MULTIPLAN EXPANDS TO BRAZIL'S NORTHEAST WITH THE CONSTRUCTION OF A NEW MALL IN MACEIÓ IN PARTNERSHIP WITH ALIANSCE

The Operation

Multiplan Empreendimentos Imobiliários (Bovespa: MULT3) and Aliansce Shopping Centers S.A. have formed a partnership to construct **Shopping Maceió**, located on Av. Gustavo Paiva, in the city of Maceió in the state of Alagoas.
The project consists of a shopping mall with approximately 36,000 sq.m. of gross leasable area (GLA). Multiplan's share of the development will be 50%, management being shared with Aliansce.
Total investments are estimated at R$166 million, but this figure is still subject to review and alignment with the requirements of the municipal authorities.
Openning is scheduled for the second half of 2010 and the project's unleveraged nominal internal rate of return is expected to exceed 20% p.a.

The Region

The capital of Alagoas state, Maceió occupies an area of 508 km² on the coast, between the Lagoa de Mundaú and the Atlantic Ocean. Like other cities on Brazil's Northeast coast, Maceió has recently been developing its tourist industry, being greatly favored by its natural attractions. The mall will be built in the city's highest growth region and will benefit from the substantial expansion of the A and B income groups.

Project Details

Total GLA	36,000 sq.m.
Multiplan's Share	50%
Total Investment (R$)	166 million
Openning Estimate	2H10

Project Rationale

Strategic Alignment

Shopping Maceió marks Multiplan's entry into Brazil's North-Northeast, underlining the company's growth strategy. In this context, it will be able to rely on the local experience of Aliansce, whose shareholders have already developed several successful projects. Together, Multiplan, with its 35 years of operations, and Aliansce expect to make a major contribution to upgrading and improving the Northeast's commercial centers, taking advantage of their broad expertise.

Location

- The mall will be located in an exceptionally well-developed area of Maceió where purchasing power is high.
- Situated on a vital regional auto route – the main highway connecting Maceió and Recife-PE (AL-101 Highway).
- Positioned on an important expressway with easy access to the city's main neighborhoods (including those with a high-income concentration and substantial tourist flows).

- The region is the city's new center for real estate development in the residential and corporate segments. The surroundings are showing signs of increased population density – characterized by new high-end residential buildings and condominiums, favoring the future construction of a multi-use project close to the mall, comprising residential and commercial buildings, as well as a hotel complex.

Demand

- There is currently only one mall in the region, greatly benefiting the development of this project.
- A and B income-group consumers in regions such as Jatiúca and Ponta Verde currently go to high-quality stores located in small shopping galleries or tiny up-market street concentrations in these neighborhoods, seeking the kind of niche outlets they cannot find in Iguatemi mall.
- The potential target public will be concentrated in the A and B income groups (22%), as well as the C group (41%), which dominate the project's area of influence, remembering that consumers in the secondary area and part of the primary one have higher spending power and the general mix of operations should therefore be in line with this profile.

Site

- Site covering almost 200,000 sq.m..

Mall structure and store mix

- The project will use the most advanced architectural concepts, uniting the expertise of two of the largest companies in the shopping mall segment, Multiplan and Aliansce.
- Initially, the mix will comprise 50% anchor stores and 50% satellite stores, in addition to multiplex movie theaters, plus large entertainment areas and food halls.

High Expected Returns

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

- The cost of the project (capex) is based on the estimated construction cost of satellite, anchor and food stores, mall, rest rooms, parking lot and service outlets. These estimates were evaluated by the company's technical department. For the purpose of evaluating project capex, these costs are not reduced by key money revenue.

- Net operating revenue was estimated based on different rents per sq.m. 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.

- Utilizing 10-year cash flows, with real annual growth of 2% after the fifth year and perpetuity with equal growth after the end of the period, the projects should generate an unleveraged nominal rate of return of more than 20% p.a.

Figures are subject to review and are designed to give a preliminary view of the project only. The Company expects to present the approved figures jointly with its 4Q07 results on March 24, 2008.

Project	GLA	% Multiplan	CAPEX	Key Money	NOI 1st year	NOI 3rd year
Shopping Maceió	36,000 sq.m.	50%	R$ 165 million	R$ 22 million	R$ 19 million	R$ 25 million