ALIANSCE SHOPPING CENTERS

Earnings Report 1Q18

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May 4, 2018 - Friday
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CONFERENCE CALL IN PORTUGUESE

May 4, 2018 - Friday
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1Q18

Total sales grew 6.8% organically and Same Store Sales increased by 4.1%

Rio de Janeiro, May 3, 2018 – Aliansce Shopping Centers S.A. (B3: ALSC3), one of the largest shopping mall owners and operators in Brazil, announces its results for the 1st quarter of 2018 (1Q18). At the end of 1Q18, the Company held ownership interests in 20 shopping malls, totaling 450.4 thousand sqm of owned GLA and 726.3 thousand sqm of total GLA, as well as a commercial tower of 20.4 thousand sqm of GLA. The Company also provides planning, management and leasing services to 12 shopping malls owned by third parties, with total GLA of 300.7 thousand sqm.

1Q18 HIGHLIGHTS

- **Same store sales (SSS) increased 4.1% in 1Q18, fastest growth since 4Q14.** Adjusted for the impact of Easter sales, SSS grew by 3.0%. Total sales[1] in Aliansce's malls reached R$ 1.3 billion during 1Q18, 7.4% higher yoy. On a same mall basis, total sales increased by 6.8% yoy.

- **Provisions for doubtful accounts remain on a downward trend.** In the first quarter of 2018, PDA costs decreased by 20.7% and represented 6.4% of net revenue, vs. 8.1% in 1Q17.

- **Store leasing activity reaches peak levels.** In the last 12 months, 464 stores were leased in Aliansce's malls, a 21.5% yoy growth. The portfolio's occupancy rate reached 95.9% at the end of the quarter, remaining stable over 4Q17.

- **Debt reprofiling continues aiming to reduce interest expenses.** The Company prepaid a total of R$ 143.6 million in TR-linked debt, ending 1Q18 with a 43.3% exposure to CDI. Aliansce intends to continue prepaying higher-cost debt or renegotiating their terms, and expects to end 2018 with 45%-50% of its debt linked to CDI.

- **AFFO propelled by corporate restructuring and debt cost reduction.** Aliansce's Adjusted FFO (AFFO) reached R$ 38.5 million, a growth of 18.7% yoy, with an increment of 425 bps in AFFO margin.

- **Managerial information now disclosed at Aliansce's ownership interest for all assets.** Previously, the Company's managerial information consolidated 100% interest in both Boulevard Belém (ALSC stake = 79.99%) and Boulevard Belo Horizonte (ALSC stake = 70.0%). The new consolidation structure at share enabled efficiency gains in fiscal and interest expenses.

The Company's managerial financial information and other non-accounting information presented in this Earnings Release have not been reviewed by independent auditors. For an analysis of the reconciliation between such managerial financial information and the Company's consolidated financial statements, as well as other relevant information, please refer to the comments and tables in the "Appendices" section.

[1] Unless otherwise indicated, sales are expressed at Aliansce's ownership interest

Message from Management

We have ended the first quarter of 2018 with total sales growth of 7.4% in our malls, confirming a gradual and sustainable pace of sales recovery. The month of March presented the strongest performance of the quarter, intensified by higher revenues posted during the Easter period. In terms of same mall sales, total growth reached 6.8% in 1Q18. We believe this metric is currently the best indicator of sales performance of our portfolio, as it reflects the organic growth and commercial strength of our equipment.

The SSS indicator of our portfolio also presented positive performance, increasing 4.1% in 1Q18 (3.0% adjusted by the Easter effect). This was the fourth consecutive quarter of growth in this metric, and the best result posted since 4Q14. The SAS indicator, which captures the effect of replaced stores in our malls, increased by 4.3% and sales per sqm, which also reflects the occupation of vacant areas, posted a 5.5% expansion. In terms of SSR, we had an increase of 1.7%, which represents a 0.7% gain in real terms.

We continue to attract new stores to our malls, thus supporting the continuous qualification of our tenant base. The recently-replaced stores present results above the portfolio's average, with stronger sales per sqm growth and lower gross delinquency, and contribute to improve Aliansce's cost management efficiency. The stores replaced since 1Q17 presented an increment of almost 30% in sales per sqm. The portfolio's occupancy rate reached 95.9% by the end of 1Q18, in line the end of last year.

Regarding results, the main impacts on Aliansce's 1Q18 net revenue were, on one hand, the lower effect of inflation on tenants' contracts and, on the other hand, the beginning of the discount reduction process. In addition, the growth of parking and services operations positively contributed to the 4.4% hike in net revenues during the quarter. Given the current upward trend in sales, we expect to see growing revenues and reducing costs in our malls going forward.

During the first quarter, net revenue expansion, coupled with the drop in mall operating costs and PDA, had a significant impact on gross margin, which expanded by 490 bps yoy. Most of the mall operating costs reduction is derived from tenant contract clauses aging away from special conditions towards covering more common area costs.

During 2017, we have created new structures within the Company, which aim to support future growth and efficiency gains. New areas were created, such as People & Performance, Key Accounts and Project Management in Mix & Pricing. We have already identified the contribution of these new areas to Aliansce's operational and financial results in 1Q18 and we expect further gains going forward. These departments, as well as the new corporate structure implemented last year, had an impact on the Company's G&A during the quarter. We are convinced that we will soon see the dilution of such expenses as our rent revenues grow, given the managerial actions we have been implementing.

Recurring EBITDA reached R$83.3 million, an increase of 8.1% in comparison to 1Q17, in spite of the additional expenses associated with productivity gains, with margin expansions, which reached 224 bps. In additon, the higher exposure to lower interest rates and more efficient fiscal structures led to an 18.7% yoy AFFO expansion over the same period of last year.

We are pushing forward with our debt reprofiling process, ending the first quarter of 2018 with more than 40% exposure to CDI. During the year, we will maintain our strategy of pre-paying high-cost debts and renegotiating interest rates. Our expectation is to end 2018 with approximately 50% exposure to CDI and average cost of debt between 8.5% and 9.0%

At the end of March, we distributed the 2nd Long-Term stock-based Incentive Plan, and, currently, 23 employees are awarded within Aliansce's partnership program. The Company expects to have annual stock option distributions, aligning employee and investor interests. The meritocratic attributes of the plan also contributes to keep the focus on long-term value generation and sustainable profitability, while providing the partners/employees with the chance to take part in Aliansce's success.

We appreciate the trust deposited on our team!

Team Aliansce

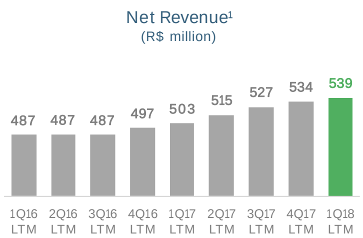
Main Indicators

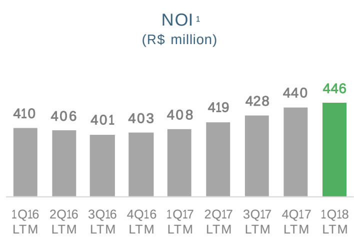
Main indicators	1Q18	1Q17	1Q18/1Q17 Δ%
Financial Performance	*(Amounts in thousands of Reais, except percentages)*		
Gross revenue [3]	139,453	136,257	2.3%
Net revenue [2]	127,091	121,720	4.4%
NOI [2]	103,801	97,527	6.4%
NOI/sqm	86.7	80.9	7.2%
Adjusted EBITDA [1 2]	83,331	77,088	8.1%
Margin %	*65.6%*	*63.3%*	*224 bps*
Net Income	6,396	14,761	-56.7%
Margin %	*4.9%*	*11.5%*	*-660 bps*
Adjusted Net Income [1]	19,002	13,976	36.0%
Margin %	*14.6%*	*10.9%*	*368 bps*
Adjusted FFO (AFFO) [1]	38,538	32,477	18.7%
Margin %	*29.6%*	*25.3%*	*425 bps*
AFFO per share	0.19	0.16	18.7%
Total rent/sqm [2 3]	81.1	81.4	-0.3%
SAR/sqm (same area rent)	0.9%	4.2%	*-322 bps*
SSR/sqm (same store rent)	1.7%	4.9%	*-321 bps*
Operating Performance			
Total Sales @share *(thousands of Reais)*	1,348,093	1,255,308	7.4%
Total Sales same malls *(thousands of Reais)*	1,348,093	1,262,193	6.8%
Sales/sqm	1,135.3	1,076.2	5.5%
SAS/sqm (same area sales)	4.3%	-1.6%	*590 bps*
SSS/sqm (same store sales)	4.1%	-2.0%	*612 bps*
Occupancy costs (% of sales)	10.9%	11.6%	*-73 bps*
Net Delinquency	5.9%	5.3%	*61 bps*
Occupancy Rate	95.9%	96.0%	*-11 bps*
Total GLA (sqm)	726,294	720,779	0.8%
Owned GLA (sqm)	450,415	444,902	1.2%
GLA that reported sales (sqm)	395,802	388,818	1.8%

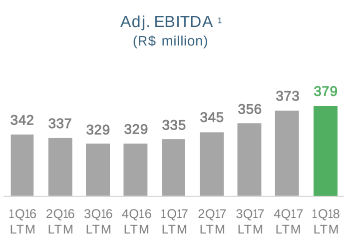
(1) Adjusted by non-recurring events and non-cash effects
(2) Excludes straight line rent and key money
(3) Considers gross revenue

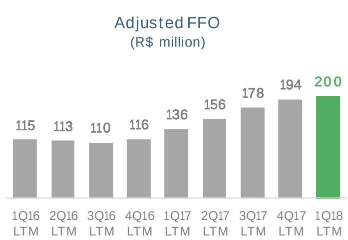
R$ Million	1Q16 LTM	2Q16 LTM	3Q16 LTM	4Q16 LTM	1Q17 LTM	2Q17 LTM	3Q17 LTM	4Q17 LTM	1Q18 LTM	Variation (%) 1Q17 LTM - 1Q18 LTM
Net Revenue [1]	486.7	487.4	487.0	496.6	503.1	515.3	526.6	534.0	539.4	*7.2%*
NOI [1]	409.9	406.2	400.7	402.9	408.0	418.9	428.0	440.0	446.3	*9.4%*
Adjusted EBITDA [1]	341.5	337.0	328.8	329.5	335.0	345.1	355.9	373.1	379.3	*13.2%*
Adjusted FFO	114.6	112.7	110.0	116.3	135.9	155.7	178.0	194.5	200.5	*47.5%*
AFFOPS	0.70	0.69	0.68	0.57	0.67	0.77	0.88	0.96	0.99	*47.5%*

[1]Excludes straight-line rent adjustment and key money







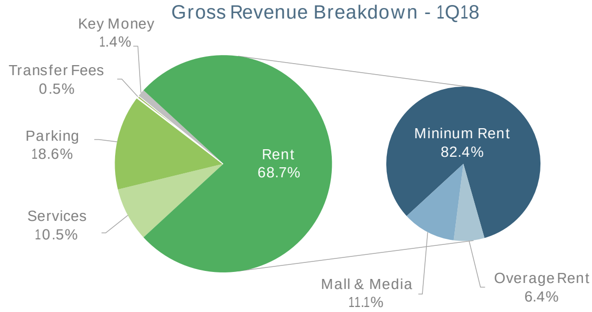


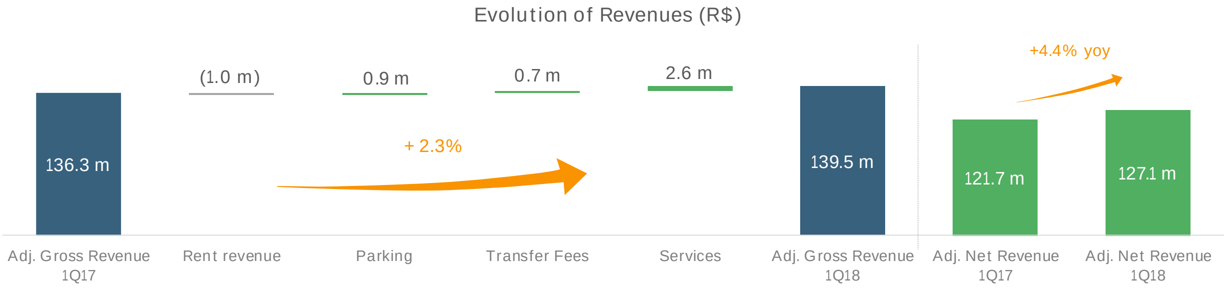
Financial Highlights

REVENUES

The Company's gross revenue, excluding the effects of key money and straight-line rent, amounted to R$ 139.5 million, a 2.3% improvement over 1Q17, while net revenue posted a growth of 4.4% yoy. The behavior of net revenue represents a more accurate analysis of the evolution of Aliansce's results, as it accounts for the full impact of discounts, including those deducted from gross revenue (post-billing).

Additionally, the growth of services and parking operations positively contributed to net revenue evolution.





Revenues by Type	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Rentals	97,136	98,183	-1.1%
Parking	26,528	25,610	3.6%
Transfer fee	749	16	4653.7%
Services	15,039	12,448	20.8%
Adjusted Gross Revenue	139,453	136,257	2.3%
Key Money	1,968	3,220	-38.9%
Straight-line rent adjustment	1,330	3,390	-60.8%
Total Gross Revenue	142,751	142,868	-0.1%

Total Revenue per Mall	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Bangu Shopping	14,193	14,565	-2.6%
Boulevard Shopping Bauru	4,304	4,411	-2.4%
Boulevard Shopping Belém[1]	12,425	11,753	5.7%
Boulevard Shopping Belo Horizonte	7,758	7,319	6.0%
Boulevard Shopping Brasília	2,586	2,522	2.5%
Boulevard Shopping Campos	4,625	4,739	-2.4%
Boulevard Shopping Vila Velha	1,313	1,564	-16.0%
Carioca Shopping	10,835	10,543	2.8%
Caxias Shopping[1]	4,381	5,783	-24.2%
Parque Shopping Belém[1]	4,073	2,810	45.0%
Parque Shopping Maceió	4,541	4,283	6.0%
Santana Parque Shopping	2,548	2,687	-5.2%
Shopping da Bahia	21,088	20,797	1.4%
Shopping Grande Rio	2,913	3,635	-19.9%
Shopping Leblon	4,707	4,607	2.2%
Shopping Parangaba	2,858	2,664	7.3%
Shopping Santa Úrsula	972	1,066	-8.8%
Shopping Taboão	10,236	9,540	7.3%
Shopping West Plaza	1,802	1,715	5.1%
Via Parque Shopping	5,169	5,749	-10.1%
C&A Stores	1,087	1,056	3.0%
Services	15,039	12,448	20.8%
Adjusted Gross Revenue	139,453	136,257	2.3%
Key money	1,968	3,220	-38.9%
Straight line rent adjustment	1,330	3,390	-60.8%
Total Gross Revenue	142,751	142,868	-0.1%

[1] Malls in which Aliansce changed its ownership interest in the last 12 months

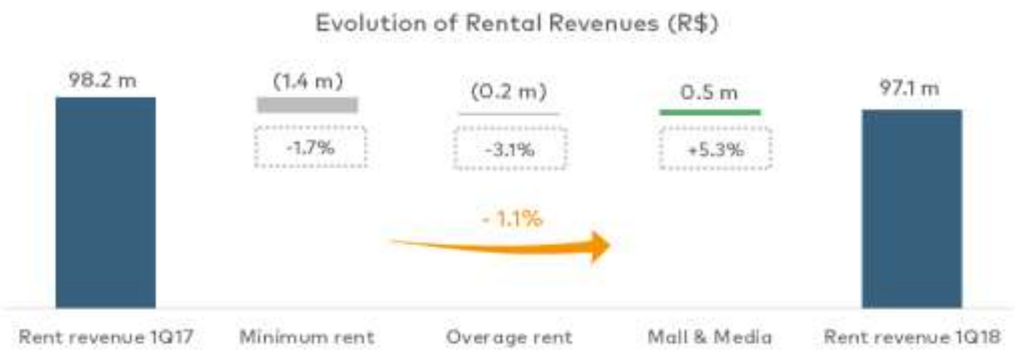
RENT REVENUE

Rent revenues reached R$ 97.1 million in 1Q18, 1.1% lower yoy. The Company's best performing malls were Shopping Taboão, Shopping Parangaba and Parque Shopping Maceió, which posted rent revenue growth of 8.0%, 6.8% and 5.1% yoy, respectively.

Minimum and overage rent revenues declined 1.8% yoy in the quarter, which is partially explained by the lower impact of inflation indices (particularly IGP-DI) over lease adjustments in the last 12 months.

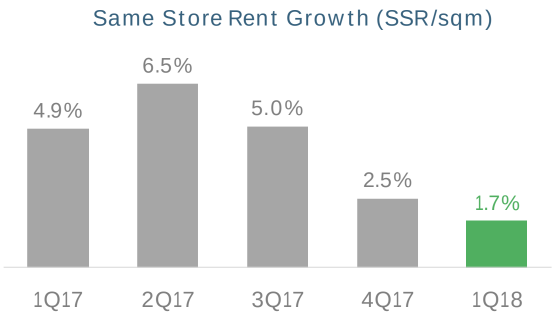
On the flip side, total discounts started to decline in 1Q18, mostly concentrated on post-billing discounts, which are accounted for in the "taxes, contributions and other deductions" line of the income statement. Total rent revenue after discounts would have grown by 1.6% yoy. The postive impact of post-billing discount reduction on Aliansce's results is also reflected on the 4.4% yoy growth of net revenue (ex-straight-line rent and key money).

Mall & Media revenue, which represented 11.1% of the Company's rental revenue in 1Q18, showed an increase of 5.3% yoy, mostly due to a higher contribution from temporary rentals, which are included in this indicator, as well as an increment in revenue from kiosks.



Rent Revenues	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial financial information	*(Amounts in thousands of Reais, except percentages)*		
Bangu Shopping	11,224	11,597	-3.2%
Boulevard Shopping Bauru	2,919	3,220	-9.3%
Boulevard Shopping Belém[1]	10,185	9,912	2.8%
Boulevard Shopping Belo Horizonte	5,329	5,175	3.0%
Boulevard Shopping Brasília	2,023	1,981	2.1%
Boulevard Shopping Campos	3,431	3,678	-6.7%
Boulevard Shopping Vila Velha	1,313	1,564	-16.0%
Carioca Shopping	8,567	8,418	1.8%
Caxias Shopping[1]	3,057	4,208	-27.3%
Parque Shopping Belém[1]	3,374	2,332	44.7%
Parque Shopping Maceió	3,570	3,397	5.1%
Santana Parque Shopping	1,721	1,854	-7.2%
Shopping da Bahia	17,794	18,177	-2.1%
Shopping Grande Rio	2,209	2,824	-21.8%
Shopping Leblon	3,889	3,780	2.9%
Shopping Parangaba	2,315	2,167	6.8%
Shopping Santa Úrsula	678	772	-12.1%
Shopping Taboão	7,618	7,053	8.0%
Shopping West Plaza	1,259	1,291	-2.5%
Via Parque Shopping	3,573	3,728	-4.2%
C&A Stores	1,087	1,056	3.0%
Total	97,136	98,183	-1.1%

[1] Malls in which Aliansce changed its ownership interest in the last 12 months



Aliansce's same store rent (SSR) showed an increase of 1.7% in the first quarter, representing a gain of 0.7% in real terms. The Company's same area rent (SAR) was also positive in 1Q18, growing 0.9%, and remaining stable in real terms. Among different store categories, junior anchors were the highlight, with increases of 10.5% yoy in SSR and 10.8% yoy in SAR.

OTHER REVENUE

Parking revenue increased 3.6% yoy in 1Q18 and represented 18.6% of total gross revenue in 1Q18. The flow of vehicles grew in 10 of the malls in our portfolio in 1Q18, and the average ticket increased in most malls.

Service revenue increased by 20.8% in 1Q18. This growth can be partially explained by the addition of three third-party malls to the portfolio of managed malls during 3Q17 and the opening of a new third-party mall at the end of 2017.

COST OF RENT AND SERVICES

Rent and service costs reached R$ 40.6 million in 1Q18, 9.4% lower yoy. As a result, the Company's gross margin increased to 68.9% in 1Q18 from 65.1% in 1Q17. The positive results from the leasing activity carried out during the last quarters has brought higher-quality tenants to the portfolio, leading to a lower necessity of contributions to the malls' common charges and marketing costs. As a result, mall operating costs posted a decline of 10.6% yoy. Total cash costs, excluding depreciation and amortization, dropped 13.8% yoy in the first quarter.

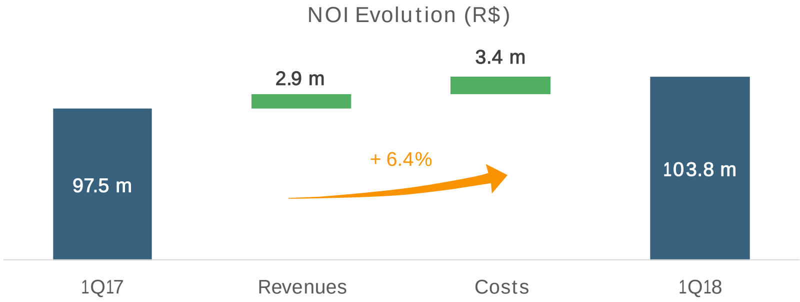
Provisions for doubtful accounts (PDA) dropped to 6.4% of net revenue in 1Q18 vs. 8.1% in 1Q17, a reduction of -20.7%, or R$ 2.2 million. The new IFRS 9 standards had a low impact on Aliansce's PDA costs, as the Company's provisions had already been operating at an adequate level. The new provision levels are roughly in-line with the figures calculated under the previous PDA standards.

Parking costs were reduced by 6.9% during the first quarter, due to productivity gains, with, for example, the installation of automated payment machines in most malls.

Costs per Type	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Depreciation and amortization	16,860	17,273	-2.4%
Mall operating costs	10,503	11,749	-10.6%
Parking costs	3,793	4,075	-6.9%
Leasing and Planning costs	1,151	1,254	-8.2%
Provision for doubtful accounts	8,291	10,457	-20.7%
Total	40,599	44,808	-9.4%
Total Cash Costs	23,738	27,535	-13.8%

NOI

NOI increased by 6.4% in 1Q18 and reached R$ 103.8 million. The NOI result was also positively impacted by the improved performance of parking results in the quarter and by reductions in mall operating costs and provisions for doubtful accounts.



NOI	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Rent & Transfer fees	97,886	98,198	-0.3%
Parking Results	22,735	21,535	5.6%
Result from corporate towers	1,975	-	n/a
Operational Income	122,596	119,733	2.4%
(-) Mall operational costs	(10,503)	(11,749)	-10.6%
(-) Provision for doubtful accounts	(8,291)	(10,457)	-20.7%
(=) NOI[1]	103,801	97,527	6.4%
NOI Margin	*84.7%*	*81.5%*	*322 bps*

OPERATING (EXPENSES)/REVENUE

Cash-recurring operating expenses increased by 17.1% in 1Q18 yoy. This increment was largely due to the creation of new areas (Key Accounts, Project Management in Mix & Pricing and People & Performance) and to the implementaton of SGA 3.0. These teams's objective is to support Aliansce's sustainable growth. Moreover, the new corporate structure put in place last year has also impacted G&A in the first quarter. The dilution of these expenses should happen once the Company's results grow as the year progresses, given the managerial actions being implemented.

Another factor that explains the increase in expenses is wage inflation adjustments. Its also important to note that outlays related to variable compensation are recognized in full during during the first quarter of each year.

Other non-recurring operating expenses in 1Q18 amounted to R$4.6 million, among which the main items refer to: (i) R$3.6 million in expenses related to layoff costs; and (ii) R$ 0.7 million in legal expenses.

Operating (Expenses)/Revenue	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Administrative and general expenses	(21,684)	(16,557)	31.0%
Other operating (expenses)/revenues	(2,944)	(823)	257.6%
Total ex-Incentive plan & Depreciation	(24,628)	(17,380)	41.7%
Non-recurring (expenses)/revenues	4,606	282	n/a
Adjusted Total	(20,022)	(17,098)	17.1%
Long-term incentive plan	(3,426)	(86)	n/a
Depreciation and amortization expenses	(2,675)	(1,227)	118.1%
Adjusted Total	(26,123)	(18,411)	41.9%

[1]NOI excludes straight-line rent adjustments and key money revenue

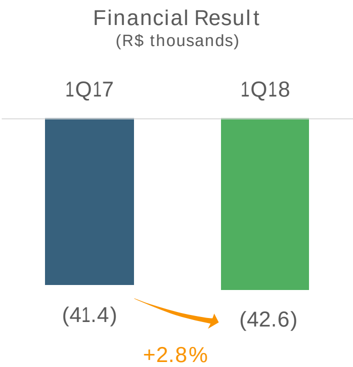
EBITDA & ADJUSTED EBITDA

The Company's adjusted EBITDA in 1Q18 added up to R$ 86.6 million, an increase of 3.5% compared to 1Q17. Reduced mall operating costs and PDA in the period resulted in an additional R$ 2.9 million in adjusted EBITDA, reaching a margin of 66.4%, an increase of 122 bps yoy. Excluding the effect of straight-line rent and key money, adjusted EBITDA improved by 8.1% in the quarter, amounting to R$ 83.3 million. The adjustment referring to straight-line rent and key money is due to the fact that these items are non-cash and, therefore, do not accurately reflect the Company's result.

Adjusted EBITDA	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Net revenues	130,389	128,330	1.6%
(-) Costs	(40,599)	(44,808)	-9.4%
(-) Expenses	(30,729)	(18,693)	64.4%
(+) Depreciation and amortization	19,535	18,502	5.6%
(=) EBITDA	78,596	83,331	-5.7%
(+)/(-) Non-recurring expenses/ (income)	4,606	282	n/a
(+) Long-term incentive plan	3,426	86	n/a
(=) Adjusted EBITDA	86,629	83,699	3.5%
Adjusted EBITDA Margin	*66.4%*	*65.2%*	*122 bps*
(-) Straight-line rent adjustment - CPC 06	(1,330)	(3,390)	-60.8%
(-) Key money	(1,968)	(3,220)	-38.9%
(=) Adjusted EBITDA ex-straight-line rent & key money	83,331	77,088	8.1%
Adjusted EBITDA Margin ex-straight-line rent & key money	*65.6%*	*63.3%*	*224 bps*

FINANCIAL RESULT

Aliansce's financial revenue amounted to R$ 9.6 million, a drop of nearly R$ 7.0 million yoy, mainly due tothe reduced cash position relative to 1Q17. On the other hand, the Company's financial expenses decreased by R$ 5.7 million over the same period. Excluding the non-cash effect of non-recurring expenses from prepayment costs, the financial result would be of -R$ 42.6 million in 1Q18, an increase of R$ 1.2 million, or 2.8%.



In the last 12 months, Aliansce has successfully issued approximately R$ 400 million in CDI-indexed debt, expanding its exposure to variable rates, as opposed to fixed TR rates. By the end of March 2018, the Company's exposure to CDI was 43.3% of total debt. Aliansce's expectation for 2018 is to end the year with an exposure to CDI between 45% and 50%.

As a consequence of the shift toward CDI-indexed debt and the decrease of the Selic rate in the last year, financial expenses reduced by 11.1% in 1Q18.

Financial Result	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Financial Revenues	9,637	16,541	-41.7%
Financial Expenses	(52,185)	(58,677)	-11.1%
SWAP (Fair Value)	(27)	732	n/a
Financial Result ex-non-recurring expenses	(42,574)	(41,404)	2.8%
Other Non-Recurring Financial Expenses	(2,888)	-	n/a
Financial Result	(45,462)	(41,404)	9.8%

During 1Q18, Aliansce prepaid a total of R$ 143.6 million in debt, all of which linked to the TR rate. The loans prepaid in the last 12 months, in the total amount of R$ 254.2 million, had a combined cost of 11.1%, and the new loans issued in the last 12 months have a combined average cost of 8.7%.

Additionally, in February 2018, the Company renegotiated the interest rate on one of its loans from CDI + 1.70% to CDI + 1.40% and will keep searching for new renegotiation opportunities.

After the conclusion of these transactions, the Company's liquidity remained at comfortable levels, with a cash position of R$ 424.2 million at the end of March 2018. Aliansce will continue with its liability management strategy, using part of its cash in prepayments and debt renegotiations, seeking to reduce interest expenses.

Prepaid debt (Mar/18 LTM)	Index	Interest	Maturity	Pre-payment date	Total Prepaid
		(values in thousands of reais)			
BH	TR +	12.0%	Nov-21	Oct-17	(54,492)
Nibal	TR +	10.8%	Sep-21	Dec-17	(31,242)
Bazille	TR +	10.2%	Sep-18	Dec-17	(24,862)
Parque Belém	TR +	10.6%	Apr-24	Mar-18	(103,010)
CDG	TR +	10.2%	Apr-24	Mar-18	(40,637)
Total	-	-	-	-	**(254,243)**
Average cost of debt (LTM)					11.1%

Issued debt (Mar/18 LTM)	Index	Interest	Maturity	Issue Date	Total Issued
		(values in thousands of reais)			
Debenture VIII (CRI)	CDI +	1.0%	Jun-29	Jun-17	100,000
Debenture IX (CRI)	CDI (%)	101.0%	Apr-23	Oct-17	300,000
Total	-	-	-	-	**400,000**
Average cost of debt (LTM)					8.7%

ADJUSTED FFO (AFFO)

The Company's adjusted FFO, which disregards the impact of non-recurring and non-cash items, was R$ 38.5 million in 1Q18, an increase of 18.7% yoy. AFFO margin reached 29.6% in the quarter, an increase of 425 bps yoy. AFFO per share (AFFOPS) reached 0.19 in 1Q18, and presented the same growth rate as AFFO, since there was no dilution of shares over the last 12 months.

Adjusted Funds from Operations - AFFO	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Adjusted EBITDA ex-straight-line rent & key money	83,331	77,088	8.1%
(+)/(-)Financial income/(expenses)	(45,462)	(41,404)	9.8%
(+)/(-) SWAP	27	(732)	n/a
(+)/(-) Other non-recurring financial expenses	2,888	-	n/a
(-)Current Income and social contribution taxes	(4,213)	(5,696)	-26.0%
(+) Key money	1,968	3,220	-38.9%
(=) Adjusted FFO	38,539	32,477	18.7%
AFFO Margin %	*29.6%*	*25.3%*	*425 bps*
AFFO per share (AFFOPS)	*0.19*	*0.16*	*18.7%*

NET INCOME & ADJUSTED NET INCOME

In 1Q18, excluding non-recurring and non-cash effects, the Company reached an adjusted net income of R$ 19.0 million, compared to R$ 14.0 million in 1Q17, an increase of 36.0% yoy.

Adjusted Net Income	1Q18	1Q17	1Q18/1Q17 Δ%
Managerial Financial Information	*(Amounts in thousands of Reais, except percentages)*		
Net Income	6,396	14,761	-56.7%
(+)/(-) Non-recurring expenses/(revenues)	4,606	282	n/a
(-) Straight-line rent adjustment - CPC 06	(1,330)	(3,390)	-60.8%
(+) Long-term incentive plans	3,426	86	n/a
(+)/(-) Non-cash taxes	2,989	2,969	0.7%
(+)/(-) SWAP	27	(732)	n/a
(+)/(-) Other non-recurring financial expenses	2,888	-	n/a
(=) Adjusted Net Income	19,002	13,976	36.0%

CASH FLOW

In the first three months of 2018, the Company's Managerial Cash Flow from Operations (CFO) had a surplus of R$ 129.5 million. Investment activities consumed R$ 15.8 million and financing activities consumed R$ 218.8 million, so that, at the end of 1Q18, the Company had a decrease of R$ 105.1 million in cash and short-term investments.

The table below shows the conversion rate of CFO generated by the Company into Adj. EBITDA which, in the first three months of 2018, was of 90.9%. The Company's objective is to maintain its cash conversion ratio at adequate levels, thus sustaining recurring expenditures with maintenance and renovations of its portfolio.

Operational cash conversion analysis	1Q18
(Values in millions of reais)	
Cash from Operations (CFO)	129.5
(-) Financial expenses	*(50.2)*
(-) Recurring capex[1]	*(3.5)*
Adjusted FCF	75.8
Adjusted EBITDA	83.3
Operational cash conversion	90.9%

[1]Includes capex from maintenance, renovations and recurring intangibles

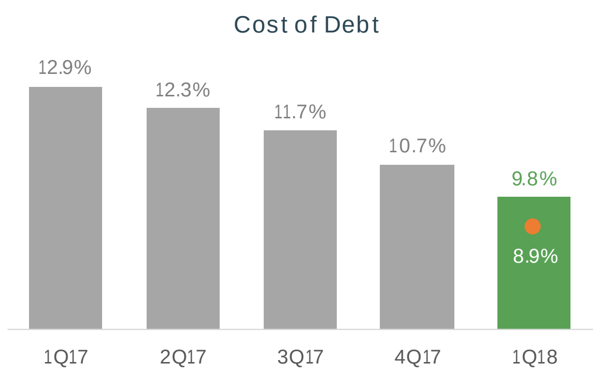
INDEBTEDNESS, CASH & CASH EQUIVALENTS AND CAPITAL STRATEGY

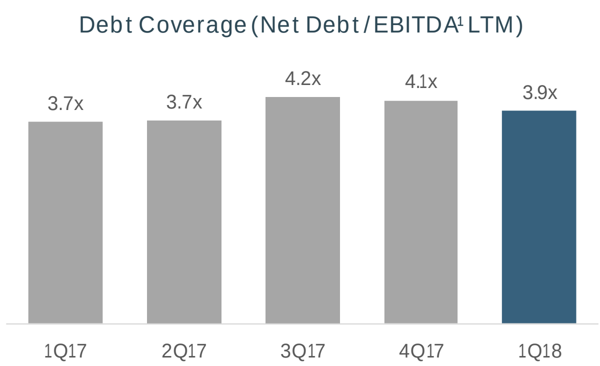
During the first quarter, the Company continued its liability management strategy, moving to increase the exposure to variable rates (CDI), as opposed to fixed rates. In addition, Aliansce is currently working on renegotiating interest rates and prepayment conditions of existing higher-cost debt.

Debt breakdown	Short-Term	Long-Term	Total Debt
	(Amounts in thousands of Reais)		
Banks	48,990	646,840	695,830
CCI/CRI	49,848	240,224	290,072
Obligation for purchase of assets	27,019	2,514	29,533
Debentures	17,072	872,206	889,278
Total debt	142,928	1,761,784	1,904,712
Total cash available	(424,172)	-	(424,172)
Receivables from the sale of assets	(1,403)	-	(1,403)
Net debt	(282,647)	1,761,784	1,479,138

At the end of 1Q18, the Company's cost of debt reached 9.8% considering rates of the last 12 months, which was 310 bps below the 12.9% cost of debt seen in 1Q17. Considering the Selic rate at the end of 1Q18 and current debt balance, Aliansce's cost of debt would be of 8.9%. The downward trend seen in the Company's cost of debt is the direct result of the work being put into updating Aliansce's debt profile.

Leverage reached 3.9x at the end of 1Q18 from 4.1x net debt/EBITDA in 4Q17. At the end of March 2018, Aliansce's cash position was of R$424.2 million and net debt of R$1,479.1 million.



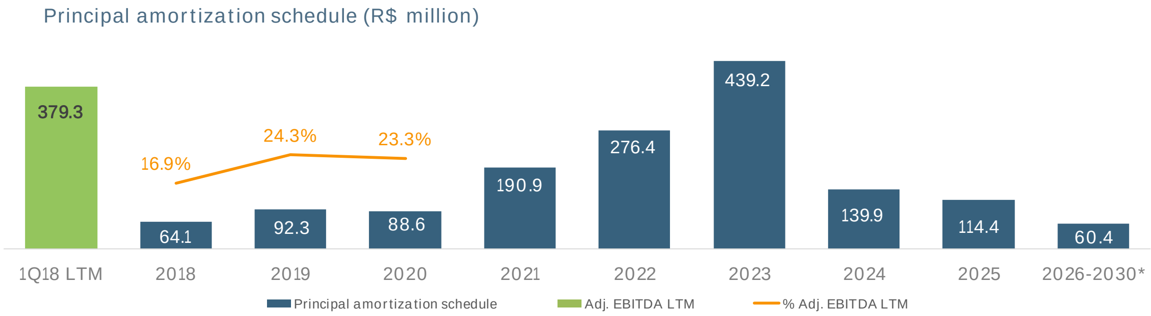


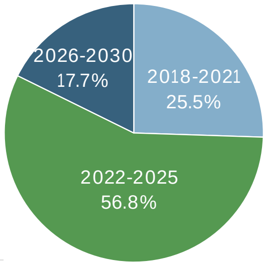
[1]Adjusted EBITDA excluding non-recurring and non-cash items, as well as straight-line rent adjustment and key money

The charts below summarize the Company's debt amortization schedule and show that the cash flow of its operations will support the maturities schedule during the coming years. In the short term, the principal amortization schedule remains at a comfortable level, well below 30% of the Adjusted EBITDA LTM.

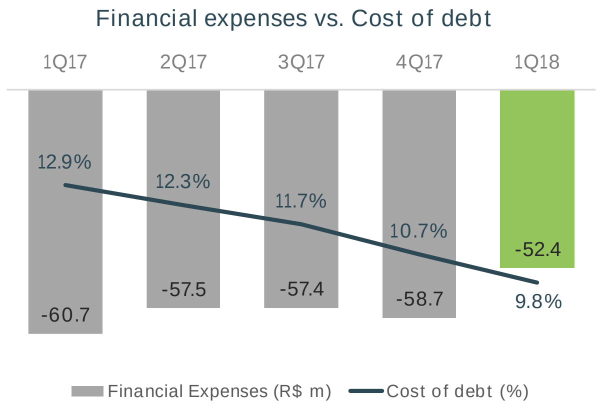
After prepaying R$ 143.6 million in debt during 1Q18, Aliansce's exposure to the CDI index reached 43.3% in March 2018, as seen in the chart below.

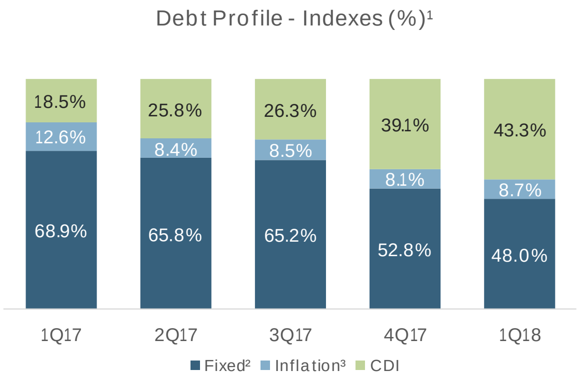
More information about costs and maturity of each debt, as well as the reconciliation between the consolidated net debt and managerial net debt are available in the Appendix of this report.





*Refers to average yearly payment





[1] Shows debt at the end of the period, excluding obligations for purchase of assets.
[2]Fixed indices include TR and TJLP; [3] Inflation indices include IPCA and IGP-DI.

Operating Highlights

SALES PERFORMANCE

Aliansce's malls reported total sales of R$1.3 billion in 1Q18, a 7.4% yoy increment, making 1Q18 the sixth consecutive quarter in which the Company reports positive sales growth in its portfolio.

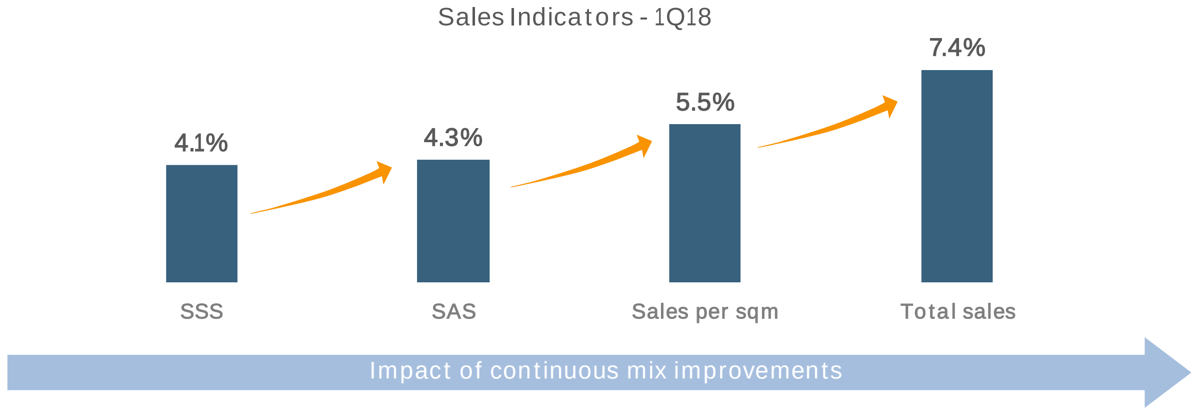
Additionally, Aliansce observed a 4.1% yoy expansion in same store sales (SSS) of its malls during 1Q18, the highest increase of this indicator since the fourth quarter of 2014. The Company's same area sales (SAS) increased 4.3% in the quarter, a growth of approximately 600 bps yoy, demonstrating the effectiveness of changing mix over operational results. Excluding the effect of sales related to the Easter holiday, SSS would have grown by 3.0% yoy in the quarter, and SAS by 3.2% yoy.

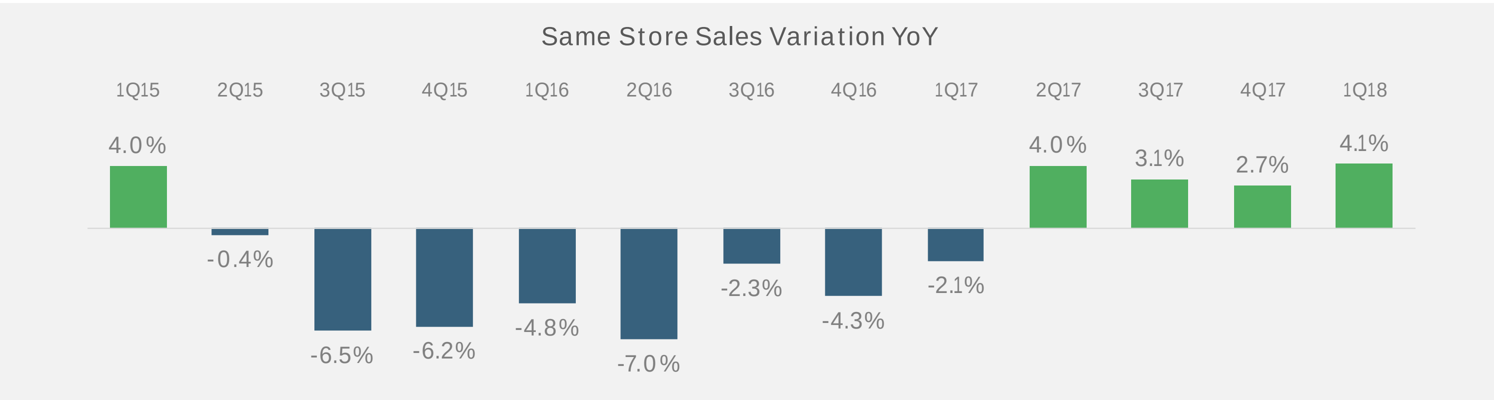
Sales Indicators			
	1Q18	1Q17	Δ
SSS	4.1%	-2.1%	619 bps
SAS	4.3%	-1.6%	589 bps
Sales per sqm	5.5%	1.5%	396 bps
Total sales	7.4%	4.8%	262 bps

Total Sales @stake	1Q18/1Q17 Δ%
Food & Beverage	6.7%
Home & Office Goods	11.6%
Apparel	2.7%
Leisure & Services	9.3%
Miscellaneous	9.8%
Total	7.4%

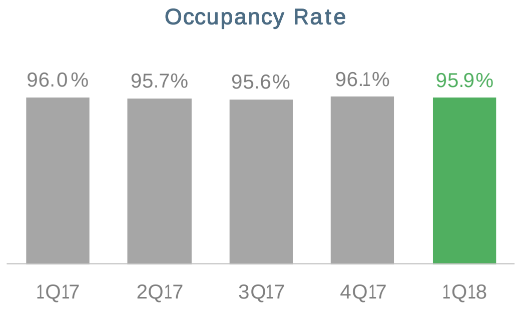
In terms of total sales, the home & office goods segment stood out in 1Q18, presenting an 11.6% total sales growth yoy, followed by the miscellaneous and leisure & services segments, with 9.8% and 9.3% yoy increases, respectively.

In 1Q18, Aliansce posted a growth of 5.5% in sales per sqm, and 17 of its malls had a positive variation of this indicator. Caxias Shopping posted the highest sales per sqm increase in the portfolio, while Carioca Shopping, Shopping Parangaba and Boulevard Vila Velha also stood out among the top performing malls, having experienced double-digit growth in the quarter. The performance of in-line stores, which represent about 70% of the Company's rent revenue, showed a growth of 6.4% in sales per square meter in 1Q18, reaching R$ 1,786.



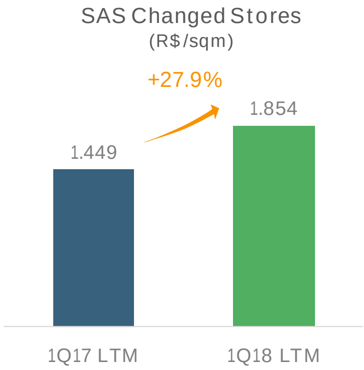


OCCUPANCY RATE AND COMMERCIAL ACTIVITY



The Company's occupancy rate was of 95.9% in the first quarter of the year, a decline of 20 bps compared to the occupancy rate in 4Q17. This performance indicates that, even though some variation in occupancy rates between the fourth and first quarters are considered normal, due to the seasonality of the mall business, the Company's leasing activities have been effective in maintaining said variation to a minimum.

The current occupancy rate level of the portfolio's malls presents a temporary effect from the more intense store substitution activity to improve tenant mix. Aliansce's leasing team has been more active than ever before, with a record number of 464 contracts having been signed in the last 12 months, an increase of 21.5% compared to 1Q17 LTM. Total leased area reached approximately 33.5 thousand sqm in the last twelve months. The stores replaced since 1Q17 presented an increment of 27.9% in sales per sqm.



Highlights of new recently-opened stores are Outback Steakhouse at Bangu Shopping, Abbraccio at Shopping Leblon, Adidas Originals at Boulevard Bauru, Pandora at Shopping da Bahia and Gula Gula at Via Parque Shopping.

Among the stores whose lease contracts were signed in the first quarter and will open later on in 2018 are Smart Fit at Boulevard Shopping Belém, IPOG (Institute of Undergraduate and Graduate Education) at Parque Shopping Belém, and Sorrisus dental clinic at Shopping da Bahia.

IPOG, expected to open in the second semester of 2018, will be located in an expansion area of Parque Belém and adds approximately 1,000 sqm of total GLA to the mall. The Sorrisus clinic, also scheduled to open in the second semester, will be located in the new corridor of Shopping da Bahia, which connects the mall's second floor directly to a neighboring transportation hub.

Shopping Leblon

Boulevard Bauru

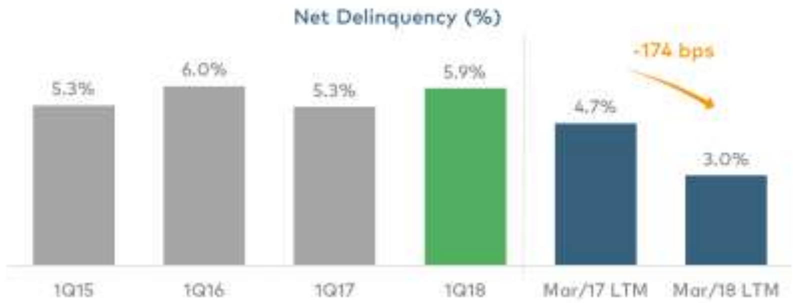
Shopping da Bahia

NET DELINQUENCY

The portfolio's net delinquency rate reached 5.9% of 1Q18 rent receivables, compared to 5.3% in 1Q17. Management's efforts to reduce discounts had a direct impact on net delinquency. However, the decline in discounts more than offset the increase in net delinquency, meaning that this dynamic has been accretive in terms of NOI.

In the last 12 months, the downward trend of Aliansce's net delinquency becomes more evident, declining to 3.0% in Mar/18 LTM compared to 4.7% in Mar/17 LTM.

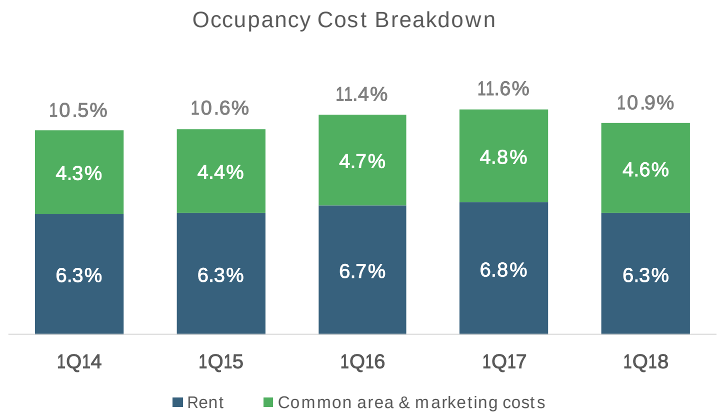
Gross delinquency has also been posting reductions in the last quarters, still as a result of the Company's efforts toward replacing less productive tenants by new operations, which has also led to a decline in provisions for doubtful accounts in the last quarters.



OCCUPANCY COST

The portfolio's occupancy cost reached 10.9% in 1Q18, decreasing 70 bps over 1Q17. The decrease in this indicator seen over the last five quarters is a consequence of the increase in sales seen over the same period, as well as a lower impact of inflation on lease adjustments. Concomitantly, the Company has been maintaining its efforts toward keeping common area costs at adequate levels, which facilitates lease increases.

In 1Q18, common charges and charges with the malls' marketing fund (FPP) accounted for 4.6% of the occupancy cost, while rental expenses accounted for 6.3% of the total occupancy cost of 10.9%.



Growth Drivers

CAPEX

The Company's gross investment in the first quarter of 2018 was of nearly R$ 10 million. Aliansce invested R$ 2.0 million on maintenance and renovations of its malls and approximately R$ 1.6 million in expansions, such as in the construction of the shell of the Caçula anchor store, which will open in Boulevard Campos in the second semester of the year.

Completed CAPEX (R$ MM)	1Q18
Maintenance / Renovations	2.0
Expansions	1.6
Acquisitions	-
Other	3.5
Subtotal	7.0
Property, Plant & Equipment and Intangible	2.9
Total	9.9

The Company continues to analyze potential acquisitions, expansions projects and new malls, thus remaining prepared for a new development cycle. By the end of 2018, total Capex spent should remain between R$ 90 million to R$ 130 million, including possible investments in expansions and redevelopments.

RECENT EVENTS

During 1Q18, Aliansce launched the renovation project of Via Parque's food court. The work is expected to be concluded during the second semester of 2018 and will refresh and modernize the mall, attracting a higher flow of visitors.

In addition, the Company started the construction of a new area for the operation of an anchor store at Boulevard Shopping Campos. The new tenant will complement the mall's mix and add approximately 2,200 sqm to its GLA.

CONSTRUCTION POTENTIAL

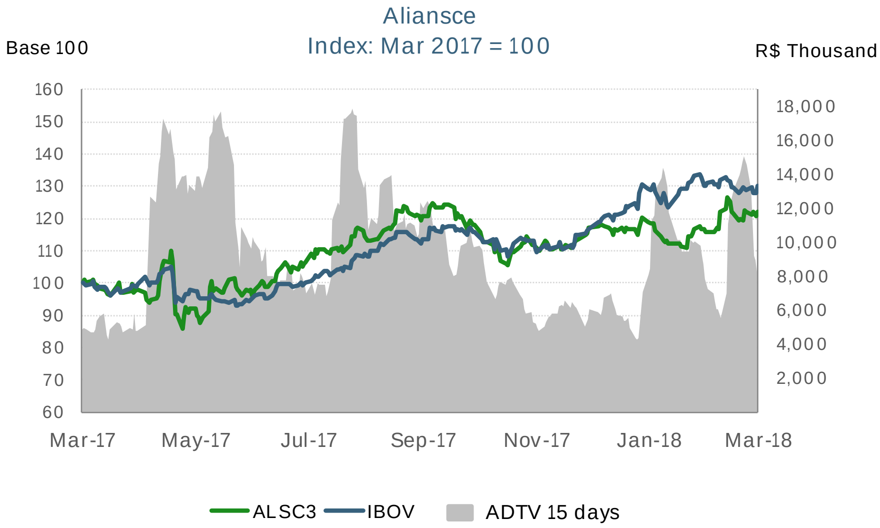
Aliansce's portfolio has surplus construction potential of 419.1 thousand sqm in 14 of the Company's 20 malls shopping malls. The use of this area is divided between future expansions of the Company's malls and the development of multi-purpose projects and can be altered to suit the Company's interests. The numbers below reflect Aliansce's ownership stake.

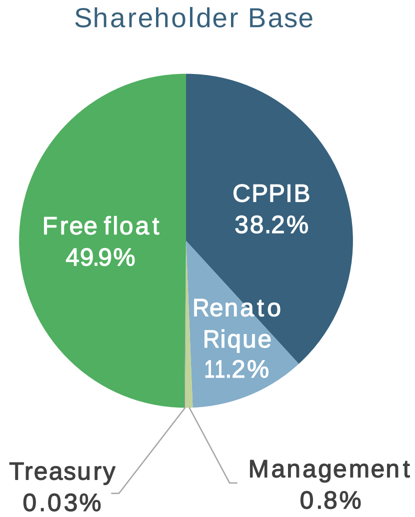
	Mixed-use Projects (Private Built Area - sqm)	Expansion Potential (GLA - sqm)	Total
	(GLA figures shown at Aliansce's ownership interest)		
Bangu Shopping	7,000	17,600	24,600
Boulevard Shopping Bauru	28,000	15,000	43,000
Boulevard Shopping Belo Horizonte	7,000	5,515	12,515
Boulevard Shopping Campos	41,000	12,546	53,546
Boulevard Shopping Vila Velha	15,000	6,500	21,500
Carioca Shopping	11,900	-	11,900
Caxias Shopping	17,800	6,159	23,959
Parque Shopping Belém	-	14,844	14,844
Parque Shopping Maceió	91,500	4,250	95,750
Shopping da Bahia	48,328	9,942	58,270
Shopping Grande Rio	2,000	4,847	6,847
Shopping Leblon	-	63	63
Shopping Parangaba	-	4,454	4,454
Shopping Taboão	26,600	21,255	47,855
Total	296,128	122,975	419,103

Stock Performance & Shareholder Composition

Aliansce's share (B3: ALSC3), traded on the Novo Mercado special corporate governance segment of B3, ended the month of March 2018 at R$ 18.78, presenting a total return of 21.9% in the last 12 months.

The average daily trading volume of the quarter was R$ 9.0 million.





OUR PORTFOLIO

Aliansce holds interests in and/or manages shopping malls located throughout Brazil and which are exposed to a wide range of income segments. In 1Q18, the Company held interests in 20 malls in operation, amounting to 450.4 thousand sqm of owned GLA and 726.3 thousand sqm of total GLA, as well as a corporate tower of 20.4 thousand sqm of owned GLA.

The Company was also a provider of planning, management and leasing services for 12 managed malls with 300.7 thousand sqm of total GLA at the end of 1Q18.

Owned Malls


Shopping da Bahia


Shopping Taboão


Via Parque Shopping


Shopping Grande Rio


Bangu Shopping


Boulevard Shopping Bauru


Caxias Shopping


Boulevard Shopping Brasília


Boulevard Shopping Belém


Shopping Santa Úrsula


Santana Parque Shopping


Boulevard Shopping Belo Horizonte


Boulevard Shopping Campos


Parque Shopping Belém


Boulevard Shopping Vila Velha


Carioca Shopping


Shopping West Plaza


Shopping Leblon


Shopping Parangaba


Parque Shopping Maceió

Managed Malls


Continental Shopping


Boulevard Shopping Feira de Santana


Pátio Alcântara


São Gonçalo Shopping


Santa Cruz Shopping


Floripa Shopping


Boulevard Shopping Vitória da Conquista


Goiabeiras Shopping


Shopping Praça Nova Santa Maria


Passeio Shopping


Montes Claros Shopping


Shopping Praça Nova Araçatuba

Operating Malls	State	% Aliansce	Total GLA (sqm)	Owned GLA (sqm)	Occupancy rate (%)	Services rendered
Bangu Shopping	RJ	100.00%	57,629	57,629	97.5%	M / L / SSC
Boulevard Shopping Bauru	SP	100.00%	32,255	32,255	96.9%	M / L / SSC
Boulevard Shopping Belém	PA	80.0%	39,407	31,522	95.2%	M / L / SSC
Boulevard Shopping Belo Horizonte	MG	70.0%	41,672	29,170	98.3%	M / L / SSC
Boulevard Shopping Brasília	DF	50.0%	17,510	8,755	97.2%	M / L / SSC
Boulevard Shopping Campos	RJ	100.0%	25,033	25,033	96.0%	M / L / SSC
Boulevard Shopping Vila Velha	ES	50.0%	37,359	18,680	90.3%	M / L / SSC
Carioca Shopping	RJ	100.0%	31,556	31,556	98.2%	M / L / SSC
Caxias Shopping	RJ	65.0%	25,558	16,613	95.8%	M / L / SSC
Parque Shopping Belém	PA	75.0%	29,696	22,272	95.3%	M / L / SSC
Parque Shopping Maceió	AL	50.0%	36,905	18,452	98.7%	M / L / SSC
Santana Parque Shopping	SP	33.3%	26,496	8,831	96.7%	M / L / SSC
Shopping da Bahia	BA	69.0%	65,982	45,554	98.1%	M / L / SSC
Shopping Grande Rio	RJ	25.0%	38,248	9,562	84.4%	M / L / SSC
Shopping Leblon	RJ	25.1%	25,681	6,446	99.8%	M / L / SSC
Shopping Parangaba	CE	40.0%	32,212	12,885	95.3%	M / L / SSC
Shopping Santa Úrsula	SP	37.5%	23,108	8,665	92.4%	-
Shopping Taboão	SP	78.0%	36,512	28,479	99.0%	M / L / SSC
Shopping West Plaza	SP	25.0%	36,841	9,210	92.4%	M / L / SSC
Via Parque Shopping	RJ	39.1%	57,240	22,358	96.9%	M / L / SSC
C&A Stores	n/a	69.1%	9,395	6,488	100.0%	n/a
Total Portfolio		62.0%	726,294	450,415	95.9%	

(M) Management | (L) Leasing | (SSC) Shared Services Center

Glossary

Abrasce: Brazilian Association of Shopping Centers.

Adjusted EBITDA: EBITDA + pre-operational expenses +/(-) other non-recurring expenses/(revenues) + long-term incentive plan.

Adjusted FFO (Funds From Operations): Net income from controlling shareholders + depreciation + amortization + non-recurring expenses / (revenue) – linear rent adjustment + stock option plan +/(-) non-cash taxes – capitalized interest + SWAP effect.

Adjusted Net Income: Net income from controlling shareholders + non-recurring expenses / (revenue) – linear rent adjustment + stock option plan +/(-) non-cash taxes – capitalized interest + SWAP effect.

Anchor Stores: Large, well known stores (with more than 1,000 m² of GLA) with special marketing and structural features that can attract consumers, thereby ensuring permanent flows and uniform traffic in all areas of the mall.

CAGR: Compound annual growth rate.

Capex: Capital Expenditure. Estimate of the amount of funds to be spent on the development, expansion, improvement or acquisition of an asset.

CRI: Real Estate Credit Note.

CDU (Assignment of Right of Use): The amount charged to the merchant for the right to use the technical infrastructure of the real estate development, applicable to contracts with a term exceeding 60 months.

CPC: Accounting Pronouncements Committee.

CRI: Real Estate Receivables Certificates.

CTBH: Boulevard Corporate Tower, corporate tower annexed to Boulevard Shopping Belo Horizonte.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): Net revenue - operating costs and expenses + depreciation and amortization.

Federal Law 11.638: on December 28, 2007, Federal Law 11,638 was enacted with the purpose of including publicly-held companies in the international accounting convergence process. Consequently, certain financial and operating results were subject to accounting effects due to the changes introduced by the new law.

FIIVPS: Fundo de Investimento Imobiliário Via Parque Shopping, a real estate investment fund.

GCA (Gross Commercial Area): equivalent to the sum of all the commercial areas of the shopping malls, i.e. GLA plus store areas sold.

GLA (Gross Leasable Area): Equivalent to the sum of all areas available for leasing in shopping malls, except for kiosks and sold areas.

Greenfield: development of new shopping center projects.

In-line Stores: Small stores (less than 500 m² of GLA) with no special marketing and structural features located around the anchor stores and intended for general retailing.

Jr. Anchors: Medium-sized stores (between 500 and 1,000 m² of GLA), which frequently have special marketing and structural features on a lesser scale, but which still attract and retain customers. They are also known as "megastores".

Management Fee: Fee charged to tenants and other partners of the mall to defray management costs.

Minimum Rent: The minimum monthly rent determined a tenant's lease agreement.

Net delinquency: The ratio between total period billings (rent receivables, excluding cancelled invoices), and total revenue received over the same period.

Net key money: Key money amount after discounting the cost of leasing.

NOI (Net Operating Income): Gross mall revenue (excluding revenue from services) + parking revenue – mall operating costs – provision for doubtful accounts.

Occupancy Cost: The cost of leasing a store as a percentage of sales: rent (minimum + overage) + common charges + marketing fund (FPP).

Occupancy Rate: Leased area divided by total mall GLA at the end of the period in question.

Overage Rent: The rent whose calculation is based on the difference (when positive) between the value of a tenant's monthly sales and the equilibrium point determined on the tenant's lease agreement, multiplied by a percentage also determined on the lease agreement.

Owned GLA: Refers to total GLA weighted by Aliansce's interest in each shopping mall.

PDA (PDD): Provision for doubtful accounts.

Sales: Sales of products and services in the period declared by the stores in each mall, including kiosk sales. Considers 100% of the sales of each mall, independently of Aliansce's share.

Sales per sqm: Period sales divided by the area reporting said sales. Does not include kiosk sales, given that these operations are not included in total mall GLA. Considers Aliansce's share of each mall.

SAR (Same-Area Rent): Ratio between the rent earned in a same area in the current period versus the previous year. Includes the interest held by Aliansce in each shopping mall, excluding Shopping Santa Úrsula.

SAS (Same-Area Sales): Ratio between sales in the same area in the current period versus the previous year. Includes the interest held by Aliansce in each shopping mall, excluding Shopping Santa Úrsula.

SSR (Same-Store Rent): Ratio between the rent earned in the same operation in the current period versus the previous year. Includes the interest held by Aliansce in each shopping mall, excluding Shopping Santa Úrsula.

SSS (Same-Store Sales): Ratio between sales in the same operation in the current period versus the previous year. Includes the interest held by Aliansce in each shopping mall, excluding Shopping Santa Úrsula.

Tenant Mix: Strategic composition of stores defined by the mall manager.

Vacancy: The mall's gross leasable area available for rent.

Appendix

RECONCILIATION OF THE CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS

The managerial financial information is shown in a consolidated manner in thousands de Reais (R$), and reflects the Company's interest in each mall, in line with the consolidated financial statements.

The managerial financial statements were prepared based on the balance sheets, income statements and financial reports of the respective companies, as well as assumptions that the Company's Management considers to be reasonable, and should be read in conjunction with the period's financial statements and explanatory notes.

For the analysis of the reconciliation between such managerial financial information and the Company's consolidated financial statements, as well as other relevant information, see comments and tables below.

Income Statements	Aliansce Stake Mar 31 2018	Financial Statements	Managerial Statements
Bangu Shopping	100.0%	100.0%	100.0%
Boulevard Shopping Bauru	100.0%	100.0%	100.0%
Boulevard Shopping Belém	79.99%	80.0%	80.0%
Boulevard Shopping Belo Horizonte	70.0%	70.0%	70.0%
Boulevard Shopping Brasília	50.0%	Equity Income	50.0%
Boulevard Shopping Campos	100.0%	100.0%	100.0%
Boulevard Shopping Vila Velha	50.0%	50.0%	50.0%
Carioca Shopping	100.0%	100.0%	100.0%
Caxias Shopping	65.0%	65.0%	65.0%
Parque Shopping Belém	75.0%	100.0%	75.0%
Parque Shopping Maceió	50.0%	Equity Income	50.0%
Santana Parque Shopping	33.3%	Equity Income	33.3%
Shopping da Bahia	69.0%	69.04%	69.04%
Shopping Grande Rio	25.0%	Equity Income	25.0%
Shopping Leblon	25.1%	25.1%	25.1%
Shopping Parangaba	40.0%	40.0%	40.0%
Shopping Santa Úrsula	37.5%	Equity Income	37.5%
Shopping Taboão	78.0%	78.0%	78.0%
Shopping West Plaza	25.0%	25.0%	25.0%
Via Parque Shopping	39.1%	Equity Income	39.1%
Boulevard Corporate Tower	100.0%	100.0%	100.0%

IMPACT OF OWNERSHIP INTEREST CHANGES OF 2017 AND 2018

The Company increased its ownership interest in Parque Shopping Belém and Boulevard Shopping Belém in 2Q17 and decreased its ownership interest in Caxias Shopping in 1Q18. The following table shows the changes in the main line items of the income statement, after adjusting the 2017 amounts to reflect the ownership stakes in effect at the end of 1Q18.

Main indicators	1Q18	1Q17 Proforma	1Q18/1Q17 Proforma Δ%
Financial Performance - Managerial Information			
Rent revenue	97,136	98,873	-1.8%
Parking revenue	26,528	25,547	3.8%
Transfer fees	749	16	4653.7%
Services	15,039	12,397	21.3%
Adjusted Gross Revenue	139,453	136,833	1.9%
Key money	1,968	3,462	-43.1%
Straight-line rent adjustment	1,330	3,376	-60.6%
Gross revenue	142,751	140,208	1.8%
Net revenue	130,389	128,803	1.2%
Total costs	(40,599)	(44,715)	-9.2%
Depreciation and amortization	(16,860)	(17,298)	-2.5%
Mall operating costs	(10,503)	(11,722)	-10.4%
Parking costs	(3,793)	(4,060)	-6.6%
Leasing and Planning costs	(1,151)	(1,254)	-8.2%
Provision for doubtful accounts	(8,291)	(10,382)	-20.1%
NOI	103,801	194,320	-46.6%
Margin %	*84.7%*	*89.7%*	*-503 bps*
Adjusted EBITDA ex-straight-line rent & key money[1]	83,331	77,233	7.9%
Margin %	*65.6%*	*61.6%*	*399 bps*
Adjusted FFO[1]	38,539	32,435	18.8%
Margin %	*29.6%*	*25.2%*	*438 bps*
Adjusted Net Income[1]	19,003	14,114	34.6%
Margin %	*14.6%*	*11.0%*	*362 bps*

[1]Adjusted by non-recurring effects and non-cash items

CAPITAL STRUCTURE – DEBT TABLE AND MANAGERIAL RECONCILIATION

The amounts below reflect Aliansce's share of each debt, include structuring costs and do not include obligations for the purchase of assets. For further information, consult Note 14 to the Company's consolidated financial statements.

	Index	Interest	Total Cost	Total Debt	% Total Debt	Maturity
(figures at Aliansce's ownership interest, in R$ thousand)						
TR			10.9%	885,584	46.1%	
Bradesco	TR	10.5%	10.8%	186,133	9.7%	Aug-27
Bradesco	TR	10.5%	10.8%	140,536	7.3%	Sep-27
Bradesco	TR	10.8%	11.1%	115,788	6.0%	May-26
Itaú (CRI)	TR	11.3%	11.5%	114,979	6.0%	Jun-27
Bradesco	TR	9.6%	9.9%	109,231	5.7%	Dec-27
Cibrasec (CRI)	TR	12.0%	12.3%	90,444	4.7%	Jan-21
Itaú	TR	9.9%	10.1%	78,074	4.1%	May-30
Santander	TR	10.2%	10.5%	50,399	2.6%	Dec-24
CDI			8.8%	831,491	43.3%	
Debenture IX (CRI)	101% CDI	0.0%	8.5%	309,852	16.1%	Apr-23
Debenture VII (CRI)	99% CDI	0.0%	8.3%	180,867	9.4%	May-22
Debenture VI (CRI)	CDI	0.0%	8.4%	103,392	5.4%	Aug-21
Debenture VIII (CRI)	CDI	1.0%	9.5%	100,218	5.2%	Jun-29
Debenture IV (CRI)[1]	CDI	1.4%	9.9%	72,267	3.8%	Mar-28
Debenture V (CRI)	CDI	1.3%	9.7%	64,895	3.4%	Sep-24
IPCA			10.6%	82,341	4.3%	
Debenture III	IPCA	7.5%	10.6%	82,341	4.3%	Jan-24
IGP-DI			7.7%	85,316	4.4%	
Gaia Securitizadora (CRI)	IGP-DI	8.0%	7.7%	85,316	4.4%	May-25
Fixed			8.1%	37,078	1.9%	
BNB	-	8.1%	8.1%	37,078	1.9%	Dec-23
Total				1,921,810	100.0%	

[1]Rates renegotiated to CDI+1.40% from CDI+1.70% (Feb/2018)

The table below shows the reconciliation between the consolidated accounting net debt and the managerial net debt. The reduction in the debt is the result of having recognized, in the Company's share, the net effect of the financing for Parque Shopping Belém and Parque Shopping Maceió.

Debt breakdown - Consolidated	Financial Statements 1Q18	Effects of CPC 18/19	Managerial 1Q18
(amounts in thousands of reais)			
Banks	660,092	35,738	695,830
CCI/CRI	312,530	(22,458)	290,072
Obligation for purchase of assets	29,533	-	29,533
Debentures	889,278	-	889,277
Total debt	1,891,432	13,280	1,904,712
Total cash available	(401,640)	(22,532)	(424,172)
Receivables from the sale of assets	(1,871)	468	(1,403)
Net debt	1,487,922	(8,784)	1,479,138

CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS FOR THE PERIODS ENDED MARCH 31, 2017 AND 2018

Consolidated Income Statement	1Q18	1Q17	1Q18/1Q17 Δ%
	(Amounts in thousands of Reais, except percentages)		
Gross revenue from rent and services	130,045	135,106	-3.7%
Taxes, contributions and other deductions	(11,665)	(14,593)	-20.1%
Net revenue	118,380	120,513	-1.8%
Cost of rent and services	(28,012)	(31,144)	-10.1%
Gross income	90,368	89,369	1.1%
Operating income/(expenses)	(29,676)	(18,969)	56.4%
Sales, general and administrative expenses	(28,717)	(25,251)	13.7%
Long-term incentive plan	(3,426)	(86)	n/a
Equity income	8,000	8,225	-2.7%
Depreciation and Amortization expenses	(2,670)	(1,195)	123.4%
Other net income (expenses)	(2,863)	(661)	333.2%
Financial income/(expenses)	(47,290)	(50,835)	-7.0%
Net income before taxes and social contributions	13,402	19,565	-31.5%
Current income and social contribution taxes	(3,694)	(5,132)	-28.0%
Deferred income and social contribution taxes	(2,756)	32	n/a
Net income in the period	6,952	14,465	-51.9%
Income (loss) attributable to:			
Controlling Shareholders	6,396	12,126	-47.3%
Minority Shareholders	556	2,339	-76.2%
Net income in the period	6,952	14,465	-51.9%

Managerial Income Statement	1Q18	1Q17	1Q18/1Q17 Δ%
	(Amounts in thousands of Reais, except percentages)		
Gross revenue from rent and services	142,751	142,868	-0.1%
Taxes, contributions and other deductions	(12,362)	(14,538)	-15.0%
Net revenue	130,389	128,330	1.6%
Cost of rent and services	(40,599)	(44,808)	-9.4%
Gross income	89,790	83,522	7.5%
Operating income/(expenses)	(30,729)	(18,693)	64.4%
Sales, general and administrative expenses	(21,684)	(16,557)	31.0%
Long-term incentive plan	(3,426)	(86)	n/a
Depreciation and Amortization expenses	(2,675)	(1,227)	118.1%
Other net income (expenses)	(2,944)	(823)	257.6%
Financial income/(expenses)	(45,462)	(41,404)	9.8%
Net income before taxes and social contributions	13,599	23,425	-41.9%
Current income and social contribution taxes	(4,213)	(5,696)	-26.0%
Deferred income and social contribution taxes	(2,989)	(2,969)	0.7%
Net income in the period	6,396	14,761	-56.7%

BALANCE SHEET

Managerial Balance Sheet	Aliansce Financial Statements		Adjustments		Aliansce Managerial Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	12/31/2017
ASSETS			*(amounts in thousands of reais)*			
Current						
Cash and cash equivalents	7,729	6,545	932	1,235	8,661	7,779
Short-term investments	393,911	503,234	21,600	18,291	415,511	521,524
Accounts receivable	80,969	97,897	7,612	10,230	88,581	108,127
Dividends receivable	3,501	-	(3,312)	(0)	189	0
Taxes recoverable	39,794	58,014	1,793	(750)	41,588	57,264
Anticipated expenses	20,754	7,258	2,129	720	22,883	7,978
Other receivables	11,752	40,254	622	182	12,373	40,436
Total	558,410	713,202	31,376	29,908	589,786	743,109
Non-Current						
Accounts receivable	-	-	7	7	7	7
Deferred income and social contribution tax	43,614	-	605	-	44,219	-
Legal deposits	1,907	1,435	(332)	(242)	1,576	1,193
Borrowings and other accounts receivable	17,797	18,684	193	0	17,990	18,684
Values receivable	8,138	11,425	63	77	8,200	11,502
Derivative financial instruments	5,125	5,151	-	-	5,125	5,151
Anticipated expenses	25,598	28,186	5,649	4,559	31,247	32,745
Other receivables	5,081	3,665	(710)	(256)	4,372	3,408
Investments	420,553	425,137	(420,553)	(425,137)	-	(0)
Properties for investment	3,278,073	3,287,559	243,453	244,385	3,521,526	3,531,944
Property, plant and equipment	5,632	5,491	4	2	5,636	5,494
Intangible assets	294,715	293,958	104,979	104,992	399,694	398,950
Total Non-current Assets	4,106,233	4,080,691	(66,643)	(71,613)	4,039,591	4,009,078
Total Assets	4,664,643	4,793,893	(35,267)	(41,705)	4,629,377	4,752,187
LIABILITIES			*(amounts in thousands of reais)*			
Current						
Suppliers	6,692	13,833	702	735	7,394	14,567
Loans and financing, real estate credit notes and debentures	118,876	136,259	(2,967)	(7,218)	115,909	129,042
Taxes and contributions payable	26,080	26,723	3,372	(75)	29,453	26,649
Dividends payable	21,689	23,466	952	(1,014)	22,641	22,452
Obligations for purchase of assets	27,019	16,517	-	-	27,019	16,517
Other liabilities	39,200	37,264	0	90	39,200	37,354
Total Current Liabilities and liabilities related to non-current assets held for sale	239,556	254,062	2,060	(7,481)	241,617	246,581
Non-Current						
Loans and financing , real estate credit notes and debentures	1,743,023	1,928,070	16,247	(14,730)	1,759,270	1,913,340
Taxes and contributions to collect	6,458	6,554	-	-	6,458	6,554
Deferred income	16,084	17,302	4,295	3,822	20,379	21,124
Deferred income and social contribution tax	97,736	51,366	4,395	3,560	102,132	54,926
Obligations for the purchase of assets	2,514	20,328	-	-	2,514	20,328
Other liabilities	13,250	12,071	5,806	5,875	19,058	17,946
Provision for contingencies	1,889	2,377	3,581	3,598	5,471	5,975
Total Non-Current Liabilities	1,880,954	2,038,068	34,324	2,124	1,915,281	2,040,191
Shareholders' Equity						
Share capital	2,013,854	2,013,854	(0)	-	2,013,854	2,013,854
Expenditure on issuance of shares	(44,431)	(44,431)	-	-	(44,431)	(44,431)
Capital reserves	27,430	26,761	0	-	27,430	26,761
Shares held in treasury	(1,034)	(1,034)	-	-	(1,034)	(1,034)
Income reserves	452,504	446,108	-	-	452,504	446,108
Carrying value adjustments	24,157	24,157	(0)	0	24,157	24,157
Minority Interest	71,653	36,348	(71,651)	(36,348)	-	(0)
Total Shareholders' Equity	2,544,133	2,501,763	(71,651)	(36,348)	2,472,480	2,465,415
Total liabilities and shareholders' equity	4,664,643	4,793,893	(35,267)	(41,705)	4,629,377	4,752,187

CASH FLOW

Cash Flow Statement	Aliansce Financial Statements	Adjustments	Aliansce Managerial Consolidated
	03/31/2018	03/31/2018	03/31/2018
	(amounts in thousands of reais)		
Operating Activities			
Net Profit for the period	6,396	-	6,396
Adjustments to net profit due to:			
Straight line rent adjustment	(1,147)	(183)	(1,330)
Depreciation and Amortization	18,028	1,507	19,535
Equity Income Gain	(8,000)	8,000	-
Provision (Reversal of provision) for doubtful accounts	7,064	1,227	8,291
Stock Option plan	669	-	669
Monetary variation over financial debts	51,118	(920)	50,198
Fair value of financial derivatives instruments	27	-	27
Deferred income and social contribution tax	2,756	233	2,989
	76,911	9,864	86,775
Decrease (increase) in assets	47,664	(2,098)	45,566
Accounts receivable	11,011	1,574	12,585
Other credits	20,352	(2,664)	17,688
Legal deposits and values receivable from real estate taxes (IPTU)	(473)	90	(383)
Taxes recoverable	16,774	(1,098)	15,676
Increase (decrease) in liabilities	9,854	(2,774)	7,080
Suppliers	(7,141)	(32)	(7,173)
Collectable taxes and contributions	11,149	1,503	12,652
Other obligations	7,063	(4,717)	2,346
Deferred income	(1,217)	472	(745)
Taxes paid	(10,442)	498	(9,944)
Net Cash Used in Operating Activities	123,987	5,491	129,478
Investment Activities			
Acquisition of fixed assets	(520)	(2)	(522)
Acquisition of properties for investment	(6,442)	(564)	(7,006)
Decrease (increase) in investments	(1,808)	1,808	-
Capital increase in controlled companies	(638)	638	-
Effect of interest change in controlled companies	-	-	-
Reduction (increase) in securities	109,323	(3,309)	106,014
Obligations from asset acquisitions	(5,904)	-	(5,904)
Increase in intangible assets	(2,371)	-	(2,371)
Dividends and interest on capital received	5,763	(5,763)	-
	-	-	-
Net Cash Used in Investment Activities	97,403	(7,192)	90,211
Financing Activities			
Interest payment - loans and financing / real estate credit notes	(85,304)	13,092	(72,212)
Principal payment - loans and financing / real estate credit notes	(151,200)	23,056	(128,144)
Interest payment - debentures	(14,241)	-	(14,241)
Principal payment - debentures	(2,016)	-	(2,016)
Payment of structuring cost - Debentures	(2,194)	-	(2,194)
Capital increase in non-controlled companies	34,749	(34,749)	-
Net Cash Used in Financing Activities	(220,206)	1,399	(218,807)
Net cash and cash equivalent increase (reduction)	1,184	(302)	882
Cash and Cash Equivalents at the end of the period	7,729	932	8,661
Cash and Cash Equivalents at the beginning of the period	6,545	1,234	7,779
Net change in Cash and Cash Equivalents	1,184	(302)	882

MANAGERIAL CASH FLOW

Managerial Cash Flow Statement	1Q18
	(values in R$ thousand)
Cash Flow from Operations	129.5
Paid interest - Current	(50.2)
Cash Flow from Operations post- current interest	79.3
(-) Cash consumed in investment activities	
Acquisition of fixed assets	(0.5)
Acquisition of properties for investment	(7.0)
Increase in intangible assets	(2.4)
Capex subtotal	(9.9)
Obligations from asset acquisitions	(5.9)
Cash flow from investments	(15.8)
(-) Cash consumed in financing activities	
Amortizations - Current	(22.8)
Structuring cost - debentures	(2.2)
Amortizations - prepayments	(107.4)
Interest - prepayments	(36.3)
Cash Flow from financing	(168.6)
Net change in cash and short-term investments	(105.1)
Cash and short-term investments at the beginning of the period	529.3
Cash and short-term investments at the end of the period	424.2
Net change in cash and short-term investments	(105.1)

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2018

Conciliation between managerial financial information vs financial statements Period ended March 31, 2018	Aliansce Consolidated 2018 - Financial Statements	Adjustments	Aliansce Consolidated 2018 - Managerial
	(amounts in thousands of reais)		
Gross revenue from rental and services	130,045	12,706	142,751
Taxes and contributions and other deductions	(11,665)	(697)	(12,362)
Net revenues	118,380	12,009	130,389
Cost of rentals and services	(28,012)	(12,586)	(40,599)
Gross income	90,368	(577)	89,790
Operating income/expenses	(29,676)	(1,053)	(30,730)
Sales, general and administrative expenses	(28,717)	7,033	(21,684)
Long-term incentive plan	(3,426)	-	(3,426)
Equity Income	8,000	(8,000)	-
Depreciation and Amortization	(2,670)	(5)	(2,675)
Other net operating income (expenses)	(2,863)	(81)	(2,945)
Financial income/(expenses)	(47,290)	1,828	(45,462)
Net income before taxes and social contributions	13,402	198	13,598
Income and social contribution taxes	(6,450)	(751)	(7,202)
Net income in the period	6,952	(554)	6,396
Income attributable to:			
Controlling shareholders	6,396	-	6,396
Minority shareholders	556	(556)	-
Net income in the period	6,952	(556)	6,396

Conciliation between EBITDA / Adjusted EBITDA Period ended March 31, 2018	Aliansce Consolidated 2018 - Financial Statements	Adjustments	Aliansce Consolidated 2018 - Managerial
	(amounts in thousands of reais, except percentages)		
Net income for the period	6,952	(556)	6,396
(+) Depreciation and amortization	18,028	1,507	19,535
(+)/(-) Financial expenses / (income)	47,290	(1,828)	45,462
(+) Income and social contribution taxes	6,450	751	7,202
EBITDA	78,720	(125)	78,595
EBITDA margin %	*66.5%*		*60.3%*
(+)/(-) Non-recurring (expenses)/income	4,649	(42)	4,606
(+) Long-term incentive plan	3,426	-	3,426
Adjusted EBITDA	83,369	(168)	86,628
Adjusted EBITDA margin %	*73.3%*		*66.4%*

Conciliation between FFO / Adjusted FFO Period ended March 31, 2018	Aliansce Consolidated 2018 - Financial	Adjustments	Aliansce Consolidated 2018 - Managerial
	(amounts in thousands of reais, except percentages)		
Net income for the period	6,952	(556)	6,396
(+) Depretiation and amortization	18,028	1,507	19,535
(=) FFO *	24,980	951	25,931
FFO margin %	*21.1%*		*19.9%*
(+)/(-) Non-recurring expenses	4,649	(42)	4,606
(-) Straight line rent adjustments - CPC 06	(1,147)	(183)	(1,330)
(+) Stock Options	3,426	-	3,426
(+)/(-) Non-cash taxes	2,756	233	2,989
(+)/(-) SWAP	27	-	27
(+)/(-) Other non-recurring financial expenses	3,273	(385)	2,888
(=) Adjusted FFO *	37,964	574	38,538
AFFO margin %	*32.1%*		*29.6%*

* Non-accounting indicators

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2017

Conciliation between managerial financial information vs financial statements Period ended March 31, 2017	Aliansce Consolidated 2017 - Financial Statements	Boulevard Corporate Tower	Adjustments	Aliansce Consolidated 2017 - Managerial
	(amounts in thousands of reais)			
Gross revenue from rental and services	135,106	-	7,762	142,868
Taxes and contributions and other deductions	(14,593)	-	56	(14,538)
Net revenues	120,513	-	7,817	128,330
Cost of rentals and services	(31,144)	-	(13,664)	(44,808)
Gross income	89,369	-	(5,847)	83,522
Operating income/expenses	(18,969)	(3,285)	3,561	(18,693)
General and administrative expenses	(25,252)	-	8,694	(16,557)
Long-term incentive plan	(86)	-	-	(86)
Equity Income	8,225	-	(8,225)	-
Depreciation and Amortization	(1,195)	-	(31)	(1,227)
Other operating (expenses)/revenues	(661)	(3,285)	3,123	(823)
Financial income/(expenses)	(50,835)	8,968	464	(41,404)
Net income before taxes and minority interest	19,565	5,683	(1,823)	23,425
Income and social contribution taxes	(5,100)	(3,049)	(515)	(8,665)
Net income/(loss) in the period	14,465	2,634	(2,338)	14,761
Income attributable to:				
Controlling shareholders	12,126	2,634	-	14,761
Minority shareholders	2,339	-	(2,338)	-
Net income in the period	14,465	2,634	(2,338)	14,761

Conciliation between EBITDA / Adjusted EBITDA Period ended March 31, 2017	Aliansce Consolidated 2017 - Financial Statements	Boulevard Corporate Tower	Adjustments	Aliansce Consolidated 2017 - Managerial
	(amounts in thousands of reais, except percentages)			
Net income	14,465	2,634	(2,338)	14,761
(+) Depreciation and amortization	17,532	-	969	18,502
(+)/(-) Financial expenses / (income)	50,835	(8,968)	(464)	41,404
(+) Income and social contribution taxes	5,100	3,049	515	8,665
EBITDA*	87,932	(3,285)	(1,317)	83,331
EBITDA margin %	*73.0%*			*64.9%*
(+)/(-) Non-recurring (expenses)/income	3,340	-	(3,058)	282
(+) Long-term incentive plan	86	-	-	86
Adjusted EBITDA*	91,357	(3,285)	(4,375)	83,699
Adjusted EBITDA margin %	*75.8%*			*65.2%*

Conciliation between FFO / Adjusted FFO Period ended March 31, 2017	Aliansce Consolidated 2017 - Financial	Boulevard Corporate Tower	Adjustments	Aliansce Consolidated 2017 -
	(amounts in thousands of reais, except percentages)			
Net income for the period	14,465	2,634	(2,338)	14,761
(+) Depretiation and amortization	17,532	-	970	18,502
(=) FFO *	31,997			33,262
FFO margin %	*26.6%*			*25.9%*
(+)/(-) Non-recurring expenses	3,340	-	(3,058)	282
(-) Straight line rent adjustments - CPC 06	(3,167)	-	(223)	(3,390)
(+) Stock Options	86	-	-	86
(+)/(-) Non-cash taxes	1,660	1,357	(48)	2,969
(-) CPC 20 - Capitalized Interest	-	-	-	-
(+)/(-) SWAP	(732)	-	-	(732)
(=) Adjusted FFO *	33,184	3,991	(4,697)	32,477
AFFO margin %	*27.5%*			*25.3%*

* Non-accounting indicators