assets	6,003,051	524,989	582,123	844,283	7,954,446

25 Financial instruments and risk management

25.1 Capital risk management

The Company and its subsidiaries manage its capital in order to ensure the continuity of its normal operations, at the same time, maximizing the return of its operations to all interested parties, through the optimization of the use of debt instruments and capital.

The capital structure of the Company and its subsidiaries is comprised by the net debt (loans and financing, debentures and Property acquisition obligations detailed in notes 12, 14 and 15, respectively, less cash and cash equivalents and short-term investments (detailed in note 3) restricted short-term investments (recorded as other non-current assets), and the Company's shareholders' equity (which includes the capital and reserves explained in note 19).

25.1.1 Indebtedness ratio

Indebtedness ratio is as follows:

	Parent company		Consolidated	
	12/31/2017	**12/31/2016**	**12/31/2017**	**12/31/2016**
Debt (a)	2,092,721	2,270,727	2,797,391	2,923,110
Cash and cash equivalents and investment	(737,961)	(408,485)	(896,031)	(467,368)
Net debt	1,354,760	1,862,242	1901.360	2,455,742
Shareholders' equity (b)	5,185,089	4,450,170	5,200,313	4,456,360
Net debt ratio	26.13%	41.85%	36.56%	55.11%

(a) Debt is defined as short- and long-term loans and financing, debentures and Property acquisition obligations, detailed in notes 12, 14 and 15.

Of total defined in item (a) above, R$ 193,118 refers to the amount classified in the parent company and maturing in the short-term on December 31, 2017 (R$ 292,024 on December 31, 2016) and R$1,899,603 classified in the long term on December 31, 2017 (R$ 1,978,703 on December 31, 2016). In the consolidated financial statements, as of December 31, 2017, R$ 325,499 is classified as short term (R$ 409,643 - December 31, 2016) and R$ 2,471,892 as long term as of December 31, 2017 (R$ 2,513,465 December 31, 2016).

(b) Shareholders' equity includes the paid-in capital and the reserves.

25.2 Market risk

In the sector in which the Company operates, the principal market risks are financial risks related to interest, credit inherent in the provision of services and credit derived from its cash investments.

25.3 Objectives of financial risk management

The Company's main strategies to protect its equity against market risks are as follows: (a) the compatibility significantly between its financial assets and liabilities, aligning time, cost, indexing, and other currencies; (b) the diversification of its income and receivables between the different properties of the Company and the different retail segments derived from the assortment of the stores; (c) the application of liquidity on a conservative basis, in investments with immediate liquidity and low credit risk.

The Company, based on its strategy of protecting its equity against market risks, understands that to date there was no need to contract any hedging instrument. This position may be reviewed if, in the future, we observe any inconsistency that could cause risks to the financial and operating income (loss) of the Company.

According to CVM Resolution 550 issued on October 17, 2008, which provides for the submission of information on derivative financial instruments in the notes, the Company has not contracted derivative financial instruments; there is no risk from a potential exposure associated with such instruments.

25.4 Interest rate risk management

Interest rate risk refers to:

- Possibility of fluctuations in the fair value of loans and financing pegged to fixed interest rates, if such rates do not reflect current market conditions. The Company performs ongoing monitoring of these indexes. The Company has not verified yet the need to enter into financial instruments to hedge against interest rate risks;

- Possibility of unfavorable change in interest rates, which would result in increase in financial expenses as a result of the debt portion pegged to variable interest rate; and

- Possibility of changes in the fair value of its investment properties, due to effects of changes in the interest rate in the indicators of risk and return used in the calculation of the discount rate, including beta index, country risk and inflation assumptions. The Company performs ongoing monitoring of these indexes.

25.5 Credit risk related to service rendering

This risk is related to the possibility of the Company and its subsidiaries posting losses resulting from difficulties in collecting amounts from lease, property sales, Key money, management fees and brokerage fees.

25.6 Credit risk

This risk is related to the possibility of the Company and its subsidiaries posting losses resulting from difficulties in realizing short and long-term financial investments.

25.7 Sensitivity analysis

In order to analyze the sensitivity of financial asset and liability index to which the Company is exposed as at December 31, 2017, five different scenarios were defined and an analysis of sensitivity to fluctuations in the indexes of such instruments was prepared. Based on the FOCUS report dated December 29, 2017, the IGP-DI, IGP-M and IPCA indexes and TJLP, projections for 2017 was extracted from the BNDES’s official website, the indexes CDI and the TR rate were extracted from the CETIP’s and BM&F BOVESPA’s official websites, such index and rates were considered as probable scenario and increases and decreases of 25% and 50% were calculated.

Indexes of financial assets and liabilities:

Index	**50% decr.**	**25% decr.**	**Probable scenario**	**25% incr.**	**50% incr.**
CDI	4.13%	6.19%	8.25%	10.31%	12.38%
IGP-DI	(0.21%)	(0.31%)	(0.41%)	(0.51%)	(0.62%)
IGP - M	-	-	-	-	-
IPCA	1.39%	2.09%	2.78%	3.48%	4.17%
TJLP	3.50%	5.25%	7.00%	8.75%	10.50%
Ref. rate	0.30%	0.45%	0.60%	0.75%	0.90%

Financial assets

The gross income was calculated for each scenario as of December 31, 2017, based on one-year projection and not taking into consideration any tax levied on earnings. The sensitivity for each scenario is analyzed below.

Sensitivity of income - 2017

Parent company

		Balance at 12/31/2017	**50% decr.**	**25% decr.**	**Probable scenario**	**5% incr.**	**50% incr.**
Cash and cash equivalents and Financial Instruments							
Cash and cash equivalents	N/A	28,341	N/A	N/A	N/A	N/A	N/A
Interest earnings bank deposits	100% CDI	709,620	29,272	43,908	58,544	73,180	87,815
		737,961	29,272	43,908	58,544	73,180	87,815
Accounts receivable							
Trade accounts receivable - store lease	IGP-DI	128,090	(263)	(394)	(525)	(656)	(788)
Trade accounts receivable - straight-line	IGP-DI	22,452	N/A	N/A	N/A	N/A	N/A
Trade accounts receivable - Key money	IGP-DI	16,984	(35)	(52)	(70)	(87)	(104)
Trade accounts receivable - sale of completed units	IGP-M + 12%	22,031	2,644	2,644	2,644	2,644	2,644
Other trade accounts receivable	N/A	23,665	N/A	N/A	N/A	N/A	N/A
		213,222	2,346	2,198	2,049	1,901	1,752
Related party transactions							
Shopping Center Association	110% CDI	9,950	N/A	N/A	N/A	N/A	N/A
Shopping Center Condominiums	110% CDI	2,441	N/A	N/A	N/A	N/A	N/A
Other sundry loans and advances	N/A	394	N/A	N/A	N/A	N/A	N/A
		12,785	-	-	-	-	-
Total		963,968	31,618	46,106	60,593	75,081	89,567

Consolidated

		Balance at 12/31/2017	50% decr.	25% decr.	Probable scenario	25% incr.	50% incr.
Cash and cash equivalents and Financial Instruments							
Cash and cash equivalents	N/A	39,786	N/A	N/A	N/A	N/A	N/A
Financial Instruments	100% CDI	856,245	35,320	52,980	70,640	88,300	105,960
		896,031	35,320	52,980	70,640	88,300	105,960
Accounts receivable							
Trade accounts receivable - store lease	IGP-DI	170,660	(350)	(525)	(700)	(875)	(1,050)
Straight line effect	IGP-DI	39,446	N/A	N/A	N/A	N/A	N/A
Trade accounts receivable - Key money	IGP-DI	22,711	(47)	(70)	(93)	(116)	(140)
Trade accounts receivable - sale of completed properties	IGP-M + 12%	22,031	2,644	2,644	2,644	2,644	2,644
Trade accounts receivable - sale of completed properties	IGP-M + 11%	75,727	8,330	8,330	8,330	8,330	8,330
Other trade accounts receivable	N/A	25,636	N/A	N/A	N/A	N/A	N/A
		356,211	10,577	10,379	10,181	9,983	9,784
Related party transactions							
Shopping Center Associations		10,322	N/A	N/A	N/A	N/A	N/A
Shopping Center Condominiums		4,577	N/A	N/A	N/A	N/A	N/A
Loans - Other	N/A	78	N/A	N/A	N/A	N/A	N/A
		14,977	-	-	-	-	-
Total		1,267,219	45,897	63,359	80,821	98,283	115,744

Financial liabilities

For each scenario the Company calculated the gross financial expense, not taking into account the taxes levied and the flow of maturities for each contract scheduled for 2017. The base date used was December 31, 2017 projecting indices for one year and verifying their sensitivity in each scenario.

Financial expenses projection - 2017

Parent company

	Remuneration rate	Balance at 12/31/2017	50% decr.	25% decr.	Probable scenario	25% incr.	50% incr.
Loans and financing							
Santander BHS Exp V	Ref.rate + 8.70%	27,733	2,496	2,538	2,579	2,621	2,662
Banco Itaú PSC	Ref.rate + 9.35%	80,531	7,771	7,892	8,013	8,134	8,254
Banco Itaú VLG	Ref.rate + 9.35%	212,689	20,524	20,844	21,163	21,482	21,801
CCB Itaú 325M	108% CDI	25,545	1,138	1,707	2,276	2,845	3,414
CCB Itaú 100M	108.5% CDI	103,206	4,619	6,929	9,238	11,548	13,857
Bradesco MTE	CDI + 1.00%	302,838	15,520	21,766	28,012	34,259	40,505
CCB - BB 175M	110% CDI	106,391	4,827	7,241	9,655	12,069	14,482
CCB - BB 50M	110% CDI	47,767	2,167	3,251	4,335	5,419	6,502
CCB - BB 150M	110% CDI	143,301	6,502	9,753	13,005	16,256	19,507
BB - BRS Exp. VII	Ref.rate + 8.90%	74,436	6,848	6,960	7,071	7,183	7,295
Funding costs	N/A	(23,154)	N/A	N/A	N/A	N/A	N/A
Cia Real de Distribuição	N/A	403	N/A	N/A	N/A	N/A	N/A
		1,101,686	72,412	88,881	105,347	121,816	138,279
Property acquisition obligations							
Other	N/A	269	N/A	N/A	N/A	N/A	N/A
Debentures							
3rd Issuance of Debentures	CDI + 0.87%	406,502	20,305	28,689	37,073	45,457	53,841
Funding cost		(1,777)	N/A	N/A	N/A	N/A	N/A
4th and 5th Issuances of Debentures (CRI)	95% CDI	601,736	23,581	35,371	47,161	58,951	70,742
Funding cost		(15,695)	N/A	N/A	N/A	N/A	N/A
		990,766	43,886	64,060	84,234	104,408	124,583
Total		2,092,721	116,298	152,941	189,581	226,224	262,862

Consolidated

	Remuneration rate	Balance at 12/31/2017	50% decr.	25% decr.	Probable scenario	25% incr.	50% incr.
Loans and financing							
BNDES JDS - A	TJLP + 3.38%	12,149	836	1,048	1,261	1,474	1,686
BNDES JDS	TJLP + 1.48%	548	19	29	38	48	57
BNDES JDS - C	TJLP	127	6	9	11	13	15
BNDES-CGS (A)	TJLP+3.32%	13,356	911	1,145	1,378	1,612	1,846
BNDES-CGS (B)	IPCA + 7.27%	5,700	494	533	573	613	652
BNDES-CGS (C)	TJLP	172	6	9	12	15	18
BNDES-CGS	TJLP + 1.42%	325	16	22	27	33	39
Santander BHS Exp V	Ref.rate + 8.70%	27,733	2,496	2,538	2,579	2,621	2,662
Banco Itaú PSC	Ref.rate + 9.35%	80,531	7,771	7,892	8,013	8,134	8,254
Banco Itaú VLG	Ref.rate + 9.35%	212,689	20,524	20,844	21,163	21,482	21,801
Banco Itaú	108.50% CDI	103,206	4,619	6,929	9,238	11,548	13,857
Banco Itaú 325M	108% CDI	25,545	1,138	1,707	2,276	2,845	3,414
Bradesco MTE	CDI + 1.00%	302,838	15,520	21,766	28,012	34,259	40,505
Banco do Brasil 175M	110% CDI	106,391	4,827	7,241	9,655	12,069	14,482
Banco do Brasil 50M	110% CDI	47,767	2,167	3,251	4,335	5,419	6,502
Banco do Brasil 150M	110% CDI	143,301	6,502	9,753	13,005	16,256	19,507
Banco do Brasil BRS Exp VII	Ref.rate + 8.90%	74,436	6,848	6,960	7,071	7,183	7,295
Morumbi Corporate - DTIY	Ref.rate+8.70%	160,873	14,479	14,720	14,961	15,203	15,444
Morumbi Corporate - GTIY	Ref.rate+8.70%	156,496	14,085	14,319	14,554	14,789	15,024
Bradesco - Canoas	Ref.rate+9.25%	305,454	29,171	29,629	30,087	30,545	31,004
Funding costs	N/A	(37,092)	N/A	N/A	N/A	N/A	N/A
Cia Real de Distribuição	N/A	403	N/A	N/A	N/A	N/A	N/A
		1,742,948	132,435	150,344	168,249	186,161	204,064
Property acquisition obligations							
Land jacarepaguá	100% CDI	7,233	298	448	597	746	895
Construction Potential - Barra	IGPM	4.743	-	-	-	-	-
PKB Interest	IGPM	51,433	-	-	-	-	-
Other	N/A	269	N/A	N/A	N/A	N/A	N/A
		63,678	298	448	597	746	895
Debentures							
3rd Issuance of Debentures	CDI + 0.87%	406,502	20,305	28,689	37,073	45,457	53,841
Funding cost		(1,777)	N/A	N/A	N/A	N/A	N/A
4th and 5th Issuances of Debentures (CRI)	95% CDI	601,736	23,581	35,371	47,161	58,951	70,742
Funding cost		(15,695)	N/A	N/A	N/A	N/A	N/A
		990,766	43,886	64,060	84,234	104,408	124,583
Total		2,797,392	176,619	214,852	253,080	291,315	329,542

Part of the Company’s financial assets and liabilities are linked to interest rates and indexes which may vary representing a market risk for the Company.

In the year ended December 31, 2017, the Company’s financial assets and liabilities generated a net financial loss of R$ 197,057.

The Company understands that an increase in the interest rates, in the indexes or in both may cause an increase in the financial expenses negatively impacting the Company’s net financial result. In the same way, a decrease in the interest rates, in the indexes or in both may cause a reduction in the financial income negatively impacting the Company’s net financial income.

25.8 Liquidity risk management

The Management of the Company and its subsidiaries manages its liquidity risk keeping adequate reserves, bank credit lines and credit lines to raise loans and financing, through the continuous monitoring of forecasted and realized cash flows and combination of the maturity profiles of financial assets and liabilities.

The following table shows in detail the remaining contractual maturity of financial assets and liabilities of the Company and the contractual amortization terms. This table was prepared in accordance with the undiscounted cash flows of financial assets and liabilities based on the nearest date on which the Company shall settle the respective obligations:

	Parent company			
December 31, 2017	**Up to 1 year**	**1-3 years**	**>3 years**	**Total**
Financial Instruments	709,620	-	-	709,620
Loans and financing	184,611	381,271	535,804	1,101,686
Property acquisition obligations	269	-	-	269
Debentures	8,238	398,223	584,305	990,766
Total	902,738	779,494	1,120,109	2,802,341

	Consolidated			
December 31, 2017	**Up to 1 year**	**1-3 years**	**>3 years**	**Total**
Financial Instruments	856,245	-	-	856,245
Loans and financing	257,540	499,163	986,245	1,742,948
Property acquisition obligations	59,721	3,956	-	63,677
Debentures	8,238	398,223	584,305	990,766
Total	1,181,744	901,342	1,570,550	3,653,636

25.9 Category of the main financial instruments

	Parent company		Consolidated	
	12/31/2017	**12/31/2016**	**12/31/2017**	**12/31/2016**
Financial assets available for sale				
Financial Instruments	709,620	357,944	856,245	361,721
Financial assets classified as loans and receivables at amortized cost				
Accounts receivable	213,221	239,030	356,211	412,231
Accounts receivable from related parties	12,785	16,604	14,977	16,975
Financial assets classified as loans and receivables at amortized cost				
Loans and financing	1,101,686	1,569,844	1,742,947	2,181,674
Property acquisition obligations	269	269	63,677	40,820
Debentures	990,766	700,615	990,766	700,615

Valuation techniques and assumptions applied for purposes of fair value calculation:

The estimated fair values of financial assets and liabilities of the Company and its subsidiaries have been determined using available market information and appropriate valuation methodologies in conformity with the financial statements for the year ended December 31, 2017.

Financial instruments measured at fair value are grouped into specific categories (level 1, 2 and 3) according to the corresponding observable level of fair value:

- Measurements of the fair value of level 1 are obtained from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Measurements of the fair value of level 2 are obtained by means of the variables in addition to the quoted prices included the level 1 that are observed for the asset or liability either directly (as prices) or indirectly (derived from prices).
- Measurements of the fair value of level 3 are obtained from non-observable market variables.

The Management understands that the fair values applicable to the Company's financial instruments fall into Level 2.

26 Earnings per share

The table below shows information on profit and shares used to calculate basic and diluted earnings per share:

		December 31, 2017		December 31, 2016	
		Parent company	**Consolidated**	**Parent company**	**Consolidated**
A	Weighted average number of shares issued	198,544,223	198,544,223	189,997,214	189,997,214
B	Weighted average of Shares in treasury	1,001,807	1,001,807	1,665,096	1,665,096
C= A - B	Average shares	197,542,416	197,542,416	188,332,118	188,332,118
D	Dilutive	97,797	97,797	10,828	10,828
E	Net income for the year attributed to Company's shareholders	370,055	369,401	311,542	311,942
E/C	Earnings per share	1.8733	1.8700	1.6542	1.6563
E/(C+D)	Adjusted earnings per share	1.8724	1.8691	1.6541	1.6562

27 Insurance

The Company maintains an insurance program for shopping malls and office buildings, valid from November 30, 2016 to November 30, 2018 ("Insurance Program"). This Insurance Program provides for several coverages for each development, mainly: (a) coverages for equity risks; (b) coverages for civil liability risks and; (c) coverages for environmental risks. Coverages are subject to conditions and exclusions provided for in respective policies, among which exclusion for damage deriving from terrorist actions.

The Company also maintains coverages for engineering risk for expansion, revitalization, refurbishment or construction work and construction of new joint ventures in force.

Statement of the Directors on the Financial Statements

Directors declare that, in conformity with item VI of Article 25 of CVM Instruction no. 480, of December 7, 2009, they have reviewed, discussed and agreed with the Company's Financial Statements for 2017.

Rio de Janeiro, February 19, 2018

José Isaac Peres
CEO

Armando D'Almeida Neto
Vice-President and Investor Relations Officer

Eduardo Peres
Vice-president

Marcelo Barnes
Vice-president

Alberto Santos
Director

Statement of the Directors on the Independent auditors' report

Directors declare that, in conformity with item V of Article 25 of CVM Instruction no. 480, of December 7, 2009, they have reviewed, discussed and agreed with the opinion of independent auditors on the Company's Financial Statements for 2017.

Rio de Janeiro, February 19, 2018

José Isaac Peres
CEO

Armando D'Almeida Neto
Vice-President and Investor Relations Officer

Eduardo Peres
Vice-president

Marcelo Barnes
Vice-president

Alberto Santos
Director