



## MULTIPLAN CONSOLIDATES POSITION IN RIBEIRÃO PRETO (SP) WITH AN ACQUISITION OF 37.5% OF THE SHOPPING SANTA ÚRSULA

**MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A ("MULTIPLAN")** (Bovespa: **MULT3**), the largest Shopping Mall company of Brazil in terms of revenue, aligned with its strategy of maximizing its shareholders' return, informs the acquisition of 37.5% of Shopping Santa Úrsula, located in the city of Ribeirão Preto, state of São Paulo. The Company takes part in the project through the acquisition of 50% of Manati Empreendimentos, a company that holds 75% of the shopping mall, while the other 50% remain with Aliance Shopping Centers SA. The total investment was R\$ 28.67 million, and Multiplan will be responsible for the management of the mall. The expected unleveraged nominal internal rate of return is 14% p.a..

### Strategic Alignment

**Shopping Santa Úrsula** aims to consolidate Multiplan's position in Ribeirão Preto, since this will be the company's second shopping mall in the city. Shopping Santa Úrsula together with RibeirãoShopping, the main local shopping mall, will achieve a GLA of 70 thousand sq.m. in the region, therefore, improving the Multiplan's management and allowing synergies between the two shopping malls. This investment is lined up with the Company's strategy of reinforcing its presence in markets where it already has significant operations.

### Shopping Santa Úrsula

Shopping Santa Úrsula, inaugurated in 1999, is situated in a region with great flow of people, due to the large number of residential buildings located in its primary area. It has a modern and bold architecture concept, with 63.5 thousand sq.m. of area built and 24 thousand sq.m. of GLA, distributed into 170 stores, among them: a movie theater, a market place and a exclusive floor for the Cia Athletica gym



Outside view of the mall



Inside view of the mall



Inside view of the mall

### Region Description

- **Rich region of São Paulo:** According to IBGE - Brazilian Institute of Geography and Statistics, Ribeirão Preto is the 26<sup>th</sup> wealthiest city of the country, withholding 0.5% of the national GDP and R\$ 18.3 thousand per-capita GDP - 57% above the national average;
- **Strong growth:** Furthermore, according to IBGE, Ribeirão Preto climbed more than 20 positions in the country's wealthiest cities rank in the past three years. This was caused by the expansion in the sugar & ethanol and services sectors. Ribeirão is one of the 51 cities that account for 50% of national GDP and 30.5% of the country's total population;
- Shopping Center segment under expansion: RibeirãoShopping's sales revenue grew 21% in 2007, therefore, being above the 9.6% retail growth of the Country. This fact helped the implementation of the 8 thousand sq.m. expansion project earlier than planned, to be launched this year. Hence, this confirms the high trust in which the store tenants hold in Multiplan's management, as well as the strong brand awareness in this region.



## Acquisition Rationale

- Construction cost above acquisition price:** The acquisition price of 3,180 R\$/sq.m. was one of the lowest numbers when compared to some of the third-party shopping malls' acquisitions prices and new shopping malls' construction costs, which are estimated at 5,000 R\$/sq.m.;
- High upside potential:** Shopping Santa Úrsula in 2007 had a rent revenue per sq.m. of 260 R\$/sq.m., 53% lower than the one from RibeirãoShopping, which has a value currently above 550 R\$/m<sup>2</sup> (2007). This fact clearly shows the Shopping Santa Úrsula's high growth potential. Considering that 40% of the contracts expire until 2009, a quite positive turnaround is expected for the shopping mall;
- Management to fulfill upside:** The expertise and management of Multiplan will allow a better store mix, thus attracting renowned brands and promising a better services for the A and B classes in Ribeirão Preto;
- Mix remodeling strategy:** The vacancy rate of Shopping Santa Úrsula at the end of March 2008 was 18.2%. This number was well above the 2.2% rate recorded by RibeirãoShopping and the 2.6% average vacancy rate recorded by Multiplan's shopping malls. This vacant area was partially rented by an anchor store and, after a possible reform, may be rented by satellite stores, which allows a rent/sp.m four times higher;
- Synergy with Ribeirão Shopping:** The synergy with RibeirãoShopping, the city's main shopping mall, aims to increase not only the attractiveness of Shopping Santa Úrsula to the best tenants, but also to improve the management efficiency, therefore reducing the operating costs in both shopping malls.

## Shopping Centers in the Region

