MULTIPLAN STRENGTHENS ITS POSITION IN BRASÍLIA ANNOUCING A GREENFIELD PROJECT

Description of the Operation

Multiplan Empreendimentos Imobiliários (Bovespa: **MULT3**) announces the acquisition of a 30,904 sq.m. site located at Estrada Parque Dom Bosco, in Lago Sul, in the city of Brasília, Federal District, where it will develop a greenfield project.
The LagoSul Shopping project will consist of a mall with an approximate GLA of 26,000 sq.m., in two levels of satellite stores, also comprising multiplex movie theatres, 6 anchor stores and restaurants, located in a privileged upscaled area of the city.
Multiplan will own 65% of the mall, and will also be responsible for its management. The estimated total investment is **R$ 130 million**.
The new shopping is expected to be launched in the second half of 2010, and the expected project unleveraged nominal internal rate of return is over **20%** p.a.

Multiplan's Strategy

LagoSul Shopping consolidates Multiplan's position in Brasília, since it will be the Company's 2nd mall in the Federal District. Along with ParkShopping, the other mall owned by Multiplan, will sum up more than 75,000 sq.m. of GLA. This investment is in line with Company's strategy of strengthening its presence in markets where it already operates, and reaffirms the focus on investments that brings higher returns, in especial greenfields.

The Project's Rationale

Brasília is one of the wealthiest and most important cities in Brazil

- According to the Brazilian Institute of Geography and Statistics (IBGE), Brasília represents 4% of Brazilian GDP, is the 3rd wealthiest city in the country and the 2nd capital with highest GDP per capita (R$ 34.5 thousand).

- According to IPC Target 2007[1], Brasília is the 4th region with highest consumption potential, showing more growth in retail sales this decade than most Southern and Southeastern states[2].

- Brasília is the capital district of Brazil, part of the Integrated Development Region of the Federal District and Surroundings (RIDE), which comprises 22 municipalities from the states of Minas Gerais, Goiás and Federal District. Therefore, Brasília performs a central role over other cities in the region.

- Sales increase in ParkShopping (Multiplan existing mall in Brasília) have been one of the highest than other Brazilian regions, which encouraged several retailers to start looking for new opportunities in the city, especially in a mall located in the city's most upscaled area, Lago Sul. Another important factor is the successful rentals in ParkShopping expansions, initiated in the second half of 2007, with more than 60% of it already signed.

The project aims at fulfilling the absence of a high-quality mall in the Lago Sul region

- Currently, there are no traditional malls, with regional appeal, located in Primary and Secondary influence areas. ParkShopping is approximately 15 minutes away, by car, in a distance of 15 km.

- The offering of comercial and organized services ventures in these two areas is represented by several small commercial centers in operation, and a mall located in the surroundings

(1) Consumer Potential Index, granted by company Target Marketing, specialized in market research.
(2) Except for the State of Espírito Santo

(Conjunto Gilberto Salomão), which are not enough to meet local demand, both in quantity and, especially, quality, causing consumers to naturally dislocate themselves to other centers and more appealing malls.

- Its potential target public consists of classes A and B, which are predominant in Primary and Secondary influence areas. The integration among brands of qualified national and local networks, all with a strong image, reinforced by the boldness of the project, will create an atmosphere of modernity and operating quality, capable of motivating consumers to change their frequent habits.

Privileged location, in the upscaled area of the city

- The surrounding neighborhoods consists of medium density, mixing high and upper middle classes with basically horizontal homes.
- Located next to a distributing axis of local traffic which congregates three important ways: Estrada Parque Dom Bosco (Parque Dom Bosco Road) x Ligação EPDB–EPCT (EPDB-EPCT Connection) x Ponte Juscelino Kubitschek (Juscelino Kubitschek Bridge).
- A natural flow location, widely known, granting a great sight – open view – for all citizens passing by the area.
- Located near Paranoá Lake, enabling the development of an architecture project with privileged and contemplative views.
- Distant from the main malls of Brasília at least 5.0 km away from the project.

Aerial View

- Lot of 30,904 sq.m..

Tenant Mix and Mall Structure

- Initially, the mix will be composed by 33% of anchor stores, in addition to movie theaters, restaurants, entertaining areas and food courts, totaling more than 160 stores;
- The mall will be built pursuant to the most modern architecture concepts.



Preliminary design of LagoSul Shopping (aerial and interior views)

High Expected Returns

The following rationale was used to calculate the project's feasibility:

- The project's cost (CAPEX) is based on the estimated construction cost of satellite, anchor and food stores, mall, restrooms, parking lot and service areas. These estimates were evaluated by the company's technical department. For the purpose of estimating project's CAPEX, these costs are not reduced by key money revenue.
- Net operating income was estimated based on different rents per square meter for satellite stores, anchor stores, restaurants, fast-food stores, service outlets and leisure facilities. Leasing contract values were evaluated on a case-by-case basis by our team of specialized brokers, based on a meticulously planned mix of stores.
- Using a 10-year cash flow, with real annual growth of 2% after the fifth year and perpetuity with equal growth after the end of the period, the project should generate an unleveraged nominal internal rate of return of over **20%** p.a.

Figures are subject to review and intended to give a preliminary estimate of the project.

Project	GLA	% Multiplan	CAPEX	Key Money	NOI 1st year	NOI 3rd year	IRR
LagoSul Shopping	26,000 sq.m.	65%	R$ 130 MM	R$ 20 MM	R$ 13 MM	R$ 17 MM	20%

(1)Multiplan will be responsible for 100% of the total cost, and will own 65%.
(2)Appropriation according to Multiplan's interest